



Electrolux Sustainability in Brief

For the Better

A woman with dark hair, wearing a dark green jacket over a white turtleneck and white trousers, is walking through a forest. She is looking to her right. The forest floor is covered in low-lying vegetation with autumnal colors. In the background, tall, thin trees stand against a bright sky. On the right side of the frame, the arm and hand of another person holding a brown basket are visible.

We shape living for the better by
reinventing taste, care and wellbeing
experiences, for more enjoyable and
sustainable living.



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Awards 2018

The Group's sustainability performance strengthens relations with investors. In 2018, and for the twelfth consecutive year, Electrolux was recognized as a leader in the household durables industry in the prestigious **Dow Jones Sustainability Index (DJSI)**. Electrolux thereby ranks among the top 10% of the world's 2,500 largest companies for social and environmental performance. Additionally, Electrolux has received recognition from other indexes and organizations, including the **RobecoSam Gold Class**, **UN Global Compact 100** and **oekom Prime**. Electrolux is also included in the **CDP Climate Change A List**.

The full story

www.electrolux.com/sustainability

For the Better – key results 2018

Better Solutions



20 times more recycled plastic used in products in 2018 compared with 2011



The amount of recycled steel has increased from 7% in 2013 to 24% in 2018

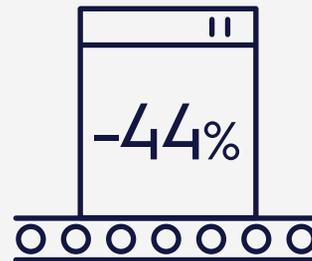


Green range of products accounted for 21% of total units sold and 29% of gross profit in 2018

Better Operations



-66% absolute CO₂ emissions in operations since 2005



-44% energy used per manufactured product compared to 2005



90% of employees stated they understand how they should act in accordance with our Code of Conduct

Better Society



Thirteen local and three global Electrolux Food Foundation projects up and running



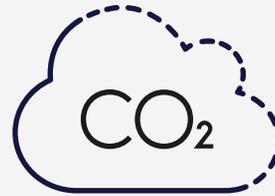
Reached close to 6,200 people working at over 120 of our suppliers through face-to-face and digital training



Improved CO₂ efficiency in global sea freight by more than 25% during the last 5 years

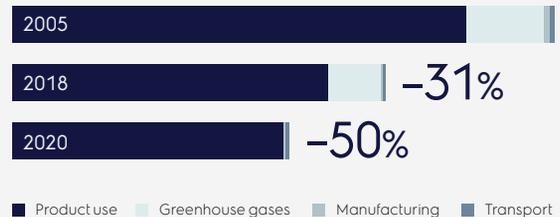
Our targets for the future

OUR SCIENCE-BASED TARGETS



We step up our climate action with approved science-based targets in line with the Paris Climate Agreement.

OUR -50% CLIMATE TARGET 2020



OTHER TARGETS FOR 2020

50%

Achieve a 50% share of renewable energy for our operations

zero

Implement Zero Landfill program in all manufacturing sites



Building on 100 years of reinventing great taste, care and wellbeing

THE YEAR SUMMARIZED BY JONAS SAMUELSON (JS), PRESIDENT AND CHIEF EXECUTIVE OFFICER,
AND HENRIK SUNDSTRÖM (HS), VP SUSTAINABILITY AFFAIRS.

What were the main sustainability achievements for Electrolux in 2018?

HS: Our overall progress in terms of sustainability was well summarized by our employee responses to the 2018 Employee Engagement Survey – with 83% of employees considering sustainability to be a natural part of their everyday work and 80% proud of our sustainability progress.

The approval of our new science-based targets were clearly a great achievement. We also continued to

demonstrate our climate leadership by being included in the CDP A list for the third year running and scoring B in the CDP Water questionnaire.

We made progress in terms of conflict minerals by expanding our Conflict Minerals Due Diligence Program and continuing to work with our suppliers to increase awareness and mitigate risks. We also retained our position as an industry leader in the Consumer Durables category of the Dow Jones Sustainability Index (DJSI World) and

were the only company in the sector to receive the RobecoSam Gold Class award.

Could you tell us more about the new Electrolux climate targets?

JS: In April 2018, our new science-based climate targets were approved by the Science Based Targets initiative as being aligned with the Paris Climate Agreement. The targets aim for 80% emissions reductions in our operations and 25% in our products by 2025. I am

proud that the targets reinforce our position as a leading company on taking climate action and will go beyond our current 2020 climate objective.

How have the re-engineering and efficiency investment plans progressed in 2018?

JS: We made SEK 5.6 billion of efficiency investments in our factories and products during the year, which will realize significant financial and environmental savings and make a major contribution toward our climate targets. New efficient products include the professional Line 6000 tumble dryer that achieves over 60% energy savings compared with standard driers and provides the shortest drying times on the market.

How important are the UN Sustainable Development Goals to Electrolux?

JS: Crucially, I believe the correlation between our Sustainability Framework and the SDGs highlights that our agenda reflects societal objectives. Our framework is further reinforced by inter-

national agreements, such as the ten principles of the UN Global Compact, which we are a long-term signatory of.

Could you tell us how the Electrolux Food Foundation has developed?

HS: The Electrolux Food Foundation is our means to inspire more sustainable food choices among consumers and professionals, and to support people in need in the communities around us. In 2018, we finalized our first phase to develop good processes, cooperation with external partners and formulate targets, and will scale up and replicate good practice in 2019.

