

# Sustainability Report 2021



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# For the Better – highlights 2021

## Better Company

Be climate neutral and drive clean and resource-efficient operations

**8%**

Reduction in both our total CO<sub>2</sub> 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<sup>1,2)</sup>

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 3<sup>1)</sup>

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.

# For the Better

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

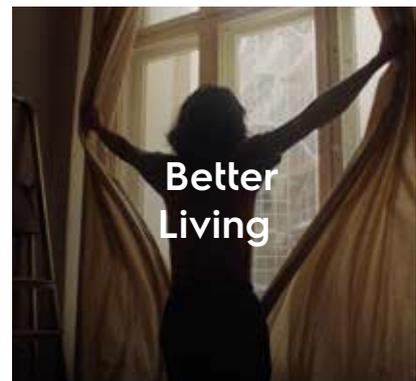


## Better Solutions

Lead in energy- and resource-efficient solutions

Offer circular products and business solutions

Eliminate harmful materials



## Better Living

Make 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

A photograph showing a man in a dark suit and white shirt sitting in a light-colored chair, looking towards a woman with long dark hair wearing an orange top. They appear to be in a professional meeting or interview setting.

# On a journey to become a truly sustainable company

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

## 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 targets 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 our target for climate neutrality in our operations by 2030 target.

**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 almost 30%<sup>1)</sup> of global energy consumption in the home and product usage generates approximately 85% of our total value chain CO<sub>2</sub> emissions. Therefore, we have an important opportunity to develop efficient appliances that save energy throughout their lifespan in people's homes.

**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?

**JS:** We have a vital role in making societies more sustainable – not only delivering more sustainable products to the market, but also ensuring consumers know how to use their products sustainably through initiatives and campaigns. We are increasingly developing products that help consumers to live better and more sustainable lives by changing their behavior for the better.

**VB:** Helping consumers reduce food waste is one of our focus areas such as 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 did you engage with young people during the year?**

**JS:** Through an international survey, we engaged with thousands of young people around the world to help shape our product innovation over the coming years. We want to listen to young people who will be starting up their own homes in the coming years to be able to provide solutions tailored to their needs. We also created a team of eight young people from seven countries who are passionate about sustainability to advise our innovation teams.

### **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 huge 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 does For the Better 2030 align with the global sustainability agenda?**

**JS:** We strive to be an industry leader in driving sustainable development. The basis for our leadership is the fact that we are a long-term signatory of the UN Global Compact and its ten principles related to human rights, labor, environment and anti-corruption.

**VB:** Our sustainability work contributes to select UN SDGs. We also engage in many external initiatives around important topics, such as calling for action on water with the WWF, phasing out high-impact greenhouse gases in our appliances as part of our commitment to the United Nations Cool Coalition initiative, and collaborations with other multinational companies.

### **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

<sup>1)</sup> International Energy Agency report, [www.iea.org/reports/appliances-and-equipment](http://www.iea.org/reports/appliances-and-equipment)

# Key Priorities and Progress 2021



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

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

## 2021 HIGHLIGHTS

- The carbon footprint of our operations decreased by 8% compared to 2020 despite increased production volumes.
- Water efficiency improved by 8% in water risk areas compared to 2020.
- 11 Electrolux plants were certified by the end of 2021 according to our Zero Waste to Landfill program.

## Roadmap to 2030

- Reduce our CO<sub>2</sub> footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.
- Improve energy efficiency at our manufacturing sites and warehouses by an additional 12.5% by 2025 (2020 baseline).
- 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.
- Increase the proportion of renewable energy for our operations to 65% by 2025.
- Certify all plants to the Zero Waste to Landfill program by 2025.

## The case for action

We aim to run resource-efficient operations 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.

## Our approach

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 lifecycle impact of our products. This section looks at our own operations. Read more about [Our Climate Goals](#) for an overview of our roadmap to become climate neutral across the value chain.

## Resource efficiency management

The Electrolux 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

## OUR GOAL

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

Electrolux 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.

[Read more about our progress on this Goal.](#)

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 also learn from existing on-site renewable installations and explore 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 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 and/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 in a approach that 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 working to implement 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 scarce 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 practice, monthly reporting on water performance indicators as well water mapping globally.

## 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.

# The progress on our Goal

## How we measure progress

1. CO<sub>2</sub> emissions reduction in our operations toward climate neutrality.
2. Energy efficiency (energy used per unit produced).
3. Water efficiency (water used per unit produced).
4. Proportion of energy generated by renewable sources.
5. Number of factories certified to the Zero Waste to Landfill program.

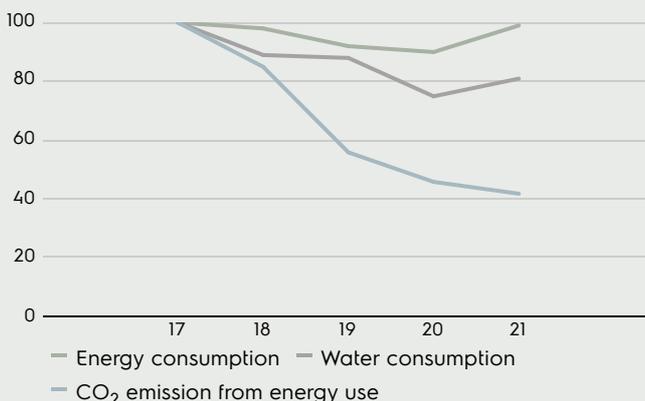
Electrolux is implementing a SEK 8bn re-engineering program, which involves modernizing, automating and optimizing its operations at several key facilities. This program is expected to realize annual cost savings of SEK 3.5bn by 2024, and at the same time it will reduce our total environmental footprint by reducing the energy, climate, water and waste impacts in our manufacturing.

## Resource efficiency

In 2021, we improved our energy efficiency per unit produced by 1.1% compared with the previous year despite the coronavirus pandemic, and compared to 2005, we improved efficiency per unit produced by 43%. This was achieved through a continued focus on energy management, technological investments in new equipment, employee awareness and behavioral change, and by implementing best practice throughout our operations.

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

## Operational resource efficiency



## Driving resource efficiency

Our internal Green Spirit program, including our rating and certification system, continues to be crucial in driving resource efficiency. In 2021, 76% of our facilities achieved top ratings - either Gold or Platinum.

In 2021, we started to implement Green Spirit 2.0. The updated program draws on best practices and criteria to support our journey toward climate neutral operations through digitalization, process excellence and electrification.

## Energy

### Energy efficiency

In 2021, we reduced the energy consumed at our manufacturing sites per product by around 43% compared with 2005. We made good progress on decreasing the environmental footprint of our operations, reducing our emissions from energy use in manufacturing, warehouses and offices by more than 74% since 2015 and by 8% compared with 2020. Over this period, the Group's revenue has increased, which illustrates that Electrolux has decoupled revenue growth from CO<sub>2</sub> emissions.

During the year, we implemented studies to phase out the use of fossil fuels in our manufacturing processes, including space heating, and developed a roadmap to switch from fossil fuel to renewable fuels or electrification in our processes.

### Energy management systems

We are working to implement the ISO 50001 energy management system at all our manufacturing sites by 2022 (excluding recently acquired/launched plants). At the end of 2021, 78% 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 by more than 74% since 2015.

In 2021, 56% of our total energy purchased was from renewable sources. 34 of our manufacturing sites and several offices in Europe, North America, Latin America and APAC procure 100% of their electricity from renewable energy sources.

We increased our renewable energy capacity through solar photovoltaic systems. Electrolux has its own solar photovoltaic systems at sites in Italy, Thailand, Australia, Mexico, China, South Africa and Sweden. We are also looking into the potential for solar power purchase agreements (PPAs) both on and off Electrolux sites. Our ambition is to have the first PPA up and running in 2023.

## Climate and water

Energy efficiency and the shift toward renewable energy drives our efforts to reduce the climate impact of our operations.

In 2021, we were recognized for our sustainability leadership with a prestigious “double A” score for climate and water and as a Supplier Engagement Leader by the global non-profit CDP. Electrolux was one of a few companies to receive top marks for its efforts to tackle climate change, protect water security and engage with suppliers. We have been on the CDP Climate A list for the past six years and on the Water A list since 2020.

During the year, we improved our overall water efficiency by more than 43% compared with 2015. We made particularly good progress on water efficiency with factories in water scarce regions.

Many 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.

## Waste

### Zero Waste to Landfill program

Our global Electrolux Zero Waste to Landfill program has been implemented at all our manufacturing sites around the world.

During 2021, our 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.

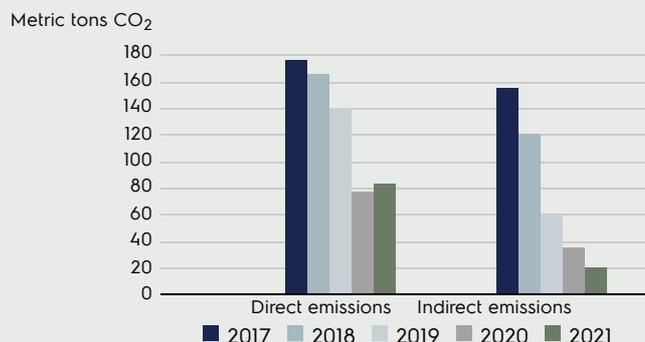
By implementing the Electrolux Zero Waste to Landfill program at each of our factories, we are gradually reducing the amount of waste we send to landfill. In 2021, our improved waste management ensured that 97.3% of the total waste produced at our manufacturing sites was either reused or recovered.

### e-waste

A global Master Services Agreement was signed in 2021 between Electrolux IT Solutions AB and a recycling partner for the collection of our unwanted IT equipment globally until 2025. The agreement will ensure that the IT equipment that we

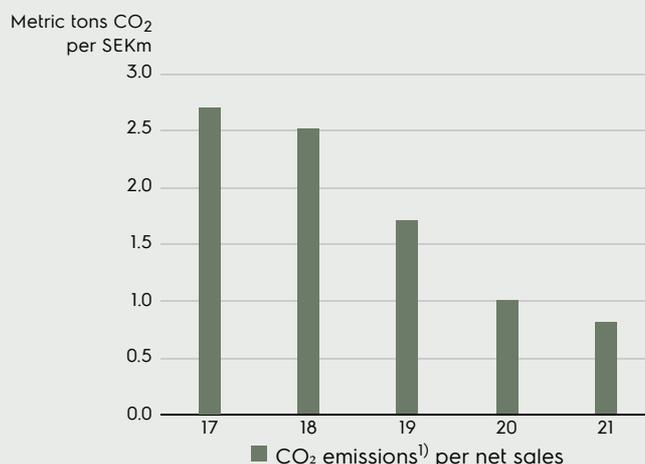
no longer need will be reused, repaired or properly recycled to avoid it becoming e-waste, reducing the negative environmental impact and promoting circularity in the coming years.

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



<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.

## Next steps

Roadmap to 2030	Next steps	Status
Reduce our CO <sub>2</sub> footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.	Continue the inventory of our fossil fuel footprint in our operations. Develop a global roadmap based on fossil free equipment and processes.	●
Improve energy efficiency at our manufacturing sites and warehouses by an additional 12.5% by 2025 (2020 baseline).	Continue with the Green Spirit 2.0 certification and the energy management certification scheme.	●
Improve water efficiency at our manufacturing sites by 25% by 2025 (2020 baseline) in potential water risk areas, until the site has reached optimal levels of efficiency.	Implement the roadmap based on the WWF water risk assessment for our manufacturing footprint.	●
Increase the proportion of renewable energy for our operations to 65% by 2025.	Continue to source electricity from certified renewable sources. Continue to pilot bio fuels and the electrification of processes.	●
Zero Waste to Landfill third-party certification for all plants by 2025.	Continue the certification process.	●

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

# Act ethically, lead in diversity and respect human rights

We continue to build an ethical, diverse and trusted company, where everyone impacted by our operations can feel confident that their rights are respected.

## 2021 HIGHLIGHTS

- Aspirational Group objectives were established for diversity and inclusion.
- Achieved an injury rate (TCIR) of 0.43.
- 18,000 took part in Electrolux Food Foundation activities aimed at educating kids, consumers and professionals in sustainable cooking and eating.

## Roadmap to 2030

- Continue to build a Group-wide approach to human rights and ensure the 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.

## 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.

Additionally, employees prefer to work for a company with values that match their own. Corruption also increases the cost of doing business globally by up to 10% on average, according to the World Economic Forum.

The wellbeing and safety of our colleagues is extremely important. We have a duty of care toward every individual working for Electrolux, and we take this seriously. 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 attract new talent and that more diverse

## OUR GOAL

### 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 human rights through our words and actions. This includes working to ensure the health and safety of our employees and promoting societal benefit through community investment activities.

[Read more about our progress on this Goal.](#)

companies outperform organizations that do not invest in this area.

## Our approach

Our company is built on trust, which means everything we do and all 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 within our company through health, safety and diversity, 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.

## Our Code of Conduct

The Electrolux 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.

### **Governance for 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 Affairs and Human Resources to Purchasing, Operations and Legal.

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

### **Workplace Policy audits**

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.

In 2021, we strengthened our approach by setting up a program to conduct annual audits of all of our factories from early 2022. The previous approach was to conduct bi-annual audits of facilities in high-risk countries, combined with a self-assessment for all factories.

Additionally, we updated the Workplace Policy and Directive to raise our requirements on our own operations as well as those of our suppliers. A new Workplace Policy Group was established with HR Directors from each of our four business areas. The Group has regular meetings to review results and develop the necessary procedures for Workplace Policy implementation.

### **Human rights 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 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, as well as external stakeholders such as civil society and academia to understand the risks in the country. The assessment outcomes are agreed in interactive workshops with the local management.

Read more in [Understanding and managing our human rights risks](#).

### **Anti-corruption**

Electrolux 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. 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.

In 2021, we updated the Ethics Helpline website to improve functionality for reporters. 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 Sustainability Affairs. 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**

Electrolux evaluates the engagement of its employees through engagement surveys. The surveys include 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.

The global survey has been on hold since 2019, but will be conducted annually from 2022 in a new format called "Employee Voice". During 2020 and 2021, Group functions, business areas and local business units conducted multiple employee surveys for their respective parts of the organization, on topics such as wellbeing, diversity and inclusion, and general engagement.

### **Diversity and inclusion**

We aim to be a leader in D&I as it makes us stronger, more innovative and a better employer. In 2021, we launched new D&I Objectives. The objectives aim to promote the mindset of recognizing the unique value that every individual brings to our company and is made up of three pillars:

- Diversity
- Inclusive culture
- Respect & equal treatment

[Read more about how we work with D&I.](#)

### **Health and safety**

Health and safety have long been a fundamental part of our values and our sustainability agenda, with clear targets and processes in place to ensure real progress.

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 and annual training tailored to their function.

## Employee wellbeing

The Electrolux 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 level campaigns are organized on each of the themes, and initiatives are implemented regionally and locally.

## Community investment

Our approach to community investment is designed to have a positive impact in our local communities, 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 established the Electrolux Food Foundation in 2016, with the aim to address the challenge of feeding the growing global population sustainably. We believe this is an urgent cause with relevance both to the world and to our

business, as supporting both our consumers and society in general to adopt sustainable lifestyles is part of our mission.

Through the programs of the foundation, we contribute with our skills and resources together with our Feed the Planet partners (Worldchefs and AIESEC) to train, engage and inspire people to cook and eat more healthily and sustainably. The foundation also aims to support people in need.

The foundation is a long-term investment with funding until 2030.

[Read more about our approach to community investment.](#)

## Challenges

- Bridging different cultures and local practices in a global organization.
- Overcoming behavior and biases that are sometimes deeply engrained in society.
- Ensure that our approach to community investment leverages our global presence and our partnerships, while allowing local adaption and delivering tangible societal benefit.
- The most significant health and safety risks occur in our warehouses and technical departments, and when working with external contractors.

# The progress on our Goal

## How we measure progress

1. Proportion of high-risk countries where local human rights impact assessments have been conducted and proportion of mitigating actions closed.
2. Proportion of total workforce covered by collective agreements, and proportion of manufacturing sites with local employee-management committees.
3. Proportion of female leaders, participation in diversity and inclusion training, gender pay gap, and internal survey results on equal opportunity and work/life balance.
4. Level of understanding of the Code of Conduct by our employees.
5. Participation in e-learnings on the code and Group policies (Workplace, Anti-corruption, Anti-trust).
6. Level of trust in the Ethics Helpline according to our employees.
7. Number of people educated on healthy and sustainable cooking/eating (formally trained and participants online or in workshops), viewership in social and traditional media campaigns, and meals donated through our community investment projects. [Read more about our progress with community investment](#)
8. Global injury rate per 100 employees per year (TCIR) and number of ISO 45001 certified production sites.

In recent years, we have conducted impact assessments in Egypt, Thailand, Ukraine and Romania. These assessments identified issues such as safety, working hours, wages, corruption training and supply chain risks. Mitigating action plans have been put in place, 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.

At the end of 2021, the actions from the assessments in Thailand and Ukraine were fully closed. In Egypt, 18 out of a total of 19 actions were closed, and in Romania 23 out of 26 actions were closed. Some actions are on hold due to the coronavirus pandemic and limited possibilities for face-to-face gatherings as well as travel.

## Human rights

### Impact assessments

Our target is to have conducted local impact assessments in all [high-risk countries](#) where we have manufacturing operations by 2023, and by the end of 2021, four out of the eight assessments in scope had been conducted. We began the work to conduct a remote impact assessment in South Africa, but due to a national strike, the assessment was delayed to early 2022.

### Workplace Policy follow up

Our work to follow up the Electrolux Workplace Policy was limited due to the coronavirus in 2021.

We conducted Workplace Policy audits at 17 (6) of our 41 facilities.

Most findings 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. Find out more in [Understanding and managing our human rights risks](#). In line with international conventions, employees are free to join unions. At the end of 2021, 65% (63%) of our workforce were covered by collective agreements.

30 of our 41 manufacturing units are unionized, and an additional 9 units have employee-management committees in place, which deal with work-related issues. Electrolux also has an [International Framework Agreement](#) with the global unions. The agreement is revised annually with the Electrolux Board union representatives - KFD (Koncernförhandlingsdelegationen).

### Diversity and Inclusion

At the end of 2021, 28.3% of all our leaders with direct reports were women. Our overall gender division is 39% women and 61% men. At the end of 2021, 8,000 colleagues, equivalent to 43% of the eligible global workforce had completed our global e-learning on diversity and inclusion, which was launched during the year.

In 2021, we became a signatory of the [United Nations Women's Empowerment Principles \(WEPEs\)](#) and joined [Workplace Pride](#), which is dedicated to improving the lives of LGBT+ people in workplaces worldwide.

[Read more about our progress on D&I in 2021.](#)

### Human rights in acquisitions

In 2021, sustainability, including human rights and ethics, was part of several due diligence projects of potential acquisitions. During the year, one acquisition was made.

## Ethics

### Our Code of Conduct and Group policies

An e-learning on anti-trust was rolled out during 2021, and by the end of the year, 77% of eligible employees had completed it. The completion rates for the Code of Conduct, Anti-corruption Policy, Workplace Policy (Line Managers) and Workplace Policy (Employees) were 84%, 68%, 63% and 60% respectively. A key part of the Workplace Policy and the Code of Conduct centers around human rights and thereby the e-learning corresponded to approximately 600 hours of training in human rights during 2021.

The most recent employee survey in 2019 indicated a high level of Code of Conduct awareness among our employees. Responses show that 90% of employees understand what the Code of Conduct means for them. This will be followed up in the new annual employee survey planned from 2022.

Percentage positive answers	2019	2018	2016
I understand how I am expected to act in order to follow the Code of Conduct	90%	90%	85%

## Anti-corruption

Since at least 2015, anti-corruption risks have been continually assessed through formal and informal channels - site/factory assessments, surveys, in-person interviews, etc. In early 2020, an external law firm assessed anti-corruption, anti-trust and trade sanctions risks, as well as the overall compliance program. Recommendations from this assessment are being implemented via a prioritized action plan to improve and enhance existing compliance activities.

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.

Besides bribery-related corruption risks, Electrolux also takes fraud seriously, and has a training in place for face-to-face anti-fraud training. During 2020 and 2021, these activities were put on hold due to the pandemic.

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

## Anti-trust

Electrolux trains its employees on anti-trust compliance via online training. All new white-collar employees are required to take the training as part of their onboarding process.

## Countering discrimination and harassment

We provide anti-harassment and non-discrimination training. These topics are an integrated part of the Code of Conduct and Workplace Policy e-learning for all employees and managers. During 2021, this corresponded to approximately 300 hours of training on anti-harassment and non-discrimination. Additionally, we provide guidance and training for HR professionals, who in turn are responsible for the education of line managers and employees. Training includes examples of unacceptable misconduct, key principles for dealing with reports of harassment and discrimination, and emphasizing the responsibility of HR and line managers to act promptly on any such reports.

The trainings for HR professionals on how to handle concerns reported by employees have 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 is an integrated part of several trainings such as the onboarding of new employees and Code of Conduct training for management, with specific initiatives during the year in countries such as Sweden, the US, Brazil, South Africa, and Indonesia.

## Ethics Helpline reports

In 2021, 411 (258) 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. By the end of 2021, 49 (54) cases had been found as either being outside the scope of the helpline or lacking sufficient detail to allow investigation. 362 (204) cases led to further investigation, out of which 273 had been closed by the end of the year.

