



# Shape living for the better

Sustainability Report 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.

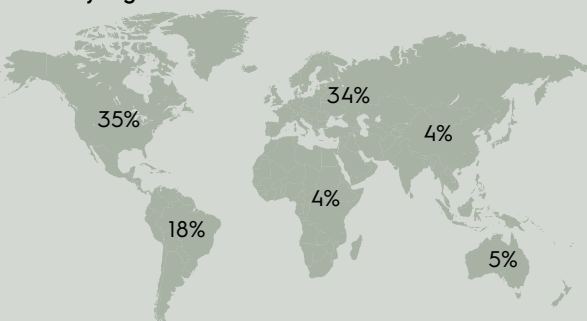
Profitable growth is also enabled by consistently increasing operational efficiency through digitalization, automation and modularization. Sustainability is an integral part of the Electrolux Group strategy. A solid balance sheet facilitates profitable growth.

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

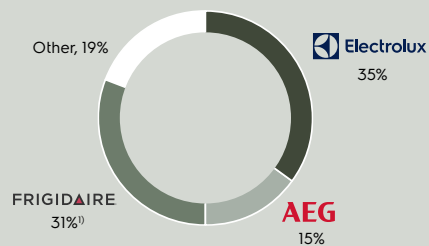


~60 million products sold annually in ~120 markets for a total of SEK 135bn in sales

## Sales by region

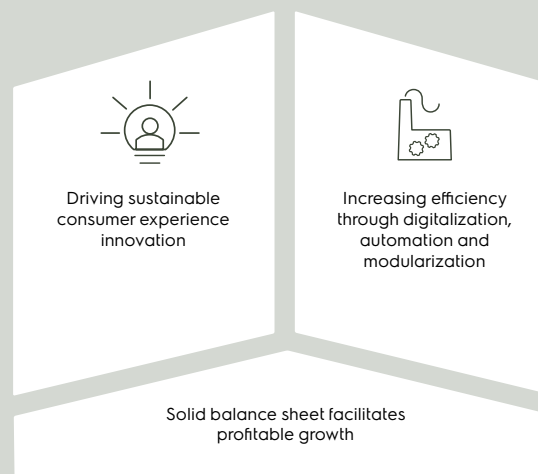


## Sales by brand



<sup>1)</sup> 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.

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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 of the Dow Jones Sustainability Index (DJSI) and received a score of A- for Climate and Water from CDP.



### Sustainability Report

This is our full Sustainability Report 2022. It contains detailed reporting of our sustainability approach and our progress in 2022. The report is aimed at sustainability analysts, investors and other stakeholders who require detailed sustainability information about Electrolux Group.

### Sustainability in Brief

This is a summary of our sustainability progress and achievements in 2022. The summary is aimed at anyone interested in our sustainability work during the year. Sustainability in Brief 2022 is available both as a downloadable PDF and a printed version. ▶ [Download the Sustainability in Brief 2022.](#)

### Annual Report

The Annual Report for AB Electrolux (publ), 556009-4178, includes our sustainability information that is required by Swedish law and the EU Taxonomy. ▶ [See pages 56-66 in the Annual Report for our legal sustainability reporting.](#) [Download the Annual Report.](#)

### Sustainability on the Electrolux Group website

▶ [Visit www.electroluxgroup.com/sustainability](http://www.electroluxgroup.com/sustainability) for information about how we work with sustainability.

### Sustainability recognition

▶ [See page 91 for our awards and recognitions during 2022.](#)



Member of  
**Dow Jones  
Sustainability Indices**  
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# 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

Be climate neutral and drive clean and resource-efficient operations

Act ethically, lead in diversity and respect human rights

Drive supply chain sustainability



## Better Solutions

Lead in energy- and resource-efficient solutions

Offer circular products and business solutions

Eliminate harmful materials



## Better Living

Make healthy and sustainable eating the preferred choice

Make clothes last twice as long with half the environmental impact

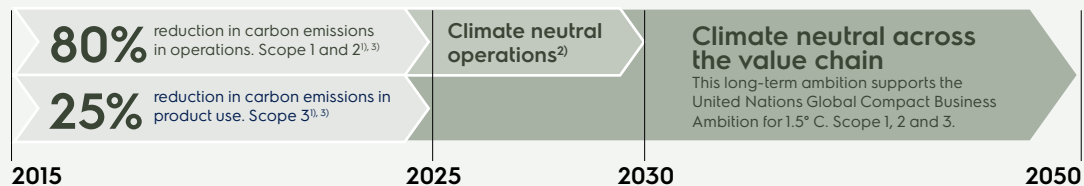
Make the home a healthier place to thrive in, with half the carbon footprint



## 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.<sup>2</sup>

### 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
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<sup>1,2)</sup>

### 82%

reduction compared to 2015

Scope 3<sup>1)</sup>

### >25%

reduction compared to 2015

1. Science-based target

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



**"It's fantastic that we have achieved our 2025 science-based climate target three years early."**

*Jonas Samuelson, CEO*

**"We maintain our ambitious sustainability objectives and our commitment to delivering on them."**

*Vanessa Butani, VP Group Sustainability*

# 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 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 targets 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.

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

**Vanessa:** We continue our work toward 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'Esè 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



**“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



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. Another great solution launched during the year was our microplastic filter to capture microplastics to avoid them ending up in wastewater systems and potentially the environment. 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 the fact that 88% of our employees understand what our Code of Conduct means for them. 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 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. Partnerships can also give us an impetus to find new ways forward.

**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. I believe such partnerships will create great business opportunities for us in the years ahead.

#### 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. I believe that the program will be important in delivering our sustainable business strategy going forward as it helps us to focus on the most important areas.

#### What are the Group's sustainability challenges in 2023 and beyond?

**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 a cornerstone of our sustainability work.

**Vanessa:** I believe that many of the themes we are working on will continue to be developed in 2023 – from our approach toward circularity 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.

In addition, we will further strengthen our sustainability reporting with improved data quality and internal processes to cater for the latest legislation in the EU and elsewhere, such as the Corporate Sustainability Reporting Directive (CSRD). This will involve the Electrolux Group Board working more with sustainability.

We have various issues to overcome in our sustainability work going forward, but we are up for the challenge!

#### 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 toward 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



# 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

Electrolux Group will continue to reduce its environmental footprint by shifting to renewables, and optimizing the use of energy and other resources throughout its operations. We aim to have climate neutral operations by 2030.

## The case for action

We aim to run resource-efficient operations and phase out fossil fuels as an integral part of our work by applying industry-leading practices. This reflects our values and what we stand for as a company – being part of the solution is important for both our employees and consumers.

Electricity accounts for 60% of the total energy we use. The remainder is produced from fossil fuels, mainly natural gas used in processes such as high-temperature enamel paint ovens and for space heating.

[▶ Read about our approach to this Goal.](#)

## Our progress on this Goal

Electrolux Group is in the final stage of executing SEK 8 bn of re-engineering investments, which are focusing on the modularization and automation of six production facilities in Europe and the Americas. These investments are significantly reducing our climate footprint.

## Operational resource efficiency

In 2022, our energy used per unit produced increased by 3.5% compared with the previous year. This was due to lower production

volumes despite our continued focus on energy management. Our absolute energy consumption decreased by almost 10%.

We are also implementing technology roadmaps, which will help us to move faster toward even more lean operations.

Our internal Green Spirit program, including our rating and certification system, continues to be crucial in driving resource efficiency. In 2022, 86% of our facilities achieved top ratings – either Gold or Platinum.

In 2023, we will start to implement Green Spirit 2.0. The updated program will draw on best practices and criteria to support our journey toward climate neutral operations through digitalization, process excellence and electrification.

## Energy and climate

Energy efficiency and the shift toward renewable energy drives our efforts to reduce the climate impact of our operations. During the year, we started to develop our new science-based climate target. [▶ Read more in our Climate Goals on page 46.](#)

In 2022, we developed a plan for the phase out of fossil fuels for space heating and developed a roadmap to switch from fossil fuels to renewable fuels or electrification in our manufacturing processes.

## 2022 HIGHLIGHTS

- 82% reduction of carbon emissions for scope 1 and 2 (2015 baseline), surpassing our 2025 science-based climate target.
- 55% of Electrolux Group plants were certified according to our Zero Waste to Landfill program by the end of 2022.
- 98% of our electricity came from renewable sources.

### Energy efficiency

In 2022, we made good progress on decreasing the environmental footprint of our operations. This included reducing our emissions from energy use in manufacturing, warehouses and offices by 18% compared with 2021<sup>1)</sup>. Over this period, the Group's revenue has increased, which illustrates that Electrolux Group has successfully decoupled revenue growth from CO<sub>2</sub> emissions.

### Energy management systems

In 2022, we continued to implement the ISO 50001 energy management system at our manufacturing sites (excluding recently acquired/launched plants). At the end of 2022, 89% of our factories were ISO 50001 certified.

### Renewable energy

The shift to renewable energy, together with energy efficiency, has contributed toward an absolute reduction of our CO<sub>2</sub> emissions in operations as previously mentioned.

In 2022, the proportion of our total energy and electricity derived from renewable sources was 59% and 98% respectively. We continued to increase our own renewable energy generation capacity through the installation of on-site solar photovoltaic systems with new systems installed during the year. Electrolux Group has sites with solar photovoltaic systems in Italy, Thailand, Australia, China, South Africa and Sweden. We are also looking into the potential for solar power purchase agreements (PPAs) both on and off Electrolux Group sites. Our ambition is to start our first PPA in 2023.

### Water

We have improved our water efficiency by 39% compared to 2015. The result was driven by good water management practices in our manufacturing sites around the world.

In 2022, we reviewed and updated the WWF Water Risk Filter at all our plants. The update gave us a better understanding of water risks for all our operations and helped us to set tougher water saving requirements in high-risk regions. It also helped to integrate local stakeholder actions on water into our operations.

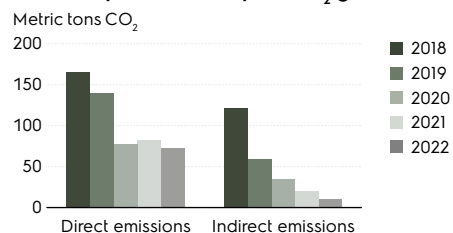
Some of our plants recycle process water and some are already closed loop in terms of reusing process water. We are currently investigating opportunities in several other facilities. We also use harvested rainwater in some manufacturing processes in Thailand, Brazil and Australia.

### CDP – Climate and 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.

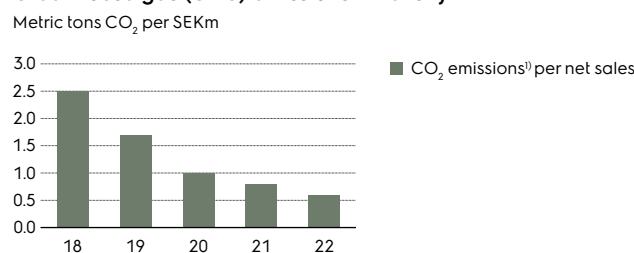
<sup>1)</sup> Since 2015, we have reduced these emissions by more than 79% (this figure differs from our science-based target fulfillment (82%) as we exclude fugitive emissions).

### Total Scope 1<sup>1)</sup> and Scope 2 CO<sub>2</sub> gas emissions by weight



<sup>1)</sup> Scope 1 and 2 emissions, including contributions from energy use and greenhouse gas fugitive emissions.

### Greenhouse gas (GHG) emissions<sup>1)</sup> intensity



<sup>1)</sup> Scope 1 and 2 emissions, including contributions from energy use and greenhouse gas fugitive emissions.



We sourced 98% of our total electricity from renewable sources during the year.

### Energy consumption within the organization (MWh)

Year	Oil	Coal	Natural gas	LPG	District heating	District cooling	Steam	Electricity	Renewables	Total
2022	1,252	0	339,810	27,395	8,648	1,616	0	11,157	555,462	945,341
2021	1,848	0	387,696	34,083	9,659	1,468	45	31,376	581,226	1,047,399
2020	1,732	0	355,699	17,209	7,649	1,200	68	65,294	501,034	949,885
2019	1,787	0	365,646	9,744	10,109	1,591	208	132,200	453,751	975,036
2018	1,827	0	391,699	10,766	10,628	1,960	209	311,813	298,665	1,027,567

### Waste directed to disposal (metric ktons)<sup>1)</sup>

Year	Waste Disposed <sup>2)</sup>	Waste-to-Energy	Waste Recovered <sup>3)</sup>	Hazardous Waste Amount (in each group)	Waste Not Included in Zero Waste to Landfill Project
2022	3.7	3.2	148	2.4	14.1
2021	4.6	4.0	166	2.4	7.0
2020	4.5	4.5	149	2.3	4.2
2019	5.7	7.7	150	3.1	2.7
2018	8.5	6.6	159	2.8	4.7

<sup>1)</sup> The reported amount relates to own activities. Waste data is collected quarterly according to 20 different waste types in our on-line tool.

<sup>2)</sup> Waste to landfill and incinerated without energy recovery

<sup>3)</sup> Except waste-to-energy

Our Zero Waste to Landfill Program currently covers finished goods factories that have implemented the program.

## Waste

### Zero Waste to Landfill program

More than 98% of the total waste produced at our manufacturing sites was either reused or recovered in 2022 – and 55% of our factories are now “Zero Waste to Landfill” certified – toward our target of certifying all our manufacturing sites by 2025. The program is verified by a third party according to our own standard.

During 2022, seven additional factories were certified to our Zero Waste to Landfill program. This means that by the end of the year, a total of 18 factories were certified in Argentina, Australia, Brazil, Chile, Egypt, Italy, Mexico, Poland and the USA. By implementing the Electrolux Group Zero Waste to Landfill program at each of our factories, we are gradually reducing the amount of waste we send to landfill.

### e-waste

In 2022, local participation agreements to the global Master Services Agreement with the recycling partner for unwanted IT equipment were signed in eight countries. In five of these countries, more than 3,700 pieces of unwanted IT equipment with a combined weight of 9,000 kg was reused, repaired or properly recycled and diverted from being e-waste sent to landfill or incineration. The roll-out of the program will continue in 2023 – to establish processes to collect unwanted IT equipment from our operations in more countries.

## Water withdrawal

### Total water withdrawal from all areas in megaliters<sup>1)</sup>

Year	Fresh surface water	Ground water – renewable	Rainwater	Wastewater from other organizations	Third-party sources – Municipal water	Total water withdrawal
2022	56	2,509	2	0	1,100	3,670
2021	108	2,350	1	0	1,244	3,703
2020	56	1,979	4	0	1,158	3,197
2019	73	2,592	5	0	1,356	4,026
2018	48	2,554	6	0	1,465	4,073

### Total water withdrawal from all areas with water risk in megaliters<sup>1), 2)</sup>

Year	Fresh surface water	Ground water – renewable	Rainwater	Wastewater from other organizations	Third-party sources – Municipal water	Total water withdrawal
2022 <sup>3)</sup>	0	0	2	0	352	354
2021	38	78	1	0	436	553
2020	33	68	4	0	598	702
2019	45	86	5	0	661	797
2018	46	113	6	0	757	922

<sup>1)</sup> 1 megaliter equals 1,000 m<sup>3</sup>.

<sup>2)</sup> Risk areas defined by the WWF Water Risk Filter.

<sup>3)</sup> Updated risk areas defined by the WWF Water Risk Filter.

## Water discharge

### Total water discharge to all areas in megaliters<sup>1)</sup>

(Ml)	Third-party destinations		Fresh surface water		Total
	Untreated	Pre-treated	Untreated	Pre-treated	
Year					
2022	1,255	362	1,912	140	3,670
2021	1,396	375	1,713	216	3,700
2020	1,217	379	1,393	203	3,192
2019	1,433	459	1,161	642	3,695
2018	1,569	248	952	1,030	3,799

### Total water discharge to all areas with water risk in megaliters<sup>1), 2)</sup>

(Ml)	Third-party destinations		Fresh surface water		Total
	Untreated	Pre-treated	Untreated	Pre-treated	
Year					
2022 <sup>3)</sup>	266	88	0	0	354
2021	434 <sup>4)</sup>	104	38	9	586
2020	462	206	0	34	702
2019	730	160	6	6	903
2018	904	34	3	0	941

<sup>1)</sup> 1 megaliter equals 1000 m<sup>3</sup>.

<sup>2)</sup> Risk areas defined by the WWF Water Risk Filter.

<sup>3)</sup> Updated risk areas defined by the WWF Water Risk Filter.

<sup>4)</sup> Updated administrative error. 443 Ml reported in 2021.

**Progress on our Goal: Be climate neutral and drive clean and resource-efficient operations**

Roadmap to 2030	Progress	Next steps	Status
Reduce our CO <sub>2</sub> footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.	We continued to source renewable electricity for our sites around the world, as well as running lean operations. In addition, we also developed a roadmap to phase out fossil fuel 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).	We implemented the ISO 50001 energy management system at our manufacturing sites.	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.	We reviewed and updated the WWF Water Risk Filter in all our plants.	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.	We continued to source renewable energy for our sites around the world, and piloted the use of biofuels at some sites. Our Cerreto d'Esi in Italy became our first plant to only use renewable energy sources in its manufacturing processes.	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.	Seven additional factories were certified to our Zero Waste to Landfill program.	Continue the certification process.	●

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

**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.



## 2022 HIGHLIGHTS

- Launched program for annual Workplace Policy factory audits.
- Updated the Group salient human rights issues.
- Introduced global D&I objectives and hired a dedicated Global Diversity & Inclusion Manager.
- 124,000 people have taken part in Electrolux Food Foundation activities aimed at inspiring children, consumers and professionals on sustainable cooking and eating since 2016.

# Act ethically, lead in diversity and respect human rights

We will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics, diversity and inclusion, and human rights through our words and actions. This includes working to ensure the health, safety and wellbeing of our employees and being considered an employer of choice, and promoting societal benefit through community investment activities.

### The case for action

A strong culture of ethics is vital for stakeholder trust and long-term business success. Consumers are increasingly making purchasing choices based on whether a company is perceived as being trustworthy and how it contributes to society. Employees also prefer to work for a company with values that match their own. Additionally, corruption has a significant negative impact on the global economy.

The wellbeing and safety of our colleagues are extremely important. We have a duty of care toward every individual working for Electrolux Group, and businesses are increasingly perceived to have some responsibility for people in the broader value chain. We take this seriously and work to promote human rights throughout our value chain. Our commitment applies wherever Electrolux operates in the world and goes beyond local regulations.

It is well known that diversity and inclusion (D&I) can promote innovation and help attract top talent, and that more diverse companies outperform organizations that do not invest in this area.

➤ [Read about our approach to this Goal.](#)

### Our progress on this Goal

In this section, we present the activities and progress in the areas of human rights, ethics, health & safety and wellbeing during 2022.

➤ [Read the Case Story "Making it easy for our employees to do the right thing".](#)

### Human rights

We reassessed our list of salient issues related to human rights in 2022 by applying an updated methodology. Our target is to conduct local impact assessments in all high-risk countries where we have manufacturing operations by 2024, and by the end of 2022, six out of the eight assessments in scope had been conducted.

In recent years, we have conducted impact assessments in Egypt, Thailand, Ukraine, Romania, South Africa and China. These assessments identified issues such as safety, working hours, wages, labor relations, corruption training and supply chain risks. Mitigating action plans were put in place, and results and actions include:

- Improved management-employee communication, including dialog with unions.
- Addressing benefits and rewards, including medical coverage.
- Improved health and safety, for example road safety for employees with driving as part of their job, and ergonomics in production.
- Additional anti-corruption training.
- Addressing working hours and overtime.
- Strengthened management of labor-related risks at suppliers.

- Launch of community investment activities, supported by the Electrolux Food Foundation.

All actions from the assessments in Thailand and Ukraine were closed by the end of 2022. As of the end of the year, we had ongoing actions in Egypt, Romania and South Africa.

In Egypt, 18 out of a total of 19 actions were closed, in Romania 25 out of 26 actions were closed, and in South Africa 28 out of 55 were closed. The China assessment was in the final stages of being concluded.

During 2022, our methodology was further aligned with the Electrolux Group process for Enterprise Risk Management (ERM) by applying an adjusted version of the ERM assessment tools, with a risk scale that addresses the potential severity of the human rights impacts.

#### Divestment of our Russian business

Electrolux Group paused its operations in Russia when the war in Ukraine commenced. In September, Electrolux Group decided to exit Russia and divest the business to local management through a sale of its Russian subsidiary. A capital loss of approximately SEK 350m was recorded as a non-recurring item affecting the operating income for Business Area Europe in the third quarter 2022. The decision to divest the Russian business to local management was intended to enable a responsible and controlled exit. The divested company will continue to service appliances previously sold by

#### Workplace Policy audits

Number of audit findings in 2022 (36 factories)



Electrolux Group in Russia. Electrolux Group has no production in Russia and will not supply any appliances to the divested company.

Several initiatives and campaigns by the Electrolux Group and its employees provided support to Ukrainian colleagues and refugees during the year. We continue to support our colleagues in Electrolux Group operations in Ivano-Frankivsk and Kiev.

#### Workplace Policy follow up

We conducted Workplace Policy audits at 36 (17) of our 40 facilities. Our aim is to work systematically to enforce our Workplace Policy and to audit all factories every year. We are identifying third-party auditors that can support the auditing of the outstanding facilities from 2023 onwards.

Most findings were related to safety, such as evacuation drills, lighting and electric safety. Non-compliance with working hours limitation was the second most common area. Local corrective action plans were developed to address the identified issues and ensure continuous improvement.

#### Freedom of association

Freedom of association is one of our salient human rights issues.

➤ [Read more on Understanding and managing our human rights risks on page 62.](#) In line with international conventions, employees are free to join unions. At the end of 2022, 67% (65%) of our workforce was covered by collective agreements.

29 of our 40 manufacturing units are unionized, and an additional seven units have employee-management committees in place, which deal with work-related issues. Electrolux Group also has an International Framework Agreement with the global unions. The agreement is revised annually with the Electrolux Group Board union representatives – KFD (Koncernfacklig delegation).

Our Labor Relations strategy was updated in 2022 and was communicated broadly within the company.

#### Human rights in acquisitions

In 2022, sustainability, including human rights and ethics, was part of the due diligence projects of potential acquisitions, but no acquisitions were finalized during the year.

#### Ethics

##### Our Code of Conduct and Group policies

During 2022, a Code of Conduct employee awareness campaign was launched, with focus on all Code of Conduct-related topics. The campaign will continue in 2023.

During 2022, e-learning on the Code of Conduct, anti-trust and anti-corruption were rolled out and the completion rates for the e-learning were 89% (84), 86% (81) and 87% (68) respectively.



We reassessed our list of salient issues related to human rights in 2022. Our target is to conduct local impact assessments in all high-risk countries where we have manufacturing operations by 2024.

As parts of our Code of Conduct, Workplace Policy, and the diversity and inclusion trainings cover human rights, an estimated 1,400 hours was spent on human rights training in 2022. These trainings are mandatory for our employees.

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

Anonymous reports via the Ethics Helpline, as well as non-anonymous reports, alleging non-compliance with our policies are promptly investigated and remediated.

#### Anti-corruption

Anti-corruption risks are continually assessed through formal and informal channels – site/factory assessments, surveys and in-person interviews.

Face-to-face training sessions are designed to reach those employees that are most likely to face corruption risks, such as in purchasing, sales and finance. Our executives and senior management engage in separate and structured discussions around anti-corruption compliance and challenges.



### Anti-trust

Electrolux Group trains its employees on anti-trust compliance.

All new white-collar employees are required to take an anti-trust e-learning as part of their onboarding process.

During 2021-2022, face-to-face training sessions were conducted for employees that are most likely to face anti-trust risks, such as those in sales and other employees with customer relations. Specific in-depth trainings were also conducted with local leadership teams in some countries.

### Countering discrimination and harassment

We provide anti-harassment and non-discrimination training. These topics are an integrated part of our e-learning on Code of Conduct, Workplace Policy, diversity and inclusion, as well as our Managing Bias workshops. During 2022, this corresponded to approximately 4,300 hours of training on anti-harassment and non-discrimination.

Trainings for HR professionals on how to handle concerns reported by employees continued during the year, including discrimination and harassment cases. The emphasis has been on how to handle reports in an independent, professional and confidential manner, and ensuring that there is no retaliation directed at the reporter. Non-discrimination and anti-harassment are an integral part of several trainings such as the onboarding of new employees and our Code of Conduct training for management.

### Ethics Helpline reports

In 2022, 584 (411) cases were reported through the Ethics Helpline. The significant increase in the number of reported cases was driven by North America, where the Ethics Helpline was proactively promoted, as well as a higher number of out of scope cases.

By the end of 2022, 131 (49) cases had been found as either being outside the scope of the helpline or lacking sufficient detail to allow investigation. 453 (362) cases led to further investigation, out of which 399 had been closed by the end of the year. The most common categories of reports in 2022 were related to harassment, workplace conduct, hiring/promotion/termination decisions and disrespectful behavior.

A small number of the cases fell into the category "other" including general complaints or reports of alcohol and drug abuse. 12 (11) cases of breaches of business integrity were reported - including for example accounting, fraud, theft and corruption.

During the year, 32 cases were related to discrimination. Only four of these were proven and were followed up with a corrective action.

In total, 616 cases were processed by the investigation team during 2022, including cases reported in previous years.

Typically, case investigations that result in confirmations of wrongdoing lead to warnings and retraining, but in some severe cases to dismissal. During the year, 19 employees were dismissed from the

### Number of employees per geographical area and contract

Headcount	Europe			North America			Latin America			APAC&MEA			Group <sup>1)</sup>		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees	8,718	11,016	19,735	5,032	6,508	11,680	2,795	6,357	9,153	2,100	5,568	7,672	18,645	29,449	48,243
Number of permanent employees	7,920	10,332	18,252	4,927	6,401	11,422	2,585	6,207	8,792	2,037	5,498	7,536	17,469	28,438	46,002
Number of full-time employees	8,009	10,829	18,838	5,030	6,507	11,543	2,679	6,289	8,968	2,067	5,558	7,626	17,785	29,183	46,975
Number of part-time employees	709	186	895	2	1	3	114	67	181	33	5	38	858	259	1117

<sup>1)</sup> Entire Electrolux Group (including business areas and Group functions). Data source: Group-wide HR system.

company as a result of investigations into helpline cases. No public corruption cases during 2022.

### Employee Voice Survey 2022

In the Employee Voice survey in 2022, the level of trust in the Ethics Helpline increased slightly to a score of 78 from 77 in 2019 (average employee scores on a scale of 1-100).

The fact that the number of employees that use the Ethics Helpline has increased in recent years indicates that there is a high level of trust in the whistleblowing system and that our efforts with the Ethics program are having a positive impact.

### Privacy and integrity

During the year, there have been no investigations by authorities regarding personal data resulting in administrative fines or other corrective actions. Various privacy access requests have been submitted to the Electrolux Group Data Protection Officer function, for example by consumers. These requests were processed and responded to, in line with internal procedures, our Code of Conduct and the applicable legislation.

### Health and Safety

Our injury rate has declined by at least 6% every year throughout the Group since 2015. The Total Case Injury Rate (TCIR) at Group level in 2022 was 0.36 per 100 employees per year, compared with 0.43 in 2021. This means that if we had a factory of 100 people, we would have a single injury after close to three years on average. Our target is a year-on-year improvement of 5%.

First-class health and safety practices are an essential step for building trust among employees, their families and local communities. Our work with OHS (Occupational Health & Safety) focuses primarily on the safety of workers in production areas and raises awareness of the health and wellbeing of office workers.

### Employee turnover and number of new hires

Employee turnover, %	2022	2021	2020	2019	2018
All employees	26	17	15	15	17
Males	23	15	14	14	18
Females	30	20	17	17	24
People Leaders	9	7	4	5	
Non-production	17	13	10	14	
- voluntary	13	10	7	10	
- involuntary	4	3	3	4	
Production	32	23	22	26	
- voluntary	23	18	16	18	
- involuntary	9	5	6	8	

Total number of new hires	External, %	Internal, %
4,461	69	31

We continue to align our safety systems and processes in different regions with our Group-wide approach - the Electrolux Group Safety Management System. During the year, we continued to make good progress on our health and safety performance.

Actions included removing forklift trucks from assembly areas in all our factories. All forklifts were also fitted with lights that are projected on the ground to warn people when the forklift is approaching. This was an important improvement in 2022 as we switched most forklift trucks to electric models, which are quieter and more difficult to hear.

We continued employee health and safety training, which is mandatory for all new employees.

