



**ELECTROLUX ENVIRONMENTAL
REPORT 2001**



A PROUD TRADITION – NOW LET’S MOVE AHEAD

Welcome to the environmental Year-end Results for the Group. As you probably are aware of, Electrolux prides itself with a long tradition of proactive environmental work. This year we have updated the environmental policy. The long-term commitment remains the same, but we have now finalized the integration of responsibility into the business sectors. I have been with the company long enough to have experienced the path from passive reaction, culminating when Greenpeace dumped our own refrigerators on our front yard, to the past years where we are clearly recognized as environmental leaders in the industry.

And the best part about it is that the environmental work is no luxury, no necessary but burdensome cost. On the contrary, it’s a win-win-win situation, for the environment, for the customer, and for us and our shareholders.

HANS STRÅBERG
PRESIDENT & CEO



LET THE GOOD TIMES ROLL

Let's face it, the year 2001 was not the best year for business. However, in spite of all the troubles around us, the Electrolux Group has managed to keep a strong position on markets all over the world. The Electrolux share is strong, and to my particular delight, selected by several investors and analysts with a focus on environment and sustainability. To mention just one assessment, Innovest Strategic Value Advisors gave Electrolux an AAA rating on a scale from AAA to CCC.

This is a proof of conscientious and tenacious efforts within the business sectors. Electrolux environmental work is now fully integrated in business operations, and I'm proud to say headed by a great team of environmental managers. To meet them, go to the organizational chart.

Another proof consists of the Environmental Performance Indicators. Green Range has been calculated since 1996 and also this year shows that products with leading environmental performance show higher profitability than other products.

In production, we do see a break in the decrease of energy and water consumption in relation to added value. This is primarily a result of restructuring, but the coming year we will increase our focus on efficiency in manufacturing.

But as we always stress, most of our environmental impact occurs not in production but when the products are used. Efficiency is and has been a prime concern in product development, and now it pays off. For the second year in a row, Electrolux is recognized by the Energy + program for offering the most energy efficient refrigerator in Europe. In the United States, the Energy Authorities, through the SWEEP program (Save Water and Energy Education Program), have shown that, for example, if all California residents replaced their clothes washers, dryers and dishwashers with efficient Frigidaire products, the total saving could amount to nearly 50 percent of all electricity used each year by all Los Angeles County households.

An important challenge lies ahead of not only us, but the entire industry – and our customers. The European Union



is about to enforce producer responsibility for discarded products, through the WEEE directive (Waste of Electric and Electronic Equipment). The crucial issue is whether the system will be based on collective financial responsibility, which would force all manufacturers to finance the recycling of all products, or an individual responsibility, making each manufacturer responsible for their own products. Electrolux actively advocates an individual responsibility, which would ensure fair competition and encourage environmental product development. This is a strategic choice for Europe.

HENRIK SUNDSTRÖM,
VICE PRESIDENT, ENVIRONMENTAL AFFAIRS



THE ELECTROLUX ENVIRONMENTAL POLICY

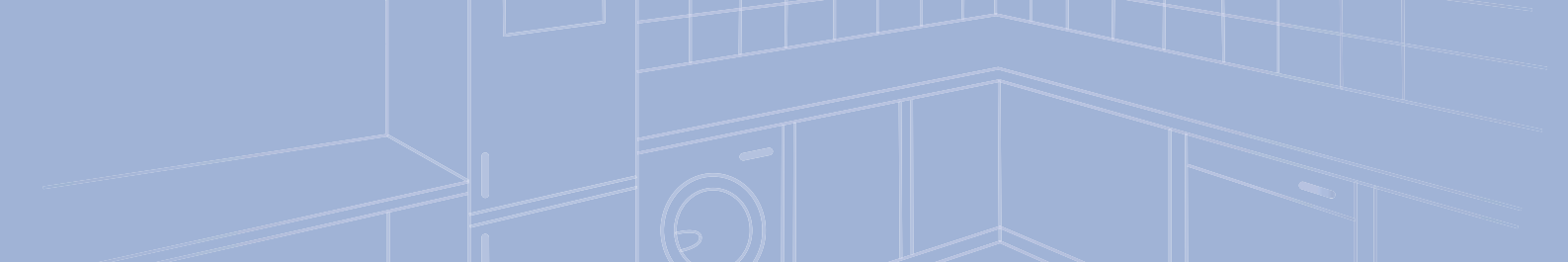
We want our products, services and production to be part of a sustainable society.