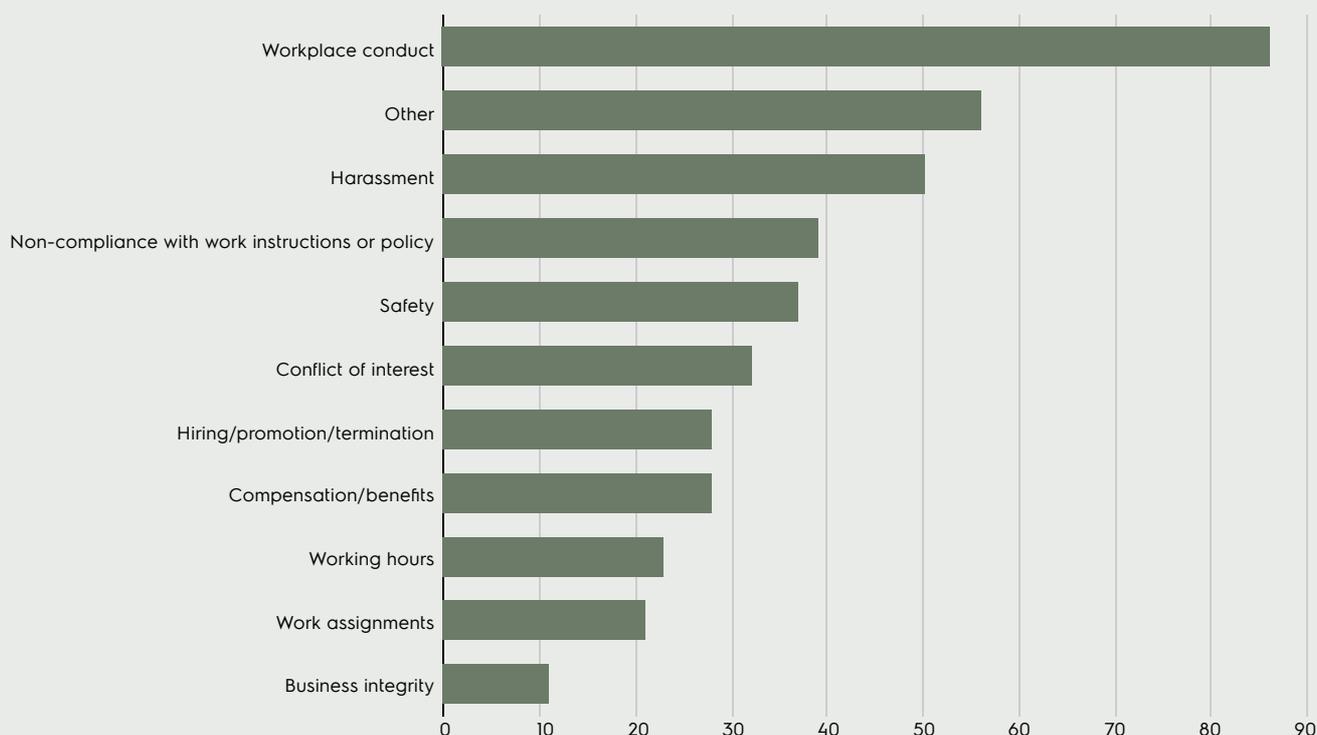
The most common categories of reports in 2021 were related to workplace conduct, verbal abuse and other types of disrespectful behavior.

A proportion of the cases fell into the category 'other' including complaints related to not following guidelines or instructions. 11 (16) cases of breaches in business integrity were reported - including for example accounting, fraud, theft and corruption. 11 cases were related to coronavirus safety measures. Typically, case investigations that result in confirmations of wrongdoing, lead to warnings and retraining, but in some severe cases to dismissal.

During the year, 17 employees were dismissed from the company as a result of investigations into helpline cases (including one report filed in 2020).

During the year, 28 cases were related to discrimination. Only one of these was proven to be true and was followed up with a corrective action.

## Workplace Policy Audit findings in 2021



In the last employee survey in 2019, the level of trust in the Ethics Helpline increased to 77% from 76% in 2018 and 67% in 2016. This will be followed up in the new annual employee survey planned from 2022.

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.

Percentage positive answers	2019	2018	2016
I trust that the concerns reported through the Ethics Helpline are handled confidentially and fairly.	77%	76%	67%

### 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 by for example consumers, which

have been processed and responded to, in line with internal procedures, our Code of Conduct and 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 is now at 0.43 per 100 employees per year. This means that if we had a factory of 100 people, we would have a single injury after a little over two 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 also raises awareness of the health and wellbeing of office workers.

During 2021, the safety systems and processes in the different regions continue to be aligned with the Group-wide approach - the Electrolux Safety Management System.

## Coronavirus management

In 2021, we continued to manage the coronavirus pandemic to minimize the health risks and impact on our employees based on a detailed risk assessment. Many procedures and operative instructions were applied to safeguard the health of our employees.

During the year, we continued to encourage non-manufacturing employees to work remotely while compulsory face mask use and daily temperature checks remained in place for people working in factories. Safety entrance controls were applied at sites located in areas where incident rates indicated a high level of risk, and visits were discouraged.

In manufacturing, the measures implemented in 2020 remained, including re-arranged workplaces to ensure social distancing and plastic dividers where appropriate. This was also valid for measures to allow social distancing in company canteens and bus services. In offices, common areas are arranged to ensure social distancing. Sanitation materials remain available in multiple locations at all sites. Business travel was generally restricted during the year.

## Employee wellbeing

During the year, the wellbeing theme was physical and mental health in light of many employees working from home. Examples of local initiatives on this theme are digital health challenges and mindfulness activities.

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

Additionally, a global minimum parental leave standard was approved by the end of the year that will be launched in 2022. We believe both these initiatives will help people to achieve a positive work/life balance.

## Community investment

Electrolux invests in community programs both on a Group and local level. In 2021, in addition to the annual contribution to the Electrolux Food Foundation of SEK 10 million, approximately SEK 1.4 million was spent on managing community programs around the company, as well as SEK 4.8 million in in-kind donations and SEK 13.7 million in cash donations. Despite the pandemic reducing opportunities for volunteering, Electrolux employees volunteered a total of over 8,000 hours of their time to support local activities.

[Read more about our progress with community investment.](#)

## Next steps

Roadmap to 2030	Next steps	Status
Continue to build a Group-wide approach to human rights and ensure the strong management of human rights issues.	Continue to conduct local assessments and follow up assessment action plans.	●
Drive a company culture based on ethics, integrity and respect by providing leadership that demonstrates and nurtures inclusion and accountability. This will foster an environment where people feel safe to speak up.	Engage leaders at all levels in activities to build an ethical culture. Ensure employees in all parts of the organization are educated on the Code of Conduct and relevant key policies.	●
Take proactive measures to ensure that various elements of the global anti-corruption compliance program are effective in practice.	Align and improve corruption prevention efforts throughout the company through various methods. This includes the implementation of relevant policies and instructions, trainings, audits, and internal inquiries. Emphasize the zero-tolerance message for bribery and corruption throughout the organization.	●
Ensure a pathway to industry leadership in diversity and inclusion by developing and implementing a global roadmap.	Drive progress through the three pillars of our D&I objectives - Diversity, Inclusion and Equal treatment	●
Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world.	Continue to reduce our accident frequency. Attain safety certifications for our manufacturing facilities.	●
Continue to invest in the communities in which we operate in around the world.	Continue to adapt, re-create and launch our community investment programs via the Electrolux Food Foundation and its partners.	●

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

# Community investment



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

## 2021 HIGHLIGHTS

- The website [Replate.com](https://www.replate.com) was developed by the Electrolux Food Foundation and its partners to inspire people to shift to healthier and more sustainable food habits.
- In 2021, 531 people graduated from "Like a Chef", our culinary training program for the unemployed.
- The equivalent of approximately 750,000 meals were donated in 2021 by the Electrolux Food Foundation and Electrolux local business units.

## About our community investment work

Our work with community investment is part of our Goal [Act ethically, lead in diversity and respect human rights](#). We aim to inspire sustainable cooking and eating habits among consumers and professionals, and to support people in need.

[Read about our progress with community investment in 2021.](#)

## Our community investment roadmap

- Fully develop the Electrolux Food Foundation and a strong Group approach to community investment in line with the UN Sustainable Development Goals.
- Engage and inspire 300,000 kids, consumers and professionals on more healthy and sustainable food habits and reach the viewership of 300 million - all by 2030.
- Educate and train 12,000 people by 2030: Train unemployed and underprivileged people in sustainable cooking with the aim of entering the labor market. Educate culinary professionals in sustainable practices.
- Support 3 million people through meals, employee engagement and the donation of food, equipment and money by 2030.

## 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>, near 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>. Some 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.

## Our approach

As a world-leader in kitchen appliances, we believe Electrolux has both a responsibility and an opportunity to positively contribute to issues related to food consumption. For this reason, we focus our community support activities on the area of food.

Our approach aims to strengthen our corporate culture and employee pride in working for a socially responsible employer – while bringing about real community benefit. Electrolux encourages local business units to set up projects together with employees and key partners.

## The Electrolux Food Foundation

Action is facilitated through the Electrolux Food Foundation, a non-profit organization founded by Electrolux in 2016. The foundation supports and funds local and global Electrolux projects that tackle food-related challenges. Its Board reviews applications from local project teams from around the Group and decides on funding. Electrolux has committed to continue funding the foundation at least until 2030. Electrolux Professional began funding the foundation in 2021.

## The Feed the Planet partnership

For greater impact, Electrolux established a long-term global partnership called Feed the Planet with Worldchefs (the world association of chefs' societies) and AIESEC (the world's largest youth organization) in 2016 called Feed the Planet. This partnership supports projects with the combined expertise, skills and resources from all three organizations. Electrolux project teams 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 healthy and sustainable cooking and eating habits, for example through our program "Food Heroes".
- Provide professional culinary training that helps people in need to secure work in a professional kitchen, through our program "Like a Chef".
- Provide sustainability education for chefs and students in culinary schools.
- Support people in need through the donation of meals and equipment, employee engagement and monetary donations.

## 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.

## References:

- 1) <http://www.fao.org/food-loss-and-food-waste/en/>
- 2) [http://www.fao.org/3/ca9692en/online/ca9692en.html#chapter-executive\\_summary](http://www.fao.org/3/ca9692en/online/ca9692en.html#chapter-executive_summary)
- 3) <https://obesity.procon.org/global-obesity-levels/>
- 4) <https://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight>
- 5) <https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data#Sector>

# Our community investment progress

We measure our community investment progress with the following metrics:

1. Number of people educated (trained and participated).
2. Meals donated.
3. Number of views (social media, website, printed media).

The Electrolux Food Foundation has a roadmap with visionary targets aligned with Agenda 2030. We provide long-term support to projects that build on the conviction that education is the key to make food habits more healthy and sustainable.

During 2021, we continued our work to raise awareness on more healthy and sustainable eating and cooking, both online and through face-to-face activities. We also donated meals to people impacted by the pandemic. Through the Red Cross, we

supported families in Afghanistan and toddlers impacted by famine due to war and climate change.

In line with our commitment to support the activities of the Food Foundation, Electrolux donated SEK 10 million to the foundation in 2021. Additionally, in 2021, approximately SEK 1.4 million was spent on managing community programs around the company, SEK 4.8 million was provided in in-kind donations and SEK 14 million in monetary donations. Despite the pandemic reducing opportunities for volunteering, Electrolux employees volunteered over 8,000 hours of their time to support local activities in total.

Our targets and results achieved in 2021 are detailed below.

## Awareness

### Vision

More people are aware that healthy and sustainable eating is the best choice for people's health and the planet.

### 2030 target

Achieve a 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 2021

- We reached a viewership of 27 million around the world.
- The aggregated viewership since 2016 is thereby 144 million.
- Launched [Replate.com](https://replate.com) together with our partners to inspire a shift to more healthy and sustainable food habits in society.

## Education: Engagement

### Vision

Make more healthy and sustainable eating the preferred choice.

### 2030 target

Engage and inspire 300,000 children, consumers and professionals on more healthy and sustainable cooking and eating habits by 2030.

### Achieved in 2021

- Replate.com was launched, the website to educate the general public on more healthy and sustainable cooking and eating habits. The "Eat more plants" and "Waste less food" chapters were published during the year.
- More than 12,500 people participated in "Food Heroes" workshops delivered by AIESEC volunteers.
- In partnership with Worldchefs, 10 webcasts were delivered to culinary professionals with an aim to spread messages around food and sustainability with almost 2,000 online participants.
- Since 2016, over 75,000 kids, consumers and professionals have participated in activities aimed at engaging and inspiring more healthy and sustainable food habits.

## Education: Professional training

### Vision

Make more healthy and sustainable cooking the preferred choice.

### 2030 target

Educate and train over 12,000 people around the world by 2030.

### Achieved in 2021

- In 2021, 531 people graduated in Brazil and Poland from "Like a Chef" (the Electrolux Food Foundation's culinary training program for the unemployed).
- Implemented a new online/offline version of the "Like a Chef" culinary training program in Curitiba, São Paulo and São Carlos, Brazil.
- Over 2,700 people took online and offline sustainability education in culinary colleges and local chef communities in 2021.
- Since 2016, almost 6,000 people have been trained - 795 graduated from the Like a Chef training program and 5,200 were trained using the sustainability curriculum in culinary colleges.

## Support

### Vision

Support people in need.

### 2030 target

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

### Achieved in 2021

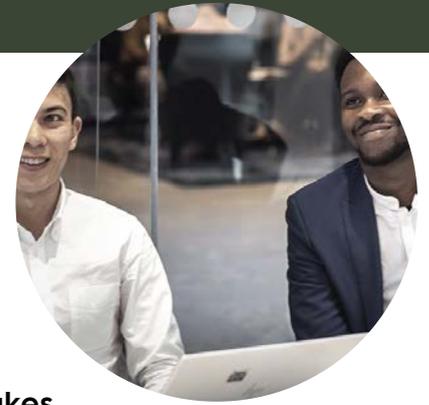
- The equivalent of approximately 668,000 meals were donated in 2021 by the Electrolux Food Foundation through employee-led projects in our local communities and through our global partnership with the Red Cross.
- The total number of meals donated between 2016 and 2021 amounted to over 2 million.
- In addition, Electrolux local business units donated about 78,000 meals.

## Next steps

Community investment roadmap	Next steps	Status
Fully develop Electrolux Food Foundation and a strong Group approach to community investment in line with the Agenda 2030.	Strengthen our approach to community investment by further developing the Food Foundation programs and other philanthropic 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 kids, consumers and professionals on more healthy and sustainable food habits and reach the viewership of 300 million - all by 2030.	Further develop digital tools for our programs in order to inspire and educate more people on healthy and sustainable cooking and eating.	●
Educate and train 12,000 people by 2030: Train unemployed and underprivileged people in sustainable cooking with the aim of finding a job. Educate culinary professionals in sustainable practices.	Continue to replicate and develop educational programs with a blended learning approach - including both digital tools and offline (face-to-face) practices. Expand the "Like a Chef" program.	●
Support 3 million people through meals, employee engagement and the donation of food, equipment and money by 2030.	Continue to co-fund local food donations, develop the Red Cross partnership and increase employee engagement.	●

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

# Diversity and inclusion



**We aim to be a leader in diversity and inclusion (D&I) as it makes us stronger, more innovative and a better employer.**

## About our D&I work

Our work with D&I is part of our Goal [Act ethically, lead in diversity and respect human rights](#). At Electrolux, 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.

[Read about our progress with D&I in 2021.](#)

## Our D&I roadmap

- 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.
- Nurture an inclusive culture by recognizing individual differences, educating employees on bias and inclusiveness, and enabling employees to achieve a good work-life balance.
- Treat people equally and with respect by eliminating structural pay gaps, educating employees on non-discrimination, and providing equal opportunities.

## The case for action

Respect for people and equal treatment are not only the right thing to do – they are key to innovate and win as a company in an ever-changing world. To continue to shape living for the better today and tomorrow, we build diverse teams and take decisions based on the different perspectives around the table.

## Our approach

### Governance

Our Group management has set the overall ambition to become a leader in diversity, and they oversee our progress through the 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 developed and approved in 2021 that are based on three pillars as per the roadmap above:

- **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 three pillars, and progress is monitored in dialog with business areas and functions.

## Challenges

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

## Our D&I progress

We measure our D&I progress with the following metrics:

1. Proportion of female people leaders.
2. Participation in D&I training.
3. Gender pay gap.
4. Internal survey results on equal opportunity and work/life balance.

### Progress on diversity

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 2021, the overall proportion of female people leaders was 28.3%. See our [gender distribution here](#).

The baseline and preconditions for different functions, geographies and tiers of the company vary greatly, and guiding values are developed in response to this. We recognize these differences, but nonetheless aspire to achieve a gender balance of 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.

In parallel, global and regional processes for recruitment, performance, and development are being reviewed and D&I "proofed", something that is planned to be finalized by the end of 2022.

### Progress on inclusion

During 2021, a global parental leave standard that grants all new parents access to four weeks of paid parental leave was agreed. The standard, which will be rolled out in 2022, will apply to mothers, fathers, same sex parents, and adoptive and foster parents.

Inclusive leadership was promoted in global webinars held by Mindgym, our partner on behavioral change. Toolkits based on these webinars are available and have been promoted globally. International Women's Day and Pride month were highlighted with activities together with our employee networks. From 2022, we will host a global "As you are" day to celebrate diversity and inclusion within Electrolux.

## D&I training

In 2021, we launched our global e-learning on diversity and inclusion with a focus on managing biases. The objective is that as many of our employees as possible complete the e-learning by the end of 2022. At the end of 2021, close to 8,000 colleagues, equivalent to 43% of the eligible global workforce had completed our global e-learning.

In 2021, our Challenge Bias Workshop was made available 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. Close to 1,000 colleagues had completed the virtual workshop by the end of 2021.

We will continue to promote D&I training in 2022.

### Our employee-driven D&I networks

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.

### 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 training.

A key metric will be the global Employee Voice survey that from 2022 will measure employee perceptions regarding equal opportunities. The last employee survey conducted in 2019 had 70% positive responses to whether everyone has the same opportunities for development at Electrolux.

### Collaborating on D&I

In 2021, we became a signatory of the [Women's Empowerment Principles \(WEPs\)](#) as part of our long-term commitment to D&I in the workplace. Electrolux has also joined [Workplace Pride](#), which is dedicated to improving the lives of LGBT+ people in workplaces worldwide.

D&I roadmap	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.	Work with business areas and Group functions to establish the way forward toward gender balance among people leaders, as well as the inclusion of under-represented groups. Ensure people processes are D&I "proofed", globally and regionally.	●
Nurture an inclusive culture by recognizing individual differences, educating employees on bias and inclusiveness, and enabling employees to achieve a good work-life balance.	Ensure all employees complete the relevant D&I training. Launch the global parental leave standard. Develop training on inclusive leadership. Measure the perception of work/life balance in the Employee Voice survey.	●
Treat people equally and with respect by eliminating structural pay gaps, educating employees on non-discrimination, and providing equal opportunities.	Full implementation of the pay equity system and monitoring of pay gaps. Develop training on non-discrimination and anti-harassment. Measure the perception of equal opportunities in the Employee Voice survey.	●

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

# Drive supply chain sustainability

**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.**

## 2021 HIGHLIGHTS

- Sustainability performance integrated into purchasing and sourcing decisions.
- Improved our Supplier Workplace Standard performance through partnerships and collaboration with suppliers despite the pandemic.
- Successful implementation of the CDP supplier program in our supply chain.

## Roadmap to 2030

- 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.
- Ensure transparency in mineral and material supply chains from high-risk areas, working toward a conflict free supply chain by 2025.
- Drive the environmental performance of all strategic suppliers on key metrics, aiming to help them to be climate neutral by 2030 - [toward a carbon neutral supply chain by 2050](#).
- Build partnerships with suppliers of all categories to contribute toward the Electrolux sustainability priorities.
- Halve our transport emissions by 2025 and make our logistics climate neutral by 2030.

## 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. 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 emits more CO<sub>2</sub> in distributing its goods than is emitted through the energy consumed in Group operations. Around 300,000 metric tons are annually emitted through the global transportation of our goods via sea, air and land.

## OUR GOAL

### Drive supply chain sustainability

Electrolux 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.

[Read more about our progress on this Goal.](#)

## Our approach

Enhanced sustainability performance can be a competitive advantage, particularly in energy use, and health and safety, which improves the bottom line. We pass on this knowledge by working together with suppliers to strengthen relationships, and ultimately create mutual benefit.

By better aligning our suppliers with our environmental and social standards, we can significantly enhance the sustainability performance of our value chain. We partner with suppliers that have an essential role in supplying fundamental components or due to their size, as identified by the Electrolux Purchasing, Sourcing and Licensing teams. Our long-term partnership with them is key to implement our strategy and to help ensure a responsible and sustainable supply chain.

## Responsible sourcing

We work together with our suppliers to ensure they abide by our requirements and set the performance targets to continuously improve. Our 1,700+ 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 2021, we updated our Workplace Directive, which increased the standards that our suppliers are requested to comply with.

In close cooperation with the Electrolux Purchasing, Sourcing and Licensing, organizations, 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 directly including selected tier two suppliers.

[Read more about our work with responsible sourcing.](#)

## 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. Our objective is to ensure conflict-free smelters by 2025 and we work with our suppliers to drive this agenda throughout our supply chain.

## Supplier environmental footprints

We work to implement and drive plans to reduce the environmental impacts 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 BSR Clean Cargo initiative.

## 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.
- Monitoring and auditing 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.

# The progress on our Goal

## How we measure progress

1. The proportion of all direct suppliers that met our minimum supplier workplace standard requirements in the last 12 months.
2. Suppliers/people trained and the proportion of critical suppliers trained in the last 12 months.
3. The proportion of strategic suppliers that were engaged in initiatives to improve their environmental performance in the last 12 months.
4. The proportion of our direct suppliers that are working toward climate neutrality or low-carbon objectives for their operations.
5. Transport emission intensity, CO<sub>2</sub> emissions / m<sup>3</sup>km.

## Responsible Sourcing Program

Our focus in 2021 was on supplier compliance with the Electrolux Supplier Workplace Standard. We also promoted collaboration between the Electrolux Purchasing, Sourcing and Licensing teams to integrate sustainability topics throughout our value chain. A responsible sourcing scoring model was rolled out globally to be used in purchasing decisions that rewards and promotes suppliers that have the best sustainability performance.

In 2021, 669 of our suppliers were considered to be critical and were the focus of our Responsible Sourcing Program. These included suppliers located in high-risk regions and using production processes that pose higher risks for environmental, labor and human rights violations, health and safety conditions. Migrant labor management has been another focus area in 2021, with spearhead activities in Thailand where an analysis of the supply chain, training and supplier dialogue was conducted.

## Responsible sourcing auditing

The global pandemic continued to impact businesses and supply chains all around the world in 2021. In response, our monitoring and auditing processes have evolved to enable

both on-site and remote supplier assessments and we have rolled out more e-learning.

In 2021, 237 (261) supplier audits were conducted, of which 23 were conducted virtually. A total of 41 audits were made by third party auditors.

