

## UN Global Compact Communication on Progress Electrolux AB Advanced Level Reporting

Electrolux supports the United Nations Global Compact and its ten principles on environment, labor practices, human rights and anti-corruption. Where relevant, the Electrolux 2011 sustainability performance review, [Sustainability matters](#), the [2010 Annual Report](#) and [Future InSight](#), the sustainability strategy report, highlight how the Group's sustainability priorities reflect the Group's commitment to the ten principles of the UN Global Compact.

Electrolux sustainability reporting is based on the Global Reporting Initiative (GRI) G3 framework. In this UNGC Communication on progress, Electrolux has also considered the UNGC Advanced level of reporting. Electrolux aims to continue to raise its bar on reporting practices according to this level in future reporting cycles.

When applicable, the below table indicates where readers can find examples of how Electrolux meets, or plans to meet, best practice levels in regards to the 24 criteria for reporting as defined by the [UN Global Compact](#).

### Strategy, engagement and governance

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<b>Criterion 1</b> –C-suite and Board level discussions of strategic aspects of Global Compact implementation <ol style="list-style-type: none"> <li>1. Impact of broader sustainability trends on the long-term prospects and financial performance of the organization</li> <li>2. Major sustainability risks and opportunities in the near to medium term (3-5 years)</li> <li>3. Social and environmental impact of the organization's activities</li> <li>4. Overall strategy to manage sustainability impacts, risks and opportunities in the near to medium term (3-5 years)</li> <li>5. Key performance indicators for progress</li> <li>6. Major successes and failures</li> </ol>	<a href="#">CEO statement: A top commitment</a>  <a href="#">Sustainability strategy</a>  <a href="#">Integrating sustainability</a>  <a href="#">Four key issues</a>  <a href="#">UN Global Compact</a>  <a href="#">Risk and opportunity</a>  <a href="#">Future InSight</a> , CEO Statement Future focus, action now, p. 2  <a href="#">Future InSight</a> , Tessa Tennant and Keith McLoughlin peer into the future (p. 10)

<p><b>Criterion 2</b> – Decision-making processes and systems of governance for corporate sustainability.</p> <ol style="list-style-type: none"> <li>1. Involvement and accountability of management (C-suite) in sustainability strategy and implementation in line with Global Compact principles</li> <li>2. Governance structure (Board of Directors or equivalent) and its role in corporate sustainability implementation in line with Global Compact principles</li> </ol>	<p><a href="#">Corporate governance report (Committees)</a></p> <p><a href="#">Integrating sustainability</a></p> <p><a href="#">Corporate governance report (The Board's tasks)</a></p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <a href="#">Strong governance</a></li> <li>- <a href="#">Codes and policies</a></li> <li>- <a href="#">UN Global Compact</a></li> </ul>
<p><b>Criterion 3</b> - Engagement with all important stakeholders</p> <ol style="list-style-type: none"> <li>1. List of stakeholder groups engaged by the organization</li> <li>2. Process for stakeholder identification and engagement</li> <li>3. Outcome of stakeholder involvement</li> <li>4. Process of incorporating stakeholder input into corporate strategy and business decision making</li> </ol>	<p><a href="#">Four key issues</a></p> <p><a href="#">An inclusive approach</a></p> <p><a href="#">Corporate governance report (General meetings of shareholders)</a></p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <a href="#">Materiality - Defining what's relevant</a></li> </ul>

## UN Goals and issues

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 4</b> – Actions taken in support of broader UN goals and issues.</p> <ol style="list-style-type: none"> <li>1. Adoption or modification of business strategy and operating procedures to maximize contribution to UN goals and issues</li> <li>2. Development of products, services and business models that contribute to UN goals and issues</li> <li>3. Social investments and philanthropic contributions that tie in with the organization's core</li> <li>4. Competencies, operating context and sustainability strategy</li> <li>5. Public advocacy on the importance of one or more UN goals and issues</li> <li>6. Partnership projects and collective actions in support</li> </ol>	<p><a href="#">An inclusive approach</a></p> <p><a href="#">Sustainability strategy</a></p> <p><a href="#">Management approach: Society</a></p> <p><a href="#">Management approach: Human rights</a></p> <p>GRI <a href="#">SO2-8: Anti-corruption and public policy</a></p> <p><a href="#">Four key issues</a></p> <p><a href="#">Future InSight</a>, A strategic approach, p. 6</p> <p><a href="#">Future InSight</a>, Strength in numbers, p. 24</p>

of UN goals and issues	Electrolux.com:  - <a href="#">UN Global Compact</a>
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## Human rights implementation

