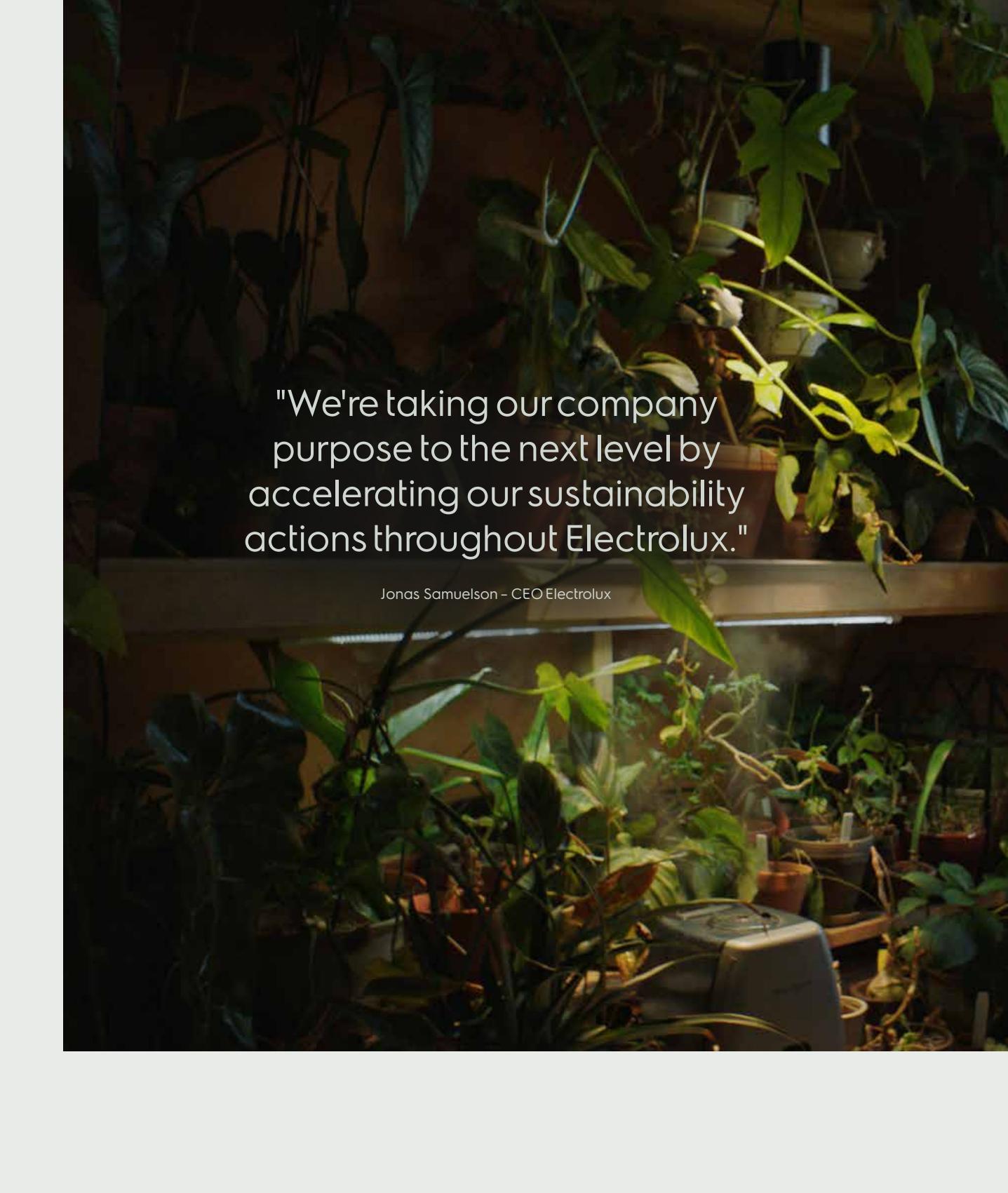




Electrolux Sustainability in Brief

For the Better



"We're taking our company purpose to the next level by accelerating our sustainability actions throughout Electrolux."

Jonas Samuelson - CEO Electrolux



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2019 in brief

Electrolux has been committed to shaping living for the better for over 100 years. In 2019, Electrolux was recognized as an Industry Leader in the Household Durables category in the prestigious Dow Jones Sustainability Index (DJSI). We are now taking a more holistic approach to our sustainability work by broadening our sustainability framework, For the Better, with the launch of our most important initiative yet - the Better Living Program. The program aims to turn the Electrolux purpose into action - to ensure that the company continues to shape better living today, tomorrow and for another 100 years.

