

Remuneration Report 2023

Introduction

This report describes how the guidelines for executive remuneration of AB Electrolux, adopted by the Annual General Meeting 2020, were used in 2023. The report also provides information on remuneration to the President and CEO and the deputy CEO as well as a summary of AB Electrolux outstanding share-related incentive plans.

The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management on Incentive Programs, issued by the Swedish Corporate Governance Board and administered by the Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in Note 27 on pages 105–107 in the Annual Report 2023. Information on the work of the People Committee in 2023 is set out in the Corporate Governance Report available on pages 16–32 in the Annual Report 2023.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 27 and in the Corporate Governance Report in the Annual Report 2023.

Key developments 2023

The CEO summarizes Electrolux Groups overall performance in his statement on pages 5–14 in the Annual Report 2023.

During 2021 an extensive review of Electrolux Group executive reward programs was conducted. A similar review took place in 2012 and 2016. The purpose of the review is to improve the pay for performance alignment, fair pay and talent retention among Electrolux Groups senior management positions. The outcome of the review contributed to adjustments in the long-term incentive program proposed to the AGM 2023 and implemented in 2023.

AB Electrolux remuneration guidelines

Electrolux Group has a clear strategy to deliver profitable growth and create shareholder value. A prerequisite for the successful implementation of The Groups business strategy and safeguarding of its long-term interests, including sustainability, is that the Electrolux Group is able to recruit and retain qualified personnel. To this end, it is necessary that The Group offers competitive remuneration in relation to the country or region of employment of each Group Management member. The remuneration guidelines enable the company to offer the Group Management a competitive total remuneration. The remuneration terms shall emphasize ‘pay for performance’, and the remuneration shall vary with the performance of the individual and The Group. The total remuneration for the Group Management shall be in line with market practice and may

comprise the following components: fixed compensation, variable compensation, pension benefits and other benefits.

The remuneration guidelines are found on pages 43–44 in the Annual Report 2023. During 2023, Electrolux Group has complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor’s report regarding Electrolux Group compliance with the guidelines is available on www.electroluxgroup.com. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the General Meetings of AB Electrolux have resolved to implement long-term share-related incentive plans.

Remuneration for the President and CEO, respectively the Deputy CEO in 2023 ('000 SEK unless otherwise stated)¹⁾

	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense ⁵⁾	Total remuneration	Proportion of fixed and variable remuneration
	Base salary ²⁾	Other benefits ³⁾	One-year ⁴⁾	Multi-year ⁴⁾				
Jonas Samuelson CEO	13,757	8	2,484	6,163	0	4,664	27,076	Variable: 32% Fixed: 68%
Anna Ohlsson-Leijon Deputy CEO ⁷⁾	1,199	1	209	359	0	420	2,188	Variable: 26% Fixed: 74%

¹⁾ Except for multi-year variable remuneration, the table reports remuneration earned in 2023. Multi-year variable remuneration is reported if vested in 2023.

²⁾ Includes vacation salary and salary deductions for company car.

³⁾ Includes other benefits such as travel allowance, health care benefit and mileage compensation.

⁴⁾ Variable salary earned 2023 and paid in 2024.

⁵⁾ Pension is a defined contribution of 35% of annual base salary (excluding vacation salary and salary deductions for company car).

⁶⁾ Calculated as number of shares in LTI 2021 that vested on December, 31, 2023 (CEO: 57,015 and Deputy CEO: prorated to 3,321 shares) multiplied by the share price of Electrolux B shares on December, 31, 2023 (SEK 108.10).

⁷⁾ Remuneration to the Deputy CEO is reported as of November, 1 2023 which is the date when Anna Ohlsson-Leijon was appointed as Deputy CEO.

Remuneration for the President and CEO in 2022 ('000 SEK unless otherwise stated)¹⁾

	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense ⁵⁾	Total remuneration	Proportion of fixed and variable remuneration
	Base salary ²⁾	Other benefits ³⁾	One-year ⁴⁾	Multi-year				
	13,310	9	1,310	9,686	0	4,550	28,855	Variable: 38% Fixed: 62%

¹⁾ Except for multi-year variable remuneration, the table reports remuneration earned in 2022. Multi-year variable remuneration is reported if vested in 2022.

²⁾ Includes vacation salary and salary deductions for company car.

³⁾ Includes other benefits such as travel allowance, health care benefit and mileage compensation.

⁴⁾ Variable salary earned 2022 and paid in 2023.

⁵⁾ Pension is a defined contribution of 35% of annual base salary (excluding vacation salary and salary deductions for company car).