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<b>Criterion 5</b> – Commitments, strategies or policies in the area of human rights <ol style="list-style-type: none"> <li>Reference to relevant international conventions and other international instruments (e.g. the Universal Declaration of Human Rights (UDHR))</li> <li>Reflection on the relevance of human rights for the company</li> <li>Written company policy (e.g., in code of conduct) on human rights</li> <li>Allocation of responsibilities and accountability</li> <li>Specific commitments and goals</li> </ol>	<u>Management approach: Human rights</u>  <u>Four key issues</u>  <u>Performance review: Responsible sourcing</u>  <u>Performance review: Ethical business</u>  Electrolux.com - <a href="#">Sound business practices</a> - <a href="#">Electrolux Workplace Code of Conduct</a> - <a href="#">Electrolux Code of Ethics</a>
<b>Criterion 6</b> – Management systems to integrate the human rights principles <ol style="list-style-type: none"> <li>Risk and impact assessments in the area of human rights</li> <li>Internal awareness-raising and training on human rights for management and employees</li> <li>Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice</li> <li>Inclusion of minimum human rights standards in contracts with suppliers and other relevant business partners</li> <li>Audits or other steps to monitor and improve the human rights performance of companies in the supply chain</li> </ol>	<u>Management approach: Human rights</u> (see also charts)  <u>Mapping risks</u>  <u>Risk and opportunity</u>  <u>Shared values and integrity</u>  <u>GRI HR1-3 Procurement practices</u>  Electrolux.com - <a href="#">Sound business practices</a> - <a href="#">Responsible sourcing program</a>

<p><b>Criterion 7</b> – Monitoring and evaluation mechanisms of human rights integration</p> <ol style="list-style-type: none"> <li>1. System to track and measure performance based on standardized performance metrics</li> <li>2. Process to deal with incidents</li> </ol>	<p><a href="#">GRI HR1-3 Procurement practices</a></p> <p><a href="#">Performance review: Ethical business</a></p> <p><a href="#">Performance review: Responsible sourcing</a></p> <p><a href="#">Performance review: Restructuring</a></p> <p><a href="#">Management approach: Human rights</a></p> <p><a href="#">Management approach: Labor practices</a></p>
<p><b>Criterion 8</b> – Standardized performance indicators (including GRI) on human rights</p> <ol style="list-style-type: none"> <li>1. Measurement of performance related to the human rights principles (1 and 2)</li> <li>2. Outcomes of risk and impact assessments</li> <li>3. Disclosure of main incidents involving the company and outcomes of mechanisms for reporting concerns or seeking advice</li> <li>4. Percentage of contracts with business partners guaranteeing minimum human rights standards Outcome of audits or other steps to monitor and improve the performance in the supply chain</li> </ol>	<p><a href="#">GRI HR1-3 Procurement practices</a></p> <p><a href="#">GRI HR5-7 Mapping risks</a></p> <p><a href="#">Management approach: Human rights</a></p> <p><a href="#">Management approach: Labor practices</a></p> <p><a href="#">Performance review: Ethical business</a></p> <p><a href="#">Performance review: Responsible sourcing</a></p>

## Labor principles implementation

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 9</b> - Commitments, strategies or policies in the area of labor</p> <ol style="list-style-type: none"> <li>1. Reference to relevant international conventions and other international instruments (e.g. ILO Core Conventions)</li> <li>2. Reflection on the relevance of the labor principles for the company</li> <li>3. Written company policy (e.g., in code of conduct) on labour</li> <li>4. Allocation of responsibilities and accountability within the organisation</li> <li>5. Specific commitments and goals for specified years</li> </ol>	<p><a href="#">Management approach: Labor practices</a></p> <p><a href="#">Four key issues</a></p> <p><a href="#">Performance review: Ethical business</a></p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <a href="#">Electrolux Workplace Code of Conduct</a></li> <li>- <a href="#">Electrolux Code of Ethics</a></li> </ul>