Electrolux will divest its professional business in March/April 2020. The data included in this brochure reflects the household appliance business, except for data on ethics, human rights and community investment, which includes data from Electrolux Professional.

Read the full story

www.electrolux.com/sustainability

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

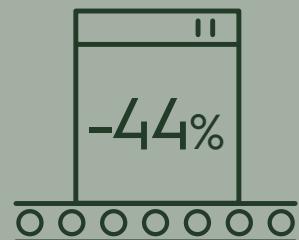


4,300 components tested for chemical compliance

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

Better Society



30,000 kids took part in workshops on sustainable eating

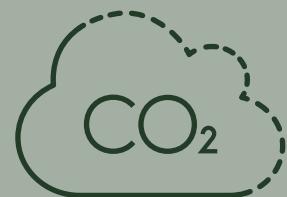


Reached over 4,200 people working at suppliers through training



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



THE YEAR SUMMARIZED BY JONAS SAMUELSSON (JS), PRESIDENT AND CHIEF EXECUTIVE OFFICER,
AND HENRIK SUNDSTRÖM (HS), VP SUSTAINABILITY AFFAIRS.

Taking sustainability to the next level

As a global leader in household appliances, Electrolux has a tremendous opportunity to eliminate the barriers that prevent consumers from making sustainable choices.

Our new sustainability framework, For the Better 2030, which integrates our Better Living Program, will enable Electrolux to continue to create better and more sustainable living for people around the world through to 2030.

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 integrated 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 by making our business more circular and climate neutral.

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 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?

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

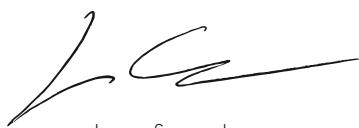
2050. Taking action on climate change is essential, both for our business and for society. To contribute successfully requires our senior management to understand our climate impacts. In 2019, we therefore suggested setting performance targets in our long-term incentives (LTI) program to reduce greenhouse gas emissions based on our science-based targets.

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.

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.



Jonas Samuelson



Henrik Sundström



Electrolux in a changing world

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 trends, and ensures we contribute toward international sustainable development objectives such as the UN Sustainable Development Goals.

Global megatrends that shape our business

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. Between 2015 and 2030, another billion people are expected to buy their first refrigerator.

Implications for Electrolux

- Continued need to improve the environmental performance of products.
- Need to ensure our kitchen appliances enable and promote shift to sustainable food preservation and preparation.
- Significant growth potential in emerging markets.

- 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 and 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

- Need to safeguard the integrity of consumer data.
- 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.