How has the work gone to integrate the Electrolux purpose into the business?

JS: As 'Act Sustainably' is one of the three drivers of our 'Shape living for the better' purpose, it really helped us to more closely integrate sustainability into everything we do in 2018. This work paved the way for a new ambitious program that we are launching in 2019 as part of our 100-year anniversary.

What does the 100-year anniversary mean for sustainability at Electrolux?

JS: Our anniversary means that we have been reinventing great taste, care and wellbeing experiences for our consumers for a century – increasing the quality of life for hundreds of millions of people around the world. In 2019, we will renew and step up our work with sustainability with a global, long-term initiative to create a more enjoyable and sustainable future.

What are you most looking forward to in 2019?

HS: Importantly, we will update our sustainability framework with 2030 targets, and have begun a process to develop our purpose – Shape living for the better – in which sustainability is a key pillar. Our 100-year anniversary will highlight how Electrolux has been fundamental to shaping the way we live today, but also how we can contribute to more sustainable lifestyles for the next 100 years.



A handwritten signature in black ink, consisting of a stylized 'J' followed by a long horizontal stroke and a small flourish at the end.

Jonas Samuelson



A handwritten signature in black ink, written in a cursive style that reads 'Henrik Sundström'.

Henrik Sundström



Electrolux in a changing world

The world in which we operate is constantly changing due to the influence of global megatrends, which create challenges for our business – but also bring about enormous opportunities. Our sustainability framework – For the Better – helps us manage these trends, and ensure 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 natural resources. In the next 15 years, another billion people are expected to buy their first refrigerator.

Implications for Electrolux

- Significant growth potential in emerging markets
- Continued trend to improve the environmental performance of appliances
- Growing importance of the elderly consumer group and the increasing number of smaller households
- Potential for new business models, e.g. shared ownership

Climate and resources

The need to reduce greenhouse gas emissions, and adapt to a changing climate and resource limitations, will drive appliance manufacturers toward 'circular business' models that promote resource efficiency, more sustainable materials and waste reduction.

Implications for Electrolux

- Continued trend to improve the environmental performance of appliances
- Pressure to reduce water consumption in areas with water scarcity
- Competition for some metals and minerals
- Growing importance of the circular economy
- Expectations to go beyond chemical legislation

Technology

New technologies are scaled rapidly and globally, with purchasing decisions increasingly influenced by online information and social media. The Internet of Things (IoT) promises to connect billions of products in the near future.

Implications for Electrolux

- Greater consumer empowerment and awareness requires transparency and sustainable business practices
- Digitalization will drive the next wave of operational efficiency, including closer integration with suppliers
- Connectivity offers opportunities for new business models that result in better resource efficiency
- IoT enables a lifelong relationship between producers and consumers, but requires high standards of data security and privacy



- NO. 2 – Zero hunger
- NO. 8 – Decent work and economic growth
- NO. 12 – Responsible consumption and production
- NO. 13 – Climate Action

Electrolux and the UN Sustainable Development Goals (SDGs)

The SDGs provide the global community with a roadmap for how to combat global challenges related to economic, social and environmental sustainability. As a sustainability leader in the appliance industry, we believe that we can primarily contribute to SDGs 2, 8, 12 and 13, which are closely aligned with our sustainability framework – For the Better.

Learn more

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

Our sustainability framework

Our sustainability framework – For the Better – defines how Electrolux works to achieve Better Solutions, Better Operations and a Better Society. It includes our most material sustainability issues and helps us strive toward our purpose to shape living for the better.



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.

Constantly improve product performance and efficiency

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

Make better use of resources

Electrolux will make better use of resources, and promote the market for recycling by using more recycled materials.

Eliminate harmful materials

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

Better Operations

We work continuously to be more resource efficient, and become a safer and more ethical company.

Achieve more with less

Electrolux will continue to reduce its environmental footprint by shifting to renewables, and optimizing the use of energy and other resources throughout its operations.

Ensure the best health and safety

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

Always act ethically and respect human rights

Electrolux will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics and human rights through our words and actions.

Better Society

We make a difference in society by collaborating to meet local needs and promote improvement throughout our value chain.

Provide solutions for healthy and sustainable living for more people

Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.

Be a force for good

Inspire better food consumption and cooking habits among consumers and professionals and help people in need.

Improve sustainability in the supply chain

Electrolux will ensure that all suppliers live up to our high expectations, no matter where they are located, and we will support the transition to more sustainable practices.

Our Climate Targets

Our -50% climate target

Halve the Group's climate impact, preventing the release of 25 million metric tons of carbon dioxide and its equivalents (CO₂e) over 15 years – between 2005 and 2020.

Science Based Target

Absolute scope 1 and 2 greenhouse gas emissions reduction of 80% between 2015 and 2025, and reduction of absolute scope 3 emissions from the use of sold products by 25% during the same timeframe.

For more detail and comprehensive information, please see our Sustainability and GRI report www.electroluxgroup.com/sustainabilityreport2018

50' FLUX



Better Solutions

BETTER SOLUTIONS HIGHLIGHTS 2018

Several new efficient solutions were launched in 2018 and we continued to incorporate recycled materials into our products. Significant progress was also made in eliminating harmful materials.