<p><b>Criterion 10</b> - Management systems to integrate the labor principles</p> <ol style="list-style-type: none"> <li>1. Risk and impact assessments on labor rights</li> <li>2. Regular stakeholder consultations on labor</li> <li>3. Internal awareness-raising and training on labor principles for management and employees</li> <li>4. Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice</li> <li>5. Inclusion of minimum labor standards in contracts with suppliers and other relevant business partners</li> <li>6. Audits or other steps to monitor and improve the labor performance of companies in the supply chain</li> </ol>	<p><u>Management approach: Labor practices</u></p> <p><u>GRI HR5-7 Mapping risks</u></p> <p><u>An inclusive approach</u></p> <p><u>Engaging employees to build stronger teams</u></p> <p><u>International union agreement signed</u></p> <p><u>GRI LA1-3 Employment</u></p> <p><u>GRI LA4-5 Labor relations</u></p> <p><u>GRI LA6-9 Occupational Health &amp; safety</u></p> <p><u>GRI LA10-12 Training &amp; education</u></p> <p><u>Shared values and integrity</u></p> <p><u>GRI HR1-3 Procurement practices</u></p> <p>Electrolux.com</p> <ul style="list-style-type: none"> <li>- <u>Sound business practices</u></li> <li>- <u>Responsible sourcing program</u></li> </ul>
<p><b>Criterion 11</b> - Monitoring and evaluation mechanisms of labor principles integration</p> <ol style="list-style-type: none"> <li>1. System to track and measure performance based on standardized performance metrics</li> <li>2. Leadership review of monitoring and improvement results</li> <li>3. Process to deal with incidents</li> </ol>	<p><u>Management approach: Labor practices</u></p> <p><u>Performance review: Ethical business</u></p> <p><u>Engaging employees to build stronger teams</u></p> <p><u>Shared values and integrity</u></p> <p><u>GRI LA1-3 Employment</u></p> <p><u>GRI LA4-5 Labor / management relations</u></p> <p><u>GRI LA6-9 Occupational Health &amp; safety</u></p> <p><u>GRI LA10-12 Training &amp; education</u></p>
<p><b>Criterion 12</b> - Standardized performance indicators (including GRI) on labor principles integration</p> <ol style="list-style-type: none"> <li>1. Outcomes of risk and impact assessments</li> <li>2. Outcomes of internal awareness-raising and training efforts</li> <li>3. Percentage of contracts with business partners</li> </ol>	<p><u>GRI HR5-7 Mapping risks</u></p> <p><u>GRI LA1-3 Employment</u></p> <p><u>GRI LA4-5 Labor / management relations</u></p> <p><u>GRI LA10-12 Training &amp; education</u></p>

<p>guaranteeing minimum labor standards</p> <p>4. Outcome of audits or other steps to monitor and improve performance in the supply chain</p>	<p><a href="#">GRI HR1-3 Procurement practices</a></p> <p><a href="#">Performance review: Restructuring</a></p> <p><a href="#">ALFA assessment of production units (graph)</a></p>
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## Environmental stewardship implementation

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 13</b> - Commitments, strategies for environment.</p> <ol style="list-style-type: none"> <li>Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)</li> <li>Reflection on the relevance of environmental stewardship for the company</li> <li>Written company policy on environmental stewardship .</li> <li>Allocation of responsibilities and accountability within the organization</li> <li>Specific commitments and goals</li> </ol>	<p><a href="#">CEO statement: A top commitment</a></p> <p><a href="#">Future InSight</a>, CEO Statement Future focus, action now, p. 2</p> <p><a href="#">Future InSight</a>, Tessa Tennant and Keith McLoughlin peer into the future (p. 10)</p> <p><a href="#">Sustainable strategy</a></p> <p><a href="#">Sustainability matters</a> (Cutting carbon where it counts)</p> <p><a href="#">Risk and opportunity</a></p> <p><a href="#">Integrating sustainability</a></p> <p><a href="#">Management approach: Environment</a></p> <p><a href="#">Four key issues</a></p> <p><a href="#">Performance review: Climate challenge</a></p> <p><a href="#">Case study (EN5): Partnerships for energy reduction</a></p> <p>Electrolux.com:</p> <p>- <a href="#">The Electrolux Environmental Policy</a></p>
<p><b>Criterion 14</b> – Management systems to integrate the environmental principles.</p> <ol style="list-style-type: none"> <li>Environmental risk and impact assessments</li> <li>Regular stakeholder consultations on environmental impact</li> <li>Internal awareness-raising and training on</li> </ol>	<p><a href="#">An inclusive approach</a></p> <p><a href="#">Management approach: Environment</a></p> <p><a href="#">GRI LA10-12 Training &amp; education</a></p> <p><a href="#">Integrating sustainability</a></p>