We are committed to:

- Designing products to reduce their adverse environmental impact in production, use and disposal.
- Reducing resource consumption, waste and pollution in our operations.
- Taking a proactive approach regarding environmental legislation that affects our business.
- Encouraging suppliers, subcontractors, retailers and recyclers of our products to adopt the same environmental principles as Electrolux.
- Giving appropriate weight to this environmental policy when making future planning and investment decisions.
- Setting targets and objectives, within the scope of the environmental management system, to achieve continual improvement and a sustainable development.

Electrolux Group Management adopted this environmental policy on September 10, 2001. Each business sector manager is responsible for implementing the policy.

The Environmental Policy was first published in April 1993 and updated in 1995 and 2001.



ENERGY+

At the Domotechnica fair this year Electrolux was awarded the Energy+ Award for the most energy-efficient two-door freezer-refrigerator in Europe. The Energy+ project is an initiative of the European Commission and a number of national energy and environment agencies to promote the development and use of highly energy efficient refrigerator-freezers throughout the European Union. The Electrolux winning product, ER8100B, uses just 203 kWh of energy a year to cool its 189-litre food chill compartment and freeze a 95-litre compartment. A typical average European fridge-freezer consumes around 600 kWh each year.



FANTASTIC NEW FRIDGES IN CHINA

Some years ago, the big issue for refrigerators was choice of refrigerants and their impact on the ozone layer. Much less so now, and even outside the industrialized world. In China, all refrigerators produced by Electrolux are free of both CFC's and HCFC's. Instead, focus has shifted to energy efficiency – also in China. Now, Electrolux offers a Chinese refrigerator matching the top European appliances listed by energy +.

The BCD-253U/HC (where HC stands for the refrigerant R600a), uses an RSD compressor and vacuum isolation panel which, together with an optimised cooling system, has achieved an electricity consumption of 0.38 kWh/d.



ENERGY DEPARTMENT HIGHLIGHTS SAVINGS POTENTIALS

Electrolux Home Products' Frigidaire brand was a major partner along with the U.S. Department of Energy in the Save Water and Energy Education Program (SWEET) during the year.

Twenty-five homes built before 1992 in each of the water-strapped cities of Wilsonville and Lafayette, Oregon, replaced their existing clothes washers, dryers and dishwashers with high-efficiency models provided by Frigidaire. The Energy Department's Pacific Northwest National Laboratory scientifically measured the actual home use of the original and new appliances to determine the savings that could be obtained by individual households, as well as the potential community impact.

As part of the study, Frigidaire provided 25 sets of the front-loading Gallery Tumble Action Washer; PrecisionWash Dishwasher and the latest clothes dryers to the home owners in each city.

According to the study, the aggregated annualised savings from the new Frigidaire washer, dryer and dishwasher resulted in enough energy and water to provide the average SWEET home with 250 free clothes washings, 110 free dish washings and enough electricity left over to run an energy efficient Frigidaire refrigerator all year. To get an even broader perspective, if every American household installed these products, the annual water savings would equal the average flow of the Mississippi River into the Gulf of Mexico for five days.



HUSQVIL WILDLIFE SUPPORT

The Group's maker of professional products for outdoor use, Husqvarna, saw an opportunity to support the environment and put their products to use during the year. With support from the Group, the World Wide Fund for Nature (WWF) uses brushcutters and chainsaws in two projects in Estonia and Russia.

The Ladoga project aims to combine a sustainable use of natural resources with the combination of biological diversity, for example agricultural activities are organized to provide feeding opportunities for migrating birds.

The other project, the Väinameri project, is a project to develop long term agricultural solutions that together with the involvement from local residents will reduce the environmental load on the Baltic Sea.



ENERGY EFFICIENCY EUROPEAN CHAMPION

With an electricity consumption of 203 kWh per year, Electrolux ER8100B is the most energy efficient combined refrigerator/freezer in Europe. This is confirmed by the European procurement program Energy + , an independent coalition of both business and energy authorities and founded by the European Union to promote energy efficient appliances. Energy+ awarded the ER8100B the first prize just ahead of the sister appliance ER8199B. Both refrigerator/freezer are manufactured in Mariestad, Sweden, and boast an energy consumption that is only one third of the European average.



