

Summary of the year 2000

HENRIK SUNDSTRÖM, VICE PRESIDENT, GROUP ENVIRONMENTAL AFFAIRS

At the turn of the millenium, the Electrolux Group took the step from annually published, printed Environmental Reports to maintain a comprehensive environmental information on the Internet, including a year-specific Year-end result section. Simultaneously, we extended the information included in the Group Annual Report to contain production-related measurements. After four years of printed CER's, continuously developed and praised both internally and externally, this felt like a natural step to take. It proved to be the right step, and once again Electrolux got recognized for best environmental information in the Swedish Industry, by the Institute for Business Administration (Företagsekonomiska Institutet) and the business magazine Affärsvärlden.

New structure

At the same time, the environmental work entered a new era. The work is now fully integrated into the business processes and run by an environmental manager at each business sector. Group Environmental Affairs, remains as a part of Corporate Communications & Public Affairs, acting as a coordinating function and support towards the sectors, while also handling all environmentally related corporate matters and information. During the year, I took over the responsibility for Group Environmental Affairs from Per Grunewald, who was appointed President of the Ericsson/Electrolux joint-venture e2-Home, developing solutions for the intelligent home, after many years of successfully driving the environmental work within the Group.

Environmental Management Systems

The work to implement environmental management systems at the Group's manufacturing units took an important step during the year as the first factories in the US and in Brazil were certified according to ISO 14001. The aim remains to have all manufacturing units in the Group certified. Due to the continuous changes in the Group structure, through acquisitions, the goal and strategy will be reviewed. At the end of the year, 48% of the Group's total factory floor area was certified according to ISO 14001. The corresponding figure for Europe was 69%.

Current Issues

Producer responsibility for discarded products continued to be an issue high on the agenda in Europe. Electrolux maintains the position that a solution based on individual responsibility is absolutely necessary if such legislation is to work in a just way and create incentives for product development and resource efficiency. As the discussion has intensified, the Group has concentrated efforts to both monitoring and discussing the issue, both with policy makers in the European Union and within the industry. This will remain a top priority during the year to come. It should be noted however, that the issue of producer responsibility is a pure European concern for the Group at this point. In North America there is no discussion on a legislative level concerning this.

The Group also maintains a constructive dialogue with different stakeholders regarding the broad issue of sustainability. Early this year, Electrolux initiated a two-day dialogue between a group of major companies and leading environmental organizations. Initial work has also started this year to investigate how to best meet the increasing demand for extended social, or so called triple bottom line, reporting.

Electrolux wins energy efficiency contest

The procurement program Energy +, organized by energy authorities in 10 European countries, strives to promote energy efficient appliances. Electrolux was accepted in the program with the combined refrigerator/freezer ER 8199B and later with the follow up model ER 8100B which also won the Energy + trophy for most energy efficient combined refrigerator/freezer in Europe. The ER 8100B consumes about one third as much electricity as the average, similar appliance, or about the same as a 25W light bulb.

External Appraisal

We are proud to be selected by the Dow Jones sustainability index for the second year in a row and for good recognition in a series of environmental and sustainability assessments. To just choose one, I'd like to mention the Germany based international Oekom research institute which gave the Group a top ranking alongside Japanese company Ricoh.

For the third consecutive year, Electrolux in Brazil received the annual environmental award from the Institute of Environment in Paraná, for continuous work to reduce the greenhouse effect and improve air quality.

Certified Product Declarations

As the first company in the world, Electrolux has certified the environmental product declarations for complex products according to ISO TR 14025. The certified declarations are issued for eight refrigerators and freezers manufactured in Mariestad, Sweden. The earlier Environmental Product Declarations that we pioneered some years ago remain available for white goods in Europe.

More calculation tools

EcoEco Savings, a web based interactive calculation tool that helps the user calculate potential savings – on both household, city and country level – from replacing old appliances with new energy efficient products, has been available to Internet users for over a year now. During the year, translations were published into Swedish, German and Italian, making the tool available to many more customers on some of the Group's major markets.

Electrolux Home Products Europe has also developed another web based tool, the Eco Save Guide – based on the similar tool previously used at some retailers – which in a very user friendly way makes it possible to calculate savings by comparing specific products. This tool is currently being implemented throughout Europe.

