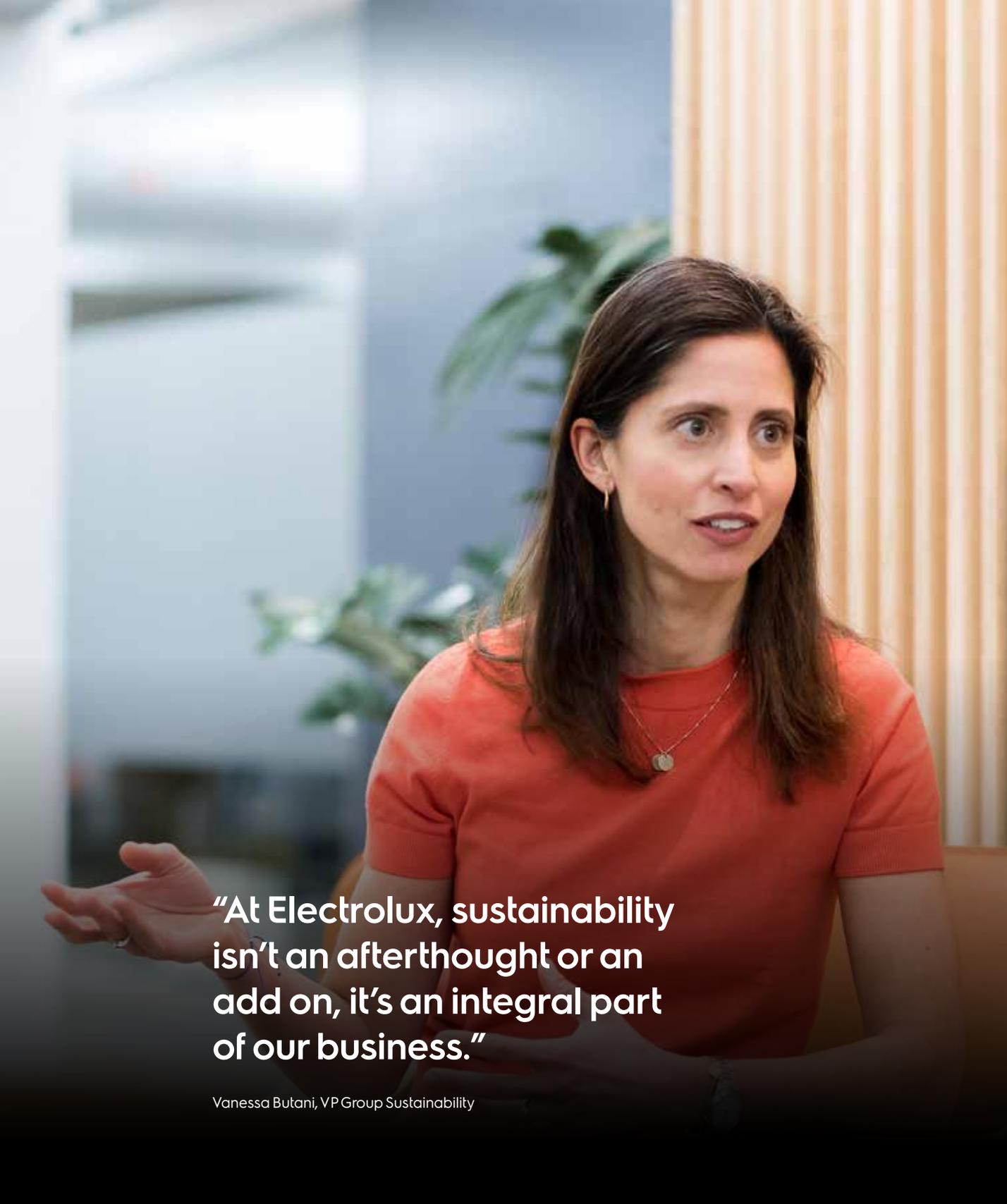


Sustainability in Brief 2021





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

Vanessa Butani, VP Group Sustainability



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

Jonas Samuelson, CEO

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2021 in brief

Electrolux has been committed to shaping living for the better for over 100 years. In 2021, Electrolux was recognized as an industry leader in the Household Durables category in the prestigious Dow Jones Sustainability Index (DJSI), and 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.

During the year, we made progress on our sustainability framework - For the Better 2030 - which will enable us to continue to create better and more sustainable living for people around the world.

Read the full story

www.electroluxgroup.com/sustainability

For the Better — highlights 2021

Better Company

Be climate neutral and drive clean and resource-efficient operations

8%

Reduction in both our total CO₂ emissions and water use in water risk areas compared to 2020.

Act ethically, lead in diversity and respect human rights

0.43

0.43 injury rate (TCIR).

Drive supply chain sustainability

2,000

2,000 people working at suppliers trained on environmental and social responsibility.

Better Solutions

Lead in energy- and resource-efficient solutions

19/31%

Our most energy and water efficient products accounted for 19% of total units sold and 31% of gross profit in 2021.

Offer circular products and business solutions

25%

Our use of recycled plastic increased by more than 25%, from 6,800 metric tons in 2020 to 8,600 metric tons in 2021.

Eliminate harmful materials

3,800

In 2021, we tested 3,800 components for chemical compliance according to legislation and the Electrolux Restricted Materials List.

Better Living

Make sustainable eating
the preferred choice

Inverter refrigerator

NutriFresh inverter refrigerator – keeps the temperature stable, minimizes water loss and provides higher humidity to keep food fresh longer while using one third less energy than other refrigerators on the market.

Make clothes last twice as
long with half the
environmental impact

Cushion-like drum pattern

Cushion-like washing machine drum pattern – winner of the German Red Dot design award in 2021, the new drum pattern reduces wear and tear on garments.

