



Electrolux Sustainability 2015

IN BRIEF



Electrolux vision is to be the best
appliance company as measured
by our customers, employees
and shareholders

To achieve our vision, in 2015 we developed our sustainability approach “For the Better”. It sets out how we strive for Better solutions, Better operations and a Better society. Read this report for insights into our aspirations, the nine promises we’ll deliver on, and our performance over the year.

For more detail and comprehensive performance data please go to our Sustainability and GRI report at electroluxgroup.com/annualreports/2015/en/sustainability



CONTENT

Sustainability at the core	4
Macro drivers shape our future	6
Focusing the materiality lens	8
Electrolux nine promises	10
Delivering on our promises	12
Reducing impacts along the value chain	16
2015 Highlights	20
2015 Results	21
Performance and progress	22

AWARDS AND RECOGNITION

The Group's sustainability performance helps attract and strengthens relations with investors. Over the last year, our commitment to sustainability was recognized by:

DOW JONES SUSTAINABILITY WORLD INDEX For the ninth consecutive year Electrolux has been named Industry Leader in the Household Durables category in the prestigious Dow Jones Sustainability World Index (DJSI World). Electrolux thereby ranks among the top 10% of the world's 2,500 largest companies for social and environmental performance.

ROBECOSAM Electrolux has been ranked Industry Leader Household Durables and received a Gold Class award in the RobecoSAM Sustainability Yearbook 2015.

CDP NORDIC CLIMATE DISCLOSURE LEADERSHIP INDEX For the fifth year, Electrolux has secured a position in this index, and was named Disclosure Leader. Electrolux is among the top 10% of the Nordic 260 companies taking part in the index.

GLOBAL REPTRAK100 Electrolux is included in the 2015 Reputation Institute listing of the most highly regarded global companies across 15 countries.

OTHER SOCIALLY RESPONSIBLE INVESTMENT INDICES

Electrolux is included in the universe of the following indices:

- oekom Prime Status
- Ethibel Sustainability Index Excellence Europe
- Global Compact 100
- Euronext Vigeo, Europe 120
- FTSE4Good Index Series

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Industry Leader 2015

CDP
Climate
Disclosure
Leader 2015

Corporate
Responsibility
Prime
awarded by
oekom research

For more information: electroluxgroup.com/sustainability

Sustainability at the core

In today's corporate world, you can't separate strategic business priorities and sustainability. Although Electrolux has been at the forefront of the agenda for two decades, there's still much more to accomplish. For us, 2015 was about making sustainability core to how we run our business.



JONAS SAMUELSON, CEO



Sustainability will have a central role in my tenure as CEO. It is an inevitable outcome of living our values and is proven to be a profitable direction for Electrolux.

We're proud to be recognized as a leader within our industry. To maintain our position, we must continue to raise our performance on everything from human rights to product performance, building trust with consumers, customers and employees.

Our sustainability approach, 'For the Better', focuses on striving for Better solutions, Better operations and a Better society.

In Europe, one of our most important markets, consumer interest in how products are made, how long they last,

and how they are disposed of is at an all-time high. So, in 2016 we're broadening our message - that product efficiency saves money - to one that is more holistic, including consumer-relevant messages on food freshness, fabric longevity and product durability.

We're taking bold action to reduce the impact of our products and operations. Our most efficient refrigerator consumes as little electricity as a 7-watt LED light bulb - unimaginable just a few years ago. We continue to reduce our own energy consumption and will also use more renewable energy. From the first quarter of 2016, 13 Electrolux manufacturing sites will only procure electricity from renewable sources.

To manage material resources in a smarter way, Electrolux is engaging in conversations with legislators at the EU level. As a buyer of materials, we can and do influence the market for recycled plastic. We are exploring ways to increase applications of such materials in more of our products.

I am proud to lead a company of people with a true affinity for sustainability - the enthusiasm for these issues is clear whenever I speak to employees. It's this commitment that will drive Electrolux forward to 2020, when we will demonstrate significant progress on our sustainability promises, and beyond. ■

Our sustainability approach has become even more visible in the last year. In 2015 we connected sustainability tighter to the company vision – to be the best appliance company in the world – and built ‘For the Better’, a communications platform for sustainability.



HENRIK SUNDSTRÖM, VP SUSTAINABILITY



In 2015, we completed alignment within the business strategy. We continued to make progress in many areas and our focus on the biggest challenge of our time – climate change – continues. We have cut our CO₂ impact by 27% compared to 2005, building momentum for our 50% Climate Target by 2020. We exceeded the 2015 target to reduce energy use in our operations by three percentage points, and will set new targets in this area.

The ‘For the Better’ platform is supported by improved systems to measure progress on our promises. The next step is to set targets in all remaining areas of our plan.

Our ambition is to take a leadership role in four areas: product efficiency, the use of post-consumer recycled materials, operational efficiency and the safe use of chemicals. Our increasing use of recycled materials, over 60% more in 2015 than 2014, shows our strengthened commitment to moving away from linear management of materials.

Customers continue to tune in to our sustainability ambition. The global green range of our most energy- and water-efficient products accounted for 20% of total units sold and 32% of gross profit for consumer products.

We also intend to intensify our scrutiny of the human rights impacts of

the materials we use, and in 2016 we will explore how we can further drive transparency throughout our supply chain.

Societal challenges cannot be solved alone, and that’s why partnerships are becoming increasingly important. Our 2015 agreement with shipping company Maersk Line is designed to improve performance and inspire others in the container shipping industry.

We know where Electrolux can make a difference. It’s now time to increase our efforts to reduce impacts and make sure our growth ambitions bring sustainable value to stakeholders everywhere. ■

Macro drivers shape our future

Breakthrough technologies, the emergence of a new, global middle class and the rise of megacities are among the major forces shaping the market for household appliances. These present great opportunities for us. Other drivers are challenges like climate change and resource constraints. To build competitive advantage as a sustainability leader, Electrolux focuses analysis on four main areas.