Great progress in professional laundry

A complete new range of professional laundry equipment, the Generation 3000, combines high flexibility, ease of use and reliability with improved environmental performance. Energy consumption has been decreased and water consumption has been reduced by up to 25% compared to earlier models. Electrolux Wascator also offers an entirely new dry-cleaning machine, using liquid carbon dioxide as solvent. The LCO2 is totally environmentally neutral and does not add to the greenhouse effect, as it is borrowed from the existing atmospheric cycle.

Electrolux Laundry systems also showed progress in manufacturing during the year. The manufacturing site Electrolux Nyborg A/S in Denmark, employing approx. 330 people, received the environmental recognition Cleaner Technology 2000 from the county of Funen, after having reduced energy and water consumption considerably.

Great progress in outdoor products

The California Air Resources Board (CARB) has certified the new two-cycle, 25 cc engines used in the Weed Eater, gasoline powered trimmers, recognizing that they have passed the rigorous CARB tests for low exhaust emissions. Tests showed that emissions were lower than with previous models by more than 75 percent.

The professional user can now benefit from the chain saws 346XP and 351 from Husqvarna. These saws can be equipped with an optional EPA approved catalytic converter that reduces exhaust emissions with insignificant loss of power.

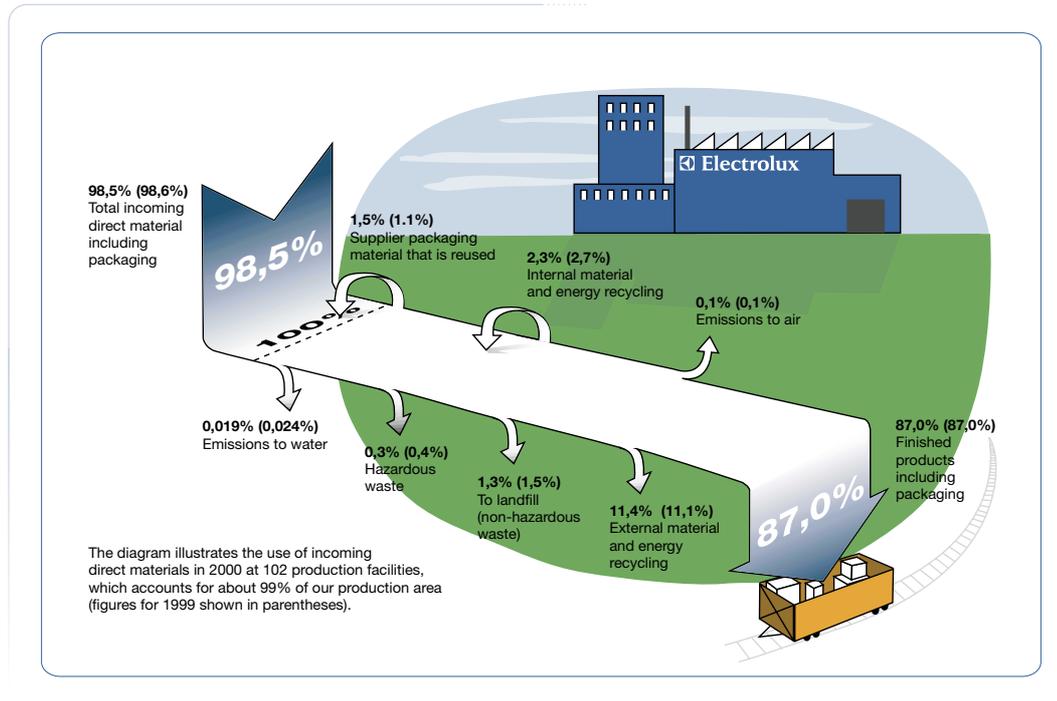
New generation of appliances in the US

Electrolux Home Products North America has launched a new "Next Generation" line of refrigerators under the Frigidaire brand. Consisting of 25 side-by-side and 36 top-mount models, Frigidaire's Next Generation is the result of a 200 million-dollar investment at the refrigerator factories in Anderson, South Carolina, and in Greenville, Michigan. The new line use up to 40 percent less energy than previous models. Frigidaire has also updated and improved its best-selling line of front loading Tumble Care horizontal axis washers that help save both water and energy.

