

# Sustainability

*Great business leadership is about meeting today's needs and turning tomorrow's challenges into opportunities. For Electrolux it means growing sustainably with the highest integrity and the best environmental performance.*

## Growth

- Growing the market for more efficient appliances
- Integrity and efficiency build a sustainable business
- Collaboration along the value chain

Realizing sustainability objectives is core to achieving industry leadership. For Electrolux, the overarching aim of its sustainability work is to improve people's lives by understanding their evolving needs in a changing world and delivering smarter, more resource-efficient solutions.

In 2010, Electrolux launched the strategy to integrate sustainability more deeply into its business. Grounded by measurable targets, the strategy comprises three main areas: how product innovation and promotion take place, how the business is run, and how the company raises awareness of the issues that matter most to its industry and consumers.

## A measured approach

The strategy continues to deliver impressive results. Electrolux exceeded its energy-reduction target by 8 percentage points, a year ahead of schedule, saving more than SEK 300m annually in energy costs since 2005. The year's activities also focused on internal alignment to the strategy and launching the "Ethics at Electrolux" program. Future InSight, a platform for dialog, was set up to explore how Group contributions can make a difference to consumers, customers, employees, shareholders and the wider world.

The next steps include setting impact-reduction goals for energy, water and chemicals for all major product categories, and making a commitment to further enhance efficiency in operations.

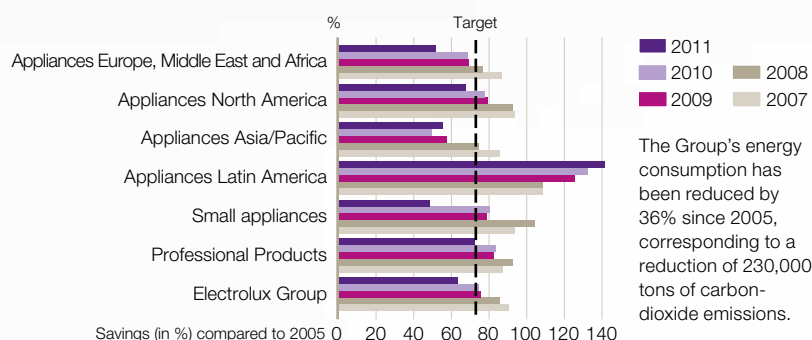
Sustainability leadership requires clarity of vision, global organizational alignment and commitment. Electrolux has demonstrated that it is up to the challenge. In 2011 and for the fifth consecutive year, Electrolux was recognized as leader in its industry sector in the prestigious Dow Jones Sustainability World Index (DJSI). Electrolux thereby ranks among the top 10% of the 2,500 largest companies for social and environmental performance.

## Products, services and markets

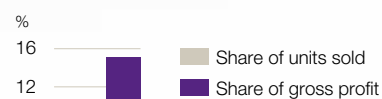
Electrolux is committed to making it easier for consumers to save energy and water by driving innovation and growing the market for appliances that are more efficient across the life cycle.

- The company aims to raise the bar on environmental performance of appliances and is setting long-term targets for reductions in energy, water and chemical use for products in all markets.
- Every business sector has a range of environmentally leading-edge products on offer. Sales of the Group's green ranges, the most energy- and water-efficient appliances, accounted for 7% of sold units and 15% of gross profit.
- Sustainable innovation is among the top four priorities of the R&D program. Criteria for inclusion in the green ranges were raised for laundry products in North America and food preservation in Europe.

## 2012 Energy-savings target



## Global Green Range



Consumer products with the best environmental performance accounted for 7% of total units sold and 15% of gross profit.

Succeeding in this business is about sustainably improving people's lives by bringing to market more efficient and affordable appliances.

**UN Global Compact**

Electrolux supports the UN Global Compact Ten Principles on human rights, labor, environment and anti-corruption. The Electrolux Code of Ethics, Workplace Code of Conduct, Policy on Bribery and Corruption and Environmental Policy are strongly aligned with these principles.



People and operations

Electrolux strives to continually improve its operations and way of doing business for the benefit of both people and the environment. Employees also play an active role in sustainability efforts. All employees are expected to adhere to the six guiding sustainability principles known as the “Electrolux foundation”, and achieving the targets set in the strategy depends on their commitment.

- The Group Ethics Program, including training and an ethics helpline, was rolled out, beginning with 8,100 employees in Latin America.
- The Group made progress on operational targets, and exceeded the 2012 energy-reduction goal of 28% by 8 percentage points. A new target of a further 3.5% energy reduction will form the basis for activities in 2012. Performance in 2011 was also in line with both the 2014 15% carbon-reduction target for transportation and the 20% water-reduction target.
- In terms of health and safety, the Group's objective for 2016 is to operate 25% of its plants at best practice levels for its industry. In 2011, the accident rate was reduced by 42% this year, thus taking the Group a few steps closer to realizing its vision of achieving accident-free facilities.

Stakeholders and society

Electrolux is strongly committed to dialog, raising awareness and building partnerships to reinforce trust in the company and develop sustainable solutions along the value chain.

- The company was named US Energy Star Partner of the Year for Appliances.
- Future InSight was launched, which is a strategy report and platform for dialog on the role Electrolux has in tackling global challenges and the opportunities that exist by doing so.
- The Group created partnerships with stakeholders across the value chain, for example, by engaging suppliers in the Group's energy-reduction activities and actively participating in the development of smart grid technology.

Read more in the comprehensive Sustainability Report based on GRI criteria, available in the online Annual Report.