Product efficiency

- Expenditure on R&D in 2018 amounted to SEK 3,960m – equivalent to 3.2% of net sales. One third of expenditure goes to sustainability-related product development
- Efficient products launched in 2018 include the Line 6000 professional tumble dryer that achieves over 60% energy savings compared with normal driers while providing the shortest drying times on the market

Recycled materials

- 7,300 metric tons of recycled plastic used in 2018 – 20 times more than in 2011
- The amount of recycled steel has increased from 7% in 2013 to 24% in 2018

Eliminating harmful materials

- 4,700 components tested and verified for chemical compliance
 - US safety standards were revised in 2018 following several years of advocacy by Electrolux to allow appliance makers to replace HFCs with more eco-friendly hydrocarbon refrigerants
-

Going full circle

Electrolux is embracing the circular economy – where resources are used as long as possible before being recovered to ensure they get a new life.

We are working toward a circular economy by increasing the use of recycled materials in our products. By replacing virgin materials with recycled ones, we significantly reduce environmental impact and promote a more closed resource loop.

We are also working to extend the life of products through various partnerships in Europe. For example, in 2018 we began a project with El-Kretsen, a Swedish e-waste collection system, to look into how we can

recover functioning products that consumers have discarded.

We are adopting a more circular business model is by offering more pay-per-use models, where we retain ownership of the appliances to optimize their lifespan. In Sweden we offer a pay-per-use model for our Pure i9 robotic vacuum. In 2018, we acquired Schneidereit GmbH, which offers laundry rental solutions to professional customers.

"By replacing virgin materials with recycled ones, we significantly reduce environmental impact and promote a more closed resource loop."



A close-up photograph of a person's hands holding a clear plastic blender jar. The jar is inverted, showing the black blade assembly at the bottom. The text "Better Operations" is overlaid in white, bold, sans-serif font across the center of the jar. The background is a blurred grey surface, likely a kitchen counter or appliance.

Better
Operations

BETTER OPERATIONS HIGHLIGHTS 2018

We focus on improving our climate footprint by promoting energy efficiency and the use of renewable energy. Safety systems and processes were aligned with our Group-wide approach during the year and we launched a new Electrolux Code of Conduct.

Operational efficiency

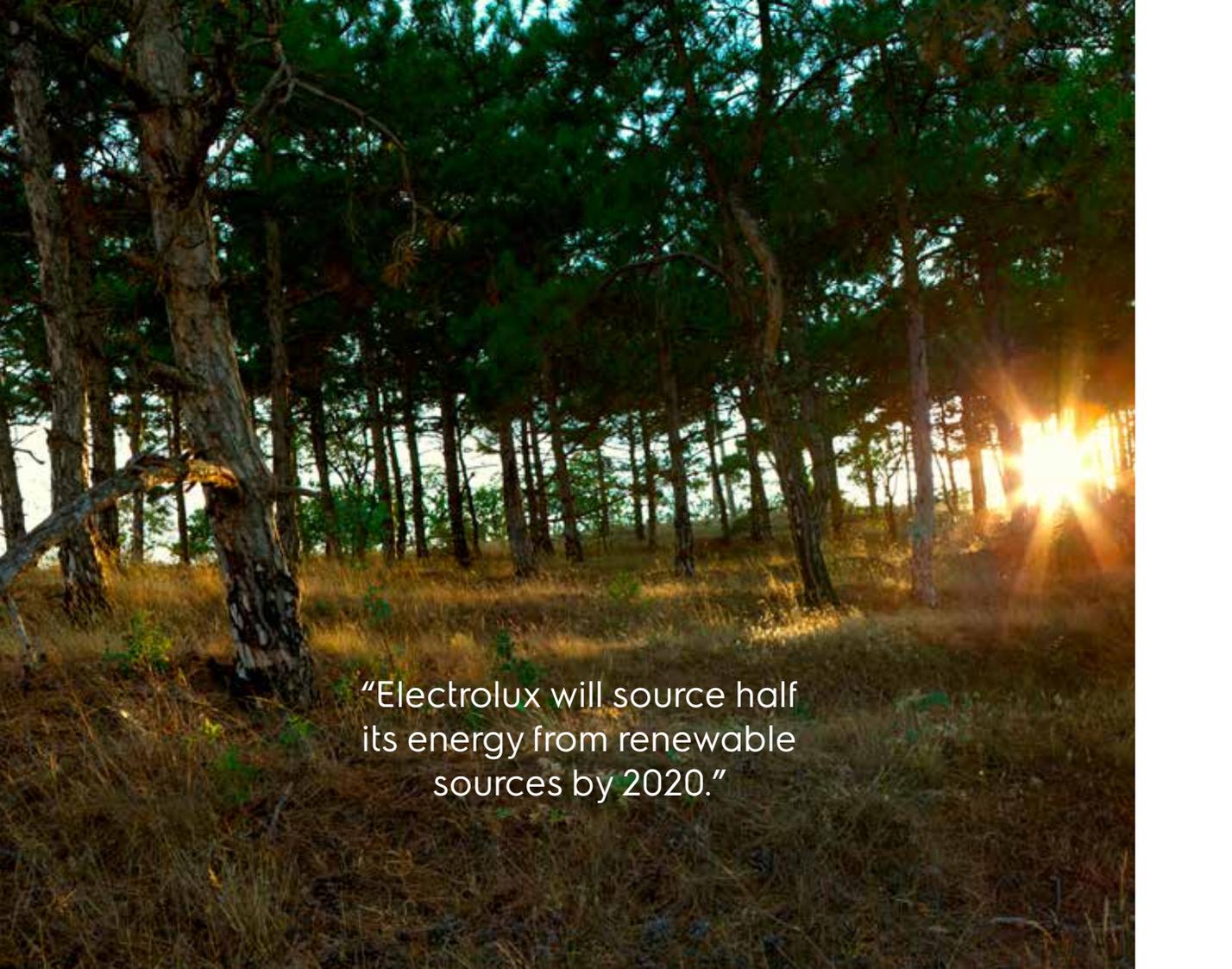
- 66% CO₂ emissions reduction compared with 2005
- Energy efficiency initiatives and a shift to renewable electricity have resulted in annual savings of over SEK 500m compared to 2005
- 24 manufacturing sites and several offices in Europe and North America procured 100% renewable electricity, which helped reduce our total emissions by 15% compared with 2017
- Our São Carlos factory in Brazil was our first to achieve Zero Waste to Landfill certification