### Employee wellbeing

“Shape Your Wellbeing” is an umbrella name for our employee health & wellbeing program. The program was launched globally to engage employees in various preventative and promotional wellbeing activities and initiatives, which are mostly organized on a regional, country or local level. Examples of such activities include digital health challenges, fitness classes, gym membership and mindfulness sessions.

Based on learnings during the pandemic, a Group guideline for flexible working was launched, with the recommendation that office employees can combine remote and in-office working in the ratio of 60% working from office and 40% working remotely. Remote working includes working from home or other locations within the employee’s country of employment. It is a way for us to visibly execute our commitment to sustainability and being a responsible employer by improving the everyday life for our employees.

Additionally in 2022, we rolled out a global minimum parental leave standard that grants all new parents access to four weeks of paid parental leave. We believe such initiatives will help people to achieve a positive work-life balance.

During 2022, we continued internal communication efforts to raise awareness and fight the stigma around the topics of mental health. In addition, the first ever Global Wellbeing Day took place with a focus on taking care of ourselves and our colleagues.

The Employee Voice 2022 included two new questions related to wellbeing. In the survey, employees gave the following statement with a score of 78: “I am able to successfully balance my work and personal life” and the following statement with a score of 73: “Electrolux Group takes a genuine interest in the employees’ wellbeing” (average employee scores on a scale of 1-100).

Work is ongoing to define strategic objectives and KPIs for employee wellbeing, to be able to measure and keep track of the impact of our work in this area.

### Collective bargaining agreements

	2022	2021	2020	2019	2018
Employees covered by collective bargaining (%) <sup>1)</sup>	67	65	63	60	57



In our employee survey - Employee Voice 2022 - employees gave the following statement a score of 78: “I am able to successfully balance my work and personal life”.

### Work-related injuries<sup>1)</sup>

	2022	2021	2020	2019	2018
Number of work-related injuries	148	190	199	209	226
Injury rate <sup>2)</sup>	0.36	0.43	0.5	0.53	0.57
Number of workdays lost due to occupational injuries	1,208	1,772	2,006	2,158	3,228
Lost day rate <sup>2)</sup>	2.96	4	5	6	8
Number of work-related fatalities	0	0	1	2	0
Worked hours	81,567,359	87,580,767	79,183,458	78,537,838	79,012,558

<sup>1)</sup> The main types of work-related injuries are: lacerations, fractures and contusions.

<sup>2)</sup> Rate per 200,000 hours.

### Average hours of training per year per employee

Business area	Non-production employees		
	Average hours of training per year per employee - Female	Average hours of training per year per employee - Male	Average hours of training per total
APAC-MEA	9	6	7
Europe	9	7	8
Latin America	18	18	18
North America	10	9	9
<b>Total</b>	<b>11</b>	<b>9</b>	<b>10</b>

The average number of training hours per employee was 10 in 2022, which is slightly less than the average in 2021 (11). This is an increase compared with previous years, most probably related to the establishment of a digital learning library and the roll out of global learning campaigns to provide more learning content about business-relevant topics.

**Proportion of employees receiving regular performance and career development reviews**  
90% of managers completed the Year End Review 2022, including performance reviews on time for their employees. This is for non-production employees. Parts of our manufacturing organization have implemented performance appraisals for production employees.

**Progress on our Goal: Act ethically, lead in diversity and respect human rights**

Roadmap to 2030	Progress	Next steps	Status
Continue to build a Group-wide approach to human rights and ensure the strong management of human rights issues.	Local human rights impact assessment completed in South Africa and the assessment in China was begun. Updated assessment of the Group's salient 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.	Ran a Code of Conduct employee awareness campaign. In the 2022 Employee Voice survey, employees rated that they understand what the Code of Conduct means for them on a score of 88 (average score on a scale of 1-100).	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.	We conducted face-to-face training sessions for employees that are most likely to face anti-trust risks.	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.	The Total Case Injury Rate (TCIR) at Group level in 2022 was 0.36 per 100 employees per year, compared with 0.43 in 2021. Removal of forklift trucks from assembly areas in all factories.	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	Launched an employee health and wellbeing program, flexible working recommendations and a minimal parental leave standard.	Finalize work on developing and defining strategic objectives and KPIs for employee wellbeing.	●

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

For our progress on diversity and inclusion and community investment, please see pages 22 and 24.

**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.

# Diversity and inclusion

At Electrolux Group, we recognize the unique value that every individual brings to our company. This is why we are committed to being a leader in diversity. Diversity and inclusion (D&I) makes us stronger, more innovative and a better employer.

We take a broad approach to D&I. This includes ethnicity, race, color, gender, age, national origin, religion, sexual orientation, gender identity and/or expression, disability and other characteristics.

## The case for action

The business case for establishing a truly diverse and inclusive workplace is well known. Multiple studies have proven that beyond the moral imperative, there is a strong correlation between business performance and D&I. This makes D&I an important topic for Electrolux Group.

Consequently, to ensure we continuously shape living for the better today and tomorrow, we build diverse teams and take decisions based on the different perspectives around the table.

[▶ Read about our approach to D&I.](#)

## Our D&I progress

In 2022, we hired a dedicated Global Diversity & Inclusion Manager to drive our global agenda and coordinate the implementation of our D&I objectives across the Group.

### Progress on our D&I targets

Our aspirational objective is to achieve a gender balance among people leaders of between 40 and 60 percent of the under-represented gender, throughout the company by 2030. At the end of 2022, the overall proportion of female people leaders was 29%.

The baselines and preconditions for different functions, geographies and tiers of the company vary greatly, and we develop our work accordingly. We recognize these differences, but nonetheless aspire to achieve a gender balance within the range 40:60 among our people leaders.

Other aspects of diversity are not measured in the same way. Here, the objective is for all business areas and Group functions to establish and implement plans with actions aimed at ensuring improvements with respect to under-represented groups where appropriate.

### Embedding D&I into our people processes

Ensuring that D&I is embedded into our culture is central to our strategy and maximizing the positive impact of our D&I work. In 2022, we reviewed our people processes and commenced the integration of



### Employee Voice survey

In the 2022 Employee Voice survey, we received responses from approximately 41,500 employees. This included almost 3,000 comments related to D&I. Based on the results of the survey globally and per region, we identified several D&I priorities that will shape our future planning and engagement. These include reducing discrimination based on personal and organizational identity and promoting diversity in leadership.

#### Equal opportunities

# 71

Regardless of background, everyone at Electrolux Group has an equal opportunity to succeed.  
(Non-Production: 74. Production: 68)

#### Team inclusion

# 75

Our team has a climate in which diverse perspectives are valued.  
(Non-Production: 80. Production: 72)

#### Non-discrimination

# 80

I work in an environment that is free from harassment and discrimination.  
(Non-Production: 88. Production: 76)

#### Belonging

# 77

I felt a sense of belonging at Electrolux Group.  
(Non-Production: 80. Production: 75)

(Average scores on a scale of 1-100)

D&I into our recruitment process, talent review process and Learning & Development programs. The process will continue in 2023 to ensure we cover all stages of the employee life cycle, as well as our business operations, internal policies and practices.

### Engaging employees on D&I

In 2022, we rolled out a global minimum parental leave standard that grants all new parents access to four weeks of paid parental leave. The standard applies to mothers, fathers, same sex parents, and adoptive and foster parents.

During the year, we launched a LGBT+ (lesbian, gay, bisexual and transgender people, and including other definitions and variations of the LGBT+ community) Inclusion Toolkit with the purpose of spreading awareness about some basic LGBT+ inclusion concepts in the workplace. We also held two global webinars on LGBT+ inclusion and how to promote employee inclusion. The events were cohosted by experts from Workplace Pride, a not-for-profit foundation supporting us to improve the lives of LGBT+ people at Electrolux Group.

We also launched the Inclusion toolkit, which provides practical guidelines for leaders to promote inclusion in their teams. Specif-

ically, the toolkit aims to support leaders to create teams where everyone feels their uniqueness is valued and that they belong.

A global D&I week was held to celebrate diversity and inclusion within Electrolux Group. Various activities were held by Electrolux Group around the world, including a webinar that was joined by hundreds of employees.

### D&I training

In 2022, we continued to promote our global e-learning on diversity and inclusion with a focus on managing biases. At the end of the year, about 11,700 colleagues, equivalent to 66% of our eligible global workforce had completed our global e-learning.

Our Challenge Bias Workshop also continued to be offered digitally and is designed to enable employees to acknowledge and address the cultural and social conditioning that can subconsciously affect their decision-making and attitudes toward others. About 1,900 colleagues had completed the virtual workshop by the end of 2022.

### Our employee-driven D&I networks

We have several employee-driven grassroots D&I networks throughout the Group that promote diversity, inclusion and equality based on local needs and priorities. Our employee networks play an important role in coordinating local action and initiating initiatives. All the networks are open to anyone to join.

### Equal treatment

Our employees and leaders must feel they are treated fairly and that they are protected from all forms of discrimination and harassment. We are currently implementing a pay equity system that will allow us to continually identify any unfair pay gaps based on gender and eliminate them.

Our medium-term plan is to target all employees and managers with non-discrimination and anti-harassment training.

### Collaborating on D&I

In 2022, we continued our collaboration with Workplace Pride. We also benchmarked our gender equality work against the performance of industry peers and joined the Target Gender Equality program designed and managed by the UN Global Compact. The program supports companies in the implementation of the Women's Empowerment Principles, including women's representation, participation and leadership globally.

### Workforce breakdown – by gender

Diversity indicator, %	2022
Proportion of women in all management positions	28
Proportion of women in junior management positions	31
Proportion of women in top management position	20
Proportion of women in management positions in revenue-generating functions (based on three functions: Sales, Consumer Care/ Customer Care and Product Line, which we have identified as revenue-generating functions)	40

### Workforce breakdown – by nationality<sup>1)</sup>

Nationality	proportion in total workforce (as % of total workforce)	Proportion in all management positions, including junior, middle and senior management (as % of total management workforce)
Brazilian	19	13
Italian	15	14
Polish	14	8
Egyptian	6	8
Thai	5	4
Hungarian	4	2

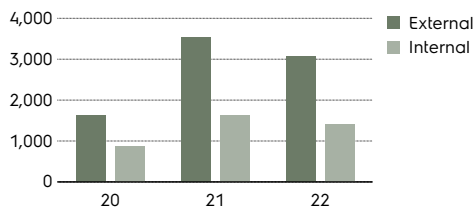
### Workforce breakdown – by age<sup>1)</sup>

Age group	% of FTEs
<30 years old	13
30–50 years old	71
>50 years old	16

<sup>1)</sup> U.S. is not included in reported results. Source of data: Group-wide HR system

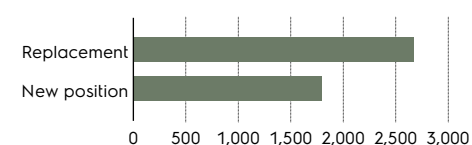
### New hires

External vs internal hires



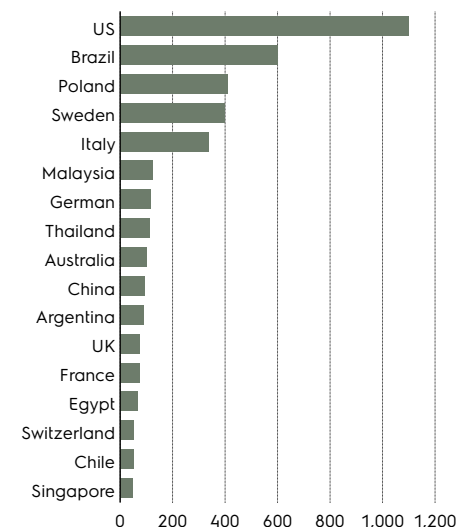
### Reason for hire

Number of people



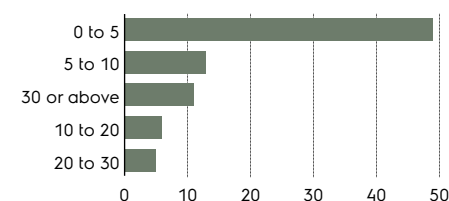
### New hires by country

Number of people



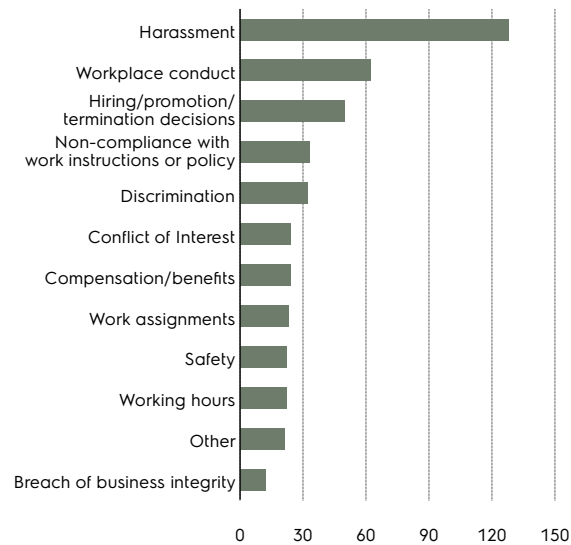
### Employee turnover breakdown – by tenure

Years



## Ethics Helpline 2022

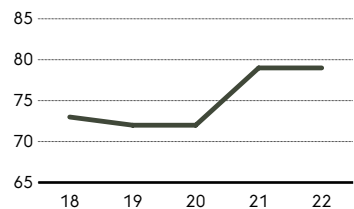
Number of cases



## Employee engagement

Based on employee responses from our Employee Voice survey to how happy they are as an Electrolux Group employee and how likely they are to recommend Electrolux Group as a great place to work.

Average employee score on a scale of 0-100



Please note that the survey methodology was updated between 2019 and 2022 and the results are not fully comparable.

## Our progress on diversity and inclusion

### Roadmap to 2030

### Progress

### Next steps

### Status

Develop a diverse talent pool by including under-represented groups, achieving a balanced gender representation among leaders, and enabling D&I while ensuring qualification-based recruitment and talent growth.

At the end of 2022, the overall proportion of female employees and female people leaders were 39% and 29% respectively.

Build a D&I dashboard and work with business areas and Group functions to develop and define KPIs to track global, regional and functional progress.



Nurture an inclusive culture by recognizing individual differences, educating employees on bias and inclusiveness, and enabling employees to achieve a good work-life balance.

A new global parental leave policy was launched.

Ensure all employees complete the relevant D&I training.



Around 11,700 employees, equivalent to 66% of our eligible global workforce completed our global D&I e-learning. Additionally, around 1,900 employees completed our challenge bias training.

Monthly and quarterly D&I community engagement

In the 2022 Employee Voice survey results, we recorded an average inclusion score of 75 and average belonging score of 77.

Deliver global events in tandem with business areas and functions.

Treat people equally and with respect by eliminating structural pay gaps, educating employees on non-discrimination, and providing equal opportunities.

We reviewed and redefined the KPIs for equal treatment – including metrics to track pay equity, fair treatment, equal opportunity and non-discrimination.

Full implementation of the pay equity system and monitoring of pay gaps.



In the 2022 Employee Voice results, we recorded an average score of 71 for equal opportunity and 80 for non-discrimination.

Track the progress in ensuring equal access to opportunities and creating a discrimination-free workplace.

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

### Challenges

- Overcoming behavior and biases that are sometimes deeply engrained in society.

# Community investment

As a world-leader in kitchen appliances, our community investment activities focus on sustainable cooking and eating – in cooperation with our employees and partners.

## The case for action

Feeding the world's growing population sustainably is one of the greatest challenges of our time. About 17% of all food produced is lost or wasted<sup>1)</sup>, almost 750 million people face severe food insecurity<sup>2)</sup> while more than 1.9 billion adults worldwide are overweight<sup>3)</sup>. Worldwide obesity has nearly tripled since 1975<sup>4)</sup>. An estimated 24% of the world's greenhouse gas emissions come from agriculture<sup>5)</sup>. Additionally, millions of people across the world are suffering from unemployment or struggling to put food on the table. [Read about our approach to community investment](#)

## Our community investment progress

During 2022, we continued our work to raise awareness on more sustainable eating and cooking, both online and through face-to-face activities. We also donated meals to people impacted by natural disasters and living in disadvantaged communities. Through the Red Cross, we supported refugees from the war in Ukraine, by providing



Since we formed the Electrolux Food Foundation in 2016, 124,000 children, consumers and professionals have participated in activities aimed at engaging and inspiring more sustainable food habits.

relief supplies – such as food, water, hygiene kits, baby supplies, clothing and basic medical items – in addition to first aid and medical services, shelter, and comfort to families affected by the conflict.

In line with our commitment to support the activities of the Food Foundation, Electrolux Group donated SEK 10 million to the foundation in 2022. Additionally, in 2022, approximately SEK 2 million was spent on managing community programs around the company, SEK 7.3 million was provided in in-kind donations and SEK 20.5 million in monetary donations. Electrolux Group employees volunteered over 6,300 hours of their time to support local activities in total.

Our targets and results achieved in 2022 are detailed below.

### Awareness

#### 2030 Target

We will raise awareness of more sustainable eating and cooking by achieving a total viewership of 300 million by 2030.

We define viewership as the number of impressions on social media, views on websites and the reach of digital and printed media for the content produced by Electrolux Food Foundation and partner initiatives.

#### Achieved in 2022

- We reached a viewership of 10 million around the world. The aggregated viewership since 2016 is thereby 155 million.
- Enhanced Replate.com – an online hub on sustainable eating and cooking developed together with our partners to inspire a shift to more sustainable food habits in society.

### Education: Engagement

#### 2030 Target

We will engage and inspire 300,000 children, consumers and professionals on more sustainable cooking and eating habits by 2030.

#### Achieved in 2022

- Replate.com – the online hub – was further developed to engage with people on more sustainable cooking and eating, and the “Food Heroes” project was added to the site with an open-source toolkit to educate children.
- More than 35,700 children and facilitators participated in “Food Heroes” workshops delivered by Electrolux Group, AIESEC and Worldchefs volunteers in 14 countries.
- In partnership with Worldchefs, nine webcasts were delivered to culinary professionals to raise awareness of food and sustainability with over 1,100 online participants.

- Since 2016, over 124,000 children, consumers and professionals have participated in activities aimed at engaging and inspiring more sustainable food habits.

### Education: Professional training

#### 2030 Target

We will train 3,000 people in the Like a Chef Program and educate more than 9,000 culinary professionals through our Sustainability Education curriculum by 2030.

#### Achieved in 2022

- In 2022, 199 people graduated from the “Like a Chef” program (the Electrolux Food Foundation’s culinary training program for the unemployed and underprivileged). On average, 69% of participants found a job within six months after completing the program. Since 2016, almost 1,000 people have graduated from the Like a Chef training program and 9,195 were trained using the Sustainability Education curriculum in culinary colleges or online.
- Over 2,700 people completed our online or offline Sustainability Education course, in culinary colleges and local chef communities.

### Support

#### 2030 Target

Support three million people in need through meals and other donations by 2030.

#### Achieved in 2022

- The equivalent of approximately 678,000 meals was donated by the Electrolux Food Foundation through employee-led projects in our local communities and through our global partnerships, such as with the Red Cross. The total number of meals donated between 2016 and 2022 amounted to almost 2.8 million.
- Electrolux Group donated EUR 500,000 and employees from 41 countries donated money that was primarily used to support people in and around Ukraine with food, water and shelter through the International Federation of Red Cross and Red Crescent Societies – IFRC. The total employee donation was matched by the Electrolux Food Foundation.

<sup>1)</sup> FAO – <http://www.fao.org/food-loss-and-food-waste/en/>

<sup>2)</sup> FAO – [http://www.fao.org/3/ca9692en/online/ca9692en.html#chapter-executive\\_summary](http://www.fao.org/3/ca9692en/online/ca9692en.html#chapter-executive_summary)

<sup>3)</sup> ProCon.org – <https://obesity.procon.org/global-obesity-levels/>

<sup>4)</sup> World Health Organization – <https://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight>

<sup>5)</sup> U.S Environmental Protection Agency – <https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data#Sector>



## Our progress on community investment

### Roadmap to 2030

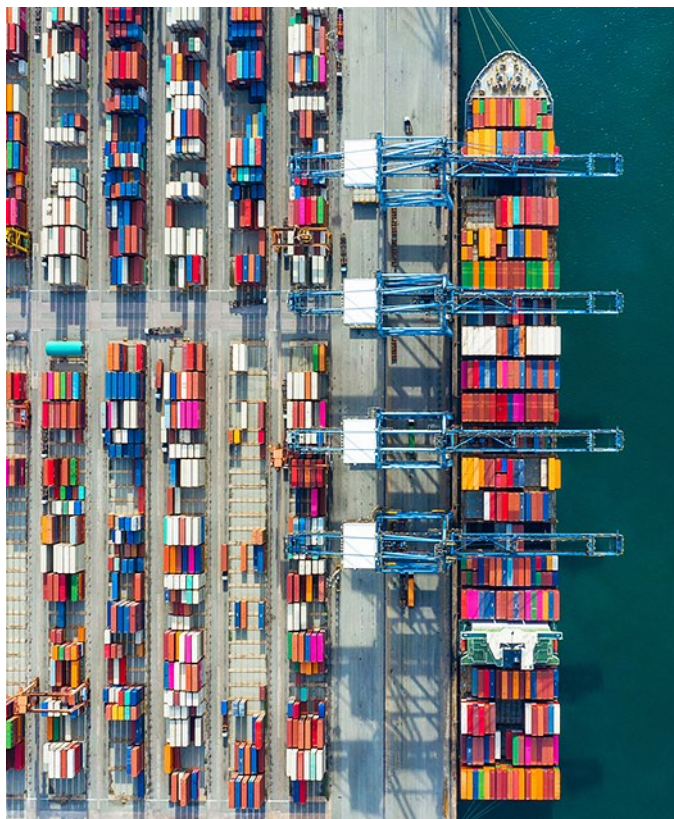
	Progress	Next steps	Status
Develop the Electrolux Food Foundation and a strong Group approach to community investment in line with the UN Sustainable Development Goals.	Continued to develop the collaboration within the Feed the Planet partnership, scaling up new initiatives and enhancing existing ones.	Further strengthen our approach to community investment by further developing the Food Foundation programs and other philanthropic initiatives.	●
	Identified dedicated resources to boost employee engagement in community investment initiatives.	Build collaborative partnerships and engage employees – all with the aim of scaling up the positive impact in our communities.	
Engage and inspire 300,000 children, consumers and professionals on more sustainable food habits and reach the viewership of 300 million – all by 2030.	Restarted the delivery of the Food Heroes workshops in 14 countries, in collaboration with partners. Almost 39,000 people were engaged.	Further develop digital tools for our programs in order to inspire and educate more people on sustainable cooking and eating.	●
	Added a dedicated Food Heroes section on Replate.com and updated a workshop toolkit for teachers, which is now available for free download on the website.	Create new workshop materials in order to expand the target audience.	
Educate and train 12,000 people by 2030: train 3,000 unemployed and underprivileged people in sustainable cooking with the aim of helping them to find a job; and educate 9,000 culinary professionals in sustainable practices.	Delivered our Like a Chef program in six locations, targeting different vulnerable groups, including war refugees. 199 people were trained.	Continue to replicate and develop educational programs with a blended learning approach – including both digital tools and offline (face-to-face) engagement. Enhance the “Like a Chef” program and expand it to new locations.	●
	Launched the online version of a Sustainability Education curriculum, hosted on the Worldchefs Academy website and mobile app. In 2022, around 2,700 people took the course.	Increase the reach of the Sustainability Education curriculum, through existing online tools and by providing versions in additional languages.	
Support 3 million people by 2030 through the distribution of meals, employee engagement, and the donation of food, equipment and money.	Organized employee matched-fundraising campaigns to support people affected by the war in Ukraine, in collaboration with IFRC (Red Cross).	Continue to co-fund local food donations, develop the Red Cross partnership and increase employee engagement	●
	Continued to support local communities through employee engagement and food donations. A total of 678,000 meals were donated to people in need during 2022.		

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

### Challenges

- Ensuring that our approach to community investment leverages our global presence and our partnerships, while at the same time allowing local adaption and delivering tangible societal benefit.
- Scaling up our positive impact to reach more people, both online and face-to-face.





# Drive supply chain sustainability

Electrolux Group will take its sustainability leadership agenda into the supply chain. We will work with suppliers so they can live up to our high expectations, no matter where they are located, and we will drive and support the transition to more sustainable practices.

## 2022 HIGHLIGHTS

- Sustainability performance integrated into purchasing and sourcing decisions.
- Updated Group salient human rights issues in the supply chain.
- Supplier Workplace Standard performance improved across categories.
- Continued the CDP supplier program in our supply chain.
- 35% of annual ocean cargo transported using more sustainable fuels.

### The case for action

Our industry is dependent on complex supply chains and our overall sustainability impact often depends on decisions made in our supply chain. First tier suppliers include indirect (e.g. logistics providers), direct materials (e.g. components, metals), Original Equipment Manufacturers. As a sustainability leader, we have an obligation to take ownership and see our suppliers as an extension of ourselves.

This means that we expect suppliers to support our sustainability agenda by actively working to improve their own performance. This promotes progress, not only in our own supply chains, but for supply chains around the world.

Logistics is also a key area in our supply chain as Electrolux Group emits more CO<sub>2</sub> in distributing its goods than is emitted through the energy consumed in Group Operations. Around 350,000 metric tons are annually emitted through the global transportation of our goods via land, sea and air. [▶ Read about our approach to this Goal.](#)

### Our progress on this Goal

We continued to work with our suppliers in 2022 to improve their sustainability performance through our Responsible Sourcing Program and auditing of their operations.

[▶ Read the Case Story "Toward leadership in supply chain sustainability".](#)

### Responsible Sourcing Program

Our focus in 2022 was on integrating social sustainability aspects into our supplier evaluation process, spearheaded by supplier compliance with the Electrolux Group Supplier Workplace Standard. We also worked on standardizing social sustainability requirements across all function-related sourcing processes, which involved promoting collaboration across our value chain. A Responsible Sourcing scoring model has been globally implemented and is used in sourcing decisions to reward and promote good supplier performance on sustainability as well as to improve underperforming suppliers.

In 2022, 746 (669) of our suppliers were considered to be critical and were the focus of our Responsible Sourcing Program. These include suppliers located in high-risk regions or that use production processes that pose higher risks for environmental, labor and human rights violations, or health and safety conditions. Migrant labor management has been another focus area in 2022, launching activities in Thailand where an analysis of the supply chain, training and supplier dialogue was conducted.

In 2022, we focused on exploring ways to identify and address risks in the supply chain beyond first tier suppliers. The next step involves developing, piloting and validating an approach to draw upon internal and external risk data.

### Responsible sourcing auditing

Even though the pandemic eased in many regions in 2022, important players implemented lockdowns, which contributed to supply chain shortages and prolonged impact on businesses around the world. Given such conditions, we continued our monitoring and auditing processes and ran both on-site and remote supplier assessments.

In 2022, 306 (237) supplier audits were conducted, including 111 (23) that were conducted virtually. A total of 90 (41) audits were made by third-party auditors.

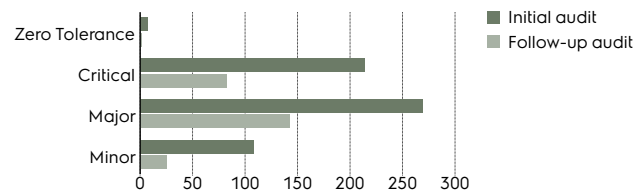
In addition, 41% (32) of our critical suppliers were audited, which included verifying that our expectations were communicated to second tier suppliers.

Health and safety, as well as environmental governance, continue to be the areas with the greatest challenges. Deviations related to our policy on working hours are a persistent problem as well as findings related to compensation and benefits.

A total of 14 (5) zero-tolerance findings were uncovered in 2022. The findings reported were related to situations such as suppliers not in full compliance or without business licenses. There was one case of the supplier withholding original employee documentation and another case of discriminatory practices related to the pregnancy status of candidates during the hiring process. Some of the findings were related to poor governance. Although serious in nature, such issues were quickly addresses by escalating them within the supplier organization. Findings related to the management of authorized young workers significantly decreased in 2022, but issues related to young workers continue to represent an area of potential concern in our supply chain. Findings related to authorized young workers in 2022 concerned inadequate health examinations. In 2022, there were 0 (0) cases of under-age labor identified.

All zero-tolerance cases are reported to the senior management of our Purchasing, Sourcing and Licensing departments, which also monitor remediation actions or ultimately take the decision to phase out a particular supplier.

### Responsible sourcing audit findings



The graph above shows the non-compliances in initial audits and subsequent follow-up audits conducted in 2022.

