

# A sustainable approach to a changing world

In times of great change, a clear business strategy is an invaluable instrument to ensure long-term progress. For Electrolux, a part of that strategy is our commitment to sustainability. This means that we strive to grow our company in a way that takes into account the environmental and social impacts of all our activities.

All around us we see trends that influence how we develop our business. We live in a world of limited natural resources. Business, as part of society, is responsible for using those resources wisely. We are concerned about global warming, which poses the greatest threat to our environment today. More efficient use of energy will play an important role in reducing the greenhouse gas emissions that are heating up our planet. That is why resource efficiency has long been an element of our environmentally responsible business approach.

We take into account the environmental impact of a product during its entire life cycle—from design, to product development and manufacturing, to use of the products and recycling after use. Since most of the environmental impact and life-cycle costs occur during the products' use we focus much of our effort on reducing water and energy consumption during the user phase. As a result, the household appliances we sell today consume significantly less water and energy than they did even 10 years ago. Not only is this good news for the environment, but consumers benefit from reduced energy costs associated with their appliances and we gain from more resource and cost-efficient manufacturing.

Another defining trend of our times is globalization—the growth of an international market that brings with it both the opportunity to utilize our size and worldwide presence more effectively, and the challenge of managing responsibly the changes that come with this expanded market.

Some of these changes include increased competition from producers with manufacturing in Asia and Eastern Europe that benefit from a lower cost base. We are meeting this challenge by relocating more

of our production to these regions and buying more components from them. This means unfortunately that we must close some plants in countries with higher production costs; in such situations we always seek to limit the negative consequences for those affected.

Wherever we operate in the world, we seek to be a responsible player, in part by demanding high workplace standards from our suppliers. We take seriously our role as a contributor to the economic and social welfare of people and communities.

We believe that a sustainable approach contributes to the quality, innovation and value we want consumers to associate with the Electrolux brand. For that reason, social and environmental responsibility is integrated throughout our organization and backed by top management. In this year's Sustainability Report, we try to provide as full a picture as possible of how we approach our world.



**Hans Stråberg**  
President and CEO