Health and safety

- Since 2014, our injury rate has declined by 37% across the Group
- Our approach to safety led to an estimated saving of over SEK 39m in 2018 compared with 2014, based on the average financial costs associated with injuries and lost days
- Our Total Incident Rate per 100 workers in 2018 was 0.59

Ethics and human rights

- We conducted a human rights impact assessment of our operations in Ukraine, alongside 10 Workplace Policy audits of our manufacturing operations in high-risk countries
 - 248 reports of suspected misconduct were reported through our Ethics Helpline, and Electrolux employee trust in the Helpline increased from 67% in 2016 to 76% in 2018
 - A new Electrolux Code of Conduct was launched
 - In our 2018 Employee Engagement Survey, 90% of our employees stated they understand how they are expected to act in accordance with our Code of Conduct
-



“Electrolux will source half its energy from renewable sources by 2020.”

Our journey toward more sustainable operations

We work actively with sustainable energy strategies, ethics, human rights, and zero waste to landfill to improve our operations.

Electrolux will source half of its energy from renewable sources by 2020. This will ensure we use almost 100% renewable electricity in our factories. Several of our plants already have solar panels and many source renewable electricity.

Together with a shift to renewable electricity, recent efficiency improvements have reduced the energy consumed at our factories per product

by around 44% and absolute CO₂ emissions by 66% compared with 2005. This equates to annual financial savings of over SEK 500m.

We work actively to nurture a culture of ethics and respect for human rights within the organization. In 2018, a new Code of Conduct, including a human rights policy statement was launched – to provide an easily accessible

guide for our employees. In 2019, the focus will be on reinforcing messages through training and communications.

By 2020, our aim is to introduce a Zero Waste to Landfill program at all Electrolux factories. Our São Carlos factory in Brazil became our first certified Zero Waste to Landfill site in 2018.

Committed to combatting climate change

In 2018, Electrolux became one of the first 100 companies in the world with climate targets approved by the Science Based Targets initiative.

Electrolux has committed to reducing greenhouse gas emissions from its operations by 80% and emissions from its products by 25% by 2025 (2015 base year). This means we will play our part in helping to achieve the Paris agreement's goal of limiting global warming to less than 2°C compared to pre-industrial temperatures.

Our targets have been reviewed and approved by the Science Based Targets initiative, a collaboration between major players in environmen-

tal protection – CDP, the UN Global Compact, World Resources Institute (WRI) and the World Wildlife Fund for Nature (WWF).

“We're proud to be part of the Science Based Targets initiative,” says Jonas Samuelson, Electrolux President and CEO. “With these ambitious climate targets for 2025, we are strengthening our commitment to be a sustainability leader in our industry.”

“We'll continue to drive product efficiency, eliminate high-impact greenhouse gases from products, and improve efficiency throughout our operations and supply chain,” says Henrik Sundström, VP Sustainability.



Every drop counts

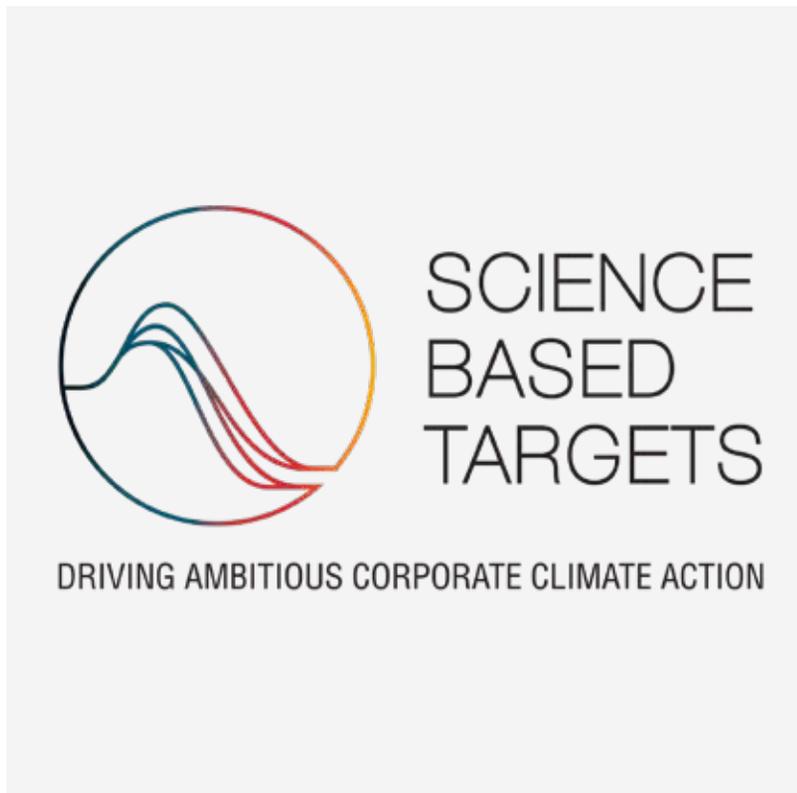
We manage and reduce water use in our operations around the world.