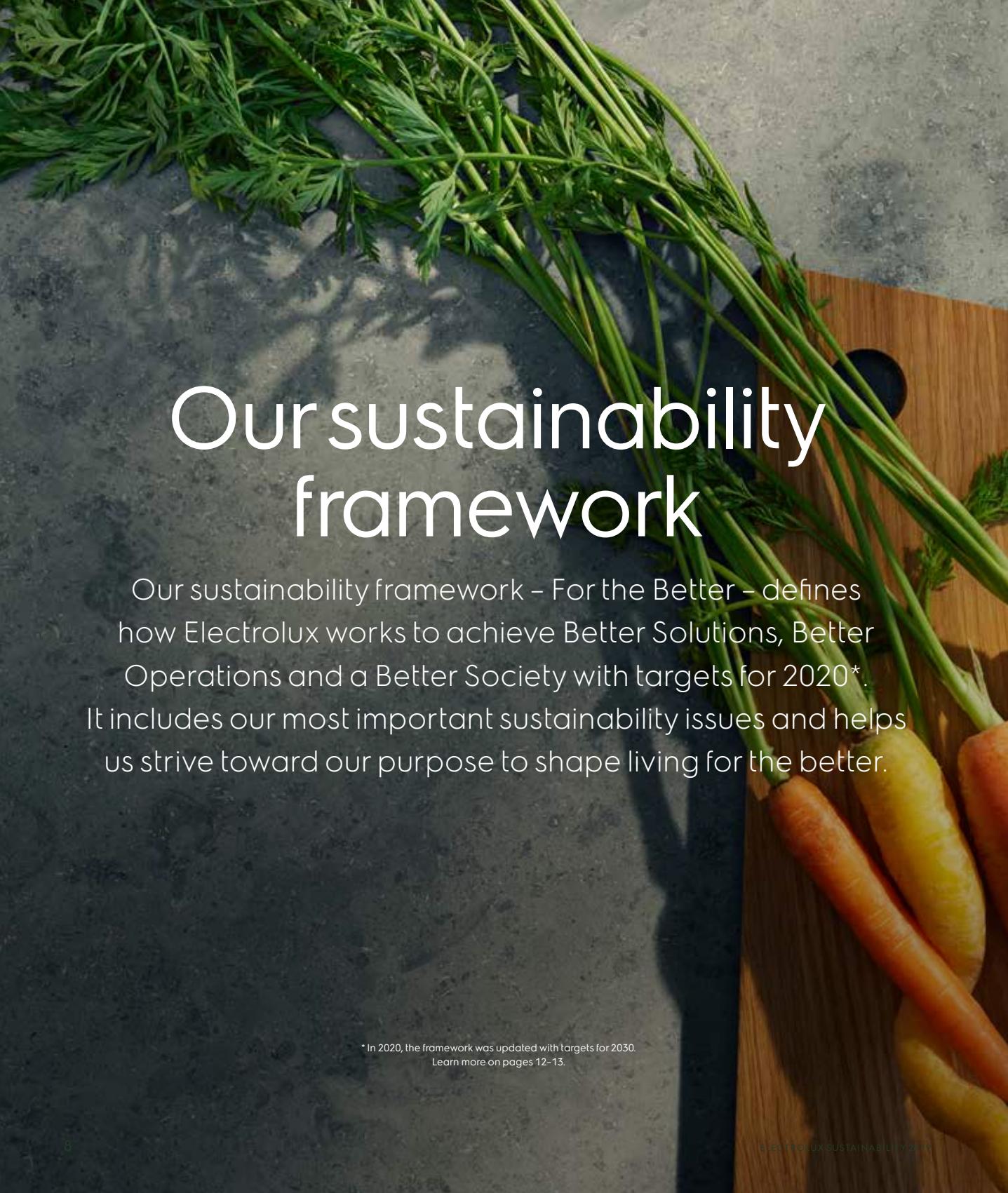


No. 8 – Decent work and economic growth
No. 12 – Responsible consumption and production
No. 13 – Climate action
No. 17 – Partnership for the goals

Electrolux and the UN Sustainable Development Goals (SDGs)

The SDGs provide the global community with a roadmap for how to combat global challenges related to economic, social and environmental sustainability. As a sustainability leader in the appliance industry, we believe that we can primarily contribute to SDGs 8, 12, 13 and 17, which are closely aligned with our sustainability framework – For the Better.

The following pages in this report illustrate how we contribute toward sustainability and the SDGs through our actions.



Our sustainability framework

Our sustainability framework – For the Better – defines how Electrolux works to achieve Better Solutions, Better Operations and a Better Society with targets for 2020*. It includes our most important sustainability issues and helps us strive toward our purpose to shape living for the better.

* In 2020, the framework was updated with targets for 2030.
Learn more on pages 12–13.

Better Solutions

Meeting the growing global market for household appliances without increasing environmental impact requires us to further optimize product performance and make better use of resources.

Constantly improve product performance and efficiency

Electrolux will improve the energy and water performance of its appliances, raising the bar for product efficiency around the world.

Make better use of resources

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

Eliminate harmful materials

Electrolux will protect people and the environment by managing chemicals carefully and continuing to replace those that cause concern.

Better Operations

We work continuously to be more resource efficient, and become a safer and more ethical company.

Achieve more with less

Electrolux will continue to reduce its environmental footprint by shifting to renewables, and optimizing the use of energy and other resources throughout its operations.

Ensure the best health and safety

Electrolux will be the health and safety leader in the appliance industry, wherever we operate in the world.

Always act ethically and respect human rights

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

Better Society

We make a difference in society by collaborating to meet local needs and promote improvement throughout our value chain.

