



**Shape living
for the better**

Sustainability in Brief 2022

Electrolux Group in brief

A global leader in household appliances

Sustainable consumer experience innovation is a key driver for long term profitable growth, enabling users to prepare great-tasting food, care for their clothes so they stay new for longer and achieve healthy wellbeing at home.

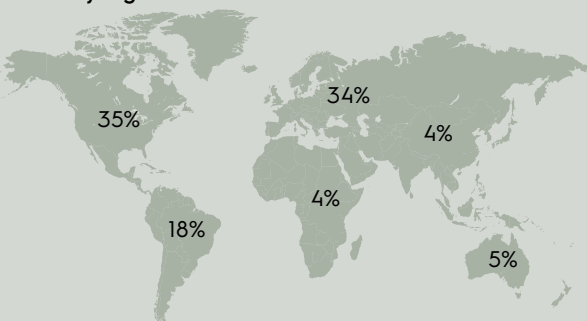
Profitable growth is also enabled by consistently increasing operational efficiency through digitalization, automation and modularization. Sustainability is an integral part of the Electrolux Group strategy. A solid balance sheet facilitates profitable growth.

The Electrolux Group headquarters are located in Stockholm, Sweden, and the Electrolux Group share is listed on Nasdaq Stockholm.

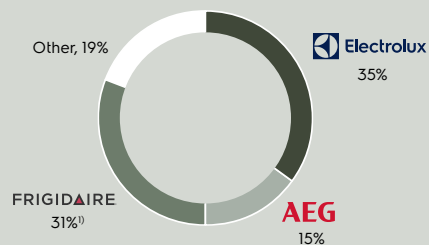


~60 million products sold annually in ~120 markets for a total of SEK 135bn in sales

Sales by region

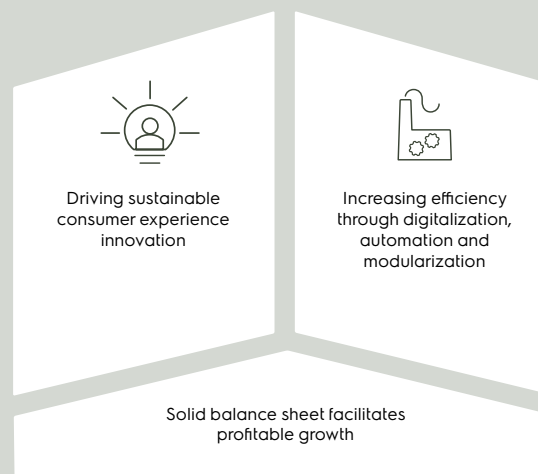


Sales by brand



¹⁾ Includes Frigidaire Gallery and Frigidaire Professional.

Strategy for profitable growth



Our three innovation areas

- Taste 64%** of sales
Product categories: Cookers, hobs, ovens, hoods, microwave ovens, refrigerators and freezers.
- Care 29%** of sales
Product categories: Washing machines, tumble dryers and dishwashers.
- Wellbeing 7%** of sales
Product categories: Vacuum cleaners, air-conditioning equipment, water heaters, heat pumps and small domestic appliances.



Contents

| | | | |
|---|----------|------------------------------------|-----------|
| Introduction | 2 | Our approach in action | 10 |
| Our sustainability framework | 4 | Toward 2030 | 18 |
| Key results 2022 | 6 | Additional information | 28 |
| Q&A with Jonas Samuelson and Vanessa Butani | 7 | Impacts throughout our value chain | 28 |
| Global megatrends that shape our business | 9 | Sustainability milestones | 29 |
| | | Awards and recognitions | 30 |

2022 in brief
 Electrolux Group has been committed to shaping living for the better for over 100 years and we're on a journey to become a truly sustainable company. In 2022, Electrolux Group was recognized in the Household Durables category in the Dow Jones Sustainability Index (DJSI) and by CDP.



Read the full story
 Download the Sustainability Report 2022.



“We’re working to make sure that everything we do takes us on a journey to become a truly sustainable company.”

Jonas Samuelson, CEO

“At Electrolux Group, sustainability isn’t an afterthought or an add on, it’s an integral part of our business.”

Vanessa Butani, VP Group Sustainability

Our sustainability framework

Our sustainability framework – For the Better 2030 – defines how we work to achieve Better Company, Better Solutions and Better Living with Goals for 2030, as well as our Climate Goals. It includes our most important sustainability issues and helps us strive toward our purpose to Shape living for the better.



Better Company

Our Better Company Goals

- Be climate neutral and drive clean and resource-efficient operations
- Act ethically, lead in diversity and respect human rights
- Drive supply chain sustainability

We work continuously to be more resource efficient, and become a safer and more ethical company – both in our own operations and throughout our value chain:

- We are reducing our footprint by running efficient operations all around the world.

- We will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics, diversity and human rights through our words and actions.
- Our products are to be made in the same way throughout our global supply chain – with respect for the people who made them and care for the environment



Better Solutions

Our Better Solutions Goals

- Lead in energy- and resource-efficient solutions
- Offer circular products and business solutions
- Eliminate harmful materials

Meeting the growing global market for household appliances without increasing environmental impact requires us to further optimize product performance and make better use of resources:

- We are creating more efficient, high-performance appliances that help consumers to live better lives, save money and reduce their environmental footprint

- We will proactively contribute toward the circular economy by integrating more recycled materials into our product platforms and a more circular approach into products and solutions.
- Our consumers can feel reassured that we manage chemicals carefully and replace those that cause concern.



Better Living

Our Better Living Goals

- Make healthy and sustainable eating the preferred choice
- Make clothes last twice as long with half the environmental impact
- Make the home a healthier place to thrive in, with half the carbon footprint

We aim to shape better and more sustainable living around the world by promoting better eating, better garment care and better home environments together with consumers and our partners:

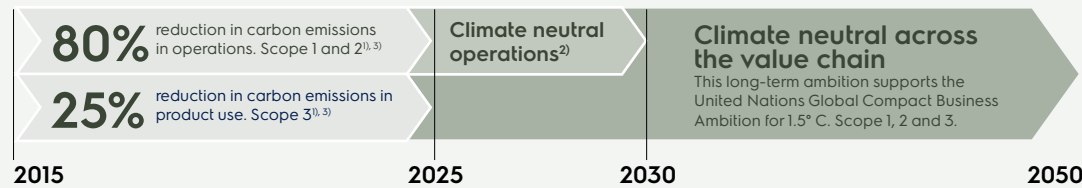
- By influencing how our products are used, we can reduce food waste, promote resource-efficient food choices and nutrition, as well as enhance healthy and sustainable eating experiences.

- We can further contribute to more sustainable laundry practices by incorporating innovative solutions that increase laundry efficiency and improve garment care.

Our climate neutrality roadmap

Our roadmap includes our science-based target that has been approved by the Science Based Targets initiative, and our For the Better 2030 climate neutral operations target. It also includes our commitment to contribute to the United Nations Global Compact Business ambition for 1.5°C by achieving a climate neutral value chain by 2050.²⁾

Targets:



The Group has had an approved science-based target in line with the Paris Agreement (COP 21), since 2018. To drive the internal focus on actions to reduce climate change within the Electrolux Group, a performance target is linked to the Group's science-based target, within the long-term share-related incentive programs for senior managers.

1. Science-based target (SBT)
2. Company target (Scope 1 + 2 = 0)
3. Includes contributions from energy use and greenhouse gas fugitive emissions.