Water availability is one of the greatest global challenges of our time. Our 53 factories around the world consume around 3 million cubic meters of water every year, and 20 of our factories are located in water-risk areas.

“Our strategy is to reduce water consumption by 5% every year in areas of water risk,” says Tomas Dahlman, Director Global Energy. “In 2018, we achieved an overall improved water efficiency in operations of 35% compared to 2015.”

One example of how we are reducing water is the ‘Stop the Drop’ program in the EMEA region. The program has saved over one million cubic meters of water since 2017.

As part of the global program, each EMEA-based factory has implemented a water-saving action plan. Activities include monitoring water use, recycling and reusing wastewater, preventing water leaks, and raising awareness among employees about how they can reduce water consumption.



An aerial photograph of a city intersection, featuring a central roundabout with a building in the middle. The surrounding area is densely packed with buildings, streets, and greenery. The text "Better Society" is overlaid in the center in a large, white, sans-serif font.

Better Society

BETTER SOCIETY HIGHLIGHTS 2018

We are a part of the society and local communities where we operate.

By helping our entire value chain to become more sustainable, and by making a positive impact in local communities, we contribute to a better society.

Community support

- A strategy, including a roadmap and visionary targets aligned with the Agenda 2030 timeline, was developed.
- The strategy is based on four focus areas: Awareness, Engagement, Professional Training and Relief
- Thirteen local and three global Electrolux Food Foundation projects up and running

Responsible sourcing

- Regional Supplier Sustainability Days and workshops were run in Egypt, Italy and the United States and responsible sourcing was one of three main themes in the annual global Supplier Awards
- Our digital and classroom training on the Electrolux Supplier Workplace Standard reached close to 6,500 people in over 120 suppliers
- Emissions from sea transport have been reduced by 25% over the last five years

Better efficiency standards

- We are a member of United4Energy, which aims to contribute to a 10% decrease in global electricity consumption and a reduction of 1.25 billion metric tons of carbon emissions by 2030



Tackling food-related challenges head on

The Electrolux Food Foundation focuses on awareness, engagement, professional training and relief.

Together with partners Worldchefs and AIESEC, the foundation inspires more sustainable food choices among consumers and professionals, and supports people in need in the communities where we operate. By 2030, we aim to have educated over 300,000 people and served over 3 million meals for people in need. Here are some recent Food Foundation initiatives.

Inspiring kids to become Food Heroes

During 2018, the 'Food Heroes' workshop toolkit was developed and piloted by Electrolux, AIESEC and Worldchefs. The toolkit aims to inspire children to adopt better food habits and is based on the UN initiative World's Largest Lesson, produced in partnership with UNICEF.

Electrolux employees, AIESEC volunteers and Worldchefs members will use the toolkit in schools around the world. By the end of 2019, the aim is to have engaged 30,000 people in sustainable eating, and the Food Heroes workshop is key to achieving this target.

Professional culinary training

In 2017, Worldchefs developed a curriculum for culinary training. The goal is to train unemployed people to help them get a job in a professional kitchen. The curriculum was piloted the same year in Curitiba, Brazil, in a newly designed training kitchen at an Electrolux facility.

The program has a sustainability focus and includes, for example, how to minimize food waste. In 2018, the train-

ing program continued in Curitiba, and was rolled out to two more locations: São Carlos (Brazil) and Moscow (Russia).

Since 2017, 92 students have graduated in the three locations. The focus in 2019 is to continue to expand the program to other locations.

Electrolux Cares week in North America

For the third consecutive year, Electrolux in North America supported people in need and tackled hunger. This year, 4,500 employees participated in the program, more than 87,000 meals were prepared, and we donated nearly USD 10,000 and 3,000 nonperishable food items to local food banks.

Involving suppliers in our sustainability agenda

The performance of our suppliers is essential to achieving our sustainability objectives. We help suppliers understand our demands and encourage constant improvement.

We ensure that prospective and current suppliers meet our expectations on sustainability by evaluating, auditing and training them.

Our codes and policies lay the groundwork for how Electrolux and its partners are to operate sustainably and responsibly. The Electrolux Supplier Workplace Standard in particular defines our minimum supplier standards in terms of health and safety, environment, labor and human rights – wherever our suppliers operate.

New tool provides training at the push of a button

QuizRR is an external digital learning platform developed specifically to improve understanding of our requirements and good workplace practices among suppliers. With QuizRR, we are able to reach a large number of people

working at our suppliers to educate them on topics such as workplace policies, and health and safety.

Three suppliers in China have started using QuizRR, and to date over 6,200 people have undergone training. Participants say they have found the training easy to use and understand. The plan is to implement further modules in China and expand the training to countries in Southeast Asia.