Encouraging results

As can be seen from our Environmental Performance Indicator Green Range in the result section, the environmental work within the Electrolux Group continues to create profit. Within white goods in Europe, products with leading environmental performance accounted for 17% of the total units sold during the year, but for 23% of the gross margin. This shows that our strategy continues to be successful and that it is indeed possible to integrate environmental consideration with business. I'm proud to see that this insight has spread and is spreading in the industry as well as among stakeholders, and I can assure that Electrolux will remain in the lead.

HENRIK K SUNDSTRÖM
VICE PRESIDENT
GROUP ENVIRONMENTAL AFFAIRS



Direct Material Balance

Direct Material Balance 2000 - Statistics (metric tonnes)

Reported data covers more than 99% of total manufacturing area. Estimates are used where data is missing. Values <0.49 are set to 0. The material balance is calculated as: Direct material = Finished products + External restflow + Emissions to air and water. Emissions to air do not include CO₂ emissions. Some corrections have been made for previous years.

Country/ Region	No. of facilities	Input		Output							Emissions to	
		Direct material	Finished products	Internal restflow		External restflow			Hazardous waste	Air	Water	
				Recycled	Incinerated	Recycled	Incinerated	Landfill				
Austria	1	38,297	28,225	0	0	9,527	0	76	393	76	0	
Denmark	2	10,246	7,947	1	0	2,124	114	11	49	0	0	
France	4	55,590	51,613	11	0	2,827	0	854	275	21	0	
Germany	11	226,262	189,810	283	0	34,240	703	328	1,111	70	0	
Great Britain	2	40,787	36,499	352	0	3,306	0	715	246	18	3	
Hungary	2	80,419	73,031	1,200	0	5,767	0	1,240	326	55	0	
Italy	17	681,582	581,826	51,604	0	83,687	684	10,481	4,534	368	2	
Luxembourg	1	5,081	4,964	6	0	108	0	8	1	1	0	
Norway	2	6,604	5,294	0	0	1,225	12	61	12	0	0	
Romania	1	19,500	14,899	499	0	2,051	0	2,237	273	39	0	
Spain	3	128,314	109,237	0	0	17,867	11	1,147	23	28	0	
Sweden	15	127,404	107,465	4,169	0	13,954	2,741	1,544	1,668	32	0	
Switzerland	2	7,643	6,109	18	0	1,304	131	0	97	3	0	
Slovakia	1	1,643	1,453	0	0	153	1	28	7	1	0	
Europe, total	64	1,429,373	1,218,370	58,144	0	178,141	4,398	18,730	9,015	714	5	
North America	23	1,344,075	1,186,430	10,057	0	136,992	971	17,888	82	1,211	500	
South America	6	124,046	115,065	668	0	7,794	0	552	376	235	24	
Asia	8	91,746	79,714	204	0	11,330	23	349	23	273	35	
Other	1	541	541	0	0	0	0	0	0	0	0	
Grand Tot '00	102	2,989,781	2,600,122	69,073	0	334,257	5,392	37,518	9,496	2,433	564	
Total 1999	110	3,009,064	2,617,431	68,281	13	329,045	4,224	44,899	10,885	1,851	728	
Total 1998	97	2,476,145	2,170,169	67,576	4	246,488	14,885	33,832	9,258	1,500	13	
Total 1997	143	2,556,520	2,183,491	23,733	1,305	307,830	17,602	36,088	8,804	2,071	634	
Total 1996	144	2,361,560	2,073,920	64,941	1,282	231,232	15,651	25,981	11,443	3,270	63	
Total 1995	135	2,368,260	2,097,964	32,905	2,703	230,309	3,338	24,203	8,778	3,591	77	

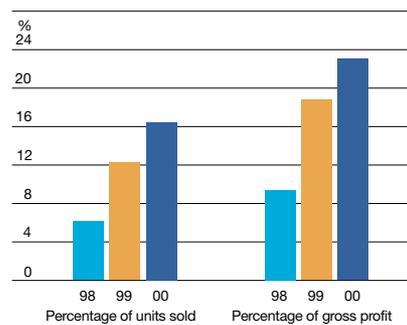
Per Business Area (metric tonnes)

