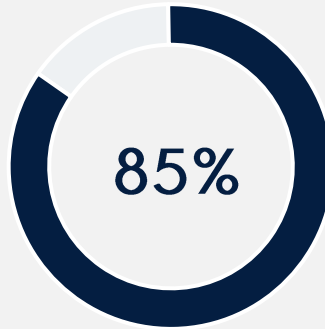




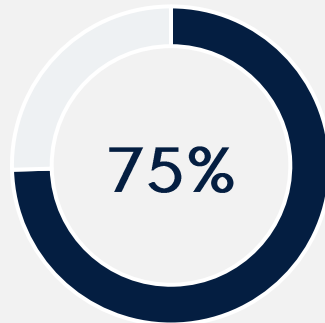
Electrolux
Conflict Minerals Report
2020



Key results



85% supplier response rate -
same as in 2019



75% certified smelters or refiners
compared to 69% in 2019

Action

Requested and ongoing from seven
identified potential high-risk suppliers



Summary

This report describes the supply chain due diligence process for conflict minerals at AB Electrolux, and the results of the 2020 Conflict Minerals survey. Information in this report is based on the Group's supplier status in 2019. Throughout the report, data from the reporting year of 2018 is presented in parentheses.

The Group implemented a policy regarding conflict minerals in the Electrolux Code of Conduct in 2014. The policy can now be found in the Electrolux Group Workplace Directive. In 2016, the Group voluntarily started a Conflict Minerals Due Diligence Program, based on the globally recognized framework Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas, specifically the Democratic Republic of the Congo (DRC) or adjoining countries.

In 2020, Electrolux surveyed 284 (422) of its first-tier suppliers representing 90% (90%) of the expenditure on components expected to contain conflict minerals. The decrease of suppliers in scope is mainly due to the ongoing consolidation of the Electrolux supply chain. Therefore, it takes fewer suppliers to reach a 90% spend level in each product category.

A response rate of 85% (85%) was reached. Around 75% (69%) of the 302 reported, known and active smelters and

refiners (SORs) in the Group's supply chain have been certified as "DRC conflict-free" by the Responsible Minerals Assurance Process (RMAP), formerly the Conflict-Free Smelter Program (CFSP), on behalf of the global organization Responsible Minerals Initiative (RMI).

Over three quarters of the responding suppliers, 78%, indicated that they either had no 3TGs (see definitions) in products supplied to Electrolux, or that they have 3TGs that pose no conflict concern.

Seven of the surveyed suppliers indicated that they source gold from a refinery which is not certified as Conflict-Free. Electrolux has approached these suppliers and work is ongoing to eliminate this source of materials from their supply chain. By the time of reporting, 25 March 2021, three suppliers had responded positively, and others are further investigating the situation.

In 2020, Electrolux performed a limited pilot study on selected suppliers to understand their implementation level of controls for the sourcing of cobalt, and to collect information about the use and origin of cobalt, where applicable.

The Conflict Minerals Due Diligence Program will be continued and strengthened by the Group in 2021 in order to further investigate the supply chain and encourage the certification of all SORs.



Abbreviations and definitions

3TG	Tin, tantalum, tungsten, gold and their derivatives
CMRT	Conflict Minerals Reporting Template
CRT	Cobalt Reporting Template
DRC	Democratic Republic of the Congo
Level 1 Countries	Countries with known active metal production but are not identified as conflict regions or plausible areas of smuggling, export or transit of minerals out of conflict-affected regions
Level 2 Countries	Countries with known or plausible involvement in the smuggling, export or transit of minerals out of conflict-affected regions
Level 3 Countries	Countries outlined in Section 1502 of the Dodd-Frank Act as those affected or bordering conflict-affected regions; currently defined as Democratic Republic of the Congo and its nine adjoining countries (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia)
OECD	Organization for Economic Co-operation and Development
QC	Quality control
RCOI	Reasonable Country of Origin Inquiry
RMAP	Responsible Minerals Assurance Process
RMI	Responsible Minerals Initiative
SOR	Smelter or refiner: any company that procures and processes mineral ore, slag and/or materials from recycled or scrap sources into refined metal or metal containing intermediate products. The output can be pure (99.5% or greater) metals, powders, ingots, bars, grains, oxides or salts



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Introduction

A significant proportion of natural mineral resources is located in conflict-affected and high-risk areas, currently defined as the Democratic Republic of the Congo (DRC) and its nine adjoining countries (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia). The conflict minerals issue is directly or indirectly related to financing armed groups in this region. The trade of such minerals fuel local armed conflict, widespread violence or other risks of harm to people, which hinder economic, environmental and social development. The most lucrative minerals include tin, tantalum, tungsten and gold (3TG), and cobalt.