Working with suppliers to reduce transport emissions

We are part of the BSR Clean Cargo Working Group, which covers around 85% of the global ocean container capacity and enables us to promote efficiency and cleaner fuels. Our emissions from sea transport have decreased by around 25% in the last five years.

"The Electrolux Supplier Workplace Standard defines our minimum supplier standards in terms of health and safety, environment, labor and human rights – wherever our suppliers operate."

"At our suppliers, 6,200 people have undergone training on workplace policies, and health and safety."

6,200

have undergone training using QuizRR



Our value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create optimal value – from product development to end-of-life. Our value chain includes our most important stakeholders.



Product development

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

Suppliers

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

Electrolux operations

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

Generating value

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

Generating value

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

Generating value

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



Transport

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

Generating value

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



Sales

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

Generating value

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

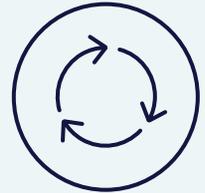


Consumer use

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

Generating value

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



End-of-life

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

Generating value

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



A century of better living

In 2019, Electrolux turns 100 years old and celebrates a century of shaping living for the better.

By creating great taste, care and wellbeing experiences, and more sustainable living for hundreds of millions of people around the world, we have not only impacted the lives of our consumers, but also the societies in which they live.

Enabling a household revolution

Electrolux is part of an industry that has not only revolutionized the life of women, but also general hygiene and eating habits within less than half a century.

First came the vacuum cleaner, then the refrigerator. Another appliance that had a huge social impact is the

washing machine, which is argued to have been the single most revolutionary consumer appliance ever made. The washing machine was followed by the dishwasher, which completed



Electrolux was founded in Sweden in 1919 by entrepreneur Axel Wenner-Gren

the foundations for a new division of household chores among all family members.

More sustainable and better living

During our anniversary year, we are reflecting on our achievements over the past century and how we have established ourselves at the forefront of green thinking, energy savings and environmentally friendly product development. We are also looking to the future and how we will continue to create more sustainable and better living for people around the world.



Sustainability milestones

1991

First Environmental Policy.

1993

First Freon-free fridge range.

1995

First Environmental Report.

1999

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

2002

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

2003

Electrolux joins the UN Global Compact.

2004

Implemented the Electrolux Restricted Materials List.

2011

Group-wide ethics program and ethics helpline launched.

2012

First Electrolux facility equipped with solar panels (Vallenoncello, Italy).

2014

New carbon target to halve our climate impact by 2020 compared with 2005.

2016

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

2018

One of the first 100 companies with Science-Based Targets approved to meet the Paris agreement's climate targets.

2019

Inclusion in the CDP Climate A List for the third year in a row.

Top 100 most sustainable companies according to Corporate Knights.

Electrolux was the only consumer durables company to receive the RobecoSam Gold Class award.

Facts & figures

① Constantly improve product performance and efficiency

The roadmap to 2020	Next steps 2019	Global Green Range
Be a leader in product efficiency in our most important markets by 2020.	● Preparing for energy labeling and raised energy-efficiency standards in the EU and for refrigeration in Australia.	<h1>21/29%</h1> <p>The global Green Range (products with best environmental performance) accounted for 21% of total units sold and 29% of gross profit for consumer products in 2018</p>
Continue to develop products with good environmental performance, with focus on energy efficiency.	● Further integration 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.	

② Make better use of resources

The roadmap to 2020	Next steps 2019	Recycled plastic																				
Replace virgin materials with recycled materials in our products.	● Expand strategic partnerships with suppliers.	<table border="1"> <caption>Recycled plastic usage (Metric Tons)</caption> <thead> <tr> <th>Year</th> <th>Metric Tons</th> </tr> </thead> <tbody> <tr><td>12</td><td>1,000</td></tr> <tr><td>13</td><td>2,000</td></tr> <tr><td>14</td><td>3,000</td></tr> <tr><td>15</td><td>4,000</td></tr> <tr><td>16</td><td>7,000</td></tr> <tr><td>17</td><td>5,000</td></tr> <tr><td>18</td><td>7,000</td></tr> <tr><td>19</td><td>15,000</td></tr> <tr><td>20</td><td>20,000</td></tr> </tbody> </table>	Year	Metric Tons	12	1,000	13	2,000	14	3,000	15	4,000	16	7,000	17	5,000	18	7,000	19	15,000	20	20,000
Year	Metric Tons																					
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Increase the volume of recycled plastic to 20,000 metric tons annually.	● Focus on purchasing and R&D efforts to enable the introduction of recycled plastic in more applications.																					
Increase amount of scrap-based steel in our production.	● Continue to leverage experience from North America in other regions and identify suppliers of scrap-based steel outside North America.																					

3 Eliminate harmful materials

The roadmap to 2020	Next steps 2019	Chemical test
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 coverage of supplier declarations of chemicals throughout our regions.	<p>4,700 components tested in 2018</p>
Raise the bar on chemical requirements, taking into account new scientific findings.	● Annual update of the ElectroLux Restricted Materials List.	
Eliminate all high-impact greenhouse gases from our products.	● Continue to phase-out high-impact greenhouse gases in air conditioning, food preservation and fabric care globally.	

