



Electrolux Sustainability Report 2019

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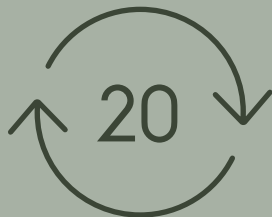
For the Better

- KEY RESULTS 2019 -

Better Solutions



Our most energy and water efficient products accounted for 23% of total units sold and 32% of gross profit in 2019



20 times more recycled plastic used in products in 2019 compared with 2011

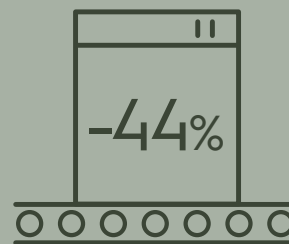


4,300 components tested for chemical compliance

Better Operations



-75% absolute CO₂ emissions in our operations since 2005



44% less energy used per manufactured product compared to 2005



90% of employees stated they understand how they should act in accordance with our Code of Conduct

For the Better

- KEY RESULTS 2019 -

Better Society



30,000 kids took part in workshops on sustainable eating

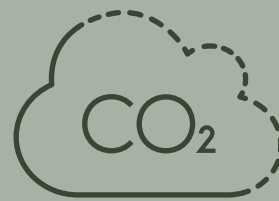


Reached over 4,200 people working at suppliers through training



Improved CO₂ efficiency in our global sea freight by more than 22% over the last 5 years

Our targets for the future



Reduce carbon emissions in operations by 80% and by 25% in products between 2015 and 2025

Climate neutral operations by 2030
Climate neutral value chain by 2050

OTHER TARGETS FOR 2020

50%

Achieve a 50% share of renewable energy for our operations

zero

Implement zero waste to landfill program in all factories

For the Better

Our sustainability framework – For the Better – defines how Electrolux works to achieve Better Solutions, Better Operations and a Better Society. It includes our most material sustainability issues and helps us strive toward our purpose to shape living for the better. In 2019, we updated the framework. In Our Materiality Process we describe how. The new framework will be applied as from 2020.

Better solutions	Better operations	Better society
Improve product performance and efficiency	Ensure the best health and safety	Solutions for healthy and sustainable living for more people
Make better use of resources	Achieve more with less	Be a force for good
Eliminate harmful materials	Respect human rights and ethical principles	Improve supply chain sustainability
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 has 2019 meant for the company's sustainability agenda?

JS: Sustainability has gone from being very important to crucial for Electrolux, as our planet approaches several extremely significant tipping points. This is why we launched the Better Living Program in 2019 and why we will take our sustainability framework to the next level in 2020 and beyond.

HS: The Better Living Program is an integral part of our new For the Better 2030 sustainability framework, which will enable Electrolux to continue to create better and more sustainable living for people around the world through to 2030. With bold targets focusing on better eating, better garment care and a better home environment, as well as to become climate neutral in our operations and strive towards a more circular business, the program intensifies our contribution to key global challenges.

What are the main sustainability challenges ahead?

JS: I think our main challenge is meeting consumer expectations and demands while making more sustainable behavior mainstream. This might be helping people to reduce food waste, or making their clothes last longer through better fabric care, which are both now an important part of our strategy.

HS: The Better Living Program and For the Better 2030 will help us to concretize our purpose to shape living for the better by making life more enjoyable and sustainable for people. They will also help us tackle challenges head on by being prepared for the major challenges facing our business and society as a whole.

What is being done to implement and deliver on the 2030 targets?

JS: Last year we set up the Sustainability Board, which will be an important vehicle for delivering our targets by optimizing resources and action. We are also continuing to integrate our climate targets into our business, for example through our large investments like the one in North America completed in 2019 that will have a great impact.

HS: We are starting to define early in the product development process how our new products will help us accomplish our targets. This involves having a more consumer centric focus from the R&D phase.

How will the Better Living Program drive the Electrolux sustainability agenda until 2030?

JS: As a global leader in household appliances, Electrolux has a tremendous opportunity to eliminate the barriers that prevent consumers and the industry from making sustainable choices. That's where the Better Living Program comes in. It's part of our For the Better sustainability framework and will be an engaging way to communicate with consumers.

HS: We are on track to meet many of our ambitious 2020 sustainability targets. But the Better Living Program steps up our commitment to sustainability and contribution to key global challenges by building on our 2020 targets with at least 100 bold actions for 2030. In this way, the program turns the Electrolux purpose into action - to ensure that the company continues to shape better living today, tomorrow and for another 100 years.

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

JS: Our new sustainability framework is more 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.

How has Electrolux stepped up its climate action in 2019?

JS: I was proud to sign the global 'Business Ambition for 1.5°C' pledge on behalf of Electrolux at the UN Climate Action Summit in New York in September. During the year, we also joined the Cool Coalition initiative, which works to accelerate the adoption of refrigerants with less Global Warming Potential in refrigerators, freezers and air conditioning units.

HS: As part of our new objective to make our business circular and climate neutral, we launched two new climate targets during the year. These longer-term targets build on our 2025 science-based climate target and aim for climate neutral operations by 2030 and a climate neutral value chain by 2050. Taking action on climate change is essential, both for our business and for society.

How is your climate reporting aligned with the latest best practice?

JS: We are implementing the European Commission's Guidelines on reporting climate-related information, which is part of the Commission's action plan on financing sustainable growth. Our aim is to provide investors and lenders with consistent climate-related financial risk disclosures.

HS: As part of this we are currently aligning our climate reporting with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB). This mainly focuses on identifying the financial consequences from our risks associated with climate change.

What are you most proud of in terms of products launched during the year?

JS: Our new multi-door refrigeration platform offers features such as chiller drawers and seal crispers that keep ingredients fresher for longer. I am also proud of our new products where we have managed to phase out global warming refrigerants.

HS: We launched the QuickSelect dishwasher interface that intuitively indicates to the user how they can save energy and water – to gently encourage the consumer to make more sustainable choices. We also launched washing machines with UltraCare technology that saves energy by allowing washing at lower temperatures. Significantly, our most efficient products consistently achieve a higher profit margin than standard products – accounting for 23% of total units sold by Electrolux in 2019 but for 32% of our gross profit.

What does the new Electrolux green bond framework mean for the business?

JS: We developed our new green bond framework in alignment with the Green Bond Principles 2018 – and I am proud to say that we are the first to do so in our sector. In March, we issued our first SEK 1 billion green bond to fund climate investments and other projects that support the Sustainable Development Goals.

HS: The purpose of the green bond framework is to finance investments that improve product performance and efficiency, make better use of resources, eliminate harmful materials, achieve more with less or contribute toward our climate targets. During the year, the bonds financed our investment in our North America operations, which has improved efficiency and reduced greenhouse gas emissions.

How is circularity becoming more important to Electrolux?

JS: I believe circularity presents significant opportunities for us to tap into new markets and extend the lifetime of our products by creating circular business models, such as our new fixed price repair services in Europe, and our new subscription-based model for our award-winning Pure i9 robotic vacuum.

HS: During the year, we received funding from Vinova to test a new leasing concept for Electrolux to maintain and optimize the lifetime of washing machines for municipal housing companies in Sweden. We also joined forces with Stena Recycling on the new 'Circular Initiative' where we shared good practice with other leading companies and demonstrated a smart robot that dismantles old Electrolux vacuum cleaners and collects recyclable fractions.

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

JS: The Electrolux Board approved funding to the Food Foundation as part of our 100-year anniversary celebrations and intends to provide 100 million SEK until 2030. This will allow us to drive the foundation's work with a more long-term commitment to promote the much needed shift to sustainable cooking and eating habits globally.

HS: During the year, the Food Foundation replicated its successful concepts around the world. For example, the 'Food Heroes' initiative educated 30,000 people on sustainable eating, and the 'Like a Chef' professional training program is now active in Brazil, Russia, Sweden, Poland, Egypt and Ukraine.

WE SUPPORT



Constantly improve product performance and efficiency

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 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 2015 to 2020

- Be a leader in product efficiency in our most important markets by 2020.
- Continue to develop products with good environmental performance, with a focus on energy efficiency.
- Continue to drive the market for efficient products through awareness-rising consumer campaigns.

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. Product energy use is responsible for over 80% of our climate impact, so product energy efficiency is where we can make our greatest contribution to tackling climate change. In terms of water use, dishwashers for example, 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 main 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 include washing machines that meet 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.

Product efficiency innovation

This promise is embedded in the Group's R&D processes through defined targets and KPIs for each major product category where efficiency standards exist. 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 Climate Target for 2020.
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 23% (21) of total units sold and 32% (29) of gross profit for consumer products.

New efficient products

Our new efficient products launched in 2019 included washing machines with UltraCare, which allows clothes to be washed at lower temperatures, and the QuickSelect dishwasher user interface, which makes it easy for consumers to optimize the use of Electrolux dishwashers.

During 2019, we worked with product cycle planning to ensure our products meet forthcoming European energy labelling regulations from 2019/20. This involves upgrading the energy performance of products such as refrigerators, dishwashers and washing machines.

Stakeholder engagement on product efficiency

In 2019, Electrolux joined 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. Electrolux is making an important contribution through its ongoing investment programs for cooling appliances – to reduce the climate impact of its factories and products.

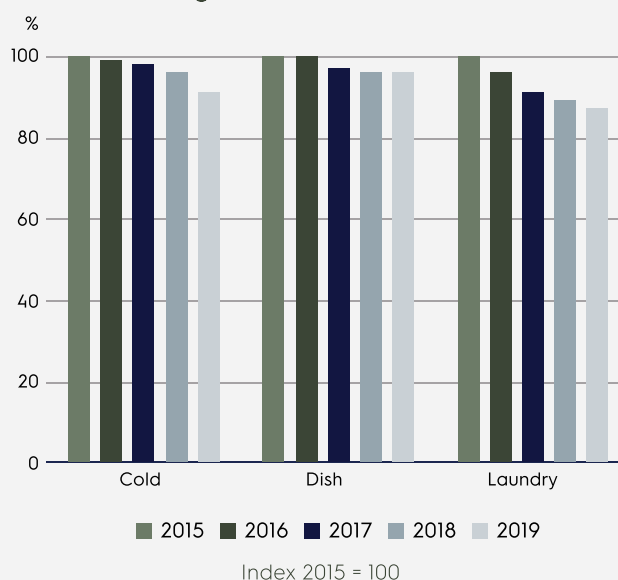
We work to mitigate the challenge of different energy efficiency standards around the world by cooperating with various organizations. We continue to work with [United4Efficiency \(U4E\)](#), which is led by the United Nations Environment Program to develop recommendations on how emerging markets can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

Efficiency requirements and fleet average

The profitability and 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 38% of total Group sales, energy efficiency has improved by an average of 2% per year since 2015 (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 2015-2019



In Europe, Electrolux continuously improved its energy efficiency across three product categories in 2019. The energy index is set at 100% for 2015.

23/32%

Our most energy and water efficient products accounted for 23% of total units sold but 32% of gross profit for consumer products in 2019.

Contributing to our climate targets

Energy efficiency is a priority across all our product categories, and each major category has 2020 targets in place for its markets, as well as indicators to track progress.

[Read more about 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 2019, including the capitalization of SEK 788m (412), amounted to SEK 3,899m (3,566), which corresponds to 3.3% (3.1) of net sales.

Next steps

Roadmap 2015 to 2020	Next steps	Status
Be a leader in product efficiency in our most important markets by 2020.	Preparing for energy labeling and raised energy-efficiency standards in the EU and for refrigeration in Australia.	
Continue to develop products with good environmental performance, with focus on energy 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.	

The next steps towards 2030 will be announced in the 2020 report.

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

Make better use of resources

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.

Our promise

Electrolux will make better use of resources, and promote the market for recycling by using more recycled materials.

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

Roadmap 2015 to 2020

- Replace virgin materials with recycled materials in our products
- Increase the volume of recycled plastic to 20,000 metric tons annually
- 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 more than double in size by 2030, 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.

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 2019 Circularity Gap Report by Circle Economy, only 9% of the resources used globally are cycled back into the economy after use. 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.

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

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 points. This involves finding reliable and high-quality material suppliers, to identify the best opportunities within each product category for replacing virgin materials with recycled materials – either within the existing design, by adapting the design for recycled materials, and by adapting material recipes and production processes to ensure the recycled materials meet our requirements.

We are also working to make better use of resources by extending the useful lifetime of our products. We do this by delivering high-quality products, investigating more circular business models and offering aftermarket services.

Challenges

- Securing consistent, traceable and safe high-quality material in sufficient volumes.
- Maintaining the use of recycled material when developing new products.
- Optimizing product lifetime in a way that benefits the consumer, Electrolux and the environment.

Overcoming these challenges requires strategic partnerships with recycled plastic suppliers and strong internal capabilities. Specific requirements have been added to the Electrolux Restricted Materials List, covering our restrictions on hazardous substances.

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. The amount of recycled plastic we buy (in metric tons)
2. The carbon footprint of the steel we buy compared with our 2015 baseline
3. Identify and evaluate relevant circular business models that can be scaled up

Recycled plastics

In 2019, the amount of recycled plastic we used compared with last year decreased from 7,300 metric tons in 2018 to 6,400 metric tons in 2019. However, this is still over 20 times more recycled plastic than we used in 2011, when we started measuring.

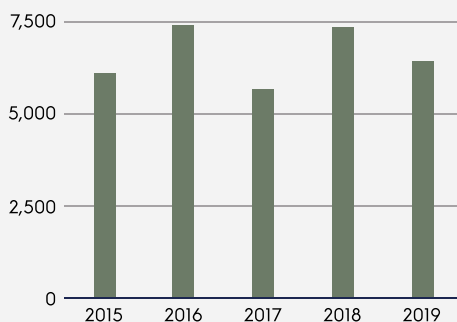
We are working to better incorporate recycled plastics into new products from the outset, which we already do for our vacuum cleaners. In 2019, we held internal workshops to promote the incorporation of recycled plastics in new product platforms. We are also making good progress with trials of incorporating recycled plastic in Asia Pacific and the U.S.

Despite some progress, we do not expect to meet our objective to annually use 20,000 metric tons of recycled plastic by 2020. This is partly 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 for companies to make pledges to use more recycled plastic.

Amount of recycled plastic

Metric tons

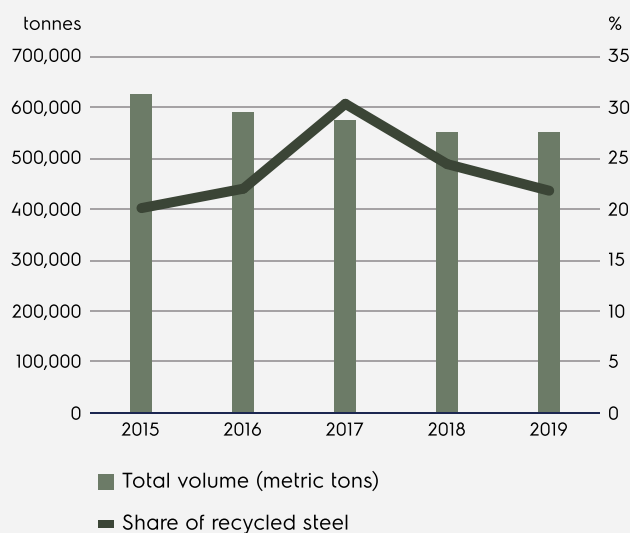


Recycled steel

Electrolux increased the amount of recycled steel from 20% in 2015 to 22% in 2019, which has reduced the average annual carbon emissions per metric ton of steel from 1.82 to 1.79 metric tons of CO₂, and the annual CO₂ emissions by 17,700 metric tons. Since 2015, we have avoided the generation of 194,000 metric tons of CO₂ emissions by using recycled steel instead of ore-based steel. Additionally, the ore-based steel we use contains up to 30% recycled steel. This has not been taken into consideration in the calculation.

Although we have made some progress since 2015, we saw a continued reduction in our use of recycled steel in 2019 compared with the previous year. This is mainly due to the ongoing trade conflict between the U.S. and China, which is expected to have a further negative impact in 2020 on our use of recycled steel.

Recycled steel over time



Electrolux has made most progress with scrap-based steel in North America, where there is good availability of high-quality scrap-based steel. While we would like to see this happen in other markets, it will take a longer time to realize due to structural differences between the steel industries in different regions, with less high-quality scrap-based steel available outside North America. In Europe, suppliers typically sell a lower quality of scrap-based steel, which is inadequate for Electrolux products.

Circular business models





In 2019, Electrolux launched 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.

During the year, Electrolux received funding from Vinnova for a field study to test a new leasing concept for municipal housing companies in Sweden. The concept involves leasing washing machines that are maintained and serviced by Electrolux to optimize their lifetime to landlords with furnished apartments.

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 ensures that each unit is used to its fullest extent throughout its lifetime.

Electrolux intensified its partnership with Karma to reduce food waste during the year. A connected refrigerator has been installed in 45 stores around Sweden, to enable consumers to purchase unsold food in the Karma app. This food would otherwise be thrown away.

Next steps

Roadmap 2015 to 2020	Next steps	Status
Replace virgin materials with recycled materials in our products.	Expand strategic partnerships with suppliers. Leverage experience from Europe in other regions.	
Increase the volume of recycled plastic to 20,000 metric tons annually.	Focus on purchasing and R&D efforts to enable the introduction of recycled plastic in more applications.	
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.	

The next steps towards 2030 will be announced in the 2020 report.

 On track

 Additional effort is required

 Off track

 Work has not yet begun

Eliminate harmful materials

Our consumers can feel reassured that we are managing chemicals carefully and replacing 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 2015 to 2020

- 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 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

The Eco@web online database is our Group chemical management tool, and includes detailed information on the chemicals used in our products. 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 and 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 2019, we continued the global roll out of our Eco@web tool. We completed the implementation of the tool in the Asia-Pacific, Egypt and Europe - including in two recently acquired cooker hood factories. 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 installed.

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 2019, Electrolux joined an additional UN initiative - the Cool Coalition. The Group proposed its plan to the UN to accelerate the removal of F-gases from the production of new products and to introduce gases with reduced Global Warming Potential. Submitted in

2020, the plan foresees the replacement of all 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 HFCs.

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.

Following several years of advocacy in the U.S., spearheaded by Electrolux and the North American industry organization AHAM, U.S. safety standards were revised in 2018 to allow producers of consumer refrigerators and freezers to transition away from HFCs to more eco-friendly hydrocarbon refrigerants. This has enabled the development of new energy efficient products in the 'cold products' category that are part of new automated production processes.

Next steps

Roadmap 2015 to 2020	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, with particular focus on North America.	
Raise the bar on chemical requirements, taking into account new scientific findings.	Annual update of the Electrolux Restricted Materials List.	
Eliminate all high-impact greenhouse gases from our products.	Continue to phase-out high-impact greenhouse gases in air conditioning, food preservation and fabric care globally.	

The next steps towards 2030 will be announced in the 2020 report.

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

Achieve more with less

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.

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

Roadmap 2015 to 2020

- Improve energy efficiency at our manufacturing sites and warehouses by 20% by 2020 (baseline 2015), engaging all facilities worldwide.
- Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has reached optimal levels of efficiency.
- Attain energy management certification for our operations around the world.
- Increase the proportion of renewable energy for our operations to 50% by 2020.
- Implement a Zero Landfill program at all manufacturing sites by 2020.

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 energy and water performance, management, engagement and implemented actions that are reviewed annually. The program benefits the environment, reduces our carbon footprint and makes financial savings. It drives constant improvement and promotes the sharing and implementation of best practice among 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 and biomass. 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 ISO 14001, and 95% of our factories were certified at the end of 2019. In addition, we are striving to implement the ISO 50001 energy management system at all our manufacturing sites by 2020. At the end of 2019, 58% of our factories were certified.

Challenges

Following over a decade of prioritized investments with good payback periods, it is becoming increasingly challenging to realize new savings with acceptable payback periods.

The progress on our promise

How we measure progress

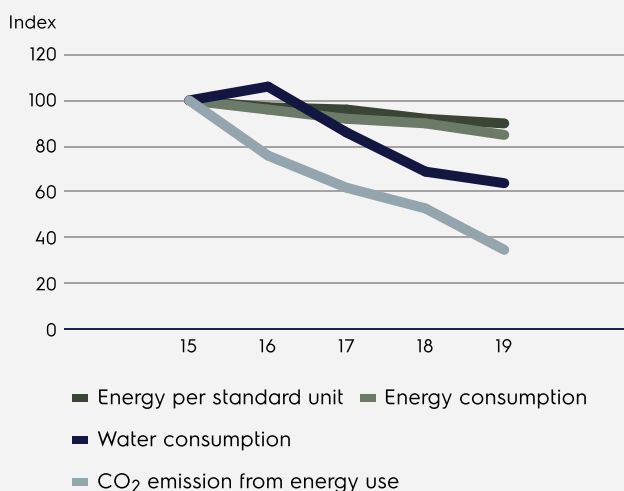
1. Energy efficiency (energy used per unit produced).
2. Water efficiency (water used per unit produced).
3. Proportion of manufacturing sites with a certified energy management system.
4. Proportion of renewable energy.
5. Number of factories where the Zero Landfill program is implemented.

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 manufacturing footprint by reducing our energy, climate, water and waste impacts.

Resource efficiency

In 2019, we improved our energy efficiency per product by 2.7% compared with the previous year and 44% compared to 2005. 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 also introduced technology roadmaps, which will help us to become more action oriented and move faster toward lean operations.

Operational resource efficiency



Our internal Green Sprit program, including our rating and certification system, also continues to be crucial in driving resource efficiency. In 2019, 65% of our facilities in scope achieved top ratings - either Gold or Platinum.

A new certification system, Green Spirit 2.0, will be implemented in 2020. In 2019, we conducted a number of pilots with test audits at selected Electrolux factories. The new certification involves more comprehensive criteria and new themes, such as digitalization, process excellence and electrification.

Efficiency improvements in recent years, together with a shift to renewable electricity, has reduced energy consumed at our manufacturing sites per product by around 44% and absolute CO₂ emissions by 75% compared with 2005, which equates to an annual financial saving of over SEK 600m. Over this period, the Group's revenue has increased, which illustrates that Electrolux has decoupled revenue growth from CO₂ emissions.

Energy management systems

We have made good progress on implementing the ISO 50001 energy management system, which promotes the more efficient use of energy in our operations. ISO 50001 had been implemented at 58% of Electrolux sites around the world at the end of 2019, and the remaining sites are in the process of certification.

Renewable energy

In 2019, we increased the number of sites that generate a proportion of their own electricity through solar photovoltaic systems. By the end of 2019, Electrolux has its own solar photovoltaic systems at 10 sites in Italy, Thailand, Australia, Mexico, China and Sweden.

In 2019, 26 of our manufacturing sites and several offices in Europe, North America and Brazil procured 100% of their electricity from renewable energy sources, which contributed toward our 50% renewable energy target by 2020. By the end of 2019, over 45% 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 65% and CO₂ emissions per unit by 60% since 2015.

Climate

CDP, an international non-profit that encourages society to cut emissions, mitigate climate risks and develop a low-carbon economy, included Electrolux in its leadership A-category for our action on climate change.

In 2019, Electrolux launched the Better Living Program, 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 2019, we improved our overall water efficiency by 34% 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 practices, 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.

In 2019, Electrolux was included in the leadership A- category in the CDP Water questionnaire.

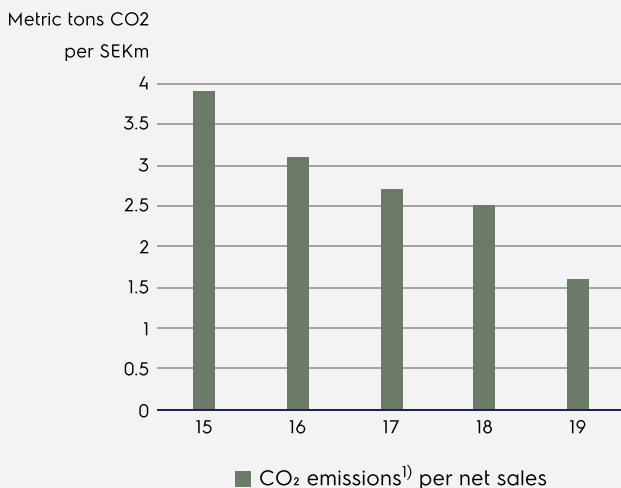
Zero Landfill program

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.

During 2019, the global program has been applied to all sites and all identified standard indicators have been measured quarterly and followed by the management. The common waste database now includes data from all our factories in a structured approach that follows the 2008 CEE Directive. Our factory in Solaro, Italy, became the second plant to achieve the Zero Waste to Landfill certification issued by a third party. The first one was in Sao Carlos, Brazil.

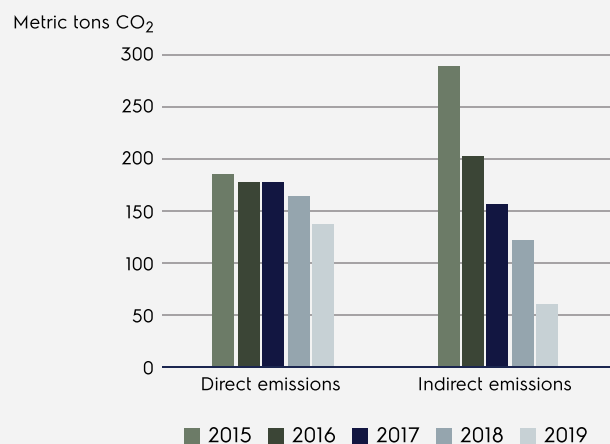
During the year, we have globally reduced our amount of disposed waste by more than 35%. Our target for 2020 is to ensure that all our factories continue the positive reduction of waste disposed. We aim globally to achieve another 6% improvement and to certify an additional three factories according to our Zero Landfill program.

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 2015 to 2020	Next steps	Status
Improve the energy efficiency of manufacturing sites and warehouses by 20% by 2020 (baseline 2015), engaging all facilities worldwide.	Develop annual energy efficiency action plans, set targets and engage employees.	
Reduce water consumption in manufacturing by 5% every year in areas of water stress, until the site has reached optimal levels of efficiency.	Roll out the water best practice list and review the water stress strategy.	
Attain energy management certification for our operations around the world.	Attain global certification for energy management according to ISO 50001.	
Increase our proportion of renewable energy.	Continue to increase the use of renewable energy throughout our operations.	
Implement a Zero Landfill program at all manufacturing sites by 2020.	Ensure more factories embark on the Zero Landfill program and become zero landfill.	

The next steps towards 2030 will be announced in the 2020 report.

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

Ensure the best health and safety

Our safety mindset means we prevent accidents and keep our people safe and sound, no matter where they are in the world.

Our promise

Electrolux will be the leader on health and safety in the appliance industry, wherever we operate in the world. [Read more about our progress on this Promise](#)

Roadmap 2015 to 2020

- Continue to reduce our global injury rate (TCIR) by at least 5% every year.
- Attain safety certification for our operations around the world according to the new ISO 45001 standard.
- Integrate the Group's safety program into new acquisitions within three years of purchase.

The case for action

The wellbeing 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.

Our approach

Health and safety has 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 our ambition is to 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.

Our manufacturing site safety audits involve three activities: a behavioral audit carried out by line managers and team leaders on a monthly basis, a safety audit carried out by OHS engineers, and a Safety Management System Audit by Regional or Global Safety Leaders.

Incidents are reported daily to site management, and to sector heads on a monthly basis. Performance is disclosed in Group-wide data collection.

An annual Global Safety Day raises awareness among employees and demonstrates the management commitment to safety.

All activities are managed using the lean tools defined by our Electrolux Manufacturing System, which assures a continuation of cultural transformation while focusing on operational excellence.

Challenges

- The most significant health and safety risks occur in our warehouses and technical departments.
- In warehouses, we operate mainly with external contractors. In the last year, our updated contractor procedure has been applied at all our sites. This allows us to apply the same OHS management system throughout the Group and among all employees working within our sites, including contractors.

The progress on our promise

How we measure progress

1. Global injury rate (TCIR)
2. Lost days due to injury (LCIR)
3. First Aid activities conducted by our nurses (FAIR)

Our safety performance

Since 2015, our injury rate has declined by 39% throughout the Group. 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 2019, the safety systems and processes within different business sectors have been aligned in a Group-wide approach – the Electrolux Safety Management System.

Our current global injury rate (TCIR) of 0.53 (0.57) compares favorably with other well-known benchmarks, as reported in publicly available sources. Even though our performance is already high, we have an ambitious target in place: to reduce our global injury rate (TCIR) by at least 5% every year

Regrettably, in early 2019 an employee passed away in one of our plants in Latin America. The accident happened despite active control measures in place. The employee’s family received full support and all relevant information was provided to local authorities. In late 2019, a tragic work-related death also occurred in our European service organization when a component was being replaced in an appliance that was on power mode. The fatality prompted reinforced efforts in awareness campaigns, training and follow-up inspections.

Electrolux is continuously improving its processes related to safety in all of its operations.

All units managed through our Global Industrial Operations have a safety program. During 2019, they focused on:

1. Segregating pedestrians from forklifts in technical areas – Fences are installed at most of the factories and we are now working to improve pedestrian paths to assure people are segregated from vehicles in all technical areas.
2. Lock Out Tag Out – A global procedure that has been applied to all sites. This has been followed up by an audit of all factories to verify its proper application.
3. Contractors working at our sites – A global procedure focused on contractors working at Electrolux facilities has been applied and enforced at all our sites. In 2020, we will audit all our sites to verify its correct application.
4. Warehouse safety – In 2019, a warehouse safety plan was applied to combat high TCIR with relevant improvements.

Injury rate



Next steps

Roadmap 2015 to 2020	Next steps	Status
Continue to reduce our global injury rate (TCIR) by at least 5% every year.	Ongoing work with health and safety.	●
Attain safety certification for our operations around the world.	To be aligned with the new ISO 45001 standard.	○
Integrate the Group's safety program into new acquisitions within three years of purchase.	An ongoing process.	●

The next steps towards 2030 will be announced in the 2020 report.

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

Always act ethically and respect human rights

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

Our promise

Electrolux will earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics and human rights through our words and actions.

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

Roadmap 2015 to 2020

- Develop and implement a cohesive, Group-wide approach to human rights
- Provide guidance to employees on how to do the right thing by promoting the Electrolux Code of Conduct and Workplace Policy
- Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Helpline among employees
- Continue to develop an effective global Anti-Corruption compliance program

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.

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 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 our business 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 the 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. This includes 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.

The assessments focus on identifying the risk of harming people as a direct or indirect result of our operations, opportunities to increase local positive impacts and can include corruption risks.

[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. We are guided by industry and regulatory best practices to continually enhance and strengthen our anti-corruption compliance program. The program is underpinned by our Group Anti-Corruption Policy, which applies to all persons who work with or on behalf of Electrolux. Our suppliers also abide by the Policy's standards through 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.

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.

Governance

Accountability for the Ethics Program and oversight of human rights lies 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, Industrial Operations and Legal.

Challenges

- Bridging different cultures and local practices in a global organization
- Raising the bar on diversity – Identifying and addressing barriers to greater gender diversity

The progress on our promise

How we measure progress

1. Share of Electrolux employees covered by the Ethics Helpline.
2. Share of women in Tier 2 and Tier 3 positions.
3. Level of trust in the Ethics Helpline according to our employees.
4. Level of understanding of the Code of Conduct by our employees.
5. The proportion of our employees that perceive equal treatment and opportunity to be supported at Electrolux.

Human rights

Impact assessments

We continued our work with local human rights impact assessments during 2019, and an assessment was initiated in Romania. The assessment has a focus on labor standards and will be completed in 2020.

Mitigation action plans are in place and followed up in the three countries where impact assessments have been conducted. Assessments were completed in Egypt and Thailand in 2017 and in Ukraine in 2018. The outcomes of these assessments included issues such as safety for service technicians, working hours, wages, corruption training, and risks in the supply chain. At the end of 2019, out of 10 remediating actions in Thailand, 8 had been closed out, in Ukraine 18 out of 22 action were closed, and in Egypt 15 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.

Workplace Policy follow up

All manufacturing sites that were operational at the end of 2019 responded to the Awareness Learning Feedback Assessment (ALFA). See the results here - [ALFA assessments of the Workplace Policy](#).

We conducted Workplace Policy audits in 15 (10) of our 20 facilities located in what we rate as high-risk countries (10 of the facilities were audited in 2019, whilst 5 that were planned for the year were postponed to January 2020). These audits took place in Brazil, China, Egypt, Mexico and South Africa. We also performed workplace audits in 8 manufacturing facilities located in what we rate as low-risk countries, to align with customer requests. The findings include non-compliances in the areas of health and safety, working hours and compensation. Local corrective action plans are addressing the identified issues.

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 2019, 60% of our workforce were covered by collective agreements. 46 of our 54 manufacturing units, including discontinued operations, 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.

Inclusion and diversity

At Electrolux, inclusion strengthens our profitable growth journey and ensures that all employees are treated equally according to their abilities and qualifications in any employment decision. We have a particular focus on gender diversity, without forgetting to embrace the importance of recognizing all forms of diversity, and most importantly inclusion.

We have strengthened our commitment toward inclusion & diversity in the workplace during 2019 and a number of activities have been introduced, as described in the below.

However, our results indicate we still have a way to go, and the plan for 2020 is to introduce a clear roadmap to achieve our targets.

Gender diversity in numbers

We aim to continuously improve the number of female leaders at all levels, and to seek female applicants for every position as part of the recruitment process. At the end of 2019, 26% of all our leaders with direct reports were women. Our overall gender division is 39% women and 61% men.

By the end of 2019, 26% of Tier 2 managers and 27% of Tier 3 managers were women. Although we recognize it is a stretch, we remain committed to achieving our goal of 35% women for Tier 2 and Tier 3 by the end of 2020, as well as focusing on increasing the number of women in core business leadership positions. This is a key focus of the inclusion and diversity roadmap that is being developed.

Diversity Committees: Top-down commitment

During 2019, new Diversity Committees were created for all our business areas. The majority of these committees are led by their regional CEOs as a demonstration of their continuous support. The committees' mission and purpose is to identify clear and customized action according to their markets and local situations in order to promote all kinds of diversity around the globe. Targets for 2022 for gender diversity have also been set.

Employee communities: Bottom-up support

Since 2017, our local Women at Electrolux (WE) networks have thrived and Electrolux maintains strong support for them as they contribute to the company's financial success by unleashing the full power of inclusion and diversity.

During 2019, new employee networks were created and in various initiatives to promote equality and inclusion in the workplace took place across the world.

Global Internship programs to foster diversity

Our partnership with AIESEC, an international platform for young people to explore and develop their leadership potential, allows us to tap into a diverse young talent pool by offering internships throughout our global operations. In 2019, Electrolux recruited AIESEC 100 interns from 38 different countries. 53% were women, with a total global retention rate of 65%.

Also, as part of our Global Engineer Program (GEP), we search for talented young people, with focus on gender and nationality diversity, within the areas of Science, Technology, Engineering and Mathematics (STEM). During 2019, Electrolux recruited 52 GEP interns from 28 different nationalities. 53% were women, with a total global retention rate of 60% of those who joined in 2018.

Employee Engagement Survey

The results from the Employee Engagement Survey (EES) on diversity and equal treatment still indicate room for improvement, and our work with diversity aims to address this.

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 2019, two acquisitions were completed. Human rights and corruption risks were considered in the due diligence as part of the projects. In parallel, final steps toward full alignment with our Workplace Policy and ethics program, have been taken by the business unit in South Africa, which was acquired in 2017.

Ethics

Our Code of Conduct

In 2019, we launched a new Code of Conduct e-learning and a procedure for the electronic sign off of the Code. Our target during the year was that all office-based employees should have completed the e-learning and signed off on the Code. By the end of the year, 84% of Electrolux employees had completed the e-signature to confirm they had read and understood the Code, and 83% had completed the e-learning.

We also initiated a Code of Conduct educational campaign that specifically targeted our manufacturing employees, which covers the parts of the Code of Conduct that are relevant to them. This campaign will be rolled out during 2020.

A central part of the Code of Conduct educational activities centers around human rights including labor standards. An estimation of the number of hours spent on human rights training for employees in 2019 as part of this e-learning is approximately 2,200 hours in total.

Next steps will involve the roll-out of an e-learning on anti-corruption in the first half of 2020, with a Workplace Policy e-learning planned for the second half of the year.

The 2019 EES results indicate 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

In 2019, Group Compliance initiated a global risk assessment exercise for all four business areas on our anti-corruption risks. At its conclusion in 2020, the company will be able to re-assess its compliance priorities and make targeted and cost-effective enhancements to the program.

Besides the formal risk assessment process, we assess information gathered from our employees through formal and informal channels - such as meetings, phone calls, discussions and anonymous surveys, to improve our anti-corruption program. On the International Anti-Corruption Day in December 2019, our General Counsel spear-headed an internal communications campaign, to encourage employees to be transparent and open about any pressure they might face to act contrary to our anti-corruption commitment. This campaign also included simultaneous training and discussion sessions for over 360 employees in Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Panama, Peru and the United States, led by our internal Legal Counsel. These workshops were in addition to other face-to-face trainings carried out throughout the year for key employees in Eastern Europe and the Middle East.

Besides bribery-related corruption risks, Electrolux also takes fraud seriously, and conducted anti-fraud training for over 150 employees in Sweden, the United States, Malaysia, Thailand and Brazil. Almost all 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. 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.

Training, internal communication, investigations and other elements that effectively implement our anti-corruption commitment are undertaken cross-functionally, between Group Compliance (under the General Counsel's office), HR, Sustainability and Internal Audit. This is true not only at Group level, but also within our four business areas to ensure global coverage of all initiatives and activities.

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. In addition, face to face trainings were carried out for employees in Sweden and Central and Eastern Europe.

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.

Ethics Helpline cases

By the end of 2019, 98% of our employees had access to the Ethics Helpline, our whistleblowing system.

In 2019, 215 (247) cases were reported through the Ethics Helpline. 154 (118) reports led to investigation, and 61 (105) cases were considered outside the scope of the Helpline or lacked sufficient detail to allow investigation. The largest categories of reports in 2019 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 favoritism, compensation and promotion and working hours. 19 (19) cases of breach of business integrity were reported - including for example accounting, fraud, theft and corruption.

Typically, these cases result in warnings and retraining, but in some severe cases to dismissal. In total, 6 employees were dismissed from the company, as a result of investigations into Helpline reports from 2019.

The level of trust in the Ethics Helpline increased to 77% from 76% in 2018 and 67% in 2016. Our target for 2021 is 80%.

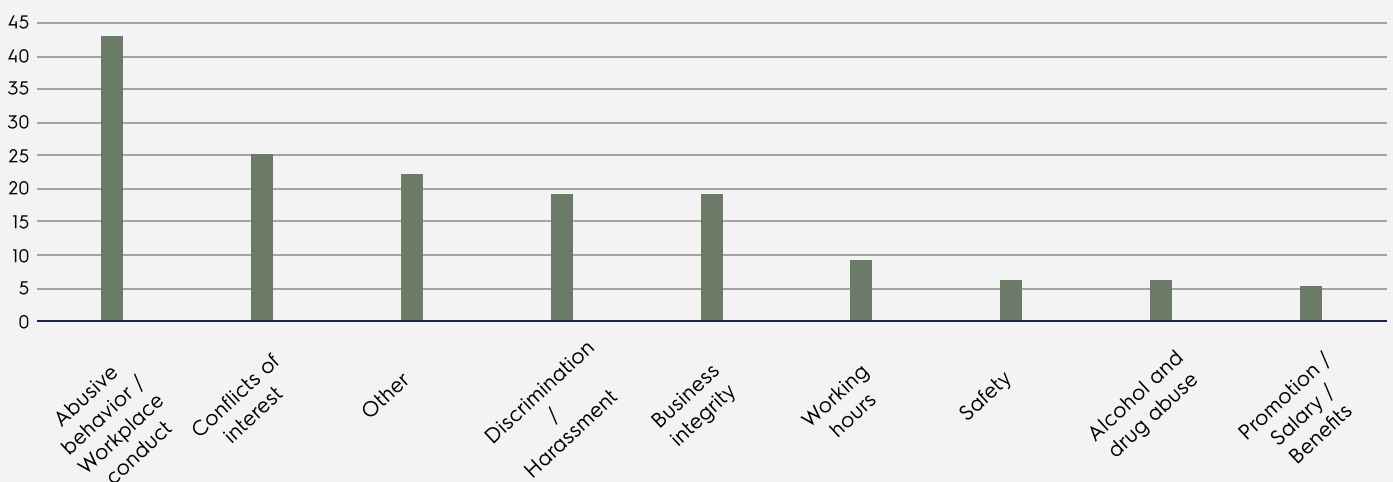
The fact that the number of employees that use the Helpline has stabilized at a higher level than before 2017, and that the level of trust in the whistleblowing system is also at a stable high level indicates that our efforts with the Ethics program are having a positive impact.

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 substantiated complaints concerning privacy or the loss of personal data, or any related investigations by authorities. A number of requests for information have been submitted by for example customers, which Electrolux has processed and responded to, in line with internal procedures, our Code of Conduct and applicable legislation.

Ethics Helpline reports 2019



Next steps

Roadmap 2015 to 2020	Next steps	Status
Develop and implement a cohesive, group-wide approach to human rights.	Continue to conduct local assessments and follow up assessments conducted since 2017.	●
Provide guidance to employees on how to do the right thing by promoting the Code of Conduct.	Maintain the global reach of the Ethics at Electrolux program.	●
	Educate employees in the new Code of Conduct and our key policies.	●
Be responsive and respectful when dealing with issues of concern, building trust in our Ethics Program among employees.	Further develop our process for handling Ethics Helpline cases, through training and shared learning, and common principles of integrity and confidentiality.	●
Continue to develop an effective global Anti-Corruption compliance program.	Align and improve corruption prevention efforts throughout the company through various methods, including e-learning and face-to-face training. Emphasize the zero-tolerance message for bribery and corruption throughout the organization.	●

The next steps towards 2030 will be announced in the 2020 report.

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

Solutions for healthy and sustainable living for more people

We are making efficient appliances accessible to more people, creating opportunities for a better life for everyone.

Our promise

Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.

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

Our approach

We develop efficient solutions and appliances to help people around the world gain access to efficient appliances. The success of this promise lies in delivering appliances that appeal to and meet the needs of consumers with limited income, and in the right market conditions that emphasize the value of efficiency.

The case for action

A refrigerator is one of the first things people buy when they enter into the global middle class. Appliances provide solutions to the most fundamental needs for household such as fresh food and water. From a social perspective, they free up time allowing people, often women, to have a job or for children to go to school.

Efficient appliances can play a key role

As the global middle class will almost double by 2030, this means that the demand for energy, water and resources will continue to increase. Efficient appliances can play a key role by optimizing the use of energy and water in homes. As a leading global appliance company, we have the opportunity to provide efficient and affordable solutions for the growing middle class around the world.

In the 2016 brand survey in Brazil, Electrolux was identified as the overall leading brand in the mass market. Consumers want manufacturers to prioritize recycling schemes, water efficiency and the avoidance of harmful materials. The Electrolux brand is strongly associated with environmental issues and energy efficiency, which helps to drive sales of our appliances.

We work with our global technology platform and international partnerships to drive this promise.

Challenges

- Alignment of Electrolux's global platforms across relevant markets in order to provide a Group-wide focus for this promise.

The progress on our promise

How we measure progress

1. This long-term promise involves the ongoing development of our global product platforms
2. Electrolux continues its partnership with the U4E program

Global technology platform

The Electrolux global technology platform provides a high degree of modularization to deliver affordable products with good environmental performance. In particular, South-East Asia, Latin America and the Middle East are important markets where Electrolux is developing solutions for the growing middle class.

Partnerships



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.





In 2019, Electrolux joined the Cool Coalition initiative, which encourages companies to make their own bold commitments to reduce emissions in the cooling sector. Electrolux has committed to a plan to accelerate finding alternative refrigerants with less Global Warming Potential in refrigerators, freezers and air conditioning units.

During the year, Electrolux also signed the UN global 'Business Ambition for 1.5°C' pledge to work to limit global temperature rise throughout its value chain. Electrolux CEO Jonas Samuelson attended the UN General's Climate Action Summit in New York in September to sign the pledge together with other business leaders. The pledge is in line with the most ambitious aim of the Paris Agreement, and is part of the science-based targets and climate neutrality objectives that Electrolux is working toward.

Next steps

Roadmap 2015 to 2020	Next steps	Status
Electrolux will leverage its global presence to accelerate technology transfer to emerging markets.	Develop global platforms with a high degree of modularization to deliver affordable products with good environmental performance.	
Engaging in United for Efficiency (U4E), a UNEP-led project to advice governments on areas such as energy labeling, incentive programs and the disposal of refrigerators.	Continue to support U4E projects.	

The next steps towards 2030 will be announced in the 2020 report.

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

Be a force for good

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

Our promise

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

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

Roadmap 2015 to 2020

- Establish and implement a Group approach to community support.
- Together with our global and local partners, explore possible project models, replicate and scale up, with the aim of maximizing societal impact.

The case for action

Feeding the world's growing population sustainably is one of the greatest challenges of our time. 1.3 billion metric tons of food is wasted every year¹⁾, over 820 million people are undernourished²⁾, around 192 million are unemployed³⁾, 2 billion people are overweight⁴⁾ and 22% of the world's greenhouse gas emissions are caused by the food sector⁵⁾.

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.

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 and decides on funding. Electrolux has committed to continue funding the foundation until 2030.

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 students in culinary schools.
- Support people in need through the donation of meals and equipment, employee engagement and monetary donations.

Challenges

- Ensuring all projects deliver real community benefits.
- Ensuring the needs and expectations of all three partnering organizations are met – Worldchefs, AIESEC and Electrolux.

References:

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

2) <http://www.fao.org/world-food-day/theme/en/>

3) https://www.ilo.org/global/research/global-reports/weso/2018/WCMS_615594/lang--en/index.htm

4) <https://www.ncbi.nlm.nih.gov/pubmed/28604169>

5) <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

The progress on our promise

How we measure progress

1. Number of people educated (trained and participated).
2. Donations.
3. Number of views (social media, website, printed media) and participation in events.

The Electrolux Food Foundation has a roadmap with visionary targets aligned with Agenda 2030. In 2019, we focused our efforts on scaling up successful projects to maximize positive impact - particularly 'Food Heroes' and 'Like a Chef' in different parts of the world. 'Food Heroes' workshops were held in 31 countries, and 'Like a Chef' was established in an additional five locations, bringing the total number of places to eight in six countries. In addition, our partner Worldchefs continued to support culinary schools around the world to implement their seven-day sustainability curriculum, providing the chefs of tomorrow with relevant and necessary awareness and skills.

These projects are all based on the conviction that education is the key to make our food habits more sustainable, aligned with planetary boundaries.

In 2019, Electrolux established a global partnership with the Red Cross in Sweden to introduce a donation platform for our employees worldwide, focusing on support to people struck by natural disaster.

As part of its 100 year anniversary celebrations in 2019, Electrolux communicated its intention to continue the funding of the Electrolux Food Foundation, with a total of SEK 100 million until 2030. The funding in 2019 was in total SEK 10 million, which was used to fund projects, partnerships and central management costs.

In addition to funding the Foundation, the company invested both centrally and at a local level in community programs, including approximately SEK 2.3 million in management costs, SEK 3.6 million in in-kind donations and SEK 2.2 million in cash donations. In total, employees volunteered over 2,300 hours of their time to support local activities.

More details on the targets and results achieved in 2019 are detailed below.

Awareness

Vision

Inspire people on the topic of sustainable eating and cooking through global and local storytelling on Electrolux Food Foundation's ongoing projects.

2030 target

Awareness - 2030 target - Achieve 300 million viewership 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 2019

- Reached an audience of 42 million around the world.
- 81% of Electrolux employees indicated that they are proud of the way Electrolux demonstrates environmental and social responsibility (Source: Employee Engagement Survey 2019).

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 2019

- 31,100 people participated in 'Food Heroes' workshops in 31 countries - from Peru to Malaysia.
- 276 Electrolux employees, 1,654 AIESEC members and 89 Worldchefs members volunteered an average of 3 working hours delivering 'Food Heroes' workshops.
- 5,100 people participated in local events in Poland.

Education: Professional training

Vision

Make sustainable cooking the preferred choice, while supporting people to enter the labor market.

2030 target

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

Achieved in 2019

- Established 'Like a Chef', our ten-week culinary training program for the unemployed, in five additional locations - Egypt, Poland, Sweden, Ukraine and a new location in Brazil.
- 142 people graduated from 'Like a Chef' programs.
- The Sustainability Curriculum was implemented in nine culinary schools in Mexico, Jordan, Canada, Ecuador, Namibia, India, South Africa and Malaysia, resulting in 838 students educated during 2019.

Support

Vision

Support people in need.

2030 target

Provide three million people with meals and other support by 2030.

Achieved in 2019

- 306,000 people were provided with meals and other support, through aid organizations, mainly through our local projects at Electrolux in North America and Australia.

Next steps

Roadmap 2015 to 2020	Next steps	Status
Establish and implement a Group approach to community support.	The Group approach is in place, including 2030 targets.	
Together with our global and local partners, explore possible project models, replicate and scale up, with the aim of maximizing societal impact.	Continue to replicate, scale up and develop our programs: <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 to people in need. 	

The next steps towards 2030 will be announced in the 2020 report.



On track



Additional effort is required



Off track



Work has not yet begun

Improve sustainability in the supply chain

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 ensure that all suppliers live up to our high expectations, no matter where they are located, and we will support the transition to more sustainable practices.

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

Roadmap 2015 to 2020

- Monitor and secure minimum performance at our direct suppliers of components, finished goods, licensed products and services. Engage selectively further up the supply chain and promote responsibility among all suppliers toward their own supply chain.
- Screen prospective suppliers to ensure they can live up to the Group's expectations.
- Increase awareness and capabilities among our prospective and existing suppliers through training and dialogue.
- Drive the improvement of supplier environmental footprints.
- Leverage our influence over logistics companies to improve the CO₂ efficiency of our transportation by 15% by 2020.

The case for action

We have a duty to drive improvements in our supply chain, particularly as a substantial part of our business is conducted in emerging markets. Our experience shows that enhanced sustainability performance, particularly in energy use, and health and safety, improves the bottom line. We pass on this knowledge by working together with our suppliers to strengthen relationships, and ultimately create mutual benefit.

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

Responsible sourcing

Our +3,000 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.

All of our critical suppliers are audited at least every other year by our internal teams or external auditing companies. The Electrolux Responsible Sourcing Program is managed by a team of in-house supply chain specialists and consists of 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 assessment** – conducted annually 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.
- **Making performance count** – supplier evaluations and audits are used in formal sourcing decisions, and 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.

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.

Supplier environmental footprints

We work to reduce greenhouse gas emissions and water use within our value chain. We share our knowledge with suppliers, provide tools to assist them in evaluating their footprint and define suitable improvement activities, and reward progress and proactivity.

Logistics

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 remains a challenge.
- Adopting a collaborative approach with industry peers to bring about greater positive change among our shared suppliers.

The progress on our promise

How we measure progress

1. Proportion of critical suppliers audited in the last 12 months.
2. Proportion of critical suppliers with an audit rating of 'approved', i.e. no serious findings.
3. Proportion of critical suppliers participating in training in the last 12 months.
4. Share of OEM partners engaged in activities to improve their environmental footprint.
5. Transport emission intensity, CO₂ emissions / m³km.

Responsible Sourcing Program

During the year, Electrolux reorganized its Global Purchasing team and increased focus on sustainability topics throughout its supply chain. This has involved nominating a dedicated Program Manager to drive sustainability efforts with suppliers.

627 of our suppliers were considered to be critical and were the focus of our Responsible Sourcing Program in 2019. These include suppliers located in regions, or using production processes that pose higher risks for environmental, labor and human rights violations or corrupt practices. During 2019, the program was launched in our newly acquired company in South Africa, which involved training staff and setting up auditing activities.

Migrant labor management has been a focus area in 2019, with spearhead activities in Thailand where analysis of the supply chain, training and new policy deployment has taken place.

The 2019 Supplier Award Day celebrated the most innovative and efficient key suppliers and had sustainability as a main theme. Sustainability was also featured in two regional Supplier Day events.

Responsible sourcing auditing

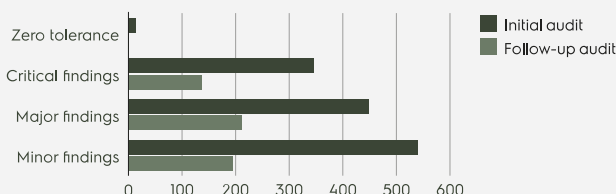
In total, 351 (399) supplier audits were performed, including 282 (328) by internal auditors and 69 (71) by third party assurers. In 2019, 49% (66) of our critical suppliers were audited, which also included verifying that our expectations were communicated to Tier 2 suppliers.

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 23 (20) zero-tolerance findings were uncovered in 2019. The most common zero-tolerance findings were related to inconsistent working hour records and lack of transparency around working records in general. These types of findings represented 43% of the zero tolerance findings. Harassment in the form of abusive behavior by single managers was found in four cases, representing 17% of these cases and three cases were found of discriminatory pregnancy testing practices. In another three cases, non-compliant processes around retaining worker passports were identified. In all instances, management practices at the respective supplier were amended. There was one case of under-age labor during 2019, involving construction workers temporarily working at one of our suppliers' sites in Egypt. The number of less severe findings related to the management of young workers has increased in 2019.

All zero-tolerance cases are reported to senior Purchasing management, who also monitor remediation actions or ultimately take the decision to phase out the supplier.

Responsible sourcing audit findings



The graph above shows the remediation of non-compliances, comparing follow-up audits conducted in 2019 with preceding audits.

There are large regional differences in the status of audited suppliers. The prevalence of serious findings is high in some markets, due to societal issues, such as working hours in Asia, and significant discrepancies between local legislation and Electrolux requirements – including 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
2. Laws and regulations	0.1%	6.0%	1.6%	2%
3. Suppliers and subcontractors	0.0%	0.0%	0.0%	0%
4. Corruption, bribery and business ethics	0.0%	0.0%	0.0%	0%
5. Child labor	2.6%	0.0%	0.0%	2%
6. Forced labor	1.2%	0.0%	0.0%	1%
7. Security arrangements	0.0%	0.0%	0.0%	0%
8. Worker H&S	54.1%	66.4%	79.7%	60%
9. Non-discrimination	0.7%	0.0%	0.0%	0%
10. Harassment and abuse	0.0%	1.8%	0.0%	0%
11. Disciplinary actions and grievances	2.8%	0.0%	1.6%	2%
12. Working hours	27.4%	11.1%	7.8%	22%
13. Compensation and employment conditions	3.5%	1.8%	3.9%	3%
14. Freedom of Association and collective bargaining	0.0%	0.0%	0.0%	0%
15. Environmental governance and procedures	7.5%	12.4%	3.9%	8%
16. Monitoring and compliances	0.0%	0.5%	1.6%	0%
Number of audits included in sample	231	94	74	399

The distribution of significant findings represented above, expressed as a % 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, we provided classroom training in our Supplier Workplace Standard for 378 (299) supplier representatives from 216 (126) suppliers. Our purchasers are also trained on the Electrolux Workplace Policy and Supplier Workplace Standard, with 152 (209) trained in 2019. In addition, we began the launch of our updated Supplier Workplace Standard e-learning targeting a wider audience at our suppliers. In this new edition we bring in more examples of good practices from our own operations with the ambition of increasing awareness and knowledge on topics with many findings. 234 people from 185 suppliers completed the new training in 2019, and the roll-out will continue to all regions in 2020.

Through QuizRR, the digital learning platform we use to gain a wider reach of workers at our suppliers, we trained 3,620 people on good workplace practices in 2019, bringing the total number trained with this tool to 8,120 at nine suppliers in China. The tool is now being piloted in Thailand, with a module focusing specifically on migrant labor.

Conflict minerals

Following a pilot assessment on conflict minerals in 2017, we investigated 400 suppliers during 2019 and the results have been made public. 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 Mineral 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.

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.

2019 was the ninth year of dialogue and cooperation with key Original Equipment Manufacturers (OEMs) on resource management. We monitored energy and water data from suppliers – covering 73% of our Original Equipment Manufacturer spend.

During the year, we launched a new checklist tool in China to help suppliers identify potential improvement opportunities to reduce energy and water use, and enable them to prioritize action. A workshop was conducted on energy and water management, bringing in 40 of our top OEM suppliers to provide further guidance and recognize the progress made.

Logistics

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

However, our efforts have resulted in an improved CO₂ efficiency in our sea transportation of almost 22% since 2014. We have also improved our CO₂ efficiency for land transportation by more than 11% compared with 2015. Our goal is to improve CO₂ efficiency across all modes of transport by 15% by 2020 compared with 2015.

In 2019, Electrolux held a 'Logistics Sustainable Summit' that focused on land transport to bring together leading companies and transport providers to identify improvement actions throughout our logistics value chain. Areas for improvement were identified, divided into short, medium and long-term actions, and prioritized with KPIs to drive and follow up action. Such collaboration with our logistics partners is essential to drive change in our logistics value chain.

During the year, our latest intermodal truck-and-train solution in Western Europe reduced transport-related emissions. The project is part of a wider shift from road to rail and intermodal transport at Electrolux.

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.

In 2019, 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 ocean transport-related emissions respectively.

Next steps

Roadmap 2015 to 2020	Next steps	Status
Monitor and secure minimum performance at our direct suppliers of components, finished goods, licensed products and services. Engage selectively further up the supply chain and promote responsibility among all suppliers in their own supply chain.	Leverage new Sourcing strategy and organization to increase coverage of supply base, and create more senior involvement on both sides in driving supplier performance.	●
Screen prospective suppliers to ensure they can live up to the Group's expectations.	Update supplier screening methodology to promote and drive sustainability performance.	●
Increase awareness and capabilities among our prospective and existing suppliers through training and dialogue.	Continue deployment of digital learning tools to reach more people working within our supply base.	●
Drive the improvement of supplier environmental footprints.	Expand usage of self-assessment tools for our main suppliers and set improvement targets.	●
Leverage our influence over logistics companies to improve the CO ₂ efficiency of our transportation by 15% by 2020.	Continue the implementation of an environmental scorecard in the tendering process for dedicated transport services in 2020. Set up supplier meetings to share/discuss best practice and action plans. Proactively contribute to the BSR Clean Cargo initiative, which aims to improve the environmental performance of marine container transport.	●

The next steps towards 2030 will be announced in the 2020 report.

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

Our climate targets

By focusing on our major impacts, we will 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

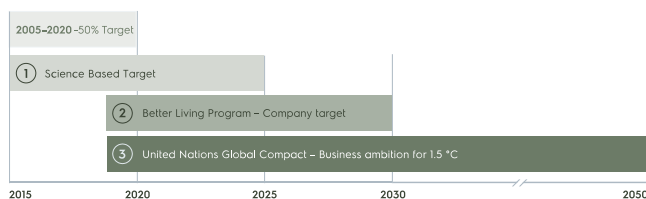
As part of our Better Living Program objective to make our business circular and climate neutral, we launched a new climate target during the year. It aims for **Climate neutral operations by 2030** (scope 1 and 2 emissions).

In addition, our President and CEO Jonas Samuelson, signed the United Nations Global Compact - Business Ambition for 1.5° C in 2019. Electrolux aims for **Climate neutral value chain by 2050**.

These new longer-term targets complement our science-based target¹⁾ to **reduce our scope 1 and 2 emissions by 80% between 2015 and 2025**, which also aims to **reduce the absolute scope 3 emissions from the use of our sold products by 25%** during the same time frame. The scope 3 target covers two thirds of all products sold by Electrolux.

We also follow up our **own-developed target to halve our 2005 emissions by 2020**.

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. UNGC Business Pledge - climate neutral value chain by 2050

1) Our science-based targets are based on our 2015 emissions, which amounted to 81,700,000 metric tons CO₂. The Science Based Target initiative is a global initiative headed by CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and the World Wildlife Foundation (WWF). The initiative enables companies to set climate targets consistent with the level of de-carbonization required to limit global warming to less than 2°C, compared with pre-industrial temperatures.

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 Electrolux products.

Emission reduction actions

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 over 80% 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 hydro fluorocarbons (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 market barriers to alternative solutions.

In 2019, Electrolux joined the Cool Coalition initiative, which encourages companies to make their own bold commitments to reduce emissions in the cooling sector. Electrolux has committed to a plan to accelerate finding alternative refrigerants with less Global Warming Potential in refrigerators, freezers and air conditioning units.

Progress on our Climate Targets

We report on our 2025 science-based target and our 2020 50% reduction target.

Roadmap 2015 to 2020	Read more in the relevant Promises	Status
Be a leader in product efficiency in our most important markets.	Constantly Improve Product Performance & Efficiency	●
Eliminate high-impact greenhouse gases from our products.	Eliminate Harmful Materials	●
Improve efficiency throughout our operations and supply chain.	Achieve More with Less Improve Sustainability in the Supply Chain	●
Increase the share of renewable energy for our operations to 50%.	Achieve More with Less	●

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

Our science-based climate target ¹⁾

By the end of 2019, we reduced our absolute scope 1 and 2 greenhouse gas emissions by 59% compared to 2015 - toward our 80% reduction target by 2025.

Read more about our scope 1 & 2 emissions in our Promise [Achieve more with less](#). Our scope 3 is being monitored and its progress will be reported in 2020.

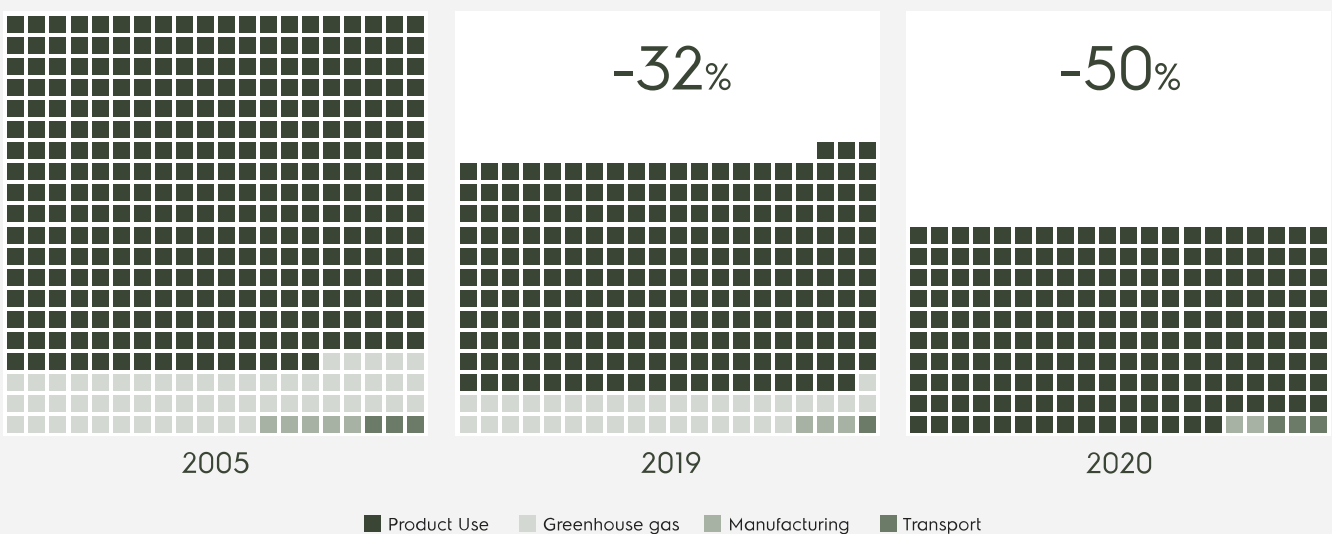
Progress on our 50% target

By the end of 2019, we had cut our CO emissions by 32% compared to 2005 - toward our 50% target by 2020.

This target is relative and includes emissions from product use, high impact greenhouse gases, manufacturing and transport. Production volumes and electricity emission factors are normalized to 2005.

Climate targets 2020 ²⁾

Reduce CO2 impact by 50% in 2020 focusing on product efficiency in the main product categories. Sales volumes and emission factors are normalized to 2005.



¹⁾ Note that as the Professional business area was spun off in 2019, it was removed from our SBT baseline during the year.

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. In the next 15 years, 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 – 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 For the Better as described below. The correlation between the UN Sustainable Development Goals and the Electrolux sustainability framework shows that the Group's materiality analysis reflects societal priorities.



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.

SDG 13 – Climate action

Our action on climate change is reflected in our climate targets to halve our CO₂ footprint, including product usage, production and transportation. We are also committed to achieving science-based emission targets, and have set a new target to increase the proportion of renewable energy used in our operations to 50% by 2025.

SDG 8 – Decent work and economic growth

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

SDG 17 – Partnerships for the Goals

Electrolux engages in numerous partnerships to drive the agenda toward the achievement of the SDGs targets. 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. The Electrolux Food Foundation also partners with Worldchefs and the AIESEC youth-led organization to achieve greater community impact.



Our other relevant SDGs

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

SDG 3 – Good health and wellbeing

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. Read more in our Promise [Ensure the best health and safety.](#)

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 [Always act ethically and respect human rights.](#) Our social investment projects also often empower women in society. Read more in our Promise [Be a force for good.](#)

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. Read more in our Promise [Constantly improve product performance and efficiency.](#)

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 [Achieve more with less.](#)



THE GLOBAL GOALS
For Sustainable Development

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. A new energy label as part of the new regulation will be introduced on new products starting from November 2020. It will replace the old label from March 1, 2021.
- New energy efficiency standards are under development in the U.S.
- Australia and New Zealand are applying new refrigerator energy performance ratings since 2019. They will be fully implemented in 2021.

Circular economy

- A circular economy legislation is under development in the EU.
- Appliance recycling legislation in Brazil will be enforced in 2020 together with the first administrative obligations for the industry. The collection and final disposal of appliances will start 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.

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.

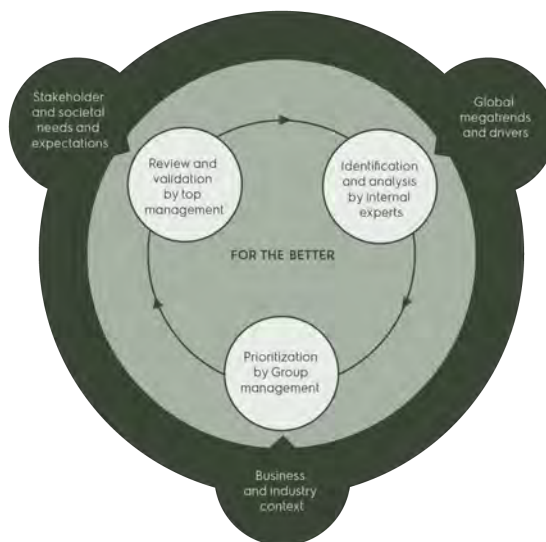
The foundation of our approach is the Global Reporting Initiative's sustainability topics and the UN Sustainable Development Goals. We identify and prioritize the most important topics to Electrolux and our stakeholders, and these are included in our sustainability framework For the Better.

For the Better consists of nine Promises and our climate targets. These are the main areas we focus on as they maximize our contribution to society. Our material topics are annually reviewed.

The relevance of an issue 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.



Our most material issues make up our current sustainability framework, illustrated below.

For the Better

Better solutions	Better operations	Better society
Improve product performance and efficiency	Ensure the best health and safety	Solutions for healthy and sustainable living for more people
Make better use of resources	Achieve more with less	Be a force for good
Eliminate harmful materials	Respect human rights and ethical principles	Improve supply chain sustainability
Climate targets		

For the Better 2030

In 2019, as a result of our materiality process (read more at [Stakeholders inform our approach](#)), our sustainability framework was updated and will be applied from 2020. The illustration below shows our updated sustainability framework, For the Better 2030, where our priorities are shaped by our current material issues.

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.

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

Consumers shape our sustainability approach

- We have developed a [Better Living Program](#) communications platform to engage consumers (and employees) on sustainability topics.

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.
- Feed the Planet partnership with Worldchefs.

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 new 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 [Always act ethically and respect human rights](#).
- The Employee Engagement Survey gathers employee perceptions and feedback on our sustainability agenda.
Read more in our Promise [Always act ethically 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 into strategic and operational activities on a local, market and Group level.
- Our global intranet also allows employees to influence our sustainability agenda. Each month, 20,000 non-production employees access the global intranet featuring global articles, local news, presentations and films on sustainability related issues published systematically during the year. Through interactive features, our employees can comment on these materials, publish their own information and create a dialogue on ongoing and new projects. Production employees have access to information via a smartphone app and their voices are heard through other face-to-face channels.
- We continue to develop our strategic partnership with AIESEC and our employees through our [Feed the Planet](#) activities, with a particular focus on promoting sustainable food habits as part of local and global projects.
We also focus on finding talented women we can recruit within the areas of Science, Technology, Engineering and Mathematics (STEM) together with AIESEC, as part of our Global Engineer Program.
- In 2019, we invited our employees to a global digital crowdsourcing event where they could suggest initiatives for our new sustainability framework - the Better Living Program. Some of these ideas were selected by the Electrolux management to shape our Better Living Program.

Suppliers

Working with suppliers is crucial to implementing our sustainability framework – For the Better

How Electrolux engages with suppliers

- During our Responsible Sourcing and Quality auditing and assessment work, we regularly dialogue with suppliers to understand the topics of greatest importance and concern to them. Our regular regional Supplier Sustainability Days provides further such opportunities, also providing suppliers possibilities 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, to share their ideas and priorities. The 2019 theme was sustainability.
- 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-related emissions, and Clean Cargo focusing on reducing impact in 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.
- As part of the BSR Clean Cargo initiative, Electrolux logistics suppliers must be BSR members.
- We continuously evaluate the environmental performance of our logistics suppliers.

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 Nordic Purchasing Strategy Forum and 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 new sustainability framework – For the Better 2030.
- Many of our Promises illustrate that we are an industry leader in terms of sustainability.
- 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

- We engage with experts on human rights and labor rights – including advocacy groups, local representatives of international organizations, academia and embassies.
- Electrolux engages with the European Environmental Bureau on energy efficiency and labeling.
- We present our strategy to increase the use of recycled plastic in our products at various multi-stakeholder events and meetings.

NGOs, academia and governmental initiatives shape our sustainability approach

- Input from these stakeholders is a crucial part of our materiality analysis.
- Input to our public policy initiatives in Europe on labeling.

Impacts throughout our value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create maximal 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 [Constantly improve product performance and efficiency.](#)

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.

Generating 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 over 3,000 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 sustainability performance. This requires careful assessment and supplier selection. Read more in our Promise [Improve sustainability in the supply chain](#).

Risks

- Potential connection to social, 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 our suppliers to mitigate environmental, health and safety risks as well as ethical and human rights risks.
- Climate impact assessments of key suppliers.
- Supplier auditing to safeguard standards.
- Provide training and drive improvement initiatives.

Generating value

Rewarding suppliers that comply with our requirements and share our sustainability ambitions stimulates technical improvements and innovation. Promoting universal norms supports human rights and raises environmental, labor and economic standards – particularly in low-cost countries. This also builds trust and reduces business risks.

Electrolux operations

High ability to influence, medium impact

Electrolux has manufacturing operations in 42 factories in 18 countries and approximately 49,000 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 [Achieve more with less](#).

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.

Generating 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.

Generating 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, primarily through retailers. Energy and performance labeling, and retailer sustainability campaigns allow us to raise consumer efficiency awareness. Read more in our Promise [Constantly improve product performance and efficiency](#).

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.
- Partnering with our customers to highlight sustainability aspects to consumers.
- 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.

Generating value

Promoting transparency and our sustainable product offering contributes to retailer sustainability 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 Promise [Constantly improve product performance and efficiency](#).

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.

Generating 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.

Generating 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.

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 [Always act ethically and respect human rights](#).

Our commitment

Human rights are at the core of our Code of Conduct and our Promise [Always act ethically 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 & Organizational Development, 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, and was originally applied to identify our salient human rights

risks in 2016. This encompassed surveys and interviews with around 40 representatives from all business areas, regions and key functions within the Group. It also incorporated 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, and 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 initiated in 2019.

Read more in our Promise [Always act ethically 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 2019 Materiality Analysis reconfirmed our salient human rights issues as stated below, with the exception of sexual exploitation, which has been 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 visit strip clubs, in conjunction with business trips or as part of representing the company with suppliers or customers. This gap has been rectified as part of our work in 2018 to update our Group Policies and launch 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.

Electrolux context & high-risk countries

- Electrolux has employees in countries with immature labor practices.
- High-risk areas include the U.S., Latin America, China, Southeast Asia and the Middle East.

Status and next steps

Freedom of association and employee-management dialogue are in scope for local assessments and action planning.

Promote active dialogue with local management. Update our Labor Relations strategy during 2020.

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

Programs to address overtime issues in China and Thailand have led to improvements. Wage levels are part of our local assessments, and we plan to review our approach to wages.

Read more in our Promise [Always act ethically 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.

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 women in leading positions – 35% at tier 2 and tier 3. In 2020, Electrolux intends to define a clear roadmap for Inclusion & Diversity, in line with a strengthened commitment to drive improvements in this area. A training program to emphasize the group principles for countering and dealing with harassment and discrimination is in place.

Read more in our Promise [Always act ethically 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, risk assessments and regulatory alignment in recent years. In 2019, this work continued.

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 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 [Always act ethically 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

- Risk related to 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

Our Responsible Sourcing team is part of all sourcing board decisions, approving all new suppliers and new projects over USD 50,000. We also have a comprehensive approach to migrant labor.

Implementation of OECD guidelines to reduce risks related to conflict minerals.

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

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

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

Guidelines have been established for the integration of human rights and corruption considerations in acquisitions. Recent focus has been 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

Improved screening procedures for new partners is underway.

Additional important potential impacts on human rights are related to health and safety in our operations and product safety. However, these are deemed to be well-managed by existing programs and are therefore not included in our salient human rights. See our Promise [Ensure the best health and safety](#) 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 [Always act ethically 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 [Always act ethically 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 [Always act ethically 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 [Always act ethically 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. Read more in our Promise [Ensure the best health and safety](#).

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 indicators. 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 [Achieve more with less](#).

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 [Achieve more with less](#).

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). 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 [Improve sustainability in the supply chain](#).

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 [Ensure the best health and safety](#).

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 2019](#) section. The aspects have been combined if they have a common management approach or policy.

For the Better

Our sustainability framework - For the Better - was based on our materiality analysis. Read more about our material sustainability topics, promises and progresses in [Key priorities and progress 2019](#). Here we describe our material sustainability topics, where they occur as well as any [relevant boundaries](#). We also comment on our performance in relation to each of our promises.

Sustainability governance

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

In 2019, we set up the Electrolux Sustainability Board, which will be an important forum to discuss and decide on sustainability action throughout the Group. The board will be essential in delivering 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' 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 2019](#).

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

Economic

For 2019 information regarding our economic management and reporting practices, see [Annual Report: Note 1 Accounting principles](#). For our work on anti-corruption, see [Always act ethically 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 2019

Read more in our Promise [Always act ethically and respect human rights](#).

Environment

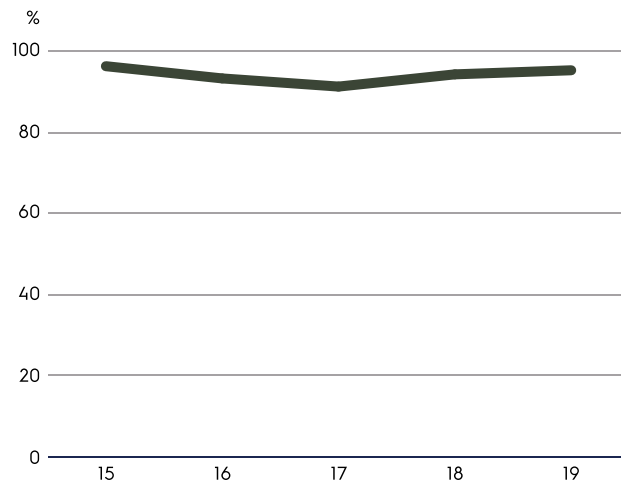
Electrolux applies a product lifecycle approach to managing environmental impacts, which considers the entire lifecycle – from supplier impacts to transport, manufacturing and use. We also apply the precautionary principle, whereby we act responsibly despite not having the full scientific knowledge of 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 2019

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

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 2019

Read more in our Promise [Make better use of resources](#).

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 2019

Read more in our Promise [Achieve more with less](#).

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

Our approach and progress in 2019

Read more in our Promise [Achieve more with less](#).

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 2019

Read more in our Promise [Achieve more with less](#) 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

Our approach and progress in 2019

Read more in our Promise [Achieve more with less.](#)

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 2019

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

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 2019

Read more in our Promise [Always act ethically 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 2019

Read more in our Promise [Always act ethically 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 Global Industrial 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 2019

Read more in our Promise [Ensure the best health and safety.](#)

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 2019

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 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 2019

Read more in our Promise [Always act ethically 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 2019

Read more in our Promise [Always act ethically 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 2019

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

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 2019

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 2019

Read more in our Promise [Always act ethically 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
 EU public discussion on plastics
 EU waste and chemical legislation
 Smart appliances, data security and privacy
 Brexit

North America

Trade tariffs on imports from China
 US/Mexico/Canada (USMCA) Trade Agreement Ratification
 Department of Energy (DOE) appliance standards rulemakings.

Asia Pacific

Consumer law on product safety (AU)
 Waste and packaging regulation (CN, AU)
 Chemical regulations (SEA)

Latin America

Recycling program negotiations in Brazil
 Open trade trend discussions in Brazil
 New energy efficiency labelling for appliances in Argentina



How do we live more sustainably? Towards better living

Around 52% of our consumers consider themselves to be climate conscious but many don't live as sustainably as they'd like. Such were the findings of our Better Living Report to help consumers close the gap between how they live today and how they could live a more sustainable future.

In 2019, Electrolux launched the [Better Living Program](#) - a plan to enable better and more sustainable living for consumers around the world by 2030.

The initiative widens the scope of the Electrolux commitment to sustainability and enables the company and its brands to contribute in a meaningful way to key global challenges. Bold targets focus on better eating, better garment care and a better home environment.

- Make sustainable eating the preferred choice
- Make clothes last twice as long with half the environmental impact
- Make homes free from harmful allergens and pollutants
- Make homes healthier and more sustainable through smart solutions for air, water and floors.

Know me before we talk green

To enable and empower consumers to take action for a more a sustainable home-life, the Electrolux Better Living Report was conducted in nine cities - Stockholm, Warsaw, Sao Paulo, Santiago, Buenos Aires, San Francisco, Shanghai, Hanoi and Melbourne.

We asked over 9,000 people between the ages of 18-60 about their attitudes, behaviors and intentions on the topic of sustainability.

- 48% believe that they can have a positive impact on the environment
- 30% find it hard to figure out which consumption choices are the most sustainable
- 49% would like to have more labels to highlight good product environmental choices

The results were insightful. Just over half of all respondents sort and recycle waste, limit the use of single-use plastic, and actively reduce their water and energy usage.

But they want to do more. The three areas with the largest green gaps are closely related to the above three behaviors. Consumers want us to help with: limiting food waste, reducing water and energy use and limiting the use of single-use plastic.

Help me eat more sustainably

Consumers know that wasting food is bad for the planet. 53% of respondents try to minimize the amount of food they throw in the bin. Fresh food that goes bad before it's consumed is a barrier and 37% throw away food that has passed its best before date while it could still be perfectly good to eat.

There's a knowledge gap on the impact of shifting to a plant-based diet. Scientists agree that this is one of the best actions consumers can take to eat more sustainably, yet only 18% say that eating plant-based is the most sustainable approach and the same percentage of respondents say they wish to eat more plant-based food.

Give old food new life: *One reason for food waste is because food loses its freshness. The top item thrown away is bread, but stale bread can be dried and used as breadcrumbs or try making it fresh again by putting it in a steam oven.*

What's washing temperature got to do with it?

The majority of people – 69% – agree that increasing the lifespan of clothes by taking good care of them is the most sustainable approach.

When it comes to defining sustainable garment care, 48% of respondents make sure to always wash full loads. However, fear of damaging our clothes prevents us from washing full loads more often than we do.

Many people want to reduce their energy consumption by switching to more efficient machines instead of lowering washing temperatures. Only 1 in 3 respondents use lower temperatures with 30% stating they can't get rid of stains and 29% say they follow the advice of the washing label.

Don't be afraid to tumble dry: Tumble-drying can be both gentle and energy efficient. With some garments (for example down), the result is even better than if you air dry - helping your clothes to last for longer.

Vacuum and purify for more fresh air

Four out of five respondents felt that indoor air quality is important for wellbeing at home, but many are not aware of the sources of indoor air pollution. 54% of respondents air out their homes to improve indoor air quality, not knowing that in urban areas, they are letting in polluted air into their homes. While 32% of people want to use an air purifier in their homes, 41% say they are too expensive and 26% believe they consume too much energy.

As more than 90% of the world's population lives in places where air quality exceeds the World Health Organization's guideline limits, controlling the indoor air quality is becoming even more important.

Start from the bottom-up and inside out: Vacuum your floors on a regular basis because keeping them free from dust keeps other surfaces dust-free too. To improve indoor air use, for instance, Electrolux air purifier Pure A9 is designed to be a natural part of our living space. It's companion app makes it easy to understand the air quality – indoor and out – and the purification work that the Pure A9 does.



Better care of the fashion we wear

Fabric care is fundamental to extend the lifespan of our clothes and washing them with less energy, water and detergents contributes to a more sustainable future.

Around 70% of people inherit their care habits from their parents making them outdated by today's standards. Consumers buy 400% more clothing than they did 20 years ago and 90% of our clothes are thrown away long before they need to be, largely due to a 'fast fashion' culture and laundry habits. Extending the life of clothing by nine months - taking better care of clothes - reduces carbon, waste and water footprints by around 20-30% per garment.

"We at Electrolux can do our part by helping consumers wash and take care of their clothes in ways that makes the clothes produced last longer while reducing the environmental impact," says Marco Monacchi, SVP Consumer Experience, Global Fabric Care.

A thorough clean at 30°C

Consumers agree that increasing the lifespan of clothes by taking good care of them is the most sustainable approach. Yet, according to the Electrolux [Better Living Report](#) only 1 in 3 use lower temperatures.

The Electrolux PerfectCare 900 series washing machines have unique technology with the ColorCare system that ensure that colors do not fade. The machine purifies water with a unique ion-exchange filtering system and consumers can get the thorough clean of a 60°C wash at just 30°C.

This technology cleans garments so delicately that consumers can be confident the colors - even blacks - will stay as vibrant as when they were brand new.

Smart and sustainable washing

Autodose intelligent sensors in the Electrolux PerfectCare 800 washing machine, launched in 2019, calculate the precise amount of detergent and softener for each load, which avoids unnecessary waste and protects clothes from early aging caused by overdosing.

When it comes to cycles, the machine's UltraWash is the ideal balance of care and energy efficiency for mixed loads - a 59-minute cycle with efficient, low-temperature washing. "By washing with Ultrawash at 30°C, you save up to 35% energy compared to a 40°C cotton program," explains Karina Moreira, Product Marketing Manager, Laundry.

Dare to dry - for longer-lasting clothes

"Our insights show that consumers mainly use their tumble dryer for cotton items like bedlinen and towels because they are concerned about damaging their clothes," Moreira adds.

But tumble drying can preserve clothes and prolong functionality. "For example, tumble drying restores water repellency for outdoor clothes, maintaining a 30% higher thermal functionality in down jackets compared to when they are air-dried - and as a result - making them last longer."

The AEG 9000 tumble dryer was launched across Europe in 2019. Its built-in 3DScan technology scans the humidity of the garment, inside and out, to detect residual moisture. The machine responds by adjusting its time and temperature to ensure the clothes are dried properly and enables delicates, like a shimmering dress, soft woolen wrap or a silk scarf to be evenly and gently dried.

Our Electrolux PerfectCare 900 washer-dryer - with heat pump technology - was launched in 2019 and works at nearly half the temperature of standard dryers, meaning garments aren't exposed to excessive or damaging heat. This ensures clothes last longer and the use of a heat pump washer-dryer saves up to 45% energy.

UltraEco for Batik in Indonesia

Electrolux responded to the unique laundry needs of Indonesian consumers with the energy-efficient UltraEco range. The frontload washing machine market in the country is restricted by the power limits in many households while Batik - the special waxed and dyed fabric native to Indonesia - requires extra special laundry care.

The heater has been removed and wash cycles improved resulting in energy savings of up to 70 percent, with a maximum power consumption of 350 watts per cycle. "It means consumers can run both the washing machine as well as heavy consumption devices without issues," explains Daniel Chee, Senior Regional Product Manager Fabric Care APAC & MEA.

What's more, the range was the first on the Indonesian market to feature a Batik Care program and Hijab cycle, used to ensure optimal wash performance yet care for the specific fabric and garments.

"It remains our top-selling range in Indonesia and all subsequent generations of products will incorporate UltraEco capabilities," Chee adds. "We will also shift from using universal motors to inverter motors to bring power consumption down even further for the UltraEco range."



Going in circles - circular business solutions

Making our business circular requires products and services that improve the use and facilitate the reuse of resources. Electrolux is embracing various innovative new business models to create a more circular business.

Electrolux and the Swedish startup Karma have partnered to produce a connected fridge that allows consumers to buy perfectly edible but close-to-expiring food from supermarkets or restaurants at a discounted price.

Piloted in stores and public spaces in Sweden, the Karma fridge is helping both consumers and the food industry to close the gap on a global problem – it is estimated that one-third of all food produced globally is lost or goes to waste.*

The results of the pilot in 2019 were extremely positive, with future plans for European expansion. With the fridge, 67% more food that was near-expiry date but still perfectly edible reached the tables of consumers.**

Exploring the circle of business

In 2019, Electrolux launched 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 Electrolux products. The service has more than doubled its Net Promotor Score since its launch from 20 to 45 (compared with our previous service offerings).

The award-winning Pure i9 robotic vacuum became available on a pay-per-use subscription trial in Sweden including service and maintenance in the fee. The model ensures that each unit is used to its fullest extent throughout its lifetime.

In China, where it is customary for people to take care of elderly parents who often live far away, Electrolux launched hardware-as-a-service Love+ in 2019. Products are paid for through a subscription and sent directly to the parent's house. The family pays the fees and can help with certain chores remotely via the Love+ app. Both the Pure i9 robotic vacuum and the Pure A9 air purifier are also leasable, with more products set to be available in the future.

Electrolux partnered with Mila, a US/Chinese start-up that offers connected air purifiers on subscription. The company was started by three dads living in Shanghai who wanted to protect their kids from big city smog.

The latest model – Mila 2.0 – was launched on Kickstarter in 2019 and is set to be soon available globally. It re-imagines the customer experience, from a one-time purchase with relatively large upfront costs to a service model that provides more affordable, accessible and healthy air.

The Group also received funding from Vinnova, Sweden's government agency for innovation, for a field study to test a new leasing concept for municipal housing companies. The concept involves leasing washing machines that are maintained and serviced by Electrolux to optimize their lifetime for landlords with furnished apartments.

Recycled plastic and steel – it gets around

According to the 2019 Circularity Gap Report by Circle Economy, only 9% of the resources used globally are cycled back into the economy after use. 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.

In 2019, the amount of recycled plastic we used decreased compared with last year – from 7,600 metric tons in 2018 to 6,400 metric tons in 2019. Although this is still over 20 times more recycled plastic than we used in 2011, when we started measuring.

Electrolux has increased the amount of recycled steel from 20% in 2015 to 22% in 2019, which has reduced the average annual carbon emissions per metric ton of steel from 1.82 to 1.79 metric tons of CO₂, and the annual CO₂ emissions by 17,700 metric tons.

This case story is related to our promise [Make better use of resources](#)

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

** Based on comparative data from a Stockholm supermarket (taking part in the Karma program) over an 11-month period before (2018) and after the fridge was installed (2019).



Electrolux produces around 60 million household appliances every year that are fundamental for people around the world to live a more sustainable life. At the same time, the company is taking action to reduce the climate impact of these products.

At the 2019 UN General’s Climate Action Summit in New York, Electrolux joined a global movement to pledge net zero emissions throughout its value chain, to help limit the global temperature rise to 1.5°C.

The ‘Business Ambition for 1.5°C’ pledge is organized by the United Nations to encourage business leaders from around the world to commit to science-based targets and net zero emissions by 2050, in line with the most ambitious aim of the Paris Agreement to limit global warming to 1.5°C compared to pre-industrial levels.

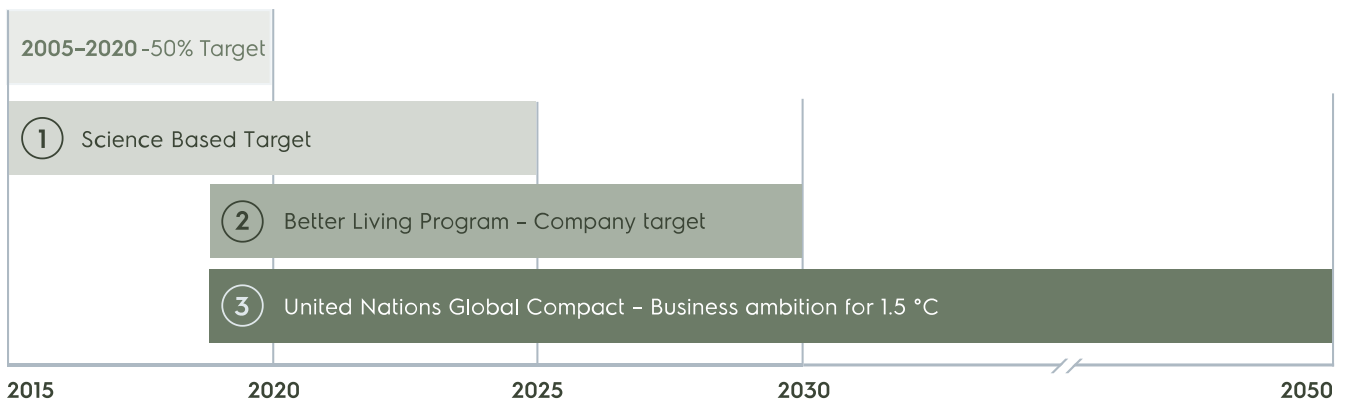
Our climate neutral roadmap

“We all have a responsibility for future generations and it’s clear we cannot continue on the path we’re on,” said Jonas Samuelson, Electrolux President and CEO who signed the pledge with other business leaders in New York. A few milestones lie ahead for Electrolux to achieve the target by 2050.

In 2018, Electrolux was one of the first 100 companies in the world to establish approved science-based targets to reduce absolute carbon dioxide emissions from operations by 80% and emissions from products by 25% by 2025 (base year 2015).

Additionally in 2019, Electrolux announced its commitment to become climate neutral with zero carbon emissions from operations by 2030.

By the end of 2019, we had cut our overall CO₂ emissions by 32% compared to 2005 – toward our 50% target by 2020.



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. UNGC Business Pledge - climate neutral value chain by 2050

“By joining other business leaders in the UN’s pledge, we are committed to net zero emissions throughout our value chain by 2050,” Samuelson adds. “This will require a rapid de-carbonization of our value chain and our Science Based Targets for 2025 and company target for 2030 are important milestones.”

Appliances and the global middle class

According to the UN project United4Efficiency, refrigerators are one of the first appliances that families in developing countries buy as they move out of poverty and gain access to electricity.

As the global middle class grows, the use of refrigerators is expected to double from around 1 billion today to nearly two billion by 2030. This will increase energy consumption.

Nearly 75% of the electricity in non-OECD countries comes from fossil fuel power plants. Increased demand for electricity will cause a significant increase in greenhouse gases and air pollution.

Electrolux joined United4Efficiency in 2015 with the aim of reducing the need to build additional power plants and limiting the related climate impact by helping to establish energy efficiency legislation in developing countries. Electrolux contributed to drafting a template of energy efficiency regulation for refrigerators and freezers.

Within the EU there has been an impressive evolution of energy efficiency for refrigerators and freezers since the introduction of the energy label in 1995 and the energy efficiency limits in 1999. In developing countries, however, legislation can be outdated or not enforced, which allows non-energy efficient products to be sold. The new proposed legislation will help avoid this.

Accelerating the phase out of climate gases

Another challenge is the climate impact of certain gases used in appliances such as refrigerators, freezers and air conditioners.

In 2019, Electrolux joined an additional UN initiative - the Cool Coalition - to tackle this issue. At the end of 2019, Electrolux proposed its plan to the UN to accelerate the removal of F-gases from the production of new products and to introduce gases with reduced Global Warming Potential. Submitted in 2020, the plan foresees the replacement of all high-impact greenhouse gases in all Electrolux appliances by 2023 at the latest.

This case story is related to our [Climate Targets](#) and to our Promises [Achieve more with less](#), [Constantly improve product performance and efficiency](#) and [Eliminate harmful materials](#)



The Electrolux way of doing business

Conducting business in an ethical way is fundamental for the success of our company. The new mandatory Code of Conduct e-learning launched in 2019 was designed to help employees acknowledge and adhere to the code in their daily work.

“We have a Code of Conduct and relevant policies related to ethical conduct. Simply having these goals and rules is not enough. We have to act accordingly,” says Jonas Samuelsson, Electrolux President and CEO.

In the Electrolux global employee survey conducted in 2019, responses to the statement: “I understand how I am expected to act in order to follow the Code of Conduct” were as follows:

- 96% of non-production employees responded positively
- 86% of production employees responded positively

The Code of Conduct is a fundamental part of the Group's strategy. Employees are referred to policies, directives and guidelines and, in alignment with the UN Guiding Principles on Business and Human Rights, the code contains the Electrolux policy statement on human rights.

The new e-learning module promotes further understanding as to what the code means in employees' day-to-day activities. It was launched following a 2018 review of the Code of Conduct that made it easier for employees to understand and use. The Code is available in 23 languages.

What is covered by the code?

1. Respect for people
2. Fair and legal business
3. Business with integrity
4. Protection of company assets
5. Protection of information
6. Respect for the environment

“The regular training of employees is key, both for the effective management of risks and impacts and to nurture a corporate culture we can all be proud of,” says Malin Ekefalk, Director, Social Responsibility & Community Investment.

During 2019, 83% of employees completed the online training and 84% acknowledged the Code by e-signature.

This case story is related to our Promise [Always act ethically and respect human rights.](#)



Inclusion and diversity drive our business

As research shows, inclusion and diversity drive business and innovation.* At Electrolux, all employees must be treated equally according to their abilities and qualifications in any employment decision, while the company's focus on inclusion and diversity strengthens our ambition towards profitable growth.

Electrolux is now committing to lead in diversity. In 2019, Electrolux laid the foundation to define a clear roadmap for inclusion and diversity, including targets and governance, to be launched in 2020. Various activities have already begun.

New Diversity Committees were created for all business areas during 2019. Most of these committees are led by the respective regional CEOs as a demonstration of their constant support.

The committees' purpose is to identify clear and customized actions according to their markets to increase all kinds of diversity around the globe. Gender diversity targets for 2022 have been also set. These targets are detailed per function for each business area, for example, Sales, Marketing, IT, Manufacturing, etc.

Employee initiatives pave the way

Electrolux strongly supports employee initiatives and their vision of contributing to the company's business success by unlocking the full power of inclusion and diversity. By fostering a culture of respect for differences, Electrolux held its first Diversity Week involving all Latin American units last October.

In addition, the Women at Electrolux (WE) network, which began in Charlotte, North America, in August 2017, continues to grow and today comprises of over 1,000 members in eight locations.

During 2019, two new regional WE networks were launched – WE Australia & New Zealand in August and WE Malaysia in November. The 'WE-versity' project in Charlotte initiated cross-department collaboration between WE members in Fabric Care R&D and Industrial Design teams while regular lunches with executive management facilitated exposure and advice from leadership.

The Stockholm WE network partnered with the Electrolux 100Women mentoring program and conducted numerous employee workshops on the topic of 'Unconscious Bias'. Local WE coordinators were established in Poland, to expand the working teams in Świdnica and Zów, and representatives participated in the Women in Tech Summit in Warsaw in November.

Gender diversity in numbers

- Our overall gender division is 39% women and 61% men
- At the end of 2019, 26% of all leaders with direct reports were women
- At the end of 2019, 26% of Tier 2 managers and 27% of Tier 3 managers were women
- We remain committed to achieving our goal of 35% women for Tier 2 and Tier 3 by the end of 2020

As well as gender, Electrolux embraces the importance of recognizing all kinds of diversity and most importantly, inclusion.

Global Internship programs

Our partnership with AIESEC, an international platform for young people to explore and develop their leadership potential, allows us to tap into a diverse talent pool of youth by offering internships throughout our global operations. In 2019, Electrolux recruited 100 AIESEC interns from 38 different countries. 53% were women, with a total global retention rate of 65%.

As part of the Global Engineer Program (GEP), we focus on finding talented women within the areas of Science, Technology, Engineering and Mathematics (STEM). During 2019, Electrolux recruited 52 GEP interns from 28 different countries. 53% were women, with a total global retention rate of 60% of those who joined in 2018.

Employee Engagement Survey

The results of the Employee Engagement Survey (EES) on diversity and equal treatment still indicate room for improvement and our ongoing work aims to address this.

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

*<https://youtu.be/IPtPG2IAmm4>

This case story is related to our Promise Always act ethically and respect human rights.



Funding a sustainable future

Electrolux introduced a green bond framework to fund climate investments and other environmental initiatives. In addition, the company updated its pension asset management approach to address climate-change related risks and opportunities in a future, low-carbon emission society.

Green bonds are a new way to fund our sustainability initiatives. Proceeds will be used to finance or refinance projects covered by the environmental areas of the Electrolux sustainability framework, For the Better.

This can include investments in R&D to improve the energy or water efficiency of appliances, development of recycled materials, elimination of refrigerants with high greenhouse warming potential and increased use of renewable energy at Electrolux factories, for example, through the installation of solar panels.

"We believe this framework will be of particular interest to the market, as our green bonds focus on industrial and R&D projects, which have significant potential to enable us to reduce our climate impact," says Therese Friberg, Chief Finance Officer, Electrolux Group.

To enable investors and other stakeholders to follow the development of Electrolux green bond issuance and how the green bond proceeds are used, the Group publishes an annual Green Bond Impact Report.

The framework has been developed 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. The framework has been independently evaluated by the Center for International Climate Research (CICERO).

Sustainable pension schemes

Electrolux recognizes climate change as an urgent and potentially irreversible threat to the planet. The consequences represent a significant financial risk for the Group's pension schemes, which impact the long-term returns of our pension assets.

The framework for Electrolux defined benefit schemes started in 2018, recognizing sustainability and climate change risks in the Group's investment guidelines.

"Adding sustainability requirements for our pension assets enables us to mitigate the financial risks resulting from a changing climate and to make sure our employees' pensions are managed sustainably," says Martin Bendixen, Group Treasurer.

Each pension scheme is required to set a process to manage the financial risks related to climate change. Setting a strategy for identifying and accessing sustainable investment opportunities is also assessed.



The year 30,000 became Food Heroes

By teaching 30,000 kids about sustainable eating, expanding the culinary training program for employment to almost every continent and providing support to over 300,000 people in need - the Electrolux Food Foundation aims to be a force for good.

Playing its part to promote sustainable cooking and eating, the Electrolux Food Foundation was established in 2016 to focus Electrolux community activities on food and related sustainability issues.

Working together with the global youth-led organization AIESEC and Worldchefs, the network of chefs' associations, it assists initiatives that inspire sustainable food choices among consumers and professionals while supporting people in need in the communities around us.

In August 2019, the Electrolux Group announced annual funding for the Electrolux Food Foundation until 2030, with an expected total of SEK 100 million.

Creating food champions

July 8, 2019 was something of a milestone for the Food Heroes program to educate children on sustainable eating through a workshop developed based on UNICEF's World's Largest Lesson.

The biggest number of workshops in one day took place in Hyderabad, India, as 85 classrooms at five schools opened their doors to inspire children to challenge and change their own food habits in a fun and playful way. Almost 400 volunteer workshop facilitators were delegates at the annual AIESEC International conference.

Since late 2018, a total of over 30,000 kids have been reached by Electrolux, AIESEC and Worldchefs across 31 countries.

Like a Chef helps change lives

The foundation's culinary training program equips unemployed people such as immigrant women, single mothers and teenage orphans with workplace skills. During the year, five new locations were established in Sweden, Ukraine, Egypt and Brazil - adding to the existing programs in Brazil and Russia. In 2019, 142 people graduated from the program. Many of them have been able to either find a job, become self-employed or pursue further culinary studies.

Developed by Worldchefs, the course promotes sustainable cooking, including a zero food waste approach.

56,000 meals for the hungry - in just one week

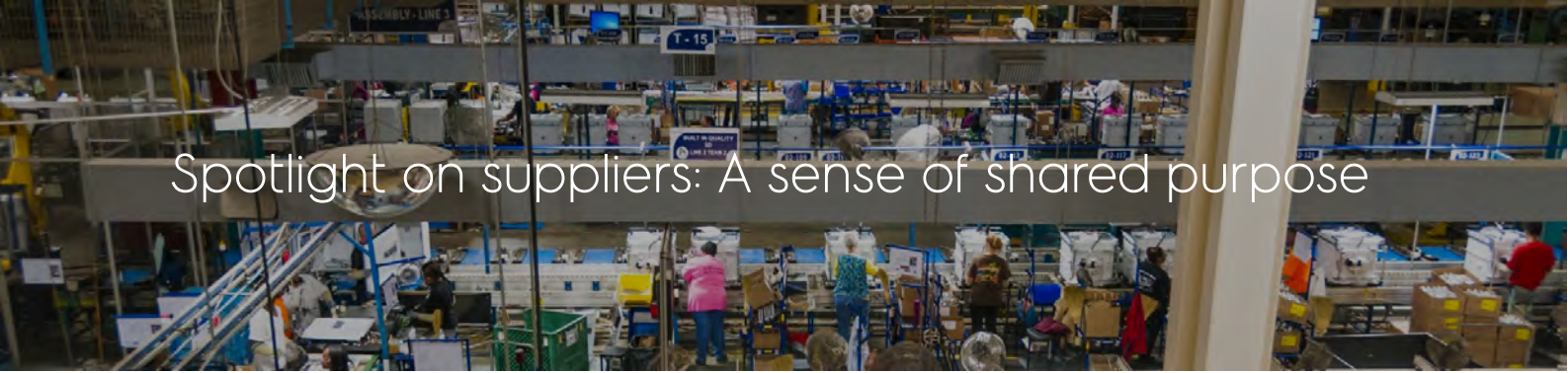
The Electrolux Cares Week in North America is a traditional week of giving, which in 2019 coincided with the Group's 100-year celebrations. Employees prepared 56,000 meals for the hungry and built houses for the homeless. Funded by the Electrolux Food Foundation, this event is an example of employee volunteering to support local communities.

This activity adds to the total number of meals distributed as part of Food Foundation funded programs aiming to support people in need, which for 2019 amounted to over 300,000.

The foundation supports the UN Sustainable Development Goals for Responsible Consumption and Production (Goal 12) and Global Partnership for Sustainable Development (Goal 17).

By 2030, the foundation aims to have educated over 300,000 people and supported three million people in need.

This case study is related to our Promise [Be a force for good](#).



Spotlight on suppliers: A sense of shared purpose

Acting sustainably is a responsibility we share and work on continually together with our suppliers globally. In 2019, we held Sustainability Days in Thailand, Ukraine and South Africa, where we helped suppliers understand what we require of them, drive improvements and recognize good work.

Electrolux suppliers are required to meet the Group's high expectations on sustainability. We ensure that prospective and current suppliers meet these standards by evaluating, auditing and training existing suppliers and prospective suppliers in all regions.

Bangkok, February 2019

There are specific challenges related to migrant labor in South East Asia. According to the International Organization for Migration (IOM), the number of non-Thai residents within the country has increased from an estimated 3.7 million in 2014 to 4.9 million in 2018. At that point, migrants constituted over 10 percent of the country's labor force (Thailand Migration Report, UN in Thailand, 2019).

While recently passed legislation has reduced the risk of exploitation, migrant workers remain vulnerable to risks related to excessive recruitment costs and fees, or unfair or unhealthy employment situations.

Electrolux is working with suppliers in Thailand to increase their sense of responsibility for migrant workers, and to make sure our standards are applied by them in their recruitment processes of migrant workers.

Electrolux gathered 115 supplier representatives from 59 suppliers in Thailand for a deeper understanding of our sustainability principles and standards as well as Thai legislation, international standards and best practices on the management of migrant labor.

A team from the Thailand IOM participated in the workshop, providing many examples of practical steps that companies can take to avoid such problems and proactively work to eradicate improper labor management in Thailand and the region.

QuizRR - our digital tool for training

Suppliers in Thailand also had the chance to try QuizRR, the interactive tablet-based online training that educates factory managers, staff and workers about workplace policies, health and safety, and more.

Education is the most effective tool to encourage and share best practice in responsible supply chain management and ensure people understand their rights to be able to make informed decisions. Reaching individual workers is, however, always difficult.

One way to bridge that problem is QuizRR. Important principles are illustrated and explained through modern, playful sketch-like scenes, while understanding is measured through quiz questions.

QuizRR has been a successful part of our supplier training toolkit in China with over 8,100 people trained in the last two years. In 2019, a version was developed with the specific labor challenges in South East Asia in mind and is being piloted by Thai suppliers.

Ivano-Frankivsk, March 2019

Electrolux Supplier Sustainability Days take place on a regular basis and are an important way to connect with suppliers, especially those working in challenging environments.

At the Electrolux factory in Ivano-Frankivsk, Ukraine, around 20 suppliers participated and learned more about the crucial part they play in the Group's sustainable supply chain.

Johannesburg, October 2019

Electrolux introduced its Responsible Sourcing Program and the Electrolux sustainability framework to representatives from 30 suppliers to our newly acquired company in South Africa.

Three workshops were conducted on the following topics:

- The Electrolux Purpose - Shape living for the better
- Improving Health and Safety, and Human Rights conditions
- Encouraging and enabling employee engagement and transparency

Senior managers from Group Sustainability and Electrolux South Africa participated to enhance engagement, awareness and signal that the requirements that apply to our suppliers also apply to Electrolux.

Celebrating achievements together – Supplier Awards 2019

The seventh Electrolux Supplier Awards ceremony, held on October 15, 2019, once again recognized our top suppliers as well as committing to the 2030 sustainability targets.

"Giving recognition to outstanding suppliers is of course what the Supplier Awards are all about," says Peter Truyens, SVP Group Purchasing. "But it is equally important to build a genuine sense of shared purpose."

"Consumers are increasingly looking beyond a brand to its entire value chain and, since a large part of the value of an appliance is passed on through procurement, it is essential that suppliers are aligned with our sustainability targets."

This case study relates to our Promise [Improve sustainability in the supply chain](#).

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 2019 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 materiality analysis, our sustainability framework - For the Better - 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 2020, how we measure progress, and our approach to managing each of our nine Promises.

Annual Report

Sustainability information is also integrated throughout the printed Annual Report, and as a brief specific section. Targeted at shareholders and other stakeholders, the focus is on how sustainability issues relate to the business strategy, as well as our 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. 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. 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 2019 calendar year. At year end, the total number of employees was 47,379 (49,839) encompassing our majority-owned operations. This report covers 42 (53) factories, 32 (35) warehouses and 31 (46) offices, in 31 (29) countries. This represents 86% (90%) 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 3% during 2019. Data for 2019 is excluding 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 2019 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, 2018 data is presented in (brackets).

The company's previous Sustainability Report was published in March 2019.

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 two years are available. The focus in 2019 has been on finished goods factories. Component factories and warehouses will be included in 2020.

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. Personell 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.

Restatement of information and changes in reporting

Business Area Professional Products will be discontinued in March 2020. Stated numbers are, where relevant, without discontinued operations or reported separately.

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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Henrik Sundström

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E-mail: sustainability@electrolux.se

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

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. (Discontinued operations excluded)
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	46,843 employees at year end Discontinued operations accounted for 3,556 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	Improve sustainability in the supply chain
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
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 2019 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
	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>Always act ethically and respect human rights</u>	16
GRI 205-3 Confirmed incidents of corruption and actions taken	<u>Always act ethically 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>	

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>Achieve more with less</u>	7,8,12,13
GRI 302-4 Reduction of energy consumption	<u>Achieve more with less</u>	7,8,12,13
GRI 303 water and effluents ¹⁾		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 303-3 Water withdrawal	<u>Water withdrawal</u>	6
GRI 303-4 Water discharge	<u>Water discharge</u>	6
GRI 305 emissions		SDG
GRI 103 1/2/3 Management Approach	<u>Management approach</u>	
GRI 305-1 Direct (Scope 1) GHG emissions	<u>Achieve more with less</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>Achieve more with less</u> <u>Total direct and indirect CO₂ emissions by weight</u>	3,12,13,14,15
GRI 305-4 GHG emissions intensity	<u>Achieve more with less</u>	13,14,15
GRI 305-5 Reduction of GHG emissions	<u>Achieve more with less</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>	3,6,12
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	Management approach	5,8
GRI 401-1 New employee hires and employee turnover	Own disclosure: Employee turnover by age group and gender	
GRI 403: Occupational health and safety		SDG
GRI 103 1/2/3 Management Approach	Management approach	8
GRI 403-1 Workers representation in formal joint management-worker health and safety committees	Always act ethically and respect human rights	8
GRI 403-9 Work-related injuries*	Ensure the best health and safety Own disclosure: Work-related injuries	
GRI 404: Training and education		SDG
GRI 103 1/2/3 Management Approach	Management approach	4,5,8
GRI 404-1 Average hours of training per year per employee	Average hours of training per year per employee	
GRI 405: Diversity and equal opportunity		SDG
GRI 103 1/2/3 Management Approach	Management approach	5,8
GRI 405-1 Diversity of governance bodies and employees	Gender distribution	
GRI 406: Non-discrimination		
GRI 103 1/2/3 Management Approach	Management approach	5,8,16
GRI 406-1 Incidents of discrimination and corrective actions taken	Always act ethically and respect human rights	
GRI 407: Freedom of association and collective bargaining		SDG
GRI 103 1/2/3 Management Approach	Management approach	8
GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risk Countries Understanding and managing our human rights risks Always act ethically and respect human rights Impacts throughout our value chain	
GRI 408: Child labour		SDG
GRI 103 1/2/3 Management Approach	Management approach	8,16
GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	Risk Countries Understanding and managing our human rights risks	
GRI 409: Forced or compulsory labour		SDG
GRI 103 1/2/3 Management Approach	Management approach	8
GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk Countries Understanding and managing our human rights risks	
GRI 412: Human rights assessment		SDG
GRI 103 1/2/3 Management Approach	Management approach	
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	Always act ethically and respect human rights	
GRI 412-2 Employee training on human rights policies or procedures	Always act ethically and respect human rights	
GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Always act ethically and respect human rights	
GRI 414: Supplier social assessment		SDG
GRI 103 1/2/3 Management Approach	Management approach	5,8,16
GRI 414-1 New suppliers that were screened using social criteria	Improve sustainability in the supply chain	
GRI 415: Public Policy		
415-1 Political contributions	Electrolux policy influencing 2019	

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.

WE SUPPORT



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.

framework. A separate index has been created to guide readers to the relevant areas in the report that address human rights.

The 2019 Sustainability Report and the 2019 Annual Report reflect our commitment to these principles and the efforts to continuously improve performance. The 2019 Sustainability Report is third-party assured.

Electrolux reports in accordance with the United Nations Guiding Principles on Business and Human Rights reporting

See the enclosed Assurance Statement for information on the scope of assurance.

 <p>COMMUNICATION ON PROGRESS</p>	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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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](#)

[Improve sustainability in the supply chain](#)

[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>Management Approach</p> <p>Code of Conduct</p> <p>Improve sustainability in the supply chain</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>Understanding and managing our human rights risks</p> <p>Always act ethically and respect human rights</p> <p>Management approach</p> <p>Be a force for good</p> <p>The year 30,000 became Food Heroes</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>Auditing and monitoring</p> <p>Improve sustainability in the supply chain</p> <p>Stakeholders inform our approach</p> <p>Always act ethically and respect human rights</p> <p>Understanding and managing our human rights risks</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](#)

[Always act ethically and respect human rights](#)

[Improve sustainability in the supply chain](#)

[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](#)

[Always act ethically and respect human rights](#)

[Management approach](#)

[Improve sustainability in the supply chain](#)

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

[Always act ethically and respect human rights](#)

[Management approach](#)

[Stakeholders inform our approach](#)

[Improve sustainability in the supply chain](#)

[Auditing and monitoring](#)

[ALFA](#)

[Internal code of conduct audit findings](#)

Environmental Management Policies and Procedures

UN Global Compact Advanced Criteria	References
<p>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> 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 	<p>Environmental policy</p> <p>Constantly improve product performance and efficiency</p> <p>Make better use of resource</p> <p>Eliminate harmful materials</p> <p>Achieve more with less</p> <p>Our climate targets</p> <p>Management approach</p> <p>Value chain</p> <p>Improve sustainability in the supply chain</p>
<p>Criterion 10: The COP describes effective management systems to integrate the environmental principles</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> 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 	<p>Management approach</p> <p>Auditing and monitoring</p> <p>Always act ethically and respect human rights</p>
<p>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</p> <p>The following best practices are described in our COP</p> <ul style="list-style-type: none"> 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 	<p>CEO & VP Sustainability Statement</p> <p>Improve sustainability in the supply chain</p> <p>Auditing and monitoring</p> <p>ALFA</p> <p>Internal code of conduct audit findings</p> <p>Constantly improve product performance and efficiency</p> <p>Make better use of resources</p> <p>Eliminate harmful materials</p> <p>Achieve more with less</p>

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>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>Code of Conduct</p> <p>Understanding and managing our human rights risks</p> <p>Always act ethically and respect human rights</p>
<p>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle</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>Understanding and managing our human rights risks</p> <p>Always act ethically and respect human rights</p> <p>Auditing and monitoring</p> <p>Code of Conduct</p>
<p>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</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 <i>Use of independent external assurance of anti-corruption programmes</i> Outcomes of integration of the anti-corruption principle 	<p>Always act ethically and respect human rights</p> <p>Management approach</p> <p>ALFA</p> <p>Internal Code of Conduct audit findings</p> <p>Understanding and managing our human rights risks</p> <p>Annual Report: Note 25 Contingent assets and liabilities</p>

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>Solutions for healthy and sustainable living for more people</p> <p>Be a force for good</p> <p>Electrolux and the UN Sustainable Development Goals</p> <p>Constantly improve product performance and efficiency</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>Be a force for good</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>Net zero emissions by 2050 - our pledge throughout our value chain</p> <p>CEO & VP Executive Statement</p> <p>Solutions for healthy and sustainable living for more people</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>Be a force for good</p> <p>Electrolux Food foundation</p> <p>Net zero emissions by 2050 - our pledge throughout our value chain</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>Always act ethically 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 Always act ethically and respect human rights Improve sustainability in the supply chain
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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?	Always act ethically 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
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
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
B4 <i>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.</i>	

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?

Materiality process
Understanding and managing our human rights risks

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?

Understanding and managing our human rights risks
Management approach
Always act ethically and respect human rights
Improve sustainability in the supply chain

TRACING PERFORMANCE

C5 How does the company know if its efforts to address each salient human rights issue are effective in practice?

Auditing and monitoring
Internal Code of Conduct audit findings

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?

Always act ethically and respect human rights
Auditing and monitoring
Improve sustainability in the supply chain

Awards and recognition

Rating agencies and sustainability rankings have recognized our sustainability commitment and performance over the past year.

Dow Jones Sustainability World Index

The Group's sustainability performance strengthens relations with investors and Electrolux is recognized as a leader in the household durables industry. In 2019, Electrolux was included in the Dow Jones Sustainability Index (DJSI) World and Europe indexes and thereby ranks among the top 10% of the world's 2,500 largest companies for social and environmental performance.



SAM, now part of S&P Global

Electrolux received the SAM Silver Class award in the 2019 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.



CDP

Electrolux has been named as part of the 'Leadership' group of global companies acting on climate change and water issues by international non-profit CDP.



CDP is an international non-profit that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Thousands of companies submit annual climate disclosures to CDP for independent assessment against its scoring methodology.

2020 Global RepTrak100

Ranking as the 64th world's most reputable company, Electrolux is included in the 2019 Global RepTrak® 100. The Global RepTrak® 100 is an annual study conducted by the Reputation Institute to measure a company's ability to deliver on stakeholder expectations in seven key dimensions that drive and impact reputation. The study ranks the world's 100 most highly regarded and familiar global companies in 15 countries. Electrolux is #64 in the CR RepTrak® 100, which reflects performance in corporate responsibility, specifically in the metrics of citizenship, governance and workplace. The result is based on 230,000+ interviews among general public consumers in the 15 largest economies in the world.



Stoxx

Electrolux is included in the STOXX® Global ESG Leaders indices. This index model is the first of its kind that allows investors to fully understand which financially material factors determine a company's ESG rating and why they are important. The STOXX® Global ESG Leaders indices have set new standards in terms of transparency and comprehensiveness in the ESG indexing space.



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 December 2019, Electrolux received an overall ESG Risk Ratings score of 13.2 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.



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.



Ethibel Sustainability Index Excellence Europe

Electrolux B has been reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe. Included since 2013, the most recent reconfirmation is dated as 18/10/2019.



Ethibel Excellence Investment Register

Electrolux B has been reconfirmed for inclusion in the Ethibel EXCELLENCE Investment Register. Included since 2007, the most recent reconfirmation is dated as 06/03/2019. This selection by Forum ETHIBEL indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR).



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 2019. The Company has defined the scope of the Sustainability Report in the section [About this report](#) in the online edition of the report (<https://www.electroluxgroup.com/sustainabilityreports/2019/>).

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 25 MARCH 2020

DELOITTE AB

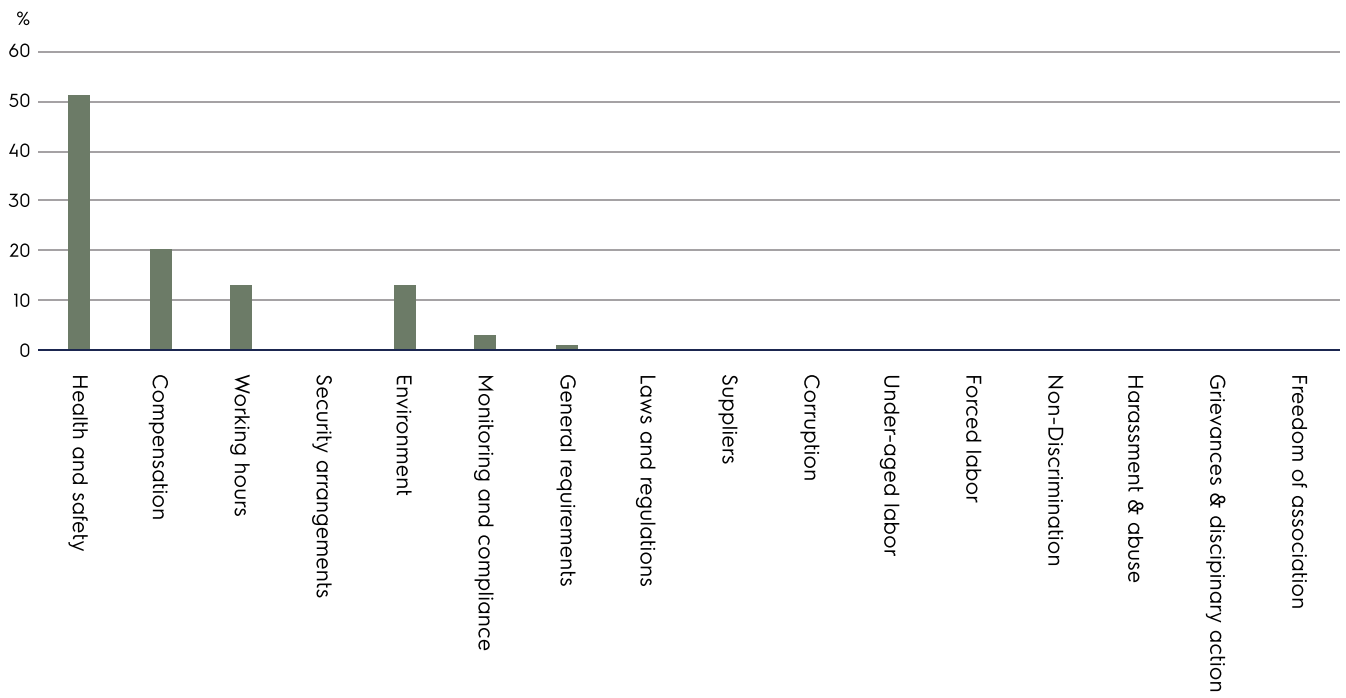
Jan Berntsson
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

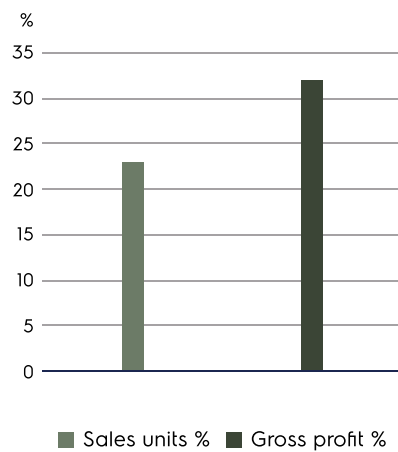
Deloitte.

Internal CoC findings

Total number of findings 2019

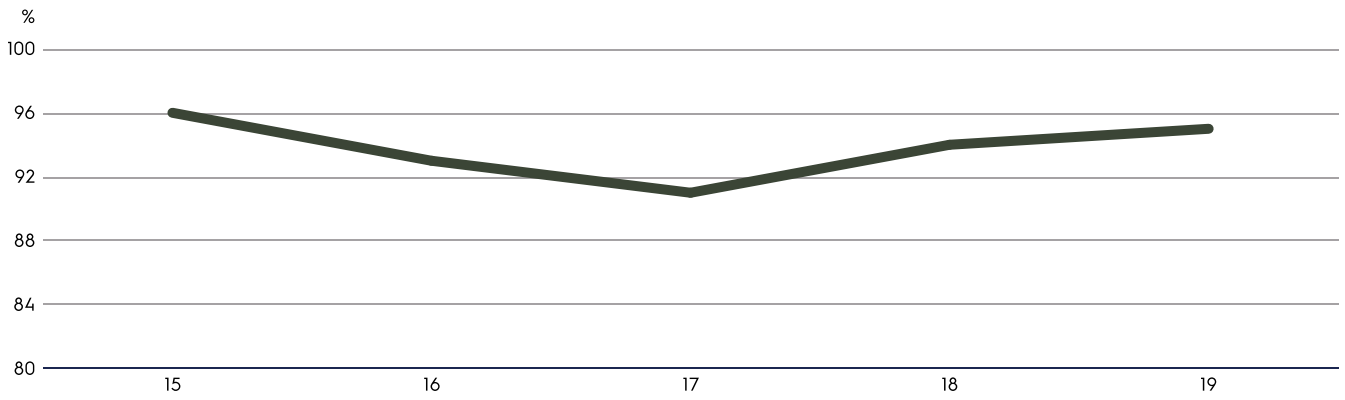


Sales and profit for most efficient products



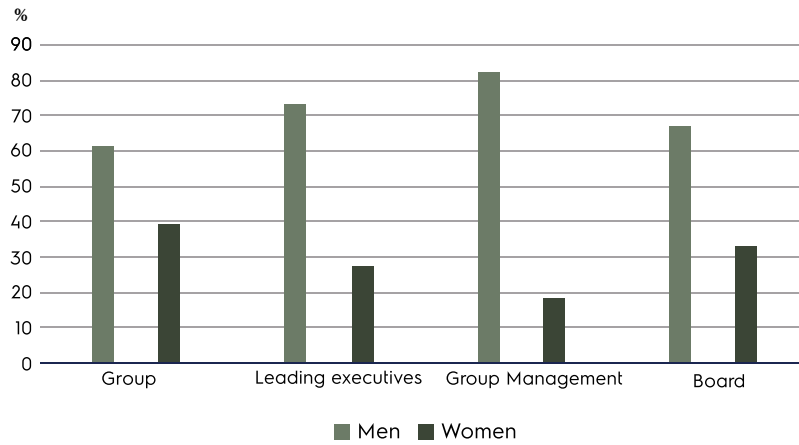
Management Approach ISO 14001

Level of ISO 14001 certification



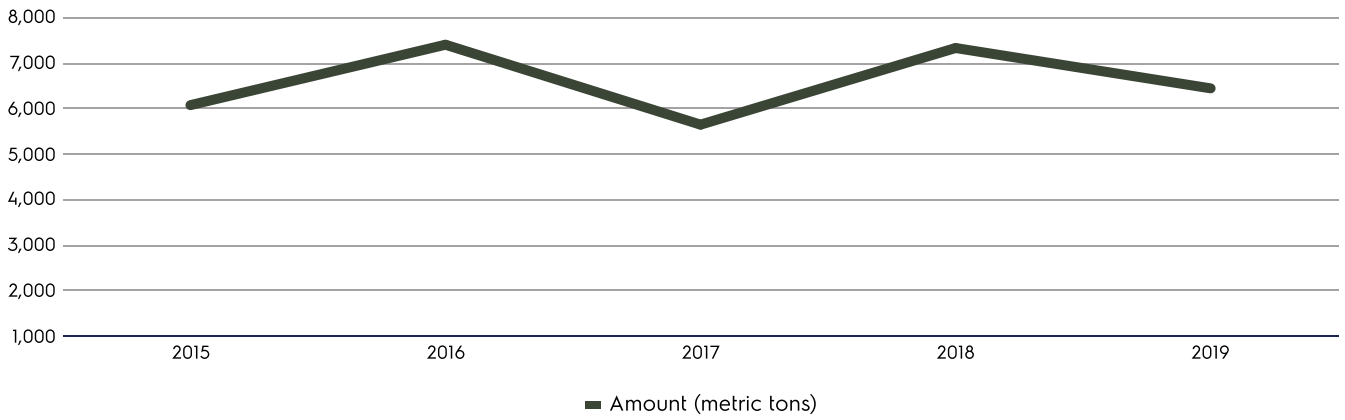
The proportion of factories with more than 50 employees that have certified ISO 14001 environmental management systems.

Gender Distribution

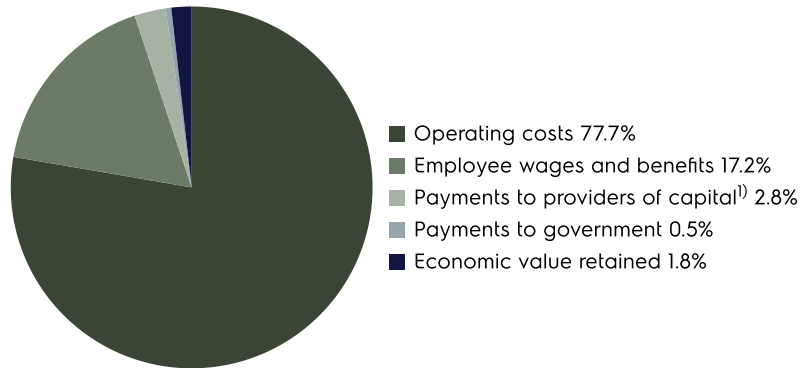


GRI 301-2 Amount of Recycled plastic (Own indicator)

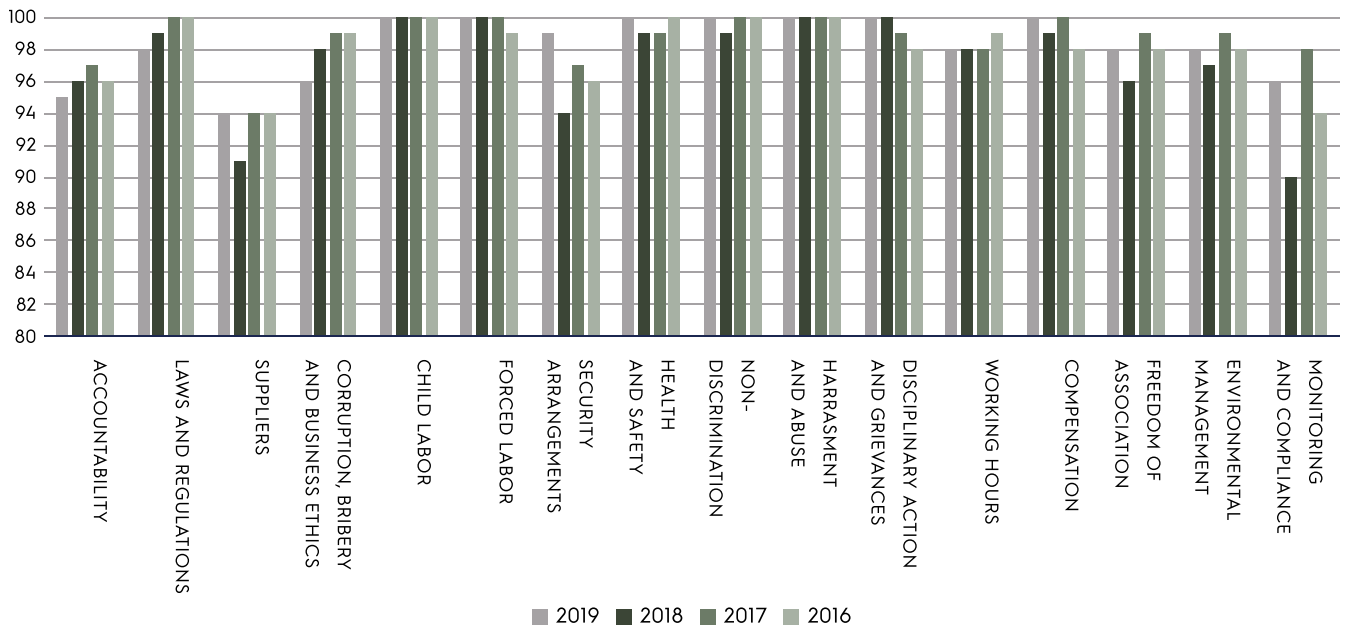
(METRIC TONS)



GRI 201-1 Direct economic value generated and distributed



ALFA assessments of the Code of Conduct



GRI 302-1 Energy consumption within the organization (MWh)

Energy use (MWh)

Total

Year	Oil	Coal	Natural gas	LPG	District heating	District cooling	Steam	Electricity	Renewables	Total
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
2015	5,572	0	419,193	29,261	14,113	1,981	683	673,970	0	1,144,774

Energy use (MWh) - Discontinued Operations

Year	Oil	Coal	Natural gas	LPG	District heating	District cooling	Steam	Electricity	Renewables	Total
2019	0	0	10,147	0	3,938	0	0	3,234	13,802	31,120
2018	0	0	9,083	0	4,391	0	0	2,193	14,424	30,092
2017	47	0	14,982	0	3,457	11	1	18,895	0	31,462
2016	0	0	8,836	155	3,245	0	0	15,806	0	27,877
2015	11	0	8,862	183	3,109	0	11	15,475	0	27,726

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
Argentina	Argentina
Brazil	Belarus
China	Brazil
Egypt	Cambodia
Mexico	Colombia
Romania	Egypt
South Africa	India
Thailand	Indonesia
Ukraine	Malaysia
	Mexico
	Philippines
	Romania
	Saudi Arabia
	South Africa
	Thailand
	Turkey
	Ukraine
	United Arab Emirates
	Vietnam

GRI 305-6 Emissions of ozone-depleting substances (ODS)

	Production	Refregerant	Foaming	Total [kg CFC eq]
2019	4	0	0	4
2018	5	0	0	5
2017	1	17	361	379
2016	35	24	246	305
2015	72	16	246	334

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 Landfill Project
2019	5.8	7.6	141	154	3.4
2018	8.9	6.7	160	176	3.3

¹⁾ Waste to landfill and incinerated without energy recovery

²⁾ Except waste to energy

Zero Waste to Landfill Program currently covers finished goods factories but will be expanded to component factories and warehouses during 2020.

GRI 404-1 Average hours of training per year per employee

Region	Average hours of training per employee
Asia/Pacific	2.4
EMEA	35.1
Latin America	8.6
North America	4.2
Total	20.8

Average training hours only covers white collar employees.

GRI 301-1 Materials used by weight

(metric tons)	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⁾
2019	806	315	237	80	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
2015	890	379	252	35	182	117	38	9
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 403-9 Work-related injuries

	2019	2019 Discontinued operations	2018	2017	2016	2015
Number of work-related injuries	209	25	240	246	247	386
Injury rate ¹⁾	0.53	1.8	0.59	0.58	0.72	0.9
Number of workdays lost due to occupational injuries	2,158	915	3,433	2,707	3,814	4,729
Lost day rate ¹⁾	6	69	8.4	6	9	11
Number of work-related fatalities	2	0	0	0	0	1
Worked hours	78,537,838	2,689,394	81,679,461	84,807,347	87,153,850	83,834,318

Discontinued operations are reported separately for 2019. Previous years are including discontinued operations.

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 org	Third party sources - Municipal water	Total water withdrawal
2019	73	1,169	5	0	1,391	2,638
2018	48	1,260	6	0	1,501	2,814
2017	72	1,766	6	7	1,638	3,489
2016	77	2,487	6	27	1,680	4,278
2015	129	2,293	5	25	1,623	4,074

Discontinued operations excluded. For this information see table below

Total water withdrawal, discontinued operations in megaliters ¹⁾

Year	Fresh surface water	Ground water - renewable	Rainwater	Wastewater from other org	Third party sources - Municipal water	Total water withdrawal
2019	0	0	0	0	94	94
2018	0	0	0	0	89	89
2017	0	0	0	0	79	79
2016	0	0	0	0	77	77
2015	0	0	0	0	95	95

Discontinued operations have no water withdrawal from areas with water risk.

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
2019	45	87	5	0	680	817
2018	46	113	6	0	786	951

Discontinued operations excluded. For this information see table below

¹⁾ 1 megaliter equals 1.000 m³

²⁾ Risk areas defined by WWF's Water Risk Filter

GRI 303-4 Water discharge

(MI)	Third-party destinations		Fresh surface water		Total
	Untreated	Pre-treated	Untreated	Pre-treated	
Year					
2019	1,433	459	448	118	2,458
2018	1,569	248	300	550	2,870
2017	1,486	339	965	292	3,444
2016	1,152	202	1,228	302	3,242
2015	1,622	181	1,167	429	3,682

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	
Year					
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

Discontinued Operations - Professional Products

Total water discharge to all areas in megaliters ¹⁾

(MI)	Third-party destinations		Fresh surface water	
	Untreated	Pre-treated	Untreated	Pre-treated
Year				
2019	25	50	0	75

Discontinued operations have no water discharges in water stressed areas

GRI 401-1 employee turnover

	2019	2018	2017	2016	2015
Employee turnover - All employee	15%	17%	18%	17%	29%
Employee turnover - Male	14%	18%	19%	19%	32%
Employee turnover - Female	17%	24%	25%	20%	33%

Discontinued operations not included.

Average number of employees per Business Area

Business Area	2019	2018	2017	2016
Europe	17,943	18,325	18,084	17,910
North America	11,287	13,325	14,678	15,248
Latin America	10,230	10,360	10,787	10,904
Asia Pacific, Middle East and Africa	7,919	7,829	7,812	7,306
Total Consumer Products	47,379	49,839	51,361	51,368
Professional Products (discontinued operations)	3,469	3,166	2,947	2,767
Total	50,848	53,005	54,308	54,135

This table encompasses the total Group and differs from year-end number since it's the average number of employees.

GRI 102-41 Collective bargaining agreements

	2019	2018	2017	2016	2015
Employees covered by collective bargaining (%) ¹⁾	60%	57%	58%	57%	59%

¹⁾ Employees at production facilities covered by collective bargaining agreement. Including discontinued operations.

GRI 305-1 305-2 Direct and Indirect CO₂ emissions

	GRI 305-1		GRI 305-2	
	Direct CO ₂ eq emissions ¹⁾ (metric ktons)	Indirect CO ₂ emissions (metric ktons)	Total CO ₂ eq (metric ktons)	
2019	136	59	195	
2018	164	121	285	
2017	176	155	331	
2016	176	201	377	
2015	184	288	472	

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

Discontinued operations not included.

Employment per contract

	Full time	Part time	Total	Full time	Part time	Total	Total
	Indefinite	Indefinite	Indefinite	Temporary	Temporary	Temporary	All
Electrolux White	10,496	326	10,822	538	26	564	11,386
Electrolux Blue	22,426	376	22,802	2,124	3	2,127	24,929
Supervised	1,685	157	1,846	1,838	30	1,868	3,710
Total	34,607	859	35,466	4,500	59	4,559	40,025

Covers the scope of employees as defined in [About this report](#).