As defined in 2010 United States legislation, [Dodd-Frank Wall Street Reform and Consumer Protection Act](#), Section 1502(e)(4), the term “conflict mineral” means: columbite-tantalite (coltan), cassiterite, gold, wolframite or their derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country.

As per the [Dodd-Frank Act, Section 1502](#), companies quoted on the US Stock

Exchange are required to report on the country of origin for conflict minerals coming from conflict-affected and high-risk areas. In May 2017, a similar law called [EU Conflict Minerals Regulation](#) was passed in the European Union that requires importers of 3TGs to report the presence and countries of origin of these minerals.

Electrolux is actively committed to sourcing responsibly and has implemented a Conflict Minerals Due Diligence Program. This program is essential in order to respond to consumer requirements and to fulfill existing and upcoming international legislations in this area.

Electrolux does not fall into the scope of the current legislation. However, the Conflict Minerals Due Diligence Program was implemented on a voluntary basis in 2016 and has been in place since then. The Program is based on the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance. As part of this commitment, the Group has contacted its suppliers to understand their implementation level of the due diligence programs for the reporting year of 2019 and to collect detailed information about the use and origin of 3TGs in the supply chain.



Electrolux Conflict Minerals Due Diligence Program

The Conflict Minerals Due Diligence Program at Electrolux has been implemented based on the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The five main steps of the framework for the guidance and how Electrolux follows these steps have been outlined below.

Step 1

Establish strong company management systems

- The [Electrolux Group Workplace Directive](#) includes clear statements regarding the Group's expectations of suppliers for the supply chain of conflict minerals:
- Suppliers are expected to ensure that the sourcing of conflict minerals in products, parts and components supplied to Electrolux does not directly or indirectly finance or benefit perpetrators of human rights abuses in conflict-affected or high-risk areas.
- Suppliers shall have in place policies and management systems, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas that is designed to accomplish the above.
- The Group's management system for the Conflict Minerals Due Diligence Program has been established by Group Sustainability Affairs with support from Global Purchasing, both dedicating resources for the development and monitoring of the program.
- The program focuses on surveying first tier suppliers and reporting the survey results. Detailed information and documentation related to the topic of conflict minerals is kept internal.

Step 2

Identify and assess risk in the supply chain

- Electrolux has identified the main risk in its mineral supply chain as the electrical industry. Therefore, first tier suppliers of electrical components and other risk categories such as metal, rubber, solder, glass, thermostats, plastics as well as original equipment manufacturers are within the scope of the Conflict Minerals Due Diligence Program.
- Electrolux decided to contact and survey suppliers representing 90% of total expenditure in each of these risk categories and to conduct a Reasonable Country of Origin Inquiry (RCOI) to determine whether any of the 3TG content originated from the conflict-affected or high-risk areas.
- The survey was conducted using the Conflict Minerals Reporting Template (CMRT). All collected data has been stored and analyzed on an external platform provided by a third-party vendor.



Responsible Minerals Initiative (RMI), an organization that helps companies with tools and other resources to address the conflict minerals issue in the supply chain, has all necessary information such as audit status of smelters or refiners (SORs), RCOI and human rights violation risks. As a partner, Electrolux, has access to this information as an assessment tool for the results of the survey.

Step 3

Design and implement a strategy to respond to identified risks

- Results obtained from the survey of the Due Diligence Program are analyzed by the personnel responsible and reported to the Heads of Sustainability Affairs and Global Purchasing.
- The main purpose of the survey and analysis is to map the risk among the Group's suppliers. Actions are being planned to respond to the identified risks.

Step 4

Carry out independent third-party audit of supply chain due diligence

- As a downstream company, Electrolux has no direct relationship with SORs as they are found several tiers below in the supply chain. As per OECD Guidelines, the Group co-funds independent third-party audits of SORs due diligence practices through industry programs.
- Electrolux partners with RMI and finances the Responsible Minerals Assurance Process (RMAP), an industry-wide certification program aimed at ensuring that business practices of SORs are not related to human rights abuses.

Step 5

Report annually on supply chain due diligence

- Electrolux reports annually on the status of the Conflict Minerals Due Diligence Program, on a voluntary basis. The results of the program are described in this report and are published on the Group's corporate website.