Share-based remuneration
Outstanding share-related incentive plans

Over the years, AB Electrolux has implemented several long-term incentive programs (LTI) for senior managers. These programs are intended to attract, motivate, and retain the participating managers by providing long-term incentives through benefits linked to AB Electrolux share price. They have been designed to align management incentives with shareholder interests.

AB Electrolux had during 2023 three ongoing LTI programs (2021, 2022 and 2023). The allocation of shares in the 2021 program is determined by the position level and the outcome of three objectives; (1) earnings per share, (2) return on net assets and (3) CO₂ reduction. Performance outcome of (1) and (2) is determined by the Board after the expiry of the one-year performance period and (3) after the expiry of the respective three-year performance period for these programs. The allocation of shares in the 2022 and 2023 program is determined by the position level and the outcome of two objectives; (1) cumulative earnings per share, (2) CO₂ reduction. Performance outcome of (1) and (2) will be determined by the Board after the expiry of the three-year performance period.

Share award plans

The main conditions of share award plans					CEO							Deputy CEO						
					Opening balance	During the year			Closing balance			Opening balance	During the year			Closing balance		
Specifica- tion of plan	Performance period	Award date ¹⁾	Vesting Date	End of reten- tion period	Shares held at the beginning of the year	Awarded	Vested	Forfeitures	Subject to a performance condition	Awarded and unvested at year end	Subject to a retention period	Shares held at the beginning of the year	Awarded	Vested	Forfei- tures	Subject to a performance condition	Awarded and unvested at year end	Subject to a retention period
LTI 2021 ²⁾	2021–2023	21–04–06	23–12–31	23–12–31	59,702		57,015	2,687				20,868		19,929	939			
LTI 2022 ³⁾	2022–2024	22–05–03	24–12–31	24–12–31	133,854				133,854 ⁴⁾			47,305				47,305 ⁴⁾		
LTI 2023 ³⁾	2023–2025	23–05–16	25–12–31	25–12–31		142,252			142,252 ⁵⁾				64,013			64,013 ⁵⁾		
Total					193,556	142,252	57,015		276,106			68,173	64,013	19,929		111,318		

¹⁾ Refers to the date when the share awards were awarded to the participant.
²⁾ The maximum number of shares that could be awarded under LTI 2021 was 59,702 for the CEO and 20,868 for the Deputy CEO, the outcome resulted in 57,015 shares for the CEO and 19,929 for the Deputy CEO. The number of shares was adjusted due to the cash distribution in October 2021.
³⁾ Performance outcome will be determined by the Board after the expiry of the three-year performance period.
⁴⁾ Value at Award Date: CEO; 16,250 and Deputy CEO; 5,743 thousand SEK, calculated as the market price per share multiplied by the number of awarded shares.
⁵⁾ Value at Award Date: CEO; 16,656 and Deputy CEO; 7,495 thousand SEK, calculated as the market price per share multiplied by the number of awarded shares.

For the LTI programs allocation is linear from minimum to maximum. There is no allocation if the minimum level is not reached. If the maximum is reached, 100% of shares will be allocated. Should the achievement of the objectives be below the maximum but above the minimum, a proportionate allocation will be made. For the CEO and other members of Group Management in the 2022 and 2023 program the granted shares will be multiplied by 0.75–1.25 depending on the outcome of a relative total shareholder return target. The shares will be allocated after the three-year period free of charge.

If a participant’s employment is terminated during the three-year program period, the participant will be excluded from the program and will not receive any shares or other benefits under the program. However, in certain circumstances, including for example a participant’s death, disability, retirement or the divestiture of the participant’s employing company, a participant could be entitled to reduced benefits under the program.

2021 and 2022 program covers 282 respectively 817 senior managers and key employees whilst the 2023 program covers 846 participants in almost 30 countries. Participants in the 2021 programs comprise six groups, i.e., the CEO, other members

of Group Management, and four groups of other senior managers. Participants in the 2022 and 2023 program comprise seven groups, i.e., the CEO, other members of Group Management, and five groups of other senior managers. All programs comprise Class B shares. Additional information about the outstanding LTI programs can be found in Note 27 in the Annual Report 2023.

Application of performance criteria

The performance measures for the CEO’s and the Deputy CEO’s variable remuneration have been selected to deliver Electrolux Group strategy and to encourage behavior which is in the long-term interest of Electrolux Group. In the selection of performance measures, the strategic objectives and short- and long-term business priorities for 2023 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability goals as well as Electrolux Group values.

