



Electrolux Conflict Minerals Report 2021



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Abbreviations and definitions

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



Background and key results

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

The Group implemented a policy regarding conflict minerals in the Electrolux Code of Conduct in 2014. The policy can now be found in the Electrolux Group Workplace Directive. In 2016, the Group voluntarily started a Conflict Minerals Due Diligence Program, based on the globally recognized framework from the Organization for Economic Co-operation and Development (OECD).

In 2021, Electrolux surveyed 208 (284) of its first-tier suppliers in categories where it is expected that conflict minerals are present. The decrease of suppliers in scope is mainly due to supplier categories that have not been relevant from a conflict minerals perspective have been excluded from the latest survey.

A response rate of 71% (85%) was reached. The decreased response rate is being investigated but may in part be attributed to more smaller suppliers, with more limited resources and aptitude to respond to complex surveys, included in the survey. The proportion of spend based on suppliers that responded divided by the spend of all suppliers in scope for the

survey was 87% (85%).

Of the responding suppliers, 48% indicated that they either had no 3TGs (see definitions) in products supplied to Electrolux, or that they have 3TGs that pose no conflict concern. A comparison with previous years is irrelevant, as several supplier categories with little or no 3TGs have been excluded from this year's survey.

Thirteen (6%) of the surveyed suppliers indicated that they source gold from a refinery which is not certified as Conflict-Free. Electrolux has approached these suppliers and work is ongoing to eliminate this source of materials from their supply chain.

In 2021, Electrolux performed a limited pilot study on 23 suppliers to understand their implementation of controls for the sourcing of cobalt. One of these suppliers was associated with three uncertified cobalt smelters in the DRC. This supplier has been approached and investigation and action are ongoing.

Around 80% (75%) of the 375 reported, known and active smelters and refiners (SORs) in the Group's supply chain have been certified as "DRC conflict-free" by the Responsible Minerals Assurance Process (RMAP), formerly the Conflict-Free Smelter Program (CFSP), on behalf of the global organization Responsible Minerals Initiative (RMI).



Executive summary

Conflict Minerals survey

The **Conflict Minerals Due Diligence Program** aims to improve transparency in the supply chain and mitigate potential risks. Electrolux contacted **208 (284) first tier suppliers** for the reporting year 2020 and reached a supplier **response rate of 71% (85%)**. The spend with suppliers that responded divided by the spend with all suppliers in scope for the survey was **87% (85%)**. Among the 148 responding suppliers, **48%** stated they either have no 3TGs in their products supplied to Electrolux or have 3TGs that pose no conflict concern.

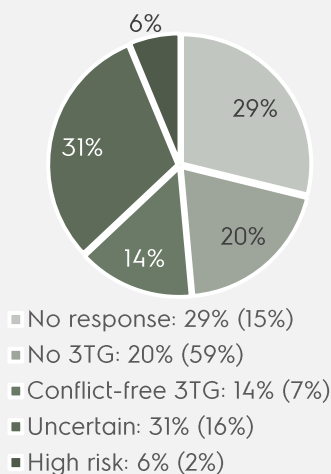
Cobalt survey

A pilot study on the use of **cobalt** was performed for the second time. 19 of the 23 suppliers in scope responded.

Potential high-risk suppliers

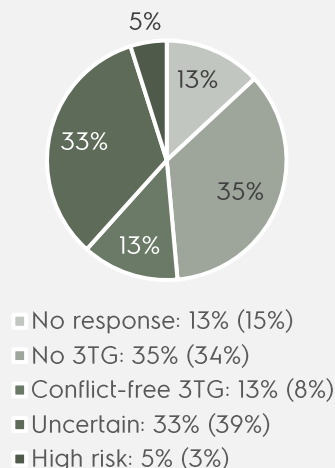
13 suppliers, representing 6.2% (2.5%) of the contacted suppliers in the Conflict Minerals survey, reported the potential use of a non-certified gold refinery. One of the respondents to the cobalt survey indicated the use of uncertified cobalt smelters or refiners in their supply chain. Electrolux endeavors to encourage suppliers to adopt due diligence practices for the responsible sourcing of minerals. Follow-up activities and results for all 14 suppliers will be reported in the 2022 (Reporting Year 2021) Conflict Minerals report.