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

Water purifier

Pure 4X water purifier – new generation of cooling water purifier developed by Electrolux Latin America. The slim design reduced plastic in each product by 27%. A single filter provides 3,000 liters of purified water, saving 6,000 half-liter plastic bottles.

Progress on our Climate Goals

Scope 1 and 2^{1,2}

Greenhouse gas emissions produced directly (Scope 1) by Electrolux, for instance through the combustion of fuels and indirect greenhouse gas emissions (Scope 2) generated through the consumption of purchased energy.

78%

reduction compared to 2015

Scope 3¹⁾

Scope 3 are all other indirect greenhouse gas emissions due to the activities of Electrolux, but that are produced and controlled by a different emitter, e.g. greenhouse gas emissions resulting from the use of Electrolux products.

~20%

reduction compared to 2015

1) Science based target (SBT) 2) Includes contributions from energy use and greenhouse gas fugitive emissions.

On a journey to be a truly sustainable company

The year summarized by Jonas Samuelson (JS), Chief Executive Officer, and Vanessa Butani (VB), VP Group Sustainability.



“We have continued to make good progress in energy and water efficiency and in incorporating more sustainable materials in our products.”

Vanessa Butani

How is the Electrolux sustainable strategy being deployed throughout the business?

JS: We're working to make sure that everything we do takes us on a journey to become a truly sustainable company.

VB: At Electrolux, sustainability isn't an afterthought or an add-on, and our strategy reflects this. Sustainability is an integral part of everything we do, from gathering consumer insights, developing products, sourcing, supply chain and production, branding and marketing, and how the consumer experiences our products and connects with us in a long-term relationship.

How important is the Electrolux For the Better 2030 sustainability framework?

JS: For the Better 2030 provides us with a guiding framework for our journey to achieve a Better Company, Better Solutions and Better Living within society and to achieve our Climate Goals, ultimately to become climate neutral throughout our value chain by 2050. We remain unique in not just becoming a better company with better solutions, but in also taking the next step in setting goals to enable consumers to live better and more sustainable lives.

VB: Our work with sustainability makes us stand out as an industry leader. We've always helped consumers, but now we help them live more sustainably too. This is our ticket to win - and I would also say our ticket to the future.

Tell us about the main milestones and progress to a climate neutral value chain by 2050?

JS: Important milestones on our climate roadmap to climate neutrality by 2050 are our science-based targets to reduce carbon emissions in our operations by 80% and emissions from our products by 25% by 2025 compared with 2015. In our operations, we achieved a reduction of 78% in our carbon emissions last year. We are well positioned to achieve climate neutrality in our operations by 2030.

VB: In our operations, we are continuing to switch to renewable energy, electrifying high-energy processes, ensuring better energy management. The roll out of our Zero Waste to Landfill program helped to recycle or reuse over 97% of waste across all our sites as we work toward climate neutral operations. Our SEK 8bn re-engineering investment program is crucial to modernize and optimize our operations to meet our climate objectives.

How is Electrolux working to reduce the environmental impact of its products?

JS: Household appliances account for approximately 30%¹⁾ of global energy consumption in the home and product usage generates approximately 85% of our total value chain CO₂ emissions. Therefore, we have an important opportunity to develop efficient appliances that save energy throughout their lifespan in people's homes.

¹⁾ International Energy Agency report, www.iea.org/reports/appliances-and-equipment

“At Electrolux, we have a responsibility to deliver more sustainable solutions, which at the same time means a huge business opportunity for us.”

Jonas Samuelsson



VB: We work hard to innovate and make our products as sustainable as possible throughout their lifetime. We do this by making our products increasingly resource efficient and circular, and by helping consumers to use their appliances in the most efficient way.

What exciting sustainability product innovations were launched during the year?

VB: We have continued to make good progress in energy and water efficiency and in incorporating more sustainable materials into our products. The NutriFresh inverter refrigerator maintains a stable temperature, minimizes water loss and provides higher humidity to keep food fresh longer while using one third less energy than other refrigerators on the market. Our patented Care Drum is a “cushion-like” drum pattern for clothes to softly glide on – to provide significantly gentler fabric care by reducing wear and tear on garments. The slim design of our Pure 4X water purifier developed by Electrolux Latin America reduced plastic in each product by 27% and each filter provides 3,000 liters of purified water, effectively saving 6,000 half-liter plastic bottles.

How is Electrolux helping consumers live more sustainably?

VB: Helping consumers reduce food waste is one of our focus areas. We do this by introducing solutions to prolong the freshness of food, such as refrigerator crispers that provide the best humidity and temperature control to make fruit and vegetables last longer. We also promote healthier and more sustainable ways of cooking, with solutions such as steam cooking and air frying, and are developing a connected refrigerator camera that suggests what people can cook based on the ingredients they have. The Electrolux Food Foundation launched Replate.com – a website with loads of great information on how we can all eat more sustainably.

How important is internal and external collaboration for sustainability at Electrolux?

JS: From an internal perspective, we need all our 52,000 people to be our sustainability ambassadors. This is about leadership, ensuring we all have the facts, cross departmental collaboration and looking forward – to get everyone behind us. Internal collaboration on sustainability will help us to thrive and become more profitable.

VB: But we can't do this alone. We also need to collaborate with external partners so we can accelerate our work and learn together. For example, we worked with Stena Recycling

during the year to develop a prototype vacuum cleaner that is 90% recyclable. Listening to our consumers is also important to meet their needs with more sustainable products.

What role does Electrolux play in a world with great sustainability challenges?

JS: We continue to make good progress on sustainability, but let's be clear – the global sustainability situation is urgent, and all businesses must do more. At Electrolux, we have a responsibility to deliver more sustainable solutions to society, which at the same time is a huge business opportunity for us.