PEOPLE

The global middle class An increase from 1.8 billion in 2009 to 4.9 billion by 2030 is expected. Most growth will be in Asia, accounting for 66% of the global middle class by 2030.¹

An aging population Higher life expectancy and falling birth rates mean a bigger proportion of elderly people in most countries around the world. The share of people over 60 will increase from 12% globally in 2013 to 16% in 2030.²

Urbanization 60% of the world's population will live in urbanized areas by 2030 with developing countries accounting for up to 80% of this growth.

Urbanization creates opportunities for development of more sustainable living, but puts pressure on infrastructure and resources, especially energy.³

WHAT IT MEANS FOR US

- Increasing importance of emerging markets.
- New competitors.
- Growing importance of the silver-haired consumer group.
- More smaller households.
- Potential for new business models, e.g. shared ownership.

RESOURCES

Energy Economic growth boosts primary energy use, raising global energy consumption almost 25% by 2030.

In 2030, more than 80% of energy production will still come from fossil fuels, with most growth in non-OECD countries.⁴

Water Availability is already limited yet withdrawal is set to increase by as much as 40% by 2030. The world is likely to face a 40% global water deficit, with about one billion more people living in water-stressed areas by 2030.⁵

Raw materials Worldwide use of material resources is set to rise twofold by 2030.⁸ As the global middle class more than doubles in size by 2030, consumption will rise, driving up material costs and price volatility. Accessing new resource reserves will be more challenging and expensive.⁶

WHAT IT MEANS FOR US

- Continuing need to reduce energy use of household appliances.
- Pressure to reduce water consumption in areas with water scarcity.
- Competition for metals and minerals.
- Increasing risk of resource nationalism.
- Growing importance of circular economy.

ENVIRONMENT

Climate change Atmospheric concentration of carbon dioxide has increased from a pre-industrial level of 280 parts per million (ppm) to 400 ppm in 2014, raising global temperatures.

Continuing greenhouse gas emissions will cause further warming. Heatwaves may occur more often and last longer, and extreme precipitation events will become more intense and frequent in many regions. The oceans will continue to warm and acidify, and global sea levels will rise.⁷

Chemical pollutants Contamination from chemicals is a global problem. Releases of chemicals have increased across a range of industry sectors – a trend accelerating with expansion of the global middle class.

Persistent, bio-accumulative and toxic chemicals (PBTs) have emerged as an important environmental and health concern.⁸

WHAT IT MEANS FOR US

- Rising pressure to improve product energy efficiency and eliminate high impact greenhouse gases.
- Growing focus on chemicals in products.
- Lack of global harmonization in chemical legislation makes chemical management complex for product manufacturers.

TECHNOLOGY

Accelerating technology change Demographic, resource and environmental drivers spur new technology development, e.g. renewable energy and resource-efficient solutions. New technologies are scaled rapidly and globally, resulting in a broad uptake of efficient solutions at lower cost.

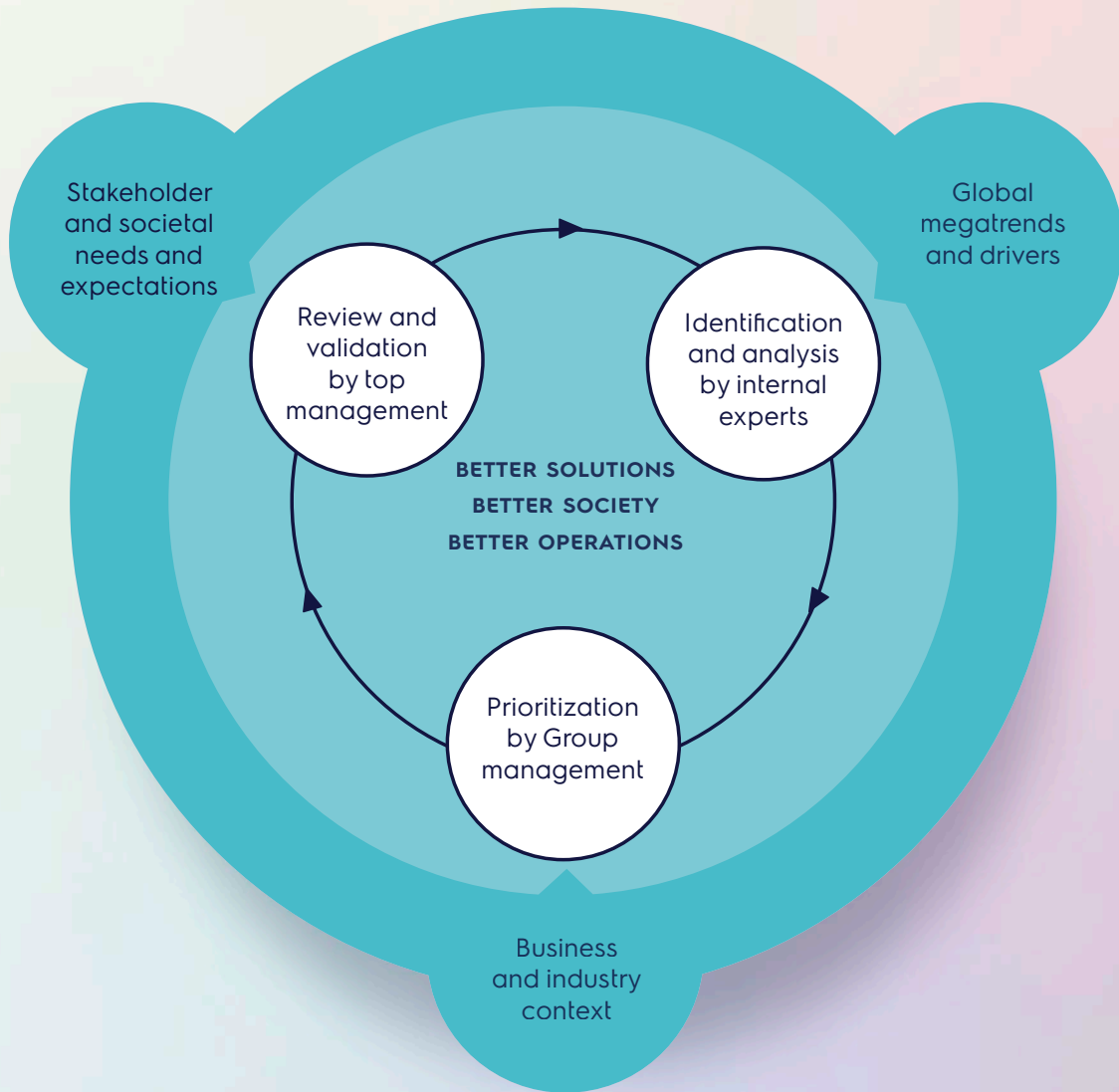
Connected people and things Products are becoming global and purchasing decisions are increasingly influenced by online information and social media.