Key results 2022



Better Company

98%

of electricity used in global operations from renewable sources.

124,000

people engaged on sustainable eating since 2016.

35%

of ocean cargo transported with more sustainable fuels.



Better Solutions

24/39

Our most energy and water-efficient products accounted for 24% of total units sold and 39% of gross profit.

70%

recycled plastic in the inner liners of our new built-in refrigerators.

4,000

components tested for chemical compliance.



Better Living

Fridge with Cooling 360

and ColdSense make ingredients last longer and help reduce food waste.

Millions reached

through global campaign on sustainable laundry.

First vac without paint

to reduce chemical use, energy and material impact.



Emission reductions in 2022

Scope 1 and 2^{1,2)}

82%

reduction compared to 2015

Scope 3¹⁾

>25%

reduction compared to 2015

1. Science-based target (SBT)

2. Includes contributions from energy use and greenhouse gas fugitive emissions.

Delivering on our sustainable business strategy

Jonas Samuelson, President and Chief Executive Officer, and Vanessa Butani, VP Group Sustainability, talk about achieving the Electrolux Group science-based climate target three years ahead of schedule, and how we managed challenges in 2022 to continue our work toward our For the Better 2030 Goals.

2022 was a challenging year for many businesses around the world. How was the Electrolux Group and its sustainability agenda affected?

Jonas: Following weakening demand for our products, we have had to prioritize our investments with a faster financial and sustainability payback and delay some investments with longer-term benefit. Despite this, it has also been an opportunity for us to focus on what truly matters – to pursue our sustainable company strategy.

Vanessa: Exactly, while we have recently taken measures to navigate our business through this challenging period, we maintain our ambitious sustainability objectives and our commitment to delivering on them. I am proud of the concrete results we have achieved.

What key progress was made during the year?

Jonas: It's fantastic that we have achieved our 2025 science-based climate target three years early by reducing our scope 1 and 2 emissions by 82% and our scope 3 emissions by more than 25% compared with 2015.

Vanessa: We are very proud to have achieved our target, and the next step is to define the details of our new science-based target moving forward.

How far has Electrolux Group come on its sustainability journey?

Jonas: We have made a lot of progress in recent years. We've really evolved how we look at sustainability in everything we do and how we enable consumers to live more sustainably. Sustainability has gone from focusing on meeting government regulations and product energy efficiency to being about who we are and how we win as a company – to become more relevant to our consumers and do the right thing. Sustainability, including both environmental and social aspects, is truly a core part of our strategy, performance follow-up and our transformation.

Vanessa: I agree, and I'd like to add that sustainability helps drive good business results – with the Group's most energy and water efficient products accounting for 24% of total units sold and 39% of gross profit in 2022.



“Sustainability helps drive good business results – with the Group’s most energy and water efficient products accounting for 24% of total units sold and 39% of gross profit in 2022.”

Vanessa Butani

What would you like to highlight in terms of your journey towards more sustainable manufacturing?

Vanessa: We continue our work towards efficiency and climate neutrality in our operations. For instance, we sourced 98% of the electricity used in our global operations from renewable sources in 2022. Another highlight during the year was that our Cerreto d'Esi factory in Italy became the first Electrolux Group plant to fully replace fossil fuels with renewable electricity in its manufacturing operations by ending the factory's use of natural gas. In 2022, 55% of our factories were also certified according to our Zero Waste to Landfill program.

What new solutions were launched in 2022 to help consumers live more sustainably?

Vanessa: Our built-in refrigerator range includes a new Ecometer that helps the consumer to make more energy efficient choices and inner liners that are made from 70% recycled plastic. We introduced refrigerator solutions such as Cooling 360 and ColdSense that make ingredients last longer and help reduce food waste. In laundry products, our new front-load washers save an average of over 450 liters of water per year compared with a top-load washer. In an industry first, we also launched a vacuum cleaner without paint to reduce chemical use, energy and material impact.

Jonas: Those products are great. In addition, we continue to nudge consumers to more sustainable behavior through various innovative product solutions. I'd like to mention our global campaign - Break the Pattern, which raised awareness among millions of consumers on the environmental impacts of "throw-away fashion" and how to make our clothes last longer.

How have employees been involved in sustainability during the year?

Jonas: Our people remain a crucial part of our sustainability work and it is essential that they remain engaged in what we're doing throughout the Group. We launched our first ever Group-wide Sustainability e-learning to further improve the knowledge of our colleagues and what they can do in their role at Electrolux Group.

Vanessa: I'd like to add that the results from our new employee survey - the Electrolux Group Employee Voice - highlighted some good progress on work-life balance and wellbeing as well as understanding of our Code of Conduct. The survey also highlighted good perceptions on our diversity and inclusion work in terms of equal opportunities, team inclusion, non-discrimination and belonging.

How important are partnerships to the Electrolux Group?

Jonas: In these challenging times, it is essential that we partner with like-minded organizations to pool our knowledge and resources to help drive and accelerate our sustainability work.

Vanessa: Partnerships are important to develop our circular business strategy and achieve our sustainable business strategy - from transportation and logistics to more sustainable materials and business models.

How does the climate reduction element to the long-term incentive program influence the company's climate work?

Jonas: Our long-term incentive program for our senior managers that is connected to our sustainability targets was a key contributor to our sustainability agenda during the year and our carbon emission reductions. The program will be important in delivering our sustainable business strategy going forward.

What are the Group's sustainability challenges in 2023?

Jonas: We will continue to follow our For the Better 2030 roadmaps, which ensure we have a holistic approach to sustainability throughout our value chain. We know how we're performing in all the areas and where we need to raise our game. Our status as a long-term signatory of the UN Global Compact remains important.

Vanessa: I believe that many of the themes we are working on will continue to be developed in 2023 - from our approach toward a more circular economy and supply chain sustainability, to developing more resource-efficient products and empowering consumers to live more sustainable lives. We are also planning to step up our work with climate action with a new science-based target.

How important are the Electrolux Group purpose, strategy and objectives to its sustainability work going forward?

Jonas: Sustainability is fundamental to our purpose to shape living for the better by promoting more sustainable living for millions of people around the world. By focusing on our purpose and sustainable strategy at this challenging time, I believe we contribute towards the long-term success of our business.

Vanessa: Our sustainability framework For the Better 2030 involves creating better operations and better solutions, while encouraging better living for consumers by enabling them to live more sustainably. It's important here to highlight the work of the Electrolux Food Foundation that has engaged with more than 124,000 people since 2016 to inspire more sustainable eating and support those in need.



"We've really evolved how we look at sustainability in everything we do and how we enable consumers to live more sustainably."

Jonas Samuelsson

Jonas Samuelsson

Vanessa Butani

Global megatrends that shape our business

The world in which we operate is constantly changing due to the influence of global megatrends, which create challenges for our business – as well as enormous opportunities. Our sustainability framework – For the Better 2030 – helps us manage these global megatrends, and ensures we contribute toward international sustainable development objectives including the UN Sustainable Development Goals.

Global megatrends

Implications for Electrolux Group

Demographics

Global demographic trends – such as population growth, the growing middle class, an aging population and urbanization – are increasing the demand for home appliances, which puts more pressure on energy and natural resources. According to the Brookings Institute, the global middle class is expected to increase by 700 million people by 2030¹⁾. Globalization and the growth of generation Z are leading to an increased focus on inequality in the world.