Country/ Region	No. of facilities	Input		Output							
		Direct material	Finished products	Internal restflow		External restflow			Hazardous waste	Emissions to	
				Recycled	Incinerated	Recycled	Incinerated	Landfill		Air	Water
Cons. Durables	54	2,328,525	2,086,776	16,367	0	201,905	4,682	27,693	5,063	1,842	695
Prof. Indoor	38	632,611	489,650	49,811	0	129,724	302	8,907	3,459	570	1
Prof. Outdoor	10	28,645	23,695	2,895	0	2,628	408	918	974	21	33
Grand Tot '00	102	2,989,781	2,600,122	69,073	0	334,257	5,392	37,518	9,496	2,433	564

Direct material input consists mainly of steel, plastics and components. Recycled waste is mainly steel and plastics. All hazardous waste (mainly oils, solvents and other chemical) is handled according to local regulations, often treated by external contractors. Data for 2000 comprise reports from more than 99% of the total manufacturing area, as compared to around 85% for previous years. This also affects all figures not calculated against added value or heated area.

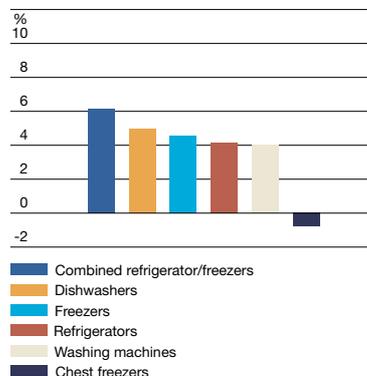
Green Range

The Green Range indicators measure sales and profitability for products with leading environmental performance, and in 2000 again showed that the Group's environmental strategy contributes to higher profitability. Since the Green Range share of sales is increasing yearly, these indicators are gradually being made more stringent. Data from previous years have been adjusted accordingly.



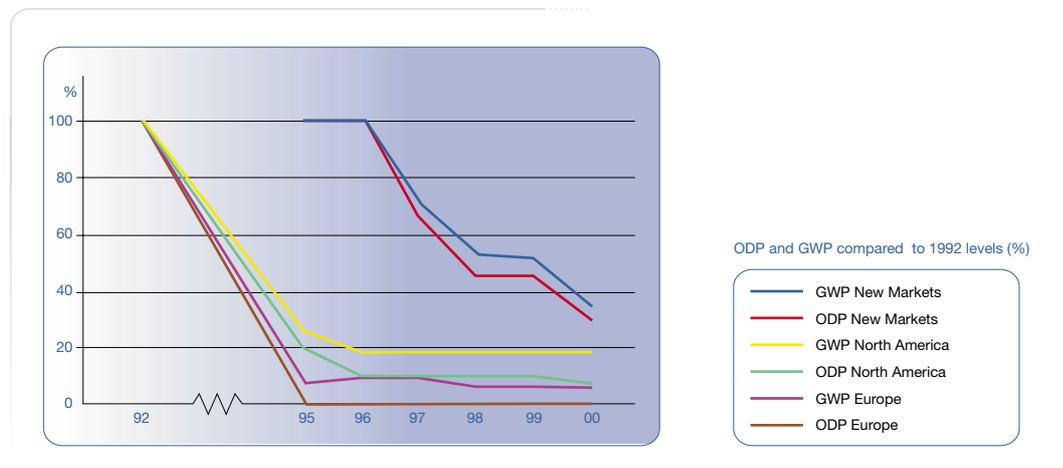
Fleet Average

The Fleet Average indicates the annual average energy index for all sold products within one product category. Fleet Average comparisons from year to year show the change in energy efficiency over time. The results for 2000 show a continuous improvement over the previous year for all product groups except chest freezers, which showed strong improvement during the two previous years.



Phase out of substances with ozone depleting and global warming potential

The white-goods market in the industrialized countries is totally free of CFCs, so called "hard freons". Electrolux has been a leader in this respect. Since 1995, the Group's refrigerators and freezers in Europe have been free of sub-stances with ozone-depleting potential. Between 1995 and 1999 the Group acquired refrigerator plants in new markets in Brazil, India and China in which CFC was used in production. Phase-out of CFC at these plants has been a top priority. By start of 2000, Group plants in China were completely free of both CFC and HCFCs, so-called "soft freons". In Brazil, the Group recieved awards in 2000 and previous years for its leadership in the phase-out of ozone-depleting substances.



