



Electrolux Sustainability Report 2020

Contents

For the Better – key results 2020.....	III
Sustainability Q&A.....	1
Key priorities and progress	
Lead in energy and resource-efficient solutions.....	3
Offer circular products and business solutions.....	6
Eliminate harmful materials.....	10
Be climate neutral and drive clean and resource-efficient operations.....	12
Act ethically, lead in diversity and respect human rights.....	16
Community investment.....	22
Drive supply chain sustainability.....	26
Responsible sourcing program.....	32
Make sustainable eating the preferred choice.....	33
Make clothes last twice as long with half the environmental impact.....	36
Make homes healthier and more sustainable through smart solutions for air, water and floors.....	38
Our sustainability achievements 2015–2020.....	40
Our climate targets.....	45
Key processes	
Global megatrends that shape our business.....	47
Electrolux and the UN Sustainable Development Goals.....	49
New legislation.....	52
Our materiality process.....	53
Stakeholders inform our approach.....	55
Impacts throughout our value chain.....	60
Managing sustainability risks.....	66
Understanding and managing our human rights risks.....	67
Auditing and monitoring.....	73
Management approach.....	77
Case studies	
Talking sustainability with our laundry consumers.....	86
Toward more circular products and services.....	87
Our ambition to be climate neutral in our operations.....	89
Helping people in need during 2020.....	91
Managing health & safety during a pandemic.....	93
Driving digital auditing in supply chain sustainability... ..	94
Food matters – a social and virtual switch to promote sustainable eating.....	96
Reimagining our relationship with water.....	98
Climate leadership in the midst of a global pandemic.....	99
Reporting framework	
About this report.....	100
GRI Index.....	102
UNGC Advanced-level reporting.....	107
UN Guiding Principles Reporting Framework.....	115
Awards and recognition.....	117
Transparency in the supply chain.....	119
Auditor’s Limited Assurance Report.....	120
Appendix – tables and graphs	121

For the Better

KEY RESULTS 2020

Better Solutions

LEAD IN ENERGY- AND
RESOURCE-EFFICIENT SOLUTIONS



Our most energy and water efficient products accounted for 26% of total units sold and 36% of gross profit in 2020

OFFER CIRCULAR PRODUCTS
AND BUSINESS SOLUTIONS



We used 6,800 metric tons of recycled plastic in our products in 2020

ELIMINATE HARMFUL
MATERIALS



Our Eco@web chemical management tool was rolled out in Asia-Pacific and Egypt

Better Company

BE CLIMATE NEUTRAL AND DRIVE CLEAN
AND RESOURCE-EFFICIENT OPERATIONS



-70% absolute CO₂ emissions in our operations since 2015

ACT ETHICALLY, LEAD IN DIVERSITY
AND RESPECT HUMAN RIGHTS



79% of employees completed our anti-corruption training

DRIVE SUPPLY CHAIN
SUSTAINABILITY



74% of top direct material suppliers have committed to disclose their carbon emissions and set targets

For the Better

KEY RESULTS 2020

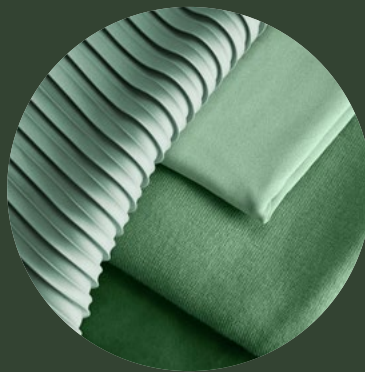
Better Living

MAKE SUSTAINABLE EATING
THE PREFERRED CHOICE



9,400 people engaged in Electrolux Food Foundation events to inspire sustainable food habits

MAKE CLOTHES LAST TWICE AS
LONG WITH HALF THE
ENVIRONMENTAL IMPACT



Make it Last – Our first pan-regional campaign to inspire consumers to better care for their clothes and give them a longer life

MAKE HOMES HEALTHIER AND MORE
SUSTAINABLE THROUGH SMART SOLU-
TIONS FOR AIR, WATER AND FLOORS



The UN Cool Coalition approved our plan to replace all high impact greenhouse gases in our appliances by 2023 at the latest

Our targets for the future

CARBON EMISSIONS



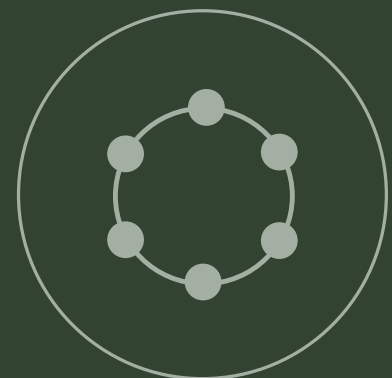
Science Based Target:
Reduce carbon emissions
in operations by 80% and by
25% in products between
2015 and 2025

OPERATIONS



Climate neutral
operations by 2030

VALUE CHAIN



Climate neutral
value chain by 2050

For the Better 2030

Our sustainability framework – For the Better 2030 – defines how Electrolux works to achieve Better Solutions, Better Company and a Better Living. It includes our most material sustainability issues and helps us strive toward our purpose to shape living for the better. The framework was updated in 2019, but 2020 is our first year reporting on it. We describe how in Our Materiality Process.

OUR SUSTAINABILITY FRAMEWORK - FOR THE BETTER 2030 -

Better solutions	Better operations	Better Living
Lead in energy- and resource-efficient solutions	Be climate neutral and drive clean and resource-efficient operations	Make sustainable eating the preferred choice
Offer circular products and business solutions	Act ethically, lead in diversity and respect human rights	Make clothes last twice as long with half the environmental impact
Eliminate harmful materials	Drive supply chain sustainability	Make homes healthier and more sustainable through smart solutions for air, water and floors

Supporting the UN Sustainable Development Goals and Climate targets

Sustainability Q&A

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

What does For the Better 2030 mean for Electrolux?

JS: In 2020, we launched and began implementing our new For the Better 2030 sustainability framework. It is the natural evolution of our 2020 framework and aims to maintain our sustainability leadership as a competitive advantage and driver of profitable growth over the next decade. In fact, the framework takes our sustainability objectives to the next level – including an ambition to achieve climate neutrality in our operations by 2030 and in our supply chain by 2050.

HS: For the Better 2030 means broadening our sustainability approach to address topics that are outside the immediate scope of our company. This involves helping people to live more sustainably in their homes while they are using our products by promoting sustainable eating, making clothes last longer and improving their home environment.

What sustainability progress did Electrolux make during the year?

JS: For the Better 2030 is really integrating sustainability deeper into our organization and is about moving from having a ‘Sustainability Strategy’ to a ‘Sustainable Strategy’. It is also helping us to sharpen our sustainability profile – particularly for our Electrolux and AEG brands.

HS: We made good progress in our manufacturing footprint, reducing our emissions by 70% since 2015 as well as a shift to renewable electricity. We have reduced the energy consumed at our manufacturing sites per product by around 45% compared with 2005, which equates to an annual financial saving of over SEK 700m. Importantly, 2020 was the final year of our For the Better 2020 sustainability framework. Read about our sustainability achievements for the period 2015 – 2020 [here](#).

How was the Electrolux approach to sustainability re-defined in 2020?

JS: We reorganized how our entire business works with sustainability. Our new Sustainability Board to ensure we have the right programs, objectives and ambition level to achieve our long-term goals met four times during the year. The board is already showing how crucial it is in driving our strategy forward and overcoming any obstacles we may encounter along the way.

HS: We have certainly developed cooperation around sustainability throughout the organization, for example our Purchasing function now has their own sustainability managers, as do other functions and business areas too. We have also refined how we develop and offer more sustainable products to the market by further integrating sustainability into product R&D within our new Consumer Experience function. Another important development was that we launched our first global sustainability marketing campaign – Make it last – which aims to help consumers make clothes last longer with less environmental impact.

What is being done to implement the 2030 targets?

JS: During the year, we set many of the objectives for our For the Better 2030 sustainability framework and will finalize the others in 2021. We worked intensively toward our ambitious objective to ‘Lead in diversity’ and over 1,200 employees joined the digital launch of our new Diversity & Inclusion framework.

HS: Circularity and climate action were focus areas in 2020. Importantly, we launched the Sustainability Forum, which is a digital forum to reach out to our employees on sustainability topics such as energy efficiency, recycled materials and social sustainability.

What has been done within circularity?

JS: We are working with three circularity workflows: increasing the proportion of recycled materials in our products, extending the lifespan of our products and developing circular business models.

HS: In terms of recycled materials, we have set a target to use 50% recycled plastic in our products by 2030. This is despite not meeting our recycled content targets in recent years, as it has proven challenging to source sufficient quantities of high-quality recycled materials, but we will build on our learnings and are now designing built-in recycled material solutions. We are also actively developing circular business models, such as fixed price repair services to give appliances a second life, subscription pay-per-use models and a prototype vacuum cleaner made from 100% recycled materials.

How did Electrolux step up its climate action in 2020?

JS: We are defining targets that will enable us to achieve climate neutral operations by 2030. This involves making the right investments and phasing out fossil fuels. I was proud to join 155 major companies in signing a statement from the Science Based Target Initiative, urging policy makers to align coronavirus recovery plans with the latest climate science. We also announced our plan to replace all high-impact greenhouse gases in our appliances by 2023 at the latest, as part of our commitment to the United Nations Cool Coalition initiative.

HS: As around 85% of our carbon footprint is in the user phase of our products, developing and offering efficient products is our greatest contribution to tackling climate change, while also driving profitability. Our most resource-efficient products have consistently had a higher margin in recent years, accounting for 26% of total units sold and 36% of gross profit in 2020.

Tell us about the new long-term incentive program.

JS: I am particularly proud of our new long-term incentive program for senior managers that includes a substantial climate impact reduction element to drive our climate action going forward. The program is designed to reward the top 260 managers at Electrolux to drive climate action throughout the organization – which will be crucial in achieving our science-based climate target by 2030.

HS: Importantly, the long-term incentive program is Group-wide, which means that we all have to work together to achieve it. We have short-term targets on a business area level, but the incentives depend on our achievements throughout the organization as a whole.

How did Electrolux respond to the coronavirus pandemic?

HS: The pandemic made 2020 a challenging year to implement some of our sustainability work due to the restrictions on travel and social gatherings. For example, the human rights impact assessment at our facility in Romania was finalized digitally.

JS: We began safeguarding the health of the employees early in the pandemic with clear guidance, and procedures and operative instructions, such as working from home when possible, enforcing social distancing measures and compulsory face mask use, and providing sanitation materials and daily temperature checks.

What role does the re-engineering program play in developing more sustainable operations?

JS: Our re-engineering program plays a key role in driving resource efficiency in our operations to reduce our sustainability impacts and strengthen our competitiveness. The SEK 8bn global re-engineering investment is partly financed by our Green Bond framework.

HS: The re-engineering program, which has been completed in Curitiba in Brazil and is in the ramp up phase in Anderson in the U.S., is crucial to sustainability in terms of both our manufacturing and offering. It is helping us to reduce the environmental impacts of our manufacturing facilities, phase out HFC gases, offer more efficient products as well as further improve safety.

Does For the Better 2030 align with the global sustainability agenda?

JS: As we continue to refine our new sustainability framework, we will ensure it is closely aligned with the UN Sustainable Development Goals. The UN Global Compact also continues to reinforce our sustainability work, and we are a long-term signatory of its ten principles.

HS: A key development during the year was that we secured a commitment from our top 200 suppliers to disclose their emissions and set targets through the CDP Supply Chain Program. This is a step toward our target of zero net carbon emissions throughout the value chain by 2050.

What progress was made with the non-profit Electrolux Food Foundation during the year?

JS: The pandemic forced many of our community investment activities during the year to be cancelled. But we developed innovative solutions where possible, such as conducting activities online to promote more sustainable eating.

HS: Our Food Heroes initiative to inspire sustainable eating went digital and an adapted version of the Like a Chef sustainable culinary training to help people enter the labor market included mostly online classes and some coronavirus-safe meetings. Charitable donations during year included more than 800,000 meals for people in need around the world, and a variety of materials and appliances that were donated to local communities.

Lead in energy and resource-efficient solutions

We are creating ever more efficient, high-performance appliances, which help consumers to live better lives, save money and reduce their environmental footprint.

Our promise

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

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Be a leader in product efficiency for key product categories and markets by 2030.
- Continue to develop products with good environmental performance, with a focus on energy and water efficiency.
- Continue to drive the market for efficient products through awareness-raising consumer campaigns and by integrating sustainability into the Group's brands.

The case for action

Tackling climate change by reducing greenhouse gases is one of the greatest, most urgent challenges facing society. At the same time, demand for water is set to increase by as much as 40% by 2030, meaning that a billion more people will live in places where water can no longer be taken for granted.

Efficient appliances can help with these issues, by saving energy and water throughout their lifespan. As product energy use is responsible for over 80% of our climate impact, product energy efficiency is where we can make our greatest contribution to tackling climate change. In terms of water use, our dishwashers can make a difference as they are more water efficient than washing dishes by hand.

Our approach

Product generation planning

Product efficiency targets and KPIs are integrated into our product generation planning – supported by an analysis of the regulatory landscape, energy labeling, market position and energy-efficiency improvements. We strive to be a market leader in product efficiency in all our key categories and markets, and we set our product performance targets accordingly. Our individual product efficiency targets are also designed to contribute toward our climate targets.

Reporting

In our reporting, we measure the proportion of sales volumes and gross profit from our most resource efficient products in main markets compared with our global offering. Our most resource efficient products in 2020 included washing machines that met the European A+++ energy rating. We have a clear follow-up methodology for energy and water performance that allows us to track progress against our goals.

We also track the life time CO₂ impact and the reduction in emissions from upgrading appliances with more energy efficient technologies.

Product efficiency innovation

This promise is embedded in the Group's R&D processes through defined targets. We are also exploring efficiency opportunities related to digitalization and connectivity by developing smart appliances to measure consumer behavior or connect to a smart grid to optimize energy use.

Challenges

- Raising consumer awareness of the benefits of using more efficient products - particularly in markets without energy labels.
- With already high product efficiency in Europe, the cost of further product improvements is increasing as the potential new efficiency savings reduce.
- Various energy efficiency standards around the world make it difficult to apply worldwide best practice.

The progress on our promise

How we measure progress

1. Fleet average (the energy efficiency of Electrolux products available) in key markets.
2. Progress on product-related contributions to the Electrolux science-based targets.
3. Percentage of R&D budget spent on sustainability-related innovation.

Our efficient products

During the year, we continued our work to gather product data, which forms the basis for our work with promoting efficient products. This data enables Electrolux to demonstrate the value of more efficient products – both from an environmental and financial perspective.

Every year, we raise the bar in terms of the criteria used to define our most energy and water efficient products. Our most resource efficient products also make good business sense in terms of profitability for Electrolux as they accounted for 26% (23) of total units sold but 36% (32) of gross profit for consumer products in 2020.

During 2020, we worked with product cycle planning to ensure our products meet forthcoming European energy labelling regulations in 2021. This involves upgrading the energy performance of products such as refrigerators, dishwashers and washing machines.

Stakeholder engagement on product efficiency

Electrolux supports the UN 'Business Ambition for 1.5°C' pledge, which is a global movement of business leaders working toward zero emissions by 2050, in line with the Paris Agreement.

We work to mitigate the challenge of different energy efficiency standards around the world by cooperating with various organizations. We continue to work with [United4Efficiency \(U4E\)](#), which is led by the United Nations Environment Program to develop recommendations on how emerging markets can leapfrog to greater energy efficiency.

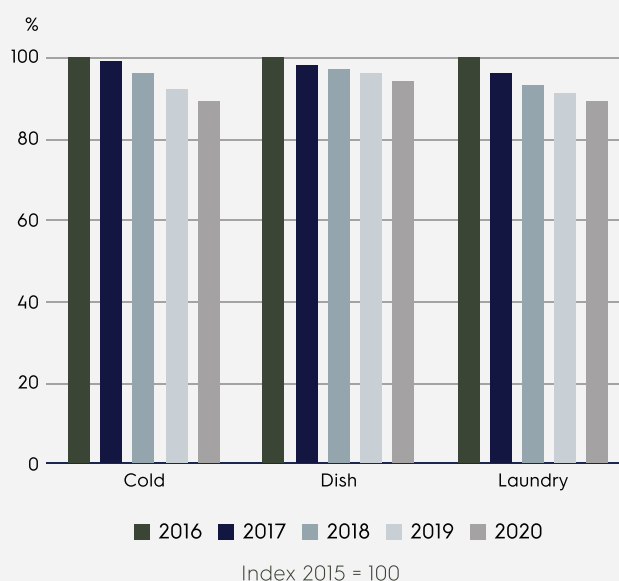
Through its ongoing investment programs for cooling appliances – Electrolux aims to reducing the climate impact of its factories and products by eliminating high-impact greenhouse gases and increasing energy efficiency.

Efficiency requirements and fleet average

The choice of products going to market is determined at the local level, based on energy efficiency requirements and consumer demand. Of our key markets, Europe, the U.S., Brazil and some Asia-Pacific countries currently have efficiency requirements in place, with varying levels of ambition.

In Europe, which represents approximately 40% of Group net sales, energy efficiency has improved by an average of 2% per year since 2016 (see the graph EU Fleet Average below), and Electrolux is well established in the European efficiency market. For example, we are a clear leader in the fabric care category.

EU Fleet Average 2016-2020



In Europe, Electrolux continued to improve its energy efficiency across three product categories in 2020. The energy index is set at 100% for 2016.

26/36%

Our most energy and water efficient products accounted for 26% of total units sold but 36% of gross profit for consumer products in 2020.

Contributing to our climate targets

Energy efficiency is a priority across all our key product categories and markets and is related to the Electrolux science-based target, as well as indicators to track progress.

Read more in [Our climate targets](#).

R&D spent on sustainability-related innovation

Our global approach to product design and modularization is crucial for stepping up the level of ambition across product categories. Our expenditure on research and development in 2020, including the capitalization of SEK 563m (788), amounted to SEK 3,799m (3,899), which corresponds to 3.3% (3.3) of net sales.

Next steps

Roadmap 2020 to 2030	Next steps	Status
Be a leader in product efficiency for key categories and markets by 2030.	Preparing for new energy labeling and raised energy-efficiency standards in the EU.	
Continue to develop products with good environmental performance, with a focus on energy and water 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.	
Continue to drive the market for efficient products through awareness-raising consumer campaigns and by integrating sustainability into the Group's brands.	Use our global influence to inspire and educate consumers around sustainable living globally.	



On track



Additional effort is required



Off track



Work has not yet begun

Offer circular products and business solutions

We will proactively contribute toward the circular economy by integrating a circular approach into its products and solutions.

Our promise

We will contribute to the circular economy by integrating recycled materials into our product platforms, promoting recyclability, using more sustainable packaging solutions, increasing the availability of spare parts to repair our products, and developing circular business solutions.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Where possible, replace virgin materials with recycled materials in our products.
- Increase the share of recycled plastic to 50%.
- Increase the amount of scrap-based steel in our production.
- Identify and evaluate relevant circular business models that can be scaled up.

The case for action

Population growth and raw materials

As the global middle class is expected to almost double in size by 2030¹⁾, the demand for material resources will increase together with the demand for goods and services. For Electrolux, this means we can expect the price of materials such as steel, plastic and electronic components to become more volatile.

At the same time, many industries are based on virgin materials that are non-renewable and fossil-based. For example, more than 400 million metric tons of plastic are produced globally each year and only about 12% comes from recycled materials.²⁾ Pollution from non-degradable plastic is also a serious issue as it can leach into the environment.

However, there are opportunities to source materials with recycled content, and even bio-based materials from renewable sources.

Sources: ¹⁾ [The unprecedented expansion of the global middle class](#), Brookings, ²⁾ OECD Environment Policy Paper no. 12, 2018

The need for a circular economy

There is an urgent need to reduce the pressure on raw material resources and the environmental impacts associated with their extraction. One way to do this is to move toward systems that are more circular and ensure the maximum value from resources by recovering and reusing materials at the end of each service life.

According to the 2020 Circularity Gap Report by Circle Economy, only 8.6% of the resources used globally are cycled back into the economy after use, which is even lower than the year before. The report stresses the need for a circular economy that makes better use of resources to prevent further and accelerated environmental degradation and social inequality.

Consumers are increasingly demanding more circular products and solutions. This includes everything from recycled materials incorporated into our products and more sustainable packaging, to solutions that enable them to extend the lifespan of their products.

Greenhouse gas emissions

Virgin materials cause considerable greenhouse gas emissions through their extraction and manufacture. For example, the emissions from the production of plastic in our products are approximately equivalent to the emissions from our operations and transport activities combined.

Recycled materials on the other hand can have substantially lower greenhouse gas emissions. This means that increasing the amount of high-quality recycled materials in our products can make an important contribution to combating climate change. Steel is the largest material we use by volume and is an even greater source of CO₂ emissions than plastic. By sourcing scrap-based steel, we can make a significant reduction in our CO₂ footprint from materials.

Emissions can also be reduced by extending the useful lifetime of our products. This can be achieved through promoting more circular business models or providing aftermarket services that ultimately make better use of resources.

Our approach

This Promise involves working with multiple topics that contribute to our capacity to be able to offer more circular products and business solutions:

- **Overall material choices** - we will choose more sustainable materials that are based on recycled or renewable raw materials and can more easily be recycled.
- **Recycled material** - we will continue to replace virgin steel and plastics with recycled materials in our products.
- **Spare parts & service, durability and refurbishment** - we will broaden our offering of spare parts and servicing, to enable our products to be more easily repaired and extend their useful lifespan.
- **New business models** - we will continue to develop innovative business models that promote circularity by making better use of resources.
- **Sustainable packaging** - we will continue to develop solutions to replace non-recyclable packaging with recycled and renewable alternatives, and which are also recyclable.
- **Product take back** - we will work to find ways to improve product recycling with a special focus on regions where there is no legally mandated product take back.
- **Design for repair & recycling** - we will design products that can be more easily repaired and recycled.

Challenges

- Securing consistent, traceable, safe and high-quality recycled raw materials in sufficient volumes.
- Ensuring recycled materials are incorporated into new product platforms.
- Optimizing product lifetime in a way that benefits the consumer, Electrolux and the environment.
- Finding more sustainable packaging materials that protect products.

Overcoming these challenges requires strategic partnerships with partners throughout the value chain. Partnerships are also sometimes required to create circular business models that create common value for Electrolux and its partners.

The progress on our promise

How we measure progress

1. By 2030, our goal is for our product ranges to be made from at least 50% recycled plastic.
2. Work with our suppliers to enable the sourcing of scrap-based steel also outside North America.
3. Identify and evaluate relevant circular business models that can be scaled up.

Recycled plastics

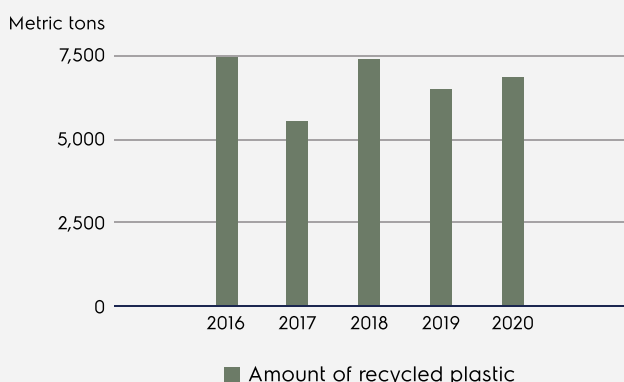
In 2020, the amount of recycled plastic we used compared with last year increased slightly from 6,400 metric tons in 2019 to 6,800 metric tons in 2020. The small increase in 2020 is significant when considering that our total volume of sourced plastic actually decreased.

We are working to better incorporate recycled plastics into new products from the outset. In 2020, we held internal workshops to promote the incorporation of recycled plastics in new product platforms. We are also making good progress with trials of incorporating recycled plastic in Asia Pacific and the U.S. In all regions, we are now mapping the way toward our 2030 target.

Progress in incorporating recycled plastic is difficult due to a lack of local supply with sufficient quality outside Europe. However, we see supply developing and will continue to step up our efforts to drive progress in the coming years.

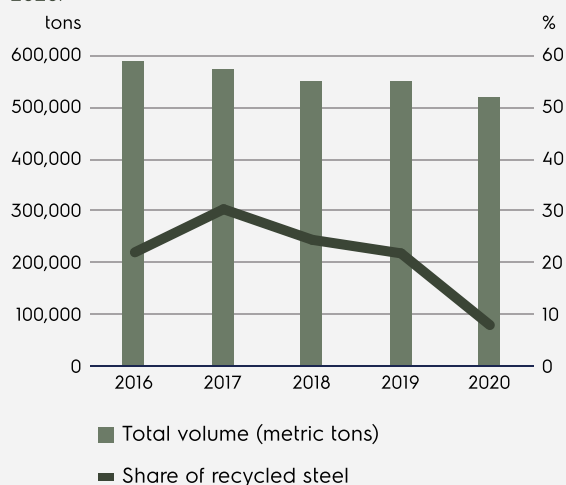
Electrolux has also signed up to the EU plastic pledge, which is a campaign to promote the use of more recycled plastic.

Amount of recycled plastic



Recycled steel over time

We saw a continued reduction in our use of recycled steel in 2020 compared with the previous years. This is mainly due to the ongoing trade conflict between the U.S. and China. Restructuring of manufacturing and the covid-pandemic also negatively affected the amount of recycled steel used in 2020.



Circular business models

In 2020, Electrolux further developed its popular fixed price repair services in Europe. The service gives consumers peace of mind by ensuring no hidden costs to repair and extend the lifetime of their products. Customer satisfaction studies have shown a very positive response.

New pilot projects with municipal housing companies in Sweden were started with funding from Vinnova. The concept involves leasing large appliances such as washing machines to landlords with furnished apartments. The appliances are maintained and serviced by Electrolux to optimize their lifetime. A similar pilot was launched for holiday homes in Denmark in 2020 where holiday homeowners pay a monthly fee for leasing a package of 2-8 appliances.

Electrolux has also begun trialing new subscription-based business models. For example, the award-winning Pure i9 robotic vacuum is being offered on a trial subscription pay-per-use basis in Sweden with all service and maintenance included in the fee. The model, which grew in 2020, is designed to be affordable for consumers and ensures that each unit is used to its fullest extent throughout its lifetime.

Sustainable packaging

While Expanded Polystyrene (EPS) is an excellent material for protecting packaged products, it is a petroleum-based foam that is difficult to collect and recycle. We are actively looking to eliminate EPS from our various product lines by replacing it with more sustainable packaging solutions. Such alternatives might include other synthetic foams that are more recyclable and reduce CO₂ emissions, or bio-based cellulose packaging.





In 2020, we tested different prototype packaging and established the necessary processes to enable us to eliminate EPS. All packaging solutions must be thoroughly tested to ensure they fulfill their objective of protecting the packaged product.





During 2020, we developed our cooperation with Stena Recycling to investigate and better understand why working appliances are thrown away. We also signed an agreement with competitors on developing a standard grade of recycled plastic for certain components to improve the market for recycled plastics.

Partnering on circular economy

Circularity requires that we work closely together with our partners throughout the value chain.

Next steps

Roadmap 2020 to 2030	Next steps	Status
Where possible replace virgin materials with recycled materials in our products.	Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions. Create roadmaps with milestones on how to achieve our 2030 targets.	
By 2030, our goal is for our product ranges to be made from at least 50% recycled plastic.	Focus on purchasing and R&D efforts to enable the introduction of recycled plastic in more applications. Improve and develop our communication around products made from recycled material.	
Increase the 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.	
Identify and evaluate relevant circular business models that can be scaled up.	We will continue to identify and evaluate initiatives, with the aim to scale up the most successful.	

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

BETTER SOLUTIONS

Eliminate harmful materials

Our consumers can feel reassured that we manage chemicals carefully and replace those that cause concern.

Our promise

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

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- 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.
- Raise the bar on chemical requirements, taking into account new scientific findings.
- Eliminate high-impact greenhouse gases from our products.

The case for action

As the use of chemicals increases, we need to be increasingly aware of the impact of chemicals on people and the environment.

We want consumers to feel reassured that Electrolux has a robust approach to choosing materials for its products – to protect both human health and the environment. Consumers are increasingly aware of chemicals and are raising their expectations on appliance companies such as Electrolux.

Our approach

Chemical management and compliance

The Electrolux Global Chemicals Office coordinates and manages the chemicals listed on our Restricted Materials List throughout the Group and among our suppliers. The Restricted Material List, which is an integral part of our contracts with suppliers, provides information about chemical phase-out as well as the requirements for the use of chemicals. We continuously update the list in light of new legislation and research, as well as demands from consumers and NGOs.

Our environmental management process tracks material use on a site-by-site basis. Focusing on high-risk applications and suppliers, we test thousands of components every year for chemical compliance at Electrolux laboratories and selected approved institutes.

Eco@web

Eco@web is our Group chemical management tool, and includes detailed information on the chemicals used in our products as well as in our manufacturing sites. It allows us to avoid unwanted materials and track those that might cause concern in the future. Eco@web helps to manage our complex supply chain of over 3,000 direct suppliers. The tracked data and collected documentation provides proof of chemical compliance for consumers and institutions.

Challenges

- Driving the phase out of chemicals where it is not supported by regulation.
- Completing the substitution of HFCs in air conditioners, where there are no common industry solutions available.
- Replacing high-impact greenhouse gases needs to be driven industry-wide as solutions are dependent on legislation to enable viable alternatives.

The progress on our promise

How we measure progress

1. Level of implementation of the Group chemical management tool Eco@web throughout the organization.
2. Annual update of the Electrolux Restricted Materials List.
3. Progress on the phase-out of high impact greenhouse gases.

Chemical management and Electrolux Restricted Materials List

In 2020, we continued the global roll out of our Eco@web tool. We completed the implementation of the tool in Asia-Pacific and Egypt, as well as in two recently acquired cooker hood factories in Europe. Supplier coverage was also improved in the APAC and MEA Business Area.

We will continue to work toward completing the global implementation and to cover a larger supply base in the areas where Eco@web has already been implemented.

Phase-out of high-impact greenhouse gases

We focus on phasing out hydrofluorocarbons (HFCs) that have a high global warming potential and are used in some markets as refrigerants or for foam blowing.





In 2020, Electrolux submitted a plan to the UN Cool Coalition initiative to accelerate the removal of F-gases from the production of new products and to introduce gases with reduced Global Warming Potential. The plan aims to replace high-impact greenhouse gases in all Electrolux appliances by 2023 at the latest.

In Europe, our new highly efficient range of heat pump driers will use a hydrocarbon refrigerant in their compressors instead of a HFC refrigerant. Following the phase-out of HFCs in refrigerators ahead of legislation in Australia and several countries in Asia, we are in the process of phasing out HFCs in other markets.

We have made significant investments in the U.S. to move to hydrocarbon refrigerants. For example, a large manufacturing site in the U.S. has already replaced a HFC blowing agent with cyclopentane, and other North American operations will follow suit.

Next steps

Roadmap 2020 to 2030	Next steps	Status
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 the coverage of supplier declarations of chemicals throughout our regions.	
Raise the bar on chemical requirements, taking into account new scientific findings.	Annual update of the Electrolux Restricted Materials List.	
Eliminate high-impact greenhouse gases from our products.	Continue to phase-out high-impact greenhouse gases in air conditioning, food preservation and fabric care globally.	