4 Achieve more with less

The roadmap to 2020	Next steps 2019	Emissions per net sales
Improve the energy efficiency of manufacturing sites and warehouses by 20% by 2020 (baseline 2015), engaging all facilities worldwide.	● Develop annual energy efficiency action plans, set targets and engage employees.	<p>Scope 1 and scope 2 (CO₂ metric tons/SEKm)</p>
Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has reached optimal levels of efficiency.	● Roll out the water best practice list and review the water stress strategy.	
Attain energy management certification for our operations around the world.	● Attain global certification for energy management according to ISO 50001.	
Increase our proportion of renewable energy.	● Continue to increase the use of renewable energy throughout our operations.	
Implement a Zero Landfill program at all manufacturing sites by 2020.	● Ensure more factories embark on the Zero Landfill program and become zero landfill.	

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

5 Ensure the best health and safety

The roadmap to 2020	Next steps 2019	Injuries			
Continue to reduce our global injury rate (TCIR) by at least 5% every year.	● Ongoing work with health and safety.		2018	2017	2016
Attain safety certification for our operations across the world.	● To be aligned with the launch of the new ISO 45001 standard.	Number of work-related injuries	240	246	247
Integrate the Group's safety program into new acquisitions within three years of purchase.	● An ongoing process.	Injury rate ¹⁾	0.59	0.60	0.72
		Number of workdays lost due to occupational injuries	3,433	2,707	3,814
		Lost day rate ¹⁾	8.4	6	9
		Number of work-related fatalities	0	0	0

¹⁾ per 200,000 hours

6 Always act ethically and respect human rights

The roadmap to 2020	Next steps 2019	Code of Conduct
Develop and implement a cohesive, group-wide approach to human rights.	● Continue to conduct local assessments and follow up assessments conducted in 2017 and 2018.	<h1>90%</h1> <p>In our 2018 Employee Engagement Survey, 90% of our employees stated they understand how they are expected to act in accordance with our Code of Conduct</p>
Provide guidance to employees on how to do the right thing by promoting the Code of Conduct.	● Maintain the global reach of the Ethics at Electrolux program. Educate employees in the new Code of Conduct and our key policies.	
Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.	● Further develop our process for handling Ethics Helpline cases, through training and shared learning, and common principles of integrity and confidentiality.	
Continue to develop an effective global Anti-Corruption compliance program.	● Align and improve corruption prevention efforts throughout the company through various methods, including e-learning and face-to-face training. Emphasize the zero-tolerance message for bribery and corruption throughout the organization.	

7 Solutions for healthy and sustainable living for more people

The roadmap to 2020	Next steps 2019	Sustainable solutions
Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.	<ul style="list-style-type: none"> Develop global platforms with a high degree of modularization to deliver affordable products with good environmental performance. 	<p>-10% targeted reduction in global electricity consumption through U4E</p>
Engaging in United for Efficiency (U4E), a UNEP-led project to advise governments on areas such as energy labeling, incentive programs, and the disposal of refrigerators.	<ul style="list-style-type: none"> Continue to support U4E projects. 	

8 Be a force for good

The roadmap to 2020	Next steps 2019	Electrolux Food Foundation
Establish and implement a Group approach to community support.	<ul style="list-style-type: none"> This has been achieved. In 2019, the focus will be on implementing a roadmap to achieve our newly defined visionary targets for 2030, with milestone targets for 2019. 	<p>4 A new strategy for social investment was defined based on four focus areas - Awareness, Engagement, Professional Training and Relief</p>
Together with our global and local partners, explore possible project models, and replicate and scale up good projects, with the aim of maximizing societal impact.	<ul style="list-style-type: none"> Replicate and scale up our programs: <ul style="list-style-type: none"> • Education on sustainable cooking and eating habits • Professional culinary training • Sustainability education in culinary schools • Donations of meals to people in need 	

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

9 Improve sustainability in the supply chain

The roadmap to 2020	Next steps 2019	Remediation of non-compliance findings															
<p>Monitor and secure minimum performance at our direct suppliers of components, finished goods, licensed products and services. Engage selectively further up the supply chain and promote responsibility among all suppliers toward their own supply chain.</p>	<p>● Increase coverage of our supply base by differentiating and developing new methods of engagement and monitoring.</p>	<table border="1"> <caption>NUMBER OF FINDINGS</caption> <thead> <tr> <th>Category</th> <th>Initial audit</th> <th>Follow-up audit</th> </tr> </thead> <tbody> <tr> <td>Minor findings</td> <td>~800</td> <td>~350</td> </tr> <tr> <td>Major findings</td> <td>~680</td> <td>~300</td> </tr> <tr> <td>Critical findings</td> <td>~520</td> <td>~220</td> </tr> <tr> <td>Zero tolerance</td> <td>~20</td> <td>~10</td> </tr> </tbody> </table>	Category	Initial audit	Follow-up audit	Minor findings	~800	~350	Major findings	~680	~300	Critical findings	~520	~220	Zero tolerance	~20	~10
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<p>Screen prospective suppliers to ensure they can live up to the Group's expectations.</p>	<p>● Implement standards for supplier minimum pace of improvement as well as the associated sanctions.</p>																
<p>Increase awareness and capabilities among our prospective and existing suppliers through training and dialogue.</p>	<p>● Develop next generation e-learning with special focus on areas with a high number of findings.</p>																
<p>Drive the improvement of supplier ecological footprints.</p>	<p>● Implement and deploy self-assessment and improvement tools for our main suppliers.</p>																
<p>Leverage our influence over logistics companies to improve the CO₂ efficiency of our transportation by 15% by 2020.</p>	<p>● Continue the implementation of an environmental scorecard in the tendering process for dedicated transport services in 2019.</p> <p>Set up supplier meetings to share/discuss best practice and action plans.</p> <p>Proactively contribute to the BSR Clean Cargo initiative, which aims to improve the environmental performance of marine container transport.</p>																