Phase out of substances w. ozone depleting and global warming potential

The graph shows the relative change in ozone depleting and global warming potential in refrigerants and insulating gases used in the Group's products from 1992 to 2000. The annual calculations are based on the ODP and GWP equivalents of different substances, as defined by the United Nations Environment Program (UNEP). In order to adjust for changes in production structure and enable annual comparisons, values are normalized against the total amount of used substances. The year 1992 is set as index 100%. The curve reflects the transition from CFC, via HCFC to HFC and HC in Europe, where today HC dominates. In North America, HCFC and HFC are still dominant. In the new markets, all substances are present. The decrease for 2000 is a consequence of phasing out CFC in Brazil and China.

Coating process

Use of processes (pre-treatment and coating). One facility may perform several critical processes.

Coating processes

Country/ Region	No. of facilities	No. of facilities with		
		Pretreatment	Solvent painting	Enameling
Austria	1	1	0	0
Denmark	2	2	0	1
France	4	4	3	1
Germany	11	8	2	2
Great Britain	2	1	0	1
Hungary	2	2	1	0
Italy	17	8	3	1
Luxembourg	1	0	0	0
Norway	2	2	0	1
Romania	1	1	0	1
Spain	3	3	2	2
Sweden	15	9	4	1
Switzerland	2	2	1	1
Slovakia	1	1	0	1
Europe, total	64	44	16	13
North America	23	16	3	2
South America	6	4	1	0
Asia	8	8	1	2
Other	1	1	1	0
Total 2000	102	73	22	17
Total 1999	110	77	31	15
Total 1998	97	73	28	12
Total 1997	145	80	41	14
Total 1996	144	79	48	16
Per Business Area				
Consumer Durables	54	44	11	15
Professional Indoor	38	24	10	2
Professional Outdoor	10	5	1	0
Grand Total	102	73	22	17

The surface coating has presented, and still presents, an important improvement area in appliance manufacturing. Data for 2000 comprise reports from more than 99% of the total manufacturing area, as compared to around 85% for previous years. This also affects all figures not calculated against added value or heated area.

Solvents and oils

Use of solvents and oils

Country/ Region	No. of facilities	Use of solvents and oils Kkg		
		Chlorine-based solvents	Volatile organic compounds	Oils
Austria	1	1	0	87
Denmark	3	0	0	8
France	4	46	3	151
Germany	11	15	43	153
Great Britain	2	0	0	40
Hungary	2	0	15	66
Italy	17	0	63	644
Luxembourg	1	0	0	0
Norway	2	0	1	10
Romania	1	0	0	49
Spain	3	0	49	1,539
Sweden	15	8	15	66
Switzerland	2	0	1	6
Slovakia	1	0	0	0
Europe, total	64	68	191	2,818
North America	23	2	268	2,363
South America	6	1	9	83
Asia	8	124	23	322
Other	1	7	0	1
Total 2000	102	201	491	5,586
Total 1999	110	234	453	5,073
Total 1998	97	173	239	6,828
Total 1997	145	200	737	4,687
Total 1996	144	190	2,065	4,959
Per Business Area				
Consumer Durables	54	49	313	3,132
Professional Indoor	38	152	174	2,357
professional Outdoor	10	0	3	97
Total	102	201	491	5,586

Some corrections have been made for previous years. The figure for Volatile Organic Compounds from 1996 has been reduced with 1.127 Kkg from previous reports. Earlier figures included the Euroclean operation, which used VOC as direct material and was later divested. Data for 2000 comprise reports from more than 99% of the total manufacturing area, as compared to around 85% for previous years. This also affects all figures not calculated against added value or heated area.

Production Related Measurements

Production-related measurements have been aggregated on Group level since 1988, to monitor energy and water consumption and related CO₂ emissions at our manufacturing facilities. Since 1995 the reports were expanded to cover other forms of environmental impact, such as use of different solvents and oils, critical processes and material efficiency for the Group. The site measurements for 2000 are based on data from more than 99% of the Group's total manufacturing area.