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

Be climate neutral and drive clean and resource-efficient operations

We are reducing our own footprint by running efficient operations all around the world.

Our promise

Electrolux will continue to reduce its environmental footprint by shifting to renewables, and optimizing the use of energy and other resources throughout its operations. We aim to have climate neutral operations by 2030.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Reduce our CO₂ footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.
- Improve energy efficiency at our manufacturing sites and warehouses by an additional 12.5% by 2025 (2020 baseline).
- Continue to improve water efficiency at our manufacturing sites by 25% by 2025 (2020 baseline) in potential water risk areas, until the site has reached optimal levels of efficiency.
- Increase the proportion of renewable energy for our operations to 65% by 2025.
- Certify all plants to the Zero Landfill program by 2025.

The case for action

This promise applies to everything we do. We aim to run resource-efficient operations as an integral part of our work by applying industry-leading practices. This reflects our values and what we stand for as a company – being part of the solution is important for both our employees and consumers.

Our approach

Operational resource management – including energy, water, waste and emissions – is coordinated globally with a common process and strategy wherever in the world we operate.

Resource efficiency management

The Electrolux Green Spirit program is our internal resource efficiency program and rating system that includes criteria related to climate, energy and water performance, management, engagement and implemented actions that are reviewed annually. The program is continuously improved to

reduce our environmental impact and operational costs. It drives further improvements and promotes the sharing and implementation of best practice among our manufacturing sites.

In addition, our renewable energy target is tracked on an annual basis and reviewed on a Group level. We are raising our level of ambition with renewable energy sources, such as hydro, solar, wind, biomass and biofuel. We also learn from existing on-site renewable installations and explore new projects around the world.

Action plans include energy management, technological investments, employee awareness raising and behavioral change. Every facility reports energy and water consumption data on a monthly basis, and this data is aggregated on a regional and global level against monthly performance indicators. We have both relative and absolute targets for energy consumption.

Our Zero Landfill program has the objective to reduce the amount of waste sent to landfill or incinerated without energy recovery. To achieve this, we work to reduce the waste we generate, and identify opportunities for reusing waste materials.

All manufacturing units with over 50 employees must be certified to the ISO 14001 environmental management system. In addition, we are working to implement the ISO 50001 energy management system at all our manufacturing sites.

Challenges

- Following over a decade of prioritized investments with good payback periods, it is becoming increasingly challenging to realize continuous improvements in energy and water efficiency with acceptable payback periods.
- The coronavirus pandemic is a huge challenge as there is no way of predicting how it will affect our operations.
- Phasing out fossil fuels can be a challenge in high temperature processes due to the lack of technical and economically viable alternatives.

The progress on our promise

How we measure progress

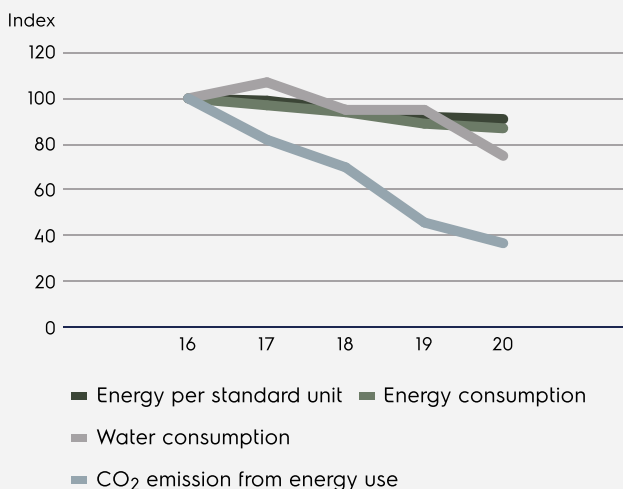
1. CO₂ emissions reduction in our operations toward climate neutrality.
2. Energy efficiency (energy used per unit produced).
3. Water efficiency (water used per unit produced).
4. Proportion of energy generated by renewable sources.
5. Number of factories certified to the Zero Landfill program.

Electrolux is implementing a SEK 8bn re-engineering program, which involves modernizing, automating and optimizing its operations at several key facilities. This program is expected to realize annual cost savings of SEK 3.5bn by 2024, and at the same time it will reduce our total environmental footprint by reducing the energy, climate, water and waste impacts in our manufacturing.

Resource efficiency

In 2020, we continued to improve our energy efficiency per product by 1.4% compared with the previous year despite the coronavirus pandemic. This was achieved through a continued focus on energy management, technological investments in new equipment, employee awareness and behavioral change, and by implementing best practice throughout our operations. We are also implementing technology roadmaps, which will help us to become more action-oriented and move faster toward lean operations.

Operational resource efficiency



We made good progress in our manufacturing footprint, reducing our emissions by 70% since 2015. We have reduced the energy consumed at our manufacturing sites per product by around 45% compared with 2005, which equates to an annual financial saving of over SEK 700m. Over this period, the Group's revenue has increased, which illustrates that Electrolux has decoupled revenue growth from CO₂ emissions.

Driving resource efficiency through the Green Sprit program

Our internal Green Sprit program, including our rating and certification system, continues to be crucial in driving resource efficiency. In 2020, 75% of our facilities achieved top ratings - either Gold or Platinum.

The implementation of Green Sprit 2.0 was delayed in 2020 due to the pandemic. But during the year, we continued to conduct Green Sprit 2.0 test audits at selected Electrolux factories. The updated program will draw on best practices and the latest requirements for renewable energy to support our journey toward climate neutral operations. It will also involve more comprehensive criteria and new themes, such as digitalization, process excellence and electrification.

Energy management systems

We are working to implement the ISO 50001 energy management system at all our manufacturing sites by 2021 (with the exception of recently acquired/launched plants). At the end of 2020, 60% of our factories were certified.

Renewable energy

In 2020, we increased our capacity of renewable energy through solar photovoltaic systems. By the end of 2020, Electrolux has its own solar photovoltaic systems at 11 sites in Italy, Thailand, Australia, Mexico, China, South Africa and Sweden.

During the year, 33 of our manufacturing sites and several offices in Europe, North America and Latin America procured 100% of their electricity from renewable energy sources. By the end of 2020, 53% of our total energy purchased was from renewable sources. The shift to renewable energy, together with energy efficiency, has contributed toward an absolute reduction of our CO₂ emissions by more than 70% since 2015.

Climate

Electrolux has been recognized for its sustainability leadership with a prestigious 'double A' score by the global non-profit CDP. Electrolux is one of a few companies to receive top marks both for its efforts to tackle climate change and acting to protect water security. For five years, Electrolux has been on the CDP Climate A list, whilst our place on the Water A list was a first in 2020.

In 2020, Electrolux launched the 'For the Better 2030' sustainability framework, including the objective to make our business circular and climate neutral by 2030. This new target complements our science-based target to reduce our scope 1 and 2 emissions by 80% between 2015 and 2025. Read more about our [Climate Targets](#).

Water

In 2020, we improved our overall water efficiency by more than 40% compared with 2015. We made particularly good progress on water efficiency with factories in water scarce regions.

Our water targets are based on the WWF Water Risk Filter, which helps us to identify which of our factories are located in water scarce areas. Decisions around our water targets are based on the tool, and our factories are divided into two groups - Water Risk and Water Management factories. The Green Spirt program involves sharing water management best practice, monthly reporting on water performance indicators as well as conducting water mapping.

Many of our plants recycle process water and some are already closed loop in terms of reusing process water. We are currently investigating opportunities in several other facilities. We also use harvested rainwater in manufacturing processes, such as in Thailand, Brazil and Australia.

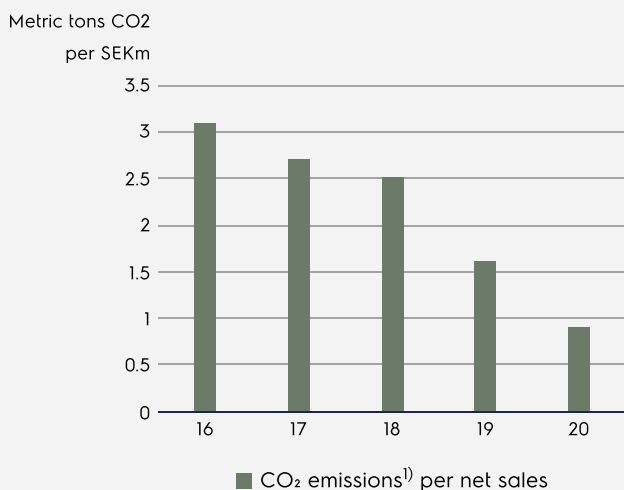
Zero Landfill program

The global Electrolux Zero Waste to Landfill program has been further developed and expanded to all our factories around the world. The aim of the program is to reduce our environmental footprint, find opportunities for material reuse and recycling, and at the same time decrease the amount of waste sent to landfill and/or incinerated without energy recovery.

The global program has been implemented at all Electrolux manufacturing sites and all identified standard indicators have been measured quarterly and followed up by management. The common waste database now includes data from all our factories in a structured approach that follows the 2008 CEE Directive. During 2020, our plants at Porcia in Italy and Cairo in Egypt achieved the Zero Waste to Landfill certification issued by a third party. Our first plants to be certified were Sao Carlos in Brazil and Solaro in Italy.

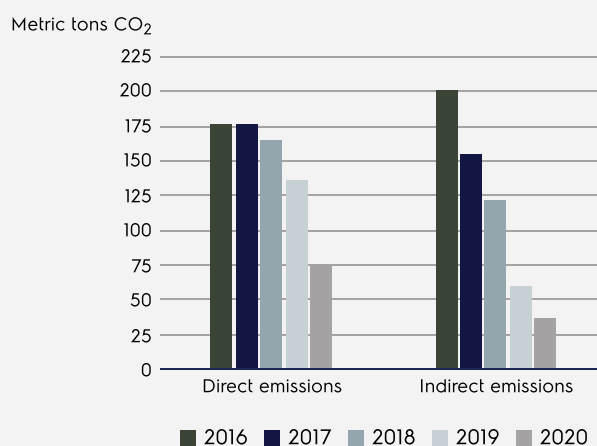
During the year, we have globally reduced our amount of disposed waste by 22%. Our target going forward is to ensure that all our factories continue to make progress in waste reduction.

Greenhouse gas (GHG) emissions¹⁾ intensity








¹⁾ Includes contributions from energy use and greenhouse gas emissions

Total direct¹⁾ and indirect CO₂ gas emissions by weight. (metric tons)



¹⁾ Includes contributions from energy use and greenhouse gas fugitive emissions

Next steps

Roadmap 2020 to 2030	Next steps	Status
Reduce our CO ₂ footprint by 85% by 2025 (2015 baseline) and achieve climate neutral operations by 2030.	Continue the inventory of our fossil fuel footprint in our operations. Develop a global roadmap based on fossil free equipment and processes.	
Improve energy efficiency at our manufacturing sites and warehouses by an additional 12.5% by 2025 (2020 baseline).	Implement our updated energy management certification scheme, Green Spirit 2.0.	
Continue to improve water efficiency at our manufacturing sites by 25% by 2025 (2020 baseline) in potential water risk areas, until the site has reached optimal levels of efficiency.	Update the WWF water risk assessment for our manufacturing footprint.	
Increase the proportion of renewable energy for our operations to 65% by 2025.	Continue to source electricity from certified renewable sources. Start piloting bio fuels and electrification of processes.	
Certify all plants to the Zero Landfill program by 2025.	Continue the certification process.	



On track



Additional effort is required



Off track



Work has not yet begun

Act ethically, lead in diversity and respect human rights

We continue to build an ethical, diverse and trusted company, where everyone impacted by our operations can feel confident that their rights are respected.

Our promise

We will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics, diversity and human rights through our words and actions. This includes working to ensure the health and safety of our employees, and promoting societal benefit through community investment activities.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Continue to build a Group-wide approach to human rights and ensure strong management of human rights issues.
- Drive a company culture based on ethics, integrity and respect by providing leadership that demonstrates and nurtures inclusion and accountability. This will foster an environment where people feel safe to speak up.
- Take proactive measures to ensure that various elements of the global anti-corruption compliance program are effective in practice.
- Ensure a pathway to industry leadership in diversity & inclusion by developing and implementing a global roadmap.
- Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world.
- Continue to invest in the communities in which we operate in around the world.

The case for action

A strong culture of ethics is vital for stakeholder trust and long-term business success. Consumers are increasingly making purchasing choices based on whether a company is perceived as being trustworthy and how it contributes to society.

Additionally, employees prefer to work for a company with values that match their own. Corruption also increases the cost of doing business globally by up to 10% on average, according to the World Economic Forum.

The wellbeing and safety of our colleagues is of course extremely important. We have a duty of care toward every individual working for Electrolux, and we take this seriously. Our

commitment applies wherever Electrolux operates in the world, and goes beyond local regulations.

It is well known that diversity and inclusion (D&I) can support profitability and innovation, and that more diverse companies outperform organizations that do not invest in this area.

Our approach

Our company is built on trust, which means everything we do and all decisions we make are governed by the principles of ethics, integrity, and respect for people and our planet – regardless of where in the world we operate. Our approach involves working within our company through health, safety and diversity, and promoting societal benefit through community investment.

Our policies

The Electrolux Code of Conduct, our Workplace Policy, our People Policy and our Anti-Corruption Policy are the foundation for our work with ethics, anti-corruption and human rights. Our Human Rights Policy Statement, an integrated part of the Code of Conduct, and a Human Rights Directive guide our efforts to assess, manage and mitigate risks in these areas. Communication and educational efforts are used to ensure employees are aware of and understand what our Code and policies mean in practice.

Our Code of Conduct

The Electrolux Code of Conduct forms the platform for our efforts to ensure high standards of ethics and human rights within the Group. The Code summarizes our key policies and is a guide for employees on how to conduct themselves in line with the principles of ethics, integrity and respect. It covers areas such as respect for people, anti-corruption, conflict of interest, fraud, privacy of information, health, safety and respect for the environment, and constitutes the basis of our Ethics program. It also helps define our expectations throughout the value chain.

Communication and educational efforts are used to ensure employees are aware of and understand what our Code and policies mean in practice. Breaches of our Code and Group policies can lead to disciplinary action that can include dismissal.

Workplace Policy self-assessments and audits

The implementation of our Workplace Policy and Directive is followed up by two main procedures – an annual self-assessment for all manufacturing sites (the awareness, learning, feedback and assessment (ALFA) survey), and bi-annual Workplace Policy audits of high-risk sites. Both procedures are central, not only for the follow up, but also for educating and reminding line managers of their responsibilities for making Workplace Policy alignment a part of their daily activities.

Human rights assessments

We conduct local assessments of operations located in high-risk countries from a human rights and corruption perspective. The assessments focus on identifying the risk of harming people as a direct or indirect result of our operations. They include web-based, anonymous surveys and interviews conducted by Electrolux internal specialists and third-party experts on human rights and corruption.

The interviews typically involve a broad range of workers, sales representatives and managers at Electrolux, as well as external stakeholders such as civil society and academia to understand the risks in the country. The assessment outcomes are agreed in interactive workshops with the local management.

Read more in [Understanding and managing our human rights risks](#).

Anti-corruption

Electrolux has a zero-tolerance policy toward corruption, and we are committed to complying with all applicable anti-corruption laws. Improvements and enhancements to our compliance program are guided by recommendations issued by industry and regulatory bodies, including those based in the UK, France, U.S. and the OECD. Executive and senior management throughout the company oversee the implementation and effectiveness of the program, and their efforts are coordinated at Group level.

The Group Anti-corruption Policy (in addition to the Code of Conduct) is key to the anti-corruption compliance program, which applies to all persons who work with or on behalf of Electrolux. Our suppliers are subject to anti-corruption requirements as part of our Responsible Sourcing Program. The Group Policy is supplemented by more in-depth guidance for employees in certain areas, such as gifts, hospitality and events.

Whistleblowing system

Through the Ethics at Electrolux program, employees are encouraged to report incidents to their manager, HR department, Internal Audit or another relevant person in the organization. They can use our whistleblowing system – the Ethics Helpline – where incidents can be reported confidentially and in local languages.

Governance for ethics and human rights

Accountability for the Ethics Program and oversight of human rights lie with the cross-functional Ethics & Human Rights

Steering Group, which includes representatives from Group Management. Human rights procedures engage many functions throughout our organization, from Sustainability Affairs and Human Resources to Purchasing, Operations and Legal.

Employee engagement survey

Electrolux evaluates the engagement of its employees through the Employee Engagement Survey (EES). The survey includes metrics on important aspects of the company's efforts to act ethically and respect human rights, including the understanding of our Code of Conduct, trust in the Ethics Helpline and equal opportunities.

Diversity & inclusion

The HR Executive Team (HRX) owns the Diversity & Inclusion (D&I) Framework, including the setting of priorities, establishment of global objectives and monitoring progress. A central taskforce organized in workstreams develops proposals for initiatives, for review and approval by HRX, prior to implementation.

Health and safety

Health and safety have long been a fundamental part of our values and our sustainability agenda, with clear targets and processes in place to ensure real progress.

All employees and contractors in production are covered by a reporting system to track incidents and hours worked, and apply the same occupational, health and safety (OHS) management system throughout the Group and among our contractors. All manufacturing sites have Central Safety Committees that include managers, workers and worker representatives. All employees receive safety training when they start at Electrolux and annual training tailored to their function.

Community investment

We established the Electrolux Food Foundation in 2016, as we focused our community investment efforts on the challenge of feeding the growing global population sustainably. We want to contribute with our skills and resources, and together with our Feed the Planet partners, to train, engage and inspire people to cook and eat more sustainably, and also to support people in need. Read more [here](#).

Challenges

- Bridging different cultures and local practices in a global organization.
- Raising the bar on Diversity & Inclusion – identifying and addressing barriers to greater inclusion.
- Ensure that our approach to community investment leverages our global presence and our partnerships, while at the same time allows local adaption and delivers tangible societal benefit.
- The most significant health and safety risks occur in our warehouses and technical departments, and when working with external contractors.

The progress on our promise

How we measure progress

1. Level of trust in the Ethics Helpline according to our employees
2. Level of understanding of the Code of Conduct by our employees
3. Share of women leaders, and internal survey results on equal treatment and opportunity
4. Number of people educated (trained and participants) and meals donated through our community investment projects
5. Global injury rate (TCIR) per 100 employees per year.

Human rights

Impact assessments

We continued our work with local human rights impact assessments during 2020, although our work was affected by the coronavirus pandemic. The assessment at our production facility in Romania had to be adjusted to the prevailing situation, and the latter part of the project was conducted digitally. The main issues identified related to labor relations and work environment.

Mitigation action plans are in place and were followed up in Egypt, Thailand and Ukraine where impact assessments have been conducted in recent years. The outcomes of these assessments included issues such as safety, working hours, wages, corruption training, and risks in the supply chain. At the end of 2020, the actions from the assessment in Thailand were fully closed, in Ukraine 21 out of 22 action were closed, and in Egypt 17 out of a total of 19 actions were closed.

Our target is to have conducted local impact assessments in all [high-risk countries](#) where we have manufacturing operations by 2023.

Following protests at one of our factories in Juarez, Mexico, at the outset of the pandemic in 2020, Electrolux commissioned an external assessment of the events. The conclusion of the assessment was that the handling of the situation was not fully in line with our Workplace Directive, and remediating actions were agreed. See the full statement [here](#).

Workplace Policy follow up

Our work to follow up the Electrolux Workplace Policy was severely limited due to the coronavirus in 2020.

We conducted Workplace Policy audits at 6 (15) of our 20 facilities located in what we rate as high-risk countries. These audits took place in China, Egypt and South Africa. Additionally, a number of customer audits were performed at our production sites in both high risk and mid-risk countries. The findings included non-compliances in the areas of health and safety, working hours and compensation. Local corrective action plans were developed to address the identified issues and ensure continuous improvement.

All manufacturing sites that were operational at the end of 2020 responded to the Awareness Learning Feedback Assessment (ALFA). See the results here – [ALFA assessments of the Workplace Policy](#).

Freedom of association

Freedom of association is one of our salient human rights issues. Find out more in [Understanding and managing our human rights risks](#). In line with international conventions, employees are free to join unions. At the end of 2020, 68% of our workforce were covered by collective agreements. 37 of our 40 manufacturing units also have local employee-management committees, which deal with work-related issues and sometimes work together with unions. Electrolux also has an [International Framework Agreement](#) in place with the global unions.

Diversity and Inclusion

As part of our ambition to become a leader in D&I, we continue to measure the proportion of qualified women, with a further commitment to broaden our focus beyond gender. At the end of 2020, 27% of all our leaders with direct reports were women. Our overall gender division is 38% women and 62% men. The target of achieving 35% women in Tier 2 and 3 is a continued work in progress – the results in 2020 were 33% and 28% for Tier 2 and 3 respectively.

The results from our most recent Employee Engagement Survey (EES) on diversity and equal treatment in 2019 indicate there is still room for improvement, and our work with D&I aims to address this. 65% of employees responded that equal treatment is supported in the company, and 70% perceived there is equal opportunity for people with diverse backgrounds. The next EES will be conducted in 2022.

In 2020, we launched the commitment to become a leader in D&I. Building on our existing D&I initiatives, a D&I governance structure was established, including a D&I taskforce and workstreams.

To promote engagement and alignment, we launched a D&I declaration and ambition, outlining that D&I is critical to the success of our company and also how we define diversity. The declaration and ambition will guide our efforts throughout the Group, ensuring the work considers both the broader aspects of diversity, and the building of an inclusive culture.

Work has been ongoing in 2020, and will continue into 2021, to establish the Group D&I framework, which will include people processes, D&I learning, communication and objectives.

During 2020, for example some 380 leaders and 600 employees in Latin America, the leadership team and 470 employees in North America and 53 (or 97%) of IT leaders in Europe took Diversity and Inclusion training. From January 2021, the virtual Unconscious Bias workshop is available globally. It enables employees to acknowledge and address cultural and social conditioning that can subconsciously affect their decision-making and attitudes toward others.

In 2020, we have three local Women at Electrolux (WE) networks in North America, Latin America and one based in Stockholm that increasingly began working globally during the coronavirus pandemic. A Diversity Week is celebrated each year in Latin America, and 2020 saw the launch of a Diversity and Inclusion Employee Resource Group in North America.

Percentage positive answers	2019	2018	2016
At Electrolux, the equal treatment of employees is both supported and promoted.	65%	65%	72%
In my team, people with diverse backgrounds, styles, and approaches have equal opportunities for development.	70%	69%	72%

Human rights in acquisitions

In 2020, no acquisitions were completed.

Ethics

Our Code of Conduct and Group Policies

Educational campaigns and e-learnings on the Anti-corruption Policy and the Workplace Policy were rolled out during 2020, with a specific focus on our manufacturing employees. 79% of eligible employees completed the anti-corruption training, and 72% and 64% of the eligible managers and employees respectively, completed the Workplace Policy e-learning. A central part of the Workplace Policy centers around human rights including labor standards, and thereby the e-learning corresponded to approximately 2,600 hours of training in human rights during 2020.

The most recent EES in 2019 indicated a high level of Code of Conduct awareness among our employees. Responses show that 90% of employees understand what the Code of Conduct means for them.

Percentage positive answers	2019	2018	2016
I understand how I am expected to act in order to follow the Code of Conduct.	90%	90%	85%

Anti-corruption

Since at least 2015, anti-corruption risks have been continually assessed through formal and informal channels – site/factory assessments, surveys, in-person interviews, etc. In early 2020, an external law-firm assessed anti-corruption, anti-trust and trade sanctions risks, as well as the overall compliance program. Recommendations from the risk assessment are being implemented via a prioritized action plan to improve and enhance existing compliance activities.

Face-to-face training sessions are designed to reach those employees that are most likely to face corruption risks, such as in purchasing, sales and finance. Our executives and senior management engage in separate and structured discussions around anti-corruption compliance and challenges.

Besides bribery-related corruption risks, Electrolux also takes fraud seriously, and has a training in place for face-to-face anti-fraud training. During 2020, these activities were put on hold due to the pandemic.

Anonymous reports via the Ethics Helpline, as well as non-anonymous reports, alleging non-compliance with our anti-corruption policy are promptly investigated and remediated.

Anti-trust

Electrolux trains its employees on anti-trust compliance via an online training session. All new white-collar employees are required to take the training as part of the onboarding process.

Countering discrimination and harassment

Building on our work against sexual harassment in recent years, we have developed a general approach to anti-harassment training. This has involved guidance and mandatory training for HR professionals, who in turn are responsible for the education of line managers and employees. The training includes examples of unacceptable misconduct, key principles for dealing with reports of harassment, and emphasizing the responsibility of HR and line managers to act promptly on any such reports.

In 2020, we focused on training HR professionals on how to handle concerns reported by employees, both within and outside our whistleblower system - the Ethics Helpline. The emphasis has been on how to handle reports in an independent, professional and confidential manner, ensuring that there is no retaliation directed at the reporter. Management training has also taken place in certain parts of the organization, covering ethics and anti-harassment.

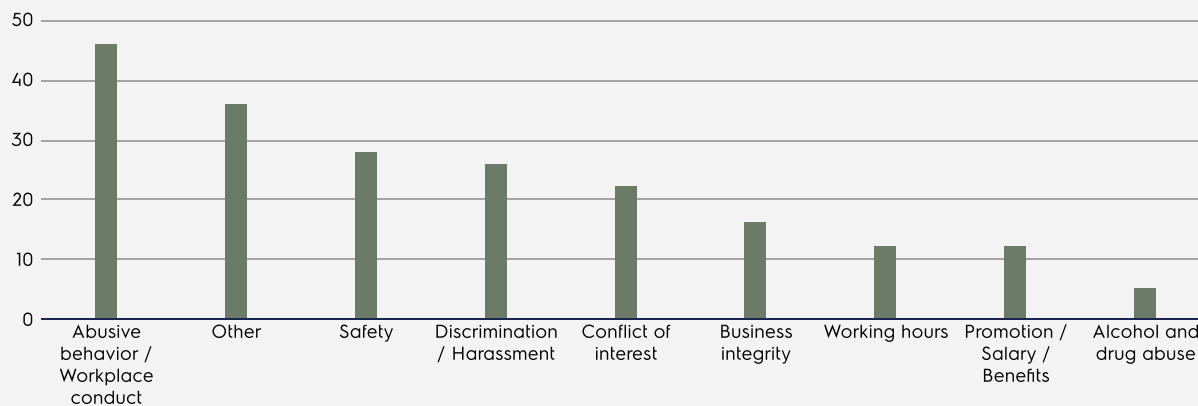
Ethics Helpline cases

In 2020, 258 (215) cases were reported through the Ethics Helpline. By the end of 2020, 54 (61) cases had been found as either being outside the scope of the Helpline or lacking sufficient detail to allow investigation. 204 (154) reports had led to further investigation, out of which 160 had been closed by the end of the year. The most common categories of reports in 2020 were related to workplace conduct, verbal abuse and other types of disrespectful behavior.

A proportion of the cases fell into the category 'other' including complaints related to not following guidelines or instructions. 16 (19) cases of breach of business integrity were reported – including for example accounting, fraud, theft and corruption. 26 cases were related to the coronavirus, stretching across different categories, including concerns relating to safety measures.

Typically, case investigations that result in the confirmation of a wrongdoing, lead to warnings and retraining, but in some severe cases to dismissal. During the year, 11 employees were dismissed from the company as a result of investigations into Helpline reports.

Ethics Helpline reports



In the last EES in 2019, the level of trust in the Ethics Helpline increased to 77% from 76% in 2018 and 67% in 2016.

The fact that the number of employees that use the Helpline has increased in recent years indicates that there is a high level of trust in the whistleblowing system and that our efforts with the Ethics program are having a positive impact.

Percentage positive answers	2019	2018	2016
I trust that the concerns reported through the Ethics Helpline are handled confidentially and fairly.	77%	76%	67%

Privacy and integrity

During the year, there have been no investigations by authorities regarding personal data resulting in administrative fines or other corrective actions. Various privacy access requests have been submitted to the Electrolux Group Data Protection Officer function by for example consumers, which have been processed and responded to, in line with internal procedures, our Code of Conduct and applicable legislation.

Health and Safety

Since 2015, our injury rate has declined by at least 6% every year throughout the Group. The Total Case Injury Rate at Group level is now at 0.5 per 100 employees per year. This means that if we had a factory of 100 people, we would have a single injury after two years on average.

First-class health and safety practices are an essential step for building trust among employees, their families and local communities. Our work with OHS (Occupational Health & Safety) focuses primarily on the safety of workers in production areas and also raises awareness of the health and wellbeing of office workers.

During 2020, the safety systems and processes within different business sectors have been aligned in a Group-wide approach – the Electrolux Safety Management System.

A tragic death occurred in one of the plants in the Asia-Pacific region in 2020. The incident has been thoroughly investigated but it has not been possible to determine the root cause.

Coronavirus management

In 2020, we managed the coronavirus pandemic to minimize the health risks and impact on our employees based on a detailed risk assessment that also identified the most essential areas for us to focus on. Many procedures and operative instructions were applied to safeguard the health of the employees.







Non-manufacturing employees were encouraged to work remotely while compulsory face mask use and daily temperature checks were implemented for people working in factories. Safety entrance controls were applied at all sites, and visits were discouraged. In manufacturing, workplaces were re-arranged to ensure social distancing of at least 1.5 meters and plastic dividers were installed where appropriate. Measures to allow social distancing in company canteens and bus services were also implemented. In offices, common areas were re-arranged to ensure social distancing. Sanitation materials were made available in multiple locations at all sites. In general, business travel was prevented.

Community investment

Electrolux invests in community programs both centrally and at a local level. SEK 10 million was donated to the Electrolux Food Foundation in 2020. Additionally, SEK 2.6 million was spent on managing community programs around the company, SEK 27 million in in-kind donations and SEK 8.8 million in cash donations. The pandemic had a negative impact on the opportunities for volunteering, but in total, Electrolux employees volunteered over 1,200 hours of their time to support local activities.

[Read more about our community investment work](#)

Next steps

Roadmap 2020 to 2030	Next steps	Status
Continue to build a Group-wide approach to human rights and ensure strong management of human rights issues.	Continue to conduct local assessments and follow up assessment action plans.	
Drive a company culture based on ethics, integrity and respect by providing leadership that demonstrates and nurtures inclusion and accountability. This will foster an environment where people feel safe to speak up.	Engage leaders at all levels in activities to build an ethical culture. Ensure employees in all parts of the organization are educated in the Code of Conduct and relevant key policies.	
Take proactive measures to ensure that various elements of the global anti-corruption compliance program are effective in practice.	Align and improve corruption prevention efforts throughout the company through various methods. This includes the implementation of relevant policies and instructions, trainings, audits, and internal inquiries. Emphasize the zero-tolerance message for bribery and corruption throughout the organization.	
Ensure a pathway to industry leadership in diversity & inclusion by developing and implementing a global roadmap.	Establish and drive four workstreams: (1) Objectives development; (2) Review of people processes; (3) Training; and (4) Communications.	
Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world.	Continue to reduce our accident frequency. Attain safety certifications of our manufacturing facilities.	
Continue to invest in the communities in which we operate in around the world.	Continue to adapt, re-create and launch our community investment programs in digital formats.	