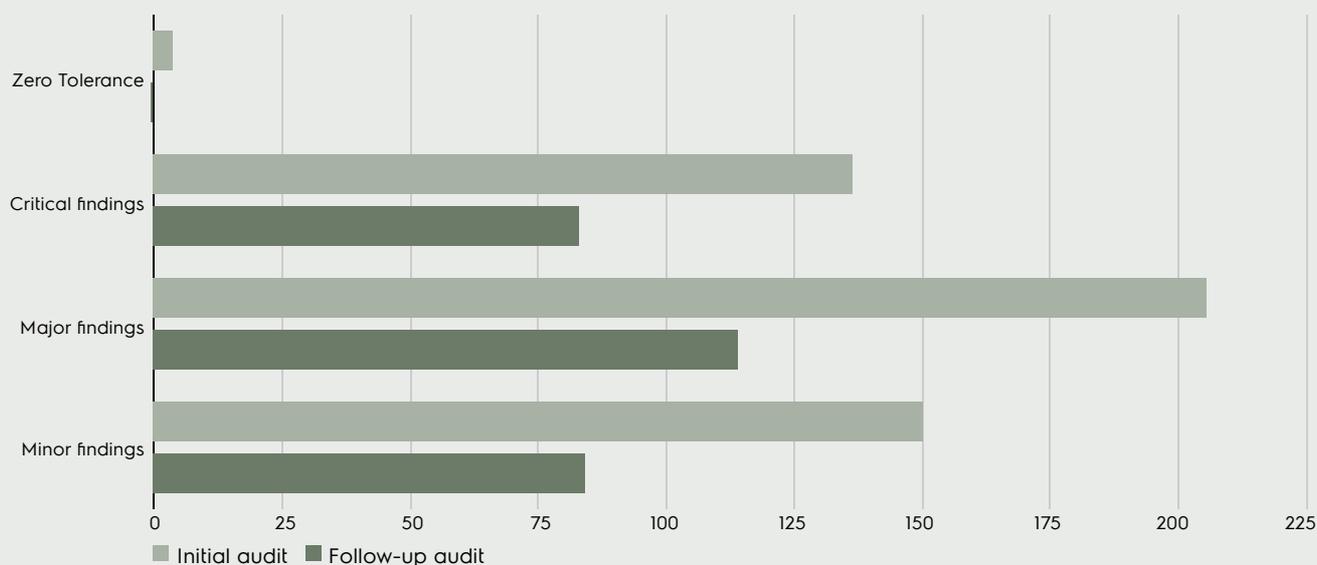
In addition, 32% (30) of our critical suppliers were audited, which included verifying that our expectations were communicated to Tier 2 suppliers.

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 is a persistent problem as well as findings related to compensation and benefits.

A total of 5 (12) zero-tolerance findings were uncovered in 2021. The most common zero-tolerance findings were related to suppliers denying access to documentation requested during the audit process. There was one case where the supplier withheld original employee documentation and another related to discriminatory practices during the hiring process, by asking job candidates about their pregnancy status. Some of the findings were related to poor governance within the supplier. Although serious in nature they can be quickly amended. In all instances, management practices at the respective supplier were amended.

Findings related to the management of authorized young workers remained stable in 2021, but issues related to young workers continue to represent an area of concern. Most of the findings regarding authorized young workers in 2021 were related to inadequate health examinations. In 2021, there were 0 (0) cases of under-age labor identified.

All zero-tolerance cases are reported to 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.



The graph above shows the non-compliances in initial audits and subsequent follow-up audits conducted in 2021.

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 requirements. Such an area is working hours in Asia and environmental management findings in Latin and North America. See the distribution of findings per region table below.

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

Chapter <sup>1)</sup>	Asia Pacific including South East Asia	Latin and North America	Europe, Middle East and Africa	TOTAL
1. General requirements	0.0%	2.5%	4.5%	1.6%
2. Laws and regulations	0.2%	7.5%	0.4%	1.0%
3. Suppliers and subcontractors	0.5%	1.3%	2.2%	1.1%
4. Corruption, bribery and business ethics	0.1%	0.0%	2.5%	0.8%
5. Child labor	1.1%	0.0%	0.4%	0.8%
6. Forced labor	0.2%	0.0%	1.0%	0.4%
7. Security arrangements	0.3%	0.0%	2.5%	0.9%
<b>8. Worker H&amp;S</b>	<b>41.6%</b>	<b>39.6%</b>	<b>40.3%</b>	<b>41.1%</b>
9. Non-discrimination	0.1%	0.6%	0.2%	0.2%
10. Harassment and abuse	0.1%	0.0%	0.4%	0.2%
11. Disciplinary actions and grievances	1.2%	0.0%	2.9%	1.6%
<b>12. Working hours</b>	<b>25.6%</b>	<b>15.1%</b>	<b>7.0%</b>	<b>19.2%</b>
<b>13. Compensation and employment conditions</b>	<b>12.8%</b>	<b>13.2%</b>	<b>16.6%</b>	<b>13.9%</b>
14. Freedom of Association and collective bargaining	0.0%	0.0%	2.2%	0.7%
<b>15. Environmental governance and procedures</b>	<b>15.6%</b>	<b>17.6%</b>	<b>13.9%</b>	<b>15.3%</b>
16. Monitoring and compliances	0.8%	2.5%	3.1%	1.6%
Number of audits included in sample	145	35	57	237

<sup>1)</sup> For more detailed information on the areas covered in each Chapter please see the [Electrolux Workplace Directive](#).

The distribution of significant findings represented above, expressed as a percentage according to our [Supplier Workplace Standard](#) chapter, varies between our different supply regions.

Regional variations are due to differences in EHS legislation, legal enforcement as well as societal differences.

During the year, our classroom training activities continued to be suspended due to the pandemic. 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. These trainings include a comprehensive explanation on each requirement of the standard and the importance of complying to support Electrolux sustainability Goals.

Through QuizRR, the digital learning platform we use to gain a wider reach of workers at our suppliers, we trained 2,009 (4,901) people on good workplace practices in 2021, bringing the total number trained with this tool to 12,687 at eight suppliers in China and Thailand. The tool is now being used in Thailand, with a module focusing specifically on human rights risks and migrant labor.

## Electrolux Supplier Awards

The Electrolux 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 nominations were submitted during the year.

Submissions focused on four main areas:

- Electrolux 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.

In 2021, the winner of the Electrolux Sustainability Award was CMA-CGM Group, a provider of ocean logistics services that has reshaped its sustainability strategy in recent years to fully integrate climate change into its roadmap. Its strategy is well developed with a clear path toward 40% CO<sub>2</sub> reduction by 2030 and the target to become carbon neutral by 2050.

## Conflict minerals

We focused our approach on our most relevant suppliers during 2021 and investigated 208 (284) suppliers in total. In addition, a pilot study was done on the use of cobalt among 23 suppliers. The report is inspired by US legislation and was conducted voluntarily by Electrolux to disclose where our key minerals are sourced from. Read our [Conflict Minerals reports](#).

We are also a member of the Responsible Minerals Initiative, which allows us to influence beyond our tier-one 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 2021, we secured the commitment from 281 of our top direct material suppliers (corresponding to 78% of our direct material spend), as well as 14 global logistics companies (30% of total logistics spend), to disclose emissions and set targets through the CDP Supply Chain Program. CDP is a non-profit international organization that specializes in environmental reporting and ratings of which Electrolux is a member. This work plays a key role in achieving our target to ensure zero-net carbon emissions throughout our supply chain by 2050. More than 95% of our invited suppliers disclosed, which is proof of the dedication of Electrolux suppliers to contribute to our targets.

In 2021, Electrolux was named a Supplier Engagement Leader by CDP, which was based on corporate governance, targets and disclosure as well as high response rates and strong efforts to engage suppliers.

## Original Equipment Manufacturers

During 2021, we decided to include our strategic Original Equipment Manufacturers (OEMs) into the CDP Supply Chain Program, with a response rate of 95%.

In addition, 2021 was the eleventh year of dialogue and cooperation with key OEMs on resource management. We monitored energy and water data from suppliers - covering 87% (46%) 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 375,000 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 and Brazil each year.

We have reduced CO<sub>2</sub> emissions from our land and sea transportation by 12% and 29% respectively since 2015 - toward our objective to make our logistics climate neutral by 2030.

In 2021, we established a global forum to discuss progress and action to reduce our CO<sub>2</sub> logistics emissions. We also started several pilot projects with logistics partners to test renewable fuel and electric trucks around the world.

During the year, we piloted electric trucks in order to reduce our climate footprint and gather experience. We are also planning to increase the proportion of our trucks powered by renewable fuel and electricity in the coming year.

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 is a member of the US Environmental Protection Agency-led [SmartWay](#) and the [BSR Clean Cargo](#) initiative with a commitment to decrease road and sea transport-related emissions respectively.

## Next steps

Roadmap to 2030	Next steps	Status
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 <u>carbon neutral supply chain by 2050</u> .	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.	●

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

# Responsible sourcing



## The Electrolux Responsible Sourcing Program manages the sustainability-related topics throughout our supply chain.

The program is managed by a team of in-house professionals with expertise in supply-chain sustainability, social and human rights, the environment, and health and safety standards, and 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 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 understanding of the Electrolux 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.

# Lead in energy and resource efficient solutions

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

## 2021 HIGHLIGHTS

- In 2021, our resource efficient products accounted for 19% of our total units sold but 31% of gross profit.
- Scope 3 emissions as defined in our science-based target decreased by almost 20% compared to 2015.
- Expenditure in sustainability-related innovation accounted for 30% of our total R&D spend.

## Roadmap to 2030

- Be a leader in product resource efficiency for key product categories and markets by 2030.
- Continue to develop products with good environmental performance, with a focus on energy and water efficiency.
- Continue to drive the market for efficient products by integrating sustainability into the Group's branded offerings.

## 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 predict this figure will increase to six billion by 2050.<sup>1)</sup> Water efficient appliances can contribute to save water.

## Our approach

As product energy use is responsible for over 85% 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 are more water efficient than washing dishes by hand.

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. For example, the average dishwasher is four times more water efficient than washing by hand per place setting according to research.<sup>2)</sup> Dishwashers also use around a third of the energy and save significant time for consumers.

## OUR GOAL

### Lead in energy and resource efficient solutions

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

[Read more about our progress on this Goal.](#)

Our new approach involves mapping the innovation evolution of our product platforms for the coming five years. We've introduced a mission scorecard with a number of strategic KPIs, which are also tied to environmental-related long-term incentives for our Top Management.

The new approach to product cycle planning also aims at ensuring 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 labeling. Read more about [new legislation](#).

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 and is calculated based on annual energy consumption (as defined by 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. Read more about [Our Climate Goals](#).

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 exploring further 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.

## 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.

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

<sup>2)</sup> Which? (2020). [Which? research reveals how little water dishwashers use compared to hand-washing](#).

## The progress on our Goal

### How we measure progress

1. Be a leader in product efficiency for our key categories and markets by 2030.
2. Progress on product-related contributions to the Electrolux science-based targets.
3. Percentage of R&D budget spent on sustainability-related innovation.

### Developing efficient products

Examples of new products in 2021 that enable consumers to live more sustainably in terms of energy and water management:

- **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 liters of purified water from plastic bottles. In addition, it has a new slimmer shape that reduces the amount of plastic in the product by 27%, which in turn reduces packaging.
- **The new Genesi refrigerator range** - incorporates a variety of solutions to protect food quality for longer to reduce food

waste while boosting energy efficiency. The range will start using recycled plastics in 2022.

- **Microplastic filter** - an Electrolux external filter that can be fitted to any washing machine to capture microplastics.

In Europe, the energy performance of products such as refrigerators, dishwashers and washing machines was upgraded in line with the new energy legislation during the year.

### Contributing to our Climate Goals

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

Scope 3 emissions defined in our science-based target decreased by almost 20% compared to the emissions in 2015.

Our most resource efficient products make good business sense in terms of profitability for Electrolux as they accounted for 19% (26) of total units sold but 31% (36) of gross profit for consumer products in 2021.

# 19/31%

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

## Stakeholder engagement on product efficiency

Electrolux 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 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.

Electrolux has submitted a plan to replace its high-impact greenhouse gases to the UN Cool Coalition initiative. Read more in our Goal [Eliminate harmful materials](#).

## R&D spent on sustainability-related innovation

Our global approach to product design and modularization is crucial for stepping up the level of ambition across product categories. Our expenditure on research and development in 2021, including the capitalization of SEK 578m (563), amounted to SEK 3,864m (3,799), which corresponds to 3.1% (3.3) of net sales.

## Next steps

Roadmap to 2030	Next steps	Status
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 by integrating sustainability into the Group's brands.	Use our global influence to inspire and educate consumers on sustainable living globally.	●

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

# Offer circular products and business solutions

**We will proactively contribute toward the circular economy by integrating a circular approach into products and solutions.**

## 2021 HIGHLIGHTS

- Used 8,600 metric tons of recycled plastic in our products.
- Continued our cooperation with Stena Recycling to develop a 90% recyclable prototype vacuum cleaner.
- Launch of a "sustainable trade-in program" in Vietnam that enables consumers to have their old washing machine collected in return for a discount on a new Electrolux model.

## 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.

## The case for action

Electrolux 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 is expected to almost double in size by 2030,<sup>1)</sup> the demand for material resources will increase together with the demand for goods and services. For Electrolux, this means we can expect the price of materials such as steel, plastic and electronic components to become more volatile.

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> Pollution from non-degradable plastic is also a serious issue as it leaches into the environment.

However, there are opportunities to source materials with recycled content, and even bio-based materials from renewable sources.

Sources:

<sup>1)</sup> [The unprecedented expansion of the global middle class](#), Brookings

<sup>2)</sup> OECD Environment Policy Paper no. 12, 2018

## OUR GOAL

### 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.

[Read more about our progress on this Goal.](#)

## The need for a circular economy

There is an urgent need to reduce the pressure on raw material resources and the environmental impacts associated with their extraction. One way to do this is to move toward systems that are more circular and ensure the maximum value from resources by recovering and reusing materials at the end of each service life.

According to the 2021 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.

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

Virgin materials cause considerable greenhouse gas emissions through their extraction and manufacture. For example, the emissions from the production of plastic in our products are approximately equivalent to the emissions from our operations and transport activities combined.

Recycled materials on the other hand can have substantially lower greenhouse gas emissions. This means that increasing the amount of high-quality recycled materials in our products can make an important contribution to combating climate change. Steel is the largest material we use by volume and is an even greater source of CO<sub>2</sub> emissions than plastic. By sourcing scrap-based steel, we can make a significant reduction in our CO<sub>2</sub> footprint 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 ultimately make better use of resources.

### Sustainable packaging

We are looking into more sustainable packaging solutions that are cost-effective and fulfill their primary purpose of protecting the product, while reducing environmental impact, promoting circularity and decreasing carbon emissions.

### Our approach

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 & 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 & recycling** - we will design products that can be more easily repaired and recycled.

### 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 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 and its partners.

## The progress on our Goal

### How we measure progress

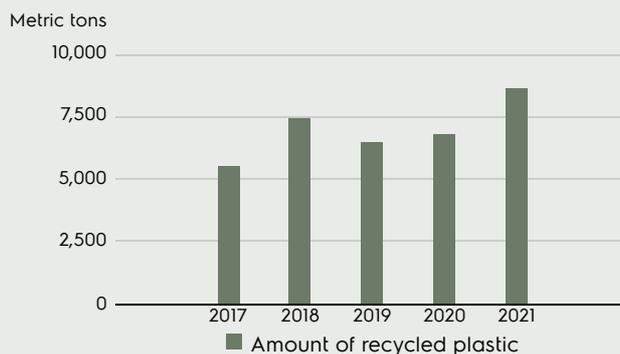
1. By 2030, our goal is to replace 50% of the virgin plastic used in the manufacturing of our products.
2. Work with our suppliers to enable the sourcing of scrap-based steel outside North America.
3. Identify and evaluate relevant circular business models that can be scaled up.

### Recycled plastics

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

During the year, we formalized innovation design processes to better incorporate recycled plastics into our products from the outset. One example is our cross-functional Fabric and Dish Care Global Core team, which won the Electrolux Sustainability Award for their work with recycled plastics in 2021.

### Amount of recycled plastic



### Defining a path towards low-carbon steel

Work began during the year to produce a long-term roadmap to lower the carbon footprint of the steel we use in our production. Among other things, we investigated the potential to source low-carbon steel in the future, such as steel produced with natural gas rather than coal to reduce CO<sub>2</sub> emissions. Recycled steel will be another important route to lower our emissions.

## Circular business models

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

In 2021, we launched a "sustainable trade-in program" in Vietnam that enables consumers to have their old washing machine collected in return for a discount on a new Electrolux model. Vietnam has limited appliance recycling facilities and we are working with a partner to ensure old washing machines are properly recycled. The potential for a consumer take-back project is also being investigated in Brazil.

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 to optimize their lifespan.

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.

## Partnering on circular economy

Circularity requires that we work closely together with our partners throughout the value chain.

During 2021, we continued our cooperation with Stena Recycling to investigate and better understand why working appliances are thrown away. This included a [90% recyclable prototype vacuum cleaner](#).

We also signed an agreement with competitors on developing a standard grade of recycled plastic for certain components to improve the market for recycled plastics.

In 2021, Electrolux became a member in Circular Sweden, which can involve collaboration on creating new circular solutions such as new business models and service offerings.

## Next steps

Roadmap to 2030	Next steps	Status
Where possible replace virgin materials with recycled materials in our products.	Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions. Create roadmaps with milestones on how to achieve our 2030 targets.	<span style="color: green;">●</span>
Increase the proportion of recycled plastic we use to 50% by 2030.	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.	<span style="color: yellow;">●</span>
Reduce the carbon footprint of steel in our production, for example by increasing the amount of scrap-based steel.	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.	<span style="color: yellow;">●</span>
Identify and evaluate relevant circular business models that can be scaled up.	We will continue to identify and evaluate initiatives, and scale up the most successful.	<span style="color: green;">●</span>

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

# Eliminate harmful materials

**Our consumers can feel reassured that we manage chemicals carefully and replace those that cause concern.**

## 2021 HIGHLIGHTS

- In 2021, we tested 3,800 components for chemical compliance according to legislation and the Electrolux Restricted Materials List.
- We updated our in-house digital system for chemical compliance to deal with new regulations on chemicals.
- In North America, we are proud to have converted all our hydrofluorocarbons (HFCs) in refrigeration appliances to hydrocarbons, which has substantially reduced our carbon footprint.

## 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.

## 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 has a robust approach to choosing materials for its products – to protect both human health and the environment. Consumers are raising their expectations on appliance companies such as Electrolux on the management of chemicals in products.

## Our approach

### Chemical management and compliance

The Electrolux 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 GOAL

### Eliminate harmful materials

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

[Read more about our progress on this Goal.](#)

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 laboratories and selected approved institutes.

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.

### Eco@web

Eco@web is our Group chemical management tool, and 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 supply chain of over 1,700+ direct suppliers. The tracked data and collected documentation provides proof of chemical compliance for consumers and institutions.

## 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.

# The progress on our Goal

## How we measure progress

1. Level of implementation of the Group chemical management tool Eco@web throughout the organization.
2. Annual update of the Electrolux Restricted Materials List.
3. Progress on the phase-out of high impact greenhouse gases.

## Chemical management and the Electrolux Restricted Materials List

We are working to expand the use of our Eco@web tool. During the year, we developed the tool to cope with the new Swedish chemical tax legislation.

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 and Latin America will be our focus regions going forward.

## Phase-out of high-impact greenhouse gases

We have made significant investments in North America to phase out hydrofluorocarbons (HFCs) used as refrigerants or for foam blowing agents. HFCs have a high Global Warming

Potential but can be replaced by hydrocarbon refrigerants (HCs) that have a low-climate impact. These investments allowed us to phase out a HFC foam blowing agent in 2020 and a HFC refrigerant in 2021, so all Electrolux refrigeration brands manufactured in North America now use gases with low Global Warming Potential. We will complete the phase out of HFCs in our North American operations by removing HFCs from room air conditioners and portable air conditioners in 2022.

In Europe, our new highly efficient range of heat pump driers uses a HC refrigerant in the compressor instead of a 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 appliances by 2023 at the latest. One challenge in North America is that hydrocarbon refrigerants have not been approved for use in our dehumidifier product category.

## Next steps

Roadmap to 2030	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.	Improve the coverage of supplier declarations of chemicals throughout our regions.	●
Raise the bar on chemical requirements, taking into account new scientific findings.	Annual update of the Electrolux Restricted Materials List.	●
Eliminate high-impact greenhouse gases from our products.	Continue to phase-out high-impact greenhouse gases in air conditioning, food preservation and fabric care globally.	●

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

# Make healthy and sustainable eating the preferred choice

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.

## 2021 HIGHLIGHTS

- Launch of the NutriFresh inverter refrigerator that preserves food fresh longer while using a third less energy than other refrigerators.
- New online food storage advice and mobile app.
- The Change-Makers Report surveyed 14,000 young people on their dreams, hopes and fears on sustainable living to shape future innovation.
- The website Replate.com was launched by the Electrolux Food Foundation.

## Roadmap to 2030

- Launch enhanced food preservation solutions that help reduce food waste and ensure food quality.
- Provide consumers with functionalities that help them make more efficient use of food resources during cooking.
- Launch solutions that help to enhance the experience of eating sustainably and inspire better eating habits through providing practical support and advice.
- Partner with food experts on food and food waste to advance knowledge and inspire people around the world.
- Support the Electrolux Food Foundation's targets - including educating 300,000 people on sustainable eating by 2030.

## The case for action

The food sector currently consumes around a third of global energy consumption and around 15% of greenhouse gas emissions are produced from animal agriculture. At the same time, up to 30% of all food produced is wasted and hunger remains a challenge with more than one in nine people in the world not having access to enough food.

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. This highlights a growing consumer demand for help with changing attitudes for more sustainable eating and plant-based diets.

In our research from the [2019 Better Living Report](#), one third of consumers said they throw away food because it goes bad

## OUR GOAL

### 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.

[Read more about our progress on this Goal.](#)

too quickly or passes its best before date. This highlights the need to help people find better ways of storing and preparing food, as well as changing their relationship with food.

## Our approach

Our aim is to make healthy and sustainable eating desirable, accessible and easier. We will continue to develop 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.

In 2021, we added the "healthy" aspect to this Goal in response to our consumer insight and product offering. Additionally, we realized that healthier and more sustainable food habits often go hand in hand. Electrolux products can help consumers to eat healthier and more sustainably. This includes nudging consumers to try healthier diets and cooking techniques that help preserve nutrients, as well as 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.

## Eliminate food waste in every way we can

At Electrolux, 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 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](#).

## 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.

# The progress on our Goal

## How we measure progress

We measure our progress in terms of new products, solutions and partnerships to help promote healthier and more sustainable eating.

## Solutions for better food habits

Recent examples of products that promote healthier and more sustainable eating include:

- **Electrolux Ultrafresh+ fridge-freezer** (with TwinTech technology) – includes a sealed drawer with a humidity membrane that automatically regulates moisture levels to keep vegetables crisp, while the antioxidant filter preserves taste and colors, keeping food fresh and retaining nutrients.
- **NutriFresh inverter refrigerator** – keeps the temperature stable, minimizes water loss and provides higher humidity so that fruit and vegetables stay fresh for longer. It also uses one third less energy than other refrigerators on the market.
- **CustomFlex** – refrigerator solutions that are designed to help consumers maintain visibility of their fresh produce, ultimately reducing the amount of produce that goes to waste.
- **Electrolux Steam ovens** – cooking with steam saves time while providing better tasting food with more nutrients. Steam ovens also help reduce food waste by easily reheating leftovers without drying them out.
- **AirFry functionality** – uses superheated air that is quickly and evenly circulated around the oven to deliver the crispy-on-the-outside, juicy-on-the-inside taste with little or no oil to make healthier eating as easy as pressing a button.