WASHING AND DRYING

Every new generation of appliances is more efficient than the previous one. The best products today consume about half as much energy and water as average 10-year-old products.

If an average German family replaced their 10-year-old refrigerator, freezer, washing machine and dishwasher with new, efficient ones, they would save 245 Euro in electricity and water costs in one year.



SILENT AND EFFICIENT FAVORITE

The new AEG Favorit 80820 dishwasher is both efficient and silent, in fact it's the quietest dishwasher available with a noise level of 43 dB. It has an automatic temperature adjustment and a new condense drying system, which prevents any heat from getting lost.



INTEGRATION SAVES ENERGY AND TIME

The Integration cooker is equipped with a built-in microwave oven, together with the traditional electric oven and hob. This way, the kitchen space can be used in a more rational way. On top of the obvious advantages of a microwave oven; quick heating, new ways to prepare food etc, it's also energy efficient. As a result, the Integration cooker saves up to 40% of the energy used by average cookers, something which recently earned it first prize in an energy efficiency contest organized by the Swedish energy authorities.



IMPROVED INDOOR ENVIRONMENT

More and more people suffer from allergies. The Electrolux Oxygen vacuum cleaner can help making life a little easier. The new generation of Oxygen is equipped with the Electrolux O2 filter system HEPA 13 which provides 99.5% filtration capacity. The exhaust air from an Oxygen is actually cleaner than the air on the North Pole.

Another way to improve indoor air quality is to use a central vacuum cleaning system. In a recent study by the University of California – Davis School of Medicine, using Beam 2100 Central Vacuum Systems from Group subsidiary Beam Industries, use of a Central Vacuum System can result in a significant reduction of allergy symptoms.



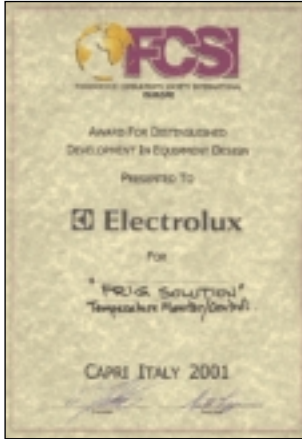
GARDEN EQUIPMENT

Environmental impact occurs mainly during the use of outdoor products and consists of emissions from combustion engines, energy consumption and noise.

Recyclability is another issue of increasing importance. Demand for better ergonomics as well as for lighter products, lower emissions, less noise and overall less environmental impact is also increasing. Governmental authorities are also tightening regulations.

One way of meeting these demands is to offer alternative products, such as lawnmowers powered electrically, instead of by combustion engines. This naturally eliminates exhaust emissions, grease, etc, and considerably reduces the noise level. The Group's English manufacturer Flymo offers a wide range of electric lawnmowers, trimmers and garden vacs.

The Solar Mower from Husqvarna is an environmental wonder. Powered by solar energy, it automatically trims your lawn with a mere whisper. It's completely automatic and can take care of lawns up to 1,200 m² in size.



ELECTROLUX WINS EUROPEAN AWARD

Electrolux Food Service Equipment, part of the Professional Indoor products sector, has won the 2001 FCSI Europe Award. The annual contest, organized by Foodservice Consultants Society International, recognized Electrolux in the “Distinguished Development Design” category for the “Smart Electronic” technology developed for refrigeration systems. Among other things, the defrost system based on Smart Electronics achieves a five percent saving in energy consumption, while ensuring constant temperature in the storage area.



WASCATOR MAKES DRY-CLEANING CLEAN

The process of dry cleaning clothes and fabrics has long been an environmental problem. Wascator, part of Electrolux Laundry Systems, is now working on a new machine that uses carbon dioxide instead of potentially unsafe chemicals. Highly pressurized carbon dioxide acts as an effective solvent to remove substances such as dirt and oils from clothing. At the end of the cleaning cycle, the pressure is reduced and the carbon dioxide is distilled and recuperated. The carbon dioxide used by the machine does not contribute to the greenhouse effect, as it's derived from existing industrial sources and recuperated after use.