<p>environmental stewardship for management and employees.</p> <p>4. Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts</p> <p>5. Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners</p> <p>5. Audits or other steps to monitor and improve the environmental performance of the supply chain</p>	<p><u>Shared values and integrity</u></p> <p><u>GRI HR1-3 Procurement practices</u> (see also chart, audit findings)</p>
<p><b>Criterion 15</b> – Monitoring and evaluation mechanisms for environmental stewardship.</p> <p>1. System to track and measure performance based on standardized performance metrics</p> <p>2. Leadership review of monitoring and improvement results</p> <p>3. Process to deal with incidents</p> <p>4. Disclosure of main incidents involving the company</p>	<p><u>Management approach: Environment</u></p> <p><u>Integrating sustainability</u></p> <p><u>Risk and opportunity</u></p> <p><u>Board of director's report, environmental activities</u></p>
<p><b>Criterion 16</b> – Standardized performance indicators (including GRI) on environmental stewardship.</p> <p>1. Outcomes of risk and impact assessments and measurements of environmental footprint</p> <p>2. Outcomes of internal awareness-raising and training efforts</p> <p>3. Outcome of audits or other steps to monitor and improve performance in the supply chain</p>	<p><u>Sustainability matters</u> (Cutting carbon where it counts)</p> <p><u>GRI EN1-2 Materials</u></p> <p><u>GRI EN3-7 Energy</u></p> <p><u>GRI EN8-15 Water &amp; biodiversity</u></p> <p><u>GRI EN16-25 Emissions, effluents &amp; waste</u></p> <p><u>GRI EN26-27 Products &amp; services</u></p> <p><u>GRI EN28-30 Transport &amp; compliance</u></p> <p><u>Case study (EN5): Partnerships for energy reduction</u></p> <p><u>Case study (EN16-25) Not just hot air</u></p> <p><u>GRI HR1-3 Procurement practices</u> (see also graph Audit findings)</p>

## Anti-corruption implementation

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 17</b> - Commitments, strategies or policies in the area of anti-corruption.</p> <ol style="list-style-type: none"> <li>1. Reference to relevant international conventions and other international instruments (e.g., UN Convention Against Corruption)</li> <li>2. Reflection on the relevance of anti-corruption</li> <li>3. Written company policy on anti-corruption</li> <li>4. Allocation of responsibilities and accountability regarding corruption within the organisation</li> <li>5. Specific commitments and goals</li> </ol>	<p><u>Management approach: Society</u></p> <p><u>Four key issues</u></p> <p><u>Integrating sustainability</u></p> <p><u>Performance review: Ethical business</u></p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <u>Electrolux Workplace Code of Conduct</u></li> <li>- <u>Electrolux Code of Ethics</u></li> </ul>
<p><b>Criterion 18</b> – Management systems to integrate the anti-corruption principle.</p> <ol style="list-style-type: none"> <li>1. Risk and impact assessments in the area of anti-corruption</li> <li>2. Internal awareness-raising and training on anti-corruption efforts for management and employees</li> <li>3. Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms for reporting concerns or seeking advice on corruption)</li> <li>4. Audits or other steps to monitor corruption and improve the performance of companies in the supply chain</li> </ol>	<p><u>Management approach: Society</u></p> <p><u>GRI SO2-8 Anti-corruption and public policy</u></p> <p><u>Risk and opportunity</u></p> <p><u>GRI HR5-7 Mapping risks</u></p> <p><u>GRI LA10-12 Training &amp; education</u></p> <p><u>Case study: Shared values and integrity</u></p>
<p><b>Criterion 19</b> – Monitoring and evaluation mechanisms for the integration of anti-corruption</p> <ol style="list-style-type: none"> <li>1. System to track and measure performance on corruption based on standardized performance metrics</li> <li>2. Leadership review of monitoring and improvement results</li> <li>3. Process to deal with incidents</li> </ol>	<p><u>Management approach: Society</u></p> <p><u>Case study: Shared values and integrity</u></p> <p><u>Performance review: Ethical business</u></p> <p>Electrolux.com</p> <ul style="list-style-type: none"> <li>- <u>Sound business practices</u></li> </ul>
<p><b>Criterion 20</b> – Standardized performance indicators (including GRI) on anti-corruption</p> <ol style="list-style-type: none"> <li>1. Outcomes of risk and impact assessments</li> <li>2. Outcomes of internal awareness-raising efforts and</li> </ol>	<p><u>GRI SO2-8 Anti-corruption and public policy</u></p> <p><u>ALFA assessment of production units (graph)</u></p> <p><u>GRI HR1-3 Procurement practices</u></p>