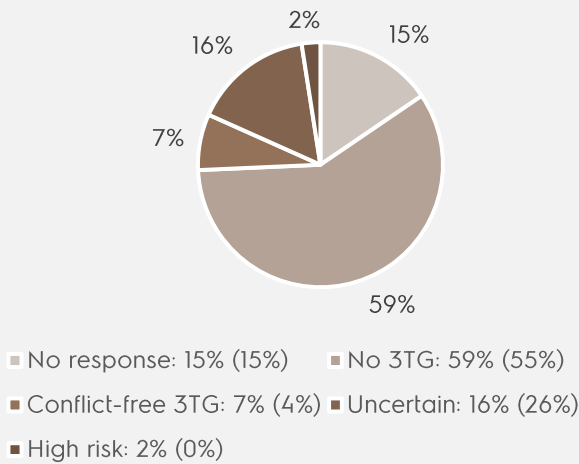


Program results

Supplier status

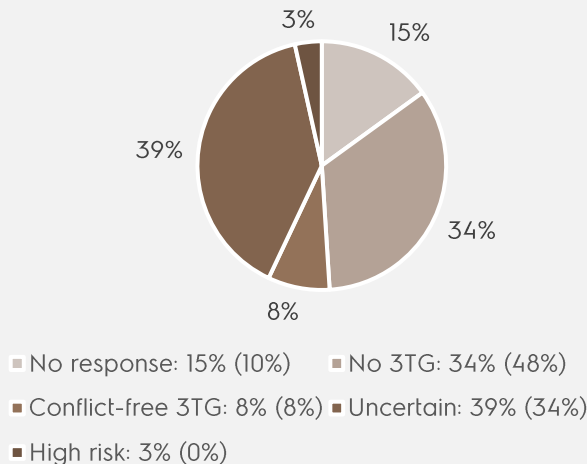
A total of 284 (422) first tier suppliers were identified as in-scope. They were contacted and requested to fill out the CMRT. The decrease in the number of suppliers in scope is mainly due to the ongoing consolidation of the Electrolux supply chain. Therefore, it takes fewer suppliers to reach a 90% spend level in each product category.

Conflict Minerals reporting, by number of suppliers



Conflict Minerals reporting, by supplier spend

The total spend in the figure represents 90% of the Group's spend in each of the identified risk categories



No response: Supplier did not respond to the Group's request to fill out the CMRT.

No 3TG: Supplier claimed they do not have 3TGs in their products supplied to Electrolux and has not listed any metal processors.

Conflict-free 3TG: All the metal processors listed by the supplier are known to be conflict-free for the declared metal(s), either because:

1. all processors are not within (or sourcing from within) the conflict-affected regions, or
2. because all processors in (or sourcing from within) the conflict-affected regions are certified conflict-free for the declared metal(s), or all processors are exclusive recyclers/scrap.

Uncertain: Supplier did not provide all necessary information and therefore their risk status could not be determined. The most common reason being the supplier declared 3TG in their products but did not provide any information on SOR.

High risk: Supplier has one or more SOR(s), while sourcing from Level 3 Countries, are not certified by RMAP.

Note that SOR status is constantly changing and updated in the RMI database; SOR status in the figure is based on RMI data from December 2020.



Addressing Potential High-Risk Suppliers

Survey responses from seven suppliers of electrical components (2.5% of contacted suppliers) indicated that they may have sourced gold from a refinery which is not certified as Conflict-Free under the Responsible Minerals Initiative (RMI). This certification ensures that smelters or refiners do not have a relationship with persons engaged in armed conflict in the Conflict Region in Central Africa, or other Level 3 Countries (see p. iii).

The seven suppliers were requested in January 2021 to investigate their respective supply chains to determine, to the best of their abilities, whether any gold supplied by the uncertified refinery was obtained from any source associated with groups engaged in armed conflict in the Conflict Region(s). If this was found to be the case, the suppliers were requested to investigate whether any of that gold may have been used in the production of any materials that they supplied to Electrolux in 2019 or 2020.

If such connection to the materials supplied to Electrolux was confirmed, the suppliers were asked to do whatever is in their power to eliminate this source of material from their supply chain. In doing so, Electrolux asked the suppliers to engage with sub-suppliers to eliminate any non-RMI-certified DRC or Level 3 smelters or refineries from their supply chains.

Electrolux acknowledges that the supply chains may be complex and not always fully transparent. We also understand that it may be challenging to obtain reliable information even if all stakeholders collaborate in good faith.