HUSQVARNA HEDGETRIMMER WINS PRESTIGIOUS AWARD

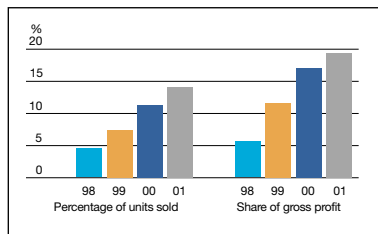
Ergonomics, environment and original, technical thinking. These are the reasons why Husqvarna's 325HDA55x hedge trimmer won the prestigious Wageningen Innovation Award 2001 in the Netherlands. The hedge trimmer is the latest in the line of newly developed hedge trimmers that have left Husqvarna's factory in Huskvarna, Sweden this year. The 325HDA55x is intended for people who work professionally in parks and cemeteries and who place extra demands on ergonomics, and flexibility as well.

The cutting bar itself is continuously adjustable in both directions: upwards 10 degrees and downwards 55 degrees. The ability to continuously adjust the cutting bar in both directions, which Husqvarna is alone in offering on the market, is a unique advantage when it comes to ergonomics. Husqvarna's hedge trimmers are equipped with the unique E-TECH engine, which combine high power and low weight with reduced exhaust emissions.



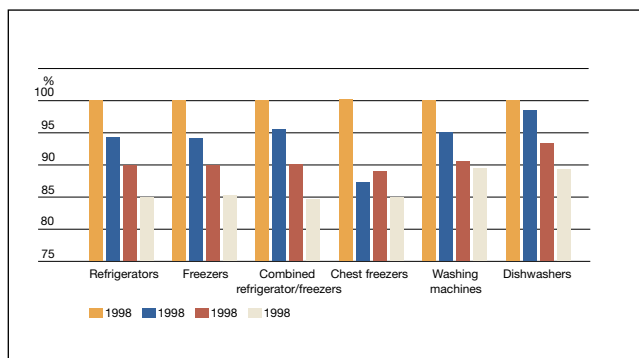
GREEN RANGE

Green Range measures the relative profitability of products with leading environmental performance. As the product range is continuously improving, the criteria are made stricter every year. Green Range is fully implemented for white goods in Europe since 1996, and shows a clear pattern of relatively higher profitability for the environmental top range. In 2001, Green Range accounted for 14% of total units sold and 20% of gross profit.



FLEET AVERAGE

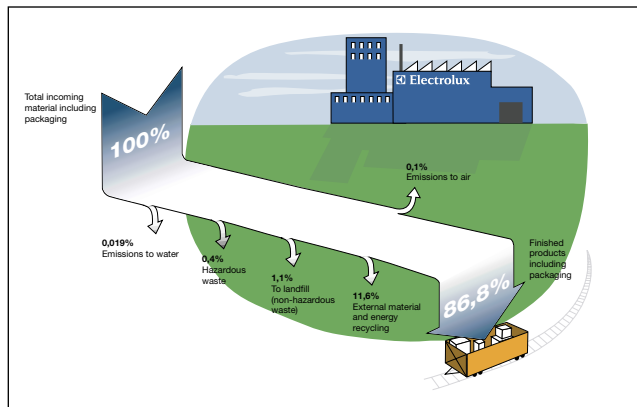
Fleet Average is implemented for white goods in Europe and measures average improvement in energy efficiency for the different product groups. The graph shows reduction in energy consumption with index set at 100 in the year 1998.



DIRECT MATERIAL BALANCE

Direct material balance for the Group in 2001, based on data from more than 99.5% of total manufacturing area. Estimates are used where data is missing. Values <0.49 are set to 0.

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 chemicals) is handled according to local regulations, often treated by external contractors.