Provide solutions for healthy and sustainable living for more people

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

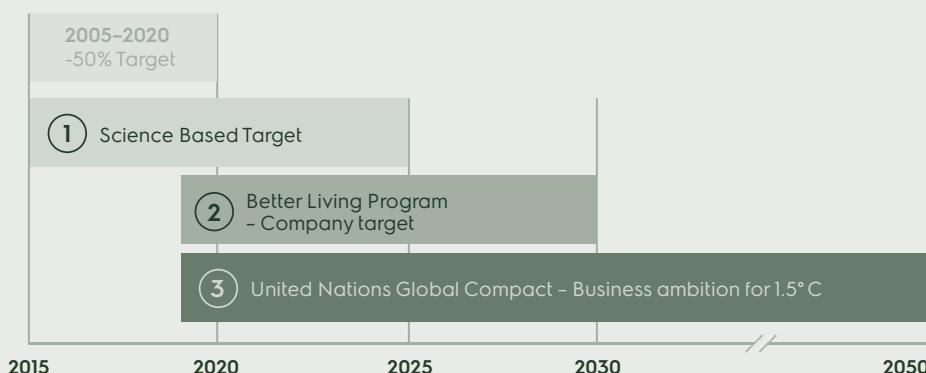
Be a force for good

Inspire sustainable cooking and eating habits among consumers and professionals and support people in need.

Improve sustainability in the supply chain

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.

Our Climate Neutrality Roadmap



Our -50% climate target
Halve the Group's climate impact, preventing the release of 25 million metric tons of carbon dioxide over 15 years – between 2005 and 2020.

Science Based Target
• Reduce absolute scope 1 and 2 greenhouse gas emissions by 80% and absolute scope 3 emissions from the use of sold products by 25% between 2015 and 2025.

Better Living Program - Company target
• Climate neutral operations by 2030 (scope 1 and 2 emissions).

United Nations Global Compact – Business ambition for 1.5°C
• Climate neutral value chain by 2050, in line with the 1.5 degree climate target.

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



Better Solutions

Several new efficient solutions were launched in 2019 and we worked with product cycle planning to ensure our products meet forthcoming European energy labelling regulations. We also continued to incorporate recycled materials into our products and made progress in eliminating harmful materials.



Better Operations

We focus on reducing our climate footprint by promoting energy efficiency and the use of renewable energy. Our injury rate continued to decline during the year and we have closed out the majority of the remediating actions from our human rights impact assessments in Egypt, Thailand and Ukraine.



Better Society

We are a part of the society and local communities in which we operate. By helping our entire value chain to become more sustainable, and by making a positive impact in local communities, we contribute to a better society.

The 2019 highlights correspond to the For the Better 2020 framework

Product efficiency

- R&D expenditure in 2019 amounted to SEK 3,899m or 3.3% of net sales, with one third used for sustainability-related product development.
- Efficient products launched in 2019 included washing machines with Ultra-Care to allow clothes to be washed at lower temperatures, and the QuickSelect dishwasher user interface that promotes efficient settings.

Making better use of resources

- 6,400 metric tons of recycled plastic used in 2019 – 20 times more than in 2011.
- The amount of recycled steel has increased from 20% in 2015 to 22% in 2019.
- We are developing circular business models, such as a new fixed price repair service to extend the lifetime of Electrolux products.

Eliminating harmful materials

- Continued the global roll out of our Eco@ web chemical management tool, with implementation in Asia-Pacific and Egypt.
- We continue to phase out hydrofluorocarbons (HFCs) with more eco-friendly refrigerants.

Operational efficiency

- Improved energy efficiency per product by 2.7% compared with the previous year.
- 45% of the total energy used comes from renewable energy sources.
- 65% CO₂ emissions reduction compared with 2015.
- We improved our overall water efficiency by 34% compared with 2015.
- We globally reduced our amount of disposed waste by more than 20%.

Health and safety

- Since 2015, our injury rate has declined by 39% across the Group.
- Our current global injury rate (TCIR) of 0.53 (0.57) compares favorably with other well-known benchmarks.

Ethics and human rights

- We initiated a human rights impact assessment of our operations in Romania, and followed up agreed actions from our assessments since 2017 in Egypt, Thailand and Ukraine.
- Workplace Policy audits were conducted in 11 out of 17 of our facilities located in what we rate as high-risk countries.
- New Diversity Committees were created for all our business areas.
- 215 reports of suspected misconduct were reported through our Ethics Helpline.
- In our 2019 Employee Engagement Survey, 90% of our employees stated they understand how they are expected to act in accordance with our Code of Conduct.

Better efficiency standards

- We are a member of United4Efficiency, which aims to contribute to a 10% decrease in global electricity consumption and a reduction of 1.25 billion metric tons of carbon emissions by 2030.
- We joined an additional UN initiative, the Cool Coalition, to accelerate the removal of fluorinated greenhouse gases from the production of new products, and to introduce gases with reduced CO₂ emissions. Submitted in 2020, the plan foresees the replacement of all high-impact greenhouse gases in our appliances by 2023 at the latest.