Today, three-quarters of the global population has access to a mobile phone. By 2030, 50% will have access to the internet³ and in five years, 50 billion products will be connected via the Internet of Things (IoT).

WHAT IT MEANS FOR US

- Increasing consumer power, making communication and transparency more important.
- Continued trend to improve the environmental performance of appliances.
- IoT will enable online communication between producers and consumers, but increases risks around data privacy.
- Connectivity offers opportunities for efficiency gains and new business models.

UNIVERSE OF SUSTAINABILITY ISSUES



Our materiality process starts with a wide universe of 50 possible sustainability issues. These include topics relevant from a stakeholder and business perspective and reflect our impacts along the value chain. This process identified approximately 20 aspects as most relevant. These were further streamlined and clustered into 9 promises under Better solutions, Better operations and Better society.

Focusing the materiality lens

Through our materiality process and stakeholder engagement, we have pinpointed the most relevant topics for Electrolux to address.

For us, engaging in sustainability means aligning with the needs and expectations of our most important stakeholders - customers, consumers, employees and shareholders around the world.

Each year, many types of engagement take place to better understand stakeholder expectations, from our Electrolux Employee Engagement Survey, sustainability brand scorecard with consumers, to conversations with key customers and investors.

The relevance of sustainability issues is determined by using three criteria:

- The degree of impact caused by our activities along the value chain;
- How the issue impacts our business strategy; and
- How the issue might affect stakeholders' relationships with Electrolux.

Our process not only takes into account broader, long-term macro-drivers and emerging areas that affect the business landscape, we have also aligned our universe of issues (see diagram) with GRI-defined aspects to ensure transparent reporting.

An evolving agenda

Although many issues facing Electrolux remain the same over a long period, their importance changes over time. Areas where our analysis in 2015 pointed to an emerging area, or showed increased importance, include:

- **Climate change:** Game-changing business contribution to COP 21 agreement on the reduction of CO₂ emissions brought a renewed focus among all stakeholders.
- **Renewable energy:** Falling prices and increasing feasibility of a strong renewable energy strategy.
- **Waste of food resources:** Growing public and media concerns that a sizeable percentage of the world's resources meant for human consumption goes to waste.
- **Circular economy:** Engagement from business around circular principles in products and forthcoming EU legislation.
- **Human rights:** Emerging new standards and regulation, including the UNGP and conflict mineral legislation.
- **Responsible taxation:** Requests from investors for increased transparency on tax payments, and emerging legislation.

The new Sustainable Development Goals (SDGs) will also impact our response to global challenges, broadening the discussion among and between businesses, governments and civil society. In the future, they will help us align our work with the priorities of wider society. We will analyze this further in future materiality processes.

Electrolux nine promises

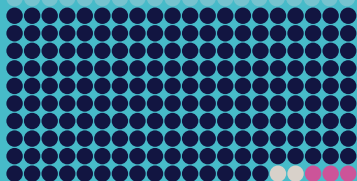
Sustainability leadership is crucial to realizing the Group's strategy. Electrolux can grow profitably while simultaneously contributing to society by making smarter and more resource-efficient solutions accessible to an increasing number of people around the world. The objective is to steadily become better at meeting people's needs and improving their daily lives in a sustainable way. The Group's sustainability priorities - our promises - target nine main areas that combined will contribute to: Better solutions, Better operations and a Better society.



HALVING THE CLIMATE IMPACT

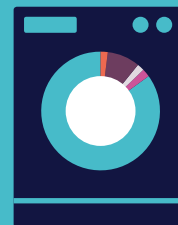
-50%
BY 2020

Electrolux can best contribute to remediating the climate change issue through its products. The Group is cutting its CO₂ impact by 50% by 2020 relative to 2005 levels. Approximately 25 million tonnes of CO₂-equivalents will be cut in emissions deriving from product use, from production and transportation as well as from the use of greenhouse gases. As of 2015, 14 million tonnes have been cut.



- Product use
- Manufacturing
- Transport

Average CO₂ impact during the lifetime of an appliance*



- Recycling, 1%
- Materials, 9%
- Manufacturing, 1%
- Transportation, 1%
- Product usage, 88%

* Calculated as the average of eleven different appliances.