<p>training for management and employees</p> <p>3. Outcomes of mechanisms for reporting concerns or seeking advice</p> <p>4. Percentage of contracts with a minimum anti-corruption standard</p> <p>5. Outcome of audits or other steps to monitor and improve performance in the supply chain</p>	<p>Electrolux.com</p> <p><u>Workplace standard</u></p>
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## Value chain implementation

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 21</b> – Implementation of the Global Compact principles in the value chain.</p> <p>1. Description of key suppliers, subcontractors and other business partners involved in the value chain</p> <p>2. Value chain risk assessment to identify potential issues with suppliers and other business partners</p> <p>3. Policy on value chain, including a policy for suppliers and subcontractors</p> <p>4. Communication of relevant policies/codes, positions or concerns to suppliers and other business partners</p> <p>5. Audits/screenings for compliance in the value chain Allocation of responsibility in the value chain and procedures to remedy any non-compliance issues</p>	<p><u>Sustainability matters</u> (Cutting carbon where it counts)</p> <p><u>Four key issues</u></p> <p><u>GRI HR1-3 Procurement practices</u></p> <p><u>Case study: Partnership for energy reduction</u></p> <p><u>GRI HR5-7 Mapping risks</u></p> <p><u>Future InSight</u>, Step change in the supply chain, p. 22</p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <u>Responsible sourcing</u></li> <li>- <u>Workplace standard</u></li> <li>- <u>Electrolux Workplace Code of Conduct</u></li> </ul>

## Transparency and verification

UN Global Compact Advanced Criteria and UNGC recommended best practice covered in Electrolux reporting	Reference
<p><b>Criterion 22</b> - Electrolux profile and context of operation.</p> <p>1. Legal structure, including any group structure and</p>	<p><u>Business areas</u></p>

<p>ownership</p> <ol style="list-style-type: none"> <li>Countries where the organization operates, with either major operations or operations that are specifically relevant to sustainability</li> <li>Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries)</li> <li>Primary brands, products, and/or services</li> <li>Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc.)</li> </ol>	<p><a href="#">Governance structure</a></p> <p><a href="#">Share capital and ownership</a></p> <p><a href="#">Net sales and employees in 10 largest countries</a></p> <p><a href="#">Operations by business area</a> (According to product categories, business areas and income).</p> <p><a href="#">About this report</a></p> <p><a href="#">Map: Electrolux factories worldwide</a></p> <p>Electrolux.com:</p> <ul style="list-style-type: none"> <li>- <a href="#">Organization and policies</a></li> <li>- <a href="#">Highlights of 2010</a></li> <li>- <a href="#">Key data</a></li> <li>- <a href="#">Net borrowings</a></li> <li>- <a href="#">Financial income and financial expenses</a></li> </ul> <p><a href="#">GRI EC1-9 and Management approach: Economic performance</a></p> <p><a href="#">GRI SO1 Community</a></p> <p><a href="#">Performance review: Restructuring</a></p>
<p><b>Criteria 23</b> -Standards of transparency and disclosure.</p> <ol style="list-style-type: none"> <li>COP uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines</li> <li>COP includes comparison of key performance indicators for the previous 2-3 years</li> </ol>	<p><a href="#">About this report</a></p> <p><a href="#">GRI index</a></p>
<p><b>Criteria 24</b> - Third party verification</p> <ol style="list-style-type: none"> <li>Reviewed by peers</li> </ol>	<p><a href="#">About this report</a></p> <p><a href="#">Statement of GRI application level check</a></p>