VB: As a company present in millions of homes around the world, we know we have a significant impact, which means that we can also play a significant part in the de-carbonization of our planet to limit the consequences of climate change. We're committed to play our part and to inspire consumers and the communities around us. For instance, I'm proud of the work of the Electrolux Food Foundation to inspire kids, adults and chefs to eat and cook more sustainably, train underprivileged people to enter the food labor market and help people in need through our partnership with the Red Cross.

How is Electrolux scaling up the more circular use of materials and circular business models?

JS: We are very much driving toward the concept of circularity and one way we can contribute is to use recycled materials in our products and make our products recyclable. We are already a circularity leader in our industry with a goal to use 50% recycled plastic by 2030 and to increase our use of scrap-based steel.

VB: We are also developing and rolling out more circular business models around the world. These include appliance trade-in programs where consumers can have their old appliance collected for recycling when their new product is delivered, our fixed-price repair services and our various leasing services.

What is the next step in the For the Better 2030 framework?

VB: We need to use sustainability as a differentiator. We've got the tools, the people and the conviction to meet our ambitious goals. So we just need to get out there and do it.



Jonas Samuelson



Vanessa Butani

A woman with her hair in a ponytail, wearing a dark blue patterned top, is looking at a built-in Electrolux refrigerator in a modern kitchen. The kitchen has wooden shelves with various items on them. The lighting is warm and focused on the refrigerator.

Electrolux in a changing world

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 such as the UN Sustainable Development Goals.

Global megatrends that shape our business

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 natural resources. Between 2015 and 2030, another billion people are expected to buy their first refrigerator.

Implications for Electrolux

- Significant growth potential in emerging markets.
- Continued need to improve the environmental performance of products and reduce the impacts from the materials used to produce them.
- Growing importance of older consumer groups and the increasing number of smaller households.
- Potential for new business models, e.g. product leasing and take-back services.

Resources & 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, cleaner chemistry and waste reduction.

Implications for Electrolux

- Continued need to improve the environmental performance of products.
- Pressure to reduce water consumption in areas with water scarcity.
- Competition for some metals and minerals.
- Growing importance of the circular economy.
- 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) promises to connect billions of products in the near future.

Implications for Electrolux

- 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.
- Improved data flow during the product use phase facilitates the measurement of scale and impact for more sustainable consumer behavior.
- Connectivity offers opportunities for new 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.



- No. 8 – Decent work and economic growth
- No. 12 – Responsible consumption and production
- No. 13 – Climate action
- No. 17 – Partnership for the goals

Electrolux and the UN Sustainable Development Goals (SDGs)

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

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

Our sustainability framework

Our sustainability framework – For the Better – defines how Electrolux works to achieve Better Company, Better Solutions and Better Living with Goals for 2030. 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

Supporting the UN Sustainable Development Goals and Climate Goals

Better Company

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

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

Better Solutions

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

- We are creating more efficient, high-performance appliances that help consumers to live better lives, save money and reduce their environmental footprint.
- We will proactively contribute toward the circular economy by integrating more recycled materials into our product platforms and a more circular approach into products and solutions.
- Our consumers can feel reassured that we manage chemicals carefully and replace those that cause concern.

Better Living

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

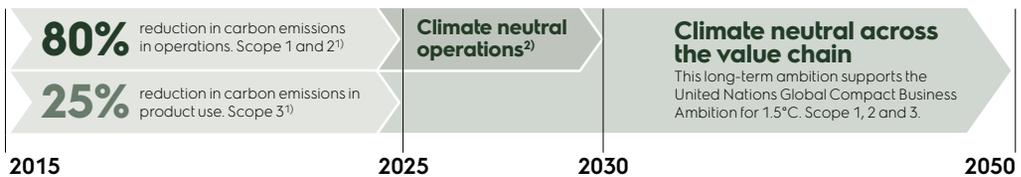
- By influencing how our products are used, we can reduce food waste, promote resource efficient food choices and nutrition, as well as enhance healthy and sustainable eating experiences.
- We can further contribute to more sustainable laundry practices by incorporating innovative solutions that increase laundry efficiency and improve garment care.
- We offer consumers air, water and floor products and solutions that enable healthier homes with reduced environmental impact.

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.

The Electrolux climate neutrality roadmap

Our Climate Goals:



1) Science based target (SBT) 2) Company target (Scope 1 + 2 = 0)

Our approach in action

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





Real climate neutrality in our operations and value chain

Electrolux is aiming to make its operations climate neutral by 2030 by working holistically throughout its global business as part of its broader climate neutrality roadmap for its entire value chain by 2050.

Electrolux has reduced the energy consumed at its manufacturing sites per product by around 43% compared with 2005. This equates to an improvement in energy efficiency by around 3% every year for the last 10 years.

“We have significantly reduced our energy use through continuous energy management improvements, incorporating more renewable energy into our operations and by looking for energy efficient solutions in every step of our operations,” explains Giuseppe Caiulo, VP Group Operations Sustainability. “Some of our high-temperature processes such as enameling are a challenge, but we have broken down such complicated processes into different stages and are working to find out how we can reduce emissions in every step of the process in our operations.”

A holistic approach to reducing emissions

“Working toward climate neutral operations, doesn’t just involve working with energy,” says Caiulo.

“By reducing, reusing and recycling all kinds of resources as much as possible, we can ensure the better use of resources while decreasing our emissions.” In 2021, our improved waste management ensured that 97.3% of the total waste produced at our manufacturing sites was either reused or recovered.