DIRECT MATERIAL BALANCE DATA

Country Region	No of factories	Input		Output								
		Direct material	Finished Products	Waste				Emissions				
				Internal Recycled	Burnt	Recycled	External Burnt	Landfill	H. Waste	Air	Water	
1. Europe	Austria	1	42,080	30,878	0	0	10,657	0	36	480	29	0
	Denmark	2	10,926	8,286	1	0	2,456	120	11	53	0	0
	France	6	69,458	64,756	41	0	3,419	6	1,132	132	13	0
	Germany	9	222,766	189,328	521	0	31,478	713	226	1,006	34	0
	Great Britain	2	34,322	31,105	301	0	2,481	0	573	148	15	0
	Hungary	2	85,833	79,907	1,486	0	5,093	0	949	262	20	2
	Italy	17	705,343	611,621	48,048	1	80,291	751	5,965	4,918	1,797	0
	Norway	2	5,481	4,500	0	0	878	13	80	10	0	0
	Poland	1	9,201	6,758	0	0	168	225	60	0	0	0
	Romania	1	22,552	18,081	361	0	2,714	0	1,495	220	42	0
	Slovakia	1	1,817	1,465	0	0	277	0	62	12	1	0
	Spain	4	125,191	105,960	0	0	17,829	12	981	383	26	0
	Sweden	13	116,109	97,507	3,060	0	12,427	3,217	1,026	1,908	24	0
	Switzerland	2	7,225	5,771	19	0	1,208	158	0	88	0	0
1. Europe Total		62	1,448,323	1,247,523	63,626	1	171,376	6,216	12,586	9,620	2,001	2
2. North America		22	1,177,940	1,026,970	16,325	0	131,349	627	17,477	69	1,174	64
3. South America		6	151,599	141,374	127	0	9,558	0	318	329	20	0
4. Asia		8	85,858	74,189	164	15	11,159	0	139	66	271	36
5. Australia		7	90,423	76,853	307	2	10,696	0	2,623	259	12	0
Grand Total		105	2,954,145	2,596,910	72,801	18	334,138	6,042	33,143	10,343	3,478	91
Total 2000		102	2,969,781	2,600,693	69,073	0	334,267	5,362	37,518	9,496	2,433	92
Total 1999		110	3,039,064	2,615,037	66,261	13	329,045	4,224	44,669	10,665	1,851	123
Total 1998		97	2,476,145	2,170,088	67,576	4	246,488	14,865	33,932	9,258	1,500	94
Total 1997		116	2,556,520	2,184,036	23,739	1,305	307,630	17,602	36,088	8,804	2,071	88
Total 1996		124	2,351,660	2,073,935	64,941	1,282	231,232	16,651	25,981	11,443	3,270	48
Total 1995		111	2,368,260	2,097,759	32,906	2,703	230,309	3,338	24,203	8,778	3,691	282

Reported data covers more than 99.5% 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. All material values are in 1000 Kg.

B Area	Country	Data										
		No	Input DM	Fin. prod	i:r Total	r Burnt	e:r Total	e:r Burnt	Landfill	Haz. waste	Total Air	Water emis
1. Consumer Durables		63	2,338,650	2,086,646	24,988	18	211,793	5,271	27,898	5,412	1,539	91
2. Professional Indoor		30	596,637	467,286	45,620	0	118,929	336	4,491	3,612	1,839	0
3. Professional Outdoor		10	28,858	22,978	2,203	0	3,366	436	754	1,319	6	0
Grand Total		105	2,954,145	2,596,910	72,801	18	334,138	6,042	33,143	10,343	3,478	91

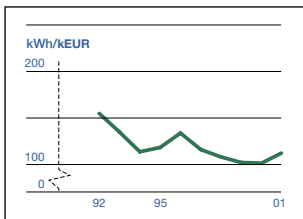


PRODUCTION RELATED MEASUREMENTS

Production-related measurements have been aggregated on Group level since 1988, to monitor energy and water consumption and related CO₂ emissions at 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 2001 are based on data from more than 99.5% of the Group's total manufacturing area.

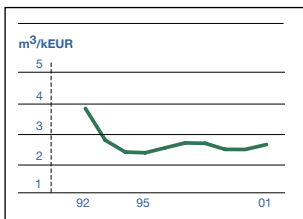
Because much of the environmental impact depends on production volume, some of the measurements are calculated in relation to added value. Added value is here defined as the difference between total manufacturing costs and direct material costs. The data are not compensated for extraordinary fluctuations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

The site measurements for 2001 show very small changes compared to last year. Though consumption of water and energy decreased, restructuring resulted in a small increase in relation to added value.



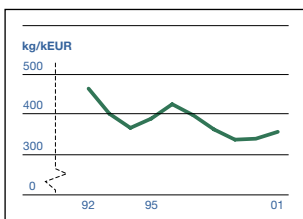
ENERGY CONSUMPTION PER ADDED VALUE

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



WATER CONSUMPTION PER ADDED VALUE

The use of treated water in cubic meters per EUR 1,000.



CO₂ 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 EUR 1,000.

USE OF SOLVENTS AND OILS

Country Region	No of factories	Use of solvents and oils Kkg		
		Chlorine- based solvents	Volatile organic compounds	Oil
1. Europe				
Austria	1	0	0	0
Denmark	2	0	0	9
France	5	33	2	44
Germany	9	7	0	56
Great Britain	2	0	0	40
Hungary	2	0	14	16
Italy	17	0	51	649
Norway	2	0	0	8
Poland	1	0	0	0
Romania	1	0	0	15
Slovakia	1	0	0	0
Spain	4	0	35	1,496
Sweden	13	0	12	39
Switzerland	2	0	0	4
1. Europe Total	62	40	114	2,376
2. North America	22	0	276	3,202
3. South America	6	0	1	216
4. Asia	8	83	9	265
5. Australia	7	0	7	148
Total 2001	105	123	407	6,207
Total 2000	102	201	491	5,586
Total 1999	110	234	453	5,073
Total 1998	97	173	239	6,828
Total 1997	116	200	737	4,667
Total 1996	124	190	2,065	4,959

B Area	Region	Data			
		No of Units	CL solvents	VOCS	Oils
1. Consumer Durables		63	28	300	3831
2. Professional Indoor		32	95	105	2359
3. Professional Outdoor		10	0	2	17
Grand Total		105	123	407	6207

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 2001 comprise reports from more than 99.5% 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.

COATING PROCESSES

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

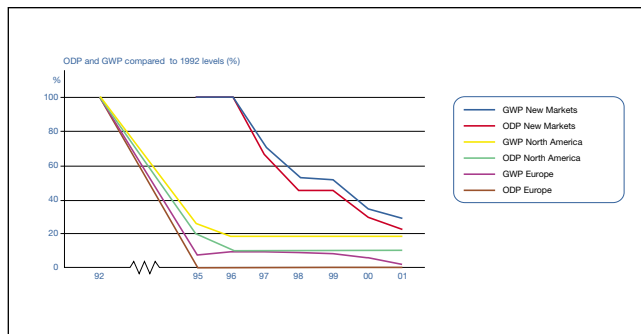
The surface coating has presented, and still presents, an important improvement area in appliance manufacturing. Data for 2001 comprise reports from more than 99.5% of the total manufacturing area, as compared to around 85% for previous years. This also affects all figures not calculated against added value or heated area.

Country Region	No of factories	No of factories with		
		Pre-treatment	Solvent painting	Enameling
1. Europe				
Austria	1	1	0	0
Denmark	2	2	0	1
France	5	4	3	1
Germany	9	8	1	1
Great Brit	2	1	0	1
Hungary	2	2	0	0
Italy	17	9	1	3
Norway	2	2	0	1
Romania	1	1	0	1
Spain	4	3	2	2
Sweden	13	7	1	1
Switzerland	2	2	1	1
Poland	1	0	0	0
Slovakia	1	1	0	1
1. Europe Total	62	43	9	14
2. North America	22	17	3	2
3. South America	6	4	1	0
4. Asia	8	8	2	2
5. Australia	7	6	3	3
Total 2001	105	78	18	21
Total 2000	102	73	22	17
Total 1999	110	77	31	15
Total 1998	97	73	28	12
Total 1997	116	80	41	14
Total 1996	124	79	48	16

B Area	Region	Data			
		No of Units	Pretreatment	Solvent Paint	Enameling
1. Consumer Durables		63	52	11	17
2. Professional Indoor		32	21	6	4
3. Professional Outdoor		10	5	1	0
Grand Total		105	78	18	21

ODP/GWP

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 2001. 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.



ELECTROLUX EMS CERTIFICATION STATUS

Region	Units	Large	Cert	%	% Area
Europe	72	68	43,0	63,2	78,9
North America	23	21	3,0	14,3	25,9
Other	25	25	3,0	12,0	24,2
Total	120	114	49,0	43,0	58,1

As of the end of 2001 49 units were certified. 7 units were certified during the year and 3 previously certified units were divested during the year. Units show the number of factories in the group + those units other than factories that have been certified (5). Large are the units with more than 50 employees. These are required to certify their EMS according to ISO14001. % shows the percentage of the units certified. %/area shows the percentage of the total production area certified. The difference between the numbers shows priority on certifying larger units.

Business Area	Units	Large	Cert	%	% Area
Consumer durables	77	77	36,0	46,8	64,2
Professional indoor	31	28	11,0	39,3	38,3
Professional outdoor	12	9	5,0	55,6	17,9
Total	120	114	52	45,6	58,1

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 times in this table.