Because much of the environmental impact depends on production volume, some of the measurements are calculated in relation to added value. Added value is here defined as the difference between total manufacturing costs and direct material costs. This way changes in production structure are not let to affect the statistics, which makes it possible to make comparisons from year to year. The data are not compensated for extraordinary fluctuations in energy consumption (because of a particularly mild winter for example), inflation or exchange rate changes.

The site measurements for 2000 show very small changes compared to last year.

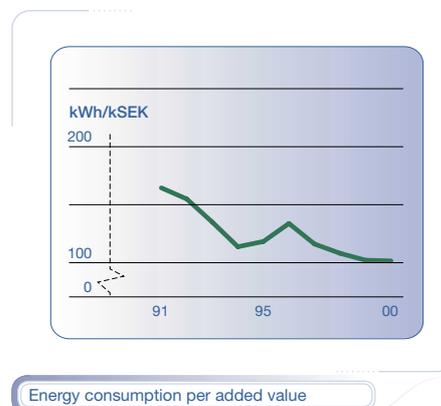
Site measurements

Business area	Energy consumption		Energy cost as % of added value	CO ₂ /added value kg/kSEK	Water/ added value m ³ /kSEK
	per added value kWh/kSEK	per heated area kWh/m ²			
Consumer Durables	90	595	2,5	30	0,40
Professional Indoor	157	993	4,4	56	0,14
Professional Outdoor	63	397	1,9	3	0,28

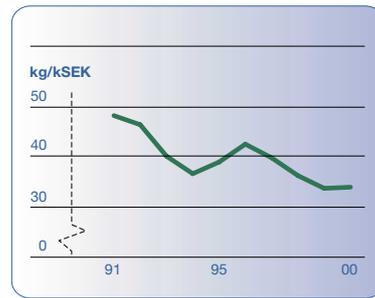
The key environmental figures are based on standardized reports from 166 production facilities, warehouses and offices with more than 500 square meters of heated area. This represents more than 99 percent of the Group's total manufacturing area.

The graphs below show:

Energy consumption per added value. The amount of energy required adding SEK 1,000 value to a product. Measured in kilowatt-hours per SEK 1,000.



Carbon dioxide emissions per added value. The amount of carbon dioxide emitted in generating the energy we consume. Different types of energy as well as different countries' carbon dioxide equivalents for electricity are taken into account. It is measured as kilograms per SEK 1,000.

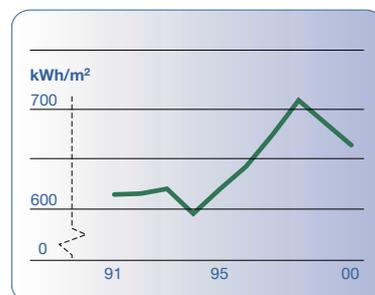
CO₂ per added value

Water consumption per added value. The use of treated water in cubic meters per SEK 1,000.



Water per added value

Energy consumption per square meter of heated surface area. Measured as kilowatt-hours per square meter.



Energy consumption per heated area

Energy cost per added value. The share of energy cost measured as a percentage.



Energy costs % of added value

EMS Implementation Status

In 1995, the Group began work on implementing environmental management systems in all production units. ISO 14001 is used as Group standard, but six factories have also registered environmental management systems according to the European regulation EMAS.

Region	Units	Certified	%	% Area
Europe	75	41	54,7	68,6
North America	22	2	9,1	18,4
Other	19	1	5,3	2,3
Total	116	44	37,9	47,9

As of the end of 2000 44 units were certified. 7 units were certified during the year and 3 previously certified units were divested during the year. In 2000 the first non European factories were certified, two in USA and one in Brazil. % shows the percentage of the units certified. %area shows the percentage of the total production area certified. The difference between the numbers shows that we have put priority on certifying larger units.

Business Area	Units	Certified	%	% Area
Consumer Durables	65	28	43,1	51,6
Professional Indoor	44	14	31,8	39,4
Professional Outdoor	8	5	62,5	18,2

This table shows the certified units divided by business area. Note that some factories belong to more than one business area and are therefore included 2 or more times in this table.