Better solutions	Better operations	Better society
<p>Electrolux products enable consumers to live better lives while saving energy, water and resources.</p>	<p style="text-align: center;">Aspiration</p> <p>We constantly challenge ourselves to improve, through our operations and our people, making Electrolux safe, efficient and ethical.</p>	<p>Wherever we are in the world, Electrolux empowers consumers and suppliers and supports local communities.</p>
<p>Rising incomes around the world mean that the market for appliances is growing. To meet this demand without increasing our impact on the environment, we have to help shift the way our customers and consumers use resources – raw materials, water, and especially energy.</p>	<p style="text-align: center;">Case for action</p> <p>The impact we have on the world starts with us: what we do and how we treat others. That’s why we’re working to be part of the solution by saving energy and using less water. All of this is grounded in our strong business ethics and our commitment to human and labor rights.</p>	<p>As a multinational business, we touch the lives of millions of people – our customers, suppliers and local communities. We want our influence to be a positive one, working in partnership to meet local needs and drive improvement wherever we operate.</p>
<p>1. Electrolux will improve the energy and water performance of our appliances, raising the bar for product efficiency across the world.</p> <p>2. Electrolux will make better use of resources by using more recycled materials, helping to build the market for recycling.</p> <p>3. Electrolux will protect people and the environment by managing chemicals carefully and continuing to replace those that cause concern.</p>	<p style="text-align: center;">Our promises</p> <p>4. Electrolux will continue to reduce its environmental footprint by shifting to renewables and optimizing use of energy and other resources across operations.</p> <p>5. Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world.</p> <p>6. Electrolux will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics and human rights through our words and actions.</p>	<p>7. Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.</p> <p>8. Electrolux will make a positive difference in our local communities, focusing on important areas of social need.</p> <p>9. Electrolux will ensure that all suppliers live up to our high expectations, no matter where they are located, and we will support the transition to more sustainable practices.</p>

Delivering on our promises

Our nine sustainability promises are the springboard for Electrolux to make a difference between now and 2020. They cover all phases of the value chain - from R&D, suppliers through our own operations and consumer use, to the end of life of our products.



1

Constantly improve product performance & efficiency

The roadmap to 2020

- Be a leader in product efficiency in our most important markets by 2020.
- Continue to spend one-third of our R&D budget on sustainable innovation, including energy efficiency.
- Continue to grow the market for efficient products through marketing campaigns that highlight sustainability.

The most significant environmental impact occurs when energy is consumed during product use. That's why improving product efficiency is among the Group's top priorities.

Today, each major category has 2020 targets in place for its markets, as well as indicators to track progress. In 2015, the global green range of our most energy- and water-efficient products accounted for 20% of total units sold and 32% of gross profit for consumer products.

2

Make better use of resources

The roadmap to 2020

- Replace virgin materials with recycled materials in existing designs.
- Adapt product design to further increase the use of recycled material.
- Set a target for the volume of recycled plastics used in Electrolux products.

As the global middle class more than doubles in size by 2030, the demand for goods and services will rise – and our use of material resources will grow in response.

Plastic is fundamental for the design of affordable, durable appliances. Our use of recycled plastics is rising steadily – the amount of recycled plastic increased by 68% in a year in 2015. The total share of recycled plastics to virgin material is still low, although it is used more widely.

3

Eliminate harmful materials

The roadmap to 2020

- Implement a best-in-class global system for improving control of chemicals throughout our supply chain and work with suppliers to replace chemicals of concern.
- Raise the bar on chemicals requirements, taking into account new scientific findings.
- Eliminate high-impact greenhouse gases from our products.

We want consumers to feel reassured that Electrolux has a robust approach to choosing materials.

Through our global Chemicals Office, we are continually reassessing the chemicals used in our products, sharing best practice around the world and anticipating legal restrictions as well as customer requirements.

We're taking action to replace high-impact greenhouse gases (hydro fluorocarbons or HFCs) with lower impact alternatives. With the rise in sales of air conditioners, this is becoming especially important

4

Achieve more with less

The roadmap to 2020

- Improve energy efficiency of manufacturing sites and warehouses by 20% by 2020 (baseline 2015).
- Reduce water consumption in manufacturing by 5% every year in areas of water stress.
- Attain energy management certification for our operations across the world.
- Increase our use of renewable energy.

Running resource-efficient operations is an integral part of applying leading edge practices and a reflection of our values.

Ambitious targets have helped us reduce our CO₂ impact considerably. Energy consumption per unit produced has decreased by 18% over five years, exceeding our 2015 target by three percentage points. Had we maintained the same energy consumption levels as in 2005, Electrolux would pay SEK 400m per year more in energy costs.

5

Ensure the best health and safety

The roadmap to 2020

- Continue to reduce our global injury rate (TCIR) by at least 5% every year.
- Attain safety certification for our operations across the world.
- Integrate the Group's safety program into new acquisitions within three years of purchase.

We want everyone who works with us to be safe, healthy and bring their best to their role. Health and safety has long been fundamental to our foundational values.

We focus primarily on the safety of workers in production. Since 2005 our incident rate has declined by 72%. Our current TCIR of 0.9 compares favorably with well-known benchmarks.

The wellbeing of our people also affects our bottom line. Our strong focus on safety has led to an estimated cost saving of over SEK 300m in 2015 compared with 2005.

6

Always act ethically & respect human rights

The roadmap to 2020

- Develop a cohesive, group-wide program for our approach to human rights.
- Provide guidance to employees on how to do the right thing by promoting the Code of Conduct and Code of Ethics.
- Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.

A strong culture of ethics helps us avoid costs incurred from loss of stakeholder trust and from corruption. Additionally, our stakeholders, including customers and investors, expect it of us.

In 2015, we set up the Human Rights Reference Group, with representatives from across the company. We also launched more in-depth training campaigns on our Code of Conduct, on anti-corruption and on anti-trust policies.

7

Provide sustainable solutions for everyone

The roadmap to 2020

- To be defined.