Electrolux factories at Manaus and Curitiba in Brazil, Adelaide in Australia, Rosario in Argentina, Olawa and Zabrze in Poland, and Susegana in Italy achieved the Zero Waste to Landfill certification issued by a third party. Together with our factories in Sao Carlos in Brazil, Solaro and Porcia in Italy and Cairo in Egypt that were certified in recent years, 11 Electrolux plants were certified by the end of 2021. “Our objective is to certify all our manufacturing sites around the world by 2025.”

Importantly, Electrolux has signed agreements with two major shipping companies to use more sustainable fuels – including biofuel based on waste cooking oil. The fuels will help Electrolux to reduce its total sea transport greenhouse gas emissions by 15% in 2022.

How are we becoming more circular?

We contribute to the circular economy by promoting recyclability, integrating recycled materials into our product platforms and by developing more circular business solutions.

Trialing a 90% recyclable vacuum cleaner

Following the development of a prototype vacuum made from 100% recycled materials together with Stena Recycling in 2020, the collaboration continued in 2021 with the 2-Infinity prototype vacuum cleaner that is 90% recyclable.

The 2-Infinity vacuum cleaner promotes the circular use of resources by making it as easy as possible to recover and recycle its various components and materials. The learnings are being incorporated into the design of the next generation of vacuum cleaners, which will contain more recycled materials and will be easier to be recycled. We also continued to develop sustainable design guidelines that will enable our R&D and Design teams to maximize recyclability and repairability.

Drawing on consumer insight

During the year, we gathered consumer perceptions on recycled plastics in products, which highlighted a huge consumer interest in products containing recycled materials. We found that consumers perceive products containing recycled plastics to be more innovative, premium and sustainable.

In addition, 83% of consumers believe it is important or extremely important for companies to design products that are reused or recycled, and 72% said they're currently buying more environmentally responsible products than they were five years ago.

Offering consumers a sustainable upgrade

In 2021, we launched a Sustainable Trade-in Program in Vietnam to enable consumers to have their old washing machine collected and upcycled in return for a discount on a new Electrolux model. The collected appliances are either sustainably recycled by a certified recycling partner or refurbished and given a second life where they can serve a new family.

"Our program is unique in the Vietnam market as it is available year-round and offers consumers an immediate discount from their existing product based on four simple questions about their appliance," explains Lyndon Craig, Head of Design APAC.





Sustainability takes the lead in our product innovation process

Electrolux revolutionized how it integrates sustainability into innovation in 2021 with people and planet driving processes. Tove Chevalley, Director CX Innovation Hub, explains what has been done and what this means for the company and society at large.

How has Electrolux changed its approach to sustainability innovation?

We're on a journey and have made major leaps in how we integrate sustainability earlier into our innovation processes in the last couple of years. The major difference is how we have switched from a focus on short-term profitability to take the needs of our consumers and the planet first in our innovation processes.

Why is it important that sustainability is integrated into product development from the very beginning?

Sustainability is essential to who we are as a company and our purpose. Sustainable product innovation is about us walking the talk and is essential for driving stronger, more profitable patents and long-term revenue streams.

How important are partnerships in innovation?

Of course, we can't do all this alone and we work with a wide variety of stakeholders. By establishing partnerships that go beyond our appliances and by drawing on digital tools, just think what we can achieve! It goes beyond our products and highlights the huge potential we have to promote societal benefit through partnerships and consumer engagement.

How will you further develop your approach in 2022 and beyond?

We are currently developing our approach that puts people and planet in the driving seat. The approach encourages people to challenge conventional thinking and work in a human-centered manner.



Helping consumers around the world care for their clothes

As a sustainability leader in the global laundry appliance industry, Electrolux enables consumers to care for their clothes in a more resource efficient manner.

With around 85% of the environmental impact of home appliances occurring during the use phase, Electrolux focuses on the impacts of its products in homes around the world – as well as the societal value they can deliver.

Enabling more sustainable living through consumer insight

“Our washers and driers draw on the latest technologies and features to enable consumers to use less energy, water and detergent,” explains Annika Priou, VP Global Brand Development

More efficient laundry practices and prolonging the useful life of clothes can help decrease the consumer’s environmental footprint

“It all starts with insight and understanding into consumer behavior,” says Priou. “By understanding how consumers want to live more sustainably, we can provide them with the products that can, for example, help them to reduce the environmental

impacts of doing their laundry by making their clothes last longer. This is how we can extend our positive impact in society.”

A new laundry product in 2021 that enables consumers to live more sustainably was a “cushion-like” washing machine drum pattern. The drum allows clothes to softly glide on it to provide significantly gentler fabric care by reducing wear and tear on garments.

AEG challenges the expected

A new campaign in 2021 – Challenge the expected – aimed to reflect the brand’s proactive approach to sustainability through better laundry habits. Among other things, it aimed to raise awareness of the benefits of steam cleaning rather than washing and the use of lower temperatures as well as solutions such as AutoDose, which provides optimal detergent dosage to protect clothes from fading while also caring for the environment

We welcome you “as you are”

In 2021, Electrolux developed new diversity and inclusion (D&I) objectives along with new global webinars on inclusion and partnerships to engage employees and drive progress.

A new framework for leadership in diversity

The new D&I 2030 objectives aim to drive progress in diversity and inclusion and have three pillars: Diversity, Inclusive culture, and Equal treatment. The objectives include plans to implement a minimum global parental leave in 2022, and a 40–60% gender balance among company leaders by 2030.

“Our new objectives provide a foundation that we will build on as we strive to make further progress in diversity and inclusion,” says Federica Alzetta Global Talent & Performance Director. “Importantly, it gives us the structure, aspirational objectives and KPIs we need to drive progress and bring about real change throughout our company.”

In early 2021, Electrolux launched its global e-learning on diversity and inclusion that highlights the importance of diversity and inclusion and how each employee can contribute toward a more diverse and inclusive work environment. The aim is for as many employees to take the e-learning as possible, and 8,000 employees had taken it by the end of 2021.