Performance of the President and CEO and Deputy CEO in the reported financial year: share-based incentives¹⁾

Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) CEO actual award/remuneration outcome ('000 SEK) c) Deputy CEO actual award/remuneration outcome ('000 SEK)	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) CEO actual award/remuneration outcome ('000 SEK) c) Deputy CEO actual award/remuneration outcome ('000 SEK)
LTI 2021	Earnings Per Share Income for the period attributable to equity holders of the Parent Company divided by the weighted average number of basic shares (i.e. non-diluted) outstanding during the period	60%	a) 18.4 ¹⁾ b) 3,872 ³⁾ c) 1,353 ⁴⁾	LTI 2023	Cumulative Earnings Per Share Income for the period attributable to equity holders of the Parent Company divided by the weighted average number of basic shares (i.e. non-diluted) outstanding during the period. Will be calculated on a cumulative basis during the entire performance period.	80%	a) To be determined at year end 2025 b) To be determined at year end 2025 c) To be determined at year end 2025
	Return On Net Assets Operating income (annualized) expressed as a percentage of average net assets	20%	a) + 31.8% ²⁾ b) 1,291 ⁴⁾ c) 451 ⁷⁾		CO₂ Reduction Greenhouse gas reductions within the following three areas: (i) operations (ii) energy for product use and (iii) transportation	20%	a) To be determined at year end 2025 b) To be determined at year end 2025 c) To be determined at year end 2025
	CO₂ reduction Greenhouse gas reductions within the following three areas: (i) manufacturing, (ii) energy for product use, and (iii) use of hydrofluorocarbons (HFCs), measured on selected predefined product categories and regions	20%	a) 3,250Mton b) 1,000 ⁵⁾ c) 350 ⁸⁾				
LTI 2022	Cumulative Earnings Per Share Income for the period attributable to equity holders of the Parent Company divided by the weighted average number of basic shares (i.e. non-diluted) outstanding during the period. Will be calculated on a cumulative basis during the entire performance period.	80%	a) To be determined at year end 2024 b) To be determined at year end 2024 c) To be determined at year end 2024				
	CO₂ Reduction Greenhouse gas reductions within the following three areas: (i) operations (ii) energy for product use and (iii) transportation	20%	a) To be determined at year end 2024 b) To be determined at year end 2024 c) To be determined at year end 2024				

¹⁾ The only criteria evaluated during 2023 is the 3-year CO₂ target in LTI 2021. Data on all other LTI criteria in this section is for information purposes only.
²⁾ including adjustments for acquisitions and divestments.
³⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (35,820).
⁴⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (11,941).
⁵⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (9,254).
⁶⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (12,520).
⁷⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (4,174).
⁸⁾ based on market price per share of December 31, 2023 (SEK 108.10) multiplied by number of shares (3,235).

Performance of the President and CEO and Deputy CEO in the reported financial year:
variable cash remuneration

Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) CEO actual award/remuneration outcome ('000 SEK) c) Deputy CEO actual award/ remuneration outcome ('000 SEK)
Group EBIT Growth (%) Year over year growth (%) in absolute EBIT	50%	a) 0.41 % ¹⁾ b) 0 c) 0
Group Net Operating Working Capital (%) NOWC divided by External Net Sales (12 months rolling)	20%	a) 9.56% ¹⁾ b) 1,199 c) 101
Group Contribution to Fixed Growth (%) Year over year growth (%) in absolute CTF (External Net Sales with Variable Costs deducted).	15%	a) -1.56% ¹⁾ b) 0 c) 0
Mission Scorecards The average assessment of all Electrolux Mission scorecards	15%	a) 64.29 % b) 1,285 c) 109

¹⁾ including adjustments for one-off items, acquisitions and divestments.

Comparative information on the change of remuneration and company performance
Remuneration and company performance ('000 SEK unless otherwise stated)¹⁾

Annual change	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs 2022	2023
Jonas Samuelson, President and CEO	-3,100 (-10.6%)	+3,380 (+13.0%)	-612 (-2.1%)	-1,785 (-6.6%) ²⁾	27,076
Anna Ohlsson-Leijon, Deputy CEO ⁵⁾					2,188
Group Operating Income (EBIT) margin (%) ³⁾	+2.3 per- centage points	+1.0 per- centage points	-5.4 per- centage points	-0.3 percent- age points	0.3%
Average remuneration on a full time equivalent basis of employees ⁴⁾ of AB Electrolux	-13 (-1.1%)	+116 (+9.9%)	-189 (-14.8%)	49 (4.9%)	1,143

¹⁾ Remuneration earned in the respective years.
²⁾ Remuneration for President and CEO was 6.6% (1,785 thousand SEK) lower in 2023 compared with 2022.
³⁾ The Group Operating Income margin (excluding non-recurring items) was 0.3% in 2023 vs 0.6 % in 2022.
⁴⁾ Excluding members of Group Management
⁵⁾ Anna Ohlsson-Leijon was appointed Deputy CEO November,1 2023.