### Distribution of audit findings in each region (%)

Electrolux Group Workplace Directive chapter <sup>1)</sup>	Asia Pacific including Southeast Asia	Latin and North America	Europe, Middle East and Africa	TOTAL
1. General requirements	0.3	3.3	7.4	2.5
2. Laws and regulations	1.6	8.9	1.9	3.0
3. Suppliers and subcontractors	2.6	3.3	3.7	3.0
4. Corruption, bribery and business ethics	0.3	0	2.8	0.8
5. Child labor	1.0	0	0	0.6
6. Forced labor	1.4	0	0	0.8
7. Security arrangements	0.3	0	0.9	0.4
8. Worker H&S	64.4	52.2	52.3	59.4
9. Non-discrimination	0	0	1.4	0.3
10. Harassment and abuse	0.2	0	0.9	0.3
11. Disciplinary actions and grievances	0	3.3	0	0.6
12. Working hours	1.2	0	0.9	0.9
13. Compensation and employment conditions	19.9	2.2	11.1	14.7
14. Freedom of Association and collective bargaining	1.7	5.6	4.2	3.0
15. Environmental governance and procedures	5.0	21.1	12.5	9.7
16. Monitoring and compliances	0	0	0	0
Number of audits included in sample: 298				

<sup>1)</sup> For more detailed information on the areas covered in each chapter please see the Electrolux Group Workplace Directive (<https://www.electroluxgroup.com/en/workplace-directive-8839/>).

There are large differences in the status of audited suppliers. Certain types of serious findings are prevalent in some markets, due to societal issues and significant discrepancies between local legislation and Electrolux Group requirements. Such areas are working hours in Asia and environmental management findings in Latin and North America. See the distribution of audit findings per region in the table above.

The proportion of significant findings according to chapter of our Supplier Workplace Standard, varies between our different supply regions. Regional variations are due to differences in EHS legislation, legal enforcement as well as societal differences.

Due to continued market instability driven by the pandemic and supply chain issues, our classroom training activities continued to be suspended. Instead, we focused on the virtual training of our Supplier Workplace Standard to a wider audience, including suppliers, internal and external auditors, as well as other internal stakeholders. This training includes a comprehensive explanation of each requirement of the standard and the importance of complying to support the Electrolux Group sustainability Goals.

Through QuizRR, which is a digital learning platform to engage with workers at our suppliers, we trained 3,020 (2,009) people on

good workplace practices in 2022. In recent years, we have trained a total of 15,707 supplier employees in Thailand. The tool is being used with a module focusing specifically on human rights risks and migrant labor in Thailand.

### Electrolux Group Supplier Awards

The Electrolux Group Supplier Awards have sustainability as a category, which reflects the need for suppliers to support all our For the Better 2030 Goals. The award invites suppliers to nominate initiatives that contribute to any of our Goals, and over 60 (60) nominations were submitted during the year.

Submissions focused on four main areas:

- Electrolux Group Supplier Workplace Standard compliance.
- Recycled materials - the use of recycled materials, including plastic.
- More efficient appliances - the development of more efficient parts such as compressors and motors to reduce the environmental footprint of an appliance during its use phase.
- More efficient operations - improvement in operations to reduce emissions and waste.



Our focus in 2022 was on integrating social sustainability aspects into our supplier evaluation process, spearheaded by supplier compliance with the Electrolux Group Supplier Workplace Standard.

In 2022, the winner of the Electrolux Group Sustainability Award was Ternium, which is a carbon steel mill supplying our Juarez Food Preservation and Fabric Care plants. The mill has focused on using recycled steel in their electric arc furnace and shifted to renewable energy and carbon capture technologies.

### Conflict minerals

In terms of conflict minerals, we focused on our most relevant suppliers during 2022 and investigated 226 (208) suppliers in total. In addition, a study was conducted on the use of cobalt among 23 suppliers. The report was inspired by U.S. legislation and was conducted voluntarily by Electrolux Group to investigate where our key minerals are sourced from. ▶ *See the results in our 2022 Conflict Minerals Report*

We are also a member of the Responsible Minerals Initiative, which allows us to influence beyond our first tier suppliers, and map supplier compliance in line with the related OECD due diligence guidance.

Our proactive work with conflict minerals demonstrates that we want to go beyond compliance - to minimize our supply chain risks and help us to further improve our supply chain.

### Supplier environmental footprints

We reduce environmental impacts throughout our value chain by promoting our internal approach to monitoring and reducing resource consumption among key suppliers.

### CDP Supply Chain Program

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). The fact that all our invited suppliers disclosed is proof of the dedication of Electrolux Group suppliers to contribute to our targets. This work plays a key role in achieving our target to ensure zero-net carbon emissions throughout our supply chain by 2050.

During the year, we secured the commitment from 286 (281) of our top direct material suppliers (corresponding to 77% (78%) of our direct material spend), as well as 13 (14) global logistics companies (31% of total logistics spend) to disclose their emissions and set targets through the CDP Supply Chain Program. CDP is a non-profit international organization that specializes in environmental reporting and ratings. Electrolux Group is a long-term CDP member.

### Original Equipment Manufacturers

During 2022, our strategic Original Equipment Manufacturers (OEMs) were included into the CDP Supply Chain Program, with a response rate of 90% (95%).

We monitored energy and water data from suppliers - covering 84% (87%) of our global OEM spend. We continued to promote our checklist tool to help suppliers identify potential improvement opportunities to reduce energy and water use and enable them to prioritize action.

### Logistics

Approximately 350,000 metric tons of CO<sub>2</sub> are emitted through the distribution of our goods by sea, air and land transportation in Europe, North America, Australia, Egypt, Brazil, Chile and Argentina each year.

We have reduced CO<sub>2</sub> emissions from our land and sea transportation by 20% (12) and 34% (29) respectively since 2015.

We continue to track and evaluate environmental performance through our logistics dashboard, which is also used as a tool to

support our decision-making processes. The dashboard is used to identify where our CO<sub>2</sub> transport impacts arise and can compare the benefits of using rail and intermodal (when more than one mode of transport is used) transport.

During the year, we continued dialogue with the logistics industry to share best practice in transport management. Electrolux Group is a member of the U.S. Environmental Protection Agency-led SmartWay and the Smart Freight Centre Clean Cargo initiative with commitments to decrease road and sea transport-related emissions respectively.

▶ *Read the Case Story "Partnering to green our transport"*.

### Risk Countries

We define risk countries as countries where Electrolux Group has manufacturing or suppliers that have a greater risk for violations in the areas of human rights, labor standards, corruption and environmental practices. Our classification is based on Verisk Maplecroft's risk index matrices. This risk grading, together with an internal risk evaluation of social, labor and environmental risk, is based on historic evidence and industry knowledge. It forms the basis of our audit programs and can lead to upgrading the risk level of a supplier or facility in some instances.

Electrolux Group Facilities	Suppliers
Argentina	Argentina
Brazil	Brazil
China	China
Egypt	Colombia
Mexico	Egypt
South Africa	India
Thailand	Indonesia
Ukraine	Malaysia
	Mexico
	Philippines
	South Africa
	Thailand
	Turkey
	Ukraine
	United Arab Emirates
	Vietnam

**Progress on our Goal: Drive supply chain sustainability****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.

**Progress**

Our focus in 2022 was on integrating social sustainability aspects into our supplier evaluation process, spearheaded by supplier compliance with the Electrolux Group Supplier Workplace Standard.

**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.

**Status**

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

We focused on our most relevant suppliers during 2022 and investigated 226 (208) suppliers in total.

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



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.

We continued to engage with suppliers through the CDP Supply Chain Program.

Increase the proportion of suppliers that commit to reporting to CDP.



Initiate cooperation with suppliers on water risks.

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

In 2022, the winner of the Electrolux Group Sustainability Award was a steel supplier that uses recycled steel and renewable energy and carbon capture technologies.

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.

Halve our transport emissions by 2025.

35% of annual ocean cargo transported using more sustainable fuels.

Continue to increase the use of renewable fuels and promote the electrification of road transport.



In our land transport, the focus has been to increase the proportion of rail/intermodal shipments, and working with carriers to improve their environmental score. Pilots were conducted with e-trucks.

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.

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

**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.

**Transparency Supply Chain**

Please find the Electrolux Group statement on the California Transparency in the Supply Chains Act and the UK Modern Slavery Act at:

➤ [Transparency in the supply chain](#)



# 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

Electrolux Group will continuously improve the energy and water performance of our appliances, raising the bar for product efficiency around the world.

## The case for action

Tackling climate change by reducing carbon emissions is one of the greatest, most urgent challenges facing society. Energy-efficient appliances can help to save energy and thus reduce carbon emissions.

According to UNESCO, 3.6 billion people currently live in areas that experience water scarcity at least one month a year and this figure is predicted to increase to six billion by 2050.<sup>1)</sup> Water-efficient appliances can contribute to saving water in the home.

As product energy use is responsible for over 80% of our climate impact, product energy efficiency is where we can make our greatest contribution to tackling climate change.

In terms of water use, our dishwashers can make a difference as they can be more water efficient than washing dishes by hand. Studies have shown that dishwashers can save up to 90L of water and use up to 60% less energy in a single cycle compared with handwashing.<sup>2)</sup>

As a manufacturer of water-efficient dishwashers and washing machines, we have a key role to play in helping people to use less water in their homes – as well as promoting water efficiency in our operations. Raising awareness of the benefits of modern and efficient appliances is key. [Read about our approach to this Goal.](#)

## Our progress on this Goal

We continued to roll out new resource-efficient products in 2022 that enable consumers to live more sustainably in terms of energy and water efficiency.

## Developing efficient solutions

Examples of efficient solutions in 2022:

- **The Frigidaire SXS refrigerator** – in North America was awarded the #1 spot on reviewed.com for its high energy efficiency.
- **Electrolux front-load washers in North America** – save an average of over 450 liters (120 gallons) of water per year compared with a top-load washer.
- **The PURE 4X water filter in Latin America** – saves 3,000 plastic liter bottles per filter. In addition, it has a new slimmer shape that reduces the amount of plastic in the product by 27%, which also reduces packaging.
- **New Ecometer in our built-in refrigerator range** – that nudges the consumer to make more energy efficient choices by raising awareness of how different settings impact energy use. The Ecometer has three LED lights that indicate the refrigerator's level of energy efficiency based on its current settings.
- **Energy class savings calculator** – calculates estimated financial savings by comparing the energy performance of different models of food preservation products and dishwashers. The third-party calculator tool was introduced in Europe on various language consumer websites during 2022.

## 2022 HIGHLIGHTS

- In 2022, our resource-efficient products accounted for 24% of our total units sold but 39% of gross profit
- Scope 3 emissions as defined in our science-based target decreased by more than 25% compared to 2015.

<sup>1)</sup> UNESCO (2018). World Water Development Report 2018.

<sup>2)</sup> Comparing water/energy consumption per wash for ECO program of D class and above with EU average consumption for handwashing (as established by Stammering et al., Washing-up behaviour and techniques in Europe (2007) considering 12 plate sets).

- **ColourCare washing machines** – treats the water to optimize the detergent even in cold water. Washing in cooler temperatures helps clothes retain their color for longer and reduces energy use.

### Contributing to our Climate Goals

Energy efficiency is a priority across all our key product categories and markets and is related to the Electrolux Group science-based target, as well as indicators to track our progress.

In 2022, scope 3 emissions, as defined in our science-based target, decreased by more than 25% compared to the emissions in 2015.

Our most resource-efficient products make good business sense in terms of profitability for Electrolux Group as they accounted for 24% (19) of total units sold but 39% (31) of gross profit for consumer products in 2022.

We classify our most efficient products with energy labeling in Europe according to the EU Taxonomy. [▶ Read more in the Annual Report](#)

[▶ Read more in our Climate Goals on page 46.](#)

### Stakeholder engagement on product efficiency

Electrolux Group supports the UN “Business Ambition for 1.5°C” pledge, which is a global movement of business leaders working toward zero emissions by 2050, in line with the Paris climate agreement.

We work to mitigate the challenge of different energy efficiency standards around the world by cooperating with various organizations. We continue to work with United4Efficiency (U4E), which is led by the United Nations Environment Program to develop recommendations on how emerging markets can leapfrog to greater energy efficiency.

### Progress on our Goal: Lead in energy- and resource-efficient solutions

Roadmap to 2030	Progress	Next steps	Status
Be a leader in product efficiency for key categories and markets by 2030.	Overall, we improved the energy efficiency of our global product offering by over 1% on average in 2022.  Fabric Care Europe improved its product energy efficiency by approximately 7%.	Continue to deliver more efficient products to meet new stringent energy efficiency standards in the EU and Brazil.	●
Continue to develop products with good environmental performance, with a focus on energy and water efficiency.	KPIs on energy efficiency were further integrated into product planning.  More low-energy consumption solutions were introduced to our product ranges.	Continue to integrate environmental performance processes into R&D and product planning.	●
Continue to drive the market for efficient products by integrating sustainability into the Group’s brands.	The Break the Pattern campaign was launched in 2022 to raise consumer awareness of the environmental impacts of “throw-away fashion” and how to better care for clothes and make them last longer.	Use our global influence to inspire and educate consumers on more sustainable living globally.	●

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

### 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.



Our Frigidaire SXS refrigerator in North America was awarded the #1 spot on reviewed.com for its high energy efficiency.



## 2022 HIGHLIGHTS

- New targets for using recycled steel in our products.
- Launch of a new built-in refrigerator range with inner liners made from 70% recycled plastic.
- Launched the “Levande” subscription platform in Singapore to optimize the life cycle of appliances and reduce e-waste.
- Broadened our long-term partnership with Stena Recycling to include more product categories.

# Offer circular products and business solutions

We will contribute to the circular economy by integrating recycled materials into our product platforms, promoting recyclability, using more sustainable packaging solutions, increasing the availability of spare parts to repair our products, and developing circular business solutions.

### The case for action

Electrolux Group has an important role to play in enabling people to live more circular lives through its products and solutions. In this way, we can help overcome population and resource challenges while meeting the need for a more circular and low-carbon society.

### Population growth and raw materials

As the global middle class continues to grow<sup>1)</sup>, the demand for material resources, such as steel, plastic and electronic components, will increase. At the same time, many industries are based on virgin materials that are non-renewable and fossil based. For example, more than 400 million metric tons of plastic are produced globally each year and only about 12% comes from recycled materials.<sup>2)</sup> However, there are opportunities to source materials with recycled content, and even bio-based materials from renewable sources.

### The need for a circular economy

According to the 2022 Circularity Gap Report by Circle Economy, only 8.6% of the resources used globally are cycled back into the economy after use. This compares to 9.1% in 2019. The report stresses the need for a circular economy that makes better use of resources to prevent further and accelerated environmental degradation and social inequality.

<sup>1)</sup> European Commission, Competence Centre on Foresight - [https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-consumerism\\_en](https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-consumerism_en)  
<sup>2)</sup> Decrease is impacted by lower production volumes.

Consumers are increasingly demanding more circular products and solutions. This includes everything from recycled materials incorporated into our products and more sustainable packaging, to solutions that enable them to extend the lifespan of their products. Our own research has shown that consumers perceive products containing recycled plastics to be more innovative, premium, high quality and sustainable.

### Greenhouse gas emissions

The materials in our products are the second largest source of GHG emissions after product use. Virgin materials cause considerable greenhouse gas emissions through their extraction and manufacture.

By sourcing scrap-based steel, we can make a significant reduction in our greenhouse gas emissions from materials.

Emissions can also be reduced by extending the useful lifespan of our products. This can be achieved through promoting more circular business models or providing aftermarket services that enable longer product lifetime and ultimately make better use of resources.

➤ [Read about our approach to this Goal.](#)

### Our progress on this Goal

During the year, we continued to incorporate more recycled materials into our products, develop more sustainable packaging and create circular business models.

➤ [Read the Case Story “Developing more sustainable appliance packaging”.](#)



### Recycled plastics

We continue to work actively with incorporating recycled plastics into our products. However, challenges during the year meant that the amount of recycled plastic in our products actually fell during the year.

On the other hand, we successfully incorporated recycled plastics into several new components across all regions and expanded our supply base with new suppliers in Europe and Latin America. Since 2021, we have been proactively asking our OEM suppliers to source recycled plastics for the products they deliver to us. From 2022, we incorporated the recycled materials used by our OEM suppliers into our overall recycled plastics data.

At the end of 2022, we launched a new built-in refrigerator range with inner liners made from recycled plastic. The refrigerator was the first in the industry to include 70% recycled plastic in its inner liners, which equates to 13% of the refrigerator's total plastic. Designed for circularity, plastic from discarded fridges is recycled to make the inner liners – to decrease the amount of plastic waste and reduce the need for virgin plastic.

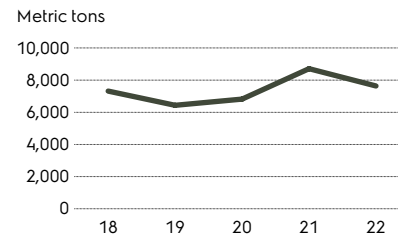
The inner liners made from recycled plastic have been well received by consumers who perceive them as being more premium both in terms of their look and their sustainability benefits. The inner

liners were introduced to Europe in 2022 and we are planning the introduction of liner material with recycled material in Latin America.

Our latest range of stick vacuum cleaner uses between 43% and 49% recycled plastic depending on color and nozzles. This was the first time on the market that an entire range of six different colors was made from different recycled plastic formulations. Recycled plastic products usually only come in black.

We are developing a variety of components for our appliances that are made from recycled plastics and we improved our measurement of the quantity of recycled plastics and how we communicate this information to consumers in 2022. For example, our new washing machines typically contain recycled plastics equivalent to over 350 yoghurt pots.

### Amount of recycled plastic



### Defining a path toward low-carbon steel

In 2022, we set a new target to reduce the greenhouse gas emissions from the steel we use in our products by 30% by 2030. We will do this by actively engaging with our suppliers toward low-carbon steel and by shifting to a supply with higher recycled content. In the medium to long term, we will also add steel produced with hydrogen instead of coal.

During the year, we began sourcing more recycled steel from a European supplier that is currently the only supplier in the EU that

has the capacity to deliver the required volumes. We also signed an initial agreement with a steel supplier to supply low-carbon steel in the future. The green steel will be produced with electricity from fossil-free sources and green hydrogen instead of coal.

### Circular business models

We are continuing to develop and pilot a variety of more circular business models in our markets around the world.

In 2022, we began to offer the “Levande” all-in-one appliance subscription service platform in Singapore. The service offers setup, delivery, repair, recycling and a 48-hour guaranteed like-for-like replacement policy. In this way, it optimizes the life cycle of appliances and reduces e-waste.

During the year, a consumer take-back solution was launched in Brazil in an effort to meet tough new legislation on e-waste. The solution enables consumers in 14 states (>80% of D2C sales) to have their old refrigerator, cooker and washing machine collected when their new Electrolux Group product is delivered. The old appliances are disassembled by a specialist recycling company and the parts are reused by other industries.

We also launched a new “Appliance-as-a-Service” program for landlords and signed a customer agreement with one of Sweden’s largest landlords, SKB. The program includes repairing or replacing products for a monthly fee.

Our fixed-price repair services continue to be popular in Europe. The service gives consumers peace of mind by ensuring no hidden costs to repair and extend the lifespan of their products. Customer satisfaction studies have shown a very positive response.

Pilot projects with municipal housing companies in Sweden are continuing. The concept involves leasing large appliances such as washing machines to landlords with furnished apartments. The appliances are maintained and serviced by Electrolux Group to optimize their lifespan.



Our latest built-in refrigerators have inner liners made from 70% recycled plastic, which equates to 13% of the total plastic used in the refrigerator. We are the first in the world to incorporate this much recycled plastic into a refrigerator.

### Materials used by weight

metric kton	Metals <sup>1) 2)</sup>	Plastics <sup>1) 2)</sup>	Articles <sup>1) 2)</sup>	Process material <sup>2)</sup>	Others <sup>1) 2)</sup>	Packaging products <sup>1) 3)</sup>	Packaging suppliers <sup>3)</sup>	Reusable Packaging <sup>2)</sup>
2022	669	241	147	6	93	45	6	18
2021	833	321	198	30	198	80	11	10
2020	786	364	213	30	190	72	9	11
2019	806	315	237	80	185	74	14	10
2018	834	384	225	52	191	89	23	10

<sup>1)</sup> Direct material <sup>2)</sup> Non-renewable <sup>3)</sup> Approximately 55% non-renewable  
Material use is to a large extent based on engineering estimates.  
Decrease is impacted by lower production volumes.



The trial with the award-winning Pure i9 robotic vacuum offered on a subscription pay-per-use basis in Sweden with all service and maintenance included in the fee continues and is growing. The model is designed to be affordable for consumers and ensures that each unit is used to its fullest extent throughout its lifetime. This initiative is being expanded to other products in a similar “appliance as a service” business model.

### Partnering with Stena on circularity

After building a prototype vacuum cleaner made with 100% recycled materials and reused components in 2020 and a prototype vacuum cleaner that was 90% recyclable in 2021, we deepened our cooperation in 2022 by investigating recyclability for all our major product categories. Together, we completely deconstructed and closely examined the parts from a wide selection of products to better understand what materials are used, how easy they are to separate and what usefulness and monetary value could potentially be extracted at the end of life.

We also worked with Stena to develop a Product Recyclability Tool to explore recyclability right from the start of the design process so we can be even more thoughtful about the useful life of materials. Other work involved exploring the potential for more of our products to be “designed for repair”.

## Progress on our Goal: Offer circular products and business solutions

Roadmap to 2030	Performance	Next steps	Status
Where possible replace virgin materials with recycled materials in our products.	Expanded the use of recycled plastic in several new components across all regions, and expanded our supply base with new suppliers in Europe and Latin America.	Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions. Create roadmaps with milestones on how to achieve our 2030 targets.	●
Increase the proportion of recycled plastic we use to 50% by 2030.	Total use of recycled plastic declined from 11,500 metric tons in 2021 to 7,900 metric tons in 2022 including sourced products. We launched a new built-in range refrigerator with inner walls made from 70% recycled plastic.	Focus on purchasing and R&D efforts to enable the introduction of recycled plastic into more applications. Improve and develop our communication around products made from recycled material. Add more aesthetic applications.	●
Reduce the carbon footprint of steel in our production, for example by increasing the amount of scrap-based steel.	We increased the recycled steel we source from a European supplier that is currently the only supplier in the EU that can deliver the right quality of recycled steel. Signed an initial agreement with a steel supplier to supply low-carbon steel in the future.	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 low-carbon steel – including exploring opportunities for steel made with hydrogen rather than coal.	●
Identify and evaluate relevant circular business models that can be scaled up.	We launched “Levande” – an all-in-one appliance subscription service appliance subscription platform in Singapore, a consumer take-back solution in Brazil and a new “Appliance-as-a-Service” program for landlords that repairs or replaces products.	We will continue to identify and evaluate initiatives, and scale up the most successful.	●

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

### 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

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

## 2022 HIGHLIGHTS

- In 2022, we tested 4,000 components for chemical compliance according to legislation and the Electrolux Group Restricted Materials List
- We updated our in-house digital system for chemical compliance to deal with new regulations on chemicals.
- In North America, we converted all our hydrofluorocarbons (HFCs) in refrigeration appliances to hydrocarbons.
- Global ban implemented on the use of hydrofluoroolefin (HFO).
- Global restriction introduced on the use of biocides/ pesticides.

### The case for action

As the use of chemicals increases – including in the appliance industry – the impact of chemicals on people and the environment is high on our agenda.

We want consumers to feel reassured that Electrolux Group has a robust approach to selecting materials for its products – to protect both human health and the environment. Consumers are raising their expectations on appliance companies such as Electrolux Group on the management of chemicals in products.

Phasing out the use of high-impact greenhouse gases is an important part of our approach to chemical management as they have historically been a significant contributor to our climate footprint. [Read about our approach to this Goal.](#)

### Our progress on this Goal

In 2022, we continued our work to avoid the use of harmful substances in our products.

### Chemical management and the Electrolux Group Restricted Materials List

We are working to expand the use of our Eco@web tool, which is our tool to register and monitor the substances in the components and parts we use in our products. During the year, we developed the tool to cope with the new Swedish chemical tax legislation, EU SCIP reporting, Food Contact Material requirements and documentation management

We will continue to work toward completing the global implementation of Eco@web and to cover a larger supply base in the areas

where the tool has already been implemented. North America made progress with implementation in 2022 and Latin America will be our focus region in 2023.

### Phase-out of high-impact greenhouse gases

Hydrofluorocarbons (HFCs) have a high Global Warming Potential but can be replaced by hydrocarbon refrigerants (HCs) that have a low-climate impact. In North America during 2022, we converted all our HFCs in refrigeration appliances to hydrocarbons. Also in North America, we completed the phase-out of the use of high impact greenhouse gases in our air conditioning products by moving to an alternative with lower global warming potential.

In Europe, our new highly efficient range of heat pump driers uses an HC refrigerant in the compressor instead of an HFC refrigerant. Following the phase-out of HFCs in refrigerators ahead of legislation in Australia and several countries in Asia, we are in the process of phasing out HFCs in other markets in the region.

### Cool Coalition initiative

We continue to work with our 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. One challenge in North America is that hydrocarbon refrigerants have not been formally approved for use in our dehumidifier product category.

**Progress on our Goal: Eliminate harmful materials**

Roadmap to 2030	Progress	Next steps	Status
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.	Monitoring in Europe, Asia Pacific, Middle East and Africa. Eco@web was implemented in North America in 2022 and data collection is ongoing.	Improve the coverage of supplier declarations of chemicals throughout our regions.	●
Raise the bar on chemical requirements, taking into account new scientific findings.	Global ban implemented on the use of HFOs. Global restriction introduced on the use of biocides/ pesticides.	Update the Electrolux Group Restricted Material List	●
Eliminate high-impact greenhouse gases from our products.	Progress in the phase out of high-impact GHGs in air conditioners in North America.	Continue to phase-out high-impact GHGs in air conditioning, food preservation and fabric care globally.	●

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

**Challenges**

- 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.



# 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 >



## 2022 HIGHLIGHTS

- Refrigerator solutions such as Cooling 360 and ColdSense that make ingredients last longer and help reduce food waste were introduced.
- Democratization of technology, such as steam ovens, to enable more people to make better use of ingredients and save energy.
- Social media, websites and apps provide consumers with support to keep food fresh for longer.

# Make healthy and sustainable eating the preferred choice

We will promote healthy and sustainable eating by helping consumers reduce food waste, adopt more plant-based eating, minimize nutrition loss in cooking, and enhance healthy and sustainable eating experiences.

## The case for action

The food sector currently consumes around a third of global energy consumption<sup>1)</sup>. At the same time, almost a third of all food produced is wasted<sup>2)</sup> and hunger remains a challenge with more than one in nine people in the world not having access to enough food<sup>3)</sup>.

According to our consumer research summarized in the [2021 Change Makers Report](#), 50% of young people minimize their food waste and 30% actively reduce their meat consumption. In our research from the [2019 Better Living Report](#), a third of consumers said they throw away food because it goes bad too quickly or passes its best before date. This highlights the growing consumer demand for help with changing behavior toward more sustainable eating, cooking and storing food.

Healthier and more sustainable food habits often go hand in hand. Electrolux Group products can help consumers to eat healthier and more sustainably. This includes nudging consumers to try healthier and more sustainable diets and cooking techniques that help preserve nutrients, while reducing food waste. By adopting more plant-based

diets and avoiding overeating, for example, we can improve our own health while reducing the burden on the planet and global food system.

[▶ Read about our approach to this Goal.](#)

## Our progress on this Goal

In 2022, we continued to deliver new solutions, raise consumer awareness and work in partnerships to promote more sustainable food habits.

[▶ Read the Case Story "Reimagining the kitchen for more sustainable eating".](#)

## Solutions for better food habits

Recent examples of products that promote healthier and more sustainable eating, while helping consumers to use less energy and water, include:

- **800 Series Cooling 360 refrigerator** – helps reduce food waste and protect nutrients with advanced cooling. Through a 30% improved temperature distribution on every shelf with efficient distributed vents, the refrigerator ensures that food is protected wherever it is placed. The 800 Series Cooling 360 refrigerator reduces food waste by helping to keep ingredients fresher for longer.