- Significant growth potential in emerging markets.
- Continued need to improve the environmental performance of products.
- Growing importance of older consumer groups and the increasing number of smaller households.
- Potential for new business models, e.g. shared ownership.
- Growing focus on the fair treatment of employees.

Resource and planetary boundaries

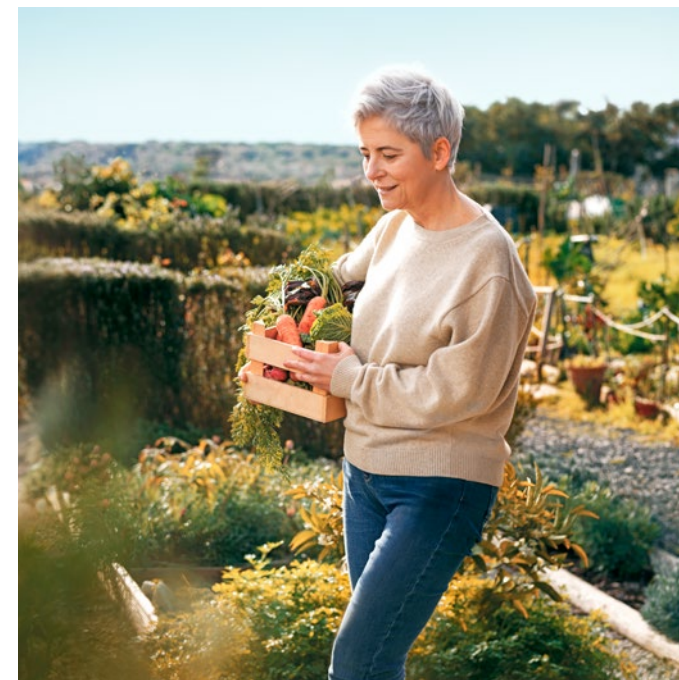
There is scientific evidence that humans are causing irreversible damage to the planet's fragile systems, and that there is an urgent need to reduce greenhouse gas emissions and adapt to a changing climate. There is also a pressing need for businesses to work within planetary boundaries by developing "circular business" models that promote resource efficiency, for example through services that offer product subscription, repair or take-back.

- Continued need to improve the environmental performance of products.
- Pressure to reduce water consumption in areas with water scarcity.
- Competition for metals and minerals.
- Growing importance of circular solutions.
- Expectations to go beyond chemical legislation.

Technology and digitalization

New technologies are scaled rapidly and globally, with purchasing decisions increasingly influenced by online information and social media. The Internet of Things (IoT) enables new business models and functionality through connected appliances.

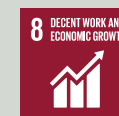
- Greater consumer empowerment and awareness requires transparency and sustainable business practices.
- Digitalization will drive the next wave of operational efficiency, including closer integration with suppliers.
- Connectivity offers opportunities for circular business models that result in better resource efficiency.
- IoT enables a lifelong relationship between producers and consumers but requires high standards of data security and privacy.



Electrolux Group and the UN Sustainable Development Goals (SDGs)

The SDGs provide the global community with a roadmap for how to combat global challenges related to economic, social and environmental sustainability. As a sustainability leader in the appliance industry, we believe that we can primarily contribute to SDGs 8, 12, 13 and 17, which are closely aligned with our sustainability framework – For the Better 2030.

The following pages in this report illustrate how we contribute toward sustainability and the SDGs through our actions.



No. 8 – Decent work and economic growth



No. 12 – Responsible consumption and production



No. 13 – Climate action



No. 17 – Partnership for the goals

¹⁾ The World's Middle Class (2020-2030), <https://elements.visualcapitalist.com/the-worlds-growing-middle-class-2020-2030/>

Our approach in action

The following case stories illustrate how we are working toward our nine For the Better 2030 Goals and our Climate Goals throughout our business.



Inspiring consumers to adopt more sustainable garment care

With clothing being thrown away after being worn just ten times on average¹⁾, Electrolux Group called on everyone to contribute toward more sustainable fashion in 2022.

The Atacama Desert in Chile receives over 39,000 metric tons of used garments from Europe, the US and Asia every year – transforming part of it into a garment graveyard.²⁾

As part of the Break the Pattern campaign, Electrolux Group partnered with eco-friendly Swedish fashion brand Rave Review to create a collection of garments made solely from clothes retrieved from the Atacama Desert. The campaign used the Atacama Collection to highlight the value of used garments and to encourage people to overcome their throw-away fashion habits.

Finding out the Truth About Laundry

Between December 2022 and January 2023, we polled 14,000 adults across 14 European countries as part of our latest edition of the Truth About Laundry report. This was the third consecutive year we have conducted the study, which tracks critical consumer attitudes and behavior related to the environment, such as washing temperatures and awareness of microplastics. The latest study also explored the relationship between rising energy costs and the implications on households and the planet.

The third Truth About Laundry report, which is available from April 2023, presents data by country and is analyzed through the lens of various demographics including age, gender, marital status, regionality and household composition. By exploring the data in this way, we are able to identify trends and opportunities to encourage more sustainable laundry practices. Since the first Truth About Laundry report in 2020, the report has become firmly established as the largest and most comprehensive study of its kind in the world.

Helping clothes last longer

“With a mission to make clothes last twice as long with half the environmental impact by 2030, we have long worked to develop solu-

tions that better care for garments while enabling people to use less energy and water when doing their laundry,” explains Elisa Stabon, CX Area Care Experience Development Director. “By taking small steps and making the best use of the technologies available, we can all keep our beloved garments for longer while contributing to more sustainable fashion.”

In 2022, Electrolux Group – under its premium brand AEG – revealed a new range of washing machines and tumble dryers that automatically adjust time, water, and energy usage. A new add-on filter catches up to 90% of microplastic fibers released by synthetic clothing.

Electrolux Group also expanded several technologies and solutions that help make garments feel new and fresh for longer – to contribute to more sustainable fashion.

For example:

- The “cushion-like” washing machine drum pattern for clothes to softly glide on combined with enhanced cycle functionality that provides significantly gentler fabric care to reduce wear and tear on garments.
- The UniversalDose solution and ColourCare washing machines enable excellent results with short washes and at low temperatures.
- The CycloneCare drier system with innovative 3DSense technology to prevent over drying, which helps retain the shape, look and feel of even delicate garments.

Less energy, water and detergent

By taking better care of our clothes, we can also reduce the environmental impact of our laundry behavior. Washing less and with full loads uses less energy, water and detergent, and switching from a 40 degree C to a 30 degree C wash reduces energy consumption by up to 30% – all while being easier on our garments and extending their lifespan.



And when garments really have reached their end of life and can't be repaired, upcycled or shared with friends or loved ones – remember to hand them over to a dedicated recycling company. We can change the fact that currently only 1% of textiles are recycled into new clothes globally!

¹⁾ Electrolux. The Truth About Laundry. Stockholm: Electrolux, 2021. https://admin.betterlivingprogram.com/wp-content/uploads/2021/02/Electrolux_TheTruthAboutLaundry_WhitePaper-1.pdf

²⁾ Ellen MacArthur Foundation. A new textiles economy: Redesigning fashion's future 2017. Isle Of Wight: Ellen MacArthur Foundation. <https://ellenmacarthurfoundation.org/a-new-textiles-economy>

Reimagining the kitchen for more sustainable eating



In 2022, Electrolux Group introduced GRO – a concept aimed at reinventing the kitchen by inspiring new products and solutions that enable people to enjoy food in a more sustainable way, for both their health and the planet.