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

Our Climate Target

The roadmap to 2020	Related promises
Be a leader in product efficiency in our most important markets.	● Promise 1: Constantly improve product performance & efficiency
Eliminate high-impact greenhouse gases from our products.	● Promise 3: Eliminate harmful materials
Improve efficiency throughout our operations and supply chain.	● Promise 4: Achieve more with less
Improve the energy efficiency of manufacturing sites and warehouses by 20%.	● Promise 9: Improve sustainability in the supply chain
Increase the share of renewable energy for our operations to 50%.	● Promise 4: Achieve more with less

Awards and recognition

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

Dow Jones Sustainability World Index

Electrolux has been named Industry Leader of the Household Durables category in the Dow Jones Sustainability World Index (DJSI World). It is the twelfth consecutive year that Electrolux receives this recognition in the assessment, which highlights the 10% best-in-class economic, environmental and social performers among the world's 2,500 largest companies.

RobecoSAM

Electrolux was the only consumer durables company to receive the RobecoSam Gold Class award in 2019. RobecoSam is an annual corporate sustainability leadership rating.

CDP Climate Change A List

Electrolux has been named one of the top 2% corporate global leaders acting on climate change by international non-profit CDP in its 2018 CDP Climate Change A List.

oekom

oekom research AG awards Prime Status to leading companies in their industry.





The Electrolux purpose

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

Our offering

Electrolux is a global leader in household appliances and appliances for professional use. We offer thoughtfully designed, innovative and sustainable solutions under esteemed brands including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi.

124

billion SEK in sales

60

million products sold annually

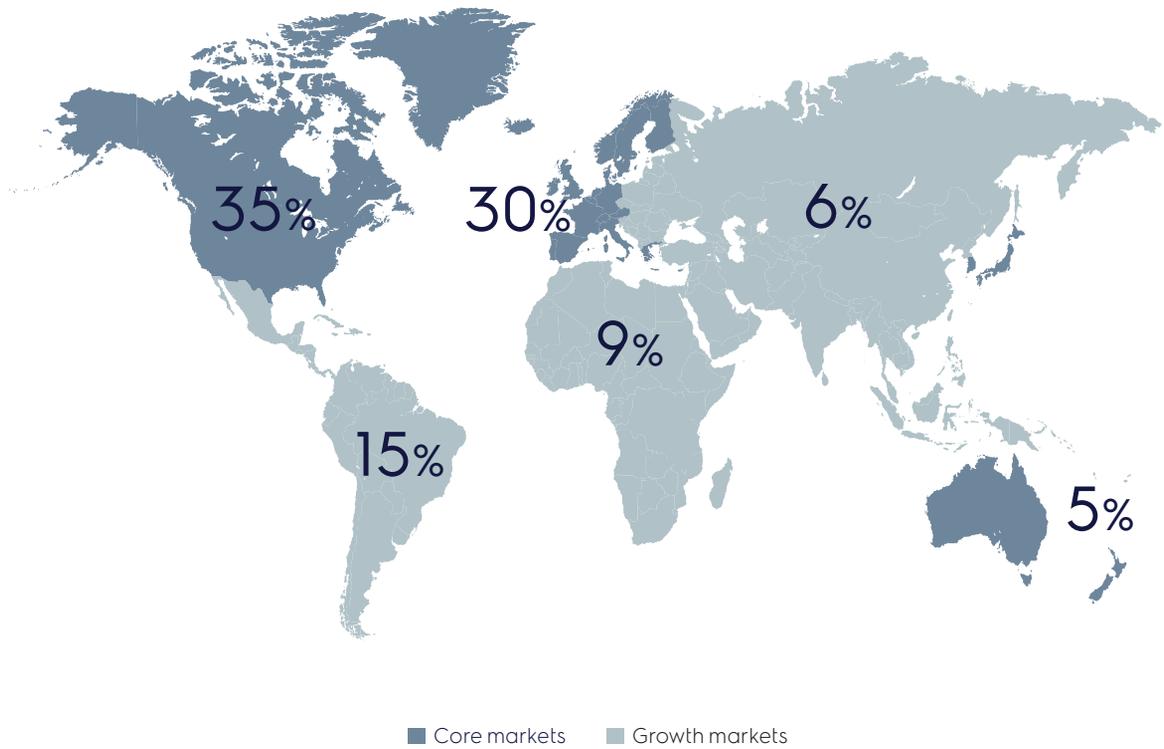
>58

countries

54,000

employees

Sales by region



Concept, text and production
Electrolux Sustainability Affairs and
Hallvarsson & Halvarsson.





AB Electrolux (publ), 556009-4178

Mailing address: SE-105 45 Stockholm, Sweden Visiting address: S:t Göransgatan 143, Stockholm
Telephone: +46 8 738 60 00 Website: electroluxgroup.com

For more detail and comprehensive performance data, please see our
Sustainability and GRI report:
www.electroluxgroup.com/sustainabilityreport2018