On track



Additional effort is required



Off track



Work has not yet begun

BETTER COMPANY

Community investment

As a world-leader in kitchen appliances, our community investment activities focus on food – in cooperation with our employees and local stakeholders.

Our promise

Electrolux will inspire sustainable cooking and eating habits among consumers and professionals and support people in need.

[Read more about our progress.](#)

Roadmap 2020 to 2030

- Fully develop Electrolux Food Foundation and a strong Group approach to community investment in line with the UN Sustainable Development Goals.
- Engage and inspire 300,000 kids, consumers and professionals on sustainable food habits and reach the viewership of 300 million - all by 2030.
- Educate and train 12,000 people by 2030: Train unemployed and underprivileged people in sustainable cooking with the aim of finding a job. Educate culinary professionals in sustainable practices.
- Support 3 million people through meals and via donation of food, equipment, employee engagement and monetary donations by 2030.

The case for action

Feeding the world's growing population sustainably is one of the greatest challenges of our time. 17% of total food available to consumers is lost or wasted¹⁾, around 750 million people are facing severe food insecurity²⁾ while more than 1.9 billion adults worldwide are overweight³⁾. Worldwide obesity has nearly tripled since 1975⁴⁾. 24% of the world's greenhouse gas emissions come from agriculture⁵⁾. Additionally, millions of people across the world are suffering from unemployment or in other ways struggling to put food on the table.

Our approach

As a world-leader in kitchen appliances, we believe Electrolux has both a responsibility and an opportunity to positively contribute to issues related to cooking and food consumption. For this reason, we focus our community support activities on the area of food.

Our approach aims to strengthen our corporate culture and employee pride in working for a socially responsible employer – while bringing about real community benefit. Electrolux encourages local business units to set up projects together with their employees and key partners.

The Electrolux Food Foundation

Action is facilitated through our Electrolux Food Foundation, a non-profit organization founded by Electrolux in 2016. The foundation supports and funds local and global Electrolux projects that tackle food-related challenges. Its Board reviews applications from local project teams from around the Group and decides on funding. Electrolux has committed to continue funding the foundation at least until 2030.

The Feed the Planet partnership

For greater impact, Electrolux established a long-term global partnership together with Worldchefs (the world association of chefs' societies) and AIESEC (the world's largest youth organization) in 2016. This partnership supports projects with the combined expertise, skills and resources from all three organizations. Electrolux project teams plan and implement the project together with Worldchefs and AIESEC members, and additional local partners.

The Foundation and the Feed the Planet partnership support projects that do one or more of the following:

- Educate children, consumers and professionals on sustainable cooking and eating habits, for example through our program 'Food Heroes'.
- Provide professional culinary training that helps people in need to get a job in a professional kitchen, through our program 'Like a Chef'.
- Provide sustainability education for chefs and students in culinary schools.
- Support people in need through the donation of meals and equipment, employee engagement and monetary donations.

Challenges

- Ensuring that our approach to community investment leverages our global presence and our partnership, while at the same time allowing local adaption and delivering tangible societal benefit.
- Ensuring the programs are relevant and fit for purpose in the local context and in a new reality, minimizing interpersonal activities, by relying on online solutions.

References:

1) <http://www.fao.org/food-loss-and-food-waste/en/>

2) http://www.fao.org/3/ca9692en/online/ca9692en.html#chapter-executive_summary

3) <https://obesity.procon.org/global-obesity-levels/>

4) <https://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight>

5) <https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data#Sector>

The progress on our promise

How we measure progress

1. Number of people educated (trained and participated).
2. Meals donated.
3. Number of views (social media, website, printed media).

The Electrolux Food Foundation has a roadmap with visionary targets aligned with Agenda 2030. Due to the pandemic in 2020, we refocused our efforts and explored how to adapt our programs to the new normal and more digital solutions. We continued our effort to raise awareness on sustainable food choices online. We also engaged in meal donations via local coronavirus responses and supported people impacted by the pandemic through Red Cross donations. The long-term approach remains that our projects build on the conviction that

education is the key to make food habits more sustainable and within the planetary boundaries.

In line with the commitment to support the activities of the Food Foundation, Electrolux donated SEK 10 million to the foundation in 2020. Additionally, SEK 2.6 million was spent on managing community programs around the company, SEK 27 million in in-kind donations and SEK 8.8 million in cash donations. The pandemic had a negative impact on the possibilities for volunteering, but in total, employees volunteered over 1,200 hours of their time to support local activities.

Our targets and results achieved in 2020 are detailed below.

Awareness

Vision

More people aware that sustainable eating is the best choice for people's health and the planet.

2030 target

Achieve 300 million viewer by 2030.

We define viewership as the number of impressions on social media, views on websites and the reach of digital and printed media for the media content produced on the Electrolux Food Foundation and partners' initiatives.

Achieved in 2020

- We reached an audience of 9 million around the world.
- The aggregated viewership since 2016 is thereby 117 million.

Education: Engagement

Vision

Make sustainable eating the preferred choice.

2030 target

Engage and inspire 300,000 children, consumers and professionals on sustainable cooking and eating habits by 2030.

Achieved in 2020

- More than 8,000 people participated in 'Food Heroes' workshops delivered by AIESEC volunteers.
- Delivered two educational webinars on sustainable eating with more than 400 online participants.
- In partnership with Worldchefs, 10 webcasts were delivered to culinary professionals with an aim to spread messages around food and sustainability with over 1,000 online participants.
- Since 2016, over 40,000 kids, consumers and professionals have participated in activities aimed at engaging and inspiring more sustainable food habits.

Education: Professional training

Vision

Make sustainable cooking the preferred choice.

2030 target

Educate and train over 12,000 people around the world by 2030.

Achieved in 2020

- 29 people graduated from 'Like a Chef', our ten-week culinary training program for the unemployed in Sweden, Brazil and Poland.
- Developed and piloted blended learning (online/offline) 'Like a Chef' program in Curitiba, Brazil.
- Created an online version of Sustainability Education and ran eight webinars for culinary professionals, resulting in 893 people educated during 2020.
- The total number of people trained since 2016 is 1,808.

Support

Vision

Support people in need.





2030 target

Support three million people in need through meals and other donations by 2030.

Achieved in 2020

- The equivalent of approximately 800,000 meals were donated in 2020 by the Electrolux Food Foundation through employee-led projects in our local communities and through our global partnership with the Red Cross.
- The total number of meals donated between 2016 and 2020 amounted to almost 1.4 million.
- In addition, Electrolux business units donated about 100,000 meals.


Next steps

Roadmap 2020 to 2030	Next steps	Status
Fully develop Electrolux Food Foundation and a strong Group approach to community investment in line with the Agenda 2030.	<ul style="list-style-type: none"> Strengthen our approach to community investment by further developing the Food Foundation programs and other philanthropic initiatives. Build collaborative partnerships and engage employees - all with the aim of scaling up the positive impact in our communities. 	
Engage and inspire 300,000 kids, consumers and professionals on sustainable food habits and reach the viewership of 300 million - all by 2030.	Develop digital tools for our programs in order to inspire and educate more people about sustainable cooking and eating.	
Educate and train 12,000 people by 2030: Train unemployed and underprivileged people in sustainable cooking with the aim of finding a job. Educate culinary professionals in sustainable practices.	Continue to replicate and develop educational programs with a blended learning approach - including both digital tools and offline (face-to-face) practices. Re-launch the original face-to-face programs, when feasible considering the pandemic.	
Support 3 million people through meals and via donation of food, equipment, employee engagement and monetary donations by 2030.	Continue to co-fund local food donations, develop the Red Cross partnership and increase employee engagement.	

 On track

 Additional effort is required

 Off track

 Work has not yet begun

Drive supply chain sustainability

Our products are to be made in the same way throughout our global supply chain – with respect for the people who made them and care for the environment.

Our promise

Electrolux will take its sustainability leadership agenda into the supply chain. We will work with suppliers so they can live up to our high expectations, no matter where they are located, and we will drive and support the transition to more sustainable practices.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Secure compliance to Electrolux principles among our direct suppliers of components, finished goods, licensed products and services. Engage in high-priority geographies and topics further up the supply chain.
- Ensure transparency in mineral and material supply chains from high-risk areas, working towards a conflict free supply chain by 2025.
- Drive the environmental performance of all strategic suppliers on key metrics, aiming to help them to be climate neutral by 2030 - toward a [carbon neutral supply chain by 2050](#).
- Build partnerships with suppliers of all categories to contribute toward the Electrolux sustainability priorities.
- Halve our transport emissions by 2025 and make our logistics climate neutral by 2030.

The case for action

Our industry is dependent on complex supply chains and our overall sustainability impact often depends on decisions made in our supply chain. As a sustainability leader, we have an obligation to take ownership and see our suppliers as an extension of ourselves.

This means that we expect suppliers to support our sustainability agenda by actively working to improve their own performance. This promotes progress, not only in our own supply chains, but for supply chains around the world.

Logistics is also a key area in our supply chain as Electrolux emits more CO₂ in distributing its goods than is emitted through the energy consumed in Group operations. Around 300,000 metric tons are annually emitted through the global transportation of our goods via sea, air and land.

Our approach

Our experience shows that enhanced sustainability performance can be a competitive advantage, particularly in energy use, and health and safety, which improves the bottom line. We pass on this knowledge by working together with suppliers to strengthen relationships, and ultimately create mutual benefit.

We work to form special partnerships with our most strategic suppliers. Such suppliers are identified by the Electrolux Purchasing and sourcing teams and may play an essential role in our supply chain by supplying fundamental components or due to their size. Establishing long-term partnerships is fundamentally important to our strategies as it enables us to ensure a responsible and sustainable supply chain in the future.

Responsible sourcing

We work together with our direct suppliers as an active partner to ensure they abide by our requirements and have the performance targets to continuously improve. Our +2,000 direct suppliers are required to live up to our Supplier Workplace Standard and Workplace Directive, which are equivalent to the Workplace Policy and Workplace Directive that apply to our own entities. They cover our environmental, health and safety and human rights requirements for suppliers to follow.

In close cooperation with the Electrolux Purchasing and sourcing organizations, we demand high standards of performance among our suppliers. This involves proactively screening prospective suppliers to ensure they can live up to our high standards and contribute to our ambitions. We also want to reward suppliers based on their performance by enabling good performers to win more business - to increasingly build our supply chain on our best performing suppliers. We drive our initiatives further up our supply chain by working more closely together with our tier one suppliers and by directly including selected tier two suppliers.

[More on our Responsible sourcing here](#)

Conflict minerals

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is embedded into our policies and activities to avoid sourcing conflict minerals. Our objective is to ensure conflict free smelters by 2025 and we work actively to drive this agenda throughout our supply chain by working with our direct suppliers.

Supplier environmental footprints

We work to implement and drive environmental programs that reduce the environmental impacts of our suppliers. These programs involve reducing greenhouse gas emissions, energy consumption and water use within our value chain. We share our knowledge with suppliers, provide tools to assist them in evaluating their environmental footprint and define suitable improvement activities, and reward progress and proactivity.

We request our most strategic suppliers to report their climate impact through CDP.

Logistics

Approximately 300,000 metric tons of CO₂ are emitted through the distribution of our goods by sea, air and land transportation in Europe, North America and Brazil each year.

We use our purchasing power to influence the logistics industry by developing more sustainable transport solutions together with our logistics partners. We also set environmental requirements in the tender process, and all shipping companies must be members of the BSR Clean Cargo initiative.

Challenges

- Ensuring high sustainability performance throughout our value chain beyond direct suppliers.
- Adopting a collaborative approach with industry peers to bring about greater positive change among our shared suppliers.
- Monitoring and auditing our +2,000 direct suppliers involves capacity challenges for Electrolux.
- Suppliers in some regions that lack access to renewable energy and more sustainable modes of transport will struggle to meet our low-carbon objectives.
- Local politics, and differences in work culture can sometimes resist and create obstacles to working with sustainability topics, which makes it difficult to bring about positive change.

The progress on our promise

How we measure progress

1. The proportion of all direct suppliers that met our minimum supplier workplace standard requirements in the last 12 months.
2. Suppliers/people trained and the proportion of critical suppliers trained in the last 12 months.
3. The proportion of strategic suppliers that were engaged in initiatives to improve their environmental performance in the last 12 months.
4. The proportion of our direct suppliers that are working toward climate neutrality or low-carbon objectives for their operations.
5. Transport emission intensity, CO₂ emissions / m³km.

The coronavirus impact

The global pandemic impacted on businesses and supply chains all around the world in 2020. In response, we quickly shifted our monitoring and auditing processes to be more digital. This involved making digital versions of our tools to enable remote supplier assessments and focusing on e-learning deployment. See the Case Story [Driving digital auditing in supply chain sustainability](#).

Responsible Sourcing Program

Our focus in 2020 was on collaborating with the Electrolux Purchasing team to integrate sustainability topics throughout our supply chain. A scoring model was developed that will be used in purchasing decisions to reward and promote suppliers that have the best sustainability performance.

In 2020, 803 of our suppliers were considered to be critical and were the focus of our Responsible Sourcing Program. These included suppliers located in high-risk regions and using production processes that pose higher risks for environmental, labor and human rights violations or corrupt practices. Migrant labor management has been a focus area in 2020, with spearhead activities in Thailand where an analysis of the supply chain, training and supplier dialogue was conducted.

Responsible sourcing auditing

Due to the coronavirus pandemic, our responsible sourcing auditing included both digital and physical audits. During the year, 261 (351) supplier audits and were conducted, of which 38 were made in a virtual format. A total of 43 audits were made by third party assurers.

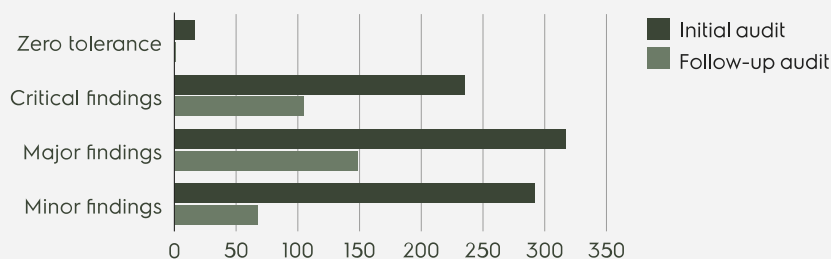
In 2020, 30% (49) of our critical suppliers were audited, which also included verifying that our expectations were communicated to Tier 2 suppliers.

Through our audits, we see that health and safety as well as environmental governance continue to be the areas with the greatest challenges. Deviations related to our policy on working hours is a persistent problem as well as findings related to compensation and benefits.

A total of 12 (23) zero-tolerance findings were uncovered in 2020. The most common zero-tolerance findings were related to harassment and abuse, with two cases in Mexico and one in Brazil. There were two cases each of missing legal documents, restrictions of movement and inconsistent working hour records. Some of the findings were related to poor governance within the supplier company, and although serious in nature can be quite easily amended. Others were more related to the environment in which the company operates, and require more long-term engagement to solve. In all instances, management practices at the respective supplier were amended. There were zero (1) cases of under-age labor identified during 2020. The number of less severe findings related to the management of young workers remained stable in 2020, and it represents an area of concern and further attention.

All zero-tolerance cases are reported to senior Purchasing management, which also monitors remediation actions or ultimately takes the decision to phase out the supplier.

Responsible sourcing audit findings



The graph above shows the non-compliances in initial audits and subsequent follow-up audits conducted in 2020.

There are large differences in the status of audited suppliers. Certain types of serious findings are prevalent in some markets, due to societal issues and significant discrepancies between local legislation and Electrolux requirements. Such an area is working hours in Asia and environmental management findings in Latin and North America. See the distribution of findings per region table below.

Distribution of audit findings in each region (%)

Chapter	Asia Pacific including SE Asia	Latin and North America	Europe, Middle East and Africa	TOTAL
1. General requirements	0.0%	0.0%	0.0%	0%
2. Laws and regulations	0.5%	6.9%	2.4%	1%
3. Suppliers and subcontractors	0.2%	0.0%	0.0%	0%
4. Corruption, bribery and business ethics	0.0%	0.0%	0.0%	0%
5. Child labor	4.1%	0.0%	0.0%	3%
6. Forced labor	0.2%	1.7%	2.4%	1%
7. Security arrangements	0.0%	0.0%	0.0%	0%
8. Worker H&S	55.2%	51.7%	74.1%	58%
9. Non-discrimination	0.0%	1.7%	0.0%	0%
10. Harassment and abuse	0.0%	5.2%	0.0%	1%
11. Disciplinary actions and grievances	0.5%	0.0%	3.5%	1%
12. Working hours	29.9%	19.0%	4.7%	25%
13. Compensation and employment conditions	2.9%	3.4%	5.9%	3%
14. Freedom of Association and collective bargaining	0.0%	0.0%	0.0%	0%
15. Environmental governance and procedures	6.3%	10.3%	7.1%	7%
16. Monitoring and compliances	0.2%	0.0%	0.0%	0%
Number of audits included in sample	172	46	43	261

The distribution of significant findings represented above, expressed as a percentage according to our Supplier Workplace Standard chapter, varies between our different supply regions. Regional variations are due to differences in EHS legislation, legal enforcement as well as societal differences.

During the year, our classroom training activities were suspended. Instead, we focused on deploying our Supplier Workplace Standard e-learning targeting a wider audience at our suppliers. This e-learning edition, includes more examples of good practice from our own operations with the ambition of increasing awareness and knowledge of challenging topics. In 2020, 631 (234) people from 273 (185) suppliers completed the e-learning.

Through QuizRR, the digital learning platform we use to gain a wider reach of workers at our suppliers, we trained 4,901 (3,620) people on good workplace practices in 2020, bringing the total number trained with this tool to 13,021 (8,120) at seven suppliers in China. The tool is now being used in Thailand, with a module focusing specifically on human rights risks and migrant labor.

Electrolux Supplier Awards

The Electrolux Supplier Awards were reinvented in 2020, with sustainability added as a category, which reflects the need for suppliers to support all our 'For the Better 2030' promises. The award invites suppliers to nominate initiatives that contribute to any of our promises, and over 60 nominations were made during the year.

Submissions focused around three main areas:

- Recycled materials - the use of recycled materials, including plastic.
- More efficient appliances - the development of more efficient parts such as compressors and motors to reduce the environmental footprint of an appliance during its use phase.
- More efficient operations - improvement in operations to reduce emissions and waste.

The Sustainability Award winner was PreZero Polymers, which has supported Electrolux with its target to replace half of all plastics with recycled grades (read more in our [Promise Offer circular products and business solutions](#)). The company's initiatives for improving the material efficiency of our products, and for facilitating our transition toward circularity has been essential in advancing our sustainability journey.

Conflict minerals

We investigated 284 (400) suppliers during 2020. In addition, a pilot study was done on the use of cobalt among 17 suppliers. The report is inspired by recent U.S. legislation and was conducted voluntarily by Electrolux to disclose where our key minerals are sourced from.

We are also a member of the Responsible Minerals Initiative, which allows us to influence beyond our tier-one suppliers, and map supplier compliance in line with the related OECD due diligence guidance.

Our proactive work with conflict minerals demonstrates that we want to go beyond compliance – to minimize our supply chain risks and help us to further improve our supply chain.

CDP Supply Chain Program

In 2020, we secured the commitment from 192 of our top direct material suppliers (corresponding to 74% of direct material spend), as well as 11 logistics companies (16% of logistics spend), to disclose emissions and set targets through the CDP Supply Chain Program – a non-profit international organization that specializes in environmental reporting and ratings of which Electrolux is a member. This work plays a key role in achieving our target to ensure zero net carbon emissions throughout our supply chain by 2050. 92% of the invited companies chose to disclose, which is proof of the dedication of Electrolux suppliers to contribute to our targets.

Supplier environmental footprints

We reduce greenhouse gas emissions throughout our value chain by promoting our internal approach to monitoring and reducing energy consumption among key suppliers.

2020 was the tenth year of dialogue and cooperation with key Original Equipment Manufacturers (OEMs) on resource management. We monitored energy and water data from suppliers – covering 46% (73%) of our global Original Equipment Manufacturer spend. We continued to promote our checklist tool to help suppliers identify potential improvement opportunities to reduce energy and water use and enable them to prioritize action. 25% of our OEM spend is now using this tool.

Logistics

We have reduced CO₂ emissions in our land and sea transportation by 11% and 23% respectively since 2015 – toward our objective to make our logistics climate neutral by 2030.

In 2020, we established a global forum to discuss progress and action to reduce our CO₂ logistics emissions. We also started several pilot projects with logistics partners to test renewable fuel and electric trucks in Europe.






Our intermodal truck-and-train solution in Europe continues to reduce transport-related emissions. The project is part of a wider shift from road to rail and intermodal transport at Electrolux.

During the year, we piloted electric trucks in order to improve our climate footprint and gather experience. We are also planning to increase the proportion of our trucks powered by renewable fuel and electricity in the coming years.

We continue to track and evaluate environmental performance through our logistics dashboard, which is also used as a tool to support our decision-making processes. The dashboard is used to identify where the CO₂ impacts arise and can compare the benefits of using rail and intermodal (when more than one mode of transport is used) transport.

During the year, we continued dialogue with the logistics industry to share best practice in transport management. Electrolux is a member of the U.S. Environmental Protection Agency-led [SmartWay](#) and the [BSR Clean Cargo](#) initiative with a commitment to improve road and sea transport-related emissions respectively.

Next steps

Roadmap 2020 to 2030	Next steps	Status
Secure compliance to Electrolux principles among our direct suppliers of components, finished goods, licensed products and services. Engage in high-priority geographies and topics further up the supply chain.	Leverage our new Sourcing strategy and organization to increase the coverage of our supply base, and create engagement on both sides - to drive supplier performance through dedicated supplier improvement projects.	
Ensure transparency in mineral and material supply chains from high-risk areas, working towards a conflict free supply chain by 2025.	Improve supplier response rate in the annual survey and promote a conflict-free supply chain.	
Drive the environmental performance of all strategic suppliers on key metrics, aiming at helping them become climate neutral by 2030 - toward a <u>carbon neutral supply chain by 2050</u> .	Increase the proportion of suppliers that commit to reporting to CDP. Initiate cooperation with suppliers on water risks.	
Build partnerships with suppliers of all categories to contribute toward the Electrolux sustainability priorities.	Expand the usage of self-assessment tools for our main suppliers, set improvement targets and launch pilots at selected key suppliers. Continue work to integrate sustainability performance into supplier evaluations.	
Halve our transport emissions by 2025 and make them climate neutral by 2030.	Piloting renewable fuel and electrification of the fleet. Continue the implementation of environmental scorecards in the tendering process for dedicated transport services. Collaborate with logistic partners to share/discuss best practice and implement initiatives to reduce transport emissions.	



On track



Additional effort is required



Off track



Work has not yet begun

Responsible sourcing program

The Electrolux Responsible Sourcing Program is responsible for the management of sustainability-related topics throughout our supply chain.

The program is managed by a team of in-house supply chain specialists and focuses on four types of activities:

- **Policy awareness and initial evaluations** – to communicate our policies, conduct initial sustainability and risk evaluations of prospective suppliers, and potentially conduct an audit of each supplier as part of the initial sourcing decision.
- **Regular supplier risk assessments** – conducted annually together with Purchasing, with a focus on suppliers in high (and medium) risk countries (see related content below) and based on our Responsible Sourcing criteria and sourcing data. The assessments help the Electrolux Responsible Sourcing team decide which suppliers should participate in audits or other activities. Prioritized suppliers should be subject to an audit at least every second year with follow-ups as needed to secure improvement. Audits are carried out by our internal team or external auditing companies.
- **Supplier capacity building** – online and in-person capacity building initiatives. Training focuses both on creating understanding of the Electrolux principles as well as increasing knowledge of important sustainability topics among companies and individuals in our supply chain and wider industry.
- **Making performance count** – supplier evaluations and audits are used in formal sourcing decisions. Disqualified and uncooperative suppliers are subject to an escalation process. This process involves reporting serious supplier non-compliances to Purchasing, and addressing non-compliances through mandatory corrective actions, as well as beyond compliance support activities such as capacity building. Responsible Sourcing data is also included in the regular formal performance tracking of strategic suppliers, and improvement progress is monitored.

Make sustainable eating the preferred choice

By influencing how our products are used, we can reduce food waste, promote resource efficient food choices and nutrition, as well as enhance sustainable eating experiences.

Our promise

We will promote sustainable eating by helping consumers reduce food waste, adopt more plant-based eating, minimize nutrition loss in cooking, and enhance sustainable eating experiences.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Launch enhanced food preservation solutions that help reduce food waste and ensure food quality.
- Provide consumers with functionalities that help them make more efficient use of food resources during cooking.
- Launch product solutions that help to enhance the experience of eating sustainably and inspire better eating habits through providing practical support and advice.
- Partner with food experts on food and food waste to advance knowledge and inspire people around the world.
- Support people in need through the Electrolux Food Foundation - including educating 300,000 people on sustainable eating by 2030.

The case for action

The food sector currently consumes around a third of global energy consumption and around 15% of greenhouse gas emissions are produced from animal agriculture. At the same time, up to 30% of all food produced is wasted and hunger remains a challenge with more than one in nine people in the world not getting enough to eat.

According to our consumer research summarized in the 2019 Better Living Report, over half of our consumers try to reduce their food waste, but one third say they throw away food because it goes bad too quickly or passes its best before date. This highlights the need to help people find better ways of storing and preparing food, as well as changing their relationship with food.

The report found that 45% of consumers reduce their meat intake or choose not to eat meat at all. However, they are concerned about nutrition or that they would miss meat. There

is therefore a consumer demand for help with changing attitudes for more sustainable eating and plant-based diets.

Read more in the [Electrolux Better Living Report](#).

Our approach

Eliminate food waste in every way we can

At Electrolux, we are in a position to drive real change in homes when it comes to food waste. We focus on developing smart and more efficient solutions for storing, preparing and preserving food. We also share practical knowledge on how consumers can reduce food waste in their own kitchens, by showing ways to best store food and to make use of ingredients and leftovers. By forming partnerships with organizations passionate about food waste, we increase awareness and impact.

Better eating for you and the planet

Our aim is to make healthy eating more desirable, more accessible and easier. We will continue to develop preservation solutions and cooking methods that decrease nutrition loss, and we will join forces with global culinary experts who can further our mission to inspire more healthy eating. We will also continue with our community investment efforts to inspire sustainable eating and cooking, in addition to helping people in need through our Electrolux Food Foundation and its global partners.

Improved experiences for sustainable cooking

We aim to promote a future where more people consciously choose plant-based eating - and view this as a more enriching taste experience. To do this, we develop solutions and functionalities that facilitate alternatives to unhealthy or carbon-intensive meal choices, including recipes that introduce new and exciting tastes. Through connected kitchen and intuitive user interfaces, we will help enhance the consumer's taste experience by supporting sustainable cooking choices and highlighting how enjoyable plant-based food is to create. We will take this even further by partnering with chefs and experts.

Read more about the [Better Living Program](#).

The Electrolux Food Foundation

Since 2016, the Foundation has worked together with [AIESEC](#) and [Worldchefs](#) to inspire sustainable eating and cooking, and support people in need in local communities. Its purpose is to inspire sustainable eating and cooking habits among consumers, and to support people in need through education and emergency relief efforts.

Read more about the [Electrolux Food Foundation](#).

Challenges

- Changing the well-established cooking and eating habits of consumers.
- Although we have a presence in many markets, we lack the reach in many geographies to help those in need.

The progress on our promise

How we measure progress

We are in the process of developing this new promise and how we measure our progress in terms of new products, solutions and partnerships to promote more sustainable eating.

Products and solutions that promote sustainable food habits

We are constantly developing new products that aim to promote more sustainable habits in managing and eating food. Recent examples include:

- **My AEG Kitchen app** – the app for mobile devices provides useful tools to help consumers get the most out of their connected appliances. It allows consumers to personalize their daily cooking experience, receive advice on how to keep appliances clean and efficient, as well as troubleshooting.
- **Electrolux Steam ovens** – cooking with steam saves time while providing better tasting food with more nutrients. Steam ovens also help reduce food waste by easily reheating leftovers without drying them out.
- **Electrolux Ultrafresh+ fridge-freezer** (with TwinTech technology) – includes a sealed drawer with a humidity membrane that automatically regulates moisture levels to keep vegetables crisp, while the antioxidant filter preserves taste and colors, keeping food fresh and retaining nutrients.
- **NutriFresh inverter refrigerator** – keeps the temperature stable, minimizes water loss and provides higher humidity so that fruit and vegetables stay fresh for longer. It also uses a third less energy than other refrigerators on the market.
- **CustomFlex & SpinView** – refrigerator solutions that are designed to help consumers maintain visibility of their fresh produce, ultimately reducing the amount of produce that goes to waste.

Raising consumer awareness on sustainable food habits

Our communication campaigns positively influence consumer behavior to promote more sustainable habits in managing and eating food. Ongoing campaigns include:

- **Website food storage advice** – our websites include information about how consumers can best store their food to make it last longer. This includes Q&A interviews with tips from food experts.
- **Sustainable Guide app** – an app for mobile devices that features more plant-based and sustainable alternatives to traditional recipes.

Partnering for more sustainable food habits

We establish long-term partnerships with various food expert organizations to promote more sustainable habits in managing and eating food. Examples include:

- **The Karma partnership** – Electrolux and Karma have commercialized their partnership to install a custom-made refrigerator in Swedish supermarkets to store unsold food for consumers to buy at the end of a working day for a lower price via the Karma app. The partnership helps to reduce food waste and has increased revenues for supermarkets through sales of food that would otherwise go to waste.
- **Misfits Market** – we support the Misfits Market subscription box service, which sells food to U.S. consumers that would be otherwise unnecessarily thrown away.

The Electrolux Food Foundation






The foundation continues to be an important part of our community investment work. The Electrolux Group has secured annual funding for the Electrolux Food Foundation until 2030, with an expected total of SEK 100 million.

Electrolux Food Foundation targets

- Educate 300,000 people on sustainable eating by 2030 – including 290,000 participants and 10,000 people trained.
- Raise awareness through 300 million views.
- Support 3 million people in need.

Read more about our [Community Investment](#) progress.

Next steps

Roadmap 2020 to 2030	Next steps	Status
Launch enhanced food preservation solutions that help reduce food waste and ensure food quality.	We will continue to innovate and develop new products and solutions that help consumers reduce food waste and ensure food quality.	
Provide consumers with functionalities that help them make more efficient use of food resources during cooking.	Intuitive functionality for consumers is a key R&D innovation area going forward.	
Launch product solutions that help to enhance the experience of eating sustainably and inspire better eating habits through providing practical support and advice.	We are continuously launching new solutions that help consumer experience in the area of sustainable eating.	
Partnerships with food experts on food and food waste to advance knowledge and inspire people around the world.	We will continue to develop our existing partnerships and investigate new partnering opportunities.	
Inspire people to eat more sustainably through the Electrolux Food Foundation - including educating 300,000 people on sustainable eating by 2030.	Continue our work with the Electrolux Food Foundation until 2030.	