Food is essential for maintaining our health, but it has a huge impact on our ecosystems around the world.

“GRO is a future concept that helps to inspire new products – today,” explains Nick Sakellariou, Senior Innovation Lead. “It helps to reimagine solutions and drive product innovation for more sustainable eating.” “Gro” means “to sprout” in Swedish.

The concept contributes toward this ambition by developing modular solutions that are powered by advanced sensors and Artificial Intelligence and based on behavioral science.

“GRO is about exploring how our products can contribute to more healthy and sustainable eating by considering their entire lifespan, their positive impact during the use phase as well as how we inspire better food choices,” says Sakellariou.

Driving innovation in the greener kitchen

Research shows that up to 60% of people throw away food at least once a week. The main reason is food passing the before due date, but food waste also occurs due to fresh food going off too quickly.

Electrolux Group is constantly innovating to develop new products that inspire more sustainable eating habits. For example, steam ovens that retain up to 90% of vitamin C in broccoli compared with boiling.

Electrolux Group – under its AEG brand – also launched its new range of food waste-saving fridges and freezers. This included the 7000 GreenZone/GreenZone+, a unique fridge with up to 70% recycled plastic in its inner liner walls, featuring crisper drawer that maintains the ideal humidity to preserve vitamins in vegetables for longer.

Electrolux Group, under its Frigidaire brand in North America, launched the SXS refrigerator in 2022. The product was awarded the #1 spot on reviewed.com for its high energy efficiency.

Induction technology, which allows more efficient surface cooking, was introduced in more ranges in Asia Pacific to promote the shift to more sustainable cooking.

Developing more sustainable appliance packaging

We are reducing the environmental impact of our packaging while ensuring that appliances are fully protected throughout their journey to the consumer.

The Electrolux Group global packaging working group is developing packaging that is both more sustainable and fulfils its primary function – to contain, protect and market products. In 2022, the team developed global procedures and tools that will consistently support the design and development of packaging solutions in all Electrolux Group product lines and business areas.

“The balance between packaging sustainability and functionality is complex,” says Maria Chiara Frijia, Sustainable Materials Innovation Expert working mainly with packaging. “We are looking into more sustainable packaging solutions that are cost-effective and provide excellent protection, while reducing environmental impact, promoting circularity and decreasing carbon emissions.”

Reimagining sustainable packaging for large appliances

The team first focused on replacing Expanded PolyStyrene (EPS) with paper-based materials but found that this actually increased environmental impact in some cases – such as for heavy and fragile products.

“Packaging large appliances with only paper-based materials requires a lot of cardboard and we found that the carbon footprint and the quantity of waste generated can actually be higher than with EPS,” explains Frijia. “Our demanding packaging simulations also concluded that paper-based materials alone did not sufficiently protect large appliances, especially in certain environmental conditions such as high humidity.”

The team is now working to integrate more recycled content into packaging materials without compromising the protection of appliances. This includes cardboard, EPS and polyethylene film with recycled content.

“Changing to new materials with recycled content involves rigorous testing and refining the material formulations to maintain their protective qualities,” says Frijia. “We are also re-designing our packaging to reduce the total amount of packaging we use as well as building a solid supply base and sourcing materials with a lower carbon footprint.”

More sustainable packaging for small appliances

Developing EPS-free paper-based packaging solutions for small appliances has proved easier due to their lower weight and smaller size. In 2022, Electrolux Group worked to develop more sustainable packaging for small appliances based on brown cardboard box packaging with a four-color print.

“The packaging uses over 70% less ink, includes Forest Stewardship Council (FSC) certification and has significantly reduced costs,” says Ella Rudebeck, Global Packaging Manager.

The team has also more than halved the number of packaging variations by using stickers to differentiate between different products in the same range. This helps to avoid waste packaging as the same box can be used for multiple products. The new packaging was launched in March 2023.

“We know that consumers want sustainable packaging that can be recycled,” says Rudebeck. “Shifting to more sustainable packaging will be a must in the future and means we keep ahead of any stricter legislation that may be introduced on non-sustainable packaging in the future.”



Electrolux Group's new packaging for small appliances has 70% less ink.

Making it easy for our employees to do the right thing

A new Code of Conduct campaign was launched in 2022 to nurture the company culture of respecting people and all basic human rights.

The Electrolux Group Code of Conduct was promoted during the year through an internal “Together Campaign” aimed at encouraging employees to act in accordance with the code. The campaign aimed to create a culture that employees can be proud of and included e-learning, town hall meetings and group exercises such as discussing theoretical dilemmas to raise awareness of important topics.

“There is a strong sense among our colleagues that Electrolux Group is a good and ethical company,” says Malin Ekefalk, Director of Social Responsibility and Community Investment. “We work constantly to uphold our ethical standards through communication, training and various follow-ups.”

“It’s about creating a company that each of us is proud to work for – where everything we do is guided by ethics and respect for each other,” says Monica Leinstedt, VP Labor Relations Ethics & Wellbeing. “Acting according to our Code of Conduct is everyone’s responsibility to create a speak-up culture and an inclusive environment.”

The Employee Voice employee survey in 2022 indicated a high level of Code of Conduct awareness among Electrolux Group employees. They rated their understanding of what the Code of Conduct means for them at 88 (average score on a scale of 1-100).

During 2022, face-to-face training sessions were conducted for employees who are most likely to face anti-trust risks. Specific in-depth trainings were also conducted with local leadership teams.

Instilling an ethical culture

Everyone wants to work for a company that stands up for people and does the right thing – even when doing the right thing is not the easy option. One of the company’s foundations for doing the right thing is its respect for human rights and being aligned with all the key international conventions and the UN Global Compact.

A sense of being a company with high ethical standards among employees leads to a culture where people act accordingly. “It’s a kind of virtuous circle: if we believe that we work in a company with

high ethical standards then we feel encouraged to act accordingly. And because we act accordingly, we create a more ethical company,” says Leinstedt.

“But this is an ongoing process, and we can’t be complacent,” says Ekefalk. “When it comes to respect for people, we need to continue our efforts to foster a culture where behavior towards others that falls short of our standards is dealt with.”

An example is how the Group introduces newly acquired businesses step-by-step to its values and standards for how to treat colleagues. The company also stresses the value of the diversity of new cultures and nationalities that these new members bring.

“I feel proud to work for a company that has respect for people at the heart of its culture. I think that’s what respect for people is really all about – continuously nurturing a culture that everyone can be proud to be a part of,” says Leinstedt.

Read more in our Goal Act ethically, lead in diversity and respect human rights.

88

employee rating of their understanding of what the Code of Conduct means for them. (Average score on a scale of 1-100).



Partnering to green our transport

Partnering with shipping, logistics and truck companies helps Electrolux Group to reduce the environmental impact of transporting its goods around the world.

The partnerships are driving Electrolux Group's efforts to halve its transport emissions by 2025. By the end of 2022, the company had reduced its transport emissions from land and sea transportation by 20% and 34% respectively since 2015.

Fueling shipping with waste cooking oil and cleaner LNG

Two new agreements with shipping companies Maersk and CMA-CGM to use more sustainable fuels improved CO₂ efficiency by 12% and absolute emissions by 20% in 2022.