Conflict Minerals reporting by number of suppliers



Conflict Minerals reporting by supplier spend

The total spend in the figure represents the 2020 spend of all suppliers in scope of the survey





Introduction

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

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

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

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

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

Electrolux does not fall into the scope of the current legislation. However, the Conflict Minerals Due Diligence Program was implemented on a voluntary basis in 2016 and has been in place ever since. The Program is based on the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance. As part of this commitment, the Group has contacted its suppliers to understand their implementation level of the due diligence programs for the reporting year of 2020 and to collect detailed information about the use and origin of 3TGs in the supply chain.



Electrolux Conflict Minerals Due Diligence Program

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

Step 1

Establish strong company management systems

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

Step 2

Identify and assess risk in the supply chain

- Electrolux has identified the main risk in its mineral supply chain as the electrical industry. Therefore, first tier suppliers of electrical components and other risk categories such as metal, thermostats, IT Hardware, as well as original equipment manufacturers are within the scope of the Conflict Minerals Due Diligence Program.
- Electrolux decided to contact and survey all large and medium-sized suppliers in each of these risk categories and to conduct a Reasonable Country of Origin Inquiry (RCOI) to determine whether any of the 3TG content originated from the conflict-affected or high-risk areas.



The survey was conducted using the Conflict Minerals Reporting Template (CMRT). All collected data has been stored and analyzed on an external platform provided by a third-party service provider.

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

Step 3

Design and implement a strategy to respond to identified risks

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

Step 4

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

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

Step 5

Report annually on supply chain due diligence

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

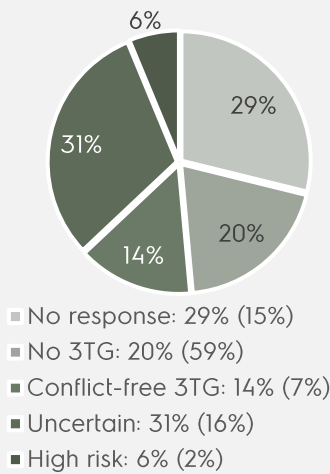


Survey results

Supplier status

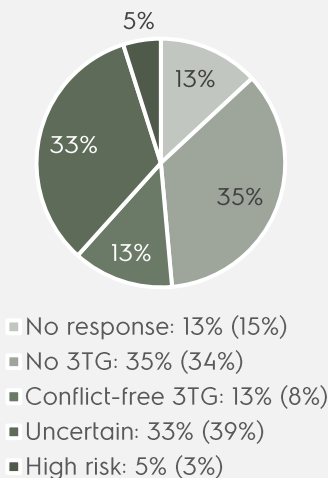
A total of 208 (284) first tier suppliers were identified as in-scope. They were contacted and requested to fill out the CMRT. The decrease in the number of suppliers in scope is mainly due to supplier categories that have not been relevant from a conflict minerals perspective were excluded from this year's survey.

Conflict Minerals reporting by number of suppliers



Conflict Minerals reporting by supplier spend

The total spend in the figure represents the 2020 spend of all suppliers in the scope of the survey



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

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

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

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

Uncertain: Supplier did not provide all the necessary information and therefore their risk status could not be determined. The most common reasons being the supplier declared 3TG in their products but did not provide any information on SOR, and supplier associated with non-certified smelter pending certification.

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

Note that SOR status is constantly changing and updated in the RMI database; SOR status in the figure is based on RMI data from December 2021.

Cobalt pilot – second year

Background

Cobalt is commonly used in lithium-ion batteries and other applications found in household appliances and many other products. The DRC is by far the world's leading cobalt producer, with over two thirds of the global production in 2020 (source: www.statista.com). There are serious concerns associated with the cobalt artisanal mining operations in the DRC, including unsafe working conditions, forced labor, and child labor.