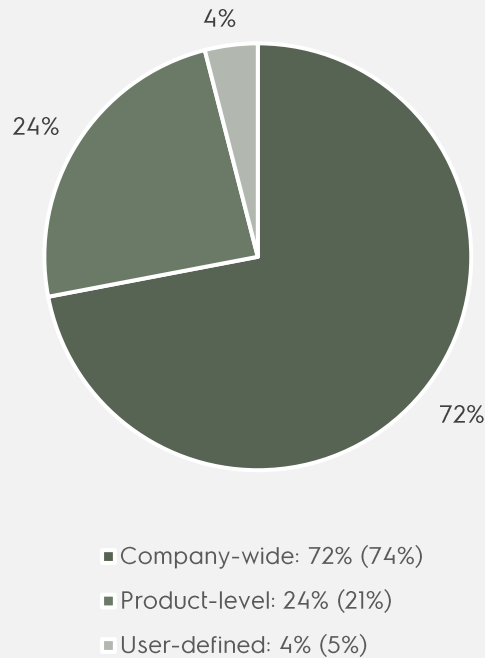
As of 25 March 2021, three suppliers had responded, and others are in the process of addressing the issue. One supplier provided an updated CMRT demonstrating that the non-certified refinery was no longer in use, and one supplier demonstrated that they have ensured that the sub-supplier using gold from the refinery is no longer used and that no gold from this source was used in Electrolux products in 2019-2020. The third supplier has started a dialogue with sub-suppliers using non-certified smelters, on suitable actions. That supplier also indicates that it does not deliver products containing gold to Electrolux.

We will continue to engage with the concerned suppliers throughout 2021 and report the outcome in next year's Conflict Minerals report.



Reporting scope

The Conflict Minerals Due Diligence Program at Electrolux has been implemented on a voluntary basis; therefore, suppliers were free to declare the information they wanted to. Furthermore, Electrolux chose to give their suppliers the ability to share information in the CMRT at a level with which they were most comfortable (that is, company, product or user-defined, but the declaration scope had to be specified in the CMRT).



Company-wide: Supplier’s declaration encompasses the entirety of their company’s products or product substances produced by the parent company. Therefore, if a supplier reported 3TG data at the company level, they had to report conflict minerals data on all products they manufacture.

Product-level: Supplier chose to report 3TG data at the product level and was required to list the manufacturer’s quantity of the products that they declared.

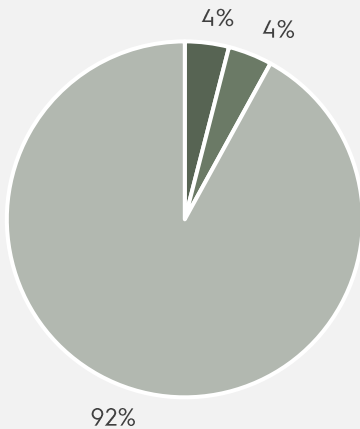
User-defined: Supplier was required to describe the scope to which the 3TG disclosure is applicable. Scope of this class was defined in a text field by the supplier and had to be easily understood by customers or the receivers of the document. As an example, suppliers could provide a link to clarifying information.



Quality assurance

Supplier responses were evaluated for plausibility, consistency and gaps by the Group’s third-party vendor that provides the external platform for data collection and storage. If any of the following quality control (QC) flags were raised, suppliers were automatically contacted by the vendor:

- One or more smelter SORs were listed for an unused metal;
- SOR information was not provided for a used metal, or SOR information provided was not a verified metal processor;
- Supplier answered “yes” to sourcing from the DRC or adjoining countries, but none of the SORs listed are known to source from the region;
- Supplier indicated that they have not received conflict minerals data for each metal from all relevant suppliers;
- Supplier indicated they have not identified all of the SORs used for the products included in the declaration scope;
- Supplier indicated they have not provided all applicable SOR information received; and
- Supplier indicated 100% of the 3TG for products covered by the declaration originates from scrap/recycled sources, but one or more SORs listed are not known to be exclusive recyclers.



- QC in progress: 4% (6%)
- QC unresponsive: 4% (6%)
- QC complete: 92% (89%)

QC in progress: Third-party vendor was in the process of following up with suppliers who had QC flags raised.

QC unresponsive: Third-party vendor had reached out to supplier three times and had not received any response.

QC complete: Suppliers either did not have any QC flags raised or they had already addressed their QC flags.



SOR status

A total of 521 (587) SORs have been reported by the suppliers.