The agreement with Maersk involves using a second-generation biofuel that includes used cooking oil and generates 85% (88%) less greenhouse gas emissions compared to bunker fuel. The CMA-CGM agreement uses a cleaner liquid natural gas (LNG) solution based on guarantee of origin biomethane that reduces greenhouse gas emissions by at least 25%.

Working toward zero emission vessels

In 2022, Electrolux Group joined the Cargo Owners for Zero Emission Vessels (coZEV) initiative together with 18 other companies, the Aspen Institute and climate-leading cargo owners. coZEV is a cargo owner-led platform for collaboration that enables maritime freight customers to come together and use their brand power and economies of scale to accelerate maritime decarbonization.

"By joining the coZEV network, we want to emphasize that we will continue to work collaboratively with the industry to achieve zero-emission maritime shipping," says Vanessa Butani, Head of Sustainability. "Meaningful partnerships with like-minded leaders from every sector who are dedicated to investing in innovative and impactful climate solutions are key to our success."

Collaborating on emission-free road transport

Electrolux Group has joined forces with commercial vehicle manufacturers to use some electric trucks in Sweden, Italy, Hungary and Germany. In Brazil, Argentina and Chile, Electrolux Latin America and its partners are rolling out long distance biogas trucks that reduce vehicle emissions by 90% compared with diesel trucks.

"By working with our transport and logistics partners, we have an exciting opportunity to make an impact," says Jonas Samuelson, Electrolux Group CEO. "We call on the rest of the heavy-duty transport industry to work with us to accelerate change in markets around the world."

Better business travel

In 2022, Electrolux Group launched a new approach to make global business travel more sustainable through guidance to avoid non-essential travel and reduce emissions by making carbon-efficient decisions with preferred partners. The approach also includes a "Better Travel" fee based on the emissions, which involves a price on carbon, from the flight booked to support things like biodiversity investments in sustainable aviation fuel.

20%

reduction in Electrolux Group's global emissions from land transportation in 2022.

Christian Levin,
CEO Scania and
Jonas Samuelson,
CEO Electrolux Group





Carla De Luca,
Senior Program Manager
Group Purchasing

Electrolux Group was the
only CDP member with a

100%

supplier response rate in
2022

(among 250+ customers
with over 150 suppliers
engaged)

Toward leadership in supply chain sustainability

A holistic approach based on value creation and engagement is driving sustainable procurement throughout the Electrolux Group supply chain.

“A fundamental part of our strategy is constantly raising the bar when it comes to labor, human rights, health and safety standards in our value chain together with our suppliers and partners,” says Ewerton Gruba, Director Global Responsible Sourcing. “A holistic approach covering both social and environmental topics in our value chain is essential for our business.”

In 2022, a Responsible Sourcing scoring model was implemented globally to be used in sourcing decisions that reward and promote good supplier performance on sustainability as well as to improve underperforming suppliers.

Promoting climate responsibility across the supply chain

“With company supply chain emissions being on average 12 times higher than operational emissions, we recognize that working with suppliers is vital to reducing our overall carbon footprint as we look to reach net-zero emissions throughout our value chain by 2050,” says Carla De Luca, Senior Program Manager Group Purchasing. “Our holistic approach to sustainable procurement ensures we take better informed decisions to make our company sustainability goals a reality.”

“In our supplier training sessions, we raise awareness that sustainability can actually leverage cost reductions, for example through energy and resource efficiency,” says De Luca. “Our value-based approach to purchasing takes a much broader perspective on value than just cost, which is both good for business and a more sustainable world.”

Suppliers have been encouraged to start measuring their carbon footprint, set emission reduction targets and start reducing their emissions, which promotes climate benefit as well as helps them to reduce costs.

“I am really proud of our suppliers who I have spent a lot of time engaging with to make sure they are on board with our sustainability approach,” says De Luca.

The importance of supplier engagement

Engaging and collaborating with suppliers has been key. In 2022, Electrolux Group was the only CDP member company in the world with a 100% supplier response rate (among 250+ customers with over 150 suppliers engaged).

“As companies have an average response rate of 65-70%, we have a clear advantage when we engage with our supply chain,” claims De Luca. “Collaboration is also important as it allows us to share best practice and build on all our expertise and experience – both within Electrolux Group and among our suppliers.”

Another example of collaboration is the supplier improvement program in Egypt in cooperation with the International Labor Organization (ILO). Five Electrolux Group material suppliers from Egypt participated in a three-month improvement and development journey as part of the ILO program SCORE – Sustaining Competitive and Responsible Enterprises. The program was led by industry experts and included practical training and an in-factory counselling program.

“I am convinced that the learnings from this project – everything from how improvement projects are managed and performed to achieve the best results, to actual identified best practices – can be documented and internalized within the Group,” says Jorgen Lisspers Karlsson, Manager Responsible Sourcing, Group Sustainably. “We will share the learnings in our future training sessions, instructions and internal development projects around the world.”

Driving global climate action

As a climate leader in its industry with the ambition for climate neutral operations by 2030 and a climate neutral value chain by 2050, Electrolux Group promotes international collaboration on climate action.

“We are working toward real emissions reduction throughout our value chain - from our suppliers and our own operations to the transport of our goods and the lifecycle use of our products,” explains Vanessa Butani, Head of Group Sustainability. In 2022, Electrolux Group reduced the emissions from its sold products (scope 3 emissions) by more than 25% compared to 2015 and its absolute Scope 1 and 2 greenhouse gas emissions direct and indirect in operations by 82% compared to 2015.

“But to achieve broader climate action, we are working proactively with various value chain partners and by collaborating on different international sustainability initiatives.”

Collaboration at UN events

In 2022, Electrolux Group participated in the United Nations Stockholm+50 event, which was 50 years on from the first United Nations Conference on the Human Environment in June 1972. The 27th United Nations Climate Change Conference, Conference of the Parties (COP27) in Sharm El Sheikh, Egypt, was the other major international climate meeting the Group was involved in during the year.

In 2022, Electrolux Group continued its plan that was submitted to the UN Cool Coalition initiative to accelerate the removal of F-gases from the production of new products and to introduce gases with reduced Global Warming Potential. The plan aims to replace high-impact greenhouse gases in all Electrolux Group appliances by 2023 at the latest.

Unique position to drive change through consumers

The UN meetings in 2022 provided Electrolux Group with opportunities to share experiences, bring consumers to the center of the conversation and forge partnerships with other sustainability leaders.

“With a long history of working with sustainability and climate issues, we have lots to say and plenty of achievements to highlight,” says Butani. “I feel we’re really unique with our solutions and how we drive positive change through consumers.”

Spotlight on sustainable food

The UN events highlighted the importance of creating a more sustainable food system with less waste, greater diversity, adaptation of regional diets, food justice and social food system goals.

“Together with our value chain partners working with food production and packaging, we can really contribute by influencing how consumers interact with food in their homes,” concludes Butani. “This is what we’re striving toward through the products and solutions we offer consumers. I believe we can become an even more important value chain partner in the sustainable food chain.”

To read more about how Electrolux Group is delivering the power of partnerships read the Case Story about the decarbonization of our ocean transport.