- **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 efficient, as well as troubleshooting.

## Raising consumer awareness

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

- **Online food storage advice and mobile app** – our global and regional websites, the Storage App as well as our social media channels include information about how consumers can best store their food to keep it fresh for longer. This includes [Q&A interviews with tips from food experts](#).
- **Future Sustainable Kitchen (FSK) event** – an Electrolux-hosted event involving over 700 participants in 48 countries across the entire food ecosystem that promoted more sustainable cooking and eating.
- **Sustainable Guide app** – an app for mobile devices that features more plant-based and sustainable alternatives to traditional recipes.

## 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:

- **SideChef Premium** – 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 SideChef mobile app** – automatically sends the optimal oven settings for the recipe you are making to your Electrolux smart steam oven. This service is now available on SideChef Premium, an end-to-end cooking platform that offers recipes, meal planning, and instructional videos. We offer 12 months free access to SideChef Premium when consumers register their Electrolux smart steam oven.
- **Umeå Institute of Design** - In 2021, Electrolux engaged with 12 students on the master's program in Advanced Product Design at the renowned Umeå Institute of Design (UID) to inspire new products. One such product was the Eluxir, which maximizes the infusion of fruit flavor to water and can carbonate – to provide healthy flavored water and help consumers avoid the need to buy bottled water.
- **The Change-Makers Report** – Electrolux published its [Change-Makers Report](#) that surveyed 14,000 young people on their hopes, dreams and fears when it comes to sustainable living. Their insights will help drive product innovation over the coming years.
- **Misfits Market** – we support the Misfits Market subscription box service, which sells food to US consumers that would be otherwise unnecessarily thrown away.
- **The Karma partnership** – Electrolux custom-made refrigerator stores unsold food in supermarkets for consumers to buy via the Karma app. The partnership helps to reduce food waste.
- In 2021, the website [Replate.com](#) was launched by the Electrolux Food Foundation and its partners Worldchefs and AIESEC to inspire people to shift to healthier and more sustainable food habits, including chapters on [Eat More Plants](#) and [Waste Less Food](#).

## Next steps

Roadmap to 2030	Next steps	Status
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 healthier and more sustainable eating.	●
Partnerships with food experts on food and food waste to advance knowledge and inspire people around the world.	We will continue to develop our existing partnerships and investigate new partnering opportunities.	●
Inspire people to eat healthier and more sustainably through the Electrolux Food Foundation – including educating 300,000 people on sustainable eating by 2030.	Continue our work with the Electrolux Food Foundation and its partners.	●

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

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

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

## 2021 HIGHLIGHTS

- Launched of a "cushion-like" care drum that provides significantly gentler fabric care and reduces wear and tear on garments.
- Our "Make it Last" campaign to inspire better garment care among consumers to make their clothes last longer was rolled out in APAC and North America.
- The 50L Home partnership, to reimagine how we use water in our homes, published the "A Circular Water Future" white paper.

## Roadmap to 2030

- Help consumers maximize the life of their clothes and help them better care for their clothes in general.
- Reduce environmental impact during garment care.

## The case for action

The fashion and footwear industry combined is responsible for around 8% of global greenhouse gas emissions. At the same time, the number of garments we purchase has increased by 400% in the past 20 years. 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%.

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.

Consumers are also unwilling to change their behavior for fear of ruining clothes or not getting them properly clean. For instance, despite of being encouraged to wash clothes at 30°C or lower for better results and longer garment durability, nearly 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.

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. In the home, the average daily water consumption per person is up to 500 liters in some developed countries, and laundry is typically responsible for 22% of water used in a typical home in the US.

## OUR GOAL

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

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

[Read more about our progress on this Goal.](#)

## Our approach

Electrolux 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, use less water and detergents.

### Reduce the environmental impact

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](#)).

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.

### Longer lasting clothes

We continue to move toward more modern garment care technology that is gentle on fabrics and preserves their quality. We also build partnerships to inspire more people to 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 gentler both on clothes and the planet.

## 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.

# The progress on our Goal

## How we measure progress

We measure our progress in terms of new products, solutions, campaigns and partnerships to promote more sustainable garment care.

## Solutions for better garment care

We innovate to help consumers to take better care of their clothes – to make them last longer while reducing environmental impact

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

- **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 is highly innovative and won a German Red Dot design award in 2021. It will be integrated into Electrolux and AEG laundry products globally from 2022.
- **UniversalDose** – new detergent dispenser with optimized design and functionality for best efficiency for every type of detergent, including a special compartment for laundry detergent pods to ensure their effectiveness. The solution ensures excellent washing results even with short programs or at low temperatures to reduce energy use.
- **ColourCare washing machines** – our ColourCare system treats the water in a way that optimizes the detergent even in cold water. Washing in cooler temperatures helps clothes retain their color for longer and reduces energy use. The solution remains essential to our strategy to deliver high-quality products.
- **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 2021, SteamCare was integrated into 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 2021, the technology was rolled out to APAC.

- **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 2021, progress was made on deploying the technology to our lower price point ranges.
- **Microplastic filter** – a new filter that can be fitted to any washing machine to capture microplastics. The filter ensures microplastics don't end up in wastewater systems and potentially the environment
- In 2021, the **"Change-Makers"** team was created. Made up of eight young people from around the world selected from hundreds of applications. The team aims to develop innovations that promote more sustainable solutions, starting with laundry.

## 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.

**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. Initially launched in Europe in 2020, the campaign was rolled out in APAC and North America in 2021.

Also in 2021, we published [The truth about laundry report](#), which highlights 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.

The [50L Home](#) partnership between Electrolux, global brands and NGOs to reimagine how we use water in our homes published the "A Circular Water Future" white paper in 2021. Aimed at influencing institutions and authorities to re-evaluate water use policy around the world, the partnership is establishing pilot homes where various water efficient solutions – including Electrolux products – will be tested.

## Next steps

Roadmap to 2030	Next steps	Status
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.	<span style="color: green;">●</span>
Reduce environmental impact during garment care.	Continue to deliver products, solutions and campaigns that help consumers to reduce the environmental impact of their laundry behavior.	<span style="color: green;">●</span>

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

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

**We offer consumers air, water and floor products and solutions that enable healthier homes with reduced environmental impact.**

## 2021 HIGHLIGHTS

- The Pure 4X water purifier by Electrolux Latin America reduced the plastic in each product by 27% and each filter provides 3,000 liters of purified water, effectively saving 6,000 half-liter plastic bottles.
- The Electrolux 800 Cordless cleaner uses over 50% recycled plastics, and has a replaceable battery and an auto mode for optimized energy consumption.

## Roadmap to 2030

- Inspire better home care habits by providing smart and connected 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 the carbon footprint during product usage – to bridge the gap between the need for comfort and care for the planet.

## The case for action

More than 90% of the world's population lives 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 [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, which would increase emissions 90% by 2050 compared with 2017 levels if no action is taken.

<sup>1)</sup> [WHO Air pollution](#)

## OUR GOAL

### **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.

[Read more about our progress on this Goal.](#)

## Our approach

Electrolux 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.

### **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**

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

## 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.

# The progress on our Goal

## How we measure progress

We measure our progress in terms of new products, solutions and partnerships to make the indoor environment healthier and more sustainable.

Our products can make homes healthier by removing unwanted substances from air, water and floors. They can also empower consumers to live more sustainably by enabling them to use less resources such as energy, water and materials in their homes.

In 2021, we sharpened and refined the overall sustainability ambition for this Goal in terms of carbon footprint, business models and communication with consumers. We added a measurable number to the target to further enhance our commitment to sustainability.

In the coming years, we will develop a Wellbeing Index to measure progress toward our goal. It will go beyond standard measurements as it will focus on how users actually use our products and solutions.

## 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:

- **Well A7 air purifier** - designed to blend into any environment it enhances and measures indoor air quality. The fabric of the purifier is made from recycled PET.

- **Pure 4X water purifier** - a new generation of 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.
- **Electrolux 800 Cordless cleaner** - has a replaceable battery, an auto mode for optimized energy consumption and a durable long-life motor. All new canister models have above 50% recycled plastics and the packaging has no single use plastic.

## Raising consumer awareness

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

- **Product guidance** - products are issued with instructions on how consumers can prolong the life of our wellbeing products, their maintenance and consumables.

## 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.

## Next steps

Roadmap to 2030	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 will continue to 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.	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	●
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.	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

# Our Climate Goals

**Our ambitious climate goals focus on our major impacts - to prevent millions of metric tons of greenhouse gases from entering the atmosphere.**

[Read more about our progress on our Climate Goals.](#)

## The case for action

Tackling climate change by reducing greenhouse gas emissions is one of the greatest, most urgent challenges facing society. According to the latest Intergovernmental Panel on Climate Change (IPCC) Report released in August 2021 (IPCC Sixth Assessment Report), human activity is already changing the climate in unprecedented and sometimes irreversible ways. The report calls for strong and sustained reductions in emissions of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases to limit climate change.

## Our approach

As product energy use is responsible for around 85% of our climate impact, product efficiency is where we can make our greatest contribution to tackling climate change. We are reducing CO<sub>2</sub> emissions from our own manufacturing facilities, product transport, and the energy consumed during their use.

We can also make a difference by eliminating the use of hydrofluorocarbons (HFCs) in refrigerators, air conditioners and products with heat pumps. HFCs are gases with a high global warming potential that are still used in some countries due to regulatory or technical barriers to alternative solutions.

Read about the plan Electrolux submitted to the UN Cool Coalition initiative to replace high-impact greenhouse gases in our Goal [Eliminate harmful materials](#).

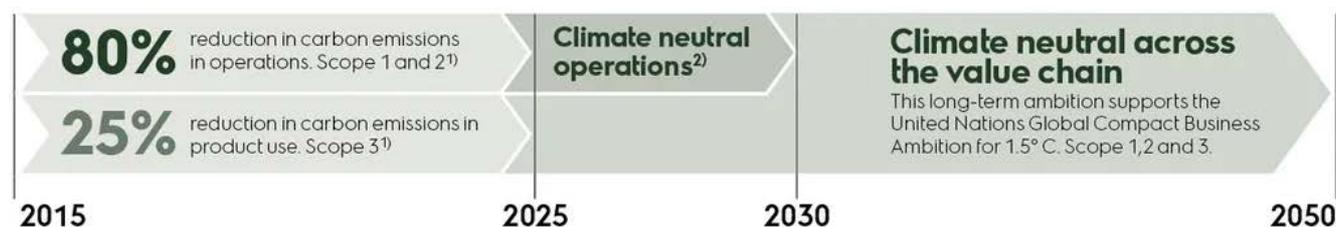
## Our Climate Goals

Our long-term ambition is to ensure that our entire value chain is climate neutral by 2050. This supports the United Nations Global Compact - Business Ambition for 1.5° C, which our President and CEO Jonas Samuelson has signed.

We currently have two shorter-term targets that act as stepping stones to our 2030 Climate Goals:

- **Our science-based target<sup>1)</sup>** - aims to reduce our scope 1 and 2 emissions by 80% between 2015 and 2025, and the absolute scope 3 emissions from the use of our sold products by 25% during the same time period. The scope 3 target covers two thirds of all products sold by Electrolux. Our science-based climate target is aligned with the 2015 Paris Climate Agreement on climate change, which aims to keep the global temperature rise well below 2°C this century to avoid the most severe impacts from climate change.
- **Our climate neutral operations by 2030 target** - aims to achieve climate neutral operations (scope 1 and 2 emissions).

## Our climate neutrality roadmap



1) Science-based target (SBT)

2) Company target (Scope 1 + 2 = 0)

## Initiatives to reduce emissions

### Scope 1 & 2

- Resource and energy efficient manufacturing.
- Increased share of renewable energy.
- Phase-out of fossil fuels in operations.
- Hydrofluorocarbon (HFC) phase-out

### Scope 3

- Supply chain initiatives i.e. collecting supplier CO<sub>2</sub> data.
- Transition to greener logistics (biofuel and electrification).
- Use of more sustainable materials, for example recycled plastics and green steel.
- Increased product efficiency.
- Hydrofluorocarbon (HFC) phase-out

## What are scope 1, 2 and 3 emissions?

We use the definitions in line with GHG Protocol:

**Scope 1** – are emissions produced directly by an organization, for instance through the combustion of fuels, e.g. natural gas combustion for heating.

**Scope 2** – includes indirect emissions generated through the consumption of purchased energy, e.g. through electricity use.

**Scope 3** – other indirect emissions due to the activities of an organization, but that are produced and controlled by a different emitter, e.g. emissions resulting from the use of a company's products.

## Progress on our Climate Goals

We currently have two shorter-term targets that act as stepping stones to our 2030 Climate Goals.

### Our science-based target

Scope 1 and 2 <sup>1)</sup>

**78%**

reduction compared to 2015

Scope 3

**~20%**

reduction compared to 2015

1) Includes contributions from energy use and greenhouse gas fugitive emissions.

### Progress on our scope 1 and 2 emissions

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 & 2 emissions in our [Goal Be climate neutral and drive clean and resource-efficient operations](#).

### Progress on our scope 3 emissions

Electrolux science-based target (SBT) scope 3 emissions also decreased by around 20% compared to emissions in 2015.

The Electrolux SBT scope 3 covers 75% of the emissions from the use of sold products in the original baseline. Electrolux SBT scope 3 emissions "use of sold products" is 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.

### 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 2021, we completed the HFC phase out in all our North American operations as a HFC blowing agent was replaced with cyclopentane, which has a lower climate impact.

In Europe, our new highly efficient range of heat pump driers uses a hydrocarbon refrigerant in their compressors instead of a 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.

### CDP

In 2021, we were recognized for our sustainability leadership with a prestigious "double A" score for climate and water and as a Supplier Engagement Leader by the global non-profit CDP. Electrolux was one of a few companies to receive top marks for its efforts to tackle climate change, protect water security and engage with suppliers. We have been on the CDP Climate A list for the past six years and on the Water A list since 2020.

## Next steps

Roadmap to 2030	Read more in the relevant Goals	Status
Be a leader in product efficiency in our most important markets.	<a href="#">Lead in energy and resource efficient solutions</a>	<span style="color: green;">●</span>
Eliminate high-impact greenhouse gases from our products.	<a href="#">Eliminate harmful materials</a>	<span style="color: yellow;">●</span>
Improve efficiency throughout our operations and supply chain.	<a href="#">Be climate neutral and drive clean and resource-efficient operations</a>	<span style="color: green;">●</span>
Increase the proportion of renewable energy for our operations to 65% by 2025	<a href="#">Be climate neutral and drive clean and resource-efficient operations</a>	<span style="color: green;">●</span>

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

**Key processes**



# 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 such as the UN Sustainable Development Goals.

## Global megatrends

### 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. By 2035, 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.
- Growing importance of older consumer groups and the increasing number of smaller households.
- Potential for new business models, e.g. shared ownership.

### 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 metals and minerals.
- Growing importance of circular solutions.
- Expectations to go beyond chemical legislation.

### Technology & 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.

#### 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.
- Connectivity offers opportunities for circular business models that result in better resource efficiency.
- IoT enables a lifelong relationship between producers and consumers but requires high standards of data security and privacy.

# Electrolux 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.

At Electrolux, 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 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. 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](#). Additionally, a key focus of our social investment program is encouraging consumers to adopt more healthy and sustainable eating habits at home – such as wasting less food. Read more in [Community investment](#).

#### 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 new target to increase the proportion of renewable energy used in our operations to 50% by 2025.

### 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

Electrolux engages in numerous partnerships to work toward the SDGs:

[UN Global Compact](#)

[United4Efficiency](#)

[Cool Coalition](#)

[US Environmental Protection Agency-led SmartWay](#)

[BSR Clean Cargo initiative](#)

[United Nations Women’s Empowerment Principles \(WEPs\)](#)

[Workplace Pride](#)

[50L Home Coalition](#)

[Circular Initiative](#)

The [Electrolux Food Foundation](#) partners with:

[Worldchefs](#) and [AIESEC](#).

### 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 well-being

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

### SDG 4 – Quality education

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

### SDG 5 – Gender equality

We have a specific focus on gender diversity and aim to continuously improve the number of female leaders at all levels. Read more in our Goal [Act ethically, lead in diversity, and respect human rights](#). Our social investment projects also often 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 Electrolux endorses the UN's CEO Water Mandate and reports annually about progress in implementing the Mandate's six elements. Read more in our Goal [Lead in energy and resource efficient solutions](#).

### SDG 7 – Affordable and clean energy

We are working to increase our share of energy from renewable sources to 50%. Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#).



# New legislation

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

## Climate

- EU: Revision of regulation on certain fluorinated gases (F-gases), most likely restricting the 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 US 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

- New regulation regarding mandatory Human Rights Due Diligence is under development in the EU. The scope is intended to cover both human rights and environmental impacts and risks.
- National legislation on "Corporate Due Diligence in Supply Chains" was adopted in Germany in 2021, with implementation in 2023.

## Corporate Governance

- The EU is developing Sustainable Corporate Governance regulation.
- The EU taxonomy for sustainable activities

## Products

- EU: New stricter energy efficiency limits for washing machines, washer/dryers, refrigerators, freezers and dishwashers will be in force from March 1, 2024.
- US: New energy efficiency standards are under development.
- 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 also ongoing on microfiber filters in other regions.
- EU: The Commission intends to conduct a revision of the Classification, Labelling and Packaging (CLP) regulation for chemicals and propose a legislative initiative to secure citizens' "right to repair" consumer goods.

# Our materiality process

**We continuously monitor our material issues – our most significant economic, environmental and social impacts – to ensure we address the most important topics to our business and stakeholders.**

## Our materiality process

We maintain an up-to-date understanding of our material topics through engagement and dialog with key stakeholders, as well as by monitoring our business and industry peers (read more at [Stakeholders inform our approach](#)) and the relevant megatrends and drivers (read more at [Global megatrends that shape our business](#)). Our material topics are annually reviewed and validated by our internal experts and Group management. Major revisions are linked to our long-term business strategy updates.

Our approach helps us to understand the perceptions of our stakeholders (read more at [Stakeholders inform our approach](#)) about Electrolux, the potential risks and

opportunities for our business, and enables us to evaluate our ability to create and sustain value.

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

- The degree of impact caused by our activities throughout the value chain.
- How much the issue impacts on our business strategy.
- How the issue might affect 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 the Group 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 main areas we focus on as they optimize our contribution to society. Read more about our priorities and progress at [Key priorities and progress 2021](#).

For the Better 2030 is the result of our ongoing stakeholder dialogue (read more at [Stakeholders inform our approach](#)) and our materiality process described above to ensure it includes the most important topics to Electrolux and our stakeholders. Our framework is also based on the Global Reporting Initiative's sustainability topics and the UN Sustainable Development Goals.

## For the Better 2030 refinements in 2021

In 2021, we rearranged the order of our For the Better 2030 Goals to reflect our focus on Better Solutions as being central to our business going forward. We have made good progress on Better Company in recent years, and by making our solutions more sustainable, we will amplify our positive impact on society and consumers around the world.

In 2021, we added the "healthy" aspect to our Goal to [Make healthy and sustainable eating the preferred choice](#) in response to our consumer insight and product offering. We find that healthier and more sustainable food habits often go hand in hand. Electrolux products can help consumers to eat healthier and more sustainably.

During the year, we also sharpened and refined the overall sustainability ambition for our Goal [Make the home a healthier place to thrive in, with half the carbon footprint](#), by focusing on business models and communication with consumers. We also added a measurable aspect to the Goal to further enhance our commitment.



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
- Act ethically, lead in diversity and respect human rights
- Drive supply chain sustainability



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
- Offer circular products and business solutions
- Eliminate harmful materials



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
- 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 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.



# Stakeholders inform our approach

## Ongoing dialogue with stakeholders 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 and NGOs is crucial for us to deliver our sustainability framework For the Better 2030.

Group Sustainability oversees 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 dialogues to ensure that local voices are heard.

## Stakeholder priorities and our response

### Consumers

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

#### How Electrolux engages with consumers

- Bi-annual consumer brand scorecard surveys on sustainability in various markets.
- Consumer surveys in key markets to understand perceptions on sustainability.
- [Better Living Report](#) on consumer attitudes and challenges related to sustainable living.
- Through a panel of young "Change-makers", exploring solutions for future sustainable homes. The aim is to learn more about the dreams, hopes and concerns of young people, to ensure our efforts align with their wants and needs come 2030.

#### Consumers shape our sustainability approach

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

### Customers

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

#### How Electrolux engages with customers

- 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.

#### Customers shape our sustainability approach

- Collaboration in areas such as chemicals handling and recycled materials. We discuss criteria and evaluate our process for supply chain monitoring.
- Customer insights contribute to raising market awareness on the importance of efficient products.

## Investors

ESG investors drive our sustainability agenda forward.

### How Electrolux engages with investors

- In response to significant growth in ESG (Environmental, Social and Governance) investment, Electrolux engages with investors and shareholders on sustainability topics through regular meetings and investor dialogue.
- Eight of our ten largest shareholders are signatories to the UN Principles for Responsible Investment.

### Investors shape our sustainability approach

- Investor feedback helped shape our latest sustainability framework - For the Better 2030 - by providing 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.
- We developed a [Green Bond framework](#) in alignment with the Green Bond Principles 2018, which defines eligible projects that support the UN Sustainable Development Goals and the Paris Climate Agreement. We use a multi-currency revolving credit facility linked to our sustainability Goals.

## Employees

Our sustainability work helps to motivate, retain and attract employees.

### How Electrolux engages with 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](#).
- A global employee survey gathers employee perceptions and feedback on our sustainability agenda. Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).
- We identify talented potential employees by being a key supporter of AIESEC, the world's largest youth organization and an international platform for young people to explore and develop their leadership potential.
- We arrange crowdsourcing events for our employees to contribute toward our sustainability work.

### Employees shape our sustainability approach

- 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 their voices are heard through 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.

### How Electrolux engages with suppliers

- 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. Our regular regional Supplier Sustainability Days provide further opportunities for suppliers to share best practice with their peers.
- 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 practice in transport management with the logistics industry. Electrolux is a member of the US Environmental Protection Agency-led SmartWay, with a commitment to reduce road transport emissions, and Clean Cargo, which focuses on reducing the impact of sea transport.