<sup>1)</sup> United Nations – <https://news.un.org/en/story/2021/03/1086822>

<sup>2)</sup> World Food Programme (2020) <https://www.wfp.org/stories/5-facts-about-food-waste-and-hunger>

<sup>3)</sup> World Food Programme – <https://www.wfp.org/overview>

- **500 Series ColdSense refrigerator** – is equipped with highly accurate sensors that detect and instantly react to any temperature fluctuations when the door is opened to protect ingredients from sudden shocks and food spoilage. Analyses have shown that ColdSense helps to reduce food waste by up to 20%.
- **New built-in fridge-freezer range** – reduces CO<sub>2</sub> emissions by 20% across the life cycle of the appliance compared with previous models. This is achieved through greater energy efficiency, reduced food waste thanks to new crisper draw technology, plus the reduction of emissions during the production phase in the Electrolux Group Zero Landfill Factory at Susegana, Italy. The reduction is based on a third-party Life Cycle Assessment by Università Politecnica delle Marche in Italy.
- **CustomFlex** – is designed to allow consumers to better see the fresh produce in their refrigerator to help reduce the amount of produce that goes to waste. During 2022, CustomFlex was enhanced with the possibility to fix our new vacuum food containers onto the refrigerator door. Our vacuum containers help food stay fresh for longer.
- **GreenZone** – refrigerator crisper drawer that maintains the ideal humidity to preserve up to 95% of the vitamins in vegetables after eleven days. The solution includes cooling technology that keeps the temperature stable to help reduce food waste. GreenZone has been launched in Europe and a global rollout is planned in 2023.
- **Electrolux Steam ovens** – cooking with steam saves time while providing better tasting food with more nutrients, for example up to 90% of the vitamin C is preserved in broccoli when steaming. Steam ovens can also realize energy savings by allowing lower temperature cooking and a more efficient heat transfer. In addition, steam ovens can help reduce food waste by easily reheating leftovers without drying them out. In 2022, we launched steam ovens in Latin America and updated models in Asia Pacific, Middle East and Africa (APAC & MEA). We also further improved consumer onboarding to optimize results when cooking with steam.
- **AirFry functionality** – uses superheated air that is quickly and evenly circulated around the oven to achieve a crispy-on-the-outside, juicy-on-the-inside taste and texture with little or no oil to make healthier eating easier. In 2022, the Airfry function was launched in APAC & MEA.
- **Induction cooktops** – are our most efficient technology for surface cooking. In 2022, we launched a lower-cost induction range in APAC & MEA to democratize the technology, and potentially replace gas cooktops.
- **Integrated extractor cooktop and hood** – combines a cooktop and hood into one appliance to promote greater resource efficiency compared with manufacturing two separate appliances. We also launched a specially designed accessory pan lid that

directs vapors sideways toward the extractor. Extractor cooktops are available in Europe.

- **Quickselect and Ecometer dishwasher solutions** – intuitive program selection slider on the control panel provides “ECO” feedback to promote more sustainable program selections. The solution encourages more sustainable consumer behavior and promotes resource efficiency. This solution was extended to more models and markets globally in 2022.
- **Dual Orbit/Satellite Clean dishwashing system** – multi-directional spray arms that allow better coverage without extra water. The solution allows excellent cleaning results with the efficient use of resources and was one of the key features of the new plastic tub range launched in North America in 2022.

#### Raising consumer awareness

Our communication campaigns positively influence consumer behavior to promote more sustainable habits in managing and eating food. Ongoing campaigns include:

- **The Future Sustainable Kitchen (FSK) event** – an event hosted by Electrolux Group that promoted more sustainable cooking and eating among over 500 participants in 2022 across the entire food ecosystem.
- **Online food storage advice and mobile app** – together with our global and regional websites. Our social media channels also include information about how consumers can best store their food to keep ingredients fresh for longer. This includes Q&A interviews with tips from food experts.
- **My AEG Kitchen app** – the app for mobile devices allows consumers to personalize their daily cooking experience, receive advice on how to keep appliances clean and use them efficiently, as well as troubleshooting. The app is continuously being developed to always offer the best consumer experience.

#### Partnering to promote change in food habits

We establish long-term partnerships with various food expert organizations to promote more sustainable habits in managing and eating food. Examples include:

- **Partnership with University Clemson/Padova/FURB** – to calculate the positive impact of our freshness technology on reducing food waste and emissions.
- **Partnership with Merieux NutriSciences** – to test freshness and the impact of cooking technology on food lifespan and nutrient preservation with different cooking methods.
- **Partnering with Research Institutes of Sweden (RISE)** – to calculate the environmental impact of different diets and foods, including the preservation and preparation phases.



The GreenZone crisper drawer is designed to maintain the ideal humidity to preserve ingredients and keep them fresher for longer.



- **Waste Watcher sponsorship** – for research on food waste habits in different countries of the world to identify the most wasted foods and quantity by country.
- **SideChef Partnership** – Step-by-step video recipe instructions and guidelines from Le Cordon Bleu chefs to help consumers make delicious plant-based dishes with a smart steam oven. The mobile app automatically sends the optimal oven settings for the recipe to the Electrolux branded smart steam oven.
- **Umeå Institute of Design** – In 2022, Electrolux Group collaborated with students to develop progressive premium product ideas for single people living in small spaces. The products included a slim dehumidifier and adaptable cooktops.
- **Misfits Market** – we support the Misfits Market subscription box service, which sells food to U.S. consumers that would be otherwise unnecessarily thrown away.
- **The Karma partnership** – Electrolux Group custom-made refrigerators store unsold food in supermarkets for consumers to buy via the Karma app in Sweden. The partnership helps to reduce food waste.
- **Replate.com** – is managed by the Electrolux Food Foundation and its partners Worldchefs and AIESEC to inspire people to shift to healthier and more sustainable food habits.

### Progress on our Goal: Make healthy and sustainable eating the preferred choice

Roadmap to 2030	Performance 2022	Next steps	Status
Launch enhanced food preservation solutions that help reduce food waste and ensure food quality.	Refrigerator solutions such as Cooling 360 and GreenZone were introduced to more ranges and markets.	We will continue to innovate and develop new products and solutions that help consumers to reduce food waste and ensure food quality.	●
Provide consumers with functionalities that help them make more efficient use of food resources during cooking.	The democratization of technology, such as steam ovens, enables people to make better use of ingredients and save energy.	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.	Websites, social media and apps provide consumers with support to keep food fresh for longer.	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.	Partnerships with Karma and Misfits Market to save food continued in 2022.	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.	Replate.com was further developed with more information on sustainable eating.	Continue our work with the Electrolux Food Foundation and its partners.	●

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

#### 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

Electrolux Group has the objective to make clothes last longer and reduce the environmental impact of garment care while caring for all fabrics.

## The case for action

The fashion industry, including the production of all clothes which people wear, contributes to around 10% of global greenhouse gas emissions<sup>1)</sup>. At the same time, the number of garments we purchase has increased by 400% in the past 20 years<sup>2)</sup>. According to our [▶ Truth About Laundry Report](#), items of clothing are thrown away after being worn just ten times on average.

Society is increasingly aware of the resource and climate impacts of the textile industry and our throw-away fashion culture. Research shows that extending the lifespan of clothing by an extra nine months can reduce carbon, waste and water footprints by between 20% and 30%<sup>3)</sup>.

Water scarcity around the world is an increasing issue with 14 out of 20 of the world's largest cities already experiencing inadequate supplies and two-thirds of the world's population expected to live in water-stressed areas by 2025<sup>4)</sup>. In the home, the average daily water consumption per person is up to 500 liters in some cities.<sup>5)</sup>

Around 80% of the lifecycle laundry carbon footprint comes from the appliance use phase, compared with only 20% from the manu-

facturing of the appliance. This means that we can have a greater positive environmental impact by developing resource efficient appliances than further optimizing our manufacturing operations.

According to our consumer research summarized in the [▶ 2019 Better Living Report](#), 69% of consumers agree that increasing the lifespan of garments by taking care of them is the most sustainable approach. However, people often practice outdated laundry care due to a lack of knowledge, time or access to laundry appliances with the most optimal functions. Despite this, most consumers want more knowledge and help to adopt more sustainable laundry habits.

Consumers are also unwilling to change their behavior for fear of ruining clothes or not getting them properly clean. For instance, despite being encouraged to wash clothes at 30°C or lower for better results and longer garment durability, almost two-thirds of Europeans (63%), wash at 40°C or higher, according to our [The Truth About Laundry](#) study, which surveyed 12,000 adults in 2021. [▶ Read about our approach to this Goal.](#)

## Our progress on this Goal

In 2022, we continued to deliver new solutions and raise consumer awareness to promote better garment care.

## Solutions for better garment care

We innovate to help consumers to adopt more sustainable laundry behavior. This includes enabling them to take better care of their clothes - to make them last longer while reducing environmental

## 2022 HIGHLIGHTS

- New washing machine Care Drum combined with enhanced cycle functionality to reduce wear and tear on garments.
- A microplastic filter to capture microplastics to avoid them ending up in wastewater systems and potentially the environment.
- Break the Pattern campaign launched to raise consumer awareness of the environmental impacts of "throw-away fashion" and how to care for clothes and make them last longer.

<sup>1)</sup> UN Climate Change - <https://unfccc.int/news/un-helps-fashion-industry-shift-to-low-carbon>  
<sup>2)</sup> The True Cost - <https://truecostmovie.com/learn-more/environmental-impact/#:-:text=Disposable%20Clothing,of%20textile%20waste%20each%20year.>  
<sup>3)</sup> <https://www.newstandartinstitute.org/the-information/extending-the-life-of-clothes-by-just-nine-extra-months-of-active-use-would-reduce-carbon-water-and-waste-footprints-by-around-20-30-each>  
<sup>4)</sup> WWF - <https://www.worldwildlife.org/threats/water-scarcity>  
<sup>5)</sup> WBCSD - <https://www.wbcscd.org/Programs/Cities-and-Mobility/Sustainable-Cities/Blue-print-for-a-sustainable-built-environment/Net-zero-carbon-and-circular/50L-Home-WBCSD-WEF-2030-Water-Resources-Group>

impact. Our washers and driers are also increasingly resource efficient. [Read more in our Goal Lead in energy and resource efficient solutions on page 30.](#)

Recent examples of garment care products and initiatives that drive sustainability include:

- **New Care Drum** – a “cushion-like” washing machine drum pattern for clothes to softly glide on combined with enhanced cycle functionality to provide significantly gentler fabric care to reduce wear and tear on garments. The drum was integrated into a wide range of Electrolux and AEG branded laundry products globally in 2022.
- **Microplastic filter** – a new filter that can be fitted to any Electrolux, Zanussi and AEG washing machine to capture microplastics was launched in 2022. The filter captures up to 90% of microplastic fibers larger than 45 microns to ensure they don’t end up in the wastewater system and potentially the environment.
- **UniversalDose and AutoDose** – optimal detergent dispensing solutions were integrated into more washing machine models globally in 2022. UniversalDose is a unique washing machine compartment that ensures that every type of detergent (including detergent pods) properly dissolve to enable detergents to work for short washes and at low temperatures. AutoDose uses up to 60% less detergent by automatically calculating the ideal quantity required.
- **ColourCare washing machines** – our ColourCare system treats the water to optimize the detergent even in cold water. Washing in cooler temperatures helps clothes retain their color for longer and reduces energy use. The solution featured in more of our washing machines sold in 2022 and the additional benefits of protecting the shape and reducing the shrinkage of garments were more actively communicated.
- **SteamCare washing machines** – the SteamCare system allows consumers to refresh their clothes when they do not need a full wash and uses over 90% less water compared to a complete washing cycle. By reducing wrinkles, it also decreases the need for ironing, which together with avoiding unnecessary washing, contributes to making clothes last longer. In 2022, SteamCare was added to new models in new regions, including lower price point platforms to make the technology available to more people.
- **CycloneCare / 3DSense driers** – the CycloneCare system includes innovative 3DSense technology, which scans deep into fabrics to ensure accurate drying. The technology prevents over drying and maintains the appearance and thermal insulation in down jackets up to 30% better than air drying for example. In 2022, the expansion of the technology was hindered by supply chain issues related to component shortages. These issues are expected to be overcome in 2023.



Our new microplastic filter can be fitted to any Electrolux, Zanussi and AEG washing machine to capture microplastics.

- **DelicateCare driers** – our DelicateCare system adapts the temperature and drum movement to suit specific fabrics, which means that even wool keeps its shape and waterproof garments retain their function. In 2022, the system was deployed in Asia Pacific, the Middle East and Africa, including in lower price point models.
- **Next generation machine software developments** – for both washers and driers are continuously developed. This includes improved capabilities to adjust the cycle parameters based on the actual load, with tailored drum movements and the minimal use of resources.
- **Power jets in top load washers** – power jet technology has been added to more models in the top load washing machine range in Latin America. The technology combines water recirculation with reduced mechanical agitation to save up to 50 liters of water per cycle, while also reducing color fading and wear and tear on garments.

#### **Raising awareness on fabric care**

We engage with consumers to help them to look after their clothes in the best possible way. This involves running campaigns to inspire consumers to better care for their clothes and reduce water use.

- **Break the Pattern** – a global campaign launched in 2022 to raise consumer awareness of the environmental impacts of “throw-away fashion” and how to care for clothes and make them last longer. The campaign highlighted the fact that most of our thrown away garments end up in “garment graveyards” such as in the Atacama Desert in Chile. We partnered with the eco-friendly Swedish fashion brand Rave Review, which created a small clothing collection made solely from garments retrieved from the Atacama garment graveyard. The collection reminds us that used garments still have value and aims to encourage people to think about their own throw-away fashion habits. [Read more in the Case Story “Inspiring consumers to adopt more sustainable garment care”.](#)



- **Make it Last** – is our global campaign to inspire better garment care among consumers to make their clothes last longer. It includes branded websites with inspiration and care tips for consumers to choose more sustainable options. Make it Last is built on our knowledge and the specific innovations available in our various markets. In 2022, the campaign was re-run in all regions around the world, except North America, to set the scene for the new Break the Pattern campaign.

- **The Truth About Laundry Report** – we published the report in 2021 to highlight that laundry habits are out of step with modern laundry technology and that there would be significant positive climate impact if we were to update our laundry behavior. In 2022, we complemented the report with a section on new consumer research related to microplastic pollution from clothes fibers. [▶ Check out the truth about laundry report – microplastic edition.](#)

- **The 50L Home** – is a public-private partnership between Electrolux Group, other global brands and NGOs to re-invent domestic water consumption. It is aimed at creating sustainable solutions for water use and influencing institutions and authorities to re-evaluate water use policy around the world. In 2022, the partnership continued to scope potential pilot projects where water-efficient solutions – including Electrolux Group branded products – will be tested.

### Progress on our Goal: Make clothes last twice as long with half the environmental impact

#### Roadmap to 2030

#### Progress

#### Next steps

#### Status

Help consumers maximize the life of their clothes and help them better care for their clothes in general.

Solutions such as the new “cushion-like” washing machine drum pattern and ColourCare washing machines allow consumers to wash in cooler temperatures. The Break the Pattern campaign raised consumer awareness of the environmental impacts of “throw-away fashion”.

Continue to deliver products, solutions and campaigns that help consumers take better care of their clothes.



Reduce environmental impact during garment care.

Solutions include a new microplastic filter that captures microplastics from clothes and helps prevent them from ending up in the environment. AutoDose uses less detergent and SteamCare washing machines allow consumers to refresh their clothes in a water efficient way.

Continue to develop products that enable consumers to make their garments stay fresher for longer.



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

#### 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.



## 2022 HIGHLIGHTS

- We removed chemical paint from our stick vacuum cleaner to reduce environmental impact
- Our connected air purifiers feature smart sensors that optimize energy consumption by adjusting the fan operation in line with the level of airborne particles.
- More sustainable packaging – to incorporate more recycled materials and reduce overall environmental impact.
- Design for wellbeing – is our new process to develop beautiful and well thought-out products by incorporating recycled materials during the design phase.

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

By leveraging adaptive technologies, new business models and inspiration for smarter consumer habits, we aim to create spearhead solutions by 2030 that contribute to healthier homes with half the carbon footprint. By fast-tracking the rollout of these solutions in all markets, we will enable more people to sustainably benefit from comfortable temperatures as well as cleaner air, water and surfaces.

### The case for action

More than 90% of the world's population live in places where air quality exceeds World Health Organization's guideline limits<sup>1)</sup>. Therefore, controlling air quality indoors where we spend most of our time is becoming increasingly important.

According to our consumer research summarized in our [2019 Better Living Report](#), four out of five of our consumers mention air quality and cleanliness as two of the most important factors for wellbeing at home. However, only 39% of people feel empowered to improve their indoor air quality.

The growing need for temperature control appliances in the world – and in emerging markets in particular – is increasing global energy use and carbon emissions. The number of air conditioners in use is expected to increase from 1.2 billion today to 4.5 billion by 2050<sup>2)</sup>, which would increase emissions by 90% by 2050 compared with 2017 levels if no action is taken.

As a domestic appliance sustainability leader, we are in a unique position to drive societal change that can improve the home environment for people around the world.

➔ [Read about our approach to this Goal.](#)

<sup>1)</sup> WHO Air pollution

<sup>2)</sup> Sustainable Energy for All – <https://www.seforall.org/data-stories/the-cooling-dilemma>

### Our progress on this Goal

During the year, we focused on reviewing our roadmaps and plotting the detailed steps in our sustainability journey. This involved developing the concept for a Wellbeing Index to measure the elements of clean air, comfortable air, clean water, comfortable water and clean floors. We will calculate baselines for each of the elements in 2023, which will help us to measure our progress on this Goal. It will go beyond standard measurements as it will focus on how users actually use our products and solutions. This will help us to refine our offering and understand how best to guide consumers in terms of using our products more efficiently.

### Solutions for healthier and more sustainable homes

We offer various consumer air, water and floor products and solutions that can make the indoor environment healthier and enable consumers to care for it more sustainably. For example:

- **Our latest stick vacuum cleaner** – we removed chemical paint from our stick vacuum cleaner in an industry first that reduces environmental impact. The vacuum cleaner also has a sealed filtration system to remove up to 99.9% of particles (between 0.3 µm–10 µm in size) from the home environment. The range underwent a facelift in 2022 and was launched in APAC & MEA with plans to launch in other markets in 2023.

- **Our connected air purifiers** – feature smart sensors that optimize energy consumption by adjusting the fan operation in line with the level of particles, such as pollen or dust, suspended in the room at any given moment. The result is cleaner air and reduced energy consumption.
- **Design for wellbeing** – is our new process to develop beautiful and well thought-out products by incorporating recycled materials during the design phase. We have broadened the range of colors and textures of recycled plastic available to us when designing new products.
- **More sustainable packaging** – we have started introducing new packaging for our floor and air care products with illustrations that follow an elegant color palette and that will be used on all our new product launches. The packaging does not use heavy inks and reduces environmental impact by using paper-based material and by reducing variation. [➤ Read more in the Case Story “Developing more sustainable appliance packaging”.](#)



Our latest stick vacuum cleaners do not use chemical paint

### Raising consumer awareness

Better informing consumers can help them make their indoor environment healthier while reducing environmental impact:

- **Product guidance** – products are issued with instructions on how consumers can prolong the life of our wellbeing products, their maintenance and consumables.
- **Facilitating more sustainable living** – we are looking into ways to make our consumers more aware of their environmental impact and how they can make more sustainable choices.

### Partnerships

Collaborating with other partners can amplify our contribution to promoting healthier and more sustainable homes. For example, we partner through:

- **UN Cool Coalition initiative** – as part of the initiative, we will replace all high-impact greenhouse gases in all our appliances with more sustainable alternatives by 2023 at the latest
- **United for Efficiency** – working with other global companies and the United Nations to help more countries implement product efficiency standards.

### Progress on our Goal: Make the home a healthier place to thrive in, with half the carbon footprint

Roadmap to 2030	Progress	Next steps	Status
Inspire better home care habits by providing solutions that actively guide consumers toward more sustainable habits in caring for their home.	We have mapped and initiated projects to create tools that engage our consumers and guide them toward more sustainable behavior.	Further develop solutions that enable and inspire consumers to more sustainable home care habits.	●
Work to increase awareness of issues around air and water hygiene, to ensure that solutions are effective and broadly accessible.	Our research in this area has continued and we have identified steps to capture information around this topic and drive greater understanding. Additionally, our collaborations with partners in related industries and academia have also been active throughout 2022.	We will continue to raise awareness of air and water hygiene issues.  We will continue to leverage cross-industry collaboration within the “well-being” product context	●
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.	Our innovation landscape and processes have been established and a vibrant and dynamic community has been created to ensure innovation and sustainability are at the heart of new developments.	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.	●

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

### 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.



**Progress on our Climate Goals****Progress on our scope 1 and 2 emissions**

By the end of 2022, we had 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 longer-term target is a 100% reduction by 2030. [Read more about our scope 1 & 2 emissions in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.](#)

[Read the Case Story “Driving global climate action”.](#)

**Progress on our scope 3 emissions**

The Electrolux Group 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 challenge in the coming years will be to maintain this good progress.

The Electrolux Group science-based target scope 3 covers 75% of the emissions from the use of sold products in the original baseline. The Electrolux Group science-based target scope 3 emissions “use of sold products” are calculated based on annual energy consumption (as defined by legislation standard use models for each major market), sales volumes per category, IEA’s ETP 2017 emission scenario factors per region, and estimated product

lifetime. This methodology and the data quality are evolving and improving over time. We aim to include more product categories as this work continues. During 2022, we began developing a new science-based target.

**Direct and Indirect CO<sub>2</sub> emissions**

	GRI 305-1		GRI 305-2	
	Direct CO <sub>2</sub> eq emissions (metric ktons)	Indirect CO <sub>2</sub> eq emissions (metric ktons)	Indirect CO <sub>2</sub> eq emissions (metric ktons)	Total CO <sub>2</sub> eq (metric ktons)
2022	73	10		83
2021	83	20		103
2020	77	35		112
2019	140	59		199
2018	164	121		286

Greenhouse Gas Protocol and World Resource Institute methodologies used to prepare amount of CO<sub>2</sub> emissions.

**Phase-out of high-impact greenhouse gases**

We are working to phase out the use of hydrofluorocarbons (HFCs) that have a high Global Warming Potential but can be replaced by hydrocarbon refrigerants that have a lower climate impact.

In Europe, our new highly efficient range of heat pump driers uses a hydrocarbon refrigerant in their compressors instead of an HFC refrigerant. Following the phase-out of HFCs in refrigerators ahead of legislation in Australia and several countries in Asia, we are in the process of phasing out HFCs in other markets in the region.

**Emissions of ozone-depleting substances (ODS)<sup>1)</sup>**

	Production	Refrigerant	Foaming	Total (kg CFC-11 eq)
2022	0.82	0.01	0	0.83
2021	3.8	0	0	3.8
2020	5.5	0	0	5.5
2019	4	0	0	4
2018	5	0	0	5

<sup>1)</sup> World Resource Institute methodologies used to prepare CFC-11 emissions.

**CDP**

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.



**Progress on our Climate Goals****Roadmap to 2030****Progress****Read more in the relevant Goals****Status**

Be a leader in product efficiency in our most important markets.	Energy-efficient products include the Frigidaire SXS refrigerator that was awarded the #1 spot on reviewed.com for its high energy efficiency.	<a href="#">➤ Lead in energy- and resource-efficient solutions on page 30</a>	●
Eliminate high-impact greenhouse gases from our products.	In Europe, our new highly efficient range of heat pump driers uses a hydrocarbon refrigerant in their compressors instead of an HFC refrigerant.	<a href="#">➤ Eliminate harmful materials on page 35</a>	●
Improve efficiency throughout our operations and supply chain.	We had implemented the ISO 50001 energy management system at 89% of our factories by the end of 2022.	<a href="#">➤ Be climate neutral and drive clean and resource-efficient operations on page 11</a>	●
Increase the proportion of renewable energy for our operations to 65% by 2025.	We switched to sourcing 100% renewable energy for our manufacturing processes at our Cerreto factory in Italy.	<a href="#">➤ Be climate neutral and drive clean and resource-efficient operations on page 11</a>	●

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

**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.





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# 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 2030<sup>1)</sup>. 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.

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

# Forthcoming and proposed legislation

Our business will be affected by new legislation that will come into force in the coming years. Key proposed and forthcoming legislation includes:

## Products

- EU: New stricter energy efficiency limits for washing machines, washer/dryers, refrigerators, freezers and dishwashers will be in force from March 1, 2024. New Eco-design rules plus revised energy labels are being developed for dryers, ovens, hobs, hoods, air-conditioners and vacuum cleaners.
- EU: A Sustainable Products Regulation (ESPR) has been proposed by the EU Commission. It includes a digital Product Passport to accompany each product during its life cycle and to be updated at repair or refurbishment. Information about e.g. recyclability, recycled content, durability, reusability, refurbishment, repairability, chemical content, carbon footprint, material content provided by the supply chain, etc. is proposed to be included.
- U.S.: The U.S. Department of Energy is expected to finalize new energy standards for room air-conditioners, microwaves and refrigerator/freezers by the end of 2023, typically to become effective three years after they are finalized. The US Environmental Protection Agency is developing new Energy Star standards for clothes dryers, room air-conditioners and refrigerator/freezers, which are anticipated to be completed in 2023. Typically, a new Energy Star standard becomes effective 9-12 months after being finalized.
- Brazil: Refrigerator power consumption to be 30% lower at the end of 2025 and 61% lower by 2030.
- Australia: Adopting IEC energy efficiency test standards for washers, dryers and dishwashers. The standards are to be published in 2023, so legislation is unlikely before 2026.

## Circular economy

- EU: By December 2025, the EU Commission will present a proposal for mandatory microfiber filters in washing machines.
- Discussions are ongoing on microfiber filters in other regions.
- EU: WEEE Directive (electronic waste) to be revised.
- EU: Revised packaging legislation and REACH/RoHS rules on chemicals.
- EU: The Commission intends to propose a legislative initiative to secure citizens' "right to repair" consumer goods.
- Australia: Western Australia is to phase out EPS molded packaging by August 2024. The Australian Packaging Covenant Organisation (APCO) is looking into harmonizing the phase-out by July 2025.

## Climate

- EU: Revision of the regulations on certain fluorinated gases (F-gases), which will most likely restrict their use in heat pump applications and for split air conditioners. For heat pump tumble driers and washer driers, we have voluntarily committed to phase out F-gases by Q1 2023.
- High-impact greenhouse gases are being phased out under the Montreal Protocol. More stringent legislation is already in place in Europe and will be introduced in the U.S. and Asia Pacific.
- EU: Proposal to change the CO<sub>2</sub> trading scheme (ETS) for certain raw materials and introduce a Carbon Border Adjustment Mechanism for their import.

## Human rights

- EU: New regulation regarding mandatory Corporate Sustainability Due Diligence is under development. The scope is intended to cover both human rights and environmental impacts and risks.



# Electrolux Group and the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) provide the global community with a roadmap for how to combat global challenges related to economic, social and environmental sustainability. The initiative has gained broad acceptance and has encouraged initiatives from businesses and other stakeholders.

For Electrolux Group, our sustainability framework – For the Better 2030 – contributes to several of the SDGs. This chapter describes our most relevant SDGs and how we contribute toward them through our Goals.



## Our most relevant SDGs

As a sustainability leader in the appliance industry, we believe we can make the greatest contribution to SDGs 8, 12, 13 and 17. These four goals are closely aligned with our For the Better 2030 sustainability framework as described below. The correlation between the UN SDGs and the Electrolux Group sustainability framework shows that the Group's materiality analysis is aligned with societal priorities.

## SDG 8 – Decent work and economic growth

Providing decent work and economic growth is related to our manufacturing operations. Our Workplace Policy and Supplier Workplace Standard set out decent labor standards as a requirement for our operations and suppliers.



### Relevant SDG sub targets

- **8.5** – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- **8.8** – Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

### SDG 12 – Responsible consumption and production

Promoting responsible consumption and production is the most significant SDG for Electrolux Group. We strive to bring resource-efficient products, manufactured in a sustainable way, to as many people as possible around the world. We have set ambitious targets to reduce the footprint of our products and production, including our suppliers. We also increasingly consider the end-of-life phase of our products by designing for reparability and recyclability, and by offering repair services and product take-back.