Today, when people emerge from poverty, one of the first things they buy is a fridge. Appliances – from ovens to washing machines – can help enhance quality of life. At the same time, climate change and water scarcity will affect us all, and demand for natural resources will rise with the growth of the global middle class.

We have the opportunity to offer efficient, affordable solutions to emerging economies, extending the reach of our work on improved product efficiency to new consumers.

Electrolux has been providing efficient products to the growing middle class in markets such as Brazil for quite some time. We are participating in United for Efficiency, a UNEP-led project to develop recommendations on how emerging markets can 'leapfrog' to greater energy efficiency.

8

Be a force for good

The roadmap to 2020

- Establish a Group approach to social investment, focusing on a few strategic areas of need that fit with our business strategy.

Through our global reach and local presence, we have the opportunity to make a positive difference, benefitting our local communities, our employees and our business. This works best where we see a natural fit between the needs of the local community and our operations.

We are developing a group-aligned approach to social investment, engaging in dialogue across sectors, regions and functions and involving external partners. As part of the process, we are exploring relevant areas of engagement and developing criteria for investment.

We will develop our social investment program, targets and key performance indicators (KPIs) in 2016.

9

Improve sustainability in the supply chain

The roadmap to 2020

- Focus on our direct suppliers.
- Screen supplier candidates to check that their standards are in line with ours.
- Increase awareness and capabilities among our potential and existing suppliers.
- Improve the CO₂ efficiency of our transportation by 15% over five years.

Our responsible sourcing program has been ongoing since 2006. It supports sourcing decisions and training across the Group. In 2015, 255 Purchasers and 80 suppliers were trained and Electrolux joined the Conflict-Free Sourcing Initiative (CFSI).

Electrolux emits more CO₂ in distributing its goods than through the energy consumed in Group operations. Over five years, our efforts have resulted in a 30% CO₂ emissions reduction in our ocean transport.

Reducing impacts along the value chain



Looking at our sustainability approach through the lens of our value chain helps identify how we can best use our influence and create the greatest value. It makes it easier to identify opportunities, minimize impacts and understand boundaries. The value chain perspective also helps us recognize how actions and impacts are interconnected.

This illustration shows our degree of influence along the value chain and provides examples of the value we create. Our sustainability promises, our way of addressing key impacts, are indicated under each phase.

Electrolux ability to influence



R&D

Electrolux allocated SEK 3,210m (2,872m) to R&D, approximately one third of which is sustainability-related. Focus is on energy- and water-efficiency as well as use of materials.

ADDRESSING OUR IMPACTS

- Improve product performance & efficiency
- Eliminate harmful materials
- Provide sustainable solutions for everyone
- Achieve our climate target

GENERATING VALUE

Staying a step ahead of consumer needs on efficiency and sustainability characteristics delivers customer value and aligns with the business strategy.



Suppliers

Electrolux has over 3,000 direct suppliers. All must manage their performance in line with Group sustainability requirements. Focus is on building supplier capacity to maintain our high standards in risk countries.

ADDRESSING OUR IMPACTS

- Improve sustainability in the supply chain
- Achieve our climate target

GENERATING VALUE

Promoting universal norms supports human rights and raises environmental, labor and economic standards, especially in low-cost countries. It builds trust and reduces business and reputational risk.



Electrolux operations

Electrolux operations – impacting some 60,000 employees – is our core and must reflect the qualities of a sustainable business: ethical, efficient and safe.

ADDRESSING OUR IMPACTS

- Achieve more with less
- Ensure the best health and safety
- Act ethically & respect human rights
- Be a force for good
- Achieve our climate target

GENERATING VALUE

Communities benefit through jobs, knowledge transfer and economic opportunity. Electrolux benefits from enhanced competence development, wellbeing and talent retention through positive employee relationships.





Transport

Electrolux emits more CO₂ in transporting its goods than from the combined energy used in Group operations. About 330,000 tonnes derive from the distribution of our goods via ocean, land and air in Europe, North America and Brazil.

ADDRESSING OUR IMPACTS

- Achieve more with less
- Improve sustainability in the supply chain
- Achieve our climate target

GENERATING VALUE

We can use our purchasing power to support the trend towards more sustainable transport, and encourage our transport suppliers to engage in dialogue with others on how to further reduce their impacts.



Sales

Electrolux sells more than 60 million products in more than 150 countries every year, primarily through retailers. Together with energy and performance labeling, point of purchase communications is our bridge to consumer awareness on efficiency.

ADDRESSING OUR IMPACTS

- Improve product performance & efficiency
- Provide sustainable solutions for everyone
- Achieve our climate target

GENERATING VALUE

Working together to increase transparency and promote a sustainable product offering contributes to retailers' sustainability goals, strengthens brands and builds customer loyalty. An efficient product offering is a profitable strategy for Electrolux.



Consumer use

With the major impacts occurring during product use, product energy efficiency is among our top priorities. Refrigerator and freezer efficiency in Europe improved on average by 3% per year in the last three years.

ADDRESSING OUR IMPACTS

- Improve product performance & efficiency
- Provide sustainable solutions for everyone
- Achieve our climate target

GENERATING VALUE

Appliances deliver social benefits - especially in emerging markets. Providing efficient products to first-time consumers can help counter an increase in the global CO₂ footprint caused by increased consumption. Greater efficiency also saves energy costs.



End-of-life

Legislation on appliance recycling is being introduced in key markets. In Europe - the region with the most comprehensive legislation - 80% of major appliances has to be recovered (70% for small appliances).

ADDRESSING OUR IMPACTS

- Make better use of resources
- Eliminate harmful materials

GENERATING VALUE

Helping to move away from linear management of materials and building closed-loop systems. Saving money and energy and increasing brand trust through innovative designs that reuse materials.





The latest lineup in the Electrolux GREEN range.