### Suppliers shape our sustainability approach

- 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.
- Electrolux engages 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.

### How Electrolux engages with industry peers

- We conduct competitor analyses.
- Shared best practice on setting stretch targets for renewable energy.
- Shared best practice on human rights, including at the Swedish Network on Business & Human Rights.

### Industry peers shape our sustainability approach

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

## NGOs, academia and governmental initiatives

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

### How Electrolux engages with NGOs, academia and governmental initiatives

- 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 on circularity strategy with various multi-stakeholder events.
- Updates on national or regional policies and regulations

### NGOs, academia and governmental initiatives shape our sustainability approach

- 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.

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 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.

### Product development

#### High ability to influence, high impact

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

Read more in our Goal [Lead in energy and resource efficient solutions](#).

#### Risks

- Increased total carbon footprint from consumer use.
- Increased material cost.
- Not meeting consumer expectations.
- Not meeting regulatory or market requirements.

#### How we manage our impacts

- Continuously improve product efficiency.
- Increase our use of recycled materials.
- Eliminate harmful materials.
- Integrate future requirements into product development plans.

#### Creating value

Products with leading environmental performance deliver consumer value in line with our business strategy, while reducing negative environmental impacts.

### Suppliers

#### Medium ability to influence, medium impact

Electrolux has around 1,700 direct suppliers, including many in emerging markets, which must abide by our sustainability requirements. We focus on safeguarding Electrolux 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. Read more in our Goal [Drive supply chain sustainability](#).

#### Risks

- Potential connection to social, environmental, ethical and human rights violations throughout our supply chain.
- Extreme weather conditions caused by climate change could negatively affect our supply chain.
- Supply interruptions due to unethical business practices in our supply chain.

#### How we manage our impacts

- 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.
- Climate impact assessments of key suppliers.
- Supplier auditing to safeguard standards.
- Provide training and drive improvement initiatives.

#### Creating value

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.

## Electrolux operations

### High ability to influence, medium impact

Electrolux has manufacturing operations in 41 factories around the world and approximately 52,000 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.

Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#) and Goal [Act ethically, lead in diversity and respect human rights](#).

#### Risks

- Disruptions due to emissions and discharges as a result of incidents.
- Disruptions caused by severe weather related to climate change.
- Impact due to social, ethical and human rights violations.
- Corruption due to weak governance.

#### How we manage our impacts

- Environmental management systems and efficiency programs.
- Integrating sustainability risks in the Enterprise Risk Managements process.
- Ensure the best conditions for health and safety.
- Governance systems and training to enforce sustainability policies.
- Climate impact assessments of operations.
- Support local community programs.

#### Creating value

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 for Electrolux by retaining talented employees and avoiding financial costs related to accidents.

## Transport

### Medium ability to influence, medium impact

Electrolux emits more CO<sub>2</sub> transporting its goods than through its total energy use in Group operations. Read more in our Goal [Drive supply chain sustainability](#).

#### Risks

- Disruptions caused by severe weather related to climate change.
- Emissions from transportation.
- Labor conditions at logistics companies.

#### How we manage our impacts

- Collaborative solutions to mitigate logistics-related impacts.
- Promoting more efficient modes of transport.

#### Creating value

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.

## Sales

### Low ability to influence, high impact

Electrolux annually sells approximately 60 million products in over 120 countries. 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.

Read more in our Goal [Lead in energy and resource efficient solutions](#). We also work to help consumers reduce their sustainability impacts while interacting with our products. Read more in our Goals [Make healthy and sustainable eating the preferred choice](#), [Make clothes last twice as long with half the environmental impact](#) and [Make the home a healthier place to thrive in, with half the carbon footprint](#).

#### Risks

- Not effectively informing consumers or our retail customers that sell the majority of our products to consumers.
- Failure to meet consumer expectations on product efficiency.
- Limited opportunity to influence decision-making at the point-of-purchase, which is often handled by our retail customers.

#### How we manage our impacts

- Continuously improve product performance and efficiency.
- Improve pre and point-of-purchase communication.
- Highlighting sustainability aspects in consumer facing communications.
- Third party endorsement of products, e.g. best-in-test
- Communicating on themes such as energy efficiency, food storages, reducing food waste, and caring for clothes.
- Mandatory training on anti-corruption and bribery.

#### Creating value

Promoting transparency and our sustainable product offering contributes to retailer sustainability goals, strengthens our brands and builds consumer loyalty. As sales of most resource efficient products demonstrate, an efficient product offering is a profitable strategy.

## Consumer use

### Low ability to influence, high impact

As the main environmental impacts of our products occur during their use, product efficiency is a top priority. Read more in our Goal [Lead in energy and resource efficient solutions](#). We also work actively to positively influence our consumers to reduce their own sustainability impact while interacting with our products. Read more in our Goals [Make healthy and sustainable eating the preferred choice](#), [Make clothes last twice as long with half the environmental impact](#) and [Make the home a healthier place to thrive in, with half the carbon footprint](#).

#### Risks

- Failure to meet consumer expectations on product performance.
- Consumers not using products optimally.
- Product safety.
- Data privacy for users of connected products.

#### How we manage our impacts

- Continuously improve product performance and efficiency.
- Incorporating intuitive design to help consumers get the most out of their products.
- Product safety governance and procedures.
- Proactive approach to data privacy regulation.
- Supporting consumers in more sustainable choices related to eating, and taking care of their clothes and their homes.

#### Creating value

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.

## End-of-life

### Low ability to influence, medium impact

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) from collected large appliances must be recovered (70% for small appliances).

#### Risks

- Expectations on producers to take responsibility beyond legislation.
- Waste of resources due to a lack of recycling.
- Illegal trade of discarded products and recycled materials.

#### How we manage our impacts

- Establishing circular business models for recycled materials.
- Eliminating harmful materials to enable higher quality recycled materials and decrease environmental impact.
- Promoting proper recycling as part of producer responsibility.

#### Creating value

Building resource efficient and closed-loop systems help reduce environmental impact and overall resource consumption. Innovative designs that allow material reuse saves money and energy, and increases consumer trust in our brands.

# Managing sustainability risks

**A comprehensive analysis of non-financial risks requires cross-functional insights from Group management, 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 will affect Electrolux 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](#).

A number of 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 Electrolux manages risk in the [Annual Report 2021](#).

## Group Internal Audit

The Group Internal Audit 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 Staffs & 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 development 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 about our progress in our Goal [Act ethically, lead in diversity and respect human rights](#).

## 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 down, 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

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

The methodology includes interviews, surveys and workshops. It was originally applied to identify the Group level salient human rights risks in 2016. This encompassed surveys and interviews with around 40 representatives from all business areas, regions and Group functions. It also included input from employee representatives, investors and NGOs.

The continued work to assess human rights risks focuses on operations in [high-risk countries from a human rights, labor rights and corruption perspective](#). This encompasses 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 and Romania in recent years. The assessment of our operations in South Africa was initiated during 2021 but had to be postponed in the first quarter of 2022 because of a national strike. Due to the coronavirus pandemic, the assessment in South Africa was partially carried out remotely through online interviews, complemented by face-to-face dialog with employees, conducted by a third party.

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Statement on our salient human rights issues

The Group level assessment helped to establish which are our salient human rights issues, listed below. Electrolux has 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 have the responsibility for implementing actions to remediate the prioritized issues resulting from local assessments. The status and next steps for each human rights issue are also described below.

Our Materiality Analysis in 2019 confirmed our salient human rights issues as stated below, with the exception of sexual exploitation, which was removed from the list. The original inclusion of sexual exploitation in the list of salient issues, reflected the fact that the Group did not have a clearly communicated policy statement banning employees from purchasing sexual services or visiting strip clubs in conjunction with business trips or meetings with suppliers or customers. This gap was rectified as part of our work in 2018 to update our Group policies and the Electrolux Code of Conduct.

# 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 dialog.
- Employees discouraged from participating in union activities.
- Conflict/strike might lead to loss of income and may affect living standards.

#### Electrolux context & high-risk countries

- [High-risk areas](#) include North America, Latin America, China, Southeast Asia and the Middle East

#### Status and next steps

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. Labor relations and employee-management dialogue were in focus in the local impact assessments in Romania and in Mexico in 2020. Based on the learnings, the Group Workplace Directive was updated in 2021. We plan to update our Labor

Relations strategy and conduct training for factory management teams during 2022.

In 2021, a new procedure was launched for onboarding senior managers. This includes global principles on promoting dialogue, and respecting principles of freedom of association, alongside other key areas of the Code of Conduct

## Working hours and wages

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

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

- People 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.

#### Electrolux context & high-risk countries

- Overtime is an issue in some areas.
- Fair living wages is increasingly in focus for our stakeholders.
- Both issues are a potential reputational risk.
- Wages and overtime are high-risk in all regions except Western Europe, Canada, Australia and New Zealand.

#### Status and next steps

During 2020 and 2021, the pandemic posed unprecedented challenges for our manufacturing operations. On occasions, it impacted our ability to abide by our policy on overtime and remediating actions were developed to overcome this issue. Wage levels are part of our local assessments, and we plan to develop an approach to responsible wage practices.

During 2021, we launched a working hours reporting system. The 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 next steps include putting into action improvement planning and follow up with HR, Sustainability and senior leaders within Operations.

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Diversity and non-discrimination

### 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 suffer through unequal opportunities.
- High-risk countries include Brazil, China, Egypt, Mexico and Thailand.

#### Electrolux context & high-risk countries

- Electrolux works actively with equal rights throughout the company, however countering biases will always remain a challenge, due to societal structures.
- Greater diversity will help draw on the full power of gender diversity.

#### Status and next steps

New Diversity & Inclusion objectives were agreed for the Group in 2021. These are aspirational objectives for the proportion of female people leaders and also a specific action on non-discrimination training for all employees by the end of 2023. Read more about our work with [diversity and inclusion](#).

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Privacy and integrity

### Issue: Right to privacy

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

- Mismanaged personal information (e.g. employee data, consumer data, market research data).
- Privacy underpins human dignity, and people deserve freedom from interference or intrusion.

#### Electrolux context & high-risk countries

Privacy is important due to digitalization, the Internet of Things, and access to employee and consumer data. Processes to safeguard privacy must counter the increasing risks.

#### Status and next steps

We have implemented awareness programs, privacy risk assessments and other privacy related compliance processes.

We are evaluating and improving our programs and processes on a regular basis.

## 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

#### Electrolux context & high-risk countries

We operate in high-risk markets such as Southeast Asia, Latin America, Middle East, Egypt and Russia, and need to constantly educate our employees and monitor risks. Risk areas include obtaining licenses/permits, sales, purchasing, gifts and events.

#### Status and next steps

Promotion of the anti-corruption and bribery policy is ongoing through e-learning 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](#).

## Business processes to safeguard human rights

Additionally, we have identified three business processes that are crucial to ensure the protection of human rights: supply

chain management, acquisitions, market entry and partners. The boxes below summarize their human rights risks and the status of our work with each process.

### Supply chain management

#### Human rights risks

- General human rights risks in our supply chain – first tier suppliers and beyond.
- Non-compliance with labor standards such as: health and safety, working hours, wages, forced labor and child labor, and freedom of association.
- Poor conditions for migrant workers and their families, including impact on the right to family life due to living far from children, and additional work permit fees.
- Exploitation further upstream, particularly in extractive industries.

#### Status and next steps

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.

The OECD guidelines are implemented to reduce risks related to conflict minerals.

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

In 2022, the focus will be on exploring ways of identifying and addressing risks in the supply chain beyond first tier suppliers.

Read more in our Goal [Drive supply chain sustainability](#).

### Acquisitions

#### Human rights risks

- Inheriting human rights issues and sub-standard operations as part of acquisitions.
- Harm to people in acquired businesses (e.g. labor conditions, health and safety, environmental impact, land rights and expropriation).

#### Status and next steps

During 2021, an approach has been developed to ensure all applicable sustainability topics, including human rights, are appropriately considered as part of our due diligence. The focus is on ensuring a structured approach to sustainability aspects when integrating newly acquired businesses. One acquisition was made during 2021.

### Market entry and partners

#### Human rights risks

- Distributors, agents and other business partners harming people (e.g. labor conditions, health and safety, environmental impact negatively affecting people, land rights and expropriation, corruption, etc.).

#### Status and next steps

Improved screening procedures for new partners are underway.

Health and safety in our operations and product safety are additional important potential impacts on human rights. However, these are deemed to be well-managed by existing programs and are therefore not included in our salient human rights. See our Goal [Act ethically, lead in diversity and respect human rights](#) to read more about how we work with health and safety.

#### 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](#).

Please see the list of our high-risk countries [here](#).

#### 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 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.](#)

## Implementation, monitoring and follow up

Employee education on our human rights principles takes place through training and communication activities. There are trainings 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 the 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 impact on people by focusing on our activities at country level.

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

# Auditing and monitoring

We have a number of 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.

## Workplace Policy audits

### Purpose

Workplace Policy audits identify improvement areas and ensure Workplace Policy compliance.

### Criteria

Internal audits of selected manufacturing units, following risk assessments based on the Workplace Policy. From 2022 onwards, Workplace Policy audits will be conducted at all factories, in line with the updated Workplace Directive.

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#) for more on how we work with our Workplace Policy and see the results [Workplace Policy Audit findings](#).

## The Ethics Helpline

### Purpose

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.

### Criteria

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.

Read more on how we work with the Ethics Helpline in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Group Internal Audit

### Purpose

Group Internal Audit provides independent assurance. They evaluate the effectiveness of risk management, control, and governance processes by conducting operational, financial, and compliance process audits and investigations of alleged employee fraud.

### Criteria

Risk-based annual plan approved by the Audit Committee, and ad hoc investigations of reported fraud allegations.

## Employee Engagement Surveys

### Purpose

The engagement, leadership, organizational capabilities and commitment to our strategy and purpose is assessed through employee surveys. It enables comparison with other high-performing organizations.

### Criteria

The annual, Group-wide survey including employees in offices and manufacturing has been on hold since 2019, but will be relaunched from 2022 in a new annual format called "Employee Voice". During 2020 and 2021, Group functions, business areas and local business units conducted multiple employee surveys for their respective parts of the organization, for both production and non-production employees.

Read more on our EES in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Global audits of ISO standards for environment and safety

### Purpose

Every Electrolux business area must have an environmental management system at each of their manufacturing sites.

### Criteria

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](#). ISO 50001 Energy Management and ISO 45001 Occupational Health and Safety are being implemented at all production facilities.

## The sustainability KPI survey

### Purpose

The survey is an annual assessment to track operational environmental management and compliance in the areas of materials, waste and chemicals, and employee turnover.

### Criteria

The sustainability KPI survey forms the basis of our reporting for GRI disclosures. Read more in the [GRI Index](#).

## Green Spirit certification and reporting system

### Purpose

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.

### Criteria

All manufacturing sites are evaluated annually as part of the certification, and are awarded stars according to their energy management performance. Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#).

## Safety Management System (SMS)

### Purpose

SMS is a factory self-assessment protocol to assess if manufacturing units meet internal safety standards.

### Criteria

We conduct SMSs annually for all Global Industrial Operations. Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Responsible sourcing audits

### Purpose

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.

### Criteria

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](#).

## External verification of sustainability reporting

### Purpose

The verification enhances reporting credibility and reporting practices.

### Criteria

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](#).

## GEARS

### Purpose

GEARS collects and compiles health and safety data.

### Criteria

Monthly reporting for all factories and warehouses. Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

# Management approach

**At Electrolux, 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.**

## Our business model

To achieve our Purpose – to shape living For the Better – and drive profitable growth, Electrolux uses 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.

## Sustainability integrated into our business

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 is acknowledged as a sustainability leader.

As an endorser of the UN Global Compact, Electrolux abides by universal principles, including the environment, labor and human rights through Group codes and policies, both internally and among suppliers. The following tables cover Global Reporting Initiative (GRI) topics that are deemed as being material to Electrolux.

The most relevant topics are integrated into our For the Better 2030 Goals and our approach and progress are outlined under each related Goal in the [Key Priorities and Progress 2021](#) section. The aspects have been combined if they have a common management approach or policy.

## For the Better 2030

Our sustainability framework – For the Better 2030 – was based on our materiality analysis. Read more about our material sustainability topics in the [Our materiality](#)

[process](#) section. Read about our Goals and our performance on them in the [Key Priorities and Progress 2021](#) section.

## Sustainability governance

Our sustainability framework – For the Better 2030 – is directly overseen by our Group management through the Sustainability Board, and by the business area management teams through various reference groups and steering groups.

The Electrolux Sustainability Board is an important forum to discuss and decide on sustainability action throughout the Group. The board is an essential part of our ability to deliver our sustainability targets going forward.

The legal sustainability reporting as part of the Annual Report is approved by the board. Group management has also adopted policies concerning Environment, Workplace, and Anti-Corruption, while the board has endorsed the Electrolux Code of Conduct.

Each business area is responsible for contributing to the fulfillment of Group targets under our nine Goals and several of the KPIs are broken down and followed up at business area level.

Group Sustainability is our expert function that drives the development of our sustainability agenda by supporting sustainability integration throughout our operations and monitoring performance, in close collaboration with business area Sustainability Directors. Group Legal Affairs is responsible for implementing our Anti-Corruption Program. The Electrolux global Ethics Helpline (our whistleblower function) and the Ethics Program are overseen by the Ethics & Human Rights Steering Group.

## Policy framework

	Environment	Social, labor and human rights	Anti-corruption
Policies	Electrolux Code of Conduct		
	Environmental Policy	Workplace Policy	Anti-Corruption Policy
	Workplace Policy	Supplier Workplace Standard	Conflict of Interest Policy
	Workplace Directive		
Central areas	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

## Evaluation of our management approach

Our progress on topics is tracked according to our defined targets. 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 [Key Priorities and Progress 2021](#).

For more information on external influences, see [Global megatrends that shape our business](#).

## Economic

For information regarding our economic management and reporting practices, see [Annual Report: Note 1 Accounting principles](#). For our work on anti-corruption, see [Act ethically, lead in diversity and respect human rights](#).

## Anti-corruption, anti-competitive behavior

### Electrolux commitments

Specified in the Code of Conduct, Anti-Corruption Policy and Anti-trust Policy.

### Electrolux 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.

## Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Environment

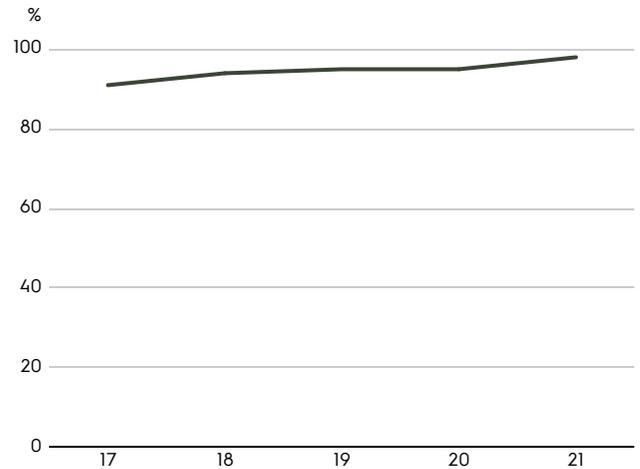
Electrolux applies a product lifecycle approach to managing environmental impacts, which considers the entire lifecycle - from supplier impacts to transport, manufacturing and use. We also apply the precautionary principle, whereby we act responsibly despite not having the full scientific knowledge of 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.

## Level of ISO 14001 certification



The proportion of factories with more than 50 employees that have certified ISO 14001 management systems.

## Transport

### Electrolux commitments

Electrolux is an active partner in the Business for Social Responsibility Clean Cargo Working Group, and is represented on its steering committee. All Electrolux 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.

### Electrolux responsibility and resources

Responsibility lies with each business area. Action is monitored and coordinated through our Group Sustainability function.

### Our approach and progress in 2021

Read more in our Goal [Drive supply chain sustainability](#).

## Materials

### Electrolux commitments

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.

### Electrolux responsibility and resources

Our internal Recycling Taskforce includes representatives from each Electrolux sector, purchasing, R&D, production and product lines to define the scope of our work as well as targets and action.

### Our approach and progress in 2021

Read more in our Goal [Offer circular products and business solutions](#).

## Energy

### Electrolux commitments

Electrolux is committed to use energy in the most efficient way.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#).

## Water

### Electrolux commitments

Electrolux is committed to use water in the most efficient way.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#).

## Emissions

### Electrolux commitments

Electrolux has approved science-based CO<sub>2</sub> emissions targets in place. This include the phase-out of high-impact greenhouse gases and ozone-depleting substances.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#) and [Our Climate Targets](#).

## Waste

### Electrolux commitments

Our Zero Waste to Landfill program has the objective to reduce the amount of waste sent to landfill or incinerated without energy recovery.

### Electrolux responsibility and resources

The global Electrolux Zero Waste to Landfill program covers all our factories around the world. The program aims to find opportunities for material reuse and recycling and at the same time decrease the amount of waste sent to landfill and/or to incineration without energy recovery.

### Our approach and progress in 2021

Read more in our Goal [Be climate neutral and drive clean and resource-efficient operations](#).

## Supplier environmental assessments

### Electrolux commitments

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.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Drive supply chain sustainability](#).

## 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 labor commitments. 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](#) outlines how operations and suppliers meet Group expectations and commitments.

## Investment

### Electrolux commitments

Human rights screening is included in our acquisition processes, as specified in our guideline "Human rights risks in acquisitions".

### Electrolux responsibility and resources

Responsibility lies with each project team, supported by Group Legal and Sustainability functions.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Non-discrimination, child labor, forced or compulsory labor

### Electrolux commitments

Policy commitments are part of our Code of Conduct and Workplace Policy and People Policy.

### Electrolux 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 assessing the unit's performance.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Occupational health and safety

### Electrolux commitments

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.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Training and education

### Electrolux commitments

A focus area of our People Plan is to truly become a learning organization. Our training and education program is built on the 70-20-10 learning model: 70% through challenging assignments and on-the-job experience, 20% through relationships, networks and feedback, and 10% through formal training.

### Electrolux responsibility and resources

Responsibility lies with each unit's line management, supported by our business areas and functions, in close collaboration with Group HR.

### Our approach and progress in 2021

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

### Electrolux commitments

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.

### Electrolux 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 are transitioning to become more data driven and 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.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Labor & management relations

### Electrolux commitments

Labor and management relations are specified in our Code of Conduct and Workplace Standard. 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.

### Electrolux responsibility and resources

Country and local line organizations are responsible for realizing the strategy, supported by HR Country Managers and Group Labor Relations.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Supplier assessment for labor practices and human rights

### Electrolux commitments

Specified in the Supplier Workplace Standard and Workplace Directive.