Partnering on D&I

In 2021, Electrolux became a signatory of the United Nations Women’s Empowerment Principles (WEPs) as part of its long-term commitment to diversity and inclusion in the workplace. Established by the UN Global Compact and UN Women, WEPs are a set of principles offering guidance to business on how to promote gender equality and women’s empowerment in the workplace, marketplace and community.

As part of its diversity and inclusion ambition around the world, Electrolux also joined Workplace Pride, which is dedicated to improving the lives of LGBT+ people in workplaces worldwide.

In addition, we have several employee-driven grassroots D&I networks all around Electrolux that promote diversity, inclusion and equality based on local needs and priorities. The networks play an important role in coordinating local action and initiating initiatives. All the networks are open to anyone to join.





Envisioning the future of better living with the next generation

In 2021, Electrolux engaged with thousands of young people around the world to capture their views on the global situation and their hopes and dreams for the future. Their insights will be used to drive product innovation over the coming years to ensure Electrolux continues to shape better living by meeting the needs of young consumers.

“We want to listen to young people who will be starting up their own homes in the near future,” says Jonas Samuelson, Electrolux CEO. “Their desires, choices and behaviors will play a critical role in shaping the evolution of better living – and we want those who own the future to be part of defining it”

A better tomorrow – according to the youth of today

Electrolux commissioned a survey of almost 14,000 people from 13 countries – all aged between 15 and 20. In addition to the survey, interviews were also held with the participants to gain more in-depth responses from them. Participants were asked about their hopes and worries for the future, and the key themes of food, clothing care and wellbeing at home.

The resulting Change-Makers Report highlighted a great deal of anxiety and fear for the future among young people – but also a profound understanding of the challenges facing society and belief that they can be part of the solution.

Accelerating innovation with our young team of change makers

Following an extensive search and hundreds of applications, eight young people from seven countries were selected and are now joining creative sessions led by the Innovation Hub at Electrolux to explore solutions for better living.

“This is an amazing team of young people from around the world who are really passionate about creating change to help save our planet,” says Tove Chevalley, Director CX Innovation Hub. “In the eight sessions we had with them during the year as part of our ‘Future for clothing care’ project, they challenged our way of thinking and helped us to define where we want to be in ten years’ time in terms of our products and services.”

Sustainable culinary training that spurs life-long impact

Since 2017, the Electrolux Food Foundation's Like a Chef culinary training program has helped hundreds to find work in Brazil, Poland, Ukraine, Egypt, Russia and Sweden.

The five to ten week training has been changing lives by providing sustainable culinary knowledge to help people into work. Developed by the Electrolux Food Foundation in partnership with Worldchefs and AIESEC, it has given around 800 people an international qualification that they can use to find work in a professional kitchen.

Many participants are from vulnerable backgrounds with limited formal education. But as of December 2021, around 69% of Like a Chef participants in Brazil, for example, had found work after taking the training.

Life-long impact

"Like a Chef trains students on sustainable, healthy and zero-waste cooking," explains Cosimo Scarano, Sustainability Project Lead and globally responsible for Like a Chef at the Electrolux Food Foundation. "In addition, we see that the experience builds self-esteem for people to make a new start in life."

"This program helped me so much in a time in my life when I had hit rock bottom, it helped me overcome my depression and learn so many things about gastronomy," says Paulo César De Aguiar, Like a Chef graduate in Curitiba, Brazil, in 2021. "I am so grateful to the trainers and my colleagues on the program. I definitely feel one step closer to realizing my dream of one day opening a café together with my family."

The training puts emphasis on sustainable cooking and eating and it's adapted to each location in terms of content and duration.

The long-term goal is to provide training for 3,000 people by 2030. The coronavirus pandemic has delayed some activities around the world, but the team is feeling hopeful. "We hope to get back on track in 2022," says Scarano.



Leading in water-efficient operations

Electrolux constantly works to make its operations as water efficient as possible with a focus on water scarce areas of the world and calls for others to follow its lead.

As a signatory of the UN's CEO Water Mandate, Electrolux reports its progress annually. In 2021, Electrolux improved its overall water efficiency by more than 43% compared with 2015. Particularly good progress on water efficiency was made at factories in water scarce regions.

Calling for action on water

In 2021, Electrolux published a joint statement together with WWF and Swedish multinational companies to encourage global action on water-related issues.

"Our statement was in response to the worsening global water crisis that has made headlines around the world this year with serious water shortages and floods," says Tomas Dahlman, Director Global Energy, Group Sustainability. "The UN Intergovernmental Panel on Climate Change's (IPCC) recent climate report also highlights how human emissions are causing increasingly severe water-related issues.

The statement called for other companies to follow the Electrolux lead on action, collaboration and raising awareness.

Electrolux walks the talk on water

"We have followed these three steps to promote efficient water use in our own operations for several years," says

Dahlman. "Our work with water efficiency in manufacturing is driven by our long-term collaboration with the WWF and has been guided by the WWF Water Risk Assessment since 2014."

In 2021, Electrolux used the Water Risk Assessment to formulate context-based water targets that consider the local water situation and challenges for each of its sites. Going forward, Electrolux aims to continue to improve its water efficiency and create more closed-loop systems in its operations.

"Our plants recycle process water, and some are already closed loop in terms of reusing process water and we are currently investigating opportunities in several other facilities," says Dahlman. "We also use harvested rainwater in manufacturing processes, such as in Thailand, Brazil and Australia."

Over the years, our ambitious approach to sustainability has guided us to deliver appliances that allow consumers to save water and energy in their everyday lives. For instance, with our steam programs it's possible to refresh garments without the need to run a complete washing cycle, which means saving more than 40 liters of water compared to a delicates program wash. An added bonus is that it will make ironing easier, or even unnecessary. In dishwashers, QuickSelect indicates to the consumer how they can save water and energy.