GREEN boom in Europe

Unique for its high-performance and design, the Electrolux and AEG GREEN ranges of vacuum cleaners has better-for-the-environment features such as higher energy efficiency and containing 55-70% recycled plastics.

Consumers' attention on GREEN is on the rise. Sales volumes have doubled in a year in Germany and Austria. In the Nordic countries, which launched its first product in the series in 2008, the ranges have continued to climb. GREEN models represented 13% of the total volume, and 17% of the sold value in 2015.

In 2015, we achieved an endorsement of two products in the range by Germany's Blauer Engel, one of the most rigorous testing certification processes, considered among the most important badges of recognition for environmentally superior products.

Snapshots

"Renewed" commitment

By working systematically to improve energy efficiency, we've reached a point in many facilities where it makes sense to shift focus to renewables.

That's why between now and 2020, we will increase the use of renewable energy. Our group-wide commitment is led by 13 manufacturing sites in Sweden, Hungary, Romania, Poland, Italy and Germany, which will exclusively procure electricity powered by hydro, solar, wind or bio-mass as of 2016. Collectively, this is expected to reduce CO₂ emissions by 75,000 tons per year, which equates to 60% of our emissions in Europe and 20% of our total emissions in operations in 2015.

Over the last year, Electrolux headquarters in Sweden and the UK only procure electricity from renewable sources and we already have onsite energy generation at our sites in Vallenoncello and Forli, Italy.



Solar panel roof of the facility in Vallenoncello.



Partnering with UNEP to show the way towards more efficient appliances.

Electrolux joins U4E to promote high-efficiency appliances

The International Energy Agency's 2012 Energy Outlook report confirms energy efficiency can provide as much as 50% of the abatement the world needs to keep climate change to two degrees. As a manufacturer, our challenge is to meet the growing need for our products by deploying energy-efficient technologies affordably.

This requires policy frameworks and incentives across the globe, and joint efforts among companies, policy makers and organizations.

That's why Electrolux has joined United for Efficiency (U4E) a public-private partnership led by the United Nations Environment Programme. U4E helps governments in emerging markets develop and implement national and regional strategies for improved energy efficiency.

Electrolux is supporting the initiative with know-how, including data and insights into energy labelling, and how to effectively manage redundant appliances.

Tailored training on the Code of Conduct

Our Code of Conduct outlines our high standards of labor and environmental practices, human rights and business ethics. It's vital that our actions reflect these standards wherever we operate in the world, and that our expectations for meeting these standards are understood by all employees.

In 2015, we launched a Code of Conduct training program across our operations to raise awareness of the responsibilities every employee carries to meet our expectations, and the rights they can expect in return.

By the end of 2015, over 10,000 employees had completed our e-learning module, offered to office-based staff. Employees in production receive training through workshops and face-to-face meetings. The rollout will continue worldwide in 2016.



Code of Conduct training within arm's reach.

2015 Highlights

20%

Green Range products accounted for 20% of total sold units.

27%

27% reduction towards the 2020 50% CO₂ target.

0.9

Global case incident rate (TCIR) at 0.9-72% less than 2005.

400

SEK 400m of energy costs saved in operations.

427

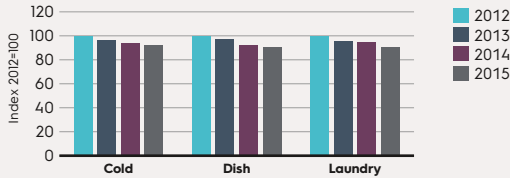
427 supplier audits completed in five continents.

>10k

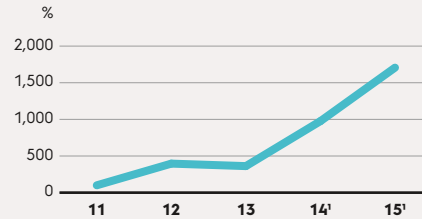
More than 10,000 employees received on-line training in our Code of Conduct.