Compliance is mandatory and non-negotiable for suppliers, and stated in the supplier contract.

### Electrolux 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.

### Our approach and progress in 2021

Read more in our Goal [Drive supply chain sustainability](#).

## Security practices

### Electrolux commitments

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.

### Electrolux responsibility and resources

Unit line management is responsible for fulfilling the Security Program locally, supported by Group Security.

### Our approach and progress in 2021

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 for labor practices, human rights

### Electrolux commitments

Employees can report misconduct confidentially and anonymously (where legally permitted) through our confidential reporting mechanism - the Ethics Helpline. Suppliers can report possible non-compliances through the Supplier Workplace Standard mailbox.

### Electrolux responsibility and resources

The Ethics and Human Rights Steering Group is responsible for the grievance mechanism. Trained investigators conduct the investigations, in line with our confidentiality and integrity principles.

### Our approach and progress in 2021

Read more in our Goal [Act ethically, lead in diversity and respect human rights](#).

## Public policy

### Electrolux commitments

The Group External Affairs Committee, including representatives from the business areas, coordinates positions and other public affairs matters.

### Electrolux 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  
Forthcoming 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  
EU taxonomy  
Smart appliances, data security and privacy  
The Corporate Sustainability Reporting Directive (CSRD)  
Forthcoming EU directive on Human Rights and Environmental Due Diligence

#### 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 10 ASEAN countries plus China, Japan, South Korea, Australia and New Zealand

#### Latin America

Recycling program structuring in Brazil  
Discussion in the Mercosur trade block on a free trade agreement with South Korea  
New energy efficiency labelling for refrigerators in Brazil

Case stories



# 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. Achieving climate neutral operations is a part of the company's 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, Maintenance & EMS. "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."



## A holistic approach to reducing emissions

"But working toward climate neutral operations, doesn't just involve working with energy – it involves working with the efficient use of all kinds of resources," says Caiulo.

The company's internal resource efficiency program and rating system is continuously improved to reduce environmental impact and operational costs. It has a holistic approach, focusing on the efficient use of all resources – from energy and water, to waste and packaging.

"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," says Caiulo.

The incorporation of innovative solutions is also important – such as the adoption of plastic stretch film rather than shrink wrapping, which requires the application of heat. The solution avoids the need for heating and has already been adopted in some Electrolux factories.



## Zero waste is key for climate neutrality

Electrolux has made good progress on its global Zero Waste to Landfill program in 2021. Today, improved waste management ensures that about 97% of the total waste produced by Electrolux sites is either reused or recycled. As sending waste to either incineration or landfill results in emissions, zero waste is crucial for achieving climate neutral operations.

"I am particularly proud of our work to compost food waste from the canteens of our factories, such as San Carlos in Brazil where we compost food waste to create composting soil for the local community," says Caiulo. "It's a simple example of how we have converted a problem into a solution that helps the local community to produce food."

Another example of reducing waste in Australia is replacing wood pallets that were used to transfer products from suppliers that couldn't be reused with cardboard pallets that can be easily recycled into new packaging.

## The importance of partner collaboration

"Our supply chain partners are essential to achieve our sustainability objectives and we are working to raise awareness among suppliers, for example by working with them through the CDP Program," says Caiulo. "In fact, we will use our internal team to support suppliers to build better processes concerning energy, waste and technological solutions. This work often goes beyond our own operations but contributes to our objective of making our entire value chain carbon neutral by 2050."

Electrolux is dependent on supply chain partner collaboration to achieve climate neutrality in the transportation of its materials and products by 2030. This involves a lot of raising awareness among partners and promoting solutions such as the use of biofuels and ensuring full containers.

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.

"We still have many challenges ahead of us in terms of climate neutral operations, but I have no doubt that we will achieve our objective by 2030," concludes Caiulo. "I am extremely proud of our team and the willingness of Electrolux to invest in more sustainable operations – we really are a leader in our industry."

Read more in our For the Better 2030 Goal: [Be climate neutral and drive clean and resource-efficient operations.](#)

# How are we becoming more circular?

## Electrolux contributes to the circular economy by promoting recyclability, integrating recycled materials into its product platforms and by developing more circular business solutions.

By 2030, our goal is to replace 50% of the virgin plastic used in the manufacturing of our products. In 2021, the use of recycled plastic increased by more than 25%, from 6,800 tons in 2020 to 8,600 tons.

### 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 to develop a prototype that is close to being fully recyclable.

The 2-Infinity prototype vacuum cleaner is 90% recyclable compared to around 70% for a regular vacuum cleaner on the market. By being designed to be highly recyclable at its end-of-life, 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 recycle. We also continued to develop sustainable design guidelines that will enable our R&D and design teams to maximize recyclability and reparability.

### Meet the 2-Infinity prototype vacuum cleaner

#### [Watch video](#)

"The development of 2-Infinity has given us opportunities to exchange knowledge with expert partners and gain insight into how we can create and produce even more sustainable products globally," says Martin Hedström, Head of Insights & Innovation. "There is a tremendous shift in consumer expectations on brands to show progress and conviction in areas concerning sustainability, however they challenge us to do this without increasing price or diluting quality or functionality, which requires significant innovation."

### Drawing on consumer insight

During the year, we gathered consumer perceptions on recycled plastics in products, which highlighted a huge consumer interest in for 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.

In the coming years, Electrolux will introduce a family of products designed to highlight the use of recycled materials across the innovation areas of Taste, Care and Wellbeing.

### Offering consumers a sustainable upgrade

Electrolux closely follows regulations in its various markets and develops solutions to meet market changes and opportunities. In 2021, a Sustainable Trade-in Program was launched in Vietnam to enable consumers to have their old washing machine collected and upcycled in return for a discount on a new Electrolux model. Vietnam has limited appliance recycling facilities and Electrolux works with a specialist partner to ensure old washing machines are properly recycled.

"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. "It also differs from similar products in that we offer a 'green discount' on any brand of washing machine, which is a great way for us to create new consumers."

The collected appliances are either sustainably recycled by a certified recycling partner at their specialist facility, or refurbished and given a second life where it can serve a new family. The program has also been good for business in Vietnam as it has boosted Electrolux sales by around 10% in the country.

Read more in our For the Better 2030 Goal: [Offer circular products and business solutions](#).

# 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, Head of the Electrolux 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 business value as the main driver, to also include consumers and the planet as our key value drivers in our innovation process. This approach also ensures we better meet the demands of current generations without compromising the ability of future generations to meet their needs.

In the past, we saw ourselves as a brand in the appliance industry. But as our products have most of their environmental and social impact in their use phase, we have started to broaden our perspective on the role our products play and how we can create ongoing relationships with people to help them live more sustainably.

This approach is reflected in our For the Better 2030 Goals, such as how we can make clothes last twice as long or make healthy and sustainable eating the preferred choice. It's all about how we can contribute toward creating better and more sustainable systems for both people and our planet. It also involves a long-term approach to innovation by looking at where we want to be in ten years' time.

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

First and foremost, sustainability is essential to who we are as a company and our purpose. And sustainable product innovation is about us walking the talk.

It also makes us more resilient in times of crisis or market volatility as demand remains high for our more sustainable products. In addition, innovation drives stronger, more profitable patents and long-term revenue streams.

Finally, sustainability product innovation is becoming increasingly important for attracting and retaining employees. Younger generations in particular demand that our business has a sustainability focus.

## How do you integrate sustainability from the very beginning when developing new products?

Again, it all starts with our purpose and company strategy. We work with a "Present forward" approach to look at what's driving current consumer experiences as well as a "Future back" approach where we re-imagine the future in say ten years time. Both approaches are part of our strategy.

We plan each of our Taste, Care and Wellbeing innovation areas in detail. It isn't about just improving what we have today – but how we can innovate in these growth areas to create new value for people and the planet. By radically rethinking products and how we deliver value, we have huge potential to create a positive societal impact while achieving long-term profitability for our business.

## How important are partnerships in innovation?

Of course, we can't do all this alone and we work with a wide variety of stakeholders. We work with the youth of today for example to ensure our innovation is focused on meeting the needs of future generations (read more in our [Case Story on Envisioning the future of better living with the next generation](#)). We have always worked with consumer testing and suppliers, but we have also started working with partners to extend our influence. One example is our partnership with the fashion brand Houdini to further our efforts to promote more sustainable fashion.

By establishing such 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 is this sustainability innovation journey changing the way we work internally?**

In short, it is revolutionizing our ideation process and how our various teams collaborate and work together from the very beginning. When we get people out of their comfort zone and enable them to collaborate in a fluid and liberated environment where they feel included, safe and empowered – this is where we create synergies that really drive innovation.

Inclusive innovation is also essential. If people don't feel they are involved the process, it can kill innovation.

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

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

I am extremely proud of our progress in 2021, and I'm so impressed by the passion and dedication of our people. They have been instrumental in making sustainability part of everything we do, and I look forward to continuing our journey in the years ahead.

Read more in our For the Better 2030 Goal: [Lead in energy, and resource efficient solutions.](#)

# 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. "Many of our solutions also allow gentler garment care, which makes clothes last longer."

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. The design is highly innovative and won a German Red Dot design award in 2021. It will be integrated into Electrolux and AEG laundry products globally from 2022.

Another product that was integrated into lower price point platforms to make the technology available to more people in 2021 was our SteamCare washing machine. 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.

[Watch video](#)

### Campaign helps consumers Make it Last

The Make it Last campaign, which is a global platform that inspires more sustainable laundry behavior among consumers, proved a success in Europe in 2020. In 2021, the campaign was

launched in APAC & MEA and North America – reaching consumers across five continents during the year with messages around more sustainable laundry behavior.

"With the Make it Last campaign, our aim is to increase awareness of more sustainable ways of washing and promote better behaviors while connecting seamlessly to product benefits and features," says Priou. "We know from consumer research that this connection is very important."



### AEG challenges the expected

A new campaign in 2021 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 rather than washing, the use of lower temperatures as well as promote solutions such as AutoDose, which provides optimal detergent dosage to protect clothes from fading while also caring for the environment.

**Read more in our For the Better 2030 Goals:**

[Make healthy and sustainable eating the preferred choice](#)

[Make clothes last twice as long with half the environmental impact](#)

[Make the home a healthier place to thrive in, with half the carbon footprint](#)

# We welcome you "as you are"

**In 2021, Electrolux set new diversity and inclusion (D&I) aspirational objectives, established new long-term partnerships and engaged employees through global trainings, workshops, webinars and employee networks.**

In early 2021, Electrolux launched its global D&I e-learning. The interactive e-learning highlights the importance of D&I 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 almost 8,000 employees, equivalent to 43% of the eligible global workforce, had taken it by the end of 2021.

"The new e-learning provides a great introduction into diversity and inclusion before encouraging colleagues to deepen their knowledge in our virtual Challenge Bias Workshop on unconscious bias," says Alzetta.

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.

## Drawing on behavioral change expertise

In 2021, Electrolux began partnering with behavioral change specialists [Mindgym](#) to provide greater expertise, trainings and tools. Mindgym brings a research-based perspective and is enabling Electrolux to cultivate a more inclusive culture.

During 2021, Electrolux collaborated with Mindgym on two new webinars:

- "Different Like Me" – a 60-minute global session into inclusion and what it means for Electrolux and for individual employees.
- "Stand By Me" – a 60-minute global session on how employees can be an active ally and continuously act to bring about positive change.

Mindgym has also helped Electrolux to develop a new D&I toolkit for leaders that was launched in Q1 2022. The toolkit provides guidance and tips on how to be more consciously inclusive as a leader.

Read more in our For the Better 2030 Goal: [Act ethically, lead in diversity and respect human rights.](#)

The new Electrolux D&I Objectives approved in 2021 have three pillars: Diversity, Inclusive culture, and Equal treatment. Each pillar has objectives and KPIs to track progress. The overall mindset is to recognize the unique value that every individual brings to the company.

The objectives include plans to implement minimum global parental leave in 2022, and a 40-60% gender balance among company leaders by 2030. At the end of 2021, the overall proportion of female people leaders was 28.3%.

"We want to have an inclusive culture where diversity is celebrated and encouraged through respect and equal treatment as we live our purpose to shape living for the better," says Jonas Samuelson, CEO. "Diversity and inclusion make us stronger, more innovative and a better employer."

"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."

## 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 that provide guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and society.

"I'm proud that Electrolux is now a global signatory of the UN Women Empowerment Principles to empower women in the workplace through equal opportunities and fair treatment," says Samuelson. "Electrolux has been a long-term signatory of the UN Global Compact and is committed to its principle of non-discrimination in the workplace."

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.

## Global D&I training and employee engagement

# 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.**

Last year, Electrolux CEO Jonas Samuelson published an open letter inviting young people from around the world to apply to join forces with Electrolux and some of the most influential change-makers of today to explore solutions for future sustainable homes. The aim was to learn more about young people's hopes, dreams and concerns, and to ensure our efforts align with their future wants and needs.

"We want to listen to young people who will be starting up their own homes in the near future," said 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. This is why we take the opportunity to ask them now – to be able to provide solutions tailored to their needs, come 2030."

## Better Living 2030 open letter from Jonas

[Watch video](#)

## A better tomorrow – according to the youth of today

Electrolux commissioned a survey of 13,886 young people from 13 countries – all aged between 15 and 20 in 2021. 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 concerns for the future in 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.

"I'm so excited about this initiative. We normally focus on the consumers we serve today. But it's crucial that we listen to the change makers of tomorrow," says Tove Chevalley, Head of the

Electrolux Innovation Hub. "Our team will work closely with them and other experts as part of a 'Team of Change-Makers' to push ourselves to define completely new solutions that help people live more sustainably."

[Download the Change-Makers Report](#)

## 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 Electrolux Innovation Hub to explore solutions for better living, starting with the future of clothes and garment care.

"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 Chevalley. "In the eight or so sessions we had with them in 2021 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."

## Meet the team

[Watch video](#)

### Read more in our For the Better 2030 Goals:

[Make healthy and sustainable eating the preferred choice](#)

[Make clothes last twice as long with half the environmental impact](#)

[Make the home a healthier place to thrive in, with half the carbon footprint](#)

# Sustainable culinary training that spurs life-long impact



Since 2017, the 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 changes 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 almost 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, almost 70% of Like a Chef participants in Brazil for example had found work after completing the training.

duration. "We meet local needs in terms of suitable recipes and cooking techniques to make sure they are culturally relevant," explains Scarano.

During the pandemic, the program in Brazil adopted a blended learning model that consisted of three condensed weeks working remotely and one week of in-person training.

## Watch: Like a Chef Program in Yalla Rinkeby in Sweden

[Watch video](#)



## Electrolux employees are welcome to lend a hand

There are opportunities for employees to help out. "Examples of how this is already happening are employees giving workshops in Brazil and Egypt on how to create a CV and practice job interviews," says Scarano. "Participants also receive support to start their own catering business and we work with a business incubator in Brazil."

"I've been involved in the program since 2020 and facilitate a 2-hour session for students on how to find a new job or hire someone for their own business every two months or so," explains Isabela Rossato, Talent Acquisition Partner for Latin America. "I really enjoy sharing my recruitment experience to help people develop personally and in their career."

"We are always open to Electrolux employees who want to support their local Like a Chef training or even help establish a new program in their country," says Scarano. "I'd like to bring more of our employees closer to our Like a Chef students."

## 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 at 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 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.

## A "glocal" and sustainable concept

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



Read more about our work with [Community investment](#).

# Leading in water-efficient operations and calling for action

**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

As part of its participation in World Water Week 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 made headlines around the world in 2021 with serious water shortages and floods," says Tomas Dahlman, Director Global Energy, Group Sustainability Affairs. "The UN Intergovernmental Panel on Climate Change's (IPCC) recent climate report also highlights how human emissions are causing increasingly severe water-related issues."

## Electrolux statement calls for other companies to join us in taking the following three steps:

- 1) Raise awareness** – use the WWF (World Wide Fund for Nature) Water Risk Assessment to analyze the water risks throughout their value chain. This includes focusing on local conditions and how they may be affected by future climate scenarios.
- 2) Act** – set targets and develop a strategy for more responsible water use throughout the value chain. Water targets should be science-based and adapted to local conditions – to optimize a company's resource use.
- 3) Collaborate** – partnering with a wide range of stakeholders is essential, including investors and decision makers in other companies. Collaboration is particularly important in geographic risk areas where responsible water use initiatives will be increasingly required for successful business.



## 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 WWF 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."

Additionally, Electrolux works closely with internal stakeholders through the Electrolux Green Spirit program, which involves sharing water management best practice, monthly reporting on water performance indicators and conducting water mapping.

## Leadership on water issues

In 2021, Electrolux was one of a small number of 3,000 companies that were included in the Water "A list" of the global non-profit CDP. It was the second year in a row that Electrolux secured a place on the CDP Water "A list" and is recognition of the company's ongoing work to tackle water security.

"Between 2015 and 2020, our overall water efficiency in operations improved by more than 40%, with particularly good progress at our factories in water scarce regions," says Dahlman. "But we still have work to do and we will continuously improve our water efficiency around the world in the years to come."

Over the years, an ambitious approach to sustainability has guided Electrolux 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 in driving climate action together with like-minded organizations.**

"As a company present in millions of homes across the world, we know we have a big 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," says Vanessa Butani, VP Group Sustainability. "We're committed to do our part and to inspire others."

## Our climate leadership

By the end of 2021, Electrolux reduced its absolute scope 1 and 2 greenhouse gas emissions from operations by 78% compared to 2015. The company's science-based reduction target (SBT) is to achieve an 80% reduction in its scope 1 and 2 emissions by 2025, and climate neutral operations by 2030. Scope 3 greenhouse gas emissions were reduced by around 20% in 2021 compared to 2015, toward a reduction target of 25% by 2025. Read more about the company's [Climate Goals](#).

In 2021, Electrolux was recognized for its sustainability leadership with a prestigious A score for Climate and Water as well as a Supplier Engagement Leader by the global non-profit CDP. We 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 Butani.

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, the company worked through the global UN-backed Race to Zero campaign to rally leadership and support from various actors in society.

### [Watch video](#)

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.

## Supplier collaboration through CDP

Electrolux has been working with CDP for almost 15 years, starting with its own company disclosure and most recently with the performance of its suppliers. In 2021, over 300 Electrolux suppliers engaged in the CDP Supply Chain Program. While

voluntary, the program challenges suppliers to act more sustainably in their operations, which gives them a competitive advantage in their own market and with their customers.

The program highlighted further improvement in the performance of Electrolux suppliers. During the year, Electrolux was named a Supplier Engagement Leader by CDP, which is based on corporate governance, targets, disclosure, and the result of such high response rates and strong efforts to engage suppliers.

## Other examples of Electrolux climate-related partnerships:

**Collaboration with shipping partners** – by using alternative fuels such as biofuel based on waste cooking oil, Electrolux will reduce its transport-related greenhouse gas emissions by 25% in 2022.

**UN Cool Coalition** – focuses on replacing high-impact greenhouse gases with more sustainable alternatives. Electrolux has announced a plan to replace high-impact greenhouse gases in all its appliances by 2023 at the latest, as part of its commitment to the Cool Coalition initiative. The plan will help Electrolux deliver on its objective to significantly reduce its climate footprint over the coming decade.

**50L Home Coalition** – The coalition aims to show how society can move to 50 liters of daily water use per person in the long term. As a founding member of the 50L Home Coalition in 2021, Electrolux contributed with expertise to create a new white paper "A Circular Water Future" aimed at influencing institutions and authorities to re-evaluate water-use policy around the world.

**WWF (World Wide Fund for Nature)** – Electrolux has used the WWF Water Risk Filter to help identify which of its plants are located in water-scarce areas and to formulate water-efficiency targets for those plants. The cooperation with WWF has helped shape the company's ambitious approach to water efficiency and helped it adapt to a world that faces greater water scarcity in the future.

**Stena Recycling** – Following the development of a prototype vacuum cleaner made from 100% recycled materials together with Stena Recycling in 2020, Electrolux developed a prototype that is 90% recyclable in 2021 – compared with 70% for a conventional vacuum.

Read more in our [Climate Goals](#).

# Reporting framework



# About this report

**For Electrolux, 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 2021 Electrolux Sustainability Report presents the nine Goals of the Group's sustainability framework. Using the Global Reporting Initiative (GRI) Standards 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 two versions: an abbreviated, printed report (available in pdf format) and an extended, comprehensive online report (also available as a pdf).

Based on a updated materiality analysis, our sustainability framework - For the Better 2030 - reflects the sustainability issues most relevant to Electrolux 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 printed Annual Report, 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 focus is on how sustainability issues relate to the business strategy, as well as our risk assessment, goals and performance.

## Reporting realm

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, and has been reviewed by a third party to ensure the accuracy and completeness of reporting. 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.

Where relevant, this report also highlights how the Group's priorities reflect its commitment to the ten principles of the UN Global Compact (UNGC). Electrolux has therefore considered the UN Global Compact "GC Advanced" level for reporting on its Communication on Progress. An index of the UNGC's 24 criteria is included in this report.

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). We will continue to develop our reporting in the future.

Unless otherwise indicated, standard disclosures include all operations that can potentially affect Group performance. Please, see the section Restatement of information and changes in reporting for information on how discontinued operations are reported.

Electrolux applies the precautionary principle for managing sustainability and reporting as stated in our Environmental Policy. We use conservative estimates where applicable.

## Boundary of the report

The Sustainability Report is published annually. This report covers data that has been collected throughout the 2021 calendar year. At year end, the total number of employees was 50,430 (47,379) encompassing our majority-owned operations. This report covers 41 (40) factories, 44 (33) warehouses and 37 (36) offices, in 33 (33) countries. This scope represents 90% (89%) of our total number of employees at year end. Staff working at facilities with less than 30 employees are not included in this compilation. The average number of employees in the Group increased by 9% during 2021.

Reported data is without contributions from discontinued operations unless otherwise stated.

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 2021 edition data set, as published by the International Energy Agency (IEA). To allow comparability, the 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 reports on its performance indicators covering the last five years.

Health and safety statistics are based on the Electrolux global definitions in terms of what constitutes a workplace injury and a lost day due to injury. All personnel within Electrolux manufacturing and logistics operations are included, as well as contractors.

Throughout the report, as data is presented as part of the narrative, 2020 data is presented in (brackets).

The company's previous Sustainability Report was published in March 2021.

### Restatement of information and changes

GRI 102-41 Collective bargaining agreements: 2020 data restated due to scope error. Decrease in reported value.

GRI 305-1 305-2 Direct and Indirect CO<sub>2</sub> emissions: Restated due to fuel emission factor corrections. Small emissions increase (below 5%) for 2020, 2019, 2018.