>25%

lower emissions from products sold compared with 2015

Vanessa Butani,
VP Group Sustainability



Better Company

Be climate neutral and drive clean and resource-efficient operations >

Act ethically, lead in diversity and respect human rights >

Drive supply chain sustainability >

Be climate neutral and drive clean and resource-efficient operations

| Our roadmap to 2030 | Next steps | |
|--|--|---|
| Reduce our CO ₂ footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030. | Continue to source and implement renewable energy at our sites to become climate neutral by 2030 (scope 1 & 2). | ● |
| Improve energy efficiency at our manufacturing sites and warehouses by an additional 12.5% by 2025 (2020 baseline). | Continue with the Green Spirit 2.0 certification and the energy management certification scheme. | ● |
| Improve water efficiency at our manufacturing sites by 25% by 2025 (2020 baseline) in potential water risk areas, until the site has reached optimal levels of efficiency. | Develop strategies for water efficiency based on the WWF Water Risk Filter with a focus on high-risk regions. | ● |
| Increase the proportion of renewable energy for our operations to 65% by 2025. | Continue to increase the proportion of electricity sourced from certified renewable sources. Continue to pilot biofuels and the electrification of processes and investigate the potential for PPAs. | ● |
| Waste to Landfill third-party certification for all plants by 2025. | Continue the certification process. | ● |

Challenges

- Following over a decade of prioritized investments with good payback periods, it is becoming increasingly challenging to realize continuous improvements in energy and water efficiency with acceptable payback periods.
- During the year, the coronavirus pandemic continued to be a challenge for our operations.
- Phasing out fossil fuels is a challenge in high temperature processes due to the lack of technical and economically viable alternatives.

Act ethically, lead in diversity and respect human rights

| Our roadmap to 2030 | Next steps | |
|---|--|---|
| Continue to build a Group-wide approach to human rights and ensure the strong management of human rights issues. | Continue to conduct local assessments and follow up assessment action plans. Further develop our approach to due diligence throughout the value chain. | ● |
| Drive a company culture based on ethics, integrity and respect by providing leadership that demonstrates and nurtures inclusion and accountability. This will foster an environment where people feel safe to speak up. | Engage leaders at all levels in activities to build an ethical culture. Ensure employees in all parts of the organization are educated on the Code of Conduct and relevant key policies. | ● |
| Take proactive measures to ensure that various elements of the global anti-corruption compliance program are effective in practice. | Align and improve corruption prevention efforts throughout the company through various methods. This includes the implementation of relevant policies and instructions, trainings, audits and internal inquiries. Emphasize the zero-tolerance message for bribery and corruption throughout the organization. | ● |
| Electrolux Group will be the leader on health and safety in the appliance industry, wherever we operate in the world. | Continue to reduce our accident frequency. Attain safety certifications for our manufacturing facilities. | ● |
| Electrolux Group is committed to continuously develop a work environment that enables sustainable performance where all employees can deliver at their best | Finalize work on developing and defining strategic objectives and KPIs for employee wellbeing. | ● |

Challenges

- Bridging different local cultures and practices in a global organization.
- Our most significant health and safety risks occur in our warehouses and technical departments, and when working with external contractors.

Drive supply chain sustainability

Our roadmap to 2030

Secure compliance to Electrolux Group principles among our direct suppliers of components, finished goods, licensed products and services. Engage in high-priority geographies and topics further up the supply chain.

Ensure transparency in mineral and material supply chains from high-risk areas, working toward a conflict-free supply chain by 2025.

Drive the environmental performance of all strategic suppliers on key metrics, aiming at helping them become climate neutral by 2030 – toward a carbon neutral supply chain by 2050.

Build partnerships with suppliers of all categories to contribute toward the Electrolux Group sustainability priorities.

Halve our transport emissions by 2025.

Next steps

Leverage our new sourcing strategy and organization to increase the coverage of our supply base, and create engagement on both sides – to drive supplier performance through dedicated supplier improvement projects.

Continue to improve supplier response rate in our annual surveys and promote a conflict-free supply chain.

Increase the proportion of suppliers that commit to reporting to CDP. Initiate cooperation with suppliers on water risks.

Expand the usage of supplier management tools for our main suppliers, set improvement targets and launch pilots at selected key suppliers. Continue work to integrate sustainability performance into supplier evaluations.

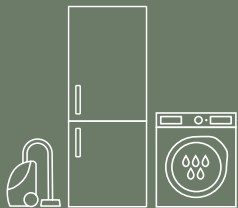
Continue to increase the use of renewable fuels and promote the electrification of road transport. Continue the implementation of environmental scorecards in the tendering process for dedicated transport services. Collaborate with logistic partners to share/discuss best practice and implement initiatives to reduce transport emissions.

Challenges

- Ensuring high sustainability performance throughout our value chain beyond direct suppliers.
- Adopting a collaborative approach with industry peers to bring about greater positive change among our shared suppliers.
- Assessing and monitoring our 1,700+ direct suppliers.
- Suppliers lacking access to renewable energy and more sustainable modes of transport struggle to meet our low-carbon objectives.
- Local politics and differences in work culture can be obstacles to working with sustainability topics.

● On track ● Additional effort is required ● Off track ○ Work has not yet begun





Better Solutions

Lead in energy- and resource-efficient solutions >

Offer circular products and business solutions >

Eliminate harmful materials >

Lead in energy and resource-efficient solutions

Our roadmap to 2030

Be a leader in product efficiency for key categories and markets by 2030.

Continue to develop products with good environmental performance, with a focus on energy and water efficiency.

Continue to drive the market for efficient products by integrating sustainability into the Group's brands.

Next steps

Continue to deliver more efficient products to meet new stringent energy efficiency standards in the EU and Brazil.

Continue to integrate environmental performance processes into R&D and product planning.

Use our global influence to inspire and educate consumers on more sustainable living globally.

Challenges

- Consumer awareness of the benefits of using more efficient products – particularly in markets without energy labels.
- With already high product efficiency in Europe, the cost of further product improvements increases while new efficiency savings are more difficult to achieve.
- Various energy efficiency standards around the world make it difficult to apply worldwide best practice.
- Global data management complexity.

Offer circular products and business solutions

Our roadmap to 2030

Where possible replace virgin materials with recycled materials in our products.

Increase the proportion of recycled plastic we use to 50% by 2030.

Reduce the carbon footprint of steel in our production, for example by increasing the amount of scrap-based steel.

Identify and evaluate relevant circular business models that can be scaled up.

Next steps

Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions. Create roadmaps with milestones on how to achieve our 2030 targets.

Focus on purchasing and R&D efforts to enable the introduction of recycled plastic in more applications. Improve and develop our communication around products made from recycled material. Add more aesthetic applications.

Continue to leverage experience from North America in other regions and identify suppliers of scrap-based steel outside North America. Develop a roadmap to source steel with lower carbon footprint including exploring opportunities with steel made with hydrogen rather than coal.

We will continue to identify and evaluate initiatives, and scale up the most successful.

Challenges

- Securing consistent, traceable, safe and high-quality recycled raw materials in sufficient volumes.
- Ensuring recycled materials are incorporated into new product platforms.
- Optimizing product lifespan in a way that benefits the consumer, Electrolux Group and the environment.
- Finding more sustainable packaging solutions that protect products.

Overcoming these challenges requires strategic partnerships with partners throughout the value chain. Partnerships are also sometimes required to create circular business models that create common value for Electrolux Group and its partners.

Eliminate harmful materials

Our roadmap to 2030

Implement a best-in-class global system for improving the control of chemicals throughout our complex supply chain and work with suppliers to replace chemicals of concern.