Community support

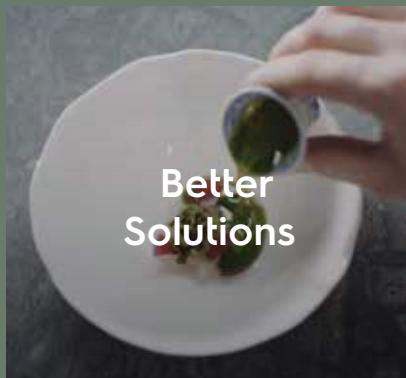
- Continued to develop the four Electrolux Food Foundation focus areas of Awareness, Engagement, Professional Training and Support.
- Efforts focused on scaling up successful projects to maximize positive impact – particularly 'Food Heroes' and 'Like a Chef' in different parts of the world.
- We committed to continue the funding of the Electrolux Food Foundation, with a total of SEK 100 million until 2030.

Responsible sourcing

- Reorganization of our Global Purchasing team to increase focus on sustainability topics throughout our supply chain.
- 351 supplier audits were conducted around the world.
- Provided classroom training in our Supplier Workplace Standard for 378 supplier representatives from 216 suppliers and trained an additional 3,854 people digitally.
- Publication of our conflict minerals pilot assessment that investigated 400 suppliers.
- Improved our CO₂ efficiency for land transportation by more than 11% compared with 2015.

For the Better 2030

- towards carbon neutrality & circularity



Better Solutions

Lead in energy- and resource-efficient solutions

Offer circular products and business solutions

Eliminate harmful materials



Better Company

Be climate neutral and drive clean and resource-efficient operations

Act ethically, lead in diversity and respect human rights

Drive supply chain sustainability



Better Living

Make sustainable eating the preferred choice

Make clothes last twice as long with half the environmental impact

Make homes healthier and more sustainable through smart solutions for air, water and floors

Supporting the UN Sustainable Development Goals and Climate targets

Introducing For the Better 2030

In 2020, we are taking our sustainability framework to the next level by introducing For the Better 2030 – including ambitious objectives for Better solutions and Better company, and the Electrolux Better Living Program that we launched in 2019.

Taking our sustainability work to the next level

As the world moves closer to significant tipping points that will radically change the living conditions on our planet, Electrolux sharpens and broadens its sustainability work bringing it right into the core of our strategy. The updated sustainability framework defines 2030 targets for Better solutions, Better company and includes the Electrolux Better Living Program targets, launched in 2019. Structured in nine areas plus our Climate targets, For the Better 2030 contributes toward the UN Sustainable Development Goals 8, 12, 13 and 17. To shape For the Better 2030 and ensure that the sustainability topics we focus on are our most relevant,

we drew on input from a wide range of internal and external stakeholders during 2019. Ongoing dialogue with stakeholders helps us define and deliver results, and keep ahead of global developments.

The Better Living Program – an action plan for sustainable living

We celebrated our 100 anniversary year in 2019 by launching the Better Living Program. The program broadens our sustainability work and enables us to empower consumers around the world to live better and more sustainable lives. The Better Living Program was the result of our analysis of global trends and insight into consumer behavior and beliefs related to food, garments

and home environment. The large consumer study deployed in nine cities around the world, has helped to better understand how we can empower consumers to become more sustainable in terms of better eating, better garment care and a better home environment.

As more and more consumers strive to live more sustainably, they also choose companies that live up to their standards. Our company target is to become carbon neutral in operations and to develop more circular business solutions by 2030.

Find out more about the Better Living Program in the following pages and at: www.electrolux.co.uk/about-us/better-living-program/



Toward more sustainable and better living

Our Better Living Report provided us with valuable insight into consumer behavior that has shaped our Better Living Program.

In our global Better Living Report survey, we investigated attitudes and concerns related to sustainable intentions and behavior within food, laundry and home environment. The data and insights from the survey have helped us to understand how we can continue to empower consumers to become more sustainable.

The survey was answered by over 9,000 respondents in nine cities around the world that represent key markets for Electrolux.

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 many want to

do more. Consumers want us to help them reduce food waste, water and energy use, as well as limit the use of single-use plastic.

Consumers know that wasting food is bad for the planet and 53% of respondents try to minimize the amount of food they throw in the bin. However, 37% of people throw away food that has passed its best before date but is still perfectly good to eat. Scientists agree that a plant-based diet is one of the best actions consumers can take to eat more sustainably, yet only 18% say that a plant-based diet is the most sustainable approach.