Collaborating on climate action to drive change

As a climate leader in the appliance industry, Electrolux has a crucial role to drive climate action together with like-minded organizations.

Our climate leadership

By the end of 2021, we reduced our absolute scope 1 and 2 greenhouse gas emissions in operations by 78% compared to 2015 toward our science-based reduction target (SBT) of 80% by 2025, and our target to achieve climate neutral operations by 2030. We reduced our scope 3 greenhouse gas emissions for sold products by 20% in 2021 compared to 2015, toward our reduction SBT of 25% by 2025.

In 2021, Electrolux 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. The company was also recognized as a global sustainability leader according to the Dow Jones Sustainability Index (S&P).

Partnering on climate action

“At Electrolux, we’re committed to reaching net zero across our value chain – but as we can’t do this alone, partnerships

are crucial to driving systemic change,” says Vanessa Butani, VP Group Sustainability.

In 2021, Electrolux used its voice to call for more rigorous and immediate climate action – particularly at the COP26 climate summit in November. For example, Electrolux worked through the global UN-backed Race to Zero campaign to rally leadership and support from various actors in society.

Electrolux also called on leaders and decision makers at the COP26 and G20 summits to take action to limit the global temperature rise to 1.5°C as part of the We Mean Business Coalition. The coalition includes over 600 companies, representing over USD2.5 trillion in revenue, and responded to the “code red for humanity” issued by the Intergovernmental Panel on Climate Change (IPCC) for the imminent risk of irreversible climate change.

Facts and figures 2021

This section presents our roadmap to 2030 and the next steps we will take for each of our For the Better 2030 Goals. It also highlights key progress we made on our Goals in 2021.

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

Our roadmap to 2030

Reduce our CO₂ footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.

Improve energy efficiency at our manufacturing sites and warehouses by 12.5% by 2025 (2015 baseline).

Improve water efficiency at our manufacturing sites and warehouses by 25% by 2025 (2015 baseline) in potential water risk areas, until the site has reached optimal levels of efficiency.

Increase the proportion of renewable energy for our operations to 65% by 2025.

Zero Waste to Landfill third-party certification for all plants by 2025.

Next steps

Continue the inventory of our fossil fuel footprint in our operations. Develop a global roadmap based on fossil free equipment and processes.

Continue with the Green Spirit 2.0 certification and the energy management certification scheme.

Implement the roadmap based on the WWF water risk assessment for our manufacturing footprint.

Continue to source electricity from certified renewable sources. Continue to pilot bio fuels and the electrification of processes.

Continue the certification process.

Zero Waste to Landfill

97%

of the total waste produced at our manufacturing sites was either reused or recovered.

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

2 Act ethically, lead in diversity and respect human rights

Our roadmap to 2030

Continue to build a Group-wide approach to human rights and ensure strong management of human rights issues

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.

Take proactive measures to ensure that various elements of the global anti-corruption compliance program are effective in practice.

Ensure a pathway to industry leadership in diversity and inclusion by developing and implementing a global roadmap.

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

Continue to invest in the communities in which we operate in around the world.

Next steps

Continue to conduct local assessments and follow up assessment action plans.

Engage leaders at all levels in activities to build an ethical culture.

Ensure employees in all parts of the organization are educated in the Code of Conduct and relevant key policies.

Align and improve corruption prevention efforts throughout the company through various methods, including e-learning and face-to-face training. Emphasize the zero-tolerance message for bribery and corruption throughout the organization.

Drive progress through the three pillars of our D&I Objectives – Diversity; Inclusion; and Equal treatment

Continue to reduce our accident frequency. Attain safety certifications of our manufacturing facilities.

Continue to adapt, re-create and launch our community investment programs via the Electrolux Food Foundation and its partners.

Diversity and inclusion

Group-wide objectives were established for diversity and inclusion.

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

3 Drive supply chain sustainability

Our roadmap to 2030	Next steps	
Secure compliance to Electrolux 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.	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.	●
Ensure transparency in mineral and material supply chains from high-risk areas, working toward a conflict-free supply chain by 2025.	Continue to improve 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.	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 sustainability priorities.	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 and make them climate neutral by 2030.	Piloting renewable fuel and electrification of the fleet. 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.	●

Supplier commitment to disclosing and reducing emissions

In 2021, we secured the commitment from our top 280 suppliers to disclose emissions and set targets through the CDP Supply Chain Program.

280

4 Lead in energy and resource-efficient solutions

Our roadmap to 2030	Next steps	
Be a leader in product efficiency for key categories and markets by 2030.	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.	Continue to integrate environmental performance processes into product R&D. Continue to spend one-third of our R&D budget on sustainable product innovation, in terms of water and energy efficiency.	●
Continue to drive the market for efficient products through awareness-rising consumer campaigns and by integrating sustainability into the Group's brands.	Use our global influence to inspire and educate consumers around sustainable living globally.	●

Green Range

The top energy and water performing products accounted for 19% of total units sold and 31% of gross profit for consumer products in 2021.

19%/31%

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

5 Offer circular products and business solutions

Our roadmap to 2030

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

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

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

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

Next steps

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

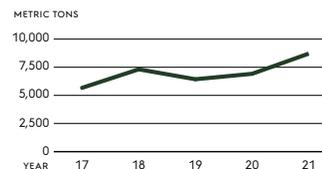
Focus on purchasing and R&D efforts to enable the introduction of recycled plastic in more applications. Improve and develop our communication around products made from recycled material. Add more aesthetic applications.

Continue to leverage experience from North America in other regions and identify suppliers of scrap-based steel outside North America. Develop a roadmap to source steel with lower carbon footprint.