Electrolux two-year cobalt pilot completed

For the second consecutive year, Electrolux has expanded its Conflict Minerals Program to include cobalt. The first year's pilot study, in 2020, included 17 suppliers that potentially had cobalt in components delivered to Electrolux. No supplier response indicated the use of uncertified smelters or refiners in their supply chain.

In 2021, 23 suppliers were included in the Cobalt survey. 19 of those suppliers (83%) responded.

High-risk supplier identified – actions ongoing

One of the suppliers in the 2021 cobalt survey, an IT hardware supplier, reported three uncertified cobalt smelters in their supply chain.

This supplier has been requested to investigate its supply chain to determine, to the best of its ability, whether any cobalt supplied by the uncertified smelters was obtained from any source associated with groups engaged in armed conflict in the Conflict Region(s). If this was found to be the case, the supplier was requested to investigate whether any of that cobalt may have been used in the production of any materials that they supplied to Electrolux in 2020 or 2021.

If such connection to the materials supplied to Electrolux is confirmed, the supplier is asked to do whatever is in its power to eliminate this source of material from their supply chain. In doing so, Electrolux has asked the supplier to engage with sub-suppliers to eliminate any non-RMI-certified DRC or Level 3 smelters or refineries from their supply chains. At the time of the publication of this report in March 2022, the supplier is investigating the situation and has committed to respond to Electrolux with no undue delay.



Addressing Potential High-Risk Suppliers – Conflict Minerals

Survey responses from 13 suppliers (6% of the contacted suppliers) indicated that they may have sourced gold from a refinery that is not certified as Conflict-Free under the Responsible Minerals Initiative (RMI). This certification ensures that smelters or refiners do not have a relationship with persons engaged in armed conflict in the Conflict Region in Central Africa, or other Level 3 Countries (see p. iii).

The 13 suppliers were requested in February 2022 to investigate their respective supply chains to determine, to the best of their abilities, whether any gold supplied by the uncertified refinery was obtained from any source associated with groups engaged in armed conflict in the Conflict Region(s). If this was found to be the case, the suppliers were requested to investigate whether any of that gold may have been used in the production of any materials that they supplied to Electrolux in 2019 or 2020.

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

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

We will continue to engage with the concerned suppliers throughout 2022 and report the outcome in next year's Conflict Minerals report.

Follow-up of High-Risk suppliers from 2020 (reporting year 2019)

In the previous Conflict Minerals survey (2020, reporting year 2019), seven suppliers (2.5% of contacted suppliers) indicated that they may have sourced gold from a refinery which is not certified as Conflict-Free under the Responsible Minerals Initiative (RMI). One supplier was phased out shortly after the completion of the survey for reasons unrelated to the survey.

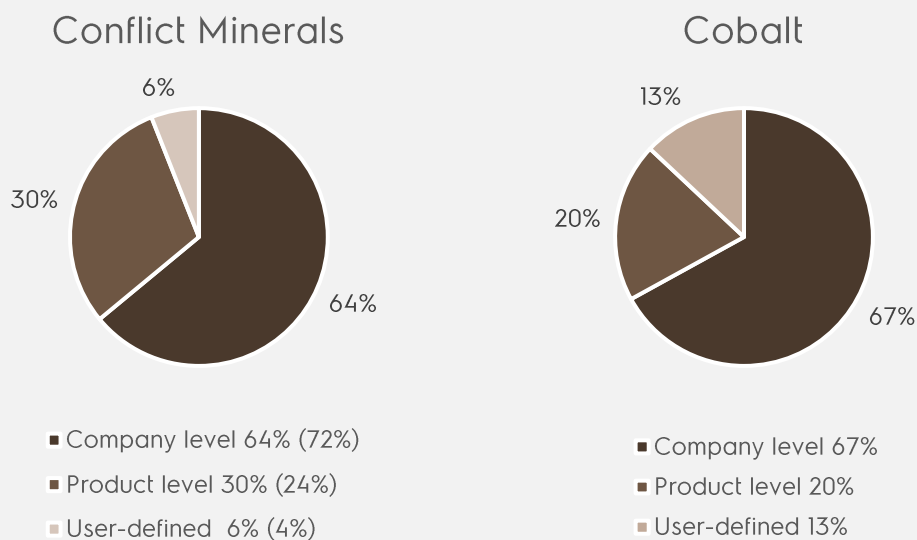
After investigation and remediation, the remaining six suppliers indicated either that:

- The non-certified refinery was no longer in use (one supplier)*
- No gold from this source was used in products sold to Electrolux in 2019-2020 (one supplier)*
- No gold was used in products sold to Electrolux in 2019-2020 (two suppliers)*
- Work is ongoing to phase out the non-certified gold refiner (two suppliers).*



Reporting scope

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



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

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

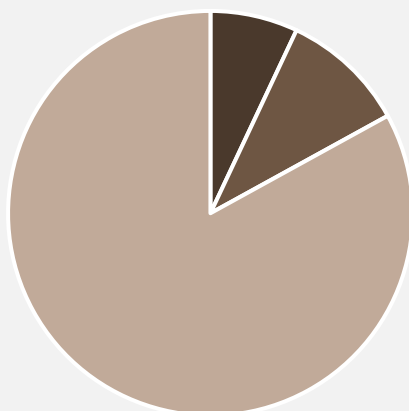
User-defined: Supplier was required to describe the scope to which the 3TG/Cobalt disclosure is applicable. Scope of this class was defined in a text field by the supplier and had to be easily understood by customers or the receivers of the document. As an example, suppliers could provide a link to clarifying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



Quality assurance

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

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



- QC in progress: 7% (4%)
- QC unresponsive: 10% (4%)
- QC completed: 83% (92%)

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

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

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



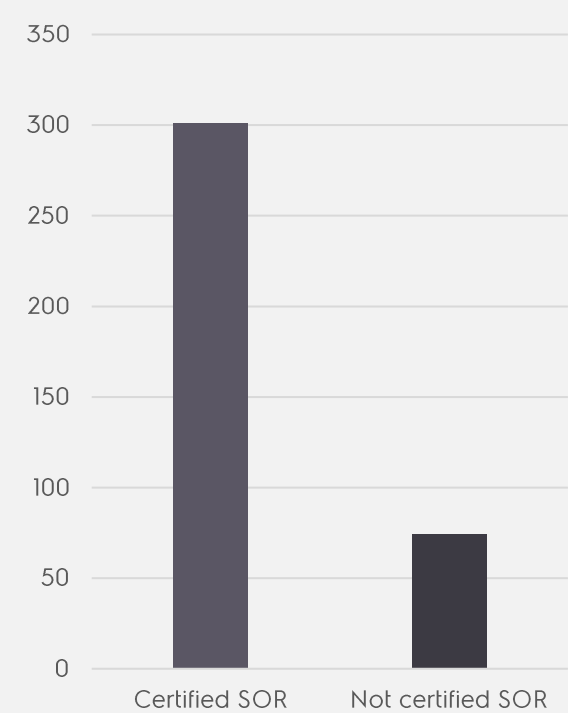
SOR status

A total of 617 (521) SORs have been reported by the suppliers.

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

- Inactive:** Third-party vendor has determined through outreach or research that the entity no longer meets the definition of a SOR.
- Non-processor:** Any company that does not smelt or refine, or exclusively recycle 3TG. Examples include manufacturers, distributors, metal plating companies, soldering and welding companies.
- Removed:** SOR was listed on the CMRT Smelter Reference List, but the RMI has determined that the smelter no longer meets the definition of a SOR.

The remaining 375 in-scope SORs have been categorized based on their verification and certification status. Four fifths of the in-scope SORs (301) are certified.



- Known and certified:** SOR is both verified by RMI and certified by RMAP as “DRC conflict-free”.
- Known but not certified:** SOR verified by RMI but not certified by RMAP due to incomplete or not yet commenced auditing process. SORs seek certification regardless of their location to prove their ethical sourcing activities.



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For more detail and comprehensive performance data, please see
our Sustainability and GRI report:

www.electroluxgroup.com/sustainabilityreport2021