9,000

respondents in nine cities around the world



Read more in our Better Living Program Report

Our kitchen appliances can help to reduce food waste by keeping food fresh for longer and by promoting the preparation of plant-based meals.

69% of people agree that increasing the lifespan of clothes is good for the environment, and many people want more efficient washing machines. However, only 1 in 3 respondents wash at lower temperatures with 30% stating they can't get rid of stains. 48% of respondents make sure to always wash full loads, but for many, the fear of damaging the clothes prevents them from washing full loads.

Our washing machines and driers can make sure clothes last longer, while using less energy and water.

Four out of five respondents felt that indoor air quality is important for well-being in the 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.

Our vacuum cleaners and air purifiers can enhance air quality and wellbeing in the home. ■

54%

of respondents air out their homes not knowing they are letting in polluted air into their homes.

As more than 90% of the world's population live in places where air quality exceeds World Health Organization's guideline limits, controlling the indoor air quality is becoming increasingly important. The Electrolux air purifier Pure A9 is designed to be a natural part of our living space. Its companion app makes it easy for consumers to understand air quality – both indoors and outside – and how the Pure A9 purifies the air.





Promoting more circular business models

We are developing products and services that are based on more circular business models, which help reuse and recycle resources.

Electrolux and Swedish startup Karma have partnered to produce a fridge connected to an app that allows consumers to buy perfectly edible but close-to-expiring food at lower prices. Placed in stores or public spaces, the fridges have helped reduce food waste by 67%¹⁾.

In 2019, we also launched a new fixed price repair service in Europe that is now live in 13 markets. 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 contributed to

reaching an all time high consumer satisfaction for out of warranty repairs in December 2019, up 66% compared with last year.

Electrolux is also testing a new concept to lease washing machines to municipal housing companies. The washing machines are maintained and serviced by Electrolux to optimize their lifetime.

The award-winning Pure i9 robotic vacuum also began to be offered on a trial subscription pay-per-use basis in Sweden with all service and maintenance included in the fee. ■

¹⁾ Based on comparative data from a supermarket in Stockholm over an 11-month period before (2018) and after a Karma fridge was installed (2019).

The Electrolux way of doing business

Ethical business is fundamental for success and our new mandatory Code of Conduct e-learning was launched in 2019 to help employees adhere to our code in their daily work.

The new e-learning promotes further understanding as to what our code means to an employees' day-to-day activities. By the end of 2019, 83% of Electrolux employees had completed the e-learning. The Code is available in 23 languages.

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

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.

"Regular employee training is key, both for the effective management of risks and impacts and to remain a sustainability leader," says Malin Ekefalk, Director, Social Responsibility & Community Investment. ■





WE (Women at
Electrolux network)

+1,000

members in eight
locations

Diversity and inclusion drive our business

Electrolux is now committing to lead in diversity. In 2019, we defined a clear roadmap in order to strengthen our commitment to inclusion and diversity.

During the year, new Diversity Committees were created for all business areas to define clear action and gender diversity targets. A new inclusion and diversity roadmap will be launched in 2020.

Our Women at Electrolux (WE) network that began in Charlotte in the U.S. in August 2017 continues to grow and today comprises of over 1,000 members in eight locations. Two new regional WE networks were launched in 2019 – WE Australia & New Zealand and WE Malaysia. Our WE networks around the world were involved in various initiatives to promote equality and inclusion in the workplace.

As part of our Global Engineer Program (GEP), we search for talented young people, with focus on gender and national diversity, 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. ■



Net zero value chain emissions by 2050

The household appliances we sell are fundamental for people around the world to live a more sustainable life, but their use and manufacture has a climate impact.

At the 2019 UN General's Climate Action Summit in New York, Electrolux pledged net zero emissions throughout its value chain. The 'Business Ambition for 1.5°C' pledge encourages business leaders 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 with pre-industrial levels.

In 2019, we announced our commitment to become climate neutral with zero carbon emissions from our operations by 2030.

"The business ambition for 1.5°C will require a rapid de-carbonization of our value chain and our Science Based Target for 2025 is an important milestone," says Jonas Samuelson, Electrolux President and CEO.

As a member of United4Efficiency, Electrolux contributed to drafting a new energy regulation model in 2019 to promote more energy efficient refrigerators and freezers in emerging markets. ■

Funding a sustainable future

In 2019, Electrolux introduced its first green bond framework to fund climate investments and updated its pension asset management approach to address climate-change related risks and opportunities.