Additionally, a key focus of our community investment program is encouraging consumers to adopt more sustainable eating habits at home – such as wasting less food or adopting a more plant-based diet. [▶ Read more about our community investment work in our Goal Act ethically, lead in diversity and respect human rights on page 15.](#)

Through our products and campaigns, we promote more sustainable fashion by helping consumers to adopt gentler garment care and make clothes last longer. This helps to reduce the amount of waste garments and the need to produce new garments. [▶ Read more in our Goal Make clothes last twice as long with half the environmental impact on page 41.](#)

Through our products and campaigns, we also encourage consumers to waste less food. [▶ Read more in our Goal Make healthy and sustainable eating the preferred choice on page 38.](#)

### Relevant SDG sub targets

- **12.2** – By 2030, achieve the sustainable management and efficient use of natural resources.
- **12.3** – By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- **12.5** – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

### SDG 13 – Climate action

Our action on climate change is reflected in Our Climate Goals to reduce our CO<sub>2</sub> footprint, including product usage, production and transportation. We are committed to achieving our science-based emission targets by 2025, becoming climate neutral in our operations by 2030 and climate neutral throughout the value chain by 2050. We have set a target to increase the proportion of renewable energy used in our operations to 50% by 2025. [▶ Read more about our Climate Goals on page 46.](#)

### Relevant SDG sub targets

- **13.3** – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

### SDG 17 – Partnerships for the Goals

We engage in numerous partnerships to work toward the SDGs:

- UN Global Compact
- United4Efficiency
- Cool Coalition
- US Environmental Protection Agency-led SmartWay
- BSR Clean Cargo initiative
- Decarbonization of ocean transport, Aspen Institute
- United Nations Women’s Empowerment Principles (WEPs)
- Workplace Pride
- 50L Home Coalition
- Circular Initiative

The Electrolux Food Foundation partners with Worldchefs, AIESEC, and the Red Cross and Red Crescent Movement

### Relevant SDG sub targets

- **17.16** – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.
- **17.17** – Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



### Other relevant SDGs

We additionally strive to contribute to other SDGs through our solutions, operations and societal engagement.

### SDG 3 – Good health and wellbeing

We prioritize health and wellbeing in our operations by promoting health and safety among our employees and contractors. We also provide solutions for more healthy and sustainable living for more people in the home.

### SDG 4 – Quality education

The Electrolux Food Foundation and our global partnership Feed the Planet offer vocational culinary training to help the unemployed to enter the labor market, raise awareness on sustainable food habits and work with schools around the world.

### SDG 5 – Gender equality

We focus on gender diversity and aim to continuously improve our proportion of female leaders at all levels. Several of our social investment projects also empower women in society.

### SDG 6 – Clean water and sanitation

We provide a range of water efficient domestic appliances that help to conserve local water resources. Our laundry products promote sanitation in homes and we endorse the UN’s CEO Water Mandate and report annually on our progress in implementing the mandate’s six elements.

In our operations, we assess the water risks for all our operations, identify factories in water-scarce areas and set water savings requirements. Some of our plants recycle process water, are closed loop in terms of reusing process water, and harvest rainwater for use in processes.

### SDG 7 – Affordable and clean energy

We are working to increase our use of electricity and energy from renewable sources.

# Key processes

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# Our materiality process

The nine Goals in our sustainability framework and our Climate Goals cover our material sustainability topics – that have our most significant economic, environmental and social impacts. We continuously monitor our material topics to ensure we address our impacts on stakeholders and the planet and the impacts on our business.

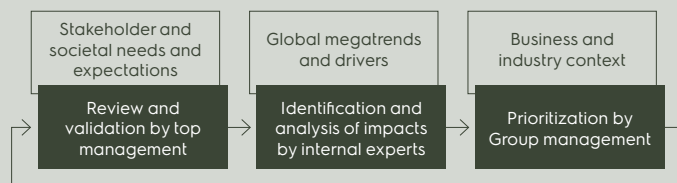
We do this through an annual analysis of the input we get from key external and internal stakeholders on material topics. The input is collected through engagement and dialogue with stakeholders, as well as by monitoring our business and industry peers (➤ [read more in Stakeholders inform our approach on page 56](#)) and the relevant megatrends and drivers (➤ [read more in Global megatrends that shape our business on page 50](#)). Our material topics are annually reviewed and prioritized based on impact by our internal experts and Group management. Major revisions are linked to our long-term business strategy updates, which are approved by the Electrolux Group Board.

Our approach helps us to understand and act upon our stakeholders' input (➤ [read more in Stakeholders inform our approach on page 56](#)) on our impact on people and the environment, and the potential risks and opportunities for our business. This enables us to improve our ability to create and sustain societal value in the long term.

The relevance of a material topic for Electrolux Group, and thereby the decision to include it in our sustainability framework is determined by the following criteria:

- The degree of impact on people and the environment caused by our activities throughout the value chain.
- To what degree the topic impacts on our business strategy.
- How we may impact our stakeholders.

The following illustration shows our materiality process described above.



## For the Better 2030

“For the Better 2030” is our sustainability framework, which drives us toward our ambitious sustainability Goals for 2030 and to become climate neutral across our value chain by 2050. The framework consists of nine Goals and our Climate Goals. These are the material topics we focus on as they represent our most important impacts and optimize our contribution to society. ➤ [Read more about our progress on our Goals between pages 10 and 48.](#)

For the Better 2030 is the result of our ongoing stakeholder dialogue (➤ [read more in Stakeholders inform our approach on page 56](#)) with both internal and external stakeholders. As a result of our materiality process, the most important topics that have an impact on the company and where we have an impact on people and the environment have been included in For the Better 2030. Our framework helps us to address the expectations of the Global Reporting Initiative (GRI) and the UN Sustainable Development Goals.

## Better company

We work continuously to be more resource efficient in our operations, and become a safer and more ethical company.

*Learn more about our Goals*

- [Be climate neutral and drive clean and resource-efficient operations on page 11](#)
- [Act ethically, lead in diversity and respect human rights on page 15](#)
- [Drive supply chain sustainability on page 25](#)

## Better solutions

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.

*Learn more about our Goals*

- [Lead in energy and resource efficient solutions on page 30](#)
- [Offer circular products and business solutions on page 32](#)
- [Eliminate harmful materials on page 35](#)

## Better living

We make a difference in society by empowering consumers around the world to live better and more sustainable lives.

*Learn more about our Goals*

- [Make healthy and sustainable eating the preferred choice on page 38](#)
- [Make clothes last twice as long with half the environmental impact on page 41](#)
- [Make the home a healthier place to thrive in, with half the carbon footprint on page 44](#)

## Our Climate Goals

By focusing on our major impacts, we will prevent millions of metric tons of greenhouse gases from entering the atmosphere. This is our roadmap to become climate neutral throughout the value chain by 2050. ➤ [Read more about our Climate Goals on page 46.](#)

# Stakeholders inform our approach

Ongoing dialogue with internal and external stakeholders regarding our impact on them helps us define and deliver on our Goals and keep ahead of global developments.

Our Goals require improvements throughout our value chain – from sourcing to end-of-life. Consequently, we cannot deliver on our ambitions alone and engagement with consumers, customers, employees, investors, suppliers, industry peers, other industries and NGOs is crucial for us to deliver our sustainability framework For the Better 2030. Working with these selected stakeholder groups gives us the best opportunities to address our impacts on society.

The Group Sustainability team oversees meaningful dialogue on sustainability-related issues with a wide range of internal and external groups. Feedback from this dialogue is reported to Group management and feeds into our decision making to strengthen our strategy and response. An ongoing challenge is to systemize local stakeholder dialogue to ensure that local voices are heard.

## Stakeholder priorities and our response

We have systematic contact with our major stakeholder groups. Stakeholder engagement enables us to evaluate our impact and the opportunities we have to benefit key stakeholders and our business. In 2022, no new material topics were added because the materiality analysis concluded that there were no new topics to add.

### How Electrolux Group engages with stakeholders

### How stakeholders shape our sustainability approach

#### Consumers

Consumer choices drive our business, and consumer behavior shapes our sustainability performance.

- Monthly consumer brand scorecard surveys on sustainability in various markets.
- Consumer surveys in key markets to understand perceptions on sustainability – particularly when developing a new campaign or to fill a gap in knowledge.
- Brand and consumer awareness campaigns on more sustainable living – such as to promote more energy-efficient products or encourage consumers to waste less resources.

- Sustainability is at the core of our brand strategy and a key metric in tracking our brand health among consumers.
- Sustainability is an integrated part of our overall consumer experience strategy.

#### Customers

Our sustainability work must align with customer expectations as most of our sales are made through retail customers that sell our products to consumers.

- Partnerships with specific customers. Sustainability engagement is becoming more long-term and strategic.
- Ongoing engagement with customers and key stakeholders to share learnings and discuss sustainability and our products and operations.

- Collaboration in areas such as chemicals handling and recycled materials. We discuss criteria and evaluate our processes for supply chain monitoring, as well as the follow-up of our own operations.
- Customer insights contribute to raising market awareness of the importance of efficient products.

#### Investors

With a focus on ESG (Environmental, Social and Governance), investors drive our sustainability agenda forward through their engagement.

- In response to significant growth in ESG investment, we engage with investors and shareholders on sustainability topics through regular meetings and investor dialogue.
- Nine of our ten largest shareholders are signatories to the UN Principles for Responsible Investment.

- Investors provide input on the importance of different sustainability topics.
- We have enhanced our reporting and activities on CO<sub>2</sub> reduction through our disclosure to CDP, as well as the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Taxonomy.
- In 2022, we launched a Green Financing Framework, which will be used to finance or refinance projects covered by the environmental areas of the Electrolux Group sustainability framework – For the Better 2030. Examples of investments include improving the efficiency of appliances, developing recycled materials and increasing the use of renewable energy at Electrolux Group factories.





## How Electrolux Group engages with stakeholders

## How stakeholders shape our sustainability approach

**Employees**

Our sustainability work helps to motivate, retain and attract employees

- Ongoing dialogue between management and employee representatives and unions. Topics include updates on restructuring plans, feedback on business development, audit outcomes, human rights assessments, our Ethics Helpline, and Health and Safety performance. [▶ Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.](#)
- Our global employee survey (Employee Voice) and pulse surveys gather employee perceptions and feedback. [▶ Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.](#)
- Confidential interviews and dialogue with employees as part of our Workplace Audits and human rights impact assessments. The findings are addressed through action plans.

- We integrate employee perceptions through the tools mentioned above into strategic and operational activities on a local, regional and Group level.
- Our global intranet allows non-production employees to influence our sustainability agenda. It includes global webinars, news, presentations and films. Employees have the chance to comment, ask questions and propose initiatives. Production employees have access to information via an app and local information screens, and their voices are heard through employee surveys and face-to-face meetings.
- The Electrolux Food Foundation funds employee initiatives that promote sustainable food habits and help people in need in the communities around us.

**Suppliers**

We have the same sustainability ambitions in our supply chain as in our own company and working with suppliers is crucial to implementing our sustainability framework – For the Better 2030.

- During our Responsible Sourcing and Quality auditing and assessment work, we proactively work with suppliers to understand the topics of greatest importance and concern to them, and help suppliers to improve their performance through training and dialogue. We conduct Workplace Policy workshops for our suppliers and our regular regional Supplier Sustainability Days provide further opportunities for interaction with our supply chain.
- Our annual global Supplier Award Day, when we celebrate our most innovative and efficient key suppliers, allows these suppliers to connect with our top management and key functions, sharing their ideas and priorities. The Supplier Award Day includes a Supplier Sustainability Award.
- We share best practices in transport management with the logistics industry. Electrolux Group is a member of the U.S. Environmental Protection Agency-led SmartWay, with a commitment to reduce road transport emissions, Clean Cargo, which focuses on reducing the impact of sea transport, and of the Decarbonization of ocean transport initiative by Aspen Institute.

- Supplier expert knowledge and co-innovation together with suppliers help improve our sustainability performance in, for example, product energy and water efficiency, circularity and to reduce the environmental footprint of our operations.
- We engage with key Original Equipment Manufacturers (OEMs) on topics such as energy and water management, sharing tools and internal and external knowledge.

**Industry peers**

Benchmarking and sharing best practice ensure we continue to be an industry leader.

- We conduct competitor analyses.
- Shared best practice on setting stretch targets for renewable energy.
- We share best practice on human rights, with various networks, such as the Swedish Network on Business & Human Rights, APPLiA and Teknikföretagen.

- Extensive competitor analyses and best practice information were gathered to shape our latest sustainability framework – For the Better 2030.
- We share best practice with other industry leaders.

**NGOs, academia and governmental initiatives**

Cooperation with NGOs, academia and governmental initiatives ensures we remain up to date on key sustainability topics.

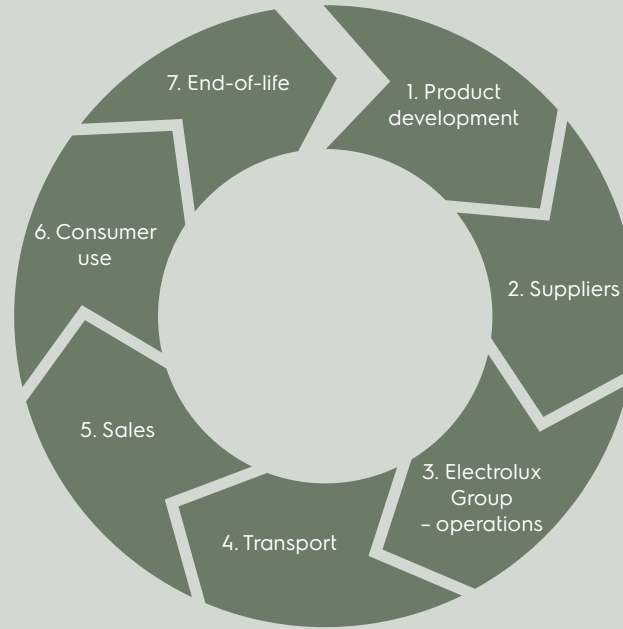
- Dialogue with experts on human rights and labor rights – including advocacy groups, local representatives of international organizations, academia and embassies.
- The European Environmental Bureau on energy efficiency and labeling.
- Discussions at various multi-stakeholder events on circularity.
- Updates on national or regional policies and regulations.

- Input from these stakeholders is a crucial part of our materiality analysis, as well as our human rights impact assessments.
- This stakeholder input helps us shape policies, product development, technologies, recycling and labelling.

# 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 in the household durables industry. 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 along our value chain, identifies key impacts and how we manage them, and provides examples of the value we create.



	Ability to influence	Financial and sustainability impacts	Challenges	How we manage our impacts	Creating value
<b>1. Product development</b> Close collaboration between Design, Marketing and R&D enables new products to offer best-in-class performance and consumer experiences. ➤ <i>Read more in our Goal Lead in energy and resource efficient solutions on page 30.</i>	High	High	<ul style="list-style-type: none"> <li>Increased total carbon footprint from consumer use.</li> <li>Increased material costs.</li> <li>Not meeting consumer expectations.</li> <li>Not meeting regulatory or market requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve product efficiency.</li> <li>Increase our use of recycled materials.</li> <li>Eliminate harmful materials.</li> <li>Integrate future requirements into product development plans.</li> </ul>	Products with leading environmental performance deliver consumer value in line with our business strategy, while reducing negative environmental impacts.



	Ability to influence	Financial and sustainability impacts	Challenges	How we manage our impacts	Creating value
<p><b>2. Suppliers</b></p> <p>Electrolux Group has around 1,700 direct suppliers, including many in emerging markets, which must abide by our sustainability requirements. We focus on safeguarding the company's standards and developing supplier capacity to improve their sustainability performance, which actively promotes our ambitions throughout our supply chain. This requires careful assessment and supplier selection. <a href="#">Read more in our Goal Drive supply chain sustainability on page 25.</a></p>	Medium	Medium	<ul style="list-style-type: none"> <li>• Potential association with social, environmental, ethical and human rights violations in our supply chain.</li> <li>• Difficulties in influencing suppliers beyond our direct suppliers.</li> <li>• Extreme weather conditions caused by climate change could negatively affect our supply chain.</li> <li>• Supply interruptions due to unethical business practices in our supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Apply a risk-based approach to mitigate environmental, health and safety risks as well as ethical and human rights risks among direct suppliers as well as further up the supply chain.</li> <li>• Climate impact assessments of key suppliers.</li> <li>• Supplier auditing to safeguard standards.</li> <li>• Provide training and drive improvement initiatives.</li> </ul>	Rewarding suppliers that comply with our requirements and sharing our sustainability ambitions with them promotes more sustainable practices, technical improvements and innovation. Promoting universal norms supports human rights and raises environmental, labor and economic standards – particularly in low-cost countries. It also builds trust and reduces business risks.
<p><b>3. Electrolux Group operations</b></p> <p>We have manufacturing operations in 41 factories around the world and approximately 51,000 employees. Our main focus areas are to reduce our environmental footprint, maintain high ethical standards and working conditions, as well as to have a positive impact in local communities.</p> <p><a href="#">Read more in our Goals Be climate neutral and drive clean and resource-efficient operations on page 11</a> and <a href="#">Act ethically, lead in diversity and respect human rights on page 15.</a></p>	High	Medium	<ul style="list-style-type: none"> <li>• Disruption due to emissions and discharges as a result of incidents.</li> <li>• Disruption caused by severe weather related to climate change.</li> <li>• Impact due to social, ethical and human rights violations.</li> <li>• Corruption due to weak governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental management systems and efficiency programs.</li> <li>• Integrating sustainability risks in the Enterprise Risk Managements process.</li> <li>• Ensure the best conditions for health and safety.</li> <li>• Governance systems and training to enforce sustainability policies.</li> <li>• Climate impact assessments of operations.</li> <li>• Workplace Policy audits, and human rights impact assessments.</li> <li>• Support local community programs.</li> </ul>	We benefit society by providing jobs, knowledge transfer and economic opportunities. Positive employee relationships promote competence development, employee wellbeing and job satisfaction. Value is created by retaining talented employees and avoiding financial costs related to accidents.
<p><b>4. Transport</b></p> <p>We emit more CO<sub>2</sub> transporting our goods than through our total energy use in Group operations. <a href="#">Read more in our Goal Drive supply chain sustainability on page 25.</a></p>	Medium	Medium	<ul style="list-style-type: none"> <li>• Disruption caused by severe weather related to climate change.</li> <li>• Emissions from transportation.</li> <li>• Labor conditions at logistics companies.</li> <li>• More sustainable transport requires a multi-stakeholder approach.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative solutions to mitigate logistics-related impacts.</li> <li>• Promoting more efficient modes of transport</li> </ul>	We support the trend toward more sustainable transport and encourage our logistics suppliers to further reduce their impacts. This reduces transport-related emissions and our climate impact.



	Ability to influence	Financial and sustainability impacts	Challenges	How we manage our impacts	Creating value
<p><b>5. Sales</b></p> <p>We annually sell approximately 60 million products in around 120 markets. Energy and performance labeling, and campaigns allow us to raise consumer awareness on product efficiency. However, our ability to influence is limited by the fact that the majority of our sales are made through retail customers that sell our products to consumers.</p> <p>➤ <i>Read more in our Goal Lead in energy and resource efficient solutions on page 30.</i> We also work to help consumers reduce their sustainability impacts while interacting with our products. ➤ <i>Read more in our Goals Make healthy and sustainable eating the preferred choice on page 38,</i> ➤ <i>Make clothes last twice as long with half the environmental impact on page 41</i> and ➤ <i>Make the home a healthier place to thrive in, with half the carbon footprint on page 44.</i></p>	Low	High	<ul style="list-style-type: none"> <li>• Not effectively informing consumers or our retail customers that sell the majority of our products to consumers.</li> <li>• Failure to meet consumer expectations on product efficiency.</li> <li>• Limited opportunity to influence decision-making at the point-of-purchase, which is often handled by our retail customers.</li> <li>• Failure to meet consumer expectations in areas such as anti-corruption and labor standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously improve product performance and efficiency.</li> <li>• Improve pre and point-of-purchase communication.</li> <li>• Highlighting sustainability aspects in consumer facing communications.</li> <li>• Third-party endorsement of products, e.g. best-in-test</li> <li>• Communicating on themes such as energy and water efficiency, food storage, reducing food waste, caring for clothes, and the most sustainable use of appliances for wellbeing in the home.</li> <li>• Mandatory training on anti-corruption and bribery.</li> <li>• Assessments and audits of our own and our suppliers' factories.</li> </ul>	Promoting transparency, our sustainable product offering contributes to retailer sustainability goals, strengthens our brands and builds consumer loyalty. As sales of our most resource efficient products demonstrate, an efficient product offering is a profitable strategy.
<p><b>6. Consumer use</b></p> <p>As the main environmental impacts of our products occur during their use, product efficiency is a top priority. ➤ <i>Read more in our Goal Lead in energy and resource efficient solutions on page 30.</i> We also work actively to positively influence our consumers to reduce their own sustainability impact while interacting with our products. ➤ <i>Read more in our Goals Make healthy and sustainable eating the preferred choice on page 38,</i> ➤ <i>Make clothes last twice as long with half the environmental impact on page 41</i> and ➤ <i>Make the home a healthier place to thrive in, with half the carbon footprint on page 44.</i></p>	Low	High	<ul style="list-style-type: none"> <li>• Failure to meet consumer expectations on product performance.</li> <li>• Consumers not using products optimally.</li> <li>• Product safety.</li> <li>• Data privacy for users of connected products.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously improve product performance and efficiency.</li> <li>• Incorporating intuitive design to help consumers get the most out of their products.</li> <li>• Product safety governance and procedures.</li> <li>• Proactive approach to data privacy regulation.</li> <li>• Supporting consumers in more sustainable choices related to eating, and taking care of their clothes and their homes.</li> </ul>	Appliances deliver social benefits that many take for granted – such as food conservation, contributing to a healthier home environment, freeing up time from household chores, and facilitating equal opportunities – which are particularly important in emerging markets. Providing efficient products, raising consumer awareness and increasing appliance connectivity can help counter rising global CO <sub>2</sub> emissions due to the increasing use of appliances, while making products more affordable.
<p><b>7. End-of-life</b></p> <p>We promote proper recycling as part of our producer responsibility. In Europe, where the most comprehensive producer responsibility legislation exists, 80% of the materials (by total volume) collected from large appliances must be recovered (70% for small appliances). In Brazil, a recycling system for electronic waste with producer responsibility has been introduced.</p>	Low	Medium	<ul style="list-style-type: none"> <li>• Expectations on producers to take responsibility beyond legislation.</li> <li>• Waste of resources due to a lack of recycling.</li> <li>• Illegal trade of discarded products and recycled materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing circular business models for recycled materials.</li> <li>• Eliminating harmful materials to enable higher quality recycled materials and decrease environmental impact.</li> <li>• Promoting proper recycling as part of producer responsibility.</li> </ul>	Building resource-efficient and closed-loop systems help reduce environmental impact and overall resource consumption. Innovative designs that allow material reuse save money and energy, and increase consumer trust in our brands.

# Risk

## Managing sustainability risks

A comprehensive analysis of non-financial risks requires cross-functional insights from Group management, our business areas and local facilities.

We focus on the future to prepare for the changing business landscape and mitigate potential risks. The global trends described in the [Global megatrends that shape our business section on page 50](#) will affect Electrolux Group in the coming years. Understanding and managing the non-financial risks and opportunities associated with these trends is an integral part of managing our business. Risks related to each part of the value chain are described in [Impacts throughout our value chain on page 58](#).

Several Group functions are involved in identifying and managing non-financial risks in their area of responsibility. These risks are regularly reported to Group management and fed into our materiality process. [Read more about how the company manages risk in the Annual Report 2022](#).

### Group Internal Audit

The Group Internal Audit team evaluates and improves governance, internal control and risk management processes.

### Group Risk Management

Group Risk Management supports the business to identify and assess key risks in operations and critical suppliers.

### Sustainability risk management processes

Group Sustainability manages the following risk assessments:

- Materiality
- Responsible sourcing
- Ethics
- Human rights
- Climate risk

### Other Group Functions

Other functions conduct risk assessments for:

- Global industrial operations product lines
- Purchasing
- Legal
- Finance
- Communication
- HR Executive Team

### Group External Affairs Committee

The committee, which consists of representatives from all regions, monitors regulatory developments in our markets and develops common Group positions.

# Understanding and managing our human rights risks

We are continuing our journey to better understand the human rights risks associated with our activities, and to establish the tools and processes to manage these risks. We strive to minimize any risk of our operations causing harm to people.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

## Our commitment

Human rights are at the core of our Code of Conduct and our Goal Act ethically, lead in diversity and respect human rights, which is part of our For the Better 2030 sustainability framework. As our most important risk areas relate to our employees and the employees of our suppliers, our human rights commitment has a strong focus on labor standards and employee rights.

Our Code of Conduct includes a human rights policy statement, which is based on the UN Guiding Principles on Business and Human Rights. It considers the outcomes of our human rights impact assessments as well as best practice in the field.

## Human rights governance and responsibilities

Line managers, from Group management and throughout the company, are responsible for ensuring adherence with Group policies on human rights as part of our human rights governance structure.

Our Ethics & Human Rights Steering Group oversees both ethics and human rights and is responsible for evaluating our human rights approach, including approving priorities and action plans. It consists of senior managers and Group management members, including the Group General Counsel, SVP Human Resources & Communications, SVP Internal Audit, SVP Corporate Communications, and VP Group Sustainability. A Human Rights Coordination Group is responsible for identifying and assessing risks, and developing human rights action plans.

## Identifying human rights risks and impacts

We have developed a methodology to identify and assess human rights impacts on a Group level. The methodology is based on the UN Guiding Principles on Business and Human Rights, and common practices for human rights impact assessments.

Building on our Enterprise Risk Management (ERM), the assessment includes a review of internal and external documentation, interviews, surveys and workshops, which involves representatives from across business functions and regions, as well as external stakeholders such as investors, unions and NGOs. The final outcomes are based on the severity of the potential impacts.

Additionally, human rights impacts are further assessed with a focus on local business operations in high-risk countries. Both the Group level and the local assessments encompass the consideration of risks connected to relevant vulnerable groups such as women, indigenous people, migrant workers, contract workers and the general local community.

Assessments have been conducted in Egypt, Thailand, Ukraine, Romania, South Africa and China in recent years. These assessments identified issues such as safety, working hours, wages, labor relations, corruption training and supply chain risks and involve implementing mitigating action plans.

## Statement on our salient human rights issues

Our Group-level assessments have identified our salient human rights issues. We have defined improvement areas for each salient human rights issue, with responsibilities allocated to relevant senior managers, and our progress is monitored by the Ethics & Human Rights Steering Group.

The relevant local managers are responsible for implementing actions to remediate the prioritized issues resulting from the local assessments.

As a manufacturing-based company with a large workforce in production and a presence in low-cost countries, our salient issues continue to revolve around labor standards and working conditions.

A wider focus on human rights as part of the broader value chain was applied in the updated assessment, which means that issues such as forced labor, child labor, migrant workers and safety in the supply chain were included.

Risks related to privacy and integrity are ever present. But the management of these topics has been strengthened in recent years, and the risk of actual harm to people due to sensitive personal data being leaked has been assessed as lower. This topic area was therefore removed from the list of salient issues, but the management of privacy and integrity risks remains a high priority for the company.

## Human rights issues and context

### Labor relations

#### **Issue: Right to freedom of association**

*Potential impact on people – a general perspective*

- Employees not being able to improve working conditions or negotiate compensation.
- Lack of constructive employee-management dialogue.
- Employees discouraged from participating in union activities.

- Conflict/strike might lead to loss of income and may affect living standards.

*The Electrolux Group context and high-risk countries*

- High-risk areas include North America, Latin America, China, Southeast Asia and the Middle East.

Freedom of association and employee-management dialogue are part of the local human rights impact assessments we conduct every year, which contribute toward our local action planning. Key principles are reinforced among newly appointed senior leaders as part of their induction.

### Working hours and wages

#### **Issues: Right to decent work conditions and adequate standards of living**

*Potential impact on people – a general perspective*

- People may be unable to provide for themselves and their families due to low wages (e.g. lack of food, education, medical services, etc.).
- People suffering from a lack of free time and family life due to excessive overtime, which also increases the risk of accidents.

*The Electrolux Group context and high-risk countries*

- Overtime is an issue in some areas.
- The concept of “living wage” is increasingly in focus for our stakeholders.
- Both these first two issues are potential reputational risks for Electrolux Group.
- Wages and overtime are high-risk in all regions except Western Europe, Canada, Australia and New Zealand.

Wage levels are part of our local assessments. A working hours reporting system tracks our factories’ alignment with our policy of a weekly maximum of 60 hours (including overtime) and at least one day of rest per week. The results and planned improvement measures are reviewed with HR and Sustainability, and integrated into the regular reviews of factory performance.

### Non-discrimination, diversity and equality

#### **Issues: Equal rights and non-discrimination**

*Potential impact on people – a general perspective*

- Discrimination, such as in recruitment and promotion, violates the basic human right of equal treatment/opportunities.

- Discrimination can have significant social and economic consequences. Individual quality of life and self-esteem can suffer through unequal opportunities.