2015 Results

EMEA Fleet Average

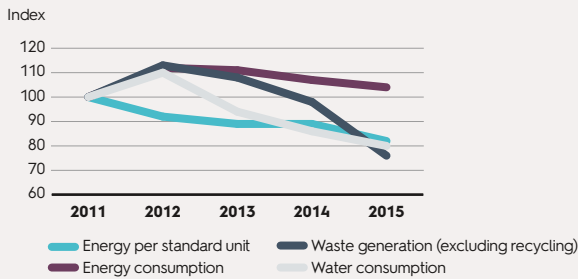


Recycled material development

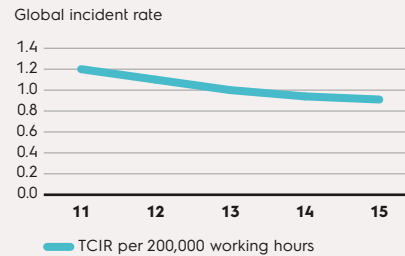


1) Covering both Small and Major Appliances

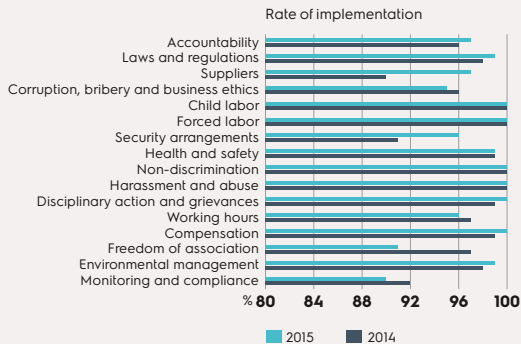
Operational resource efficiency



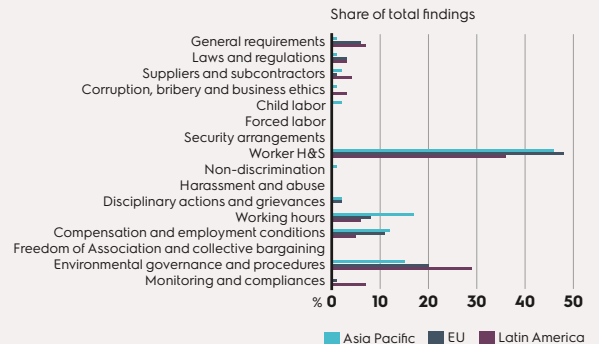
Health and Safety development



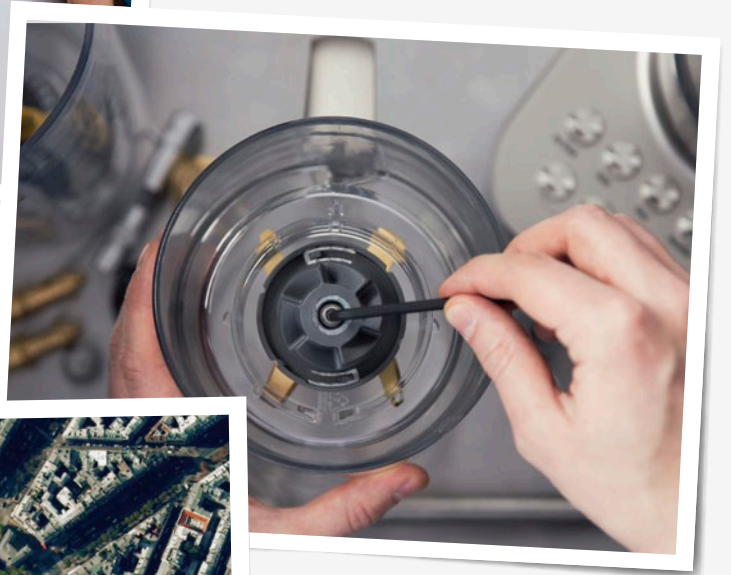
Code of conduct compliance assessments



Responsible sourcing findings



Performance and progress



OUR PROMISES

We aim to make significant progress on our nine sustainability promises by 2020. The 2015 status of our journey is summarized in the following pages, together with a short description of the next steps of the roadmap.

1 Constantly improve product performance & efficiency

OUR PROMISE Electrolux will improve the energy and water performance of our appliances, raising the bar for product efficiency across the world.

THE ROADMAP TO 2020	NEXT STEPS	
Be a leader in product efficiency in our most important markets by 2020.	Preparing for energy labeling and raised energy efficiency standards in the US and Brazil, and for Professional.	●
Continue to focus on sustainable innovation, including energy efficiency.	Further integration in product R&D.	●
Continue to grow the market for efficient products through marketing campaigns that highlight sustainability.	‘For the better’ consumer engagement campaign to drive uptake of efficient solutions.	●

2 Make better use of resources

OUR PROMISE Electrolux will make better use of resources by using more recycled materials, helping to build the market for recycling.

THE ROADMAP TO 2020	NEXT STEPS	
Replace virgin materials with recycled materials in existing designs.	<ul style="list-style-type: none"> Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions. 	●
Adapt product design to further increase the use of recycled material.	<ul style="list-style-type: none"> Explore and adapt design for recycled material use. Assess possibilities for increasing the share of recycled materials in already approved applications. Assess new components. 	◐
Set a target for the volume of recycled plastics used in Electrolux products.	Assess potential for recycled materials in all sectors and relevant product lines.	○

- On track to achieving this objective
- ◐ Additional effort is required in order to achieve this objective
- Off track to achieving this objective
- Work towards this objective has not yet begun

OUR PROMISES

3 Eliminate harmful materials

OUR PROMISE Electrolux will protect people and the environment managing chemicals carefully and continuing to replace those that cause concern.

THE ROADMAP TO 2020	NEXT STEPS	
Implement a best-in-class global system for improving control of chemicals throughout our complex supply chain. Work with suppliers to replace chemicals of concern.	Complete implementation of Eco@web for Asia Pacific, Egypt, Small Appliances and Professional Food Service Equipment.	●
Raise the bar on chemicals requirements, taking into account new scientific findings.	Annual update of the Electrolux Restricted Materials List.	●
Eliminate all high-impact greenhouse gases from our products by 2020.	Phase-out for foam blowing agents and refrigerants in air conditioning, food preservation and fabric care globally by 2020.	ⓘ

4 Achieve more with less

OUR PROMISE Electrolux will continue to reduce its environmental footprint by shifting to renewables and optimizing use of energy and other resources across operations.

THE ROADMAP TO 2020	NEXT STEPS	
Improve energy efficiency of manufacturing sites and warehouses by 20% by 2020 (baseline 2015), engaging all facilities worldwide.	<ul style="list-style-type: none"> Continue to drive energy efficiency in operations through our Green Spirit certification process. Replace inefficient equipment with more efficient models. Improve and optimize use of existing manufacturing equipment. 	●
Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has implemented all feasible measures.	Continue to drive water management and replace inefficient equipment and processes with more efficient models.	●
Attain energy management certification for our operations across the world.	<ul style="list-style-type: none"> Ensure all manufacturing sites meet our own three-star certification system by 2018. Attain global certification for energy management according to ISO50001 by 2018. 	●
Increase our use of renewable energy to support the Climate Target 2020.	13 manufacturing sites in Sweden, Hungary, Poland, Italy and Germany will only procure electricity from renewable sources in 2016.	●

5 Ensure the best health and safety

OUR PROMISE Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world.

THE ROADMAP TO 2020	NEXT STEPS	
Continue to reduce our global injury rate (TCIR) by at least 5% every year.		ⓘ
Attain safety certification for our operations across the world.	To be aligned with the launch of new ISO45001 standards.	○
Integrate the Group's safety program into new acquisitions within three years of purchase.		●

6 Always act ethically & respect human rights

OUR PROMISE Electrolux will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics and human rights through our words and actions.