We issued a SEK 1 billion green bond during the year. The green bond enables us to finance our sustainability initiatives such as investments in improving appliance energy or water efficiency, incorporating recycled materials, eliminating refrigerants with high greenhouse warming potential and installing solar panels at Electrolux facilities.

The framework was developed in alignment with the Green Bond Principles 2018, with projects eligible for funding defined to support the UN's Sustainable Development Goals and the Paris Climate Agreement.

In 2019, we began applying our sustainability framework to the Group's defined benefit pension schemes. This involved recognizing sustainability and climate change risks in our investment guidelines for the Group and our country pension plans. ■





Electrolux Food
Foundation

30,000

kids challenged
to change their
food habits

When 30,000 kids became Food Heroes

The Electrolux Food Foundation works together with the global youth-led organization AIESEC and Worldchefs, World Association of Chefs' Societies, while supporting people in need in local communities.

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

In late 2018, the Electrolux Food Foundation launched a workshop toolkit aimed at teaching school children about the SDGs and how to shift to more sustainable food habits. Together with our partners AIESEC and Worldchefs, we reached 30,000 people in 31 countries around the world. The workshops challenged children to change their own food habits in a fun and playful way.

The 'Like a Chef' culinary training program, that equips unemployed people, including immigrant women and teenage orphans, with workplace skills, was launched in Sweden, Poland, Ukraine and Egypt. The initiative has educated 235 people in total since 2017, including already established locations in Brazil and Moscow.

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, filled backpacks with food for kids and built houses for the homeless. ■



Our value chain

A value chain perspective on sustainability helps us identify how we can best manage our impacts and create optimal value – from product development to end-of-life. Our value chain includes our most important stakeholders.



Product development

Close collaboration between Design, Marketing and R&D enables new products to offer best-in-class consumer experiences, and leading environmental performance.



Suppliers

Working with suppliers safeguards our standards and develops supplier capacities to further improve sustainability performance.



Electrolux operations

We work to reduce the environmental footprint of our operations, maintain high ethical standards and working conditions, as well as to have a positive impact in local communities.



Transport

More CO₂ is emitted transporting our goods than through our total operational energy use.



Sales

Energy and performance labeling, and sustainability communication allow us to raise consumer awareness of resource and product efficiency.



Consumer use

As the main environmental impacts of our products occur during their use, product energy and water efficiency is a top priority.



End-of-life

Legislation on appliance recycling is increasingly being introduced into markets, and our market research indicates that recycling is a top priority for consumers.

Generating value

Addressing transportation emissions contributes toward our climate targets and supports suppliers in their work to improve their environmental and labor standards.

Generating value

Promoting transparency and our efficient product offering contributes to retailer sustainability goals and more sustainable consumer choices.

Generating value

Providing efficient products, raising consumer awareness and increasing appliance connectivity can help counter rising global CO₂ emissions, while reducing food waste and the wear of clothes.

Generating value

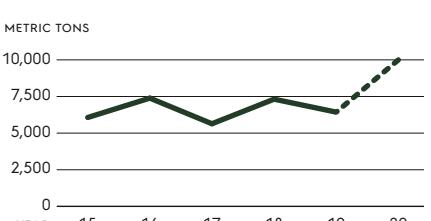
Building resource-efficient and closed-loop systems improves material reuse and diverts waste from landfill.

Facts & figures 2019

① Constantly improve product performance and efficiency

The roadmap 2015 to 2020	Next steps	Efficient products
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.	23/32% Our most energy and water efficient products accounted for 23% of total units sold and 32% of gross profit for consumer products in 2019
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.	

② Make better use of resources

The roadmap 2015 to 2020	Next steps	Recycled plastic														
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 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.	 <table border="1"> <caption>Estimated data for Recycled plastic (Metric Tons)</caption> <thead> <tr> <th>Year</th> <th>Metric Tons</th> </tr> </thead> <tbody> <tr><td>15</td><td>6,000</td></tr> <tr><td>16</td><td>7,500</td></tr> <tr><td>17</td><td>5,500</td></tr> <tr><td>18</td><td>7,000</td></tr> <tr><td>19</td><td>6,000</td></tr> <tr><td>20</td><td>10,000</td></tr> </tbody> </table>	Year	Metric Tons	15	6,000	16	7,500	17	5,500	18	7,000	19	6,000	20	10,000
Year	Metric Tons															
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20	10,000															