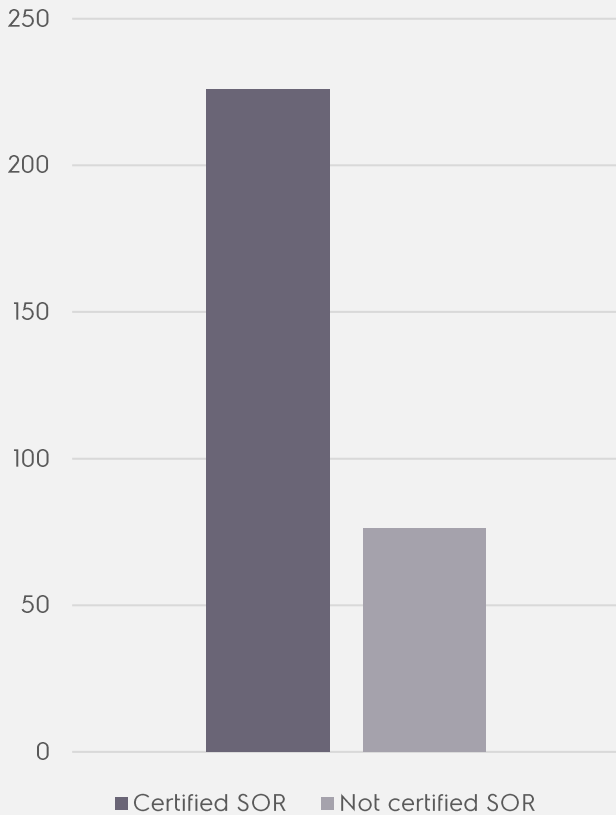
219 (257) of the reported SORs have been determined to be either inactive, non-processors or removed, according to the definitions in the box. SORs that meet any of the three definitions were determined out of scope of this report and have therefore been eliminated from further investigation.

Inactive: Third-party vendor has determined through outreach or research that the entity no longer meets the definition of an SOR.

Non-processor: Any company that does not smelt or refine, or exclusively recycle 3TG. Examples include manufacturers, distributors, metal plating companies, soldering and welding companies.

Removed: SOR was listed on the CMRT Smelter Reference List, but the RMI has determined that the smelter no longer meets the definition of a SOR.

The remaining 302 in-scope SORs have been categorized based on their verification and certification status. Three quarters of the in-scope SORs (226) are certified.



Known and certified:

SOR is both verified by RMI and certified by RMAP as “DRC conflict-free”.

Known but not certified:

SOR verified by RMI but not certified by RMAP due to incomplete or not yet commenced auditing process. SORs seek certification regardless of their location to prove their ethical sourcing activities.



Cobalt Pilot

Cobalt is commonly used in lithium-ion batteries and other applications found in household appliances and many other products. Close to half the world's cobalt is mined in the DRC. There are concerns associated with the cobalt artisanal mining operations in the DRC, including unsafe working conditions and child labor.

This year, Electrolux has expanded its Conflict Minerals Program to include cobalt. A pilot study with 17 suppliers that potentially include cobalt in components delivered to Electrolux received a Cobalt Reporting Template (CRT).

The response rate was 76%. No supplier response indicated the use of uncertified smelters or refiners in their supply chain.

Conclusions

Achievements

The Conflict Minerals Due Diligence Program aims at improving transparency in the supply chain and mitigating potential risks. Electrolux contacted 284 (422) first tier suppliers for the reporting year 2019 and reached a supplier response rate of 85% (85%). Among all 284 suppliers, 66% (59%) claimed they either have no 3TGs in their products supplied to Electrolux or have 3TGs that pose no conflict concern. The equivalent percentage calculated as part of the 240 responding suppliers is 78%.

Seven suppliers, representing 2.5% (0%) of the contacted suppliers, reported the potential use of a non-certified refinery. Follow-up activities are ongoing and by the time of the publishing of this report, three suppliers had provided a satisfactory response.

A pilot study on the use of cobalt was performed for the first time. Thirteen of the 17 suppliers in scope responded. None of the respondents indicated the use of uncertified smelters or refiners in their supply chain.

Next steps

Electrolux will continue the Conflict Minerals Due Diligence Program in 2021 to increase awareness and mitigate risks among its suppliers. The Group's partnership with the Responsible Minerals Initiative will continue to enable access to information regarding smelters and refiners. Electrolux will keep working toward cascading responsible business practices along the supply chain and ensuring that all its suppliers meet the requirements specified in the Electrolux Group Workplace Directive. Extra effort will be spent to increase supplier response rate and encourage suppliers to adopt due diligence practices for the responsible sourcing of minerals.



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our Sustainability and GRI report:

www.electroluxgroup.com/sustainabilityreport2020