#### *The Electrolux Group context and high-risk countries*

- We work actively to counter discrimination, and to strengthen diversity, inclusion and equal opportunities throughout the company. Countering biases will always remain a challenge, due to societal structures.
- High-risk countries include Brazil, China, Egypt, Mexico and Thailand.

Our Group diversity and inclusion objectives include aspirational objectives for the proportion of female people leaders and also a specific action on non-discrimination training for all employees.

➤ *Read more about our work with diversity and inclusion in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### **Corruption or bribery**

##### **Issue: Right to adequate standard of living**

##### *Potential impact on people – a general perspective*

- Corruption fuels inequality, diverts expenditure away from public services and holds back economic development
- Bribery undermines the rule of law and the principle of fair competition.
- Corruption distorts the division of economic resources and hinders social and economic development

#### *The Electrolux Group context and high-risk countries*

- We operate in some high-risk markets in Asia, Latin America, the Middle East, Egypt, South Africa, Ukraine and parts of Europe, and need to constantly educate our employees and monitor risks.
- Risk areas include obtaining licenses/permits, sales, purchasing, gifts and events.

We promote our Anti-Corruption and Bribery Policy through online and face-to-face training. Corruption risks are considered in our local human rights assessments.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### **Suppliers – tier 1 and beyond**

##### **Issues: Rights of the child, freedom of slavery, freedom to choose work, right to just and favorable conditions of work**

##### *Potential impact on people – a general perspective*

- Global supply chains are large and complex, and the number of sub-suppliers increases exponentially from one supplier tier to another. This means that the risk of possible human rights infringements increases when a broad perspective is applied.
- Potential risks include child labor, forced labor, the abuse of migrant workers and poor occupational health and safety.
- Exploitation further upstream, particularly in high-risk industries such as the extractive industries.

#### *The Electrolux Group context and high-risk countries*

- Our supply chain spans across all regions of the world, and particularly high risks occur in parts of Latin America, Africa, the Middle East and Asia.

#### *Managing supply chain risks*

Our Responsible Sourcing Program manages the risk of negative impacts in our first tier suppliers (➤ *read more in our Goal Drive supply chain sustainability on page 25*). Our Conflict Minerals program addresses risks of human rights abuses all the way to smelters. The OECD guidelines are implemented to reduce risks related to conflict minerals.

Our Responsible Sourcing team is part of all decisions to approve new suppliers and new projects over USD 50,000. Suppliers are regularly reviewed and audited where risks are identified. We also have a comprehensive approach to migrant labor.

Supply chain risks form part of our local human rights assessments.

#### *High-risk locations*

We map our operations using the Verisk Maplecroft Human Rights and Corruption Risk Atlas. Historic audit results and industry risks also feed into our overall risk mapping. This forms the basis for the prioritization of countries for local human rights risk assessments, and also risk screening for acquisitions, market entry and new partners.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

➤ *See the list of our high-risk countries on page 29.*

#### **Stakeholder engagement**

Our approach to assessing local human rights impacts includes interviewing employees, employee representatives and experts on human rights, labor rights and corruption – including advocacy groups, local representatives of international organizations, academia and embassies. The context these external stakeholders provide is essential for understanding expectations on us as a responsible company and employer, as well as for assessing potential human rights risks. This includes information regarding the protection of human rights in the country in question, the situation for labor organizations, and other information regarding specific human rights that are at risk.

➤ *Read more about our stakeholders on page 56.*

#### **Implementation, monitoring and follow up**

Employee education on our human rights principles takes place through training and communication activities. We aim to provide regular training for employees and line managers on Group policies and the Code of Conduct The Workplace Policy Group leads the work to ensure the implementation of labor standards in our factories in accordance with our Workplace Policy.

We monitor our human rights performance through internal and external audits, our Ethics Helpline, employee-management dialogue, health and safety committees, and the Supplier Workplace Standard mailbox for suppliers.

These approaches are complemented by local human rights impact assessments, which provide further details about the risk of negative impacts on people by focusing on our activities at country level.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

# Governance

Everything we do and all the decisions we make must be governed by the principles of ethics, integrity and respect for people and care for the environment. This affirms our commitment to sound and universal ethical business practices.

## Sustainability management at Electrolux Group

Electrolux Group endorses the UN Global Compact. We abide by universal principles, including the environment, labor and human rights through Group codes and policies, both internally and among suppliers.

Group management has adopted policies concerning the Environment, Workplace, and Anti-Corruption, while the Electrolux Group Board has endorsed the Electrolux Group Code of Conduct. Our sustainability work is guided by our sustainability-related policies, which are listed in the table. Our policies set out the minimum standards we must meet across the value chain. Our sustainability framework – For the Better 2030 – sets ambitious objectives that go beyond what is expected of us.

Group Sustainability is our expert function that drives the development of our sustainability agenda by supporting integration and target-setting throughout our operations and monitoring performance, in close collaboration with other Group functions and the business areas.

Group Legal Affairs is responsible for implementing our Anti-Corruption Program. The Electrolux Group global Ethics Helpline (our whistleblower function), the Ethics Program and approach to human rights, are overseen by the Ethics & Human Rights Steering Group.

The Code of Conduct, which has been signed by the CEO, sets the expectations for all employees on behavior, including conflict of interest. This area is detailed in our internal Conflict of Interest Policy.

The VP Group Sustainability reports to the Head of Consumer Experiences & Product Lines (CXO) and has regular meetings with the Electrolux Group Sustainability Board.

## The Electrolux Group Sustainability Board

Our Sustainability Board is a forum to discuss and decide on sustainability action throughout the company. This Board is an essential part of our ability to deliver our sustainability work and ambitions going forward.

## Our sustainability-related policies

	Environment	Social, labor and human rights	Anti-corruption
<b>Policies</b>	Electrolux Group Code of Conduct		
	Environmental Policy	Workplace Policy	Anti-Corruption Policy
	Workplace Policy	Supplier Workplace Standard	Conflict of Interest Policy
	Workplace Directive and the Supplier Workplace Standard		
<b>Central areas</b>	Product design	Child and forced labor	Conflict of interest
	Efficiency in operations	Health and safety, working hours, compensation	Bribes or other improper benefits
	Influencing legislation	Discrimination and harassment	Business partners
	Environmental management systems	Freedom of association, collective bargaining	Political contributions

The full text of Electrolux Group policies is available at [www.electroluxgroup.com/en/category/sustainability/codes-and-policies](https://www.electroluxgroup.com/en/category/sustainability/codes-and-policies).

The Electrolux Group Sustainability Board is chaired by the CEO, who has the overall ownership of the For the Better 2030 framework. In turn, the CEO regularly reports on sustainability progress to the Electrolux Group Board, which oversees the overall company strategy.

Other members of the Electrolux Group Sustainability Board are the Chief Financial Officer, Head of Operations, CXO, Chief Commercial Officer, Head of HR & Communications, General Counsel and VP Group Sustainability.

The Electrolux Group Sustainability Board gives recommendations to the Electrolux Group Management, which makes decisions about sustainability topics. Any critical concerns are promptly raised to the Electrolux Group Board for discussion. No critical concerns were raised in 2022.

## Our business model

To achieve our Purpose – to Shape living for the better – and drive profitable growth, we use a business model that focuses on delivering best-in-class consumer experiences in taste, care and wellbeing.

The objective is to create a steady stream of consumer-relevant innovations under strong brands in key experience areas. We focus on enabling great-tasting food, great care for clothes and healthy wellbeing in the homes of consumers.

Sustainable development is defined as a transformational driver in our business model, as we recognize the growing importance of sustainability performance and reputation – including the impact of our business and products on the planet.

## Electrolux Group Board and sustainability

The Electrolux Group Board is the highest governance body for sustainability at Electrolux Group. The Head of Group Sustainability engages with the Electrolux Group Board during the year to discuss sustainability progress and the development of the company's strategic direction for sustainability work going forward.

In 2022, it was decided that Group Sustainability conducts training with the Electrolux Group Board on the new EU legislation Corporate Sustainability Reporting Directive (CSRD) framework in 2023.



## Board independence

The Board is considered to be in compliance with the Swedish Companies Act's and the Code's requirements for independence. All Board members except for Petra Hedengran and Jonas Samuelson were considered as independent. Petra Hedengran has been considered independent in relation to the company and the administration of the company, but not in relation to major shareholders of Electrolux Group. Jonas Samuelson has been considered independent in relation to major shareholders of Electrolux Group but not, in his capacity as President and CEO, in relation to the company and the administration of the company. Jonas Samuelson has no major shareholdings, nor is he a part owner in companies having significant business relations with Electrolux Group. Jonas Samuelson is the only member of the Group Management who is a Board member.

## Nomination Committee

The AGM resolves upon the nomination process for the Board of Directors and the auditors. The AGM 2011 adopted an instruction for the Nomination Committee. The instruction involves a process for the appointment of a Nomination Committee and is comprised of six members. The members should be one representative of each of the four largest shareholders, in terms of voting rights that wish to participate in the Committee, together with the Chairman of the Electrolux Group Board and one additional Board member.

The composition of the Nomination Committee shall be based on shareholder statistics from Euroclear Sweden AB as of the last banking day in August in the year prior to the AGM and on other reliable shareholder information, which is provided to the company at such time. The names of the shareholders and their representatives shall be announced as soon as they have been appointed. If the shareholder structure changes during the nomination process, the composition of the Nomination Committee may be adjusted accordingly.

The Nomination Committee is assisted in preparing proposals for auditors by the company's Audit Committee and the Nomination Committee's proposal is to include the Audit Committee's recommendation on the election of auditors.

The Nomination Committee's proposals are publicly announced no later than on the date of notification of the AGM. Shareholders may submit proposals for nominees to the Nomination Committee. The Nomination Committee's tasks include preparing a proposal for the next AGM regarding:

- Chairman of the AGM.
- Board members.
- Chairman of the Board.
- Remuneration to Board members.
- Remuneration for committee work.

- Amendments of instructions for the Nomination Committee, if deemed necessary.
- Auditors and auditors' fees, when these matters are to be decided by the following AGM.

The Nomination Committee considered that a breadth and variety as regards age, nationality, educational background, gender, experience, competence and term of office are represented among the Board members.

The Nomination Committee's members are:

- Johan Forssell, Investor AB, Chairman
- Carina Silberg, Alecta
- Sussi Kvarn, Handelsbanken Funds
- Tomas Risbecker, AMFTjänstepension och Fonder
- Staffan Bohman, Chairman of Electrolux Group
- Fredrik Persson, Board member of Electrolux Group

The Board deals with and decides on Group-related issues such as:

- Main goals.
- Strategic orientation.
- Essential issues related to financing, investments, acquisitions and divestments.
- Follow-up and control of operations, communication and organization, including evaluation of the Group's operational and sustainability management.
- Appointment of and, if necessary, dismissal of the President and CEO.
- Overall responsibility for establishing an effective system of internal control and risk management as well as a satisfactory process for monitoring the company's compliance with relevant laws and other regulations as well as internal policies.

## The Board's work in 2022

During the year, the Board held 12 meetings. All Board meetings during the year followed an agenda, which, together with the documentation for each item on the agenda, was sent to Board members in advance of the meetings. The Electrolux Group General Counsel serves as secretary at the Board meetings.

Each scheduled Board meeting includes a review of the Group's results and financial position, as well as the outlook for the forthcoming quarters, as presented by the President and CEO. The meetings also deal with investments and the establishment of new operations, as well as acquisitions and divestments. The Board decides on all investments exceeding SEK 100m and receives reports on all investments exceeding SEK 25m.

## Key focus areas for the Board during 2022

- Effects and impacts of the coronavirus pandemic and imbalances in the global supply chain.
- Effects and impacts of the war in Ukraine.
- Adapting the Electrolux Group strategy and business model to global industry drivers such as increased consumer power, digitalization, sustainability, consolidation and a growing middle class.
- Re-organization and establishment of the new Commercial & Consumer Journey organization to further strengthen the product and service offering.
- Continued focus on optimizing the Group's capital structure by initiating a share buyback program.
- Group-wide cost reduction and North America turnaround program to return to stability and increase profitability.

## Working procedures and Board meetings

The Board determines its working procedures each year and reviews these procedures as required. The working procedures describe the Chairman's specific role and tasks, as well as the responsibilities delegated to the committees appointed by the Board. In accordance with the procedures and the Code, the Chairman shall among other things:

- Organize and distribute the Board's work.
- Ensure that the Board discharges its duties and has relevant knowledge of the company.
- Secure the efficient functioning of the Board.
- Ensure that the Board's decisions are implemented efficiently.
- Ensure that the Board evaluates its work annually.

The working procedures for the Board also include detailed instructions to the President and CEO and other corporate functions regarding issues requiring the Board's approval. Among other things, these instructions specify the maximum financial amounts that various decision-making functions within the Group are authorized to approve as regards credit limits, capital expenditure and other investments. The working procedures stipulate that the meeting for the formal constitution of the Board shall be held directly after the AGM. Decisions at this statutory meeting include the election of members of the committees of the Board and authorization to sign on behalf of the company. In addition to the statutory Board meeting, the Board normally holds seven other ordinary meetings during the year. Four of these meetings are to be held in conjunction with the publication of the Group's full-year report and interim reports. One or two meetings are to be held in connection with visits to Group operations, subject to travel restrictions or other concerns. Additional meetings are held when necessary.

### Conflicts of interest

All Electrolux Group employees and the Board of Directors are expected to abide by the Electrolux Group Code of Conduct. Our code includes guidance on conflicts of interest, which states that all situations where a private or personal concern appear to be incompatible with the interests of Electrolux Group must be avoided and reported to the employee's manager and HR.

### Board work evaluation

The Board evaluates its work annually with regard to working procedures, the working climate and the focus of the Board work. This evaluation also focuses on access to and requirements of special competence in the Board. The evaluation is a tool for the development of the Board work and also serves as input for the Nomination Committee's work. The evaluation of the Board is initiated and led by the Chairman of the Board each year. The evaluation of the Chairman is led by one of the other members of the Board.

Evaluation tools include questionnaires and discussions. In 2022, Board members responded to written questionnaires. As part of the evaluation process, the Chairman also had individual discussions with Board members. The evaluations were discussed at a Board meeting. The result of the evaluations was presented for the Nomination Committee.

### Compensation to the Board of Directors

The Annual General Meeting (AGM) determines the compensation to the Board of Directors for a period of one year until the next AGM. The compensation is distributed between the Chairman, other Board Members and remuneration for committee work. The Board decides the distribution of the committee fee between the committee members. Compensation is paid out in advance each quarter.

Compensation paid in 2022 refers to a quarter of the compensation authorized by the AGM in 2021 and three quarters of the compensation authorized by the AGM in 2022. Total compensation paid in cash in 2022 amounted to SEK 7.6m, of which SEK 6.5m referred to ordinary compensation and SEK 1.1m to committee work.

### Remuneration guidelines for Group management

The current remuneration guidelines were approved by the AGM in 2020. The guidelines apply until the AGM 2024 and are described below. The detailed guidelines can be found on page 41 in the [Annual Report 2022](#).

Electrolux Group has a clear strategy to deliver profitable growth and create shareholder value. A prerequisite for the successful implementation of the Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Group is able to recruit and retain qualified personnel. To this end, it is nec-

essary that the Group offers competitive remuneration in relation to the country or region of employment of each Group Management member. These guidelines enable the Group to offer its management a competitive total remuneration. The total remuneration for the Group Management shall be in line with market practice and may comprise the following components: fixed compensation, variable compensation, pension benefits and other benefits. Following the "pay for performance" principle, variable compensation shall represent a significant portion of the total compensation opportunity for Group Management. Variable compensation shall always be measured against pre-defined targets and have a maximum above which no payout shall be made. Variable compensation shall mainly relate to financial performance targets. Non-financial targets may also be used in order to strengthen the focus on delivering on the Group's business strategy and long-term interests, including its sustainability. The targets shall be specific, clear, measurable and time bound and be determined by the Board of Directors. Since 2004, Electrolux Group has offered long-term performance share programs for senior managers of the Group. The alignment of Electrolux Group top management incentives with the interest of shareholders is a longstanding priority of the Board of Directors. Ownership of Electrolux Group shares by the Group's CEO and other Group Management members is an important measure to strengthen this alignment.

Thus the Board recommends that the CEO shall build up a personal holding of B-shares in Electrolux Group representing a value of one gross annual base salary and for Group Management members to build up a personal holding of B-shares in Electrolux Group representing a value of 50% of one gross annual base salary.

### Remuneration and terms of employment for the President in 2022

The remuneration package for the President comprises fixed salary, variable salary based on annual targets, a long-term performance share program and other benefits such as pension and insurance.

For the President, the annualized base salary for 2022 was set at SEK 13.0m.

The variable salary is based on annual financial and non-financial targets for the Group. Each year, a performance range is determined with a minimum and a maximum. If the performance outcome for the year is below or equal to the minimum level, no pay-out will be made. If the performance outcome is at or above the maximum, pay-out is capped at 100% of the annualized base salary. If the performance outcome is between minimum and maximum, the pay-out shall be determined on a linear basis.

The President participates in the Group's long-term performance-based share programs. For further information on these programs, see below.

The notice period for the company is 12 months, and for the President 6 months. The President is entitled to 12-month severance pay based on base salary with deduction for other income during the 12-month severance period. Severance pay is applicable if the employment is terminated by the company. It is also applicable if the employment is terminated by the President, provided serious breach of contract on the company's behalf or if there has been a major change in ownership structure in combination with changes in management and changed individual accountability.

### Pensions for the President

The President is covered by the collectively agreed ITP plan, the alternative rule of the plan, and Electrolux Group Pension Plan for CEO. The Electrolux Group Pension Plan for CEO is a defined contribution plan.

The employer contribution to the plan for the President is equivalent to 35% of annual base salary, which also includes the contributions for the benefits of the ITP plan, alternative ITP and any insurable supplementary disability and survivor's pension. In addition, the Group provides a disability pension of a maximum of SEK 1.2m per year if long-term disability occurs.

The retirement age for the President is 65. The capital value of pension commitments for the President in 2022, prior Presidents, and survivors is SEK 185m (183), whereof SEK 44m (42) relates to the current President.

### Remuneration and terms of employment for other members of Group Management in 2022

Like the President, other members of Group Management receive a remuneration package that comprises fixed salary, variable salary.

One of the People Committee's primary tasks is to propose guidelines for the remuneration to the members of Group Management.

The committee also proposes changes in remuneration to the President and CEO, for resolution by the Board, and reviews and resolves changes in remuneration to other members of Group Management on proposal by the President and CEO. The committee shall also oversee and make recommendations to the Board regarding the development, recruitment and succession planning of the President and CEO and the Group Management. In addition, the committee shall oversee the overall organizational structure and advise Group Management regarding people plans and the development of the company culture. The committee shall also review the Board's report on remuneration pursuant to Chapter 8, Section 53a of the Swedish Companies Act (Remuneration Report).

The People Committee consists of the following three Board members: Petra Hedengran (Chairman), Staffan Bohman and Karin



Overbeck. At least two meetings are convened annually. Additional meetings are held as needed.

In 2022, the People Committee held five meetings. Significant issues addressed include evaluation, review and resolution on changes in the remuneration to members of Group Management, follow-up and evaluation of previously approved long-term incentive programs and remuneration guidelines for Group Management, review of the Remuneration Report for 2022 and review and preparation of a long-term incentive program for 2023. The Head of HR and Communications participated in the meetings and was responsible for meeting preparations.

The People Committee's tasks include for example:

- To prepare and evaluate remuneration guidelines for Group Management
- To prepare and evaluate targets and principles for variable compensation.
- To prepare terms for pensions, notices of termination and severance pay as well as other benefits for Group Management.
- To prepare and evaluate Electrolux Group long-term incentive programs.
- To review the Remuneration Report.
- To oversee and make recommendations regarding the development, recruitment, and succession planning as well as evaluate the performance of the President and the other members of Group Management.
- To oversee the overall organizational structure and advise Group Management regarding people plans and development of the company culture.

#### Fees to Board members

Fees to Board members are determined by the AGM and are paid to the Board members who are not employed by Electrolux Group. The AGM 2022 decided to increase the fees to the Chairman and the Board members.

#### Policy commitments

The Electrolux Group policies convey strong and coherent messages to our employees across the Group on how we conduct business. All

Group Policies are approved by Group Management and are mandatory, monitored and enforced. Each policy has a policy owner and a policy holder responsible for communicating the policy and monitoring its implementation. A variety of channels such as the Group's intranet, e-learning and face-to-face trainings are used to inform and educate our employees on those policies relevant in their everyday jobs.

Monitoring procedures include audits of our own operations as well as those of our suppliers, and self-assessments.

#### Legal proceedings

Litigation and claims related to asbestos are pending against the Group in the U.S. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of December 31, 2022, the Group had a total of 3,365 (3,315) cases pending, representing approximately 3,371 (approximately 3,324) plaintiffs. During 2022, 1,054 new cases with approximately 1,054 plaintiffs were filed and 1,004 pending cases with approximately 1,007 plaintiffs were resolved.

The Group continues to operate under a 2007 agreement with certain insurance carriers who have agreed to reimburse the Group for a portion of its costs relating to certain asbestos lawsuits. The agreement is subject to termination upon a 60-day notice and if terminated, the parties would be restored to their rights and obligations under the affected insurance policies.

It is expected that additional lawsuits will be filed against Electrolux Group. It is not possible to predict the number of future lawsuits.

In addition, the outcome of asbestos lawsuits is difficult to predict, and Electrolux Group cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future. The Group is involved in a legal proceeding in Egypt relating to the privatization of an Egyptian subsidiary. The proceeding is currently on-going in the court of first instance in Cairo, Egypt. Electrolux Group believes that the lawsuit is without legal merit.

In October 2013, Electrolux Group became subject of an investigation by the French Competition Authority regarding a possible violation of antitrust rules. The Authority has thereafter decided to conduct two separate investigations whereof one was completed in December 2018. The other investigation is still ongoing, and the authorities have so far not communicated any conclusions. Given the nature of the investigation, it cannot be ruled out that the outcome could have a material impact on Electrolux Group financial result and cash flow.

However, at this stage it is not possible to evaluate the extent of such an impact. In 2019, an order was issued by the Italian Environmental Authorities for certain remediation actions connected to contamination at a manufacturing site in Aviano (Italy), a site that Electrolux Group subsidiary INFA s.p.a. ("INFA") divested to the current operator of the site, Sarinox s.p.a. ("Sarinox"), in 2001. Following certain court proceedings, the order became final against Sarinox in the fourth quarter of 2021.

Pursuant to the order, Sarinox shall, inter alia, participate in projects to improve the groundwater quality in the Friuli region, Italy (whereby interventions for a cost of EUR 42m are mentioned in the order), and take certain other measures to clean 42m cubic meters of contaminated groundwater in the region. Although INFA is not liable to fulfil the obligations under the order from the Environmental Authority, it is possible that the situation can evolve and result in a liability for INFA in its capacity as former owner and operator or seller of the site. However, it is at this stage not possible to evaluate the extent of such a potential liability. No provision relating to this matter has been set.

#### Statutory sustainability reporting

The statutory sustainability reporting in the Annual Report is approved by the Electrolux Group Board. Our annual statutory Sustainability Report covers the main material topics organized in the For the Better 2030 framework, and the main progress for the year.

During 2022, Electrolux Group was subject to no fines due to significant non-compliances with laws and regulations.

# Electrolux Group Board members



## Staffan Bohman

### Chairman

Born 1949. Sweden. B.Sc. in Economics and Business Administration. Elected 2018. Member of the Electrolux Group Audit Committee and the Electrolux Group People Committee.

*Other assignments:* Chairman of the Board of the Research Institute of Industrial Economics and the German-Swedish Chamber of Commerce. Board Member of Atlas Copco AB and Åke Wiberg Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

*Previous positions:* President and CEO of Sapa and DeLaval as well as Board member of, inter alia, Scania AB, Inter-IKEA Holding NV and Rezidor Hotel Group AB.

*Holdings in AB Electrolux:* 180,000 B-shares. 120,279 call options, issued by Investor AB entitling the right to purchase Electrolux Group B-shares.



## Jonas Samuelson

### President and CEO

Born 1968. Sweden. M.Sc. in Economics and Business Administration. Elected 2016. *Other assignments:* Board member of Axel Johnson AB and Volvo Cars AB.

*Previous positions:* Various senior positions within Electrolux Group including CFO of AB Electrolux, COO Global Operations Major Appliances and Head of Major Appliances EMEA. Chief Financial Officer and Executive Vice President of Munters AB. Various senior positions within General Motors, mainly in the U.S., and Saab Automobile AB.

*Holdings in AB Electrolux:* 65,211 B-shares.



## Petra Hedengran

Born 1964. Sweden. M. of Laws. Elected 2014. Chairman of the Electrolux Group People Committee and member of the Electrolux Group Audit Committee.

*Other assignments:* General Counsel and member of Group Management of Investor AB. Board member of Alecta and the Association for Generally Accepted Principles in the Securities Market (Sw. Föreningen för god sed på värdepappersmarknaden).

*Previous positions:* Attorney and partner at Advokatfirman Lindahl. Various positions within the ABB Financial Services including General Counsel of ABB Financial Services, Nordic Region. Law Clerk with the Stockholm District Court. Associate at Gunnar Lindhs Advokatbyrå.

*Holdings in AB Electrolux:* 15,900 B-shares.



## Henrik Henriksson

Born 1970. Sweden. B.Sc. in Business Administration. Elected 2020.

*Other assignments:* President and CEO of H2 Green Steel AB. Board member of Hexagon AB, Creades AB, SAAB AB and the Confederation of Swedish Enterprise (Sw. Svenskt Näringsliv).

*Previous positions:* Various senior positions within Scania, including President and CEO of Scania AB.

*Holdings in AB Electrolux:* 425 B-shares.



## Ulla Litzén

Born 1956. Sweden. B.Sc. in Economics and M.B.A. Elected 2016. Chairman of the Electrolux Group Audit Committee.

*Other assignments:* Board member of Epiroc AB, Ratos AB, Stockholm School of Economics and the School of Economics Association.

*Previous positions:* President of W Capital Management AB, wholly-owned by the Wallenberg Foundations. Various leading positions within the Investor Group including Managing Director and member of Group Management of Investor AB.

*Holdings in AB Electrolux:* 12,000 B-shares.



## Karin Overbeck

Born 1966. Germany. Master's degree in Economics, Marketing and Finance. Elected 2020. Member of the Electrolux Group People Committee

*Other assignments:* CEO of Freudenberg Home and Cleaning Solutions GmbH. Member of Executive Council, Freudenberg Group. Vice President and member of the Board of the German Brands Association.

*Previous positions:* Various senior positions within the KAO Corporation as well as in L'Oréal, Tchibo and Unilever.

*Holdings in AB Electrolux:* 3,135 B-shares.



## Fredrik Persson

Born 1968. Sweden. M.Sc. in Economics. Elected 2012. Member of the Electrolux Group Audit Committee.

*Other assignments:* Chairman of the Board of JM AB, the Confederation of European Business (BusinessEurope) and Ellevio AB. Board member of Holmen AB, Hufvudstaden AB, ICA Gruppen AB and Ahlström Capital Oy.

*Previous positions:* Various leading positions within Axel Johnson AB including President and CEO. Head of Research of Aros Securities AB. Various positions within ABB Financial Services AB.

*Holdings in AB Electrolux:* 5,000 B-shares.



## David Porter

Born 1965. USA. Bachelor's degree, Finance. Elected 2016. *Other assignments:* Head of Microsoft Stores, Corporate Vice President, Microsoft Corp. Chairman of Serta Simmons Bedding LLC.

*Previous positions:* Head of Worldwide Product Distribution at DreamWorks Animation SKG. Various positions within WalMart Stores, Inc.

*Holdings in AB Electrolux:* 3,315 B-shares.

## Employee representatives



### Viveca Brinkenfeldt Lever

Born 1960. Representative of the Federation of the Salaried Employees in Industry and Services. Elected 2018.

*Board meeting attendance:* 12/12

*Holdings in AB Electrolux:* 0 shares.



### Peter Ferm

Born 1965. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2018.

*Board meeting attendance:* 11/12

*Holdings in AB Electrolux:* 100 B-shares.



### Wilson Quispe

Born 1978. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2022.

*Board meeting attendance:* 12/12

*Holdings in AB Electrolux:* 4,900 B-shares.

## Employee representatives, deputy members

### Ulrik Danestad

Born 1969. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2020.

*Holdings in AB Electrolux:* 20 B-shares.

## Secretary of the Board

### Ulrika Elfving

Born 1973. M. of Laws. General Counsel of AB Electrolux.