Raise the bar on chemical requirements, taking into account new scientific findings.

Eliminate high-impact greenhouse gases from our products.

Next steps

Improve the coverage of supplier declarations of chemicals throughout our regions. ●

Update of Restricted Material List ●

Continue to phase-out high-impact greenhouse gases in air conditioning, food preservation and fabric care globally. ●

Challenges

- Driving the phase-out of chemicals where it is not supported by regulation.
- Completing the substitution of hydrofluorocarbons (HFCs) in air conditioners, where there are no common industry solutions available.
- Replacing high-impact greenhouse gases needs to be driven industry-wide as solutions are dependent on legislation to enable viable alternatives.

● On track ● Additional effort is required ● Off track ○ Work has not yet begun





Better Living

Make healthy and sustainable eating the preferred choice >

Make clothes last twice as long with half the environmental impact >

Make the home a healthier place to thrive in, with half the carbon footprint >

Make healthy and sustainable eating the preferred choice

| Our roadmap to 2030 | Next steps |
|---|--|
| Launch enhanced food preservation solutions that help reduce food waste and ensure food quality. | We will continue to innovate and develop new products and solutions that help consumers reduce food waste and ensure food quality. ● |
| Provide consumers with functionalities that help them make more efficient use of food resources during cooking. | Intuitive functionality for consumers is a key R&D innovation area going forward. ● |
| Launch product solutions that help to enhance the experience of eating sustainably and inspire better eating habits through providing practical support and advice. | We are continuously launching new solutions that promote consumer experience in the area of healthier and more sustainable eating. ● |
| Partnerships with food experts on food and food waste to advance knowledge and inspire people around the world. | We will continue to develop our existing partnerships and investigate new partnering opportunities. ● |
| Inspire people to eat healthier and more sustainably through the Electrolux Food Foundation - including educating 300,000 people on sustainable eating by 2030. | Continue our work with the Electrolux Food Foundation and its partners. ● |

Challenges

- Changing the well-established cooking and eating habits of consumers.
- Although we have a presence in many markets, we lack the reach in some geographies to help those in need.

Make clothes last twice as long with half the environmental impact

| Our roadmap to 2030 | Next steps |
|---|--|
| Help consumers maximize the life of their clothes and help them better care for their clothes in general. | Continue to deliver products, solutions and campaigns that help consumers take better care of their clothes. ● |
| Reduce environmental impact during garment care. | Continue to develop products that enable consumers to make their garments stay fresher for longer. ● |

Challenges

- Reaching consumers with new information and changing long-standing outdated consumer laundry habits.
- Increasing the uptake of new innovations in solutions that provide opportunities for consumers to practice more sustainable laundry care.

Make the home a healthier place to thrive in, with half the carbon footprint

Our roadmap to 2030

Inspire better home care habits by providing solutions that actively guide consumers toward more sustainable habits in caring for their home.

Work to increase awareness of issues around air and water hygiene, to ensure that solutions are effective and broadly accessible.

Continue to provide innovation that makes it possible for consumers to reduce environmental impact during usage – to bridge the gap between the need for comfort and care for the planet.

Next steps

Further develop solutions that enable and inspire consumers to more sustainable home care habits. ●

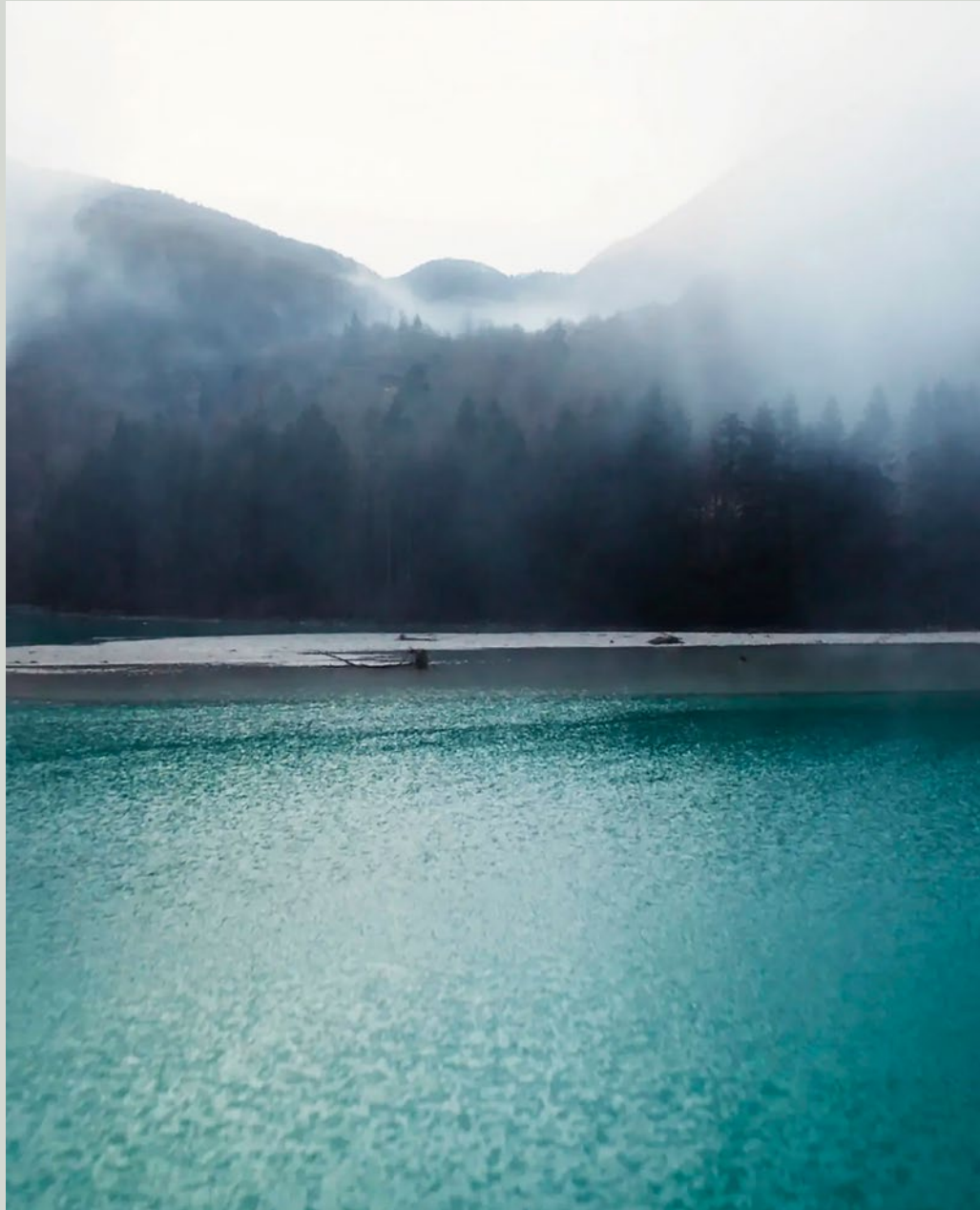
We will continue to raise awareness of air and water hygiene issues. We will continue to leverage cross-industry collaboration within the “wellbeing” product context. ●

We will continue to innovate to enable consumers to reduce their environmental impact. We will strengthen partnerships with our suppliers to ensure a common drive toward reduced environmental impact. ●

Challenges

- Connecting with end consumers may require a technological and even legal evolution in some markets.
- Increasing the adoption of new innovations in more sustainable heating and cooling technology solutions in markets with limited ambitions.