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



Recycled plastic



6 Eliminate harmful materials

Our roadmap to 2030

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

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

Eliminate high-impact greenhouse gases from our products.

Next steps

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

Annual update of the Electrolux Restricted Materials List.

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



Eliminate harmful materials

We completed the conversion of North American factories to replace hydrofluorocarbons (HFCs) used as blowing agent to cyclopentane.

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

7 Make healthy and sustainable eating the preferred choice

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

Innovation

NutriFresh inverter refrigerator keeps the temperature stable, minimizes water loss and provides higher humidity to preserve food fresh longer while using one third less energy than other refrigerators on the market.

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

Our roadmap to 2030	Next steps	
Help consumers maximize the life of their clothes and help them better care for their clothes in general.	Continue to deliver products, solutions and campaigns that help consumers take better care of their clothes.	●
Assist in reducing environmental impact during garment care.	Continue to deliver products, solutions and campaigns that help consumers to reduce the environmental impact of their laundry behavior.	●

Innovation

New Care Drum – a “cushion-like” drum pattern for clothes to softly glide on – provides significantly gentler fabric care that reduces wear and tear on garments. The design won a German Red Dot design award in 2021.

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

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

Our roadmap to 2030

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

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

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

Next steps

We will continue to develop solutions that enable consumers to inspire more sustainable home care habits.

We will continue to raise awareness of air and water hygiene issues.

We will continue to leverage cross-industry collaboration within the “wellbeing” product context.

We will continue to innovate to enable consumers to reduce their environmental impact.

We will strengthen partnerships with our suppliers to ensure a common drive toward reduced environmental impact.

Innovation

Pure 4X water purifier – a new generation of electronic cooling water purifier developed by Electrolux Latin America. The slim design reduced plastic in each product by 27%. A single Pure 4X filter provides 3,000 liters of purified water, effectively saving 6,000 half-liter plastic bottles.

Our Climate Goals

By the end of 2021, we reduced our absolute scope 1 and 2 greenhouse gas emissions by 78% compared to 2015 – toward our 80% reduction target by 2025 and our 100% reduction by 2030. Read more about our scope 1 and 2 emissions in our goal Be climate neutral and drive clean and resource-efficient operations.

Electrolux Science Based Target (SBT) Scope 3 emissions decreased by over 20% from 52 million metric tons CO₂ in 2015.

Our roadmap to 2030

Be a leader in product efficiency in our most important markets.

Eliminate high-impact greenhouse gases from our products.

Improve efficiency throughout our operations and supply chain.

Increase the share of renewable energy for our operations to 65%.

Read more in the related goals

Lead in energy and resource efficient solutions

Eliminate harmful materials

Be climate neutral and drive clean and resource-efficient operations

Be climate neutral and drive clean and resource-efficient operations

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

Impacts throughout the value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create optimal value.



Product development

Close collaboration between Design, Marketing and R&D enables new products to offer best-in-class consumer experiences, and leading environmental performance.

Generating value

Products with leading environmental performance deliver customer value in line with our business strategy, while reducing negative impact on the environment.

Ability to influence: High
Impact: High

Suppliers

Working with suppliers safeguards our standards and develops supplier capacities to further improve sustainability performance.

Generating value

Enforcing our standards supports human rights and raises environmental, labor and economic standards – particularly in emerging markets.

Ability to influence: Medium
Impact: Medium

Electrolux operations

We work to reduce the environmental footprint of our operations, maintain high ethical standards and working conditions, as well as to have a positive impact in local communities.

Generating value

We create societal benefit by providing jobs, knowledge transfer, economic opportunities and local community engagement.

Ability to influence: High
Impact: Medium

Transport

More CO₂ is emitted transporting our goods than through our total operational energy use.

Generating value

Addressing transportation emissions contributes toward our climate targets and supports suppliers in their work to improve their environmental and labor standards.

Ability to influence: Medium
Impact: Medium

Sales

Energy and performance labeling, and sustainability communication allow us to raise consumer awareness of resource and product efficiency.

Generating value

Promoting transparency and our efficient product offering contributes to retailer sustainability goals and more sustainable consumer choices.

Ability to influence: Low
Impact: High

Consumer use

As the main environmental impacts of our products occur during their use, product energy and water efficiency is a top priority.

Generating value

Providing efficient products, raising consumer awareness and increasing appliance connectivity can help counter rising global CO₂ emissions, while reducing food waste and the wear of clothes.

Ability to influence: Low
Impact: High

End-of-life

Legislation on appliance recycling is increasingly being introduced into markets, and our market research indicates that recycling is a top priority for consumers.

Generating value

Building resource-efficient and closed-loop systems improves material reuse and diverts waste from landfill.

Ability to influence: Low
Impact: Medium

Sustainability milestones

1991

First Environmental Policy.

1995

First Environmental Report

1999

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

2002

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

2003

Electrolux joined the UN Global Compact.

2004

Implemented the Electrolux Restricted Materials List.

2011

Ethics Helpline was launched.

2014

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

2016

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

2018

One of the first 100 companies with a science-based target approved to meet the Paris agreement's climate targets.

2021

Electrolux 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.

Awards and recognition

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

CDP Climate & Water

In 2021, Electrolux 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. Electrolux has been on the CDP Climate A list for the past six years and on the Water A list since 2020.

Dow Jones Sustainability World Index

Electrolux is included in the Dow Jones Sustainability Index (DJSI) World and Europe. Manjit Jus, Global Head of ESG Research and Data, S&P Global: "We congratulate Electrolux for being included in the DJSI WORLD. A DJSI distinction is a reflection of being a sustainability leader in your industry. With a record number of companies participating in the 2021 Corporate Sustainability Assessment and more stringent rules for inclusion this year, this sets your company apart and rewards your continued commitment to people and planet."