Secretary of the Electrolux Board since 2022.

*Holdings in AB Electrolux:* 1,134 B-shares.

## Committees of the Board of Directors

### People Committee

Petra Hedengran (Chairman), Staffan Bohman and Karin Overbeck.

### Audit Committee

Ulla Litzén (Chairman), Staffan Bohman, Petra Hedengran and Fredrik Persson.

# Management approach for our material topics

The For the Better 2030 framework is the current structure used to govern sustainability work within the Electrolux Group. It addresses the company's material topics through KPIs that are systematically monitored.



## 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



## Better Solutions

Lead in energy- and resource-efficient solutions



Offer circular products and business solutions



Eliminate harmful materials



## 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



### Material sustainability topics as per the Global Reporting Initiative

#### Economic

An Anti-corruption, anti-competitive behavior

#### Environment

Tr Transport

Ma Materials

En Energy

Wt Water

Em Emissions

Ws Waste

SE Supplier environmental assessments

#### Social incl. labor and human rights

In Investments

No Non-discrimination, child labor, forced or compulsory labor

Oc Occupational health and safety

TE Training and education

Em Employment, diversity and equal opportunities

La Labor & management relations

SA Supplier assessment for labor practices and human rights

Se Security practices

Gr Grievance mechanisms for labor practices, human rights policy

Pu Public policy

**Better Company****Be climate neutral and drive clean and resource-efficient operations***Sustainability topics*

➤ For progress on this Goal, see page 11.

Operational resource management – including energy, water, waste and emissions – is coordinated globally with a common process and strategy wherever in the world we operate. We have a comprehensive approach to reducing our climate footprint – including our own operations and the life cycle impact of our products.

This Goal focuses on our own operations. ➤ *Read more about Our Climate Goals on page 46* for an overview of our roadmap to become climate neutral across the value chain.

**Resource efficiency management**

The Electrolux Group Green Spirit program is our internal resource efficiency program and rating system that includes criteria related to climate, energy and water performance, management, engagement and actions that are reviewed annually. The program is continuously improved to reduce our environmental impact and operational costs. It drives and promotes the sharing and implementation of best practice among our manufacturing sites globally.

In addition, our renewable energy target is tracked on a monthly basis and reviewed on a Group and regional level. We are raising our level of ambition with renewable energy sources, such as hydro, solar, wind, biomass and biofuel. We are also learning from our existing on-site renewable installations and investigating new projects around the world.

Action plans include energy management, technological investments, employee awareness and behavioral change.

Every facility reports energy and water consumption data on a monthly basis, and this data is aggregated on a regional and global level against monthly performance indicators. We have both relative and absolute targets for energy and water consumption.

Our Zero Waste to Landfill program has the objective to reduce our environmental footprint, find opportunities for material reuse and recycling, and at the same time decrease the amount of waste sent to landfill or incinerated without energy recovery. To achieve this, we work to reduce the waste we generate, and identify opportunities for reusing waste materials. Standard indicators are measured quarterly and followed up by management. The common waste database includes data from all factories and follows the 2008 CEE Directive.

All manufacturing units with over 50 employees must be certified to the ISO 14001 environmental management system. In addition, we are implementing the ISO 50001 energy management system at all our manufacturing sites.

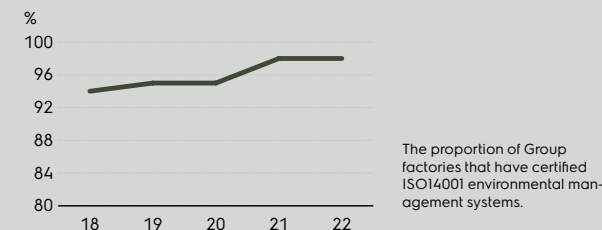
Our water targets are based on the WWF Water Risk Filter, which helps us to identify which of our factories are located in water risk areas. Decisions around our water targets are based on the tool, and our factories are divided into two groups – Water Risk and Water Management factories. The Green Spirit program shares water management best practices, monthly reporting on water performance indicators as well as water mapping globally.

**Impact**

- Environmental impacts due to emissions and discharges as a result of incidents.
- The use of non-renewable energy in our operations increases greenhouse gas emissions.
- Disruption caused by severe weather can impact our operations and people.
- Social, ethical and human rights violations in our operations can impact people.
- Potential corruption due to weak governance can have an impact on people.
- Waste sent to landfill or incinerated can have an impact on the environment and people.

**Management Approach ISO 14001**

Level of ISO 14001 certification

**Act ethically, lead in diversity and respect human rights***Sustainability topics*

➤ For progress on this Goal, see page 15.

Our company is built on trust, which means everything we do and all the decisions we make are governed by the principles of ethics, integrity, and respect for people and our planet – regardless of where in the world we operate. Our approach involves working throughout our company with health, safety, diversity and inclusion, and promoting societal benefit through community investment.

➤ *Read more about our approach to human rights in the Understanding and managing our human rights risks section on page 62.*

**Our Code of Conduct**

The Electrolux Group Code of Conduct forms the platform for our efforts to ensure high standards of ethics and human rights within the Group. The Code summarizes our key policies and is a guide for employees on how to conduct themselves in line with the principles of ethics, integrity and respect. It covers areas such as respect for people, anti-corruption, non-discrimination, conflicts of interest, fraud, privacy of information, health, safety and respect for the environment, and constitutes the basis of our ethics program. It also helps define our expectations throughout the value chain.

**Our policies**

Our Group policies including the Workplace Policy, the People Policy and the Anti-Corruption Policy, are the foundation for our work with ethics, anti-corruption, non-discrimination and human rights. Our Human Rights Policy Statement, which is an integrated part of the Code of Conduct, and our Human Rights Directive guide our efforts to assess, manage and mitigate risks in these areas.

Communication and educational efforts are used to ensure employees are aware of and understand what our Code and policies mean in practice. Breaches of our Code and Group policies can lead to disciplinary action that can include dismissal.



## Better Company

*cont. Act ethically, lead in diversity and respect human rights*

### **Governance of ethics and human rights**

Accountability for the Ethics Program and oversight of human rights lies with the cross-functional Ethics & Human Rights Steering Group, which includes representatives from Group Management. Human rights procedures engage many functions throughout our organization, from Group Sustainability and Human Resources to Purchasing, Operations and Legal.

Each business area has established Compliance Committees that oversee overall performance, including employee training efforts and ethics case handling. The business area senior Heads of Legal, HR, Finance and the CEO are part of the committees.

### **Workplace Policy implementation**

The implementation of our Workplace Policy and Directive is followed up by Workplace Policy audits of our manufacturing facilities. This procedure is central, not only for the follow up, but also for educating and reminding line managers of their responsibilities for making Workplace Policy alignment a part of their daily activities.

### **Human rights impact assessments**

We conduct local assessments of operations located in high-risk countries from a human rights and corruption perspective. The assessments focus on identifying the risk of harming people as a direct or indirect result of our operations. They include confidential interviews conducted by Electrolux Group internal specialists and third-party experts on human rights and corruption.

The interviews involve a broad range of workers, sales representatives and managers at Electrolux Group, as well as external stakeholders such as civil society and academia to understand the risks in the country. Assessment outcomes are agreed in interactive workshops with the local management.

➤ *Read more in Understanding and managing our human rights risks section on page 62, which includes our approach to defining our salient human rights issues on an ongoing basis.*

### **Anti-corruption**

Electrolux Group has a zero-tolerance policy toward corruption, and we are committed to complying with all applicable

anti-corruption laws. Improvements and enhancements to our compliance program are guided by recommendations issued by industry and regulatory bodies, such as the OECD. Executive and senior management throughout the company oversee the implementation and effectiveness of the program, and their efforts are coordinated at Group level.

The Group Anti-corruption Policy (in addition to the Code of Conduct) is key to the anti-corruption compliance program, which applies to all persons who work with or on behalf of Electrolux Group. The policy is supplemented by more in-depth guidance for employees in certain areas, such as gifts, hospitality and events. Our suppliers are subject to anti-corruption requirements as part of our Responsible Sourcing Program.

### **Whistleblowing system**

Through our training and communication efforts, employees are encouraged to report incidents and suspected ethics breaches to their manager, HR department and the Internal Audit department or another relevant person in the organization. They can use our whistleblowing system – the Ethics Helpline – where reports can be made confidentially and in local languages, either by phone or online. The Ethics Helpline can also be used by external stakeholders to report incidents related to our activities.

➤ *For more information on grievance mechanisms for employees, see the Grievance mechanisms section on page 82.*

The Ethics Helpline is hosted on an external platform, and only a central ethics coordination team has access, which includes representatives from the Group Functions HR, Legal, Internal Audit and Group Sustainability. Cases are dispatched to trained investigators who have no conflict of interest in the particular case. The ethics coordination team provides support on the handling of investigations and follow up of cases. External investigators are engaged as appropriate. The Ethics & Human Rights Steering Group is responsible for the oversight of cases and the procedures.

### **Employee engagement survey**

We conduct annual “Employee Voice” surveys to gather and evaluate employee perceptions. The survey includes metrics on important aspects of the company’s efforts to act ethically, lead in diversity and respect human rights, including

the understanding of our Code of Conduct, trust in the Ethics Helpline and equal opportunities.

### **Health and safety**

Health and safety has long been a fundamental part of our values and our sustainability agenda, with clear targets and processes in place to ensure real progress. Our approach involves engaging with employees on health and safety and ensuring the topics are integrated into our operations.

All employees and contractors in production are covered by a reporting system to track incidents and hours worked, and apply the same Occupational, Health and Safety (OHS) management system throughout the Group and among our contractors. All manufacturing sites have Safety Committees that include managers, workers and worker representatives. All employees receive safety training when they start at Electrolux Group and annual training tailored to their role.

Our Safety Management System is certified according to the ISO45001 occupational health and safety management system. Compliance requirements vary geographically but we always respect local legislation and often go beyond what is required of us. For example, our FAIR indicator measures very minor first aid cases that are quickly solved as they are important in our continual safety improvement work.

### **Employee wellbeing**

The Electrolux Group approach to wellbeing is founded on the commitment to employee wellbeing in the Group People Policy, and is based on four themes: Work environment, Culture, Body and Mind. Group-wide campaigns are organized on each of the themes, and initiatives are implemented regionally and locally.

### **Diversity and inclusion and community investment**

➤ *Read about our approach to diversity and inclusion on page 20 and ➤ community investment on page 23.*

### **Impact**

- Potential financial impact from corruption.
- Potential health and safety risks for people in our factories, warehouses and offices.
- Potential risks for discrimination.
- Potential risks for human rights violations in our factories, warehouses and offices.



## Better Company

**Act ethically, lead in diversity and respect human rights:****Diversity and inclusion (D&I)**

## Sustainability topics



➤ For progress, see page 20.

**Governance**

Our Group management set the overall ambition and objectives framework to become a leader in diversity, and they oversee our progress through the Electrolux Group Sustainability Board. The HR Executive Team has overall responsibility for D&I and makes strategic recommendations to Group management and monitors progress. A D&I taskforce develops proposals, drives our D&I culture and coordinates the work throughout the organization. Our business areas and Group functions are responsible for the implementation of our D&I work.

**Our D&I Objectives**

New D&I Objectives were introduced in 2022 that are based on three pillars:

- **Diversity:** Develop a diverse talent pool.
- **Inclusive culture:** Nurture an inclusive workplace.
- **Equal treatment:** Treat people equally and with respect.

Aspirational objectives, enablers and metrics are in place for each of the three pillars, and progress is monitored together with business areas and Group functions.

**Act ethically, lead in diversity and respect human rights:****Community investment**

## Sustainability topics



➤ For progress, see page 23.

Our approach to community investment is designed to have a positive impact in our local communities and on the planet, while creating opportunities for employee engagement. Ultimately, this strengthens our brand with consumers, customers and employees as a company that genuinely cares for people and the planet.

We provide long-term support to projects that build on the conviction that education is the key to making food habits more sustainable.

**The Electrolux Food Foundation**

We facilitate action through the Electrolux Food Foundation, a non-profit organization founded by Electrolux Group in 2016. The foundation supports and funds local and global Electrolux Group projects that tackle food-related challenges. Its Board reviews applications from local project teams from around the Group and decides on funding. Electrolux Group has committed to continue funding the foundation at least until 2030.

**The Feed the Planet partnership**

For greater impact, Electrolux Group established a long-term global partnership – Feed the Planet – together with Worldchefs (the world association of chefs’ societies) and AIESEC (the world’s largest youth organization) in 2016. The partnership supports projects with the combined expertise, skills and resources from all three organizations. Electrolux Group project teams – both locally and at Group level – plan and implement the projects together with Worldchefs and AIESEC members, and additional local partners.

The Electrolux Food Foundation and the Feed the Planet partnership support projects that do one or more of the following:

- Educate children, consumers and professionals on more sustainable cooking and eating habits, for example through the website Replate.com and our program “Food Heroes” aimed at children.

- Provide professional culinary training that helps people in need to secure work in a professional kitchen, through our “Like a Chef” program.
- Provide sustainability education for chefs and students in culinary schools and via online tools.
- Support people in need through the donation of meals and equipment, monetary donations and employee engagement.



## Better Company

**Drive supply chain sustainability**

## Sustainability topics



➤ For progress on this Goal, see page 25.

We work with suppliers so they can live up to our high expectations, no matter where they are located, and we drive and support the transition to more sustainable practices. We pass on our knowledge by working together with both our direct and indirect suppliers to strengthen relationships and improve sustainability performance throughout our value chain.

By better aligning our suppliers with our environmental and social standards, we can significantly enhance the sustainability performance of our value chain. Long-term partnerships with our suppliers are key to implementing our strategy and ensuring a responsible and sustainable supply chain.

**Responsible sourcing**

We work together with our suppliers to ensure they abide by our requirements and set performance targets to continuously improve. Our direct suppliers are required to live up to our Supplier Workplace Standard and Workplace Directive, which are equivalent to the Workplace Policy and Workplace Directive that apply to our own operations. They cover our environmental, health and safety, and human rights requirements for suppliers to follow.

In close cooperation with the Electrolux Group Purchasing, Sourcing and Licensing departments, we demand high standards of performance. This involves proactively screening prospective suppliers. We also reward suppliers based on their performance by offering good performers more business. We drive our initiatives further up our supply chain by working more closely with our tier-one suppliers and by including selected tier-two suppliers.

The Electrolux Group Responsible Sourcing Program focuses on four types of activities:

- **Policy awareness and initial evaluations** – to communicate our policies, conduct initial sustainability and risk evaluations of prospective suppliers, and potentially conduct audits as part of the initial sourcing decision.
- **Regular supplier risk assessments** – conducted annually together with our Purchasing, Sourcing and Licensing departments, with a focus on suppliers in high (and medium) risk countries and based on our Responsible Sourcing criteria and sourcing data. The assessments help the Electrolux Group Responsible Sourcing team decide which suppliers should participate in audits or other activities. Prioritized suppliers should be subject to an audit at least every second year with follow-ups as needed to drive improvement. Audits are carried out by our internal team or external auditing companies. We also assess indirect suppliers.
- **Supplier capacity building** – online and in-person capacity building initiatives. Training focuses both on creating an understanding of the Electrolux Group principles as well as increasing knowledge of important sustainability topics among companies and individuals in our supply chain and the wider industry.
- **Making performance count** – supplier evaluations and audits are used in formal sourcing decisions. Disqualified and uncooperative suppliers are subject to an escalation process. This process involves reporting serious supplier non-compliances and addresses non-compliances through mandatory corrective actions, as well as beyond-compliance support activities such as capacity building. Responsible Sourcing data is also included in the regular formal performance tracking of strategic suppliers, and improvement progress is monitored.

**Conflict minerals**

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is embedded into our policies and activities to avoid sourcing conflict minerals.

**Supplier environmental footprints**

We work to implement and drive plans to reduce the environmental impact of our suppliers. This involves reducing greenhouse gas emissions, energy consumption and water use within our value chain. We share our knowledge with suppliers, provide tools to evaluate their environmental footprint, define suitable improvement activities and reward progress and proactivity. We request our strategic suppliers to report their climate impact through CDP.

**Logistics**

We use our purchasing power to influence the logistics industry by developing more sustainable transport solutions together with our partners. We also set environmental requirements in the tender process – i.e. all shipping companies must be members of the Smart Freight Centre and participate in the Clean Cargo initiative.

**Impact**

- Operating around the world risks being connected to breaches of environmental and ethical standards and other violations of human rights throughout our supply chain.
- The transport of appliances has a climate footprint, particularly when using suppliers that utilize non-renewable energy or unsustainable modes of transport.



## Better solutions

**Lead in energy- and resource-efficient solutions**

## Sustainability topics



➤ For progress on this Goal, see page 30.

Our approach involves mapping the innovation evolution of our product platforms for the coming five years. We track several strategic KPIs, which are also tied to environmental-related long-term incentives for our top management. Our product cycle planning aims to ensure our products meet the latest energy labelling regulations.

**Product generation planning**

Product efficiency KPIs are integrated into our product generation planning – supported by an analysis of the market position, energy efficiency improvements, regulatory landscape and energy labelling. ➤ *Read more about Forthcoming and proposed legislation on page 51.*

We strive to be a market leader in product efficiency in all our key categories and markets. Our product efficiency objectives are also designed to contribute toward our climate targets.

**Reporting tools**

Product energy efficiency is where we can make our greatest contribution to tackling climate change. Part of our science-based target aims to reduce our absolute scope 3 emissions from the use of our sold products by 25% between 2015 and 2025. The scope 3 target covers two-thirds of all products sold by Electrolux Group and is calculated based on annual energy consumption (as defined by standard use models for each major market), sales volumes per category, the latest IEA emission factors per region, and estimated product lifetime. This methodology and the data quality are evolving and improving over time. We aim to include more product categories as this work continues. ➤ *Read more about our Climate Goals on page 46.*

We also measure the proportion of annual sales volumes and gross profit from our most resource-efficient products in main markets compared with our global offering. We have a methodology for the monitoring of energy and water performance. Every year, we raise the bar in terms of the criteria

used to define our most energy and water-efficient products based on: energy efficiency of the sold products, the standards for average usage and expected durability as well as the energy legislation, as defined regionally and nationally.

**Product efficiency innovation**

Product efficiency is embedded in the Group's R&D processes through defined targets. We are also further exploring energy efficiency opportunities related to digitalization and connectivity by developing smart appliances that can help consumers to use their appliances in the most sustainable way.

**Impact**

- Energy-driven appliances have a climate footprint while in use.
- The use of resources, such as steel and plastic, has an environmental impact

**Offer circular products and business solutions**

## Sustainability topics



➤ For progress on this Goal, see page 32.

This Goal involves working with multiple topics that contribute to our capacity to be able to offer more circular products and business solutions:

- **Overall material choices** – we will choose more sustainable materials that are based on recycled or renewable raw materials and can more easily be recycled.
- **Recycled material** – we will continue to replace virgin steel and plastics with recycled materials in our products.
- **Spare parts and service, durability and refurbishment** – we will broaden our offering of spare parts and servicing, to enable our products to be more easily repaired and extend their useful lifespan.

- **New business models** – we will continue to develop innovative business models that promote circularity by making better use of resources.
- **Sustainable packaging** – we will continue to develop solutions to replace non-recyclable packaging with recycled and renewable alternatives, and which are also recyclable.
- **Product take-back** – we will work to find ways to improve product recycling with a special focus on regions where there is no legally mandated product take-back.
- **Design for repair and recycling** – we will design products that can be more easily repaired and recycled.

**Impact**

- The use of raw materials to produce appliances has an impact on planetary resources and the climate.
- The use of raw materials to package appliances has an impact on planetary resources and the climate.



## Better solutions

**Eliminate harmful materials**

## Sustainability topics



➤ For progress on this Goal, see page 35.

**Chemical management and compliance**

The Electrolux Group Global Chemicals Office coordinates and manages the chemicals listed on our Restricted Materials List throughout the Group and among our suppliers. The Restricted Material List, which is an integral part of our contracts with suppliers, provides information about chemical phase-out as well as the requirements for the use of chemicals. We continuously update the list in light of new legislation and research, as well as demands from consumers and NGOs.

Our environmental management process tracks material use on a site-by-site basis. Focusing on high-risk applications and suppliers, we test thousands of components every year for chemical compliance at Electrolux Group laboratories and select approved institutes.

**Eco@web**

Eco@web is our Group chemical management tool that includes detailed information on the chemicals used in our products as well as in our manufacturing sites. It allows us to avoid unwanted materials and track those that might

cause concern in the future. Eco@web helps to manage our complex global supply chain of direct suppliers. The tracked data and mandatory documentation provide proof of chemical compliance for consumers and institutions.

**Impact**

- The use of chemicals in appliances has an environmental impact
- The use of high-impact greenhouse gases in domestic appliances has an impact on the environment



## Better living

**Make healthy and sustainable eating the preferred choice**

## Sustainability topics



➤ For progress on this Goal, see page 38.

Our aim is to make healthy and sustainable eating desirable, accessible and easier. We will continue to develop food preservation and cooking solutions that decrease nutrition loss, and we will join forces with global culinary experts that can further our mission to inspire more sustainable eating.

Through our more efficient products and solutions, we can help consumers to live more sustainably by enabling them to use less energy and water when preserving and preparing food - ➤ *read more in our Goal Lead in energy and resource efficient solutions on page 30.* We are also working to incorporate more sustainable materials into our products - ➤ *read more in our Goal Offer circular products and business solutions on page 32.* In addition, we manufacture our products as sustainably as possible - ➤ *read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.*

**Eliminate food waste in every way we can**

At Electrolux Group, we can drive real change in homes when it comes to food waste. We focus on developing smart and more efficient solutions for storing, preparing and preserving food. We also share practical knowledge on how consumers can reduce food waste in their own kitchens by showing ways to best store food and to make use of ingredients and leftovers. Through partnerships with organizations passionate about food waste, we can increase awareness and impact.

**Improved experiences for sustainable eating**

We aim to promote plant-based eating and enriched taste experiences through connected kitchen and intuitive user interfaces that help consumers discover new meals and cooking methods. We will take this even further by partnering with chefs and experts.

**The Electrolux Food Foundation**

Since 2016, the Electrolux Food Foundation has worked together with AIESEC and Worldchefs to inspire sustainable eating and cooking, and support people in need in local communities. Its purpose is to inspire sustainable eating and cooking habits among consumers, and to support people in need through education and emergency relief efforts.

➤ *Read more about the Electrolux Food Foundation and our community investment work in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

**Impact**

- The use of food preparation and food preservation appliances implies the use of food and the potential to create food waste.
- The use of dishwashers in the kitchen implies the use of water and detergents, which may impact on water resources and cause pollution.



## Better living

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

Electrolux Group products can help consumers to make their laundry practices more sustainable. Consumers need intuitive laundry appliances that help them to best care for their clothes in a more sustainable way. This will help them to extend the lifetime of garments, while using less energy, water and detergent.

#### Sustainability topics



➤ For progress on this Goal, see page 41.

practice better fashion consumption and care – so everyone can learn to love their clothes for longer.

By working together, we hope to create new standards for how to care for clothes, and methods that are both gentler on clothes and the planet.

#### Reduce the environmental impact of laundry

We have long worked to reduce the environmental impact of garment care by making our washers and dryers increasingly energy and water-efficient. ➤ [Read more in our Goal Lead in energy and resource efficient solutions on page 30.](#)

Going forward, we will continue to develop technologies that optimize laundry processes to reduce environmental impact. We will also guide and inspire people to choose the optimal way of caring for their clothes. By working with partners, we hope to drive this change on a global level.

#### Impact

- The use of laundry appliances implies the use of water and detergents, which may impact on water resources and cause pollution.

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

Electrolux Group has an important role to play in providing consumers with products and solutions that promote health and wellbeing in the home with less environmental impact.

#### Sustainability topics



➤ For progress on this Goal, see page 44.

#### Inspiring more sustainable habits in caring for your home

We will continue to develop resource-efficient solutions for air, water and floor hygiene and to actively guide our consumers toward the more sustainable usage of our products.

Through innovation, we will continue to advance our smart solutions – such as air monitoring or robot vacuum cleaning – and we'll explore new ways to connect with and customize such products through functionalities and circular business models for individually adaptable systems.

#### Pioneering knowledge and new standards for healthier home environments

We will engage with researchers and drive industry standards, while raising awareness on the issues of indoor air, water heating and floor hygiene. We will also share our knowledge and expertise to encourage more sustainable habits and solutions.

#### Enabling wellbeing at home with reduced environmental impact

While heating and cooling appliances support consumer health and wellbeing in the home environment, we must work to minimize their impacts on the environment. We work

to make them more resource efficient and to raise consumer awareness on optimized usage. At the same time, we will continue to innovate to ensure we bring intuitive products and solutions into more homes – to help consumers use our products more sustainably.

#### Impact

- The use of heating, vacuum cleaners, air cleaners and cooling appliances may cause greenhouse gas emissions.

## Our Climate Goals

#### Sustainability topics



➤ For progress on this Goal, see page 46.

We manage our Climate Goals through our other For the Better 2030 Goals.

➤ [Read about our work to replace high-impact greenhouse gases in our Goal Eliminate harmful materials on page 35.](#)

#### Impact

High-impact greenhouse gases still in use in our appliances and operations create a relatively large climate footprint. See the other Goals for more climate impacts.



# Auditing and monitoring

We have several follow-up mechanisms that allow us to monitor how our organization and our suppliers abide by our Code of Conduct and Supplier Workplace Standard. They are used differently depending on the level of risk.

	Purpose	Criteria
<b>Workplace Policy audits</b>	Workplace Policy audits identify improvement areas and ensure Workplace Policy compliance.	In line with our updated Workplace Directive, Workplace Policy audits shall be conducted at all our factories on an annual basis. ➤ <i>Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15 for more on how we work with our Workplace Policy and see the results Workplace Policy Audit findings.</i>
<b>The Ethics Helpline</b>	The Ethics Helpline is a whistleblowing system that enables employee bottom-up monitoring. It allows employees to remain anonymous (to the extent permitted under local law), without fear of exposure or retaliation.	The helpline is third-party operated and covers breaches of ethics-related policies such as the People Policy, Workplace Policy, Conflicts of Interest Policy and Anti-corruption Policy. ➤ <i>Read more on how we work with the Ethics Helpline in our Goal Act ethically, lead in diversity and respect human rights on page 15.</i>
<b>Group Internal Audit</b>	Group Internal Audit provides independent assurance. The team evaluate the effectiveness of risk management, control, and governance processes by conducting operational, financial, and compliance process audits and investigations of alleged employee fraud. Group Internal Audit also proposes improvement measures to be taken.	Risk-based annual plan approved by the Audit Committee, and ad hoc investigations of reported fraud allegations.
<b>Employee engagement surveys</b>	The engagement, leadership, organizational capabilities and commitment to our strategy and purpose are assessed through employee surveys. They also enable comparison with other high-performing organizations.	The annual, Group-wide survey including employees in offices and manufacturing is known as "Employee Voice". In addition, several business functions have their own surveys that gather employee feedback on a more frequent basis. ➤ <i>Read more on the Employee Voice in our Goal Act ethically, lead in diversity and respect human rights on page 15.</i>
<b>Global audits of ISO standards for environment and safety</b>	Every Electrolux Group business area must have an environmental management system at each of their manufacturing sites.	All our manufacturing facilities are subject to annual audits, with recertification audits every third year. OHSAS health and safety is also included for select sites. All manufacturing units with over 50 employees must be certified to ISO 14001. We are rolling out ISO 50001 energy management and ISO 45001 occupational health and safety management systems with the ambition to fully implement them at all our production facilities.
<b>Green Spirit certification and reporting system</b>	The Green Spirit certification and reporting system assesses improvements in environmental performance and employee engagement. The system monitors energy and water consumption among our facilities. Best practice is shared, and performance is monitored against defined energy and water targets.	All manufacturing sites are evaluated annually as part of the certification and are awarded stars according to their energy management performance. ➤ <i>Read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.</i>



## Purpose

## Criteria

**Safety Management System (SMS)**

SMS is a factory self-assessment protocol to assess if manufacturing units meet internal safety standards.

We conduct SMSs annually for all Global Industrial Operations. [▶ Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.](#)

**Responsible sourcing audits**

Responsible sourcing audits assess if suppliers meet our Supplier Workplace Standard and Workplace Directive. Suppliers are required to establish action plans to rectify actions, and the progress is monitored in follow up audits.

The audits assess medium to high-risk direct material suppliers (raw materials, parts and sub-assemblies) as well as suppliers of finished goods and services. Audited suppliers are categorized and ranked on their performance, as disqualified, severe, conditional, active or preferred suppliers.

[▶ Read more on how we work with responsible auditing in our Goal Drive supply chain sustainability on page 25.](#)

**GEARS**

GEARS collects and compiles health and safety data.

Monthly reporting for all factories and warehouses. [▶ Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.](#)

**Zero Waste to Landfill program audits**

The third-party Zero Waste to Landfill program audits quantify how much waste is sent to landfill at each Electrolux Group factory.

To be certified according to the Electrolux Group Zero Waste to Landfill program, our factories must send less than 1% of their total waste to landfill.

**External verification of sustainability reporting**

The verification enhances reporting credibility and reporting practices.

Our Sustainability Report is based on the GRI Standards – in accordance with the Core level. It is also reviewed in accordance with ISAE3000. A separate report is developed to fulfill the requirements in the Swedish Annual Accounts Act. [▶ Read more in About this report on page 84.](#)

# Evaluation of our management approach

Our progress on topics is tracked according to our Goals. As described in Our materiality process, an annual materiality review is undertaken – including both the scope and focus of our For the Better 2030 sustainability framework. An annual evaluation of external influences is performed in relation to each Goal. The management and effectiveness of our Goals are defined by how we measure progress. The next steps for each Goal define the necessary actions to reach them.

➤ For more information on the effectiveness of the specific actions, see the Goal sections in the Better Company, Better Solutions and Better Living chapters from pages 10, 29 and 37 respectively.

➤ For more information on external influences, see Global megatrends that shape our business on page 50.

## Economic

For information regarding our economic management and reporting practices, see Note 1 Accounting principles in ➤ the Annual Report. For our work on anti-corruption, ➤ see our Goal Act ethically, lead in diversity and respect human rights on page 15.

## Anti-corruption and anti-competitive behavior

Our commitments are specified in the Code of Conduct, Anti-Corruption Policy and Anti-Trust Policy.

## Responsibility and resources

The Corporate Legal department is responsible for our Anti-Corruption and Anti-Trust policies, and for their communication and follow-up. Employees are educated in our policies through online and face-to-face training. We internally investigate reports of corruption cases. The Ethics program, including the Ethics Helpline, is a cross-functional initiative, led by HR together with Group Sustainability, Group Legal and Internal Audit with oversight by the Ethics & Human Rights Steering Group.

➤ Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.

## Environment

We apply a product life cycle approach to managing environmental impacts, which considers the entire life cycle – from supplier impacts to transport, manufacturing and use. We also apply the precautionary principle, whereby we act responsibly despite not having the full scientific knowledge of negative impacts, to ensure we stay ahead of potential risks.

## Environmental management

Each business area is required to implement an environmental management system throughout its operations, and all operations with over 50 employees are expected to have ISO 14001 certification.

Auditing and Monitoring outlines how operations and suppliers meet Group expectations and commitments.

## Transport

We are an active partner in the Business for Social Responsibility Clean Cargo Working Group and are represented on its steering committee. All sea transport providers must be a member of the working group, which enables us to standardize emission calculations. Workgroup members account for over 85% of all global shipping container freight.

## Responsibility and resources

Responsibility lies with each business area. Action is monitored and coordinated through our Group Sustainability function.

➤ Read more in our Goal Drive supply chain sustainability on page 25.

## Materials

We are increasing our use of recycled materials, which helps us make better use of resources, reduce our environmental impact, and promote the circular economy.

## Responsibility and resources

Our internal Recycling Taskforce includes representatives from each Electrolux Group business area, purchasing, R&D, production and product lines to define the scope of our work as well as targets and action.

➤ Read more in our Goal Offer circular products and business solutions on page 32.

## Energy

We are committed to use energy in the most efficient way.

## Responsibility and resources

We continuously work to reduce our energy use through technological investments in new equipment, employee awareness and behavioral change, and by implementing best practice throughout our operations. Our Green Sprit program, including our Green Sprit rating and certification system, is also crucial in driving energy efficiency.

➤ Read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.

## Water

We are committed to use water in the most efficient way.

## Responsibility and resources

We have comprehensive processes to minimize water use in our operations – particularly at our factories in water scarce regions. Our Green Sprit program involves sharing best practice, monthly reporting on water performance indicators as well as conducting water mapping.

➤ Read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.

## Emissions

We have approved science-based CO<sub>2</sub> emissions targets in place. This includes the phase-out of high-impact greenhouse gases and ozone-depleting substances.

## Responsibility and resources

The Operational Resource Management Team coordinates the shift to renewable energy and the reduction in relative energy use. R&D implements long-term product plans.

➤ Read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11 and ➤ our Climate Goals on page 46.

## Waste

Our Zero Waste to Landfill program has the objective to minimize the amount of waste sent to landfill or incinerated without energy recovery.

## Responsibility and resources

The global Electrolux Group Zero Waste to Landfill program covers all our factories around the world. The program aims to find opportunities for material reuse and recycling.

➤ Read more in our Goal Be climate neutral and drive clean and resource-efficient operations on page 11.



### Supplier environmental assessments

Our commitments are clearly outlined in the Supplier Workplace Standard and Workplace Directive. Compliance is mandatory and non-negotiable for our suppliers, which is stated in our supplier contracts. The main OEM and ODM suppliers must measure and report their energy and water use through the energy reporting standard. They are also expected to assess their water impacts according to the WWF Water Risk Filter.

#### Responsibility and resources

Global, category or business area Sourcing Boards are responsible for assessing prospective suppliers, and Purchasing Directors are responsible for ongoing compliance and performance, with support from the Responsible Sourcing Team and Group Sustainability.

➤ *Read more in our Goal Drive supply chain sustainability on page 25.*

### Social

We support labor rights according to the ILO Core Conventions and the Declaration on Fundamental Principles and Rights at Work, and have an International Framework Agreement with unions that affirms our commitment to high labor standards. Our Code of Conduct includes our Human Rights Policy Statement, and how we fulfill these commitments is further detailed in a Human Rights Directive. The Workplace Policy, the Supplier Workplace Standard and the Workplace Directive apply to our operations and our supply chain and include key requirements concerning labor standards.

➤ *The section on Auditing and Monitoring on page 78 outlines how operations and suppliers meet Group expectations and commitments.*

### Investment

Human rights screening is included in our acquisition processes, as specified in our guideline “Human rights risks in acquisitions”.

#### Responsibility and resources

Responsibility lies with each project team, supported by Group Legal and Sustainability functions.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

### Non-discrimination, child labor, forced or compulsory labor

Policy commitments are part of our Code of Conduct and Workplace Policy and People Policy.

#### Responsibility and resources

Each business unit’s line management has the responsibility to ensure that our Code of Conduct and Group policies are abided by. This includes the communication of requirements within their unit through training, and annually auditing the unit’s performance.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### Occupational health and safety

Our health and safety commitments are specified in our Code of Conduct and Workplace Standard.

Our Safety Management System covers all manufacturing facilities. Each facility has a plan to contribute to the Group-wide goal. The overriding aim is to prevent injuries from occurring in the first place.

#### Responsibility and resources

The Group Operations safety team defines goals, monitors progress, shares best practice and implements the monthly recording system and daily incident reports, to align according to production, regions and product lines. Furthermore, there are Occupational Health and Safety committees at all our manufacturing facilities.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### Training and education

A focus area of our People Plan is to truly become a learning organization. Our training and education program is built on “experience, exposure and education” through challenging assignments and on-the-job experience, relationships, networks and feedback, and formal training. It gives us unique competitive advantages as it helps us to stay relevant in a challenging and changing environment.

#### Responsibility and resources

Responsibility lies with each unit’s line management, supported by our business areas and functions, in close collaboration with Group HR.

We continue to provide a global portfolio of leadership development programs aligned with our business strategy. Additional development is provided through improving our digital learning solutions and other learning initiatives.

#### Employment, diversity and equal opportunities

Our commitments are specified in the Code of Conduct, People Policy and Workplace Policy. The Group’s People Plan, which is a component of the Business Strategy – describes our aim to become a high-performing learning organization with the right people in the

right jobs. Mandatory directives are in place to ensure fair hiring and compensation practices, for example the Recruitment Directive, the Compensation Directive and the Grandparent Principle Directive.

#### Responsibility and resources

The Senior Vice President of Human Resources and Communications is responsible for HR-related policies. The implementation of policies and remuneration are managed by the business areas.

Through performance appraisals and talent reviews, we evaluate employee performance and development, while promoting diversity and equal opportunities.

Employees set annual objectives and development plans that are followed up in one-to-one meetings between manager and employee. Managers are responsible for succession management, aimed at securing the necessary skills for the future, by connecting the talent pipeline and the employee development plans. Through the talent planning process for the top 200 positions, opportunities for promoting women are constantly reviewed.

Efforts are in place to connect talent acquisition closer to business planning, including headcount data and forecasting. Strategic workforce planning is in the pipeline for global implementation in the coming years.

We have implemented systems that track e.g. gender distribution, turnover, metrics for people processes, that form the basis for designing improvement actions. We focus on attracting, developing and retaining women for leadership roles.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### Labor and management relations

Labor and management relations are specified in our Code of Conduct, Workplace Policy and Workplace Directive. Our strategy is informed by the International Framework Agreement with the Swedish trade unions IF Metall, Unionen and IndustriAll, which underlines our commitment to ILO conventions and common global standards.

#### Responsibility and resources

Country and local line organizations are responsible for realizing the strategy, supported by HR Country Managers and Group Labor Relations.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### Supplier assessment for labor practices and human rights

Our commitments are specified in the Supplier Workplace Standard and Workplace Directive.



Compliance is mandatory and non-negotiable for suppliers and is stated in the supplier contract.

#### *Responsibility and resources*

Global, category or business area Sourcing Boards are responsible for assessing prospective suppliers, and the responsible Purchasing Director is also responsible for ongoing compliance and performance, with support from the Responsible Sourcing Team and Group Sustainability.

➤ *Read more in our Goal Drive supply chain sustainability on page 25.*

#### **Security practices**

Our security practices are specified in the Workplace Policy, Supplier Workplace Standard and Workplace Directive. We also have a Security Program that covers selection criteria for security providers as well as incident reporting.

#### *Responsibility and resources*

Unit line management is responsible for fulfilling the Security Program locally, supported by Group Security.

Security inspections are performed locally, based on risk and in accordance with our Security Program.

Security requirements are included in Workplace Policy training for employees, as well as in the Workplace Policy audits of our manufacturing units.

#### **Grievance mechanisms**

We are committed to addressing and remediating issues and grievances that are identified through our own procedures and those that are reported to the company.

Product and service-related complaints and grievances are always managed by the consumer support organization in each market. Any escalation of this type of matter is routinely managed through the organizational structure of the company. In the event of a significant breach of our Code of Conduct, the case will be handled by the Ethics & Human Rights Steering Group.

Other types of grievances can be reported through any of the contacts in the contact section on the Group website.

Employees can report misconduct confidentially and anonymously (where legally permitted) through our confidential reporting mechanism – the Ethics Helpline. The Ethics Helpline can also be used by external stakeholders to report incidents related to our

activities. In addition, employees can report misconduct through local managers, HR managers, unions and the local authorities. Suppliers can report possible non-compliances through the Supplier Workplace Standard mailbox.

#### *Responsibility and resources*

Corporate Communications coordinates the grievance response and remediation actions through its Identification & Issues Management (IIM) process, and subject to the type of issue or grievance, involves the relevant internal and external stakeholders.

The Ethics & Human Rights Steering Group is responsible for the grievance mechanism for employees. Trained investigators conduct the investigations, in line with our confidentiality and integrity principles.

➤ *Read more in our Goal Act ethically, lead in diversity and respect human rights on page 15.*

#### **Public policy**

The Group External Affairs Committee, including representatives from the business areas, coordinates positions and other public affairs matters.

#### *Responsibility and resources*

Group Management and functional heads have the overall responsibility for our public policy. Each business area is responsible for engaging with their respective policy makers. Public policy initiatives are primarily conducted through industry organizations, such as the European Appliance Industry Association (APPLiA) and the Association of Home Appliance Manufacturers in the United States and Canada (AHAM), the Australian Consumer Electronics Association and the Associação Nacional de Fabricantes de Produtos Eletroeletrônicos (Eletros) in Brazil.

#### *Key policies affecting our business:*

EU

- Revision of the EU energy label and energy efficiency legislation (eco-design legislation)
- EU legislation on circular economy and resource efficiency
- Digital Product Passport to accompany each product during its life cycle and to be updated at repair or refurbishment
- EU legislation on plastics
- EU waste and chemical legislation

- Changes to the CO<sub>2</sub> trading scheme (ETS) and a Carbon Border Adjustment Mechanism (CBAM)
  - Strengthened legislation for batteries
  - Consumer Rights Directive, including product durability guarantees
  - Commercial Practices Directive, including legislation on green claims (greenwashing)
  - EU taxonomy
  - Smart appliances, data security and privacy
  - The Corporate Sustainability Reporting Directive (CSRD)
  - EU Corporate Sustainability Due Diligence Directive
- North America
- Trade Relations with China
  - Department of Energy (DOE) appliance standard rulemakings
  - E-Star Standards
  - Chemical Regulations including those related to PFAS
  - Packaging EPR
  - Plastic Pollution
  - Repair Regulations

Asia Pacific

- Waste and packaging (CN, AU)
- Chemical regulations (SEA)
- Cyber security regulations and incentives (AU)
- Trade relations with China and potentially the EU (AU)
- Ratification of the RCEP (Regional Comprehensive Economic Partnership) between all ten ASEAN countries plus China, Japan, South Korea, Australia and New Zealand

Latin America

- Carbon market regulation and National Policy for Circular Economy in Brazil
- Extended Producer Responsibility (EPR) legislation regarding recycling of appliances in Brazil, Chile, Peru and Colombia
- Energy efficiency regulation for air conditioners in Colombia
- Energy efficiency labeling for refrigerators in Brazil and Chile
- Sustainable packaging labels in Chile
- Outcomes of the Kigali Amendment to the Montreal Protocol in Brazil and Colombia
- Discussion in the Mercosur trade-block on a free trade agreement with South Korea

➤ *Read more about Forthcoming and proposed legislation on page 51.*

# Reporting Framework

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# About this report

Being transparent about our sustainability ambitions and how we measure, manage and integrate these priorities into our business is an important part of our annual reporting process.

The 2022 Electrolux Group Sustainability Report presents the nine Goals of the company's sustainability framework – For the Better 2030 – and its Climate Goals. Using the Global Reporting Initiative (GRI) sustainability reporting guidelines as our starting point, the report aims to deliver the information needs of different stakeholders on our work with sustainability. The report is presented in PDF format and was published on March 27, 2023. The Group's previous Sustainability Report was published in March 2022.

Based on an updated materiality analysis, our sustainability framework includes the sustainability topics most relevant to Electrolux Group and our value chain. In the report, we outline why sustainability is relevant to our business, our priorities and response, our roadmap to 2030, how we measure progress, and our approach to managing each of our nine For the Better 2030 Goals and our Climate Goals.

## Annual Report

Sustainability information is integrated throughout the [Electrolux Group Annual Report 2022](#), and as a brief specific section. EU-taxonomy and climate-related risk disclosures are also reported in the Annual Report. Targeted at shareholders and other stakeholders, the Annual Report focuses on how sustainability issues relate to our business strategy, as well as our risk assessment, objectives and performance.

## Reporting realm

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and has been reviewed by a third party to ensure reporting accuracy and completeness. The scope and boundaries of the Sustainability Report are defined by the GRI Index. The GRI Index leads readers to information on relevant disclosures as defined by the GRI Standards.

We are in an ongoing process to increase transparency on managing human rights related issues by responding to the disclosure requirements of the United Nations Guiding Principles Reporting Framework (UNGP).

Unless otherwise indicated, standard disclosures include all operations that can potentially affect Electrolux Group's performance.

► See the section *Restatement of information and changes in reporting on page 85* for information on how discontinued operations are reported.

Our internal practice is to seek external assurance for our sustainability reporting. The Audit Committee evaluates the objectivity and independence of the external auditors.

Electrolux Group applies the precautionary principle for managing sustainability and reporting as stated in our Environmental Policy.

## Boundary of the report

The Electrolux Group Sustainability Report is published annually. This report covers data that has been collected throughout the 2022 calendar year – from January 1 to December 31. At year end, the total number of employees was 48,243 (50,430) including our majority-owned operations. This report covers 41 (41) factories, 44 (44) warehouses and 36 (37) offices, in 30 (33) countries. Staff working at facilities with less than 30 employees are not included in this compilation. The average number of employees in the Electrolux Group decreased by 2% during 2022.

Generally, acquired entities are included in Group evaluations within two years of their acquisition.

AB Electrolux (publ) is publicly listed and it's ownership structure is as follows<sup>1)</sup>:

- Swedish institutions and mutual funds, 62%
- Foreign investors, 25%
- Swedish private investors, 13%

The Group is headquartered in Stockholm, Sweden.

<sup>1)</sup> Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen) as per December 31, 2022.

Country	Factories	Warehouses	Offices
Argentina	X	X	
Australia	X	X	X
Austria			X
Brazil	X	X	X
Canada		X	
Chile	X	X	
China	X		
Colombia		X	
Ecuador		X	
Egypt	X		
France		X	X
Germany	X		X
Greece			X
Hungary	X	X	X
Italy	X	X	X
Mexico	X	X	
New Zealand		X	
Peru		X	
Poland	X	X	X
Puerto Rico		X	
Romania	X		
Singapore			X
South Africa	X	X	
Spain			X
Sweden	X	X	X
Switzerland		X	X
Thailand	X		X
The Netherlands		X	
U.K.		X	X
U.S.	X	X	X
Ukraine	X		
Venezuela			X



Unless otherwise indicated, sustainability disclosures include all operations that contributed to Group performance across all material topics for the calendar year 2022. No adjustments for minority interests are applied.

Reported data is without contributions from discontinued operations unless otherwise stated. No significant changes in activities, value chain and other business relationships are noted.

Energy reduction performance was calculated according to the World Resources Institute (WRI). Electricity emission factors were updated according to the CO<sub>2</sub> emissions from fuel combustion 2022 edition data, as published by the International Energy Agency (IEA). To allow for comparability, these electricity emission factors used in this report are offset by a three-year period. Units using renewable energy have been defined as having a CO<sub>2</sub> emission factor of zero. Wherever possible, Electrolux Group reports on its performance indicators covering the last five years.

Health and safety statistics are based on the Electrolux Group global definitions in terms of what constitutes a workplace injury and a lost day due to injury. All personnel within the Electrolux Group manufacturing and logistics operations are included, as well as contractors.

Throughout the report, where data is presented as part of the narrative, 2021 data is presented in (brackets).

#### **Restatement of information and changes in reporting**

No restatements during 2022.

#### **External assurance**

The Sustainability Report (as referenced in the GRI index) is reviewed in accordance with the standard ISAE 3000. Furthermore, this report is approved by the Chief Executive Officer.

The Group's Sustainability Report has received external limited assurance, since 2012. [▶ Read the Auditor's Limited Assurance Report on page 92.](#)

For more detailed and regularly updated information on the Electrolux Group's progress and performance in terms of sustainability issues, visit: [▶ www.electroluxgroup.com](http://www.electroluxgroup.com)

Or contact:

Electrolux Group Sustainability

Vanessa Butani

Vice President Group Sustainability

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# GRI Index

Statement of use	Electrolux Group has reported in accordance with the GRI Standards for the period 1 Januari 2022 – 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	Not currently available

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>General disclosures</b>					
GRI 2: General Disclosures 2021	2-1 Organizational details	84			
	2-2 Entities included in the organization's sustainability reporting	84			
	2-3 Reporting period, frequency and contact point	84-85			
	2-4 Restatements of information	85			
	2-5 External assurance	85, 92			
	2-6 Activities, value chain, and other business relationships	2, 25, 58-60, 85			
	2-7 Employees	17, 21			
	2-8 Workers who are not employees	-	Omission	Information unavailable	Currently not tracked
	2-9 Governance structure and composition	64-66	Omission	Information unavailable	Underrepresented social groups is not a criteria in selection
	2-10 Nomination and selection of the highest governance body	65	Omission	Information incomplete	Electrolux Group follows Swedish Corporate Governance Code.
	2-11 Chair of the highest governance body	68-69			
	2-12 Role of the highest governance body in overseeing the management of impacts	64			
	2-13 Delegation of responsibility for managing impacts	64			
	2-14 Role of the highest governance body in sustainability reporting	55, 64			
	2-15 Conflicts of interest	66	Omission	Information unavailable	Cross share holding not disclosed
	2-16 Communication of critical concerns	64			
	2-17 Collective knowledge of the highest governance body	64	Omission	Information unavaliabile	Significant sustainability issues are addressed when needed, such as the implementation of the CSRD
	2-18 Evaluation of the performance of the highest governance body	66			
	2-19 Remuneration policies	65-66	Omission	Information unavaliabile	Board member remuneration is determined at the Annual General Meeting by the shareholders.
	2-20 Process to determine remuneration	66	Omission	Information unavaliabile	Board member remuneration is determined at the Annual General Meeting by the shareholders.
	2-21 Annual total compensation ratio	-	Omission	Information unavaliabile	Median pay not tracked



GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<i>cont</i>	2-22 Statement on sustainable development strategy	7-9			
<i>GRI 2: General Disclosures 2021</i>	2-23 Policy commitments	16, 62-64, 84			
	2-24 Embedding policy commitments	64, 58-60			
	2-25 Processes to remediate negative impacts	62-63, 70-77			
	2-26 Mechanisms for seeking advice and raising concerns	82			
	2-27 Compliance with laws and regulations	67	Omission	Information unavailable	Information not complied globally.
	2-28 Membership associations	82			
	2-29 Approach to stakeholder engagement	56-57			
	2-30 Collective bargaining agreements	16			
<b>Material Topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	55-57			
	3-2 List of material topics	70-77			
<b>Anti-corruption</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 205	56-57, 70-77, 80	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	15, 27			
	205-2 Communication and training about anticorruption policies	15-16	Omission	Information incomplete	No training for governance bodies during the year. Workplace Policy added to supplier contracts.
	205-3 Confirmed incidents of corruption and actions taken	17, 22	Omission	Information incomplete	Corruption cases included in Breach of Business Integrity.
<b>Anti-competitive Behaviour</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 206	15, 17, 56-57, 70-77, 80	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17, 67			
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 301	56-57, 70-77, 80			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	33			
	301-2 Recycled input materials used	33	Omission	Information incomplete	Only recycled plastic amount tracked.
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 302	56-57, 70-77, 80			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	12			
	302-3 Energy intensity	12			
	302-4 Reduction of energy consumption	11			



GRI Standard	Disclosure	Location	Requirement(s) omitted		Omission
			Reason	Explanation	
<b>Water and Effluents</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 303	56-57, 70-77, 80			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	13	Omission		Seawater and Produced water not used. Contaminants not consolidated at Group level due to different local standards and legal requirements
	303-4 Water discharge	13	Omission		Seawater and Produced water not used. Contaminants not consolidated at Group level due to different local standards and legal requirements
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 305	56-57, 70-77, 80	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	12, 47			
	305-2 Energy indirect (Scope 2) GHG emissions	12, 47			
	305-4 GHG emissions intensity	12			
	305-5 Reduction of GHG emissions	12, 46			
	305-6 Emissions of ozone-depleting substances (ODS)	47			
<b>Waste</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 306	56-57, 70-77, 80	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	13			
	306-2 Management of significant waste-related impacts	13, 71			
	306-5 Waste directed to disposal	13			
<b>Supplier Environmental Assessment</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 308	56-57, 70-77, 81			
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	25-27	Omission	Information incomplete	Percentage metric not reported.
<b>Employment</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 401	15-22, 71-72	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	21			
<b>Occupational Health and Safety</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 403	56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	17, 72			
	403-9 Work-related injuries	18, 72			





GRI Standard	Disclosure	Location			Omission
			Requirement(s) omitted	Reason	Explanation
<b>Training and education</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 404	15-18, 23, 25, 56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	18	Omission	Information incomplete	Covers only white collar employees
	404-3 Percentage of employees receiving regular performance and career development reviews	18	Omission		
<b>Diversity and Equal Opportunity</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 405	56-57, 70-77, 81			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	21, 65-66			
<b>Non-discrimination</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 406	56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	17, 21-22, 63			
<b>Freedom of Association and Collective Bargaining</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 407	56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	27, 62-63			
<b>Child Labour</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 408	56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	27, 62-63			
<b>Forced or Compulsory Labour</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 409	56-57, 70-77, 81	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	27, 62-63			
<b>Supplier Social Assessment</b>					
GRI 3: Material Topics 2021	3-3 Management approach, 414	56-57, 70-77, 81-82	Omission	Information unavailable	No specific lessons learnt, work guided by For the Better 2030 framework
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	25-27	Omission	Information incomplete	Percentage metric not reported.



# UN Guiding Principles Reporting Framework

## Part A: Policy commitment

### Response

**A1** What does the company say publicly about its commitment to respect human rights?

- Codes and policies
- Code of Conduct
- Workplace Policy and Supplier Workplace Standard
- Act ethically, lead in diversity and respect human rights
- Drive supply chain sustainability

## Embedding respect for human rights

**A2** How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?

- Act ethically, lead in diversity and respect human rights
- Drive supply chain sustainability
- Understanding and managing our human rights risks

## Part B: Defining the focus of reporting

**B1** Statement of salient issues: State the salient human rights issues associated with the company's activities and business relationships during the reporting period.

- Understanding and managing our human rights risks

**B2** Determination of salient issues: Describe how the salient human rights issues were determined, including any input from stakeholders.

- Understanding and managing our human rights risks
- Materiality process

**B3** Choice of focal geographies: If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.

- Understanding and managing our human rights risks
- High risk countries

*B4 Additional severe impacts: Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.*

## Part C: Management of salient human rights issues specific policies

### Response

**C1** Does the company have any specific policies that address its salient human rights issues and, if so, what are they?

- Code of Conduct
- Workplace Policy and Supplier Workplace Standard

## Stakeholder engagement

**C2** What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?

- Materiality process
- Stakeholders inform our approach
- Understanding and managing our human rights risks

## Assessing impacts

**C3** How does the company identify any changes in the nature of each salient human rights issue over time?

- Materiality process
- Understanding and managing our human rights risks

## Integrating findings and taking action

**C4** How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?

- Understanding and managing our human rights risks
- Management approach
- Act ethically, lead in diversity and respect human rights
- Drive supply chain sustainability

## Tracing performance

**C5** How does the company know if its efforts to address each salient human rights issue are effective in practice?

- Auditing and monitoring
- Workplace policy audits

## Remediation

**C6** How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?

- Act ethically, lead in diversity and respect human rights
- Auditing and monitoring
- Drive supply chain sustainability

# Awards and recognitions

Rating agencies and sustainability rankings have recognized our sustainability commitment and performance over the past year.



## CDP

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

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.](#)



Indices by Qontigo



## Stoxx

Electrolux Group was included in the STOXX® Global ESG Leaders index. The STOXX® Global ESG Leaders Index was launched in 2011 and was an important step for providing visibility for companies that excel in sustainable operations and management. The index is STOXX's broadest benchmark tracking the highest-scoring companies in environmental, social and governance (ESG) criteria.

## WE SUPPORT



## Global Compact 100

The Global Compact 100 (GC 100), developed in partnership with Sustainalytics, is composed of a representative group of Global Compact companies, selected based on their implementation of the ten principles and evidence of executive leadership commitment and consistent baseline profitability.



## FTSE4Good

### FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Electrolux Group has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE-E4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



## ISS oekom Prime Status

ISS oekom research assesses the environmental, social and governance performance of a company as part of the Corporate Rating, carried out with the aid of over 100 social and environmental criteria, selected specifically for each industry. ISS oekom research awards Prime Status to those companies that are among the leaders in their industry, according to the oekom Corporate Rating, and that meet industry-specific minimum requirements.



# Auditor's Limited Assurance Report on AB Electrolux (publ) Sustainability Report

To AB Electrolux (publ), corporate identity number 556009-4178

## Introduction

We have been engaged by the Board and Group Management of AB Electrolux (publ) ("Electrolux Group") to undertake a limited assurance of the Electrolux Group Sustainability Report for 2022. The company has defined the scope of its sustainability report on page 84.

## Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 84 in the Sustainability Report, and consists of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted limited assurance procedures in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. A limited assurance engagement consists of making inquiries, primarily of persons

responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Electrolux Group according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement do not allow us to obtain such assurance that we would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

## Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm 27 March 2023

PricewaterhouseCoopers AB

Peter Nyllinge  
Authorized Public Accountant

Karin Juslin  
Sustainability specialist

# 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.