● On track

● Additional effort required

● Off track

○ Work has not yet begun

③ Eliminate harmful materials

The roadmap 2015 to 2020	Next steps	Chemical Test
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 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.	4,300 components tested in 2019

④ Achieve more with less

The roadmap 2015 to 2020	Next steps	Emissions per net sales														
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.	<p>METRIC TONS/SEKM</p> <table border="1"> <caption>Scope 1 and scope 2 (Metric tons CO₂/SEKm)</caption> <thead> <tr> <th>Year</th> <th>Emissions (Metric tons CO₂/SEKm)</th> </tr> </thead> <tbody> <tr><td>2005</td><td>8.5</td></tr> <tr><td>2015</td><td>4.0</td></tr> <tr><td>2016</td><td>3.0</td></tr> <tr><td>2017</td><td>2.5</td></tr> <tr><td>2018</td><td>2.0</td></tr> <tr><td>2019</td><td>1.5</td></tr> </tbody> </table>	Year	Emissions (Metric tons CO ₂ /SEKm)	2005	8.5	2015	4.0	2016	3.0	2017	2.5	2018	2.0	2019	1.5
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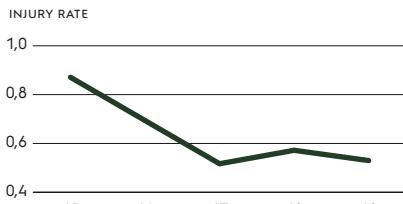
● On track

● Additional effort required

● Off track

○ Work has not yet begun

⑤ Ensure the best health and safety

The roadmap 2015 to 2020	Next steps	Injuries
Continue to reduce our global injury rate (TCIR) by at least 5% every year.	● Ongoing work with health and safety.	 <p>INJURY RATE</p> <p>1,0</p> <p>0,8</p> <p>0,6</p> <p>0,4</p> <p>15 16 17 18 19</p>
Attain safety certification for our operations around the world.	○ To be aligned with the launch of the new ISO 45001 standard.	
Integrate the Group's safety program into new acquisitions within three years of purchase.	● An ongoing process.	

⑥ Always act ethically and respect human rights

The roadmap 2015 to 2020	Next steps	Code of Conduct
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.	<ul style="list-style-type: none"> ● 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.	<p>90%</p> <p>In our 2019 Employee Engagement Survey, 90% of our employees stated they understand how they are expected to act in accordance with our Code of Conduct</p>
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.	

● On track

● Additional effort required

● Off track

○ Work has not yet begun

⑦ Solutions for healthy and sustainable living for more people

The roadmap to 2020	Next steps 2019	Sustainable solutions
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.	-10% targeted reduction in global electricity consumption through U4E
Engaging in United for Efficiency (U4E), a UNEP-led project to advise governments on areas such as energy labeling, incentive programs, and the disposal of refrigerators.	Continue to support U4E projects.	

⑧ Be a force for good

The roadmap 2015 to 2020	Next steps	Electrolux Food Foundation
Establish and implement a Group approach to community support.	The overarching approach is in place, including 2030 targets.	
Together with our global and local partners, explore possible project models, and replicate and scale up good projects, with the aim of maximizing societal impact.	<p>Continue to replicate, scale up and develop our programs:</p> <ul style="list-style-type: none"> Education on sustainable cooking and eating habits. Professional culinary training. Sustainability education in the culinary field. Support to people in need. 	30,000 30,000 kids were educated in sustainable eating in 31 countries around the world and 142 people graduated from our 'Like a chef' programs

 On track

 Additional effort required

 Off track

 Work has not yet begun

⑨ Improve sustainability in the supply chain

The roadmap 2015 to 2020	Next steps	Remediation of non-compliance findings															
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.	● Leverage new Sourcing strategy and organization to increase coverage of our supply base, and create more senior involvement.	<table border="1"> <caption>Number of findings by type</caption> <thead> <tr> <th>Non-compliance type</th> <th>Initial audit</th> <th>Follow-up audit</th> </tr> </thead> <tbody> <tr> <td>Zero tolerance</td> <td>~10</td> <td>~10</td> </tr> <tr> <td>Critical findings</td> <td>~350</td> <td>~150</td> </tr> <tr> <td>Major findings</td> <td>~450</td> <td>~200</td> </tr> <tr> <td>Minor findings</td> <td>~550</td> <td>~150</td> </tr> </tbody> </table>	Non-compliance type	Initial audit	Follow-up audit	Zero tolerance	~10	~10	Critical findings	~350	~150	Major findