Electrolux Group and climate change

Climate change represents an urgent and potentially irreversible threat to human societies and ecosystems. Electrolux Group can play an important role in providing consumers around the world with efficient domestic appliances and help them live more sustainably while ensuring they are produced with minimal climate impact.

The consensus among scientists is that human activities are contributing to climate change, mainly through carbon dioxide emissions from the combustion of fossil fuels and other greenhouse gases such as hydrofluorocarbons (HFCs).

The continued emission of greenhouse gases at current levels is likely to result in extreme weather and climate events that impact on human societies and ecosystems. The consequences of climate change will persist for many centuries, even if greenhouse gas emissions are reduced significantly.

The Paris climate agreement concluded that the global average temperature increase must be kept well below 2°C compared to pre-industrial levels and that efforts should be pursued to limit the temperature increase to 1.5°C.

The climate impact of appliances

Energy consumption by appliances and equipment continues to grow, driven largely by the increasing ownership and use of energy-consuming devices, especially in emerging economies*. Product usage generates more than 80% of our total value chain CO2 emissions. Energy efficient appliances can help to save energy and thus reduce carbon emissions. In addition, water efficient appliances can contribute to saving water in a world where water is becoming an increasingly scarce resource.

Our business and our appliances result in direct and indirect greenhouse gas emissions.

Direct impact (Scope 1 and 2) mainly includes emissions:

- from energy used in our operations
- of other greenhouse gases during manufacturing, i.e. HFCs.

Indirect impact (Scope 3) includes emissions from:

- up-stream production of materials, components and products
- transport throughout the value chain
- generation of electricity consumed during product use
- disposal and recycling of products

Electrolux Group's position

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 the Group has signed.

Toward 2030, the targets are:

- **Our science-based target** 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 Group. Our science-based climate target is aligned with the 2015 Paris 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 company target aims to achieve** climate neutral operations by 2030 (scope 1 and 2 emissions).

In order to promote low-carbon solutions, we will engage with stakeholders to support efforts that are outside the direct control of our company, e.g. safety standards for hydrocarbon refrigerants, energy efficiency and labelling standards, and decarbonization together with logistics partners.

We will continuously analyze our impacts and update our objectives and targets (see the latest Electrolux Sustainability Report.

We report on our progress in our Annual and Sustainability Reports, as well as through CDP (previously known as the Carbon Disclosure Project).

Climate mitigation actions

We have targets to:

- continuously improve our product energy efficiency.
- reduce energy consumption in our operations and shift toward renewable energy.
- increase the efficiency of our transportation through partnerships with suppliers.
- phase out high impact greenhouse gases from our products.
- increase the proportion of renewable and recycled materials in our products, promote recyclability and develop more circular business models.

We also support or promote:

- consumers to use our products more efficiently.
- globally harmonized energy efficiency measurement standards.
- energy label systems and minimum energy efficiency limits for market access.
- long-term efforts that promote the exchange of old inefficient appliances with new efficient ones.
- circular business models.
- environmentally sound solutions for handling greenhouse gases in recycling operations.
- producer responsibility for recycling, ensuring that effective solutions are in place for the end-of-life management of household appliances.

* Appliances and Equipment – Analysis – IEA, September 2022