### Omissions from GRI Standards

GRI 201-1 Direct economic value generated and distributed: Only distribution of direct economic value reported in percentages.

GRI 205-2 Communication and training about anti-corruption: Only number of employees trained reported.

GRI 301-2 Recycled input materials used: Disclosure is aligned with internally used key performance indicator for recycled plastics used.

GRI 303-4 Water discharge: Where locations lack measurement instruments for discharge water, data is based on engineering estimates.

GRI 306-3 & GRI 306-5: Waste is reported in line with the Electrolux program "Zero Waste to Landfill".

GRI 401-1 New employee hires and employee turnover: New hire data is not consolidated at Group level. No total numbers nor breakdown on age groups are reported, only percentages.

GRI 403-9 Work related injuries: Contractors included in injury statistic. No separate report for this category. Workplace hazards are not consolidated at Group level. Personnel working in office locations excluded.

GRI 404-1 Average hours of training per year per employee: Training hours only cover white collar employee categories. No data for gender specific training hours.

GRI 405-1 Diversity of governance bodies and employees: No breakdown by age group is reported.

GRI 412-2 Employee training on human rights policies or procedures: Only the number of employees trained is reported.

### External assurance

The Sustainability Report (as referenced in the GRI index) is reviewed in accordance with the standard ISAE 3000.

[Read the Auditor's Limited Assurance Report on the Electrolux Sustainability Report](#)

For more and continuously updated information on the Group's progress and performance in terms of sustainability issues, visit: <https://www.electroluxgroup.com/en/>

Or contact:  
Electrolux Group Sustainability  
Vanessa Butani  
Vice President of Sustainability Affairs  
Tel: +46 (0) 8 738 60 00  
E-mail: [sustainability@electrolux.se](mailto:sustainability@electrolux.se)

# GRI Index

This Sustainability Report is based on the Global Reporting Initiative (GRI) Standards and is reviewed by a third party to ensure the accuracy and completeness of reporting.

## Overview of Standard Disclosure requirements

This Sustainability Report is based on the Global Reporting Initiative (GRI) Standards and is reviewed by a third party to ensure the accuracy and completeness of reporting. This GRI Index directs readers to information on relevant indicators as defined by the GRI Standards. Reference to disclosures preceded by "Own disclosure": in the below table, reflect, but do not fully meet the requirements as defined by GRI. The differences are explained in [About this report](#). Disclosure refers to GRI Standards versions 2016. Topics that refer to Standards versions 2018 are denoted with <sup>(GRI2018)</sup>. Topics that refer to Standards versions 2020 are denoted with <sup>(GRI2020)</sup>.

The index below outlines where GRI reporting elements are addressed in this Sustainability Report, in the Annual Report, and where they are disclosed online at [www.electroluxgroup.com](http://www.electroluxgroup.com).

For more information on the Global Reporting Initiative, visit [www.globalreporting.org](http://www.globalreporting.org).

See [About this report](#) for more information on this review's reporting realm.

## GRI 102 General Standard disclosures

### Organizational profile

GRI 102-1 Name of the organization	AB Electrolux (publ)
GRI 102-2 Activities, brands, products, and serves	<a href="#">Annual report: CEO statement</a> <a href="#">Annual report: Note 3 Segment information</a>
GRI 102-3 Location of headquarters	Stockholm, Sweden
GRI 102-4 Location of operations	Manufacturing in 18 countries, sales in over 120 markets.
GRI 102-5 Ownership and legal form	<a href="#">Ownership structure</a>
GRI 102-6 Markets served	Over 120 Markets worldwide <a href="#">Annual report: CEO statement</a>
GRI 102-7 Scale of the organization	52,250 employees at year end. <a href="#">Board of Directors' report and financial statements</a>
GRI 102-8 Information on employees and other workers	<a href="#">Annual Report: Board of Directors' report and financial statements - Employees</a> <a href="#">Employment by contract and region</a> <a href="#">Average employees per region</a>
GRI 102-9 Supply chain	<a href="#">Act ethically, lead in diversity and respect human rights</a>
GRI 102-10 Significant changes to the organization and its supply chain	<a href="#">About this report</a> <a href="#">Annual Report: Note 26 Acquired and divested operations</a>
GRI 102-11 Precautionary Principle or approach	<a href="#">About this report</a> <a href="#">Electrolux Code of Conduct</a>
GRI 102-12 External initiatives	<a href="#">UN Global Compact</a> <a href="#">United Nations Guiding Principles for Business and Human Rights</a>
GRI 102-13 Membership of associations	<a href="#">APPLIA</a> and <a href="#">AHAM</a> are Electrolux principal industry associations membership

<b>Strategy</b>		
GRI 102-14 Statement from senior decision-maker	<a href="#">Sustainability Q&amp;A with Jonas Samuelson, Electrolux President and CEO and Vanessa Butani, VP Group Sustainability</a>	
<b>Ethics and Integrity</b>		
GRI 102-16 Values, principles, standards, and norms of behavior	<a href="#">Electrolux Code of Conduct</a>	
<b>Governance</b>		
GRI 102-18 Governance structure	<a href="#">Board of Directors</a> <a href="#">Group Management</a>	
<b>Stakeholder engagement</b>		
GRI 102-40 List of stakeholder groups	<a href="#">Stakeholders inform our approach</a>	
GRI 102-41 Collective bargaining agreements	<a href="#">Collective bargaining agreements</a>	
GRI 102-42 Identifying and selecting stakeholders	<a href="#">Stakeholders inform our approach</a>	
GRI 102-43 Approach to stakeholder engagement	<a href="#">Stakeholders inform our approach</a>	
GRI 102-44 Key topics and concerns raised	<a href="#">Key priorities and progress 2021</a> <a href="#">Our materiality process</a> <a href="#">Stakeholders inform our approach</a>	
<b>Reporting practice</b>		
GRI 102-45 Entities included in the consolidated financial statements	<a href="#">Board of Directors' Report and Financial Statements</a> <a href="#">Annual Report: Note 29 Shares and participations</a>	
GRI 102-46 Defining report content and topic boundaries	<a href="#">About this report</a>	
GRI 102-47 List of material topics	<a href="#">For the Better framework</a>	
GRI 102-48 Restatements of information	<a href="#">About this report</a>	
GRI 102-49 Changes in reporting	<a href="#">About this report</a>	
GRI 102-50 Reporting period	<a href="#">About this report</a>	
GRI 102-51 Date of most recent report	<a href="#">About this report</a>	
GRI 102-52 Reporting cycle	<a href="#">About this report</a>	
GRI 102-53 Contact point for questions regarding the report	Vanessa Butani, VP Group Sustainability Affairs ( <a href="mailto:sustainability@electrolux.se">sustainability@electrolux.se</a> )	
GRI 102-54 Claims of reporting in accordance with the GRI Standards	Prepared in accordance with the GRI Standards: Core option	
GRI 102-55 GRI content index	<a href="#">GRI Index</a>	
GRI 102-56 External assurance	<a href="#">About this report</a>	

## GRI 200 Economic standards

<b>GRI 201 Economic performance</b>		<b>SGD</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
GRI 201-1 Direct economic value generated and distributed	<a href="#">Direct economic value generated and distributed</a>	2,5,7,8,9
<b>GRI 205 Anti-corruption</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
GRI 205-1 Operations assessed for risks related to corruption	<a href="#">Risk countries</a> <a href="#">Understanding and managing our human rights risks.</a> <a href="#">Value impacts throughout our value chain</a>	16
GRI 205-2 Communication and training about anti-corruption policies	<a href="#">Act ethically, lead in diversity and respect human rights</a>	16
GRI 205-3 Confirmed incidents of corruption and actions taken	<a href="#">Act ethically, lead in diversity and respect human rights</a>	16
<b>GRI 206 Anti-competitive behavior</b>		<b>SDG</b>
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Annual Report Note 25 Contingent assets and liabilities</a>	16

## GRI 300 Environmental Standards

<b>GRI 301 Materials</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 301-1 Materials used by weight or volume	<u>Materials</u>	8,12
GRI 301-2 Recycled input materials used	Own disclosure: <u>Amount of recycled plastic</u>	8,12
<b>GRI 302 Energy</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 302-1 Energy consumption within the organization	<u>Energy consumption</u>	7,8,12,13
GRI 302-3 Energy intensity	<u>Be climate neutral and drive clean and resource-efficient operations</u>	7,8,12,13
GRI 302-4 Reduction of energy consumption	<u>Be climate neutral and drive clean and resource-efficient operations</u>	7,8,12,13
<b>GRI 303 Water and effluents</b> (GRI2018)		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 303-3 Water withdrawal	<u>Water withdrawal</u>	6,8,12
GRI 303-4 Water discharge	<u>Water discharge</u>	6,8,12
<b>GRI 305 Emissions</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 305-1 Direct (Scope 1) GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u> Total direct and indirect CO <sub>2</sub> gas emissions by weight	3,12,13,14,15
GRI 305-2 Energy indirect (Scope 2) GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u> Total direct and indirect CO <sub>2</sub> emissions by weight	3,12,13,14,15
GRI 305-4 GHG emissions intensity	<u>Be climate neutral and drive clean and resource-efficient operations</u>	13,14,15
GRI 305-5 Reduction of GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u>	13,14,15
GRI 305-6 Emissions of ozone-depleting substances (ODS)	<u>Ozone depletion substances</u>	3,12,13
<b>GRI 306 Waste</b> (GRI2020)		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 306-1 Waste generation and significant waste-related impacts	<u>Be climate neutral and drive clean and resource-efficient operations</u>	3,6,11,12
GRI 306-2 Management of significant waste-related impacts	<u>Be climate neutral and drive clean and resource-efficient operations</u>	3,6,11,12
GRI 306-3 Waste generated	<u>Waste generated</u>	3,6,11,12
GRI 306-5 Waste directed to disposal	<u>Waste directed to disposal</u>	3,6,11,12
<b>GRI 308 Supplier environmental assessment</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 308-1 New suppliers that were screened using environmental criteria	<u>Improve sustainability in the supply chain</u>	
<b>GRI 400 Social Standards</b>		
<b>GRI 401 Employment</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 401-1 New employee hires and employee turnover	Own disclosure: <u>Employee turnover by age group and gender</u>	3,5,8,10
<b>GRI 403 Occupational health and safety</b> (GRI2018)		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 403-1 Occupational health and safety management system	<u>Act ethically, lead in diversity and respect human rights</u>	8,16
GRI 403-9 Work-related injuries	Own disclosure: <u>Work-related injuries</u>	

<b>GRI 404 Training and education</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	4,5,8
GRI 404-1 Average hours of training per year per employee	<a href="#">Average hours of training per year and performance review</a>	
GRI 404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">Average hours of training per year and performance review</a>	
<b>GRI 405 Diversity and equal opportunity</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	5,8
GRI 405-1 Diversity of governance bodies and employees	<a href="#">Gender distribution</a>	
<b>GRI 406 Non-discrimination</b>		
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	5,8,16
GRI 406-1 Incidents of discrimination and corrective actions taken	<a href="#">Act ethically, lead in diversity and respect human rights</a>	
<b>GRI 407 Freedom of association and collective bargaining</b>		<b>SGD</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	8
GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Risk Countries</a> <a href="#">Understanding and managing our human rights risks</a> <a href="#">Act ethically, lead in diversity and respect human rights</a> <a href="#">Impacts throughout our value chain</a>	
<b>GRI 408 Child labour</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	8,16
GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">Risk Countries</a> <a href="#">Understanding and managing our human rights risks</a>	
<b>GRI 409 Forced or compulsory labour</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Risk Countries</a> <a href="#">Understanding and managing our human rights risks</a>	8
<b>GRI 412 Human rights assessment</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	<a href="#">Act ethically, lead in diversity and respect human rights</a>	
GRI 412-2 Employee training on human rights policies or procedures	<a href="#">Act ethically, lead in diversity and respect human rights</a>	
GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<a href="#">Act ethically, lead in diversity and respect human rights</a>	
<b>GRI 414 Supplier social assessment</b>		<b>SDG</b>
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
GRI 414-1 New suppliers that were screened using social criteria	<a href="#">Drive supply chain sustainability</a>	5,8,16
<b>GRI 415 Public Policy</b>		
GRI 103 1/2/3 Management Approach	<a href="#">Management approach</a>	
415-1 Political contributions	<a href="#">Electrolux policy influencing</a>	16

# UNGC Advanced-level reporting

Electrolux is a signatory of the United Nations Global Compact (UNGC) and its ten principles on the environment, labor practices, human rights and anti-corruption - and has been since 2002. Electrolux is also a signatory of the UNGC Water Mandate.

## WE SUPPORT



This UNGC Communication on Progress is aligned with the UNGC's Advanced level of reporting. Where applicable, the below table indicates where readers can find examples of how Electrolux meets best practice levels with regard to the criteria for reporting as defined by the UNGC. The left-hand column indicates their information requirements. The areas that are marked in grey italic text under each criterion are not addressed in the report.

Electrolux reports in accordance with the United Nations Guiding Principles on Business and Human Rights reporting

framework. A separate index has been created to guide readers to the relevant areas in the report that address human rights.

The 2021 Sustainability Report and the 2021 Annual Report reflect our commitment to these principles and the efforts to continuously improve performance. The 2021 Sustainability Report is third-party assured.

See the enclosed Assurance Statement for information on the scope of assurance.



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## Implementing the ten principles into our strategies and operations

UN Global Compact Advanced Criteria

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### Criterion 1: The COP describes mainstreaming into corporate functions and business units.

The following best practices are described in our COP

- Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives.
- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.
- Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.
- Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.
- Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.

[CEO & VP Sustainability Statement](#)

[Management Approach](#)

[Key priorities and progress](#)

[Understanding and managing our human rights risks](#)

[Lead in energy and resource efficient solutions - Our Approach](#)

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### Criterion 2: The COP describes value chain implementation

The following best practices are described in our COP

- Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.
- Communicate policies and expectations to suppliers and other relevant business partners
- Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.
- Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners

[Value chain](#)

[Drive supply chain sustainability](#)

[Understanding and managing our human rights risks](#)

## Human Rights Management Policies & Procedures

UN Global Compact Advanced Criteria	Reference
<p><b>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</b></p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"><li>• Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates</li><li>• Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company</li><li>• Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or service.</li><li>• Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties</li></ul>	<p><a href="#">Management Approach</a> <a href="#">Code of Conduct</a> <a href="#">Drive supply chain sustainability</a></p>
<p><b>Criterion 4: The COP describes effective management systems to integrate the human rights principles</b></p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"><li>• Process to ensure that internationally recognized human rights are respected</li><li>• On-going due diligence process that includes an assessment of actual and potential human rights impacts</li><li>• Internal awareness-raising and training on human rights for management and employees</li><li>• Operational-level grievance mechanisms for those potentially impacted by the company's activities</li><li>• Allocation of responsibilities and accountability for addressing human rights impacts</li><li>• Internal decision-making, budget and oversight for effective responses to human rights impacts</li><li>• Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to</li><li>• Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action</li></ul>	<p><a href="#">Understanding and managing our human rights risks</a> <a href="#">Act ethically, lead in diversity and respect human rights</a> <a href="#">Management approach</a> <a href="#">Community investment</a></p>
<p><b>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</b></p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"><li>• System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain</li><li>• Monitoring drawn from internal and external feedback, including affected stakeholders</li><li>• Leadership review of monitoring and improvement results</li><li>• Process to deal with incidents the company has caused or contributed to for internal and external stakeholders</li><li>• Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue</li><li>• Outcomes of integration of the human rights principles</li></ul>	<p><a href="#">Auditing and monitoring</a> <a href="#">Drive supply chain sustainability</a> <a href="#">Stakeholders inform our approach</a> <a href="#">Act ethically, lead in diversity and respect human rights</a> <a href="#">Understanding and managing our human rights risks</a></p>

## Robust Labor Management Policies & Procedures

UN Global Compact Advanced Criteria

References

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### Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor

The following best practices are described in our COP

- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies
- Reflection on the relevance of the labour principles for the company
- Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).
- Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners
- *Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation*
- *Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges to labour standards in the countries of operation.*
- Structural engagement with a global union, possibly via a Global Framework Agreement

[Code of Conduct](#)

[Understanding and managing our human rights risks](#)

[Management approach: social](#)

[Act ethically, lead in diversity and respect human rights](#)

[Drive supply chain sustainability](#)

[International framework agreement](#)

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### Criterion 7: The COP describes effective management systems to integrate the labor principles

The following best practices are described in our COP

- Risk and impact assessments in the area of labour
- Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards
- Allocation of responsibilities and accountability within the organization
- Internal awareness-raising and training on the labour principles for management and employees
- Active engagement with suppliers to address labour-related challenges
- Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers

[Understanding and managing our human rights risks](#)

[Stakeholders inform our approach](#)

[Act ethically, lead in diversity and respect human rights](#)

[Management approach](#)

[Drive supply chain sustainability](#)

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### Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration

The following best practices are described in our COP

- System to track and measure performance based on standardized performance metrics
- Dialogue with the representative organization of workers to regularly review progress made and jointly identify priorities for the future
- Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards
- Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices
- Outcomes of integration of the Labour principles

[Act ethically, lead in diversity and respect human rights](#)

[Management approach](#)

[Stakeholders inform our approach](#)

[Drive supply chain sustainability](#)

[Auditing and monitoring](#)

[Internal Workplace Policy audit findings](#)

## Environmental Management Policies and Procedures

UN Global Compact Advanced Criteria

References

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### Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

The following best practices are described in our COP

- Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)
- Reflection on the relevance of environmental stewardship for the company.
- Written company policy on environmental stewardship
- Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners
- Specific commitments and goals for specified year

[Environmental policy](#)  
[Lead in energy and resource-efficient solutions](#)  
[Make better use of resource](#)  
[Eliminate harmful materials](#)  
[Be climate neutral and drive clean and resource-efficient operations](#)  
[Our climate goals](#)  
[Management approach](#)  
[Value chain](#)  
[Drive supply chain sustainability](#)

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### Criterion 10: The COP describes effective management systems to integrate the environmental principles

The following best practices are described in our COP

- Environmental risk and impact assessments
- Assessments of lifecycle impact of products, ensuring environmentally sound management policies
- Allocation of responsibilities and accountability within the organization
- Internal awareness-raising and training on environmental stewardship for management and employees
- Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts

[Management approach](#)  
[Auditing and monitoring](#)  
[Act ethically, lead in diversity and respect human rights](#)

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### Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

The following best practices are described in our COP

- System to track and measure performance based on standardized performance metrics
- Leadership review of monitoring and improvement results
- Process to deal with incidents
- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain
- Outcomes of integration of the environmental principles
- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain

[CEO & VP Sustainability Statement](#)  
[Drive supply chain sustainability](#)  
[Auditing and monitoring](#)  
[Internal code of conduct audit findings](#)  
[Lead in energy and resource-efficient solutions](#)  
[Offer circular products and business solutions](#)  
[Eliminate harmful materials](#)  
[Be climate neutral and drive clean and resource-efficient operations](#)

## Anticorruption management policies and procedures

UN Global Compact Advanced Criteria

References

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### Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

The following best practices are described in our COP

- Publicly stated formal policy of zero-tolerance of corruption
- Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes
- *Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption*
- *Detailed policies for high-risk areas of corruption*
- Policy on anticorruption regarding business partners

[Code of Conduct](#)

[Understanding and managing our human rights risks](#)

[Act ethically, lead in diversity and respect human rights](#)

[Supplier Workplace Standard](#)

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### Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

The following best practices are described in our COP

- Support by the organization's leadership for anti-corruption
- Carrying out risk assessment of potential areas of corruption
- Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees
- *Internal checks and balances to ensure consistency with the anticorruption commitment*
- *Actions taken to encourage business partners to implement anti-corruption commitments*
- Management responsibility and accountability for implementation of the anti-corruption commitment or policy
- Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice
- Internal accounting and auditing procedures related to anticorruption

[Understanding and managing our human rights risks](#)

[Act ethically, lead in diversity and respect human rights](#)

[Auditing and monitoring](#)

[Code of Conduct](#)

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### Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

The following best practices are described in our COP

- Leadership review of monitoring and improvement results
- Process to deal with incidents
- Public legal cases regarding corruption
- Use of independent external assurance of anti-corruption programmes
- Outcomes of integration of the anti-corruption principle

[Act ethically, lead in diversity and respect human rights](#)

[Management approach](#)

[Internal Workplace Policy audit findings](#)

[Understanding and managing our human rights risks](#)

[Annual Report: Note 25 Contingent assets and liabilities](#)

## Taking action in support of broader UN goals and issues

### UN Global Compact Advanced Criteria

### References

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**Criterion 15: The COP describes core business contributions to UN goals and issues**

The following best practices are described in our COP

- Align core business strategy with one or more relevant UN goals/issues
- Develop relevant products and services or design business models that contribute to UN goals/issues
- Adopt and modify operating procedures to maximize contribution to UN goals/issues

[Community investment](#)  
[Electrolux and the UN Sustainable Development Goals](#)  
[Lead in energy and resource-efficient solutions](#)  
[Collaborating on climate action to drive change](#)

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**Criterion 16: The COP describes strategic social investments and philanthropy**

The following best practices are described in our COP

- Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy
- Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors
- *Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups*

[Community investment](#)  
[Sustainable culinary training that spurs life-long impact](#)  
[Electrolux Food foundation](#)

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**Criterion 17: The COP describes advocacy and public policy engagement**

The following best practices are described in our COP

- Publicly advocate the importance of action in relation to one or more UN goals/issues
- Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues

[Collaborating on climate action to drive change](#)  
[CEO & VP Executive Statement](#)

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**Criterion 18: The COP describes partnerships and collective action**

The following best practices are described in our COP

- Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy
- Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain

[Community investment](#)  
[Electrolux Food Foundation](#)  
[Collaborating on climate action to drive change](#)

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## Corporate sustainability governance and leadership

UN Global Compact Advanced Criteria

References

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### Criterion 19: The COP describes CEO commitment and leadership

The following best practices are described in our COP

- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact
- CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards
- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation
- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team

[CEO & VP Executive Statement](#)  
[Electrolux Food Foundation Management Approach](#)  
[Lead in energy and resource efficient solutions - Our Approach](#)

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### Criterion 20: The COP describes Board adoption and oversight

The following best practices are described in our COP

- Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance
- Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.
- Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)

[CEO & VP Executive Statement](#)  
[Annual Report: Sustainability Reporting Management approach](#)

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### Criterion 21: The COP describes stakeholder engagement

The following best practices are described in our COP

- Publicly recognize responsibility for the company's impacts on internal and external stakeholders
- Define sustainability strategies, goals and policies in consultation with key stakeholders
- *Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance*
- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect whistle-blowers

[Stakeholders inform our approach](#)  
[Value chain](#)  
[Act ethically, lead in diversity and respect human rights](#)  
[Understanding and managing human rights risks](#)

# UN Guiding Principles Reporting Framework

## POLICY COMMITMENT

**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](#)  
[Improve sustainability in the supply chain](#)  
[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

**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  
Internal Code of Conduct audit findings

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.