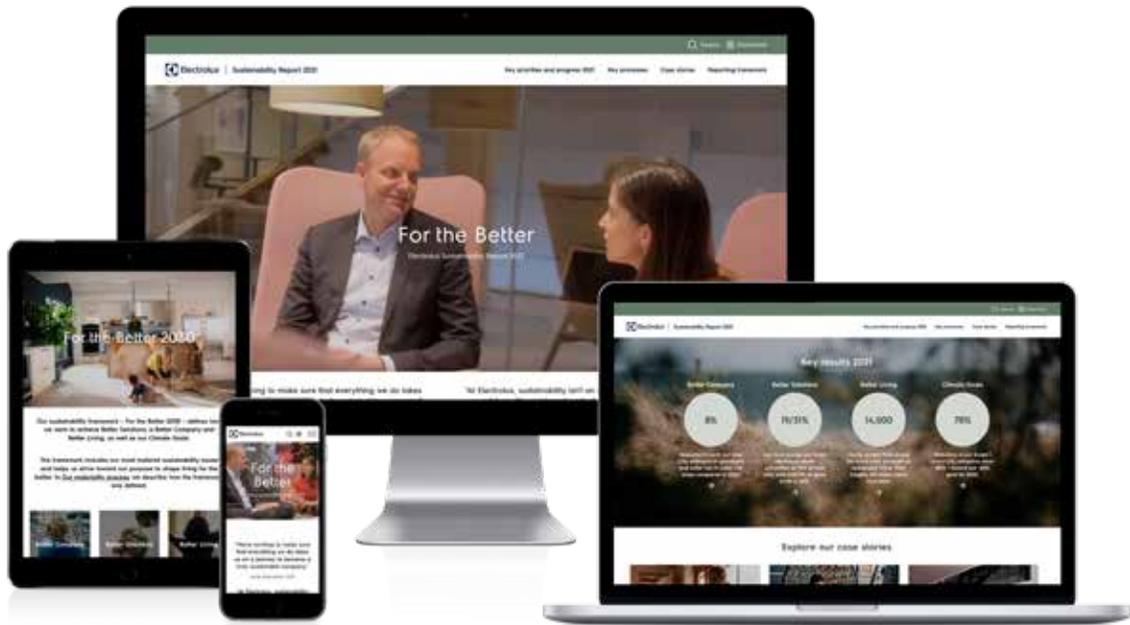
SAM, now part of S&P Global

Electrolux received the SAM Silver Class award in the 2021 SAM Corporate Sustainability Assessment (CSA). Each year, over 3,400 of the world's largest companies are invited to participate in the SAM CSA. Within each industry, the companies scored in the top 5% receive the SAM Silver Class award. SAM CSA scores are also the basis for including companies in the prestigious global Dow Jones Sustainability Indices (DJSI). Electrolux is a member of DJSI World.



Read the full story

Read the full Electrolux Sustainability Report on the web:
electroluxgroup.com/sustainabilityreports/2021



Concept, text and production
Electrolux Group Sustainability
and Springtime-Intellecta.

The Electrolux purpose

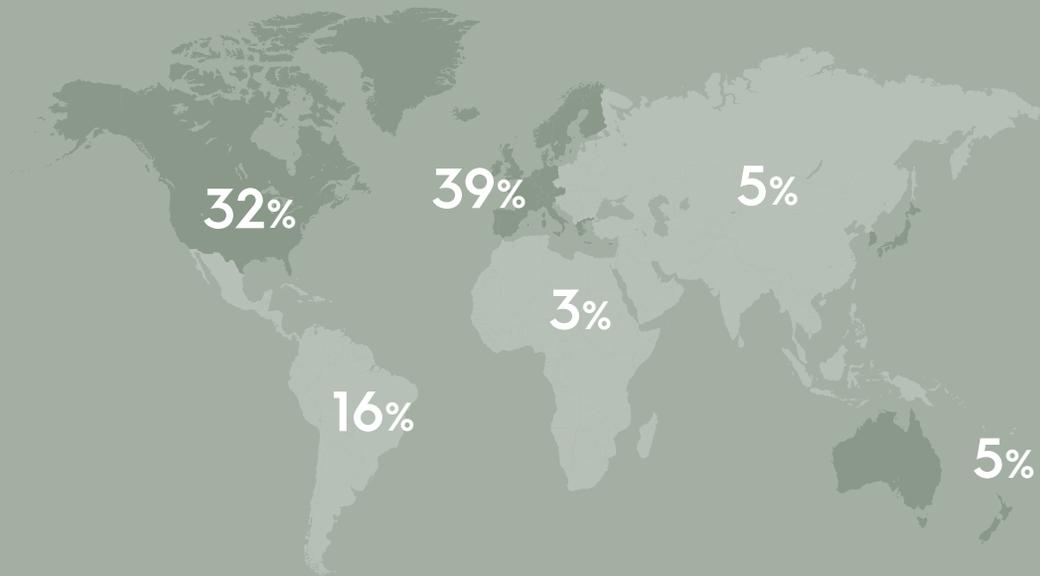
We shape living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people.

Our offering

Electrolux is a global leader in household appliances. We reinvent taste, care and wellbeing experiences for more enjoyable and sustainable living around the world. We offer thoughtfully designed, innovative and sustainable solutions, under well-established brands including Electrolux, AEG and Frigidaire.

Sales by region

■ Core markets ■ Growth markets



60

million products sold annually

126

billion SEK in sales

120

markets

52,000

employees



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For more detail and comprehensive performance data, please see our
Sustainability and GRI report:

www.electroluxgroup.com/sustainabilityreports/2021