Our Climate Goals

By the end of 2022, we reduced our absolute scope 1 and 2 greenhouse gas emissions by 82% compared to 2015 – which actually exceeded our 80% reduction target by 2025. Our science-based target scope 3 emissions also decreased by more than 25% compared to 2015. Our progress in 2022 was helped by external factors such as geopolitical challenges, supply chain issues and reduced volumes.

Our roadmap to 2030

Read more in the related goals

| | | |
|--|---|--|
| Be a leader in product efficiency in our most important markets. | ● | Lead in energy- and resource-efficient solutions |
| Eliminate high-impact greenhouse gases from our products. | ● | Eliminate harmful materials |
| Improve efficiency throughout our operations and supply chain. | ● | Be climate neutral and drive clean and resource-efficient operations |
| Increase the proportion of renewable energy for our operations to 65% by 2025. | ● | Be climate neutral and drive clean and resource-efficient operations |

Challenges

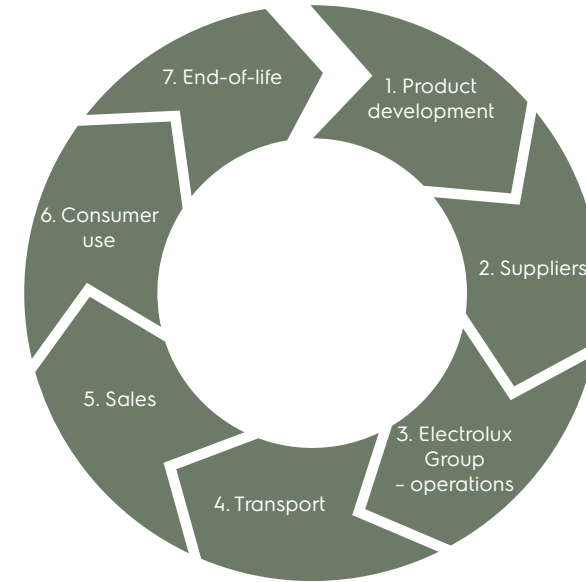
- Consumer awareness of the benefits of using more efficient products – particularly in markets without energy labels.
- With already high product efficiency in Europe, the cost of further product improvements increases while new efficiency savings are more difficult to achieve.
- Various energy-efficiency standards around the world make it difficult to apply worldwide best practice.
- Global data management complexity.
- Driving the phase-out of chemicals where it is not supported by regulation.
- Completing the substitution of HFCs in air conditioners, where there are no common industry solutions available.
- Replacing high-impact greenhouse gases needs to be driven industry-wide as solutions are dependent on legislation to enable viable alternatives.
- Following over a decade of prioritized investments with good payback periods, it is becoming increasingly challenging to realize continuous improvements in energy and water efficiency with acceptable payback periods.
- During the year, the coronavirus pandemic continued to be a challenge for our operations.
- Phasing out fossil fuels is a challenge in high-temperature processes due to the lack of technical and economically viable alternatives.

● On track ● Additional effort is required ● Off track ○ Work has not yet begun

Impacts throughout our value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create optimal value. This approach makes it easier to identify opportunities, minimize or enhance impacts, and understand boundaries. It also helps us understand how our actions and impacts are interrelated.

The illustration to the right represents the Electrolux Group value chain. The following section illustrates our degree of influence and impact along our value chain and provides examples of the value we create.



| | Creating value | Ability to influence | Impact |
|--|---|----------------------|--------|
| 1. Product development Close collaboration between Design, Marketing and R&D enables new products to offer best-in-class consumer experiences, and leading environmental performance. | Products with leading environmental performance deliver customer value in line with our business strategy, while reducing negative impact on the environment. | High | High |
| 2. Suppliers Working with suppliers safeguards our standards and develops supplier capacities to further improve sustainability performance. | Enforcing our standards supports human rights and raises environmental, labor and economic standards – particularly in emerging markets. | Medium | Medium |
| 3. Electrolux Group operations We work to reduce the environmental footprint of our operations, maintain high ethical standards and working conditions, as well as to have a positive impact in local communities. | We create societal benefit by providing jobs, knowledge transfer, economic opportunities and local community engagement. | High | Medium |
| 4. Transport More CO ₂ is emitted transporting our goods than through our total operational energy use. | Addressing transportation emissions contributes toward our climate targets and supports suppliers in their work to improve their environmental and labor standards. | Medium | Medium |

| | Creating value | Ability to influence | Impact |
|--|---|----------------------|--------|
| 5. Sales Energy and performance labeling, and sustainability communication allow us to raise consumer awareness of resource and product efficiency. | Promoting transparency, our efficient product offering contributes to retailer sustainability goals and more sustainable consumer choices. | Low | High |
| 6. Consumer use As the main environmental impacts of our products occur during their use, product energy and water efficiency is a top priority. | Providing efficient products, raising consumer awareness and increasing appliance connectivity can help counter rising global CO ₂ emissions, while reducing food waste and the wear of clothes. | Low | High |
| 7. End-of-life Legislation on appliance recycling is increasingly being introduced into markets, and our market research indicates that recycling is a top priority for consumers. | Building resource-efficient and closed-loop systems improves material reuse and diverts waste from landfill. | Low | Medium |

Sustainability milestones

1991

First Environmental Policy.

1999

First time Electrolux Group is included in the Dow Jones Sustainability Index as the sustainability leader in its industry.

2003

Electrolux Group joined the UN Global Compact.

2011

Ethics Helpline was launched.

2016

Electrolux Food Foundation established and the Feed the Planet partnership with Worldchefs and AIESEC launched.

2021

Electrolux Group was recognized for its sustainability leadership with a prestigious A score for its actions on Climate and Water as well as a Supplier Engagement Leader by the global non-profit CDP.

1995

First Environmental Report

2002

Formalized corporate social responsibility commitments and implemented the Workplace Code of Conduct.

2004

Implemented the Electrolux Group Restricted Materials List.

2014

Carbon target to halve our climate impact by 2021 compared with 2005.

2018

One of the first 100 companies with a science-based target approved to meet the Paris Climate Agreement's ambition.



Awards and recognitions

Electrolux Group's sustainability performance helps strengthen relations with new and existing investors and consumers. Last year, our commitment to sustainability was recognized by:



CDP Climate & Water

In 2022, we were recognized for our sustainability leadership with a score of A- for both Climate and Water by the global non-profit CDP. CDP is an international non-profit that runs a global disclosure system for investors, companies, cities, states and regions.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Dow Jones Sustainability World Index

Electrolux Group is recognized as a sustainability leader in the Dow Jones Sustainability Index (DJSI) World and Europe in the consumer durables industry.

Sustainability Yearbook
Member 2022

S&P Global

S&P Global

We were recognised by S&P as a company committed to sustainability in our industry.

In order to be listed in the Yearbook, companies must score within the top 15% of their industry and must achieve an S&P Global ESG Score within 30% of their industry's top-performing company. S&P Global CSA scores are also the basis for including companies in the prestigious global Dow Jones Sustainability Indices (DJSI). Electrolux Group is a member of DJSI World.

Electrolux Group is honored to be included in this year's #SPG-SustainableYearbook. [▶ Learn more about how we earned this distinction.](#)