THE ROADMAP TO 2020	NEXT STEPS	
Develop a cohesive, group-wide program for our approach to human rights.	Develop our governance of human rights, including how we assess, manage and account for human rights risks and impacts, in 2016.	●
Provide guidance to employees on how to do the right thing by promoting the Code of Conduct and Code of Ethics.	<ul style="list-style-type: none"> Achieve global rollout of the Ethics at Electrolux program. In France, the last remaining major country, the plan is to launch the program in 2016. Continue the rollout of the Code of Conduct educational campaign, with the aim of reaching all employees in 2016. 	●
Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.	<ul style="list-style-type: none"> Measure the degree of employee trust in the Ethics Helpline, starting in 2016. Further develop our process for handling Ethics Helpline cases, through shared learning and common principles of integrity and confidentiality. 	●

OUR PROMISES

7 Provide sustainable solutions for everyone

OUR PROMISE Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.

THE ROADMAP TO 2020	NEXT STEPS	
· To be announced.	· To be announced.	

8 Be a force for good

OUR PROMISE Electrolux will make a positive difference in our local communities, focusing on important areas of social needs.

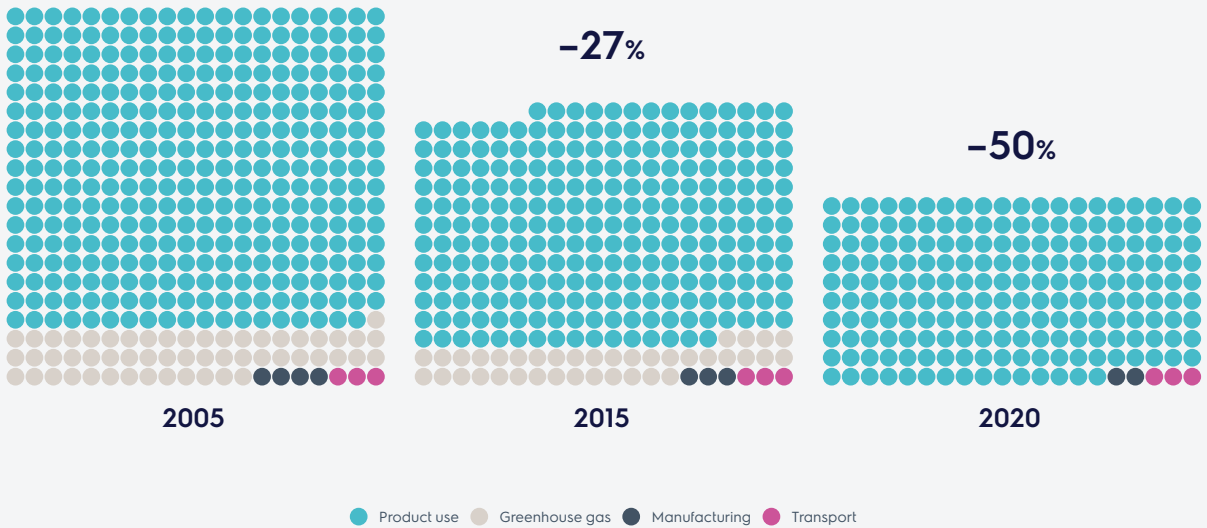
THE ROADMAP TO 2020	NEXT STEPS	
Establish a Group approach to social investment, focusing on a few strategic areas of need that fit with our business strategy.	<ul style="list-style-type: none"> · Announce a common platform for community initiatives. · Create a Group reporting system for social investment as of 2016. 	●

9 Improve sustainability in the supply chain

OUR PROMISE Electrolux will ensure that all suppliers live up to our high expectations, no matter where they are located, and we will support the transition to more sustainable practices.

THE ROADMAP TO 2020	NEXT STEPS	
Focus on our direct suppliers of components, finished goods and licensed products and services, and engage selectively further up the supply chain.	<ul style="list-style-type: none"> · Cover a larger regional scope including, Thailand and in North America. · Develop a program with manufacturers licensing the Electrolux brand. 	●
Screen supplier candidates to check their standards are in line with ours, and audit critical suppliers at least every second year.	<ul style="list-style-type: none"> · Introduce a new KPI on the number of re-audits that were completed within six months. · Speed up supplier improvements. 	●
Increase awareness and capabilities among our potential and existing suppliers through training and dialogue to help them improve their own sustainability performance, including energy and water management.	Track the energy-saving efforts of major OEM suppliers against set targets, and implement water reporting.	●
Through our power as a transport buyer, improve the CO ₂ efficiency of our transportation by 15% over five years, and increase our use of alternatives to road transportation, year on year.	<ul style="list-style-type: none"> · Begin the implementation of an environmental scorecard in the tendering process for dedicated transport services from 2016 onwards. · Proactively contribute to the BSR Clean Cargo initiative, which aims to improve the environmental performance of marine container transport. 	●

PROGRESS ON CUTTING OUR CO₂ IMPACT



The Group is cutting its CO₂ impact by 50% by 2020 relative to 2005 levels. Approximately 25 million tonnes of CO₂-equivalents will be cut in emissions deriving from product use, from production and transportation as well as from the use of high-impact greenhouse gases. As of 2015, 14 million tonnes of CO₂ have been cut.



About Electrolux

Electrolux is a global leader in home appliances and appliances for professional use. We offer thoughtfully designed, innovative and sustainable solutions. Under esteemed brands including Electrolux, AEG, Zanussi, Frigidaire and Electrolux Grand Cuisine, the Group sells more than 60 million products to customers in more than 150 countries every year. In 2015, Electrolux had sales of SEK 124 billion and about 58,000 employees.

electroluxgroup.com



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