Member of

**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**Sustainability Yearbook**

Member 2022

**S&P Global**

## CDP

In 2021, we were recognized for our sustainability leadership with a prestigious "double A" score for climate and water and as a Supplier Engagement Leader by the global non-profit CDP. Electrolux was one of a few companies to receive top marks for its efforts to tackle climate change, protect water security and engage with suppliers. We have been on the CDP Climate A list for the past six years and on the Water A list since 2020.

CDP is an international non-profit that runs a global disclosure system for investors, companies, cities, states and regions.

## Dow Jones Sustainability World Index

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

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 2020 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"*

## S&P Global

*We Electrolux are pleased to share our recognition 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 is a member of DJSI World.

Member 2021/2022  
**ESG Leaders**  
Indices

## Stoxx

Electrolux is 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.

## 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.

## Sustainalytics

As of November 2021, Electrolux received an overall ESG Risk Ratings score of 17.0 and is considered by Sustainalytics, a global environmental, social and governance (ESG) research and ratings firm, to be at low risk of experiencing material financial impacts from ESG factors.\*

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## FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Electrolux has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good 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.



## MSCI

As of 2021, Electrolux received an MSCI ESG Rating of AA. MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. Learn more about [MSCI ESG ratings here](#)\*.

\* THE USE BY ELECTROLUX OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF ELECTROLUX BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

# Transparency Supply Chain

Please find Electrolux statement on the California Transparency in the Supply Chains Act and the UK Modern Slavery Act at: [Transparency in the supply chain](#)

# Auditor's Limited Assurance Report

## Auditor's Limited Assurance Report on AB Electrolux's Sustainability Report

To AB Electrolux (publ), corporate identity number 556009-4178

### Introduction

We have been engaged by the Board of Directors and the Executive Management of AB Electrolux (publ) ("Electrolux") to undertake a limited assurance engagement of the Electrolux Sustainability Report for the year 2021. The Company has defined the scope of the Sustainability Report in the section [About this report](#) in the online edition of the report (<https://www.electroluxgroup.com/sustainabilityreports/2021/>).

### Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained in the section [About this report](#) in the online edition of the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also 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 engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 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. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on

Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) 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 of Electrolux in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive 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 Executive Management

Stockholm 25 March 2022

#### Deloitte AB

Jan Berntsson  
Authorized Public Accountant

Lennart Nordqvist  
Expert Member of FAR



# Tables and Graphs



## Average number of employees per geographical area

Business Area	2021	2020	2019	2018	2017
Europe	19,026	18,728	19,216	18,325	18,084
North America	8,383	6,752	11,287	13,325	14,678
Latin America	15,852	14,113	10,230	10,360	10,787
Asia Pacific, Middle East and Africa	8,329	7,951	7,919	7,829	7,812
<b>Total</b>	<b>51,590</b>	<b>47,543</b>	<b>48,652</b>	<b>49,839</b>	<b>51,361</b>

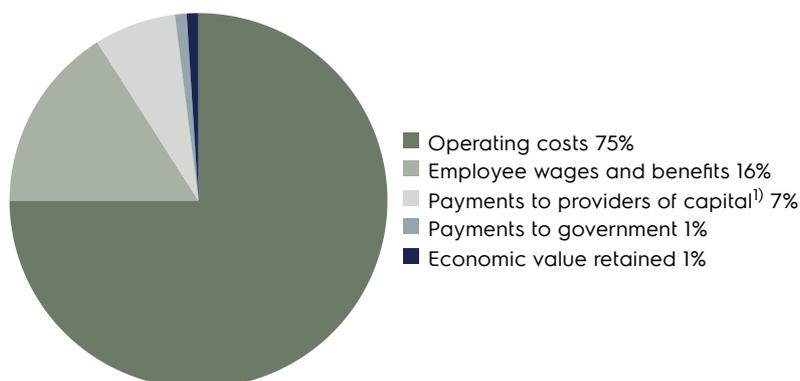
This table encompasses the total Group and differs from year-end number since it's the average over the year.

## GRI 102-41 Collective bargaining agreements

	2021	2020	2019	2018	2017
Employees covered by collective bargaining (%) <sup>1)</sup>	65%	63%	60%	57%	58%

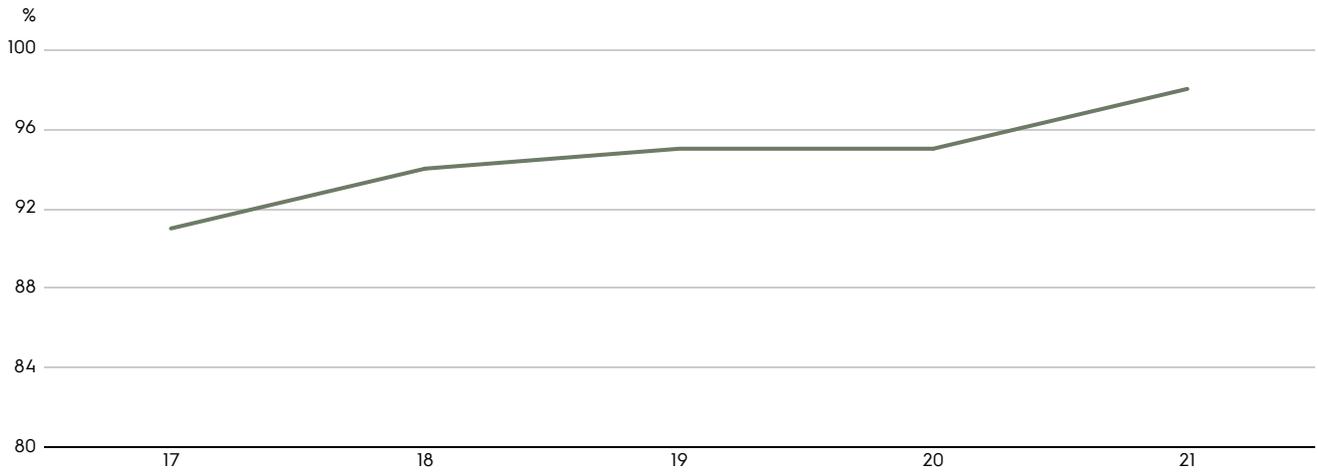
<sup>1)</sup> Employees at production facilities covered by collective bargaining agreement. 30 out of 41 production facilities were covered by collective bargaining agreements in 2021.

## GRI 201-1 Direct economic value generated and distributed



# Management Approach ISO 14001

## Level of ISO 14001 certification



The proportion of factories with more than 50 employees that have certified ISO 14001 environmental management systems.

## Sales and profit for most efficient products



# GRI 301-1 Materials used by weight

(metric ktons)	Metals <sup>1),2)</sup>	Plastics <sup>1),2)</sup>	Articles <sup>1),2)</sup>	Process material <sup>2)</sup>	Raw Materials Others <sup>1),2)</sup>	Packaging products <sup>1),3)</sup>	Packaging suppliers <sup>3)</sup>	Reusable Packaging <sup>2)</sup>
<b>2021</b>	833	321	198	30	198	80	11	10
<b>2020</b>	786	364	213	30	190	72	9	11
<b>2019</b>	806	315	237	36	185	74	14	10
<b>2018</b>	834	384	225	52	191	89	23	10
<b>2017</b>	850	366	266	54	361	99	27	11
Direct Material	1	1	1		1	1		
Non-renewable	2	2	2	2	2	3	3	2

1 = Direct material

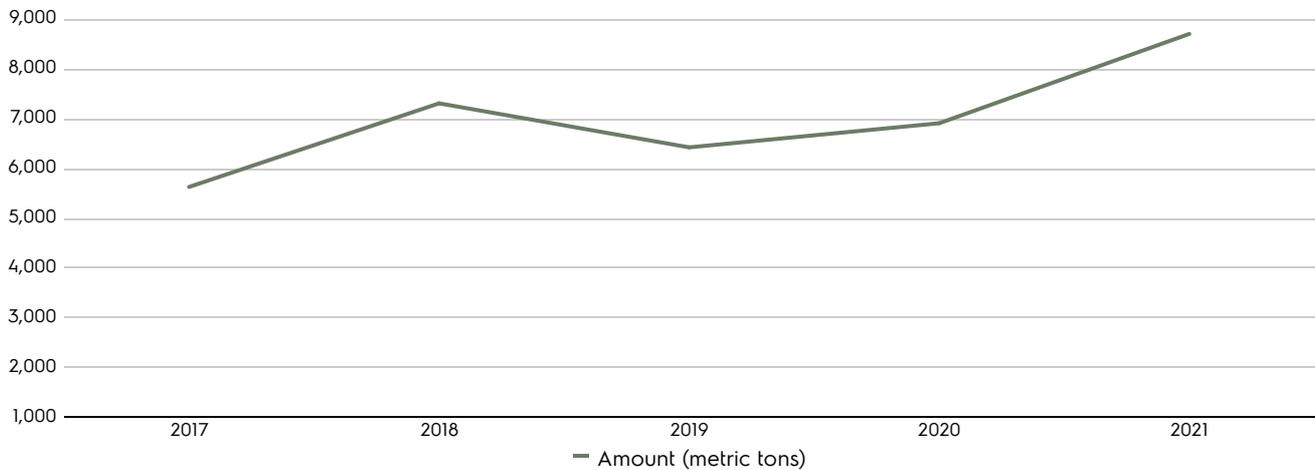
2 = Non-renewable

3 = Approximately 55% non-renewable

Note, materials use is to a large extent based on engineering estimates.

# GRI 301-2 Amount of Recycled plastic (Own indicator)

(METRIC TONS)



# GRI 302-1 Energy consumption within the organization (MWh)

## Energy use (MWh)

Year	Oil	Coal	Natural gas	LPG	District heating	District cooling	Steam	Electricity	Renewables	Total
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
2017	4,119	0	401,962	23,646	10,987	2,016	257	376,661	235,000	1,054,649

# GRI 303-3 Water withdrawal

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

Year	Fresh surface water	Ground water - renewable	Rainwater	Wastewater from other organizations	Third party sources - Municipal water	Total water withdrawal
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
2017	75	2,961	6	0	1,544	4,586

## 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
2021	38	78	1	0	469	586
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 WWF's Water Risk Filter

# GRI 303-4 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	
2021	1,396	375	1,713	216	3,686
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
2017	1,486	339	1,567	735	4,127

## 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	
2021	443	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 WWF's Water Risk Filter

# GRI 305-1 305-2 Direct and Indirect CO<sub>2</sub> emissions

	GRI 305-1	GRI 305-2	Total CO <sub>2</sub> eq (metric ktons)
	Direct CO <sub>2</sub> eq emissions <sup>1)</sup> (metric ktons)	Indirect CO <sub>2</sub> eq emissions (metric ktons)	
2021	83	20	103
2020	77	35	112
2019	140	59	199
2018	164	121	286
2017	176	155	331

<sup>1)</sup> Includes contributions from energy use and greenhouse gas fugitive emissions.

## GRI 305-6 Emissions of ozone-depleting substances (ODS)

	Production	Refrigerant	Foaming	Total [kg CFC eq]
2021	3.8	0	0	3.8
2020	5.5	0	0	5.5
2019	4	0	0	4
2018	5	0	0	5
2017	1	17	361	379

## GRI 306-3 306-5 Waste generated and Waste directed to disposal (metric ktons)

(kton)

Year	Waste Disposed <sup>1)</sup>	Waste-to-Energy	Waste Recovered <sup>2)</sup>	Hazardous Waste Amount (in each group)	Waste Not Included in Zero Waste to Landfill Project
2021	4.6	4.0	166.3	2.4	7.0
2020	4.5	4.5	149.2	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> Waste to landfill and incinerated without energy recovery

<sup>2)</sup> Except waste to energy

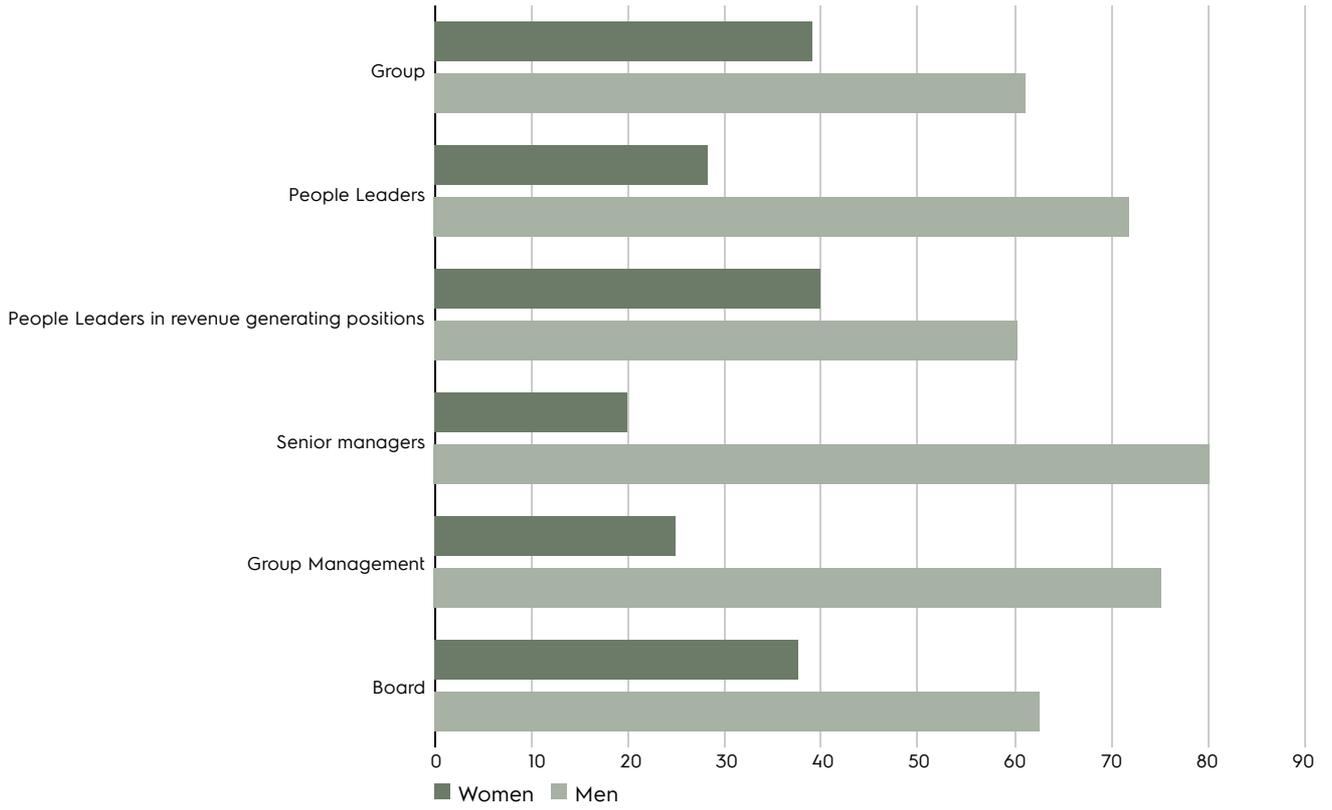
Zero Waste to Landfill Program currently covers finished goods factories that has implemented the program with 12 months of reporting. This result is for 34 out of 35 finished goods factories. Reporting period is FY2021.

# Risk Countries

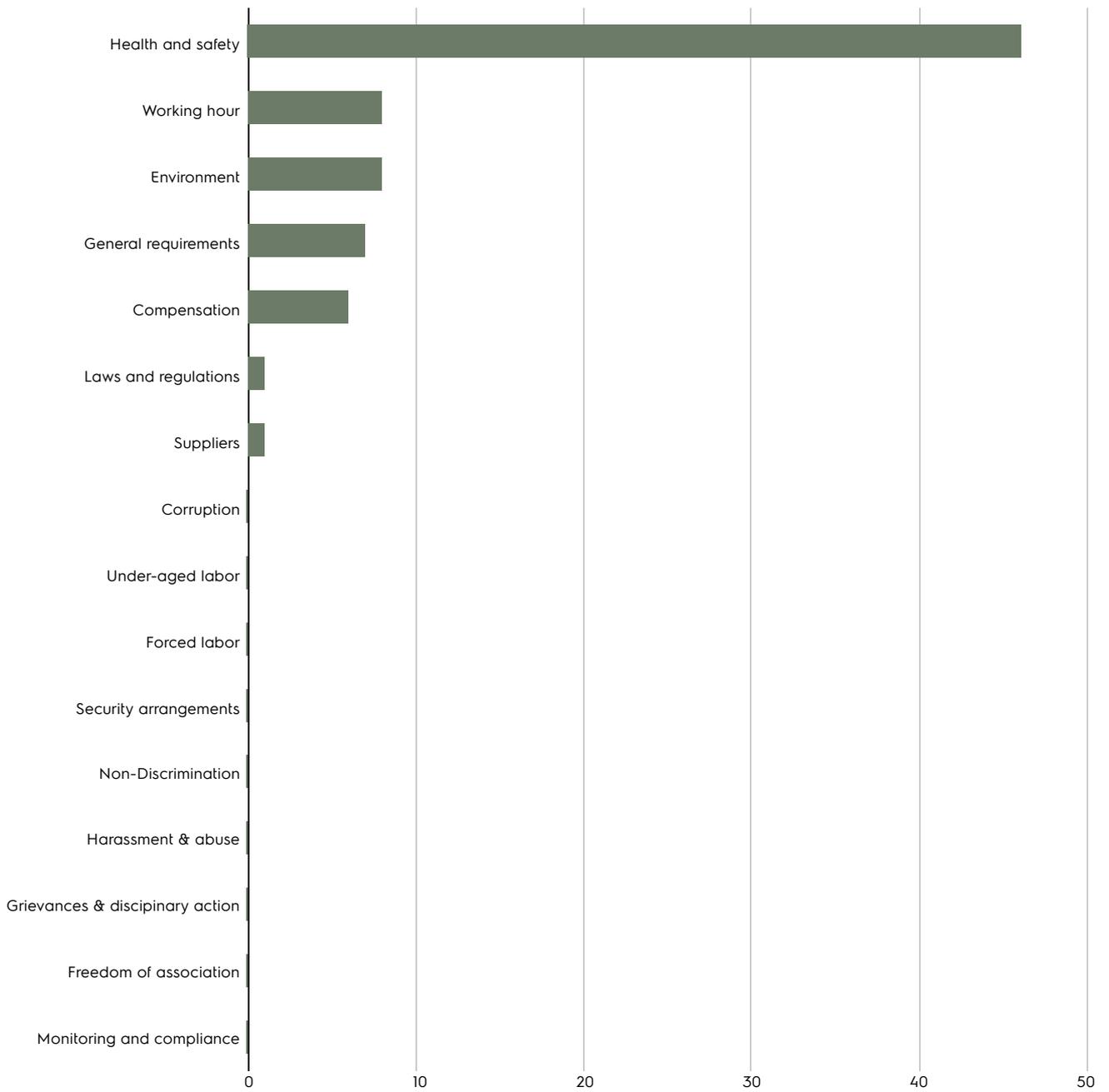
Electrolux manufacturing or supplier countries with risk for violations in the areas of human rights, labor standards, corruption and environmental practices. The classification is based on Verisk Maplecroft's risk index matrices. This risk grading, together with an internal risk evaluation of social, labor and environmental risk based on historic evidence and industry knowledge that in some instances leads to upgrading the risk level of a supplier or facility, forms the basis of our audit programs.

<b>Electrolux Facilities</b>	<b>Suppliers</b>
Argentina	Argentina
Brazil	Brazil
China	China
Egypt	Colombia
Mexico	Egypt
Romania	India
South Africa	Indonesia
Thailand	Malaysia
Ukraine	Mexico
	Philippines
	Romania
	South Africa
	Thailand
	Turkey
	Ukraine
	United Arab Emirates
	Vietnam

# Gender Distribution



# Internal Workplace Policy audit findings



# GRI 401-1 Employee turnover & Number of new hires

Employee turnover	2021	2020	2019	2018	2017
All employees	17%	15%	15%	17%	18%
Males	15%	14%	14%	18%	19%
Females	20%	17%	17%	24%	25%
People Leaders*	7%	4%	5%		
Non production - total*	13%	10%	14%		
Non production - voluntary*	10%	7%	10%		
Non production - involuntary*	3%	3%	4%		
Production - total*	23%	22%	26%		
Production - voluntary*	18%	16%	18%		
Production - involuntary*	5%	6%	8%		

\* Global HR system

Total number of new hires	External	Internal
5165	68%	32%

The share of external and internal new hires only available for 2021.

# Employment per contract

2021	Full time	Part time	Total	Full time	Part time	Total	Total
	Permanent	Permanent	Permanent	Temporary	Temporary	Temporary	All
<b>Electrolux White</b>	11,112	392	11,504	689	46	735	12,239
<b>Electrolux Blue</b>	25,636	331	25,967	3,570	192	3,762	29,729
<b>Supervised</b>	1,760	7	1,767	2,115	12	2,127	3,894
<b>Total</b>	38,508	730	39,238	6,374	250	6,624	45,862

Covers the scope of employees as defined in [About this report](#)

# GRI 403-9 Work-related injuries

	2021	2020	2019	2018	2017
Number of work-related injuries	190	199	209	226	234
Injury rate <sup>1)</sup>	0.43	0.5	0.53	0.57	0.57
Number of workdays lost due to occupational injuries	1,772	2,006	2,158	3,228	2,512
Lost day rate <sup>1)</sup>	4	5	6	8	6
Number of work-related fatalities	0	1	2	0	0
Worked hours	87,580,767	79,183,458	78,537,838	79,012,558	82,459,912

1) Rate per 200,000 hours

# GRI 404-1 Average hours of training per year per employee

Business Area	Non-production employees			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	Average hours of training per total
Asia/Pacific - Middle east	8.7	8.5	8.6	29
Europe	11.1	7.8	9.2	- <sup>1)</sup>
Latin America	16.6	17	16.9	21
North America	11.5	10	10.6	6
<b>Total</b>	<b>11.5</b>	<b>9.8</b>	<b>10.5</b>	<b>13<sup>1)</sup></b>

<sup>1)</sup> Excluding data for Business Area Europe

Average number of training hours increased to 10.5 hours in 2021 compared to 5.5 in 2020. This is 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.

## Percentage of employees receiving regular performance and career development reviews

98 % of managers completed the Year End Review 2021 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.