On track



Additional effort is required



Off track



Work has not yet begun

Make clothes last twice as long with half the environmental impact

We can further contribute to more sustainable laundry practices by incorporating innovative solutions that increase laundry efficiency and improve garment care. We can also promote modern laundry habits and change consumer perceptions of clothes for the better.

Our promise

Electrolux has the objective to make clothes last longer and reduce the environmental impact of garment care while caring for all fabrics.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Help consumers maximize the life of their clothes and help them better care for their clothes in general.
- Assist in reducing environmental impact during garment care.

The case for action

The fashion and footwear industry combined is responsible for around 8% of global greenhouse gas emissions.

At the same time, the number of garments we purchase has increased by 400% in the past 20 years. Research shows that extending the lifespan of clothing by an extra nine months by taking better care of clothes can reduce carbon, waste and water footprints by between 20% and 30%.

Water scarcity around the world is an increasing issue with 14 out of 20 of the world's largest cities already experiencing inadequate supplies and two-thirds of the world's population expected to live in water-stressed areas by 2025. In the home, the average daily water consumption per person is up to 500 liters in some developed countries, and laundry is typically responsible for 22% of water used in a typical home in the U.S.

According to our consumer research summarized in the 2019 Better Living Report, 69% of consumers agree that increasing the lifespan of garments by taking care of them is the most sustainable practice. However, people often practice outdated laundry care due to a lack of knowledge, time or lack of access to laundry appliances with the most optimal functions. Consumers are also unwilling to change their behavior for fear of ruining clothes or not getting them properly clean.

Read more in the [Electrolux Better Living Report](#).

Our approach

Consumers need intuitive laundry appliance functions that help them to best care for their clothes in a more sustainable way, as well as help to improve their laundry behavior. This will help them to extend the lifetime of garments, promote more sustainable laundry behavior and overcome the fear of damaging clothes or not getting them clean.

Longer lasting clothes

We continue to move toward more modern garment care technology, that is gentle on fabrics and preserves their quality. We also build partnerships to inspire more people to practice better fashion consumption and care – so everyone can learn to love their clothes for longer.

Reduce the environmental impact of garment care

We have long worked to reduce the environmental impact of garment care by making our washers and dryers increasingly energy and water efficient (read more in our Promise [Lead in energy and resource efficient solutions](#)). Going forward, we will continue to develop technologies that optimize laundry processes, which reduce environmental impact. We will also guide and inspire people to choose the optimal way of caring for their clothes. By working with partners, we hope to drive this change on a global level.

Care for all fabrics

We raise consumer awareness of new care methods with the aim of ensuring that more fabrics can be cared for at home while minimizing environmental impact. To instill this change on a global level, we look to build partnerships with fashion industry experts. By working together, we hope to create new standards for how to care for clothes, and methods that are gentler both on clothes and the planet.

Read more at [Better Living Program](#).

Challenges

- Reaching consumers with new information, and changing long-standing outdated consumer laundry habits.
- Increasing the uptake of new innovations in solutions that provide opportunities for consumers to practice more sustainable laundry care.

The progress on our promise

How we measure progress

We are in the process of developing this new promise and how we measure our progress in terms of new products, solutions, campaigns and partnerships to promote more sustainable garment care.

Products and solutions for better garment care

We offer a variety of washing machines and driers that help consumers to take better care of their clothes – to make them last longer while reducing environmental impact. Recent examples include:

- **ColourCare washing machines** – our ColourCare system treats the water in a way that optimizes the detergent even in cold water. Washing in cooler temperatures helps clothes retain their color for longer and reduces energy use.
- **SteamCare washing machines** – the SteamCare system allows consumers to refresh their clothes when they do not need a full wash, which uses over 90% less water compared to a complete washing cycle. By reducing wrinkles it also decreases the need for ironing, which together with avoiding unnecessary washing, contributes to making clothes last longer.
- **CycloneCare driers** – the CycloneCare system includes innovative 3DSense technology, which scans deep into fabrics to ensure accurate drying. The technology prevents over drying and maintains the appearance and thermal insulation in down jackets up to 30% better than air drying for example.
- **DelicateCare driers** – our DelicateCare system adapts the temperature and drum movement to suit specific fabrics, which means that even wool keeps its shape and waterproof garments retain their function.

Guiding consumers on fabric care

We engage with consumers to help them to look after their clothes in the best possible way. For example:

- **My Electrolux app with Care Advisor** – the app for mobile devices advises consumers on the best way to wash their particular clothing items to help prevent damaging fabrics. Care Advisor considers the kind of clothes and stains, and sends the optimal wash program and detergents directly to the washing machine.

Garment care campaigns

We run campaigns to inspire consumers to better care for their clothes and reduce water use. For example:

- **Make it last** – designed to inspire consumers to better care for their clothes to give them a longer life. The campaign was our first pan-regional campaign and includes branded [websites](#) with inspiration and care tips for consumers to modernize their laundry habits and choose more sustainable options. Make it last is built on our knowledge and the specific innovations available in our various markets.
- **50L home** – a partnership between global brands and NGOs launched in October 2020. The initiative aims to reimagine how we use water in our homes to inspire and enable lifestyle changes while advancing solutions to address water efficiency, reuse and even removal in some cases. It aims to instill the importance of responsible water consumption and to make 50 liters of daily water use per person a reality. Read more on the [50L Home campaign website](#).

Next steps

Roadmap 2020 to 2030	Next steps	Status
Help consumers maximize the life of their clothes and help them better care for their clothes in general.	Continue to deliver products, solutions and campaigns that help consumers take better care of their clothes.	●
Assist in reducing environmental impact during garment care.	Continue to deliver products, solutions and campaigns that help consumers to reduce the environmental impact of their laundry behavior.	●



On track



Additional effort is required



Off track



Work has not yet begun

Make homes healthier and more sustainable through smart solutions for air, water and floors

We offer consumers air, water and floor products and solutions that promote wellbeing in the home by making indoor environments healthier and caring for them more sustainably.

Our promise

We will inspire more sustainable habits in caring for homes, pioneer knowledge and new standards for a healthier home environment - and enable wellbeing at home with reduced environmental impact.

[Read more about our progress on this Promise](#)

Roadmap 2020 to 2030

- Inspire better home care habits by providing solutions that actively guide consumers toward more sustainable habits in caring for their home.
- Work to increase awareness of issues around air and water hygiene, to ensure that solutions are effective and broadly accessible.
- Continue to provide innovation that makes it possible for consumers to reduce environmental impact during usage - to bridge the gap between the need for comfort and care for the planet

The case for action

More than 90% of the world's population live in places where air quality exceeds World Health Organization's guideline limits¹⁾. Therefore, controlling air quality indoors where we spend most of our time is becoming increasingly important.

The growing need for temperature control appliances in the world and in emerging markets in particular, is increasing global energy use and carbon emissions. The number of air conditioners in use is expected to increase from 1.2 billion today to 4.5 billion by 2050, which would increase emissions 90% by 2050 compared with 2017 levels if no action is taken.

According to our consumer research summarized in the Better Living Report, four out of five of our consumers mention air quality and cleanliness as two of the most important factors for wellbeing at home. However, only 39% of people feel empowered to improve their indoor air quality.

Read more in the [Electrolux Better Living Report](#).

Source: ¹⁾ [WHO Air pollution](#)

Our approach

Inspiring more sustainable habits in caring for your home

We will continue to improve our solutions for air, water and floor hygiene to actively guide our consumers toward the more sustainable usage of our products. Through innovation, we will continue to advance our smart solutions - such as air monitoring - and we'll explore new ways to connect with and customize such products through functionalities and features and individually adaptable systems.

Pioneer knowledge and new standards for healthier home environments

As a domestic appliance sustainability leader, we are in a unique position to drive societal change that could improve the home environment for people around the world. We will engage with researchers and drive industry standards, while raising awareness on the issues of indoor air, water and floor hygiene. We will also share our knowledge and expertise to encourage more sustainable habits and solutions.

Enable wellbeing at home with reduced environmental impact

While heating and cooling appliances help to promote consumer health and wellbeing in the home environment, we must work to minimize their impacts on the environment. We work to raise consumer awareness of how they choose to heat and cool their home makes a difference, and that optimizing their indoor climate can reduce energy use. At the same time, we will continue to innovate in temperature control technology to ensure we bring such advances into more homes, together with more intuitive products to help consumers use our products more sustainably.

Read more at [Better Living Program](#).

Challenges

- Connecting with end consumers may require a technological and even legal evolution in some markets.
- Increasing the adoption of new innovations in more sustainable heating and cooling technology solutions in markets with limited ambitions.

The progress on our promise

How we measure progress

We are in the process of developing this new promise and how we measure our progress in terms of new products, solutions and partnerships to make the indoor environment healthier and more sustainable.

Products for healthier and more sustainable indoor environments

We offer various consumer air, water and floor products and solutions that can make the indoor environment healthier and enable consumers to care for it more sustainably. For example:

- **Pure A9 air purifier** – enhances indoor air quality by removing pollen, dust particles and bacteria, and neutralizing fumes from cooking and other unwanted odors.

Raising consumer awareness for healthier and more sustainable indoor environments

Better informing consumers can help them make their indoor environment healthier while reducing environmental impacts:

- **Product guidance** – products are issued with instructions on how consumers can prolong the life of our wellbeing products, their maintenance and consumables.

Partnerships for healthier and more sustainable indoor environments

Collaborating with other partners can amplify our contribution to promoting more sustainable indoor environments. For example, we partner through:

- **UN Cool Coalition initiative** – as part of the initiative, we will replace all high-impact greenhouse gases in all of our appliances with more sustainable alternatives by 2023 at the latest.
- **United for Efficiency** - working with other global companies and the United Nations to help more countries implement product efficiency standards.

Next steps

Roadmap 2020 to 2030	Next steps	Status
Inspire better home care habits by providing solutions that actively guide consumers toward more sustainable habits in caring for their home.	We will continue to develop solutions that enable and inspire consumers to more sustainable home care habits.	●
Work to increase awareness of issues around air and water hygiene, to ensure that solutions are effective and broadly accessible.	We will continue to raise awareness of air and water hygiene issues.	●
	We will continue to leverage cross-industry collaboration within the 'wellbeing' product context.	
Continue to provide innovation that makes it possible for consumers to reduce environmental impact during usage – to bridge the gap between the need for comfort and care for the planet.	We will continue to innovate to enable consumers to reduce their environmental impact.	●
	We will strengthen partnerships with our suppliers to ensure a common drive toward reduced environmental impact.	

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

Our sustainability achievements 2015-2020

Following the completion of our 'For the Better 2020' sustainability framework at the end of 2020, this page summarizes the key achievements we have made since 2015.

The 'For the Better 2020' sustainability framework included nine Promises and a Climate target. The key achievements for each of our Promises are listed in the tables below. For our progress in 2020, read the [Key priorities and progress 2020](#) section, which covers our latest 'For the Better 2030' sustainability framework.

Constantly improve product performance and efficiency

Roadmap 2015 to 2020

Continue to develop products with good environmental performance, with focus on energy and water efficiency.

What we achieved

These are examples of energy efficient products launched.

- Line 6000 professional tumble dryer, which achieves over 60% energy savings compared with normal driers while providing the shortest drying times on the market.
- SoftWater Technology, available in our the AEG 9000 Series washing machines, prevents fading and keeps fabrics soft and in-shape while reducing the environmental impact of laundry.

Electrolux is a member of U4E, a public-private partnership led by the United Nations Environment Program to promote high-efficiency appliances and equipment.

Make better use of resources

Roadmap 2015 to 2020

Increase the volume of recycled plastic to 20,000 metric tons annually.

What we achieved

We have made progress on incorporating recycled plastic into our products since 2015 and used 6,800 metric tons in 2020. Despite not meeting our 20,000 metric ton target, we have raised our future ambition since we see large potential to increase the use of recycled plastic in the coming years.

Increase the amount of scrap-based steel in our production.

We increased the amount of recycled steel we used in our products between 2015 to 2017. However, volumes decreased since then as the policy landscape in the US the conditions for scrap based steel became unfavorable.

Since we began measuring CO₂ savings due to our use of recycled steel, we have avoided around 1.6 million metric tons CO₂ in total.

Identify and evaluate relevant circular business models that can be scaled up.

We have identified, evaluated and developed circular business models, with the aim of scaling up the most successful. These include fixed-price repair services in Europe, new product leasing concepts for municipal housing companies in Sweden and holiday homes in Denmark, and a subscription-based business model for our award-winning Pure i9 robotic vacuum.

Eliminate harmful materials

Roadmap 2015 to 2020	What we achieved
Raise the bar on chemical requirements, taking into account new scientific findings.	Raising our chemical standards has been an ongoing process between 2015 and 2020, and continues to be an important part of our chemical management process. During the period, the RoHS directive (Restriction of Hazardous Substances) was rolled out globally, and substances such as BPA (bisphenol A) in food contact applications have been banned from Electrolux products.
Eliminate high-impact greenhouse gases from our products.	Our progress on phasing out high-impact greenhouse gases has been tracked through our 50% CO ₂ reduction target. We have made significant progress but eliminating such gases is not currently technically possible. Following several years of advocacy in the US, spearheaded by Electrolux and the North American industry organization AHAM, the US safety standards were revised in 2018 to allow producers of consumer refrigerators and freezers to transition away from Hydrofluorocarbons (HFCs) to more eco-friendly hydrocarbon refrigerants. This has enabled the development of new energy efficient products in our 'cold products' category that are part of new automated production processes. UN Cool Coalition initiative – Electrolux will replace all high-impact greenhouse gases in all appliances with more sustainable alternatives by 2023 at the latest.

Achieve more with less

Roadmap 2015 to 2020	What we achieved
Improve the energy efficiency of manufacturing sites by 20% by 2020 (baseline 2015), engaging all facilities world wide.	Electrolux improved its energy efficiency per product by 11.5% compared to 2015. The energy management program has contributed to over SEK 700m annually in reduced energy costs. The program includes the monthly follow up on actions, fulfilment of targets and sharing best practice. In addition, all plants are certified according to our energy, water and climate scheme with grades from bronze to platinum. In 2020, 75% of our plants reached Gold or Platinum level.
Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has reached optimal levels of efficiency.	Between 2015 and 2020, we reduced water consumption by 25% in our plants in water-stressed areas. We used the WWF Water Risk Filter to help identify which of our plants were located in water-scarce areas and formulated targets for those plants. Processes were established to share water management best practices, report monthly on water performance indicators and conduct water mapping. We have also established closed loop systems at our plants to recycle process water, and harvest rainwater.
Attain energy management certification for our operations around the world.	Around 60% of plants were certified as of the end of 2020. The certification process was delayed by the coronavirus pandemic in 2020.
Increase our proportion of renewable energy.	We exceeded our target to source 50% of our renewable energy for our operations and sourced 53% by the end of 2020. At the end of the period, Electrolux generated on-site renewable energy at 11 plants around the world, and purchased 88% of its electricity from renewable sources.
Implement a Zero Landfill program at all manufacturing sites by 2020.	The global Electrolux Zero Waste to Landfill program was developed and implemented at all Electrolux factories. The program proactively works to reduce the environmental footprint of each site by finding opportunities for material reuse and recycling, and at the same time decrease the amount of waste sent to landfill and/or incinerated without energy recovery.

Ensure the best health and safety

Roadmap 2015 to 2020	What we achieved
Attain safety certification for our operations around the world.	Work with implementing and certifying our factories to the ISO 45001 standard is ongoing. In some regions implementation planning has been performed, in others factories are already certified.
Integrate the Group's safety program into new acquisitions within three years of purchase.	Integration of the safety program is an ongoing process. Since 2015, three new manufacturing sites have been acquired and the safety program has been successfully integrated.

Always act ethically and respect human rights

Roadmap 2015 to 2020	What we achieved
Develop and implement a cohesive, Group-wide approach to human rights.	We developed and implemented a Group-wide assessment to identify and assess human rights risks. Based on this assessment, an action plan methodology was developed for local human rights impact assessments. Four such assessments had been conducted by the end of 2020 - in Egypt, Thailand, Ukraine and Romania. Read more in understanding and managing human rights .
Provide guidance to employees on how to do the right thing by promoting the Code of Conduct.	The Electrolux Code of Conduct was created and launched to crystallize our key ethical principles. This process also required the company to identify key areas in its business, enshrining them in 15 mandatory Group Policies. All employees are required to sign-off on the Code of Conduct periodically and take an e-learning on the Code. In addition, mandatory trainings for all employees have been rolled out for the Anti-corruption policy, Anti-trust policy and our Workplace policy. Online training modules have been complemented by webinars and face-to-face training on various Code of Conduct related topics.
Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.	Electrolux launched a Group Directive and developed training for employees appointed to handle complaints raised through the Electrolux Ethics Helpline or other channels. Information campaigns for employees have been conducted to build trust in the helpline and our Code of Conduct. The helpline was launched in additional countries, such as France, Belgium, Luxemburg and Austria. The latest Employee Engagement Survey (EES) showed increased trust in the ethics helpline - from 76% in 2018 to 77% in 2019.
Continue to develop an effective global Anti-Corruption compliance program.	Significant elements in the Anti-corruption program were enhanced, including more specific requirements on sponsorships, donations, gifts, meals and events. Regular face-to-face trainings continued for select employees. In addition, engagement and oversight by senior management has been formalized by the creation of global committees that meet regularly throughout the year.

Solutions for healthy and sustainable living for more people

Roadmap 2015 to 2020	What we achieved
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.	Electrolux plays an active role in United for Efficiency (U4E), led by the United Nations Environment Program to develop recommendations on how emerging markets can leapfrog to greater energy efficiency. The program aims to advise governments on areas such as energy labeling, incentive programs, and the end-of-life treatment of redundant appliances.

Be a force for good

Roadmap 2015 to 2020	What we achieved
Together with our global and local partners, explore possible project models, replicate and scale up, with the aim of maximizing societal impact.	<p>We identified successful project models, which we began replicating, scaling up and developing.</p> <p>The Food Foundation and the Feed the Planet partnership support projects that do one or more of the following:</p> <ul style="list-style-type: none"> - Education on sustainable cooking and eating habits. - Professional culinary training for the unemployed. - Sustainability education in the culinary field. - Support people in need. <p>Key highlights between 2015 and 2020 were:</p> <ul style="list-style-type: none"> - 117 million in viewership. - Over 40,000 kids, consumers and professionals engaged and inspired in sustainable eating habits. - 1,808 people in the culinary field trained in sustainability. - The equivalent of 1.4 million meals provided to people in need.

Improve sustainability in the supply chain

Roadmap 2015 to 2020	What we achieved
Screen prospective suppliers to ensure they can live up to the Group's expectations.	We have developed a supplier screening methodology to promote and drive sustainability performance. The tool was fully integrated into our processes and new Purchasing organization in 2020.
Increase awareness and capabilities among our prospective and existing suppliers through training and dialogue.	<p>We have continued to develop and deploy digital learning tools to reach more people working within our supply base. From 2020, suppliers have been trained through our second-generation e-learning. In 2020, we developed digital versions of our tools to assess and develop our suppliers during the coronavirus pandemic.</p> <p>The QuizRR digital learning platform has been used to train over 13,000 workers at our suppliers in China and Thailand. We started to investigate the use of conflict minerals in our supply chain in 2017. We publish a report on this issue annually.</p>
Drive the improvement of supplier environmental footprints.	<p>We have continuously developed our analysis of the environmental performance of our suppliers since 2015. This has involved implementing energy management self-assessment tools for our main suppliers. The tools are used by 25% of our OEM suppliers to set energy improvement targets. We also began requesting our top direct material suppliers to report their emissions to CDP.</p> <p>Annual workshops have been held with suppliers to share best practice, reward good performance and promote their willingness to improve.</p> <p>Sustainability parameters have been introduced to supplier performance reviews.</p>
Leverage our influence over logistics companies to improve the CO ₂ efficiency of transportation by 15% by 2020.	<p>Between 2015 and 2020 absolute CO₂ emissions reduced by 17% from land and sea transport and CO₂ efficiency were improved by 11% and 23% respectively.</p> <p>We implemented a scorecard to assess our logistics suppliers in Brazil, North America and Europe to ensure the most sustainable alternatives.</p> <p>Collaborating with logistics suppliers included pilot projects to test biofuels and electric trucks. Electrolux started working with other shippers to better align purchasing and logistics.</p> <p>We have been very active in the BSR Clean Cargo initiative, which aims to improve the environmental performance of marine container transport.</p>

Our 2020 Climate Target

Roadmap 2015 to 2020

Halve our 2005 CO₂ emissions by 2020.

What we achieved

Overall, we reduced our CO₂ emissions by 39% between 2005 and 2020.

Product use

Between 2005 and 2020, we have focused on product efficiency in our main categories as the use phase of our products is our largest source of lifecycle emissions. Although our ambitious targets were not met, we have continuously improved the efficiency of our products every year, despite it being increasingly difficult to achieve improvements due to technological limitations.

High impact greenhouse gases

Significant progress has been made in phasing out high-impact greenhouse gases from our air conditioners, yet completely eliminating such gases is not currently technically possible. Despite delays in our re-engineering investments in the US, they will enable us to totally replace HFCs from our refrigerator category when complete.

Manufacturing

Although accounting for a small portion of our total lifecycle emissions, Electrolux has reduced the energy use per product by 45% since 2005.

Transport

Logistics account for a small proportion of the overall lifecycle emissions. Electrolux has reduced approximately 100,000 tons CO₂ compared to the estimated 2005 baseline. In the last five years CO₂ efficiency improved by 23% in sea transportation and by more than 11% in land transportation.

Our targets for the future

Our ambitious climate targets focus on our major impacts - to prevent millions of metric tons of greenhouse gases from entering the atmosphere.

[Read more about our progress on our Climate Targets](#)

The case for action

Tackling climate change by reducing greenhouse gas emissions is one of the greatest, most urgent challenges facing society. Our science-based climate target¹⁾ is aligned with the 2015 Paris Climate Agreement on climate change, which aims to keep global temperature rise well below 2°C this century to avoid the most severe impacts from climate change.

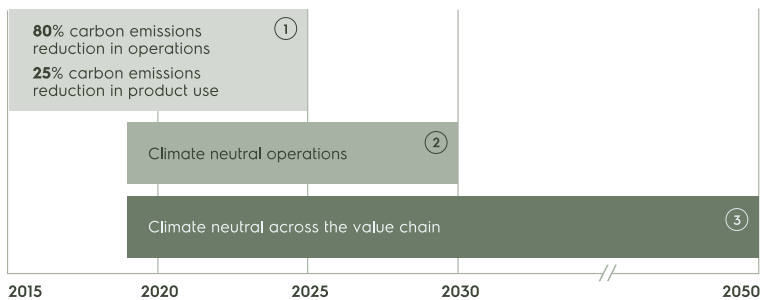
Our targets

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 our President and CEO Jonas Samuelson has signed.

Our two shorter-term company targets act as stepping stones to our long-term ambitions:

- **Our science-based target¹⁾** - 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.
- **Our For the Better 2030 sustainability framework target** - aims to achieve climate neutral operations by 2030 (scope 1 and 2 emissions).

Our climate neutrality roadmap



1) Science Based Target (SBT) Scope 1 & Scope 2 - 80% reduction and Scope 3 - 25% reduction by 2025.

2) Company target, Climate neutral operations (Scope 1 + Scope 2 = 0) by 2030.

3) United Nations Global Compact Business ambition for 1.5 °C - climate neutral value chain by 2050.

What are scope 1, 2 and 3 emissions?

We define scope 1, 2 and 3 emissions as follows:

Scope 1 - are emissions produced directly by an organization, for instance through the combustion of fuels, e.g. natural gas combustion for heating.

Scope 2 - includes indirect emissions generated through the consumption of purchased energy, e.g. through electricity use.

Scope 3 - other indirect emissions due to the activities of an organization, but that are produced and controlled by a different emitter, e.g. emissions resulting from the use of a company's products.

Progress on our Climate Targets

Our science-based climate target

By the end of 2020, we reduced our absolute scope 1 and 2 greenhouse gas emissions by 70% compared to 2015 - toward our 80% reduction target by 2025 and our 100% reduction by 2030. Read more about our scope 1 & 2 emissions in our Promise [Be climate neutral and drive clean and resource-efficient operations](#).

Electrolux science based target (SBT) Scope 3 emission decreased by over 20% compared to emissions in 2015.

The Electrolux SBT Scope 3 covered 75% of emissions from use of sold products in the original baseline. Electrolux SBT scope 3 emissions “use of sold products” is calculated based on annual energy consumption (as defined by legislation standard use models for each major market), sales volumes per category, IEA’s ETP 2017 emission scenario factors per region, and estimated product lifetime. This methodology and the data quality are evolving and improving over time. We aim to include more product categories as this work continues.





Working proactively to reduce emissions

We are reducing CO₂ emissions from our own manufacturing facilities, product transport, and the energy consumed during their use. But as product energy use is responsible for around 85% of our climate impact, product efficiency is where we can make our greatest contribution to tackling climate change.

We can also make a difference by eliminating the use of hydrofluorocarbons (HFCs) in refrigerators, air conditioners and products with heat pumps. HFCs are gases with a high global warming potential that are still used in some countries due to regulatory or technical barriers to alternative solutions.

Read about the plan Electrolux submitted to the UN Cool Coalition initiative to replace high-impact greenhouse gases in our Promise [Eliminate harmful materials](#).

Our re-engineering investment at our refrigeration plant in Anderson, in the U.S., will eventually phase out the use of HFCs, but the site experienced delays in 2020.

Roadmap 2020 to 2030	Read more in the relevant Promises	Status
Be a leader in product efficiency in our most important markets.	Lead in energy and resource efficient solutions	
Eliminate high-impact greenhouse gases from our products.	Eliminate harmful materials	
Improve efficiency throughout our operations and supply chain.	Be climate neutral and drive clean and resource-efficient operations	
Increase the proportion of renewable energy for our operations to 65% by 2025	Be climate neutral and drive clean and resource-efficient operations	



On track



Additional effort is required



Off track



Work has not yet begun

Global megatrends that shape our business

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 global megatrends, and ensures 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. By 2035, another billion people are expected to buy their first refrigerator.

Implications for Electrolux

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

Resources & planetary boundaries

There is growing concern among various stakeholders that humans are causing irreversible damage to the planet's fragile systems, and that there is an urgent need to reduce greenhouse gas emissions and adapt to a changing climate. There is also a pressing need for businesses to work within planetary boundaries by developing 'circular business' models that promote resource efficiency, cleaner chemistry and waste reduction.

Implications for Electrolux

- Continued need to improve the environmental performance of products.
- 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 & digitalization

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.

Electrolux and the UN Sustainable Development Goals (SDGs)

The SDGs provide the global community with a roadmap on how to combat global challenges related to economic, social and environmental sustainability. The initiative has gained broad acceptance and has encouraged initiatives from businesses and other stakeholders.

At Electrolux, our sustainability framework – For the Better 2030 – contributes to several of the SDGs. This chapter describes our most relevant SDGs and how we contribute toward them through our Promises.

Our most relevant SDGs

As a sustainability leader in the appliance industry, we believe we can make the greatest contribution in relation to SDGs 8, 12, 13 and 17. These four goals are closely aligned with our For the Better sustainability framework as described below. The correlation between the UN Sustainable Development Goals and the Electrolux sustainability framework shows that the Group's materiality analysis is aligned with societal priorities.



SDG 8 – Decent work and economic growth

Providing decent work and economic growth is related to our manufacturing operations. Our Workplace Policy and Supplier Workspace Standard set out decent labor standards as a requirement for our operations and suppliers.

Relevant SDG sub targets

8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.8 – Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

SDG 12 – Responsible consumption and production

Promoting responsible consumption and production is the most significant SDG for Electrolux. We strive to bring resource-efficient products, manufactured in a sustainable way, to as many people as possible around the world. We have set ambitious targets to reduce the footprint of our products and production, including our suppliers.

Additionally, a key focus of our social investment program is sustainable food consumption.

Relevant SDG sub targets

12.2 – By 2030, achieve the sustainable management and efficient use of natural resources.

12.3 – By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.a – Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

SDG 13 – Climate action

Our action on climate change is reflected in [Our Climate Targets](#) to reduce our CO₂ footprint, including product usage, production and transportation. We are committed to achieving science-based emission targets by 2025, becoming climate neutral in our operations by 2030 and climate neutral throughout the value chain by 2050. We have set a new target to increase the proportion of renewable energy used in our operations to 50% by 2025.

Relevant SDG sub targets

13.2 – Integrate climate change measures into national policies, strategies and planning

13.3 – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

SDG 17 – Partnerships for the Goals

Electrolux engages in numerous partnerships to drive the agenda toward the achievement of the SDGs. Electrolux is part of the UN Global Compact (www.unglobalcompact.org), United4Efficiency (www.united4efficiency.org) and Cool Coalition (www.coolcoalition.org) programs. Electrolux is part of the U.S. Environmental Protection Agency-led SmartWay (www.epa.gov/smartway) and the BSR Clean Cargo initiative (www.bsr.org/en/topics/all-channels/Clean-Cargo-Working-Group) with a commitment to reduce road and ocean transport-related emissions respectively. Electrolux is part of the the [50L Home Coalition](#), a platform bringing business, government and organizations together to innovate solutions for responsible water usage in the home. Electrolux partners with Stena Recycling in the collaboration [Circular Initiative](#), which aims to drive Swedish industry toward a more circular economy where materials are used and handled more sustainably. The [Electrolux Food Foundation](#) partners with [Worldchefs](#) and the [AIESEC](#) youth-led organization to achieve greater community impact.

Relevant SDG sub targets

17.16 – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

17.17 – Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



Our other relevant SDGs

We additionally strive to contribute to other SDGs through our solutions, operations and societal engagement.

SDG 3 – Good health and well-being

We prioritize health and wellbeing in our operations by promoting health and safety among our employees and contractors. We also provide solutions for healthy and sustainable living for more people.

SDG 4 – Quality education

The Electrolux Food Foundation and our global partnership Feed the Planet offer vocational culinary training to enter the labor market, raise awareness on sustainable food habits and work with schools around the world.

SDG 5 – Gender equality

We have a specific focus on gender diversity and aim to continuously improve the number of female leaders at all levels. Read more in our Promise Act ethically, lead in diversity and respect human rights. Our social investment projects also often empower women in society.

SDG 6 – Clean water and sanitation

We provide a range of water efficient domestic appliances that help to conserve local water resources. Our laundry products promote sanitation in homes, hotels and hospitals. Electrolux endorses the UN's CEO Water Mandate and reports annually about progress in implementing the Mandate's six elements. Read more in our Promise Lead in energy and resource efficient solutions.

SDG 7 – Affordable and clean energy

We are working to increase our share of energy from renewable sources to 50%. Read more in our Promise Be climate neutral and drive clean and resource-efficient operations.



ELECTROLUX IN A CHANGING WORLD

New legislation

Our business is affected by new legislation that will come into force in the coming years. Key forthcoming legislation includes:

Products

- New EU energy efficiency limits for washing machines, washer/dryers, refrigerators, freezers, dishwashers and for standby power will be in force from March 1, 2021.
- New energy efficiency standards are under development in the U.S.
- Australia and New Zealand have applied new refrigerator energy performance ratings since 2019. These will be fully implemented in 2021.

Circular economy

- A circular economy legislation is under development in the EU.
- The process of the collecting and final disposal of appliances will commence in Brazil in 2021.

Climate

- High-impact greenhouse gases are being phased out under the Montreal Protocol. More stringent legislation is already in place in Europe and will be introduced in the U.S. and Asia-Pacific.

Human rights

- New regulation regarding mandatory Human Rights Due Diligence is under development in the EU. The scope is intended to cover both human rights and environmental impacts and risks.

Corporate Governance

- The EU is developing Sustainable Corporate Governance regulation.

MATERIALITY

Our materiality process

We continuously monitor our material issues – our most significant economic, environmental and social impacts – to ensure we address the most important topics to our business and stakeholders.

Our materiality process

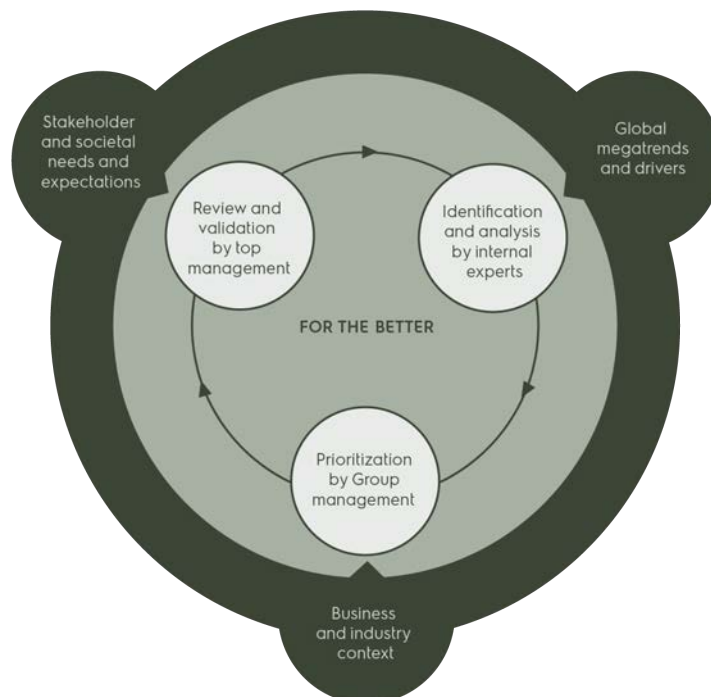
We maintain an up-to-date understanding of our material topics through engagement and dialog with key stakeholders, as well as by monitoring our business and industry peers (read more at [Stakeholders inform our approach](#)) and the relevant megatrends and drivers (read more at [Global megatrends that shape our business](#)). Our material topics are annually reviewed and validated by our internal experts and Group management. Major revisions are linked to our long-term business strategy updates.

Our approach helps us to understand the perceptions of our stakeholders (read more at [Stakeholders inform our approach](#)) about Electrolux, the potential risks and opportunities for our business, and enables us to evaluate our ability to create and sustain value.

The relevance of a topic for Electrolux, and thereby the decision to include it in our Promises is determined by the following criteria:

- The degree of impact caused by our activities throughout the value chain.
- How much the issue impacts on our business strategy.
- How the issue might affect our stakeholders.

The following illustration shows our materiality process described above.



For the Better 2030

'For the Better 2030' is our sustainability framework, which drives our business toward climate neutrality and circularity between 2020 and 2030 across the value chain by 2050. The framework consists of nine promises and our climate targets. These are the main areas we focus on as they maximize our contribution to society. Read more about our priorities and progress at [Key priorities and progress 2020](#).

The framework is the result of our ongoing stakeholder dialogue (read more at [Stakeholders inform our approach](#)) and our materiality process described above.

The foundation of our approach is the Global Reporting Initiative's sustainability topics and the UN Sustainable Development Goals. We identify and prioritize the most important topics to Electrolux and our stakeholders, and these are included in our sustainability framework 'For the Better 2030'.

For the Better 2030

Towards carbon neutrality & circularity

		
Better Solutions	Better Company	Better Living
Lead in energy- and resource-efficient solutions	Be climate neutral and drive clean and resource-efficient operations	Make sustainable eating the preferred choice
Offer circular products and business solutions	Act ethically, lead in diversity and respect human rights	Make clothes last twice as long with half the environmental impact
Eliminate harmful materials	Drive supply chain sustainability	Make homes healthier and more sustainable through smart solutions for air, water and floors
Supporting the UN Sustainable Development Goals and Climate targets		

Stakeholders inform our approach

Ongoing dialogue with stakeholders helps us define and deliver on our promises and keep ahead of global developments.

Our Promises require improvements throughout our value chain, from sourcing to end-of-life. Consequently, we cannot deliver on our ambitions alone – and engagement with customers, consumers, employees, shareholders, suppliers, industry peers and NGOs is crucial for us to deliver our sustainability framework For the Better 2030.

Sustainability Affairs oversees dialogue on sustainability-related issues with a wide range of internal and external groups. Feedback from this dialogue is reported to Group management and feeds into our decision making to strengthen our strategy and response. An ongoing challenge is to systemize local stakeholder dialogue to ensure that local voices are heard.

Stakeholder priorities and our response

Consumers

Consumer choices drive our business, and consumer behavior shapes our sustainability performance

How Electrolux engages with consumers

- Bi-annual consumer brand scorecard surveys on sustainability in various markets.
- Consumer surveys in key markets to understand perceptions on sustainability.
- [Better Living Program Report](#) on consumer attitudes and challenges related to sustainable living.

Consumers shape our sustainability approach

- Sustainability is at the core of the brand strategy and key metric in our brand health tracking among consumers.
- Sustainability is an integrated part of our overall consumer experience strategy.

Customers

Our sustainability work must align with customer values to optimize business benefit for Electrolux

How Electrolux engages with customers

- Partnerships with specific customers. Sustainability engagement is becoming more long-term and strategic.
- Ongoing engagement with customers and key stakeholders to share learnings and discuss sustainability and our products.

Customers shape our sustainability approach

- Collaboration in areas such as chemicals handling and recycled materials. We discuss criteria and evaluate our process for supply chain monitoring.
- Customer insights contribute to raising market awareness on the importance of efficient products.

Investors

ESG investors drive our sustainability agenda forward

How Electrolux engages with investors

- In response to significant growth in ESG (Environmental, Social and Governance) investment, Electrolux engages with investors and shareholders on sustainability topics during regular meetings and investor dialogues.
- Eight of our ten largest shareholders are signatories to the UN Principles for Responsible Investment.

Investors shape our sustainability approach

- Investor feedback helped shape our latest sustainability framework - the For the Better 2030 - by providing their input on the relative importance of different sustainability topics to Electrolux.
- We have enhanced our reporting and activities on CO₂ reduction through our disclosure to CDP.
- We developed a [Green Bond framework](#) in alignment with the Green Bond Principles 2018, with projects eligible for funding defined to support the UN Sustainable Development Goals and the Paris Climate Agreement.

Employees

Our sustainability work helps to motivate, retain and attract employees

How Electrolux engages with employees

- Ongoing dialogue between management and employee representatives and unions. Topics include updates on restructuring plans, feedback on business development, audit outcomes, human rights assessments, our Ethics Helpline, and Health and Safety performance. Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).
- The Employee Engagement Survey gathers employee perceptions and feedback on our sustainability agenda. Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).
- We identify talented potential employees by being a key supporter of AIESEC, the world's largest student organization and an international platform for young people to explore and develop their leadership potential.
- We arrange crowdsourcing events for our employees to contribute toward our sustainability work.

Employees shape our sustainability approach

- We integrate employee perceptions through the tools mentioned above into strategic and operational activities on a local, market and Group level.
- Our global intranet allows non-production employees to influence our sustainability agenda. It includes global webinars, news, presentations and films and employees have the chance to comment, ask questions and propose initiatives. Production employees have access to information via an app and their voices are heard through surveys and face-to-face meetings.
- The [Electrolux Food Foundation](#) funds employee initiatives that promote sustainable food habits and help people in need in the communities around us.

Suppliers

We have the same sustainability ambitions in our supply chain as we do in our own company and working with suppliers is crucial to implementing our sustainability framework – For the Better 2030

How Electrolux engages with suppliers

- During our Responsible Sourcing and Quality auditing and assessment work, we proactively work with suppliers to understand the topics of greatest importance and concern to them, and help suppliers to improve their performance through training and dialogue. Our regular regional Supplier Sustainability Days provide further opportunities for suppliers to share best practice with their peers.
- Our annual global Supplier Award Day, when we celebrate our most innovative and efficient key suppliers, allows these suppliers to connect with top management and key functions, sharing their ideas and priorities. The Supplier Award Day has included a Supplier Sustainability Award since 2020.
- We share best practice in transport management with the logistics industry. Electrolux is a member of the U.S. Environmental Protection Agency-led SmartWay, with a commitment to reduce road transport emissions, and Clean Cargo, which focuses on reducing the impact of sea transport.

Suppliers shape our sustainability approach

- Supplier expert knowledge, and co-innovation together with suppliers help improve our sustainability performance in for example product energy and water efficiency, circularity and to reduce the environmental footprint of our operations.
- Electrolux engages with key Original Equipment Manufacturers (OEMs) on topics such as energy and water management, sharing tools and internal and external knowledge.

Industry peers

Benchmarking and sharing best practice ensure we continue to be an industry leader

How Electrolux engages with industry peers

- We conduct competitor analyses.
- Shared best practice on setting stretch targets for renewable energy.
- Shared best practice on human rights, including at the Swedish Network on Business & Human Rights.

Industry peers shape our sustainability approach

- Extensive competitor analyses and best practice information was gathered to shape our latest sustainability framework – For the Better 2030.
- We exchange best practice with other industry leaders.

NGOs, academia and governmental initiatives

Cooperation with NGOs, academia and governmental initiatives ensures we remain up to date with key sustainability topics

How Electrolux engages with NGOs, academia and governmental initiatives

- Dialogue with experts on human rights and labor rights – including advocacy groups, local representatives of international organizations, academia and embassies.
- The European Environmental Bureau on energy efficiency and labeling.
- Discussions on circularity strategy with various multi-stakeholder events.
- Updates on national or regional policies and regulations

NGOs, academia and governmental initiatives shape our sustainability approach

- Input from these stakeholders is a crucial part of our materiality analysis.
- This stakeholder input helps us shape policies, product development, technologies, recycling and labelling.

Impacts throughout our value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create optimal value.

This approach makes it easier to identify opportunities, minimize or enhance impacts, and understand boundaries. It also helps us understand how our actions and impacts are interrelated.

The following section illustrates our degree of influence along our value chain, identifies key impacts and how we manage them, and provides examples of the value we create.

Product development

High ability to influence, high impact

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

Read more in our Promise [Lead in energy and resource efficient solutions.](#)

Risks

- Increased consumer carbon footprint.
- Increased material cost.
- Not meeting consumer expectations.
- Not meeting regulatory or market requirements.

How we manage our impacts

- Continuously improve product efficiency.
- Increase our use of recycled materials.
- Eliminate harmful materials.
- Integrate future requirements into product development plans.

Creating value

Products with leading environmental performance deliver consumer value in line with our business strategy, while reducing negative environmental impacts.

Suppliers

Medium ability to influence, medium impact

Electrolux has around 2,000 direct suppliers, including many in emerging markets, that must abide by our sustainability requirements. We focus on safeguarding Electrolux standards and developing supplier capacity to improve their sustainability performance, which actively promotes our ambitions throughout our supply chain. This requires careful assessment and supplier selection. Read more in our Promise [Improve sustainability in the supply chain](#).

Risks

- Potential connection to social, environmental, ethical and human rights violations throughout our supply chain.
- Extreme weather conditions caused by climate change could negatively affect our supply chain.
- Supply interruptions due to unethical business practices in our supply chain.

How we manage our impacts

- Apply a risk-based approach to mitigate environmental, health and safety risks as well as ethical and human rights risks among direct suppliers as well as further up the supply chain.
- Climate impact assessments of key suppliers.
- Supplier auditing to safeguard standards.
- Provide training and drive improvement initiatives.

Creating value

Rewarding suppliers that comply with our requirements and sharing our sustainability ambitions with them promotes more sustainable practices, technical improvements and innovation. Promoting universal norms supports human rights and raises environmental, labor and economic standards – particularly in low-cost countries. It also builds trust and reduces business risks.

Electrolux operations

High ability to influence, medium impact

Electrolux has manufacturing operations in 40 factories in 17 countries and approximately 48,000 employees in total. Our main focus areas are to reduce our environmental footprint, maintain high ethical standards and working conditions, as well as have a positive impact in local communities.

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations.](#)

Risks

- Disruptions due to emissions and discharges as a result of incidents.
- Disruptions caused by severe weather related to climate change.
- Impact due to social, ethical and human rights violations.
- Corruption due to weak governance.

How we manage our impacts

- Environmental management systems and efficiency programs.
- Ensure the best conditions for health and safety.
- Governance systems and training to enforce sustainability policies.
- Climate impact assessments of operations.
- Support local community programs.

Creating value

We benefit society by providing jobs, knowledge transfer and economic opportunities. Positive employee relationships promote competence development, employee wellbeing and job satisfaction. Value is created for Electrolux by retaining talented employees and avoiding financial costs related to accidents.

Transport

Medium ability to influence, medium impact

Electrolux emits more CO₂ transporting its goods than through its total energy use in Group operations. Read more in our Promise [Improve sustainability in the supply chain.](#)

Risks

- Emissions from transportation.
- Labor conditions at logistics companies.

How we manage our impacts

- Collaborative solutions to mitigate logistics-related impacts.
- Promoting more efficient modes of transport.

Creating value

We support the trend toward more sustainable transport and encourage our logistics suppliers to further reduce their impacts. This reduces transport-related emissions and our climate impact.

Sales

Low ability to influence, high impact

Electrolux annually sells approximately 60 million products in over 120 countries. Energy and performance labeling, and campaigns allow us to raise consumer efficiency awareness. Read more in our Promise [Lead in energy and resource efficient solutions](#). We also work to help consumers reduce their sustainability impacts while interacting with our products. Read more in our Promises [Make sustainable eating the preferred choice](#), [Make clothes last twice as long with half the environmental impact](#) and [Make homes healthier and more sustainable through smart solutions for air, water and floors](#).

Risks

- Not effectively informing consumers.
- Failure to meet consumer expectations on product efficiency.
- Limited opportunity to influence decision-making at the point-of-purchase.
- Corruption.

How we manage our impacts

- Continuously improve product performance and efficiency.
- Improve pre and point-of-purchase communication.
- Highlighting sustainability aspects in consumer facing communications.
- Third party endorsement of products, e.g. best-in-test.
- Communicating on themes such as energy efficiency, food storage, reducing food waste, and caring for clothes.
- Mandatory training on anti-corruption and bribery.

Creating value

Promoting transparency and our sustainable product offering contributes to retailersustainability goals, strengthens our brands and builds consumer loyalty. As sales of most resource efficient products demonstrate, an efficient product offering is a profitable strategy.

Consumer use

Low ability to influence, high impact

As the main environmental impacts of our products occur during their use, product efficiency is a top priority. Read more in our Promises [Lead in energy and resource efficient solutions](#). We also work actively to positively influence our consumers to reduce their own sustainability impact while interacting with our products. Read more in our Promises [Make sustainable eating the preferred choice](#), [Make clothes last twice as long with half the environmental impact](#) and [Make homes healthier and more sustainable through smart solutions for air, water and floors](#).

Risks

- Failure to meet consumer expectations on product performance.
- Consumers not using products optimally.
- Product safety.
- Data privacy for users of connected products.

How we manage our impacts

- Continuously improve product performance and efficiency.
- Incorporating intuitive design to help consumers get the most out of their products.
- Product safety governance and procedures.
- Proactive approach to data privacy regulation.
- Supporting consumers in more sustainable choices while eating, and taking care of their clothes and their homes.

Creating value

Appliances deliver social benefits that many take for granted – such as food conservation, contributing to a healthier home environment, freeing up time from household chores, and facilitating equal opportunities – which are particularly important in emerging markets. Providing efficient products, raising consumer awareness and increasing appliance connectivity can help counter rising global CO₂ emissions due to increasing consumption, while reducing costs.

End-of-life

Low ability to influence, medium impact

We promote proper recycling as part of our producer responsibility. In Europe, where the most comprehensive producer responsibility legislation exists, 80% of the materials (by total volume) from collected large appliances must be recovered (70% for small appliances).

Risks

- Expectations on producers to take responsibility beyond legislation.
- Waste of resources due to a lack of recycling.
- Illegal trade of discarded products and recycled materials.

How we manage our impacts

- Establishing circular business models for recycled materials.
- Eliminating harmful materials to enable higher quality recycled materials and decrease environmental impact.
- Promoting proper recycling as part of producer responsibility.

Creating value

Building resource efficient and closed-loop systems help reduce environmental impact and overall resource consumption. Innovative designs that allow material reuse saves money and energy, and increases consumer trust in our brands.

RISK

Managing sustainability risks

A comprehensive analysis of non-financial risks requires cross-functional insights from Group management, business areas and local facilities.

We focus on the future to prepare for the changing business landscape and mitigate potential risks. The global trends described in the [Global megatrends that shape our business](#) section will affect Electrolux in the coming years. Understanding and managing the non-financial risks and opportunities associated with these trends is an integral part of managing our business. Risks related to each part of the value chain are described in [Impacts throughout our value chain](#).

A number of Group functions are involved in identifying and managing non-financial risks in their area of responsibility. These risks are regularly reported to Group management and fed into our [materiality process](#). Read more about how Electrolux manages risk in the Annual Report and to the Annual Review.

Group Internal Audit

The Group Internal Audit evaluates and improves governance, internal control and risk management processes.

Group Risk Management

Group Risk Management benchmarks and monitors key risks in operations and key suppliers.

Sustainability Risk Management Processes

Group Sustainability Affairs manages the following risk assessments:

- Materiality
- Responsible Sourcing
- Ethics
- Human rights
- ISO Coordination

Other Group Staffs & Functions

Other functions conduct risk assessments for:

- Global Industrial Operations Product Lines
- Purchasing
- Legal
- Finance
- Communication
- HR Exec Team

Group External Affairs Committee

The committee, which consists of representatives from all regions, monitors regulatory development in our markets and develops common Group positions.

Understanding and managing our human rights risks

We are continuing our journey to better understand the human rights risks associated with our activities, and to establish the tools and processes to manage these risks. Our goal is to minimize any risk of our operations causing harm to people.

Read about our progress in our Promise [Act ethically, lead in diversity and respect human rights](#).

Our commitment

Human rights are at the core of our Code of Conduct and our Promise [Act ethically, lead in diversity and respect human rights](#), which is part of our For the Better sustainability framework. As our most important risk areas relate to our employees, and particularly those in our manufacturing operations, our human rights commitment focuses on labor standards and the rights of our employees.

Our Code of Conduct includes a human rights policy statement, developed based on the [UN Guiding Principles on Business and Human Rights](#). It considers the outcomes of our human rights impact assessments as well as best practice in the field.

Human rights governance and responsibilities

Line managers, from Group management and down, are responsible for ensuring adherence with Group policies on human rights as part of our human rights governance structure.

Our Ethics & Human Rights Steering Group oversees both ethics and human rights and is responsible for evaluating our human rights approach, including approving priorities and action plans. It consists of senior managers and Group management members, including the General Counsel SVP, SVP Human Resources & Communications, SVP Internal Audit, SVP Corporate Communications, and VP Sustainability Affairs. A Human Rights Coordination Group is responsible for identifying and assessing risks, and developing human rights action plans.

Identifying human rights risks

We have developed a methodology to identify and assess human rights impacts on a Group level. The methodology is in line with the UN Guiding Principles on Business and Human Rights, and common practices for human rights impact assessments.

The methodology includes interviews, surveys and workshops. It was originally applied to identify the Group level salient human

rights risks in 2016. This encompassed surveys and interviews with around 40 representatives from all business areas, regions and key functions. It also included input from employee representatives, investors and NGOs.

The continued work to assess human rights risks focuses on operations in [high-risk countries from a human rights, labor rights and corruption perspective](#). The methodology has been used as part of human rights assessments in Egypt, Thailand and Ukraine in recent years. A local assessment of our manufacturing operations in Romania was conducted in 2020. Due to the coronavirus pandemic, parts of this project were carried out remotely, through online interviews.

Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).

Statement on our salient human rights issues

The Group level assessment helped to establish which are our salient human rights issues, listed below. Electrolux has defined improvement areas for each salient human rights issue, with responsibilities allocated to relevant senior managers, and our progress is monitored by the Ethics & Human Rights Steering Group.

The relevant local managers have the responsibility for implementing actions to remediate the prioritized issues resulting from local assessments. The status and next steps for each human rights issue are also described below.

Our Materiality Analysis in 2019 confirmed our salient human rights issues as stated below, with the exception of sexual exploitation, which was removed from the list. The original inclusion of sexual exploitation in the list of salient issues, reflected the fact that the Group did not have a clearly communicated policy statement banning employees from purchasing sexual services or visiting strip clubs in conjunction with business trips or meetings with suppliers or customers. This gap was rectified as part of our work in 2018 to update our Group Policies and the Electrolux Code of Conduct.

Human rights issues and context

Industrial relations

Issue: Right to freedom of association

Potential impact on people – a general perspective

- Employees not being able to improve working conditions or negotiate compensation.
- Employees discouraged from participating in union activities.
- Conflict/strike might lead to loss of income and may affect living standards.

Status and next steps

Freedom of association and employee-management dialogue are part of the local human rights impact assessments we conduct every year, which contribute toward our local action planning. Labor relations and employee-management dialogue were covered in the local impact assessments in Romania and in Mexico in 2020. Based on the learnings, the Group Workplace Directive will be strengthened. We plan to update our Labor Relations strategy and conduct training for factory management teams during the year.

Electrolux context & high-risk countries

- High-risk areas include the U.S., Latin America, China, Southeast Asia and the Middle East.

Working hours and wages

Issues: Right to decent work conditions & adequate standards of living

Potential impact on people – a general perspective

- People unable to provide for themselves and their families due to low wages (e.g. lack of food, education, medical services, etc.).
- People suffering from a lack of free time and family life due to excessive overtime, which also increases the risk of accidents.

Electrolux context & high-risk countries

- Overtime is an issue in some areas.
- Fair living wages is increasingly in focus for our stakeholders.
- Both issues are a potential reputational risk.
- Wages and overtime are high-risk in all regions except Western Europe, Canada, Australia and New Zealand.

Status and next steps

During 2020, the pandemic posed unprecedented challenges for our manufacturing operations. On occasions, it impacted our ability to abide by our policy on overtime. Remediating actions were developed to overcome this issue. Wage levels are part of our local assessments, and we plan to develop an approach to fair living wages.

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Diversity and non-discrimination

Issues: Equal rights and non-discrimination

Potential impact on people – a general perspective

- Discrimination, such as in recruitment and promotion, violates the basic human right of equal treatment/opportunities.
- Discrimination can have significant social and economic consequences. Individual quality of life and self-esteem suffer through unequal opportunities.
- High risk countries includes Brazil, China, Egypt, Mexico and Thailand.

Electrolux context & high-risk countries

- Electrolux works actively with equal rights throughout the company, however countering biases will always remain a challenge, due to societal structures.
- Greater diversity will help draw on the full power of gender diversity.

Status and next steps

At Group level, we have defined 2020 targets for the proportion of qualified women in leading positions – 35% at tier 2 and tier 3. In 2020, Electrolux launched a Diversity & Inclusion global framework. A training program to emphasize the group principles for countering and dealing with harassment and discrimination is in place.

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Privacy and integrity

Issue: Right to privacy

Potential impact on people – a general perspective

- Mismanaged personal information (e.g. employee data, consumer data, market research data).
- Privacy underpins human dignity, and people deserve freedom from interference or intrusion.

Electrolux context & high-risk countries

Privacy is important due to digitalization, the Internet of Things, and access to employee and consumer data. Processes to safeguard privacy must counter the increasing risks.

Status and next steps

We have implemented awareness programs, privacy risk assessments and other privacy related compliance processes. We are evaluating and improving our programs and processes on a regular basis.

Corruption or bribery

Issue: Right to adequate standards of living

Potential impact on people - a general perspective

- Corruption fuels inequality, diverts expenditure away from public services and holds back economic development.
- Bribery undermines the rule of law and the principle of fair competition.
Corruption distorts the division of economic resources and hinders social and economic development.

Electrolux context & high-risk countries

We operate in high-risk markets such as Southeast Asia, Latin America, Middle East, Egypt and Russia, and need to constantly educate our employees and monitor risks. Risk areas include obtaining licenses/permits, sales, purchasing, gifts and events.

Status and next steps

Promotion of the anti-corruption and bribery policy is ongoing through e-learning and face-to-face training. Corruption risks are considered in our local human rights assessments.

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Business processes to safeguard human rights

Additionally, we have identified three business processes that are crucial to ensure the protection of human rights: supply chain management, acquisitions, market entry and partners. The table below summarizes their human rights risk and the status of our work with each process.

Supply chain management

Human rights risks

- General human rights risks in our supply chain – first tier suppliers and beyond.
- Non-compliance with labor standards such as: health and safety, working hours, wages, forced labor and child labor, and freedom of association.
- Poor conditions for migrant workers and their families, including impact on the right to family life due to living far from children, and additional work permit fees.
- Exploitation further upstream, particularly in the extractives industry.

Status and next steps

The Responsible Sourcing team is part of all decisions to approve new suppliers and new projects over USD 50,000. Suppliers are regularly reviewed and audited where risks are identified. We also have a comprehensive approach to migrant labor.

The OECD guidelines are implemented to reduce risks related to conflict minerals.

Supply chain risks form part of our local human rights assessments.

Read more in our Promise [Drive supply chain sustainability](#).

Acquisitions

Human rights risks

- Inheriting human rights issues and sub-standard operations as part of acquisitions.
- Harm to people in acquired businesses (e.g. labor conditions, health and safety, environmental impact, land rights and expropriation).

Status and next steps

Guidelines have been established for the integration of human rights and corruption considerations in acquisitions. The focus is on ensuring a structured approach to sustainability aspects when integrating newly acquired businesses.

Market entry and partners

Human rights risks

- Distributors, agents and other business partners harming people (e.g. labor conditions, health and safety, environmental impact negatively affecting people, land rights and expropriation, corruption, etc.).

Status and next steps

Improved screening procedures for new partners are underway.

Health and safety in our operations and product safety are additional important potential impacts on human rights. However, these are deemed to be well-managed by existing programs and are therefore not included in our salient human rights. See our Promise [Act ethically, lead in diversity and respect human rights](#) to read more about how we work with health and safety.

High-risk locations

We [map our operations](#) using the Verisk Maplecroft Human Rights and Corruption Risk Atlas. Historic audit results and industry risks also feed into our overall risk mapping. This forms the basis for our audit programs, the prioritization of countries for local human rights risk assessments, and also risk screening for acquisitions, market entry and new partners.

Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).

Please see the list of our high-risk countries [here](#).

Stakeholder engagement

Our approach to assessing local human rights impacts includes interviewing employees, employee representatives and experts on human rights, labor rights and corruption – including advocacy groups, local representatives of international organizations, academia and embassies. The context these external stakeholders provide is essential for understanding expectations on us as a responsible company and employer, as well as assessing potential human rights risks. This includes information regarding the protection of human rights in the country in question, the situation for labor organizations, and other information regarding specific human rights that are at risk.

[Read more about our stakeholders.](#)

Human rights in acquisitions

'Acquisitions' is one of the salient human rights issues identified at Group level, where human rights could be better embedded. We have a guideline in place for human rights and corruption screening to help systemize how these risks are incorporated into the due diligence effort, the business deal and also considered in the future integration of the company with Electrolux. EHS and labor standards are also part of acquisition projects.

Work is underway to establish a structured procedure for how all sustainability related processes and system are part of the integration of newly acquired companies, and this includes ethics and human rights.

Implementation, monitoring and follow up

Employee education in our human rights principles takes place through training and communication activities. Following the restructuring of our Group policies and the launch of our revised Code of Conduct, we launched new and updated e-learning modules and communication campaigns. We currently monitor our human rights performance through internal and external audits, our Ethics Helpline, employee-management dialogue, health and safety committees, and the Code of Conduct mailbox for suppliers.

These approaches are complemented by local human rights impact assessments, which provide further details about the risk of negative impact on people by focusing on our activities at country level.

Auditing and monitoring

We have a number of follow-up mechanisms that allow us to monitor how our organization and our suppliers abide by our Code of Conduct and Supplier Workplace Standard. They are used differently depending on the level of risk.

ALFA (Awareness Learning Feedback Assessments)

Purpose

A self-assessment questionnaire filled out by line managers, to:

- Check the extent units comply with our Workplace Policy.
- Regularly remind line managers what is expected of them.

Criteria

Annual assessment for manufacturing units, based on key elements of the Workplace Directive.

[See the results of ALFA.](#)

Workplace Policy audits

Purpose

Workplace Policy audits identify improvement areas and ensure Workplace Policy compliance.

Criteria

Internal audits of selected manufacturing units, following risk assessments based on the Workplace Policy.

Read more in our Promise [Act ethically, lead in diversity and respect human rights](#) for more on how we work with our Workplace Policy.

The Ethics Helpline

Purpose

The Ethics Helpline is a whistleblowing system that enables employee bottom-up monitoring. It allows employees to remain anonymous (to the extent permitted under local law), without fear of exposure or retaliation.

Criteria

The helpline is third-party operated, and covers breaches of ethics related policies such as the People Policy, Workplace Policy, Conflicts of Interest Policy and Bribery policy.

Read more on how we work with the Ethics Helpline in our Promise [Act ethically, lead in diversity and respect human rights](#).

Group Internal Audit

Purpose

Group Internal Audit provide independent assurance. They evaluate the effectiveness of risk management, control, and governance processes by conducting operational, financial, and compliance process audits and investigations of alleged employee fraud.

Criteria

Risk-based annual plan approved by the Audit Committee, and ad hoc investigations of reported fraud allegations.

Employee Engagement Survey (EES)

Purpose

The EES assesses engagement, leadership, organizational capabilities and commitment to our strategy and purpose. It enables comparison with other high-performing organizations.

Criteria

The survey is annual and Group-wide, and includes all our employees in offices and manufacturing.

Read more on our EES in our Promise [Act ethically, lead in diversity and respect human rights](#).

Global audits of ISO standards for environment and safety

Purpose

Every Electrolux business area must have an environmental management system at each of their manufacturing sites.

Criteria

All our manufacturing facilities are subject to annual audits, with recertification audits every third year. OHSAS health and safety is also included for select sites. All manufacturing units with over 50 employees must be certified to [ISO 14001](#). ISO 50001 Energy Management is being implemented at all production facilities.

The sustainability KPI survey

Purpose

The survey is an annual assessment to track operational environmental management and compliance in the areas of materials, waste and chemicals, and employee turnover.

Criteria

The sustainability KPI survey forms the basis of our reporting for GRI disclosures. Read more in the [GRI Index](#).

Green Spirit certification and reporting system

Purpose

The Green Spirit certification and reporting system assesses improvements in environmental performance and employee engagement. The system monitors energy and water consumption among our facilities. Best practice is shared and performance is monitored against defined energy and water targets.

Criteria

All manufacturing sites are evaluated annually as part of the certification, and are awarded stars according to their energy management performance.

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations.](#)

Safety Management System (SMS)

Purpose

SMS is a factory self-assessment protocol to assess if manufacturing units meet internal safety standards.

Criteria

We conduct SMSs annually for all Global Industrial Operations. Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Responsible sourcing audits

Purpose

Responsible sourcing audits assess if suppliers meet our Supplier Workplace Standard and Workplace Directive. Suppliers are required to establish action plans to rectify actions, and the progress is monitored in follow up audits.

Criteria

The audits assess medium to high-risk direct material suppliers (raw materials, parts and sub-assemblies) as well as suppliers of finished goods and services. Audited suppliers are categorized and ranked on their performance, as disqualified, severe, conditional, active or preferred suppliers.

Read more on how we work with responsible auditing in our Promise [Drive supply chain sustainability.](#)

External verification of sustainability reporting

Purpose

The verification enhances reporting credibility and reporting practices.

Criteria

Our Sustainability Report is based on the GRI Standards - In accordance with the Core level. It is also reviewed in accordance with ISAE3000. A separate report is developed to fulfill the requirements in the Swedish Annual Accounts Act. Read more in [About this report.](#)

GEARS

Purpose

GEARS collects and compiles health and safety data.

Criteria

Monthly reporting for all factories and warehouses. Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Management approach

At Electrolux, everything we do and all the decisions we make must be governed by the principles of ethics, integrity and respect for people and care for the environment. This affirms our commitment to sound and universal ethical business practices.

Our business model

To achieve our Purpose – to shape living For the Better – and drive profitable growth, Electrolux uses a business model that focuses on delivering best-in-class consumer experiences in taste, care and wellbeing. The objective is to create a steady stream of consumer-relevant innovations under strong brands in key experience areas. We focus on enabling great-tasting food, great care for clothes and healthy wellbeing in the homes of consumers.

Sustainability integrated into our business

Sustainable development is defined as a transformational driver in our business model, as we recognize the growing importance of sustainability performance and reputation – including the impact of our business and products on the planet. Electrolux is acknowledged as a sustainability leader.

As an endorser of the UN Global Compact, Electrolux abides by universal principles, including the environment, labor and human rights through Group codes and policies, both internally and among suppliers. The following tables cover Global Reporting Initiative (GRI) topics that are deemed as being material to Electrolux.

The most relevant topics are integrated into our For the Better Promises and our approach and progress are outlined under each related Promise in the [Key Priorities and Progress 2020](#) section. The aspects have been combined if they have a common management approach or policy.

For the Better 2030

Our sustainability framework - For the Better 2030 - was based on our materiality analysis. Read more about our material sustainability topics in the [Our materiality process](#) section. Read about our promises and our performance on them in the [Key Priorities and Progress 2020](#) section.

Sustainability governance

Our sustainability framework – For the Better 2030 – is directly overseen by our Group management through the Sustainability Board, and by the business area management teams through various reference groups and steering groups.

The Electrolux Sustainability Board is an important forum to discuss and decide on sustainability action throughout the Group. The board is an essential part of our ability to deliver our sustainability targets going forward.

The legal sustainability reporting as part of the Annual Report is approved by the Board. Group management has also adopted policies concerning Environment, Workplace, and Anti-Corruption, while the Board has endorsed the Electrolux Code of Conduct.

Each business area is responsible for contributing to the fulfillment of Group targets under our nine Promises and several of the KPIs are broken down and followed up at business area level.

Group Sustainability Affairs is our expert function that drives the development of our sustainability agenda by supporting sustainability integration throughout our operations and monitoring performance. Group Legal Affairs is responsible for implementing our Anti-Corruption Program. The Electrolux global Ethics Helpline (whistleblower function) and Ethics Program are overseen by the Ethics & Human Rights Steering Group.

Policy framework

	Environment	Social, labor and human rights	Anti-corruption
Policies	Electrolux Code of Conduct		
	Environmental Policy	Workplace Policy	Anti-Corruption Policy
	Workplace Policy	Supplier Workplace Standard	Conflict of Interest Policy
		Workplace Directive	
Central areas	Product design	Child and forced labor	Conflict of interest
	Efficiency in operations	Health and safety, working hours, compensation	Bribes or other improper benefits
	Influencing legislation	Discrimination and harassment	Business partners
	Environmental management systems	Freedom of association, collective bargaining	Political contributions

Evaluation of our management approach

Our progress on topics is tracked according to our defined targets. As described in [Our materiality process](#), an annual materiality review is undertaken - including both the scope and focus of our 'For the Better 2030' sustainability framework. An annual evaluation of external influences is performed in relation to each promise. The management and effectiveness of our promises are defined by how we measure progress. The next steps for each promise define the necessary actions to reach our targets.

For more information on the effectiveness of the specific actions, see [Key Priorities and Progress 2020](#).

For more information on external influences, see [Global megatrends that shape our business](#).

Economic

For 2020 information regarding our economic management and reporting practices, see [Annual Report: Note 1 Accounting principles](#). For our work on anti-corruption, see [Act ethically, lead in diversity and respect human rights](#).

Anti-corruption, anti-competitive behavior

Electrolux commitments

Specified in the Code of Conduct, Anti-Corruption Policy and Antitrust Policy.

Electrolux responsibility and resources

The Corporate Legal department is responsible for our Anti-Corruption and Anti-Trust policies, and for their communication and follow up. Employees are educated in our policies through online and face-to-face training. We internally investigate reports of corruption cases. The Ethics program, including the Ethics Helpline, is a cross-functional initiative, led by HR together with Sustainability, Group Legal and Internal Audit with oversight by the Ethics & Human Rights Steering Group.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).

Environment

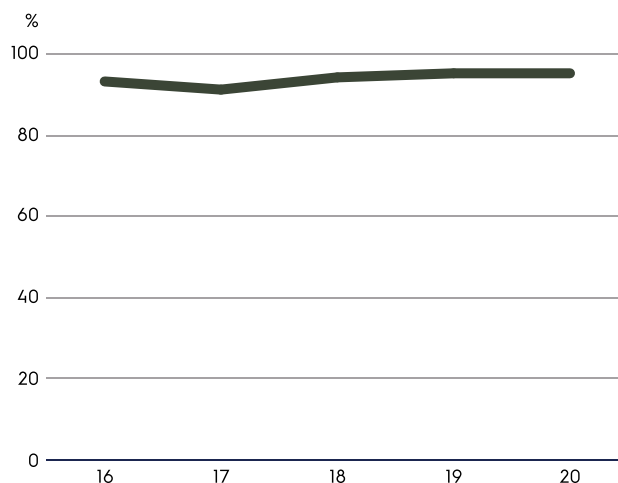
Electrolux applies a product lifecycle approach to managing environmental impacts, which considers the entire lifecycle – from supplier impacts to transport, manufacturing and use. We also apply the precautionary principle, whereby we act responsibly despite not having the full scientific knowledge of negative impacts, to ensure we stay ahead of potential risks.

Environmental management

Each business area is required to implement an environmental management system throughout its operations, and all operations with over 50 employees are expected to have ISO 14001 certification.

Auditing and Monitoring outlines how operations and suppliers meet Group expectations and commitments.

Level of ISO14001 certification



The proportion of factories with more than 50 employees that have certified ISO 14001 management systems.

Transport

Electrolux commitments

Electrolux is an active partner in the Business for Social Responsibility Clean Cargo Working Group, and is represented on its steering committee.

All Electrolux sea transport providers must be a member of the working group, which enables us to standardize emission calculations. Workgroup members account for over 85% of all global shipping container freight.

Electrolux responsibility and resources

Responsibility lies with each business area. Action is monitored and coordinated through our Sustainability Affairs function.

Our approach and progress in 2020

Read more in our Promise [Drive supply chain sustainability](#).

Materials

Electrolux commitments

We are increasing our use of recycled materials, which helps us make better use of resources, reduce our environmental impact, and promote the circular economy.

Electrolux responsibility and resources

Our internal Recycling Taskforce includes representatives from each Electrolux sector, purchasing, R&D, production and product lines to define this promise's scope, targets and action.

Our approach and progress in 2020

Read more in our Promise [Offer circular products and business solutions](#).

Energy

Electrolux commitments

Electrolux is committed to use energy in the most efficient way.

Electrolux responsibility and resources

We continuously work to reduce our energy use through technological investments in new equipment, employee awareness and behavioral change, and by implementing best practice throughout our operations. Our Green Sprit program, including our Green Sprit rating and certification system, is also crucial in driving energy efficiency.

Our approach and progress in 2020

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations.](#)

Water

Electrolux commitments

Electrolux is committed to use water in the most efficient way.

Electrolux responsibility and resources

We have comprehensive processes to minimize water use in our operations – particularly at our factories in water scarce regions. Our Green Sprit program involves sharing best practice, monthly reporting on water performance indicators as well as conducting water mapping.

Our approach and progress in 2020

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations.](#)

Emissions

Electrolux commitments

Electrolux has an approved science based CO₂ emissions target in place. This includes phase-out of high impact greenhouse gases. The phase-out of ozone depleting substances is also monitored.

Electrolux responsibility and resources

The Operational Resource Management Team coordinates the shift to renewable energy and reduction in relative energy use. R&D implements long-term product plans.

Our approach and progress in 2020

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations](#) and [Our climate targets.](#)

Waste

Electrolux commitments

Our Zero Landfill program has the objective to reduce the amount of waste sent to landfill or incinerated without energy recovery.

Electrolux responsibility and resources

The global Electrolux Zero Waste to Landfill program covers all our factories around the world. The program aims to find opportunities for material reuse and recycling and at the same time decrease the amount of waste sent to landfill and/or incinerated without energy recovery.

Our approach and progress in 2020

Read more in our Promise [Be climate neutral and drive clean and resource-efficient operations.](#)

Supplier environmental assessments

Electrolux commitments

Our commitments are clearly outlined in the Supplier Workplace Standard and Workplace Directive. Compliance is mandatory and non-negotiable for our suppliers, which is stated in our supplier contracts. The main OEM and ODM suppliers must measure and report their energy and water use through the energy reporting standard. They are also asked to assess their water impacts according to the WWF Water Risk Filter.

Electrolux responsibility and resources

Global, category or business area Sourcing Boards are responsible for assessing prospective suppliers, and the responsible Purchasing Director is also responsible for ongoing compliance and performance, with support from the Responsible Sourcing Team and Sustainability Affairs.

Our approach and progress in 2020

Read more in our Promise [Drive supply chain sustainability.](#)

Social

We support labor rights according to the ILO Core Conventions and the Declaration on Fundamental Principles and Rights at Work, and have an International Framework Agreement with unions that affirms our labor commitments. Our Code of Conduct includes our Human Rights Policy Statement, and how we fulfill these commitments is further detailed in a Human Rights Directive. The Workplace Policy, the Supplier Workplace

Standard and the Workplace Directive apply to our operations and our supply chain and include key requirements concerning labor standards.

The report section on [Auditing and Monitoring](#) outlines how operations and suppliers meet Group expectations and commitments.

Investment

Electrolux commitments

Human rights screening is included in our acquisition processes, as specified in our Guideline 'Human rights risks in acquisitions'.

Electrolux responsibility and resources

Responsibility lies with each project team, supported by Group Legal and Sustainability functions.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Non-discrimination, child labor, forced or compulsory labor

Electrolux commitments

Policy commitments are part of our Code of Conduct and Workplace Policy and People Policy.

Electrolux responsibility and resources

Each business unit's line management has the responsibility to ensure that our Code of Conduct and Group policies are abided by. This includes communication requirements within their unit through training, and annually assessing the unit's performance.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Occupational health and safety

Electrolux commitments

Our health and safety commitments are specified in our Code of Conduct and Workplace Standard.

Our Safety Management System covers all manufacturing facilities. Each facility has a plan to contribute to the Group-wide goal. The overriding aim is to prevent injuries from occurring in the first place.

Electrolux responsibility and resources

The Group Operations safety team defines goals, monitors progress, shares best practice and implements the monthly recording system and daily incident reports, to align according to production groups, regions and product lines. Furthermore, there are Occupational Health and Safety committees in all our manufacturing facilities.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Training and education

Electrolux commitments

A focus area of our People Plan is to truly become a Learning Organization. Our training and education program is built on the 70-20-10 learning model: 70% through challenging assignments and on-the-job experience, 20% through relationships, networks and feedback, and 10% through formal training.

Electrolux responsibility and resources

Responsibility lies with each unit's line management, supported by our business areas and functions, in close collaboration with Group HR.

Our approach and progress in 2020

We continue to provide a global portfolio of leadership development programs aligned with our business strategy. Additional development is provided through improving our digital learning solutions and other learning initiatives.

Employment, diversity and equal opportunities

Electrolux commitments

As specified in the Code of Conduct, People Policy and Workplace Policy. A component of the Business Strategy - the People Plan - describes our aim to become a high-performing learning organization with the right people in the right jobs. Mandatory directives are in place to ensure fair hiring and compensation practices, for example the Recruitment Directive, the Compensation Directive and the Grandparent Principle Directive.

Electrolux responsibility and resources

The Senior Vice President of Human Resources and Communications is responsible for HR-related policies. The implementation of policies and remuneration are managed by our business areas.

Through performance appraisals and talent reviews, we evaluate employee performance and development, while promoting diversity and equal opportunities. Through the Talent Planning process for the Top 200 positions, opportunities for promoting women are constantly reviewed.

The annual Employee Engagement Survey and HR data measures our progress. We focus on attracting, developing and retaining women for leadership roles.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Labor & management relations

Electrolux commitments

Labor and management relations are specified in our Code of Conduct and Workplace Standard. Our strategy is informed by the [International Framework Agreement with the Swedish trade unions IF Metall, Unionen and IndustriAll](#), which underlines our commitment to ILO conventions and common global standards.

Electrolux responsibility and resources

Country and local line organizations are responsible for realizing the strategy, supported by HR Country Managers and Group Industrial Relations.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights.](#)

Supplier assessment for labor practices and human rights

Electrolux commitments

Specified in the Supplier Workplace Standard and Workplace Directive.

Compliance is mandatory and non-negotiable for suppliers, and stated in the supplier contract.

Electrolux responsibility and resources

Global, category or business area Sourcing Boards are responsible for assessing prospective suppliers, and the responsible Purchasing Director is also responsible for ongoing compliance and performance, with support from the Responsible Sourcing Team and Sustainability Affairs.

Our approach and progress in 2020

Read more in our Promise [Drive supply chain sustainability](#).

Security practices

Electrolux commitments

Our security practices are specified in the Workplace Policy, Supplier Workplace Standard and Workplace Directive. We also have a Security Program that covers selection criteria for security providers as well as incident reporting.

Electrolux responsibility and resources

Unit line management is responsible for fulfilling the Code and Security Program locally, supported by Group Security.

Our approach and progress in 2020

Security inspections are performed locally, based on risk and in accordance with our Security Program.

Security requirements are included in Workplace Policy training for employees, as well as in the ALFA self-assessment for plant managers.

Grievance mechanisms for labor practices, human rights

Electrolux commitments

Employees can report misconduct confidentially and anonymously (where legally permitted) through our confidential reporting mechanism – the Ethics Helpline. Suppliers can report possible non-compliances through the Supplier Workplace Standard mailbox.

Electrolux responsibility and resources

The Ethics and Human Rights Steering Group is responsible for the grievance mechanism. Trained investigators conduct the investigations, in line with our confidentiality and integrity principles.

Our approach and progress in 2020

Read more in our Promise [Act ethically, lead in diversity and respect human rights](#).

Public policy

Electrolux commitments

The Group External Affairs Committee, including representatives from the business areas, coordinates positions and other public affairs matters.

Electrolux responsibility and resources

Group Management and functional heads have the overall responsibility for our public policy. Each business area is responsible for engaging with their respective policy makers. Public policy initiatives are primarily conducted through industry organizations, such as the European Appliance Industry Association (APPLiA) and the Association of Home Appliance Manufacturers in the United States and Canada (AHAM), the Australian Consumer Electronics Association and the Associação Nacional de Fabricantes de Produtos Eletroeletrônicos (Eletros) in Brazil.

Key policies affecting our business:

EU

Revision of the EU energy label and energy efficiency legislation (eco design legislation)
EU legislation on circular economy and resource efficiency
Forthcoming EU legislation on plastics
EU waste and chemical legislation
Smart appliances, data security and privacy
Brexit

North America

Trade relations with China
Department of Energy (DOE) appliance standards rulemakings
Tax reform
Climate change

Asia Pacific

Consumer law on product safety (AU)
Waste and packaging regulation (CN, AU)
Chemical regulations (SEA)
Implementation of the RCEP (Regional Comprehensive Economic Partnership) between all 10 ASEAN countries plus China, Japan, South Korea, Australia and New Zealand will create a mega trade pact representing almost 30% of all global output

Latin America

Recycling program structuring in Brazil
Discussion in the Mercosur trade block on a free trade agreement with South Korea
New energy efficiency labelling for refrigerators in Brazil
New regulations for air-conditioner manufacturing under negotiation



Talking sustainability with our laundry consumers

Electrolux is inspiring more sustainable living – not only by communicating the benefits of its laundry products, but through global campaigns that concentrate on broader messages.

“Sustainability is a strong driver for our brands, affecting all parts of the consumer experience from how products perform to how they can improve the outcome,” explains Annika Priou, VP, Global Brand Development.

“It allows consumers to see what we offer in a different light. Showing that we want to help them achieve better results leaves a lasting impression on our consumers.”

More sustainable products also drive profitable growth for Electrolux. The company’s most energy and water efficient products accounted for 26% of total units sold but 36% of gross profit for consumer products in 2020.

Making clothes last longer

In 2020, Electrolux launched the Make it Last campaign – a global message platform that embodies our promise to make clothes last twice as long with half of the environmental impact. It taps into a deep consumer need to elevate the importance of more environmentally friendly laundry care.

“With the Make it Last campaign, our aim is to increase awareness of more sustainable ways of washing and promote better behaviors while connecting seamlessly to product benefits and features – we know from consumer research that this connection is very important,” adds Priou.

The Electrolux heroes of smart, sustainable washing

The Make it Last campaign highlights laundry innovation from Electrolux. The **SteamCare** program for example uses steam – and up to 96% less water – to freshen clothes and remove wrinkles. A refresh of 1 kilo of delicate garments using the SteamCare program saves 40 liters of water compared to a delicates program wash.

Efficient, low-temperature washing saves energy and prevents color fading. The **UltraWash** cycle is the ideal balance of care and energy-efficiency for mixed loads – a 59-minute cycle at 30°C saves up to 30% energy compared to a 40°C cotton program.

And machines with **Autodose** – an intelligent system to calculate the precise amount of detergent and softener for each load – avoids unnecessary waste and protects clothes from early aging caused by overdosing.

Read more on our approach and progress in our Promise [Lead in energy and resource-efficient solutions](#).

Toward more circular products and services

Electrolux is proactively working to offer consumers more circular products and solutions that make better use of finite resources.

Incorporating recycled plastics into appliances

Plastics are a key material in the manufacturing of household appliances as they are versatile, durable and light weight. However, most plastics are made from fossil-based non-renewable materials.

With less than 12% of the 400 million metric tons of plastic produced globally each year made from recycled materials, there is a huge opportunity to reduce environmental impact and emissions by incorporating recycled plastic into new products. However, a major challenge is the limited access to safe and consistent high-quality recycled material in large volumes.

In 2020, the amount of recycled plastic Electrolux used increased from 6,400 metric tons in 2019 to 6,800 metric tons in 2020.

Up to 40% recycled plastic

Electrolux Dish Care is leading the way by increasing the proportion of recycled plastics in its products to almost 40% for some types of tub dishwashers. Having been implementing opportunities to use recycled material for years, the team began by replacing 'behind the hinges' structural components, which are not consumer-facing, with recycled plastics.

"One critical element in this journey to increase the use of recycled plastic is to link the product roadmap to the innovation agenda and the generation plan, to create full transparency around each single opportunity and to shift the considerations from just pure cost-savings to a broader perspective in which sustainability is the driver," says Massimo Guarnaschelli, VP Head of Global R&D Dish Care.

A visionary recycled vac

In 2020, Electrolux in partnership with Stena Recycling, which recovers raw materials from discarded electronic consumer products, revealed a prototype vacuum cleaner made from 100% recycled and reused materials and components.

"The project highlighted many of the considerations we take into account as we seek to become more circular," says Henrik Sundström, VP, Sustainability Affairs. "From product design and material use to new business models, there are regulatory requirements as well as quality and safety questions that need to be addressed to strike a good balance between increasing the amount of reused and recycled materials."

The team also studied the lifespan of recycled products and components to gain insights into consumer recycling behavior and attitudes. For example, key components, such as motors, from the recycled vacuum cleaners used within the project had on average no less than 83% of their lifespan left.

The prototype vacuum cleaner is an action within the Electrolux Better Living Program, which is a plan to enable better and more sustainable living for consumers around the world. By 2030, all Electrolux product ranges will contain at least 50% recycled materials.

Vacuum-as-a-service

In the last two years, a pilot of a circular subscription business model for our award-winning robotic vacuum in Sweden has proved popular among consumers. Since late 2018, the Pure i9 has been offered on a trial subscription pay-per-use basis with all delivery, consumables, service and maintenance included in the fee.

“We have continually optimized the model and, since achieving our first profitable quarter in Q3, 2020, we have seen that this circular model is good for the planet and good for our shareholders,” says Daniel Wentz, VP Software Product.

Crucially, if a consumer returns the product to Electrolux and chooses to end the subscription, it is refurbished and made available for the next customer. This ensures each unit is used to its fullest extent and promotes a circular economy during the product’s lifetime.

“Without these hardware-as-a-service models, companies won’t be addressing 100% of the market in the future and the success from trial to profitable business provides confidence in value creation and potential for scale,” concludes Wentz.

Read more on our approach and progress in our Promise [Offer circular products and solutions](#).

Our ambition to be climate neutral in our operations

The ambitious goal of targeting zero carbon emissions from our factories and sites by 2030 means driving clean, resource-efficient operations.

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

Efficiency improvements in recent years, together with a shift to renewable electricity, has reduced energy consumed at Electrolux manufacturing sites per product by around 45% and CO₂ emissions by more than 70% compared with 2015.

Here are a few examples of how the company is tackling it across plants and facilities in Australia, North America and Europe.

Award-winning solar power in Adelaide

The Electrolux Dudley Park cooking plant in Adelaide, Australia, is a force when it comes to using renewable energy, as seen from up high with 8,350 roof-top solar panels. Adelaide has more than halved its energy KPI, and over 40% of the site's electricity comes from the solar photovoltaic system, which generates around 3,500 MWh and avoids approximately 2,500 metric tonnes of CO₂ every year.

When over-capacity occurs, the energy is saved in new Tesla batteries, which were commissioned during a visit by Electrolux CEO Jonas Samuelson in February 2020 for use on days with lower solar production. Any additional capacity is sold back to the grid. The huge strides to promote clean energy at the plant and its ongoing commitment to combat climate change were the motivation for winning the Electrolux Group's annual Sustainability Award in 2020.

Cooking up greener, cleaner manufacturing

The modernization of our Springfield site in Tennessee is creating the opportunity to expand production by adding a further 55,700 m² of space specifically for manufacturing capacity. Despite the increase in production capabilities, the new and improved plant will be at least 30% more energy efficient with CO₂ emissions reduced by 40%.

This will be achieved with new assembly line processes, including electrification, heating, spot cooling and daylight sensors in combination with LED lighting. The enameling process – essential for oven production – is the biggest consumer of natural gas at the plant and new equipment installed at Springfield will enable it to convert to electrical heating when technology allows.

Energy-saving building for Italy's R&D hub

The 7,000 m² Electrolux R&D Center for dishwashers and frontload fabric care in Porcia, secured A3 Class of the European Building Energy label in 2020.

This followed a year of extensive renovation and restructuring of the building that was built in 1962, using state-of-the-art technology to reduce energy from 200 kWh to 42 kWh per m², eliminating the use of natural gas and substantially reducing emissions. Highlights of the building's upgrade include an external insulation layer, triple-glazed windows, a heat-pump heating and cooling system, and a photovoltaic system.

The building now offers an improved work environment for its 250 employees with an intensity adjustable LED lighting system and microclimate conditions created with the redesigned distribution of air. It allows for advanced and locally controlled humidity and temperature levels for optimal wellbeing.

Towards carbon neutrality – and beyond

In 2018, Electrolux was one of the first 100 companies in the world to establish approved Science Based Targets to reduce absolute CO₂ emissions from operations by 80% and emissions from products by 25% by 2025. The Electrolux target for 2030 is to be climate neutral with zero carbon emissions from its operations.

Looking ahead, Electrolux has pledged its commitment to the United Nations Global Compact – Business ambition for 1.5°C – for net zero emissions throughout its value chain by 2050, in line with the 1.5°C Paris Agreement climate target.

Read more on our approach and progress in our Promise [Be climate neutral and drive clean and resource efficient operations.](#)



Helping people in need during 2020

The coronavirus pandemic resulted in the elderly becoming more isolated and vulnerable, families facing financial worries and healthcare professionals putting their lives on the line. At the same time, many faced additional hardship due to climate-related disasters.

Electrolux and the Electrolux Food Foundation, together with its partners and employees, supported initiatives throughout 2020 to provide food and meet basic needs for those affected by the coronavirus pandemic as well as devastating flooding, landslides, hurricanes and storms.

The total number of meals donated between 2016 and 2020 amounted to almost 1.4 million. In 2020, the equivalent of approximately 900,000 meals were donated by the Electrolux Food Foundation through employee-led projects in our local communities, business units donations and our global partnership with the Red Cross.

Food donation projects around the world in 2020

From lunchboxes delivered to frontline hospital workers, food vouchers for struggling families and emergency supplies for those left hungry and displaced, there was an unprecedented level of activities to support people in need during 2020.

"With the onset of the pandemic in early 2020, we quickly saw the need to focus on supporting communities, providing food and provisions to help the most vulnerable in society who were at especially high risk," says Ingrid Mellstig, Head of the Electrolux Food Foundation.

The foundation kick-started its response in Stockholm with funding for the local Food4Heroes project, providing free, delivered meals for the elderly and frontline healthcare workers.

In May and June, the Electrolux showroom in Lisbon, Portugal, was transformed into a bakery to launch the 'Bread from the Heart' initiative. Sponsored by local employee donations and the Food Foundation, freshly baked bread was distributed in collaboration with local charities to local families in need.

Food vouchers provided a lifeline for those living in Brazil's poorest communities, and who were forced to stay home with little or no income.

Food Foundation funding enabled families to receive emergency vouchers, providing meals for one month in collaboration with Sodexo's Stop Hunger Institute. The campaign specifically targeted parts of the population affected by the coronavirus.

Employee-led initiatives were co-funded such as The Porch Pantry – a food bank set up by an employee in North America after seeing families struggle in the local community as it became a coronavirus hotspot. Supported by a donation from Electrolux North America and the Food Foundation, the team were able to support 200 families in need.

Meals were also provided through a unique collaboration between the Food Foundation, Red Cross in Stockholm and participants of the Like a Chef culinary training program at Yalla Rinkeby. Every week, food for around 40 people was transported by volunteer Electrolux employees to the Red Cross House, which serves as a place of respite for the hungry and homeless.

In December, employees across five Latin American countries took part in a holiday-time initiative that enabled the donation of meals and other support to thousands of families in need. These are examples of the many food donation projects that spanned five continents.

Joining forces with the Red Cross

In March, the Electrolux Food Foundation announced a partnership with the world's largest humanitarian network – the Red Cross.

"We chose to partner with the Red Cross because they are globally renowned, have a passion for sustainability and they have a long history of supporting people in need," says Malin Ekefalk, Director Social Responsibility & Community Investment.

The foundation proudly contributed SEK 500,000 and Electrolux boosted funds to their Global Covid-19 Emergency Appeal and Disaster Relief Emergency Fund by inviting employees with access to the company intranet to make this donation even more significant.

Funds raised from the Red Cross appeals have been directed towards Central America, where Hurricane Iota and Storm Eta resulted in devastating landslides and flooding as well as Southeast Asia, where a succession of tropical storms left catastrophic consequences for the livelihoods of local people.

In addition, immediate support for emergency relief efforts was provided in Beirut following the explosion in August, including products donated to key neighborhoods.

Community support in our regions

In North America, product donations of USD 2.3 million and cash donations of USD 70,350 were additionally made in key communities, focusing on sustainable food initiatives and the needs of the hungry and homeless.

Local teams across Europe supported their communities, providing 18,200 healthy hot meals for the elderly and healthcare workers while 455 appliances were donated in the region in 2020. Emergency response organizations and field hospitals set up to deal with the pandemic in Latin America received donations including 1,109 appliances and funds amounting to SEK 52,000.

Community support continued in APAC and MEA helping the elderly, hospitals and cancer institutes with around 1,000 products donated across the region in 2020.

Over SEK 700,000 in funds was also contributed as either direct cash donations or indirect contributions to support initiatives that involve immigrant workers, local schools and charity food organizations.

In addition, the ongoing Planet Water partnership was able to provide over 26,000 people with access to clean and safe water in Indonesia and the Philippines. And aqua towers – for water access were provided in Cambodia as a response to nationwide floods in the country.

Read more about our [Community Investment](#) work.



Managing health & safety during a pandemic

Electrolux worked to protect the health and safety of 48,000 employees across 120 markets during the coronavirus pandemic.

Global guidance - local action

As the impact on regions and countries varied in terms of infection rates during the pandemic, and business and manufacturing operations were subject to local guidelines and restrictions to comply with, a unique approach was required. On a global level, Electrolux devised a methodology that could be adapted to different conditions across its global sites with the use of a country Incidence Rate (IR) measurement.

The IR was measured by using the total number of positive new cases over 30 days, divided by the regional population multiplied by 10,000 people. Based on this figure at individual sites, Electrolux defined four clear phases that informed what can and should be done in terms of activities across our sites.

Phase 1: Red - IR over 301

Phase 2: Orange - IR between 121-300

Phase 3: Yellow - IR between 16-200

Phase 4: Green - IR between 0-15

These threshold values were determined following a review of Global Electrolux data and activities for each of the four phases, and were applied across the Group.

Each phase outlines what is expected or limited for a site in terms of, for example, people screenings, visitors, drivers and supplier, PPE, level of disinfection and cleaning, international and domestic travel, physical distancing, on-site work as well as trainings, meetings and events.

For each site, the IR value is calculated weekly and the respective phase of that site and what activities are allowed is adjusted accordingly.

"We remain committed to being one of the safest companies in the appliance industry as we continue to put our employees' health and safety first," says Giuseppe Caiulo, Head of Group Environmental Health and Safety at Electrolux.

Read more on our approach and progress in our Promise [Act ethically lead in diversity and respect human rights](#).

Driving digital auditing in supply chain sustainability

Due to travel and site visit restrictions throughout 2020 due to the pandemic, Electrolux collaborated with partners to create new digital tools to keep in touch with suppliers and conduct audits.

Transforming how we audit our suppliers – remotely

Electrolux conducts around 350-400 supplier audits around the world every year. The majority of audits involve a physical presence from our in-house team that largely covers China, Mexico, Eastern Europe and Thailand. With knowledge of local language and legislation a necessity, other audits are covered in person by third party external partners that Electrolux has developed a long and trusted relationship with and who audit to our standards.

As the coronavirus pandemic put countries into lockdown, making travel and physical visits to supplier sites more challenging, Electrolux investigated opportunities for remote auditing. The introduction of digital audits took a precautionary, selective approach.

“There were some countries and audits where digital audits made more sense and we identified suppliers that we have visited regularly and those that could handle a digital audit setting,” explains Cecilia Nord, Director, Electrolux Responsible Sourcing. “We selected suppliers that were more mature in their processes and digitally secure. Those we historically have a stable relationship with and know from experience that they strive to be a good partner.”

New demands for remote audits

What quickly became apparent was the increased preparation required in advance of the audit. This involved a pre-meeting between Electrolux auditors and the supplier team to discuss the documentation and data required for review.

“Submitting all the supporting evidence from the audit document list involved a lot of work for the supplier since there are around 80 documents to review including studies, permits, licenses, training records, employment contracts and so on,” explains Jesus Garcia Sanchez, Electrolux Responsible Sourcing Auditor, Mexico.

This was followed by a remote factory tour where Electrolux, or its auditing representative, designed the route. “It had to be a supplier where we had previous physical knowledge of the site, to recall the areas that we were interested in and what the factory looked like so they couldn’t guide us away from things that they didn’t want to show,” adds Nord.

In total, Electrolux completed 33 digital audits in Mexico, and one each in Poland, Romania and Turkey during 2020.

“The involvement of both sides is vital for successful cooperation,” says Michal Matkowski, Electrolux Responsible Sourcing Auditor, Europe. “Electrolux has open-mindedly supported suppliers ready for new challenges and a positive aspect is encouraging and mobilizing our suppliers to digitalize their document database – in this way we create a base for easier digital audits in the future. In my opinion, it does not replace the standard onsite audit, but we have had to be flexible and adjust our methods to the current situation.”

The intention is not to replace in-person audits but continue to use digital audits in the future as a method to increase coverage of the company’s over 2,000 suppliers globally and make them more cost efficient.

“There will always be a need for physical visits because there are situations where you need to be there to cross check and challenge people on site,” Nord says. “But this approach will allow us to focus in-depth on suppliers that really need our attention whilst maintaining a virtual and digital dialogue and oversight with our longstanding and mature suppliers.”

On the MOVE – more than your average app

In 2020, Electrolux joined forces with other companies in Thailand to deliver a digital tool that provides easy access to information and training for vulnerable migrant workers.

The MOVE app was launched in collaboration with the MOVE network – an initiative that includes Axfood, HP and the UN International Organization for Migration – to promote the rights of the estimated five million migrant workers in Thailand and raise knowledge on ethical recruitment for factories.

Essentially, it's an information and training hub that promotes knowledge on issues such as health and safety and labor law. It enables workers to be aware of their rights and empower them make their voices heard in situations that are unsafe and unfair and provides crucial up-to-date advice on how to act during the coronavirus pandemic.

"Looking deeper into the supply chain of any organization brings you to sub-suppliers, which are often local companies requiring lower-skilled labor, and that's where migrant workers are more likely to be found," says Nord.

The initiative builds on and extends the cooperation the company has long had with over 100 direct suppliers in the country to secure decent and fair working conditions.

"To encourage and share best practice in responsible supply chain management and ensure people understand their rights, education is a vital tool to be able to make informed decisions," concludes Nord. "It is a smart solution and a powerful information platform that can reach migrant workers who have access to smartphones and readily use mobile technology daily as a communication tool."

Read more on our approach and progress in our Promise [Drive supply chain sustainability](#).

Food matters - a social and virtual switch to promote sustainable eating

In a year that 'remote' and 'virtual' became the communication norm, our message to make sustainable eating the preferred choice followed suit.

Our Food Heroes program for kids transformed into a fun, likeable and swipe-able Instagram campaign while the Electrolux Food Foundation hosted a global event online explaining why we should eat more plants, try new things and waste less food.

Since 2016, over 40,000 kids, consumers and professionals have participated in activities aimed at inspiring more sustainable food habits.

Over a million, lasting Instagram impressions

On Earth Day - April 22 - the Food Heroes Challenge on the Electrolux Instagram account went live - a timely date to launch the digital tool for children to explore how a healthy diet makes for a healthier planet.

At that point, over 30,000 children had already attended Food Heroes workshops. The initiative was launched in October 2018 by the Electrolux Food Foundation, with support from partners AIESEC and WorldChefs.

But as the pandemic led to lockdowns around the world that sent kids home from school, transferring that message online saw the workshops being adapted from the classroom to the small screen featuring comic-strip content. It involved six practical challenges that can be completed at home such as seed planting, creating shopping lists, cooking without waste, and a cupboard check to see how far produce has travelled.

The campaign reached over 1 million people. "Instagram is a channel where people come to be inspired and learn new things and food is a popular topic," says Andrea Ottosson, Electrolux Social Media Manager.

As workshops were forced to be put on hold and homes turned into schools, this digital toolkit provided inspiration for parents-turned-teachers to educate even more kids about sustainable eating via social media.

"It has been a great way to spark a conversation between parents and kids about the connection between the food that they eat and climate change," adds Ottosson.

Consumer power, less meat and 30,000 edible plants

A live 30-minute event, hosted by the Electrolux Food Foundation, for World Food Day on October 16 brought the subject of sustainable eating to the fore - for everyone.

Unable to gather a physical crowd to hear experts discuss the topic, a global audience listened in as a chef, a scientist and social entrepreneur took to the virtual stage.

Top of the agenda was how the environmental problems we are facing today can be traced back to the food we eat. The event covered the true environmental impact of our diet, how consumer power is pushing culinary professionals to think differently and what needs to be done in the quest to minimize food waste. With plant-based food trends growing globally, the message was clear that the power is really on our plate.

"In the last 5 years, 51% of restaurants in the U.S. have added vegetarian dishes to their menu," said Chris Koetke, Chef & Chairman, Feed the Planet of WorldChefs. "We like to say that chefs have the power of the white jacket, but consumers have the power to push chefs to offer more plant-based alternatives - never underestimate that because chefs listen to consumers."

According to Brent Loken, Global Food Lead Scientist, WWF, if we are looking at ways to make the world a better place, we should consider the choices we make every mealtime. "We're not saying don't eat meat – but we want to overcome one of the myths of plant-based is that it's boring and dull, when it can actually be tasty and nutritious," says Loken.

With 30,000 edible plants to try, the experts concluded that the best way to encourage others to make more sustainable food choices and waste less food is to lead by example.

"Many people are looking for ways they can contribute to a better planet and the choices we make every single mealtime are the simplest way we can make a difference," says Ingrid Mellstig, Head of Electrolux Food Foundation and event moderator.

Read more on our approach and progress in our Promise [Act ethically lead in diversity and respect human rights.](#)



Reimagining our relationship with water

With increasing water scarcity around the world, Electrolux has joined the 50L Home Coalition as part of its work to develop appliances that help consumers to reduce their water use.

Water scarcity levels are rising – 14 out of 20 of the world's largest cities are already experiencing inadequate supplies and two-thirds of the world's population are expected to live in water-stressed areas by 2025. Still, the average daily water consumption per person is up to 500 liters in some developed countries and approximately 16% of energy consumption in the home is related to water usage.

Introducing the 50L Home Coalition

These key facts have been collated by the [50L Home Coalition](#), a multi-stakeholder network launched in 2020 involving Proctor & Gamble, Electrolux and the World Economic Forum, among others.

"We're on a quest to offer the most water and energy-efficient home appliances and empower consumers to live more sustainable lives, so it's a natural fit to be part of the 50L Home Coalition," says Jonas Samuelson, Electrolux CEO.

The aim is to reimagine our relationship with water to inspire and enable lifestyle changes while advancing solutions to address water efficiency, reuse and – in certain cases – removal in the home. Ultimately, partners have the vision to make 50 liters of daily water use per person an aspiration for all.

"We'll strengthen our innovation strategy to design solutions that will lead in water and energy efficiency, with the help coalition partners, and ultimately develop appliances that make the 50-liter home of the future a reality," concludes Elisa Stabon, Care Experience Development Manager.

Read more on our approach and progress in our Promise [Be climate neutral and drive clean and resource efficient operations](#).



Climate leadership in the midst of a global pandemic

To maintain focus on climate change during the pandemic, Electrolux made a number of calls to action and climate leadership commitments during 2020.

Aligning coronavirus recovery with climate science

In the spring, as people in many countries were in lockdown, work on economic aid and recovery packages in response to the pandemic was ramped up. Electrolux joined 155 major companies in signing a statement from the Science Based Target initiative, urging policy makers to align their recovery plans with the latest climate science.

"The coronavirus pandemic has forced business into unprecedented territory, but we believe that addressing climate change is as urgent as ever," said Jonas Samuelsson, Electrolux President and CEO. "We will continue to strive for reduced emissions from our operations and products as we provide appliances that are essential for better and more sustainable living around the world."

In 2018, Electrolux was one of the first 100 companies in the world to establish approved Science Based Targets to reduce CO₂ emissions from its operations by 80% and emissions from products by 25% by 2025. In addition, Electrolux has set a company target to be climate neutral by 2030 with zero carbon emissions from its operations.

Securing supplier climate commitment

In 2020, Electrolux secured commitments from its top 200 suppliers to disclose emissions and set targets through the CDP Supply Chain Program. The company has worked closely with its suppliers to improve their environmental footprint and its top suppliers – accounting for 80% of its global purchasing spend – have begun reporting to the environmental non-profit CDP.

"We see our suppliers as an extension of our company and believe we need to have the same sustainability ambitions in our supply chain as we do in our own operations," explains Peter Truyens, SVP Group Purchasing. "Suppliers are clearly buying into this message and are really enthusiastic about joining this journey."

At the 2019 UN Climate Action Summit in New York, Electrolux joined a global movement to pledge net zero emissions throughout its value chain by 2050, to help limit the global temperature rise to 1.5°C.

Business leadership for a climate neutral society

In September 2020, Electrolux joined more than 170 European businesses, investors and business networks, calling on EU leaders to sharpen emission reduction targets and deliver on the EU ambition to become climate neutral by 2050. The call to policymakers was to reduce greenhouse gas emissions by at least 55% by 2030, a figure necessary to increase the pace for the EU to become a climate-neutral continent by 2050.

In an open letter coordinated by the Corporate Leaders Group Europe, CEOs from across the continent outlined their determination to work with the EU to tackle the impacts of the coronavirus pandemic while delivering a more climate-resilient recovery.

"Climate change remains one of the most urgent challenges for society and we all need to accelerate our actions to reach the 1.5-degree ambition set up in the Paris Agreement," says Samuelsson. "Electrolux is committed to become climate neutral in its operations by 2030 and across our value chain by 2050. We encourage EU heads to sharpen their emissions reduction targets and deliver on the EU ambition to become climate neutral by 2050."

About this report

For Electrolux, being transparent about our sustainability ambitions and how we measure, manage and integrate these priorities into our business is an important part of our annual reporting process.

The 2020 Electrolux Sustainability Report presents the nine Promises of the Group's sustainability framework. Using the Global Reporting Initiative (GRI) Standards sustainability reporting guidelines as our starting point, the report aims to deliver the information needs of different stakeholders on our work with sustainability. The report is presented in two versions: an abbreviated, printed report (available in pdf format) and an extended, comprehensive online report (also available as a pdf).

Based on a updated materiality analysis, our sustainability framework - For the Better 2030 - reflects the sustainability issues most relevant to Electrolux and our value chain. In the report, we outline why sustainability is relevant to our business, our priorities and response, our roadmap to 2030, how we measure progress, and our approach to managing each of our nine Promises.

Annual Report

Sustainability information is integrated throughout the printed Annual Report, and as a brief specific section. Climate-related financial disclosures are also reported in the annual report. Targeted at shareholders and other stakeholders, the focus is on how sustainability issues relate to the business strategy, as well as risk assessment, goals and performance.

Reporting realm

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, option Core, and has been reviewed by a third party to ensure the accuracy and completeness of reporting. The scope and boundaries of the Sustainability Report is defined by the GRI Index. The GRI Index leads readers to information on relevant disclosures as defined by the GRI Standards.

Where relevant, this report also highlights how the Group's priorities reflect its commitment to the ten principles of the UN Global Compact (UNGC). Electrolux has therefore considered the UN Global Compact 'GC Advanced' level for reporting on its Communication on Progress. An index of the UNGC's 24 criteria is included in this report.

We are in an ongoing process to increase transparency on managing human rights related issues by responding to the disclosure requirements of the United Nations Guiding Principles Reporting Framework (UNGP) . We will continue to develop our reporting in the future.

Unless otherwise indicated, standard disclosures include all operations that can potentially affect Group performance. Please, see section Restatement of information and changes in reporting for information on how discontinued operations are reported.

Electrolux applies the precautionary principle for managing sustainability and reporting as stated in our Environmental Policy. We use conservative estimates where applicable.

Boundary of the report

The Sustainability Report is published annually. This report covers data that has been collected throughout the 2020 calendar year. At year end, the total number of employees was 50,430 (47,379) encompassing our majority-owned operations. This report covers 40 (42) factories, 33 (32) warehouses and 36 (31) offices, in 33 (31) countries. This scope represents 89% (86%) of our total number of employees at year end. Staff working at facilities with less than 30 employees are not included in this compilation. The average number of employees in the Group decreased by 2% during 2020.

Reported data is without contributions from discontinued operations unless otherwise stated.

Energy reduction performance was calculated according to the World Resources Institute (WRI). Electricity emission factors were updated according to the CO₂ emissions from fuel combustion 2020 edition data set, as published by the International Energy Agency (IEA). To allow comparability, the electricity emission factors used in this report are offset by a three-year period. Units using renewable energy have been defined as having a CO₂ emission factor of zero. Wherever possible, Electrolux reports on its performance indicators covering the last five years.

Health and safety statistics are based on the Electrolux global definitions in terms of what constitutes a workplace injury and a lost day due to injury. All personnel within Electrolux manufacturing and logistics operations are included, as well as contractors.

Throughout the report, as data is presented as part of the narrative, 2019 data is presented in (brackets).

The company's previous Sustainability Report was published in March 2020.

Restatement of information and changes

GRI 303-3 Water withdrawal: Full table is restated due to inclusion of missing data.

GRI 303-4 Water discharge: Full table is restated due to inclusion of missing data.

GRI 306-2 Waste by type and disposal method: All categories restated 2019 due to consolidation issues. Hazardous waste amounts for 2018 restated due to an error.

Omissions from GRI Standards

GRI 201-1 Direct economic value generated and distributed: Only distribution of direct economic value reported in percentages.

GRI 205-2 Communication and training about anti-corruption: Only number of employees trained reported.

GRI 301-2 Recycled input materials used: Disclosure is aligned with internally used key performance indicator for recycled plastics used.

GRI 303-4 Water discharge: Where locations lack measurement instruments for discharge water, data is based on engineering estimates.

GRI 306-2 Waste is reported in line with the Electrolux program Zero Waste to Landfill. Only three years are available. The focus has been on finished goods factories. Program is being rolled-out to cover other types on operations.

GRI 401-1 New employee hires and employee turnover: New hire data is not consolidated at Group level. No total numbers nor breakdown on age groups are reported, only percentages.

GRI 403-9 Work related injuries: Contractors included in injury statistic. No separate report for this category. Workplace hazards are not consolidated at Group level. Personnel working in office locations excluded

GRI 404-1 Average hours of training per year per employee: Training hours only cover white collar employee categories. No data for gender specific training hours.

GRI 405-1 Diversity of governance bodies and employees: No breakdown by age group is reported.

GRI 412-2 Employee training on human rights policies or procedures: Only the number of employees trained is reported.

External assurance

The Sustainability Report (as referenced in the GRI index) is reviewed in accordance with the standard ISAE 3000.

[Read Auditor's Limited Assurance Report on AB Electrolux's Sustainability Report](#)

For more and continuously updated information on the Group's progress and performance in terms of sustainability issues, visit:

<https://www.electroluxgroup.com/en/>

Or contact:

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This Sustainability Report is based on the Global Reporting Initiative (GRI) Standards and is reviewed by a third party to ensure the accuracy and completeness of reporting.

Overview of Standard Disclosure requirements

This Sustainability Report is based on the Global Reporting Initiative (GRI) Standards and is reviewed by a third party to ensure the accuracy and completeness of reporting. This GRI Index directs readers to information on relevant indicators as defined by the GRI Standards. Reference to disclosures preceded by 'Own disclosure:' in the below table, reflect, but do not fully meet the requirements as defined by GRI. The differences are explained in [About this report](#). Disclosure refers to GRI Standards versions 2016. Topics that refer to Standards versions 2018 are denoted with *.

The index below outlines where GRI reporting elements are addressed in this Sustainability Report, in the Annual Report, and where they are disclosed online at www.electroluxgroup.com.

For more information on the Global Reporting Initiative, visit www.globalreporting.org.

See [About this report](#) for more information on this review's reporting realm.

GRI 102 General Standard disclosures

Organizational profile

GRI 102-1 Name of the organization	AB Electrolux (publ)
GRI 102-2 Activities, brands, products, and serves	Annual report: CEO statement Annual report: Note 3 Segment information
GRI 102-3 Location of headquarters	Stockholm, Sweden
GRI 102-4 Location of operations	Manufacturing in 18 countries, sales in over 120 markets.
GRI 102-5 Ownership and legal form	Ownership structure
GRI 102-6 Markets served	120 Markets worldwide Annual report: CEO statement
GRI 102-7 Scale of the organization	50,350 employees at year end. Board of Directors' report and financial statements
GRI 102-8 Information on employees and other workers	Annual Report: Board of Directors' report and financial statements - Employees Employment by contract and region Average employees per region
GRI 102-9 Supply chain	Act ethically, lead in diversity and respect human rights
GRI 102-10 Significant changes to the organization and its supply chain	About this report Annual Report: Note 26 Acquired and divested operations
GRI 102-11 Precautionary Principle or approach	About this report Electrolux Code of Conduct
GRI 102-12 External initiatives	UN Global Compact
GRI 102-13 Membership of associations	APPLIA and AHAM are Electrolux principal industry associations membership

Strategy	
GRI 102-14 Statement from senior decision-maker	Sustainability Q&A with Jonas Samuelson, Electrolux President and CEO and Henrik Sundström, VP Sustainability Affairs
Ethics and Integrity	
GRI 102-16 Values, principles, standards, and norms of behavior	Electrolux Code of Conduct
Governance	
GRI 102-18 Governance structure	Board of Directors Group Management
Stakeholder engagement	
GRI 102-40 List of stakeholder groups	Stakeholders inform our approach
GRI 102-41 Collective bargaining agreements	Collective bargaining agreements
GRI 102-42 Identifying and selecting stakeholders	Stakeholders inform our approach
GRI 102-43 Approach to stakeholder engagement	Stakeholders inform our approach
GRI 102-44 Key topics and concerns raised	Key priorities and progress 2020 Our materiality process Stakeholders inform our approach
Reporting practice	
GRI 102-45 Entities included in the consolidated financial statements	Board of Directors' Report and Financial Statements Annual Report: Note 29 Shares and participations
GRI 102-46 Defining report content and topic boundaries	About this report
GRI 102-47 List of material topics	For the Better framework
GRI 102-48 Restatements of information	About this report
GRI 102-49 Changes in reporting	About this report
GRI 102-50 Reporting period	About this report
GRI 102-51 Date of most recent report	About this report
GRI 102-52 Reporting cycle	About this report
GRI 102-53 Contact point for questions regarding the report	Henrik Sundstöm, VP Sustainability Affairs (sustainability@electrolux.se)
GRI 102-54 Claims of reporting in accordance with the GRI Standards	Prepared in accordance with the GRI Standards: Core option
GRI 102-55 GRI content index	GRI Index
GRI 102-56 External assurance	About this report

GRI 200 Economic standards

GRI 201 economic performance		SGD
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 201-1 Direct economic value generated and distributed	<u>Direct economic value generated and distributed</u>	2,5,7,8,9
GRI 205: Anti-corruption		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 205-1 Operations assessed for risks related to corruption	<u>Risk countries</u> <u>Understanding and managing our human rights risks.</u> <u>Value impacts throughout our value chain</u>	16
GRI 205-2 Communication and training about anti-corruption policies	<u>Act ethically, lead in diversity and respect human rights</u>	16
GRI 205-3 Confirmed incidents of corruption and actions taken	<u>Act ethically, lead in diversity and respect human rights</u>	16
GRI 206 Anti-competitive behavior		SDG
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>Annual Report Note 25 Contingent assets and liabilities</u>	16

GRI 300 Environmental Standards

GRI 301: Materials		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 301-1 Materials used by weight or volume	<u>Materials</u>	8,12
GRI 301-2 Recycled input materials used	Own disclosure: <u>Amount of recycled plastic</u>	8,12
GRI 302 energy		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 302-1 Energy consumption within the organization	<u>Energy consumption</u>	7,8,12,13
GRI 302-3 Energy intensity	<u>Be climate neutral and drive clean and resource-efficient operations</u>	7,8,12,13
GRI 302-4 Reduction of energy consumption	<u>Be climate neutral and drive clean and resource-efficient operations</u>	7,8,12,13
GRI 303 water and effluents *		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 303-3 Water withdrawal	<u>Water withdrawal</u>	6,8,12
GRI 303-4 Water discharge	<u>Water discharge</u>	6,8,12
GRI 305 emissions		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 305-1 Direct (Scope 1) GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u> <u>Total direct and indirect CO₂ gas emissions by weight</u>	3,12,13,14,15
GRI 305-2 Energy indirect (Scope 2) GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u> <u>Total direct and indirect CO₂ emissions by weight</u>	3,12,13,14,15
GRI 305-4 GHG emissions intensity	<u>Be climate neutral and drive clean and resource-efficient operations</u>	13,14,15
GRI 305-5 Reduction of GHG emissions	<u>Be climate neutral and drive clean and resource-efficient operations</u>	13,14,15
GRI 305-6 Emissions of ozone-depleting substances (ODS)	<u>Ozone depletion substances</u>	3,12,13
GRI 306 effluents and waste		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 306-2 Waste by type and disposal method	<u>Waste by type and disposal method</u>	3,6,11,12
GRI 308 supplier environmental assessment		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 308-1 New suppliers that were screened using environmental criteria	<u>Improve sustainability in the supply chain</u>	

GRI 400 Social Standards

GRI 401: Employment		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 401-1 New employee hires and employee turnover	Own disclosure: <u>Employee turnover by age group and gender</u>	3,5,8,10
GRI 403: Occupational health and safety *		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 403-1 Occupational health and safety management system	<u>Act ethically, lead in diversity and respect human rights</u>	8,16
GRI 403-9 Work-related injuries	Own disclosure: <u>Work-related injuries</u>	
GRI 404: Training and education		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	4,5,8
GRI 404-1 Average hours of training per year per employee	<u>Average hours of training per year per employee</u>	
GRI 405: Diversity and equal opportunity		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	5,8
GRI 405-1 Diversity of governance bodies and employees	<u>Gender distribution</u>	
GRI 406: Non-discrimination		
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	5,8,16
GRI 406-1 Incidents of discrimination and corrective actions taken	<u>Act ethically, lead in diversity and respect human rights</u>	
GRI 407: Freedom of association and collective bargaining		SGD
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	8
GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>Risk Countries</u> <u>Understanding and managing our human rights risks</u> <u>Act ethically, lead in diversity and respect human rights</u> <u>Impacts throughout our value chain</u>	
GRI 408: Child labour		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	8,16
GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	<u>Risk Countries</u> <u>Understanding and managing our human rights risks</u>	
GRI 409: Forced or compulsory labour		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Risk Countries</u> <u>Understanding and managing our human rights risks</u>	8
GRI 412: Human rights assessment		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	<u>Act ethically, lead in diversity and respect human rights</u>	
GRI 412-2 Employee training on human rights policies or procedures	<u>Act ethically, lead in diversity and respect human rights</u>	
GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<u>Act ethically, lead in diversity and respect human rights</u>	
GRI 414: Supplier social assessment		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 414-1 New suppliers that were screened using social criteria	<u>Drive supply chain sustainability</u>	5,8,16
GRI 415: Public Policy		
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
415-1 Political contributions	<u>Electrolux policy influencing</u>	16

UNGC Advanced-level reporting

Electrolux is a signatory of the United Nations Global Compact (UNGC) and its ten principles on the environment, labor practices, human rights and anti-corruption - and has been since 2002. Electrolux is also a signatory of the UNGC Water Mandate.



This UNGC Communication on Progress is aligned with the UNGC's Advanced level of reporting. Where applicable, the below table indicates where readers can find examples of how Electrolux meets best practice levels with regard to the criteria for reporting as defined by the UNGC. The left-hand column indicates their information requirements. The areas that are marked in grey italic text under each criterion are not addressed in the report.

Electrolux reports in accordance with the United Nations Guiding Principles on Business and Human Rights reporting

framework. A separate index has been created to guide readers to the relevant areas in the report that address human rights.

The 2020 Sustainability Report and the 2020 Annual Report reflect our commitment to these principles and the efforts to continuously improve performance. The 2020 Sustainability Report is third-party assured.

See the enclosed Assurance Statement for information on the scope of assurance.



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Implementing the ten principles into strategies and operations

UN Global Compact Advanced Criteria

Criterion 1: The COP describes mainstreaming into corporate functions and business units.

The following best practices are described in our COP

- Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives.
- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.
- Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.
- Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.
- Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.

CEO & VP Sustainability Statement

Management Approach

Key priorities and progress

Understanding and managing our human rights risks

Criterion 2: The COP describes value chain implementation

The following best practices are described in our COP

- Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.
- Communicate policies and expectations to suppliers and other relevant business partners
- Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.
- Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners

Value chain

Drive supply chain sustainability

Understanding and managing our human rights risks

Human Rights Management Policies & Procedures

UN Global Compact Advanced Criteria	Reference
<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates • Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company • Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or service. • Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties 	<p><u>Management Approach</u></p> <p><u>Code of Conduct</u></p> <p><u>Drive supply chain sustainability</u></p>
<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • Process to ensure that internationally recognized human rights are respected • On-going due diligence process that includes an assessment of actual and potential human rights impacts • Internal awareness-raising and training on human rights for management and employees • Operational-level grievance mechanisms for those potentially impacted by the company's activities • Allocation of responsibilities and accountability for addressing human rights impacts • Internal decision-making, budget and oversight for effective responses to human rights impacts • Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to • Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action 	<p><u>Understanding and managing our human rights risks</u></p> <p><u>Act ethically, lead in diversity and respect human rights</u></p> <p><u>Management approach</u></p> <p><u>Community investment</u></p>
<p>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain • Monitoring drawn from internal and external feedback, including affected stakeholders • Leadership review of monitoring and improvement results • Process to deal with incidents the company has caused or contributed to for internal and external stakeholders • Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue • Outcomes of integration of the human rights principles 	<p><u>Auditing and monitoring</u></p> <p><u>Drive supply chain sustainability</u></p> <p><u>Stakeholders inform our approach</u></p> <p><u>Act ethically, lead in diversity and respect human rights</u></p> <p><u>Understanding and managing our human rights risks</u></p>

Robust Labour Management Policies & Procedures

UN Global Compact Advanced Criteria

References

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor

The following best practices are described in our COP

- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies
- Reflection on the relevance of the labour principles for the company
- Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).
- Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners
- *Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation*
- *Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges to labour standards in the countries of operation.*
- Structural engagement with a global union, possibly via a Global Framework Agreement

[Code of Conduct](#)

[Understanding and managing our human rights risks](#)

[Management approach: social](#)

[Act ethically, lead in diversity and respect human rights](#)

[Drive supply chain sustainability](#)

[International framework agreement](#)

Criterion 7: The COP describes effective management systems to integrate the labor principles

The following best practices are described in our COP

- Risk and impact assessments in the area of labour
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards
- Allocation of responsibilities and accountability within the organization
- Internal awareness-raising and training on the labour principles for management and employees
- Active engagement with suppliers to address labour-related challenges
- Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers

[Understanding and managing our human rights risks](#)

[Stakeholders inform our approach](#)

[Act ethically, lead in diversity and respect human rights](#)

[Management approach](#)

[Drive supply chain sustainability](#)

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration

The following best practices are described in our COP

- System to track and measure performance based on standardized performance metrics
- Dialogue with the representative organization of workers to regularly review progress made and jointly identify priorities for the future
- Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards
- Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices
- Outcomes of integration of the Labour principles

[Act ethically, lead in diversity and respect human rights](#)

[Management approach](#)

[Stakeholders inform our approach](#)

[Drive supply chain sustainability](#)

[Auditing and monitoring](#)

[ALFA](#)

[Internal code of conduct audit findings](#)

Environmental Management Policies and Procedures

UN Global Compact Advanced Criteria

References

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

The following best practices are described in our COP

- Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)
- Reflection on the relevance of environmental stewardship for the company.
- Written company policy on environmental stewardship
- Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners
- Specific commitments and goals for specified year

Environmental policy

Lead in energy and resource-efficient solutions

Make better use of resource

Eliminate harmful materials

Be climate neutral and drive clean and resource-efficient operations

Our climate targets

Management approach

Value chain

Drive supply chain sustainability

Criterion 10: The COP describes effective management systems to integrate the environmental principles

The following best practices are described in our COP

- Environmental risk and impact assessments
- Assessments of lifecycle impact of products, ensuring environmentally sound management policies
- Allocation of responsibilities and accountability within the organization
- Internal awareness-raising and training on environmental stewardship for management and employees
- Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts

Management approach

Auditing and monitoring

Act ethically, lead in diversity and respect human rights

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

The following best practices are described in our COP

- System to track and measure performance based on standardized performance metrics
- Leadership review of monitoring and improvement results
- Process to deal with incidents
- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain
- Outcomes of integration of the environmental principles
- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain

CEO & VP Sustainability Statement

Drive supply chain sustainability

Auditing and monitoring

ALFA

Internal code of conduct audit findings

Lead in energy and resource-efficient solutions

Offer circular products and business solutions

Eliminate harmful materials

Be climate neutral and drive clean and resource-efficient operations

Anticorruption management policies and procedures

UN Global Compact Advanced Criteria	References
<p>Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption</p>	<p>Code of Conduct Understanding and managing our human rights risks Act ethically, lead in diversity and respect human rights</p>
<p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Publicly stated formal policy of zero-tolerance of corruption Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes <i>Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption</i> <i>Detailed policies for high-risk areas of corruption</i> Policy on anticorruption regarding business partners 	
<p>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle</p>	<p>Understanding and managing our human rights risks Act ethically, lead in diversity and respect human rights Auditing and monitoring Code of Conduct</p>
<p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Support by the organization's leadership for anti-corruption Carrying out risk assessment of potential areas of corruption Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees <i>Internal checks and balances to ensure consistency with the anticorruption commitment</i> <i>Actions taken to encourage business partners to implement anti-corruption commitments</i> Management responsibility and accountability for implementation of the anti-corruption commitment or policy Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice Internal accounting and auditing procedures related to anticorruption 	
<p>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</p>	<p>Act ethically, lead in diversity and respect human rights Management approach ALFA Internal Code of Conduct audit findings Understanding and managing our human rights risks Annual Report: Note 25 Contingent assets and liabilities</p>
<p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Leadership review of monitoring and improvement results Process to deal with incidents Public legal cases regarding corruption Use of independent external assurance of anti-corruption programmes Outcomes of integration of the anti-corruption principle 	

Taking action in support of broader UN goals and issues

UN Global Compact Advanced Criteria	References
<p>Criterion 15: The COP describes core business contributions to UN goals and issues</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Align core business strategy with one or more relevant UN goals/issues Develop relevant products and services or design business models that contribute to UN goals/issues Adopt and modify operating procedures to maximize contribution to UN goals/issues 	<p>Community investment</p> <p>Electrolux and the UN Sustainable Development Goals</p> <p>Lead in energy and resource-efficient solutions</p>
<p>Criterion 16: The COP describes strategic social investments and philanthropy</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors <i>Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups</i> 	<p>Community investment</p> <p>The year 30,000 became food heroes</p> <p>Electrolux Food foundation</p>
<p>Criterion 17: The COP describes advocacy and public policy engagement</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Publicly advocate the importance of action in relation to one or more UN goals/issues Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues 	<p>Climate leadership in the midst of a global pandemic</p> <p>CEO & VP Executive Statement</p>
<p>Criterion 18: The COP describes partnerships and collective action</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain 	<p>Community investment</p> <p>Electrolux Food foundation</p> <p>Climate leadership in the midst of a global pandemic</p>

Corporate sustainability governance and leadership

UN Global Compact Advanced Criteria	References
<p>Criterion 19: The COP describes CEO commitment and leadership</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact • CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards • CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation • <i>Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team</i> 	<p>CEO & VP Executive Statement</p> <p>Electrolux Food Foundation Management Approach</p>
<p>Criterion 20: The COP describes Board adoption and oversight</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance • Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability. • Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress) 	<p>CEO & VP Executive Statement</p> <p>Annual Report: Sustainability Reporting 2019 Management approach</p>
<p>Criterion 21: The COP describes stakeholder engagement</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> • Publicly recognize responsibility for the company's impacts on internal and external stakeholders • Define sustainability strategies, goals and policies in consultation with key stakeholders • <i>Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance</i> • Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect whistle-blowers 	<p>Stakeholders inform our approach</p> <p>Value chain</p> <p>Act ethically, lead in diversity and respect human rights</p> <p>Understanding and managing human rights risks</p>

UN Guiding Principles Reporting Framework

POLICY COMMITMENT

A1 What does the company say publicly about its commitment to respect human rights?	Codes and policies Code of Conduct Workplace Policy and Supplier Workplace Standard Act ethically, lead in diversity and respect human rights Drive supply chain sustainability
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EMBEDDING RESPECT FOR HUMAN RIGHTS

A2 How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	Act ethically, lead in diversity and respect human rights Improve sustainability in the supply chain Understanding and managing our human rights risks
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PART B: DEFINING THE FOCUS OF REPORTING

B1 Statement of salient issues: State the salient human rights issues associated with the company’s activities and business relationships during the reporting period.	Understanding and managing our human rights risks
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B2 Determination of salient issues: Describe how the salient human rights issues were determined, including any input from stakeholders.	Understanding and managing our human rights risks Materiality process
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B3 Choice of focal geographies: If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	Understanding and managing our human rights risks High risk countries
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B4 *Additional severe impacts: Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.*

PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES

SPECIFIC POLICIES

C1 Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	Code of Conduct Workplace Policy and Supplier Workplace Standard
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STAKEHOLDER ENGAGEMENT

C2 What is the company’s approach to engagement with stakeholders in relation to each salient human rights issue?	Materiality process Stakeholders inform our approach Understanding and managing our human rights risks
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ASSESSING IMPACTS

C3 How does the company identify any changes in the nature of each salient human rights issue over time?	<u>Materiality process</u> <u>Understanding and managing our human rights risks</u>
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INTEGRATING FINDINGS AND TAKING ACTION

C4 How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	<u>Understanding and managing our human rights risks</u> <u>Management approach</u> <u>Act ethically, lead in diversity and respect human rights</u> <u>Drive supply chain sustainability</u>
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TRACING PERFORMANCE

C5 How does the company know if its efforts to address each salient human rights issue are effective in practice?	<u>Auditing and monitoring</u> <u>Internal Code of Conduct audit findings</u>
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REMEDIATION

C6 How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	<u>Act ethically, lead in diversity and respect human rights</u> <u>Auditing and monitoring</u> <u>Drive supply chain sustainability</u>
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Awards and recognition

Rating agencies and sustainability rankings have recognized our sustainability commitment and performance over the past year.

CDP

Electrolux has been recognized for its sustainability leadership with a prestigious double “A” score by the global non-profit CDP in 2020. Electrolux is one of few companies to receive top marks both for its efforts to tackle climate change and acting to protect water security. For five years Electrolux has been on the CDP climate A list, whilst the place on the water A list is a first.



CDP is an international non-profit that runs a global disclosure system for investors, companies, cities, states and regions.

Dow Jones Sustainability World Index

Electrolux is recognized as a sustainability leader in the Dow Jones Sustainability Index (DJSI) World and Europe in the consumer durables industry.

Manjit Jus, Global Head of ESG Research and Data, S&P Global:

“We congratulate Electrolux for being included in the DJSI WORLD. A DJSI distinction is a reflection of being a sustainability leader in your industry. With a record number of companies participating in the 2020 Corporate Sustainability Assessment and more stringent rules for inclusion this year, this sets your company apart and rewards your continued commitment to people and planet.”



SAM, now part of S&P Global

Electrolux received the SAM Silver Class award in the 2020 SAM Corporate Sustainability Assessment (CSA). Each year, over 3,400 of the world's largest companies are invited to participate in the SAM CSA. Within each industry, companies with a total within 5% of the top performing company's score receive the SAM Silver Class award. SAM CSA scores are also the basis for including companies in the prestigious global Dow Jones Sustainability Indices (DJSI). Electrolux is a member of DJSI World.



2019 Global RepTrak100

In the 2019 Corporate Responsibility RepTrak® 100 Electrolux ranks 69th in corporate responsibility. The Global RepTrak® 100 is the definitive ranking of the world's leading companies, showcasing how people feel, think, and act towards companies globally. For over a decade, The RepTrak Company has ranked the top 100 most reputable companies and corporate brands to celebrate global reputation leaders and highlight the ever-evolving reputation intelligence landscape. The Global RepTrak100 is based on a global survey of 230,000+ ratings for a representative sample that spans the 15 largest economies. Within the Global RepTrak® 100 study, the RepTrak Company released the Corporate Responsibility RepTrak® 100 - as part of understanding a company's overall reputation, the corporate responsibility score reflects performance in the metrics of citizenship, governance, and workplace.



Stoxx

Electrolux is included in the STOXX® Global ESG Leaders index. The STOXX® Global ESG Leaders Index was launched in 2011 and was an important step for providing visibility for companies that excel in sustainable operations and management. The index is STOXX's broadest benchmark tracking the highest-scoring companies in environmental, social and governance (ESG) criteria.

Global Compact 100

The Global Compact 100 (GC 100), developed in partnership with Sustainalytics, is composed of a representative group of Global Compact companies, selected based on their implementation of the ten principles and evidence of executive leadership commitment and consistent baseline profitability.

Sustainalytics

As of November 2020, Electrolux received an overall ESG Risk Ratings score of 16.0 and is considered by Sustainalytics, a global environmental, social and governance (ESG) research and ratings firm, to be at low risk of experiencing material financial impacts from ESG factors.*

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FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Electrolux has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



ISS oekom Prime status

ISS oekom research assesses the environmental, social and governance performance of a company as part of the Corporate Rating, carried out with the aid of over 100 social and environmental criteria, selected specifically for each industry. ISS oekom research awards Prime Status to those companies that are among the leaders in their industry, according to the oekom Corporate Rating, and that meet industry-specific minimum requirements.



Solactive Europe Corporate Sustainability Index

Electrolux has been reconfirmed as a constituent of the Solactive Europe Corporate Social Responsibility Index (previously Ethibel Sustainability Indices). Included since 2013, the most recent reconfirmation is dated as 2021/03/02.



Transparency in the supply chain

Please find Electrolux statement on the California Transparency in the Supply Chains Act and the UK Modern Slavery Act at: [Transparency in the supply chain](#)

Auditor's Limited Assurance Report

Auditor's Limited Assurance Report on AB Electrolux's Sustainability Report

To AB Electrolux (publ), corporate identity number 556009-4178

Introduction

We have been engaged by the Board of Directors and the Executive Management of AB Electrolux (publ) ("Electrolux") to undertake a limited assurance engagement of the Electrolux's Sustainability Report for the year 2020. The Company has defined the scope of the Sustainability Report in the section [About this report](https://www.electroluxgroup.com/sustainabilityreports/2020/) in the online edition of the report (<https://www.electroluxgroup.com/sustainabilityreports/2020/>).

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained in the section [About this report](#) in the online edition of the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Electrolux in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

STOCKHOLM 26 MARCH 2021

DELOITTE AB

Jan Berntsson
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

Deloitte.

Average number of employees per Business Area

Business Area	2020	2019	2018	2017	2016
Europe	18,728	19,216	18,325	18,084	17,910
North America	6,752	11,287	13,325	14,678	15,248
Latin America	14,113	10,230	10,360	10,787	10,904
Asia Pacific, Middle East and Africa	7,951	7,919	7,829	7,812	7,306
Total	47,543	48,652	49,839	51,361	51,368

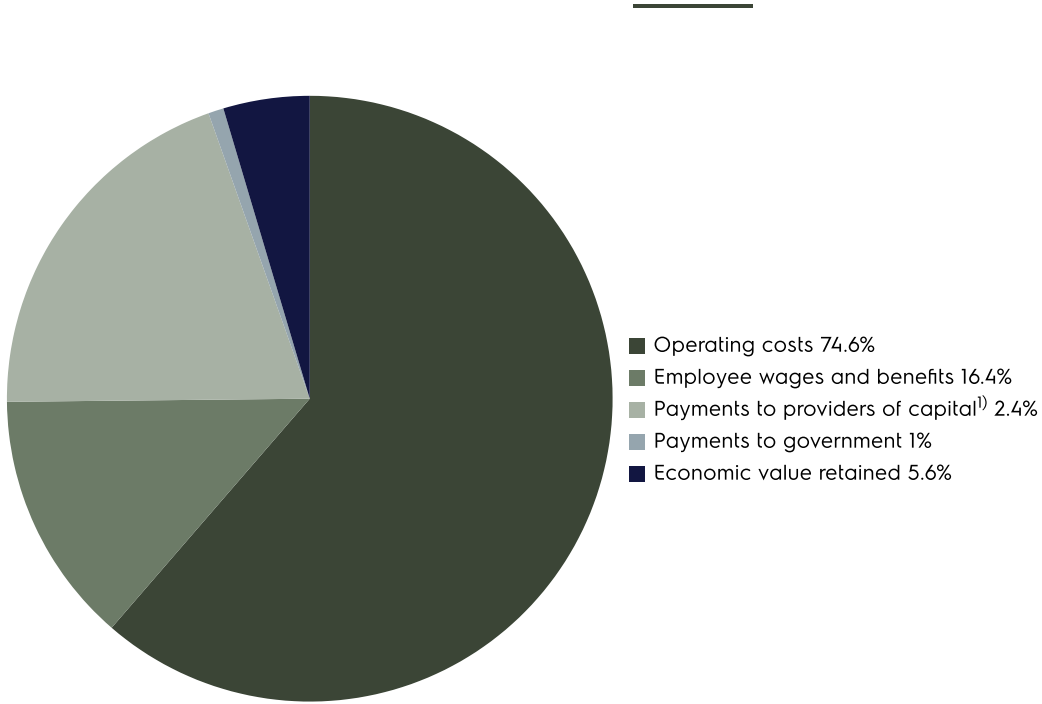
This table encompasses the total Group and differs from year-end number since it's the average over the year.

GRI 102-41 Collective bargaining agreements

	2020	2019	2018	2017	2016
Employees covered by collective bargaining (%) ¹⁾	68%	60%	57%	58%	57%

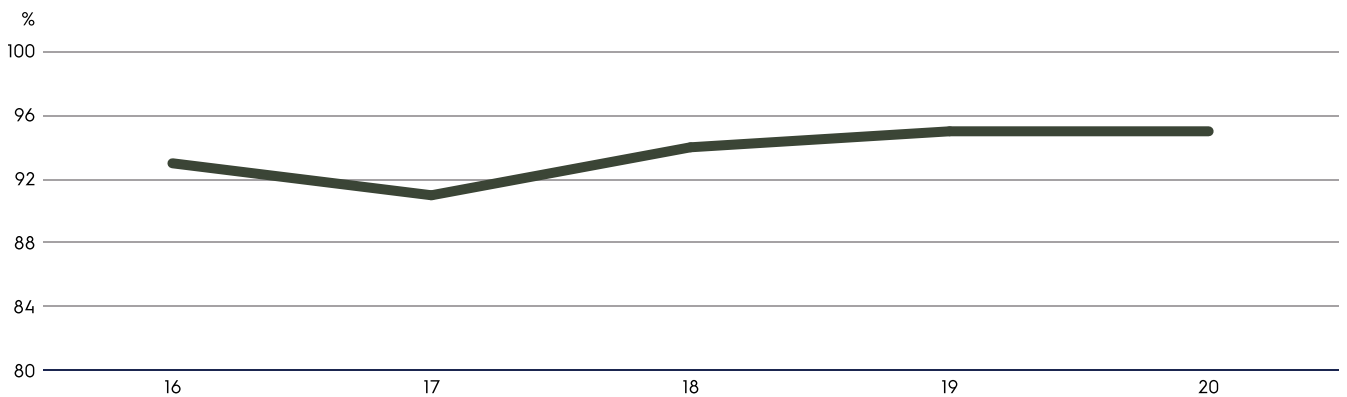
¹⁾ Employees at production facilities covered by collective bargaining agreement.

GRI 201-1 Direct economic value generated and distributed



Management Approach ISO 14001

Level of ISO 14001 certification

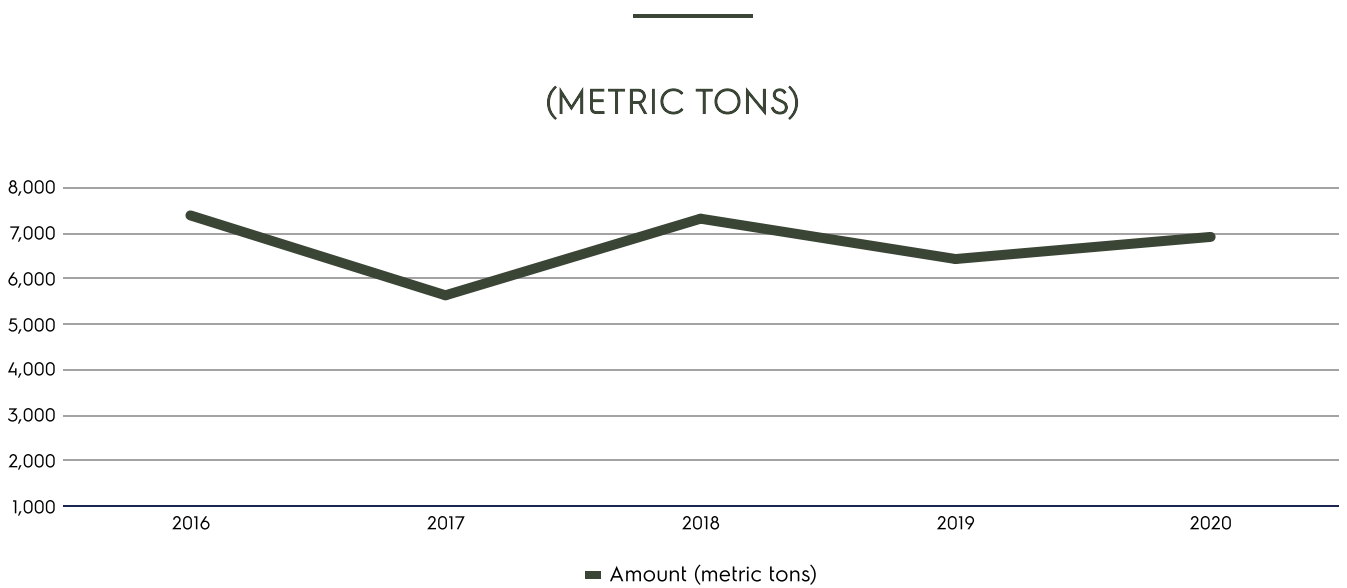


The proportion of factories with more than 50 employees that have certified ISO 14001 environmental management systems.

Sales and profit for most efficient products



GRI 301-2 Amount of Recycled plastic (Own indicator)



GRI 301-1 Materials used by weight

(metric ktons)	Metals ^{1),2)}	Plastics ^{1),2)}	Articles ^{1),2)}	Process material ²⁾	Raw Materials Others ^{1),2)}	Packaging products ^{1),3)}	Packaging suppliers ³⁾	Reusable Packaging ²⁾
2020	786	364	213	30	190	72	9	11
2019	806	315	237	36	185	74	14	10
2018	834	384	225	52	191	89	23	10
2017	850	366	266	54	361	99	27	11
2016	855	364	204	39	165	112	37	8
Direct Material	1	1	1		1	1		
Non-renewable	2	2	2	2	2	3	3	2

1 = Direct material

2 = Non-renewable

3 = Approximately 55% non-renewable

Note, materials use is to a large extent based on engineering estimates.

GRI 302-1 Energy consumption within the organization (MWh)

Energy use (MWh)

Year	Energy use (MWh)									Total
	Oil	Coal	Natural gas	LPG	District heating	District cooling	Steam	Electricity	Renewables	
2020	1,732	0	355,699	17,209	7,649	1,200	68	65,294	501,034	949,885
2019	1,787	0	365,646	9,744	10,109	1,591	208	132,200	453,751	975,036
2018	1,827	0	391,699	10,766	10,628	1,960	209	311,813	298,665	1,027,567
2017	4,119	0	401,962	23,646	10,987	2,016	257	376,661	235,000	1,054,649
2016	5,000	0	401,998	26,512	15,644	2,066	273	479,749	163,381	1,094,623

GRI 303-3 Water withdrawal

Total water withdrawal from all areas in mega liters ¹⁾

Year	Fresh surface water	Ground water - renewable	Rainwater	Wastewater from other organizations	Third party sources - Municipal water	Total water withdrawal
2020	56	1,979	4	0	1,158	3,197
2019	73	2,592	5	0	1,356	4,026
2018	48	2,554	6	0	1,465	4,073
2017	75	2,961	6	0	1,544	4,586
2016	62	2,593	6	0	1,612	4,273

Total water withdrawal from all areas with water risk in megaliters ^{1), 2)}

Year	Fresh surface water	Ground water - renewable	Rainwater	Wastewater from other organizations	Third party sources - Municipal water	Total water withdrawal
2020	33	68	4	0	598	702
2019	45	86	5	0	661	797
2018	46	113	6	0	757	922

¹⁾ 1 megaliter equals 1.000 m³

²⁾ Risk areas defined by WWF's Water Risk Filter

GRI 303-4 Water discharge

Total water discharge to all areas in megaliters¹⁾

(MI)	Third-party destinations		Fresh surface water		Total
	Untreated	Pre-treated	Untreated	Pre-treated	
2020	1,217	379	1,393	203	3,192
2019	1,433	459	1,161	642	3,695
2018	1,569	248	952	1,030	3,799
2017	1,486	339	1,567	735	4,127
2016	1,152	202	1,327	375	3,056

Total water discharge to all areas with water risk in megaliters^{1), 2)}

(MI)	Third-party destinations		Fresh surface water		Total
	Untreated	Pre-treated	Untreated	Pre-treated	
2020	462	206	0	34	702
2019	730	160	6	6	903
2018	904	34	3	0	941

¹⁾ 1 megaliter equals 1000 m³

²⁾ Risk areas defined by WWF's Water Risk Filter

GRI 305-1 305-2 Direct and Indirect CO₂ emissions

	GRI 305-1	GRI 305-2	
	Direct CO₂eq emissions¹⁾ (metric ktons)	Indirect CO₂eq emissions (metric ktons)	Total CO₂eq (metric ktons)
2020	74	36	110
2019	136	59	195
2018	164	121	285
2017	176	155	331
2016	176	201	377

¹⁾ Includes contributions from energy use and greenhouse gas fugitive emissions.

Discontinued operations not included.

GRI 305-6 Emissions of ozone-depleting substances (ODS)

	Production	Refrigerant	Foaming	Total [kg CFC eq]
2020	5.5	0	0	5.5
2019	4	0	0	4
2018	5	0	0	5
2017	1	17	361	379
2016	35	24	246	305

GRI 306-2 Waste by type and disposal method (metric ktons)



(kton)

Year	Waste Disposed ¹⁾	Waste-to-Energy	Waste Recovered ²⁾	Hazardous Waste Amount (in each group)	Waste Not Included in Zero Waste to Landfill Project
2020	4.5	4.5	1492	2.3	4.2
2019	5.7	7.7	150	3.1	2.7
2018	8.5	6.6	159	2.8	4.7

¹⁾ Waste to landfill and incinerated without energy recovery

²⁾ Except waste to energy

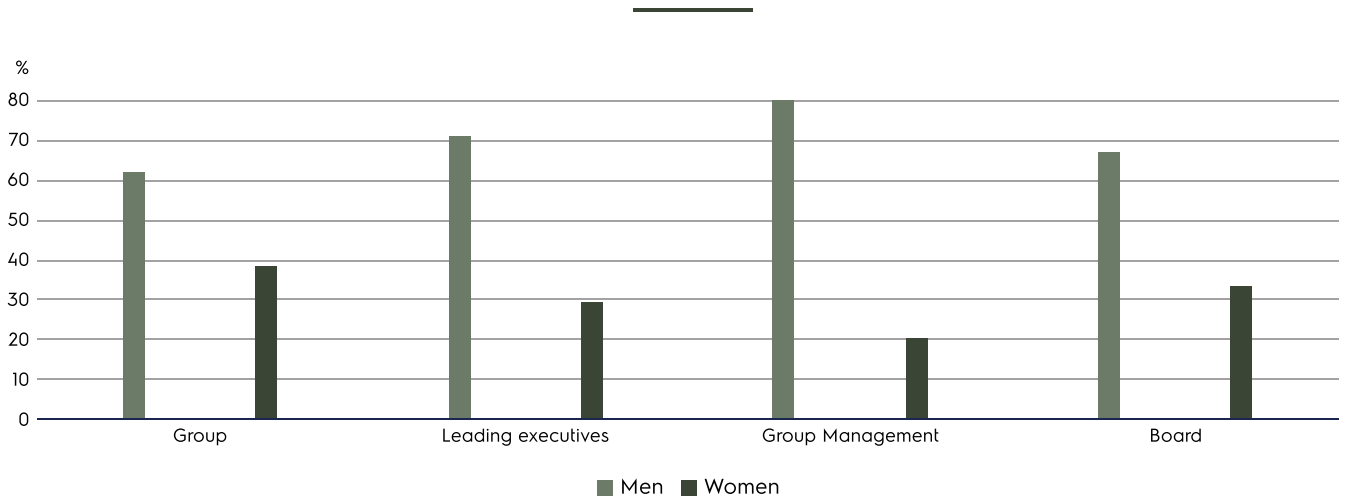
Zero Waste to Landfill Program currently covers finished goods factories.

Risk Countries

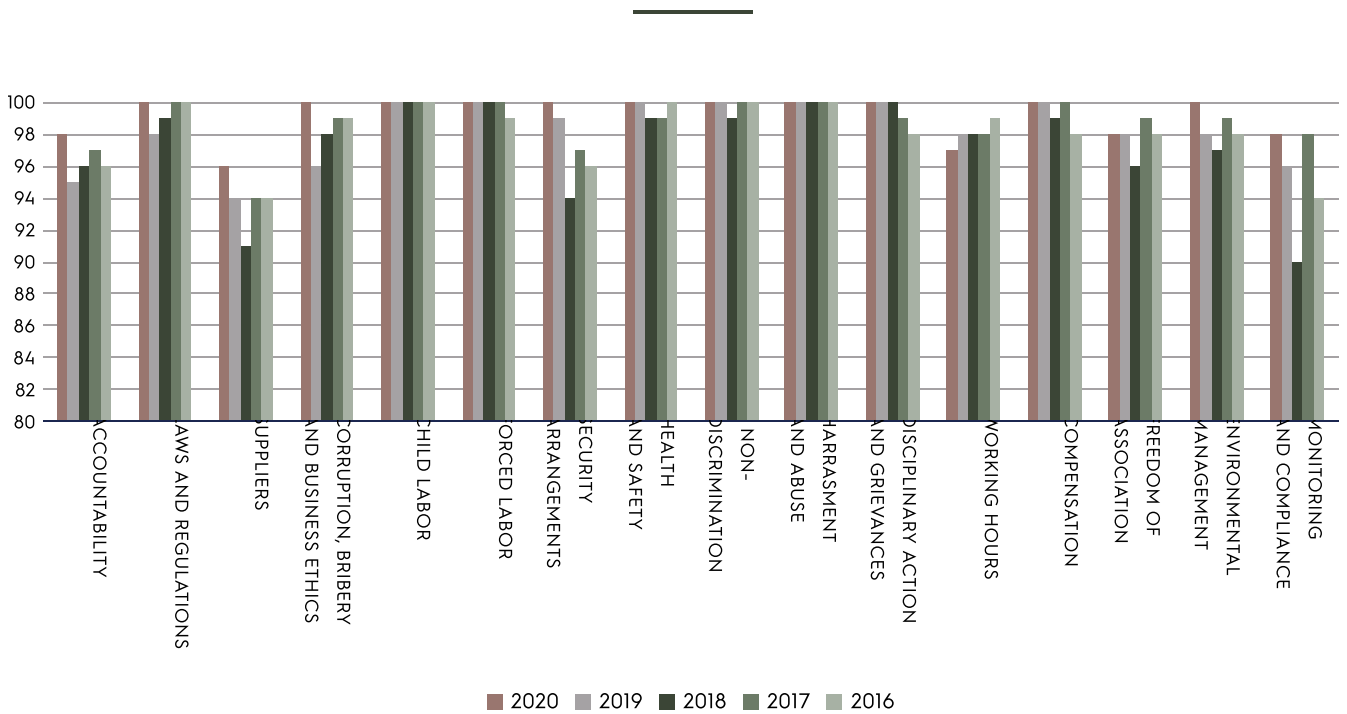
Electrolux manufacturing or supplier countries with risk for violations in the areas of human rights, labor standards, corruption and environmental practices. The classification is based on Verisk Maplecroft's risk index matrices. This risk grading, together with an internal risk evaluation of social, labor and environmental risk based on historic evidence and industry knowledge that in some instances leads to upgrading the risk level of a supplier or facility, forms the basis of our audit programs.

Electrolux Facilities	Suppliers
Brazil	Belize
China	Brazil
Egypt	Cambodia
Mexico	China
Romania	Colombia
South Africa	Egypt
Thailand	Georgia
Ukraine	India
	Indonesia
	Malaysia
	Mexico
	Philippines
	Romania
	South Africa
	Thailand
	Turkey
	Ukraine
	United Arab Emirates
	Vietnam

Gender Distribution

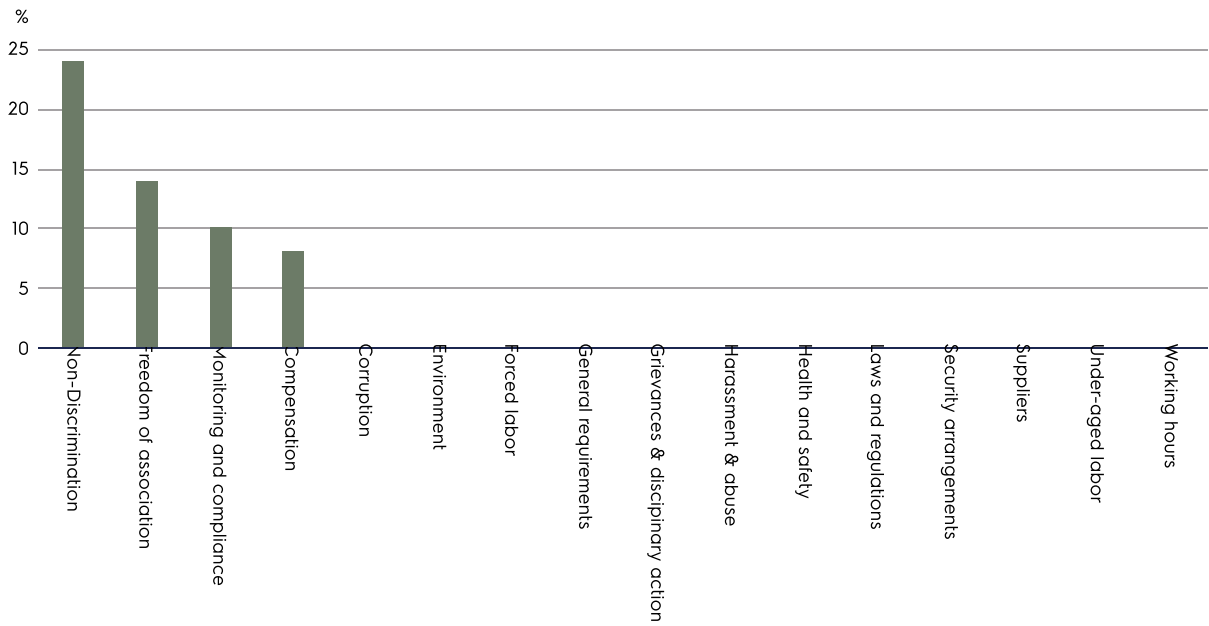


ALFA assessments of the Code of Conduct



Internal Workplace Policy audit findings

Total number of findings



GRI 401-1 employee turnover

	2020	2019	2018	2017	2016
Employee turnover - All employee	15%	15%	17%	18%	17%
Employee turnover - Male	14%	14%	18%	19%	19%
Employee turnover - Female	17%	17%	24%	25%	20%

Employment per contract

	Full time	Part time	Total	Full time	Part time	Total	Total
	Permanent	Permanent	Permanent	Temporary	Temporary	Temporary	All
Electrolux White	11,487	359	11,846	601	37	638	12,484
Electrolux Blue	24,455	327	24,782	2,486	163	2,649	27,431
Supervised	1,280	162	1,442	3,184	55	3,239	4,681
Total	37,222	848	38,070	6,271	255	6,526	44,596

Covers the scope of employees as defined in [About this report](#).

GRI 403-9 Work-related injuries

	2020	2019	2018	2017	2016
Number of work-related injuries	199	209	226	234	293
Injury rate ¹⁾	0.5	0.53	0.57	0.57	0.69
Number of workdays lost due to occupational injuries	2,006	2,158	3,228	2,512	2,889
Lost day rate ¹⁾	5	6	8	6	7
Number of work-related fatalities	1	2	0	0	0
Worked hours	79,183,458	78,537,838	79,012,558	82,459,912	84,487,519

1) Rate per 200,000 hours

GRI 404-1 Average hours of training per year per employee

Region	Average hours of training per employee ¹⁾
Asia/Pacific	5.7
EMEA	3.3
Latin America	11.9
North America	5.9
Total	5.5

¹⁾ Average training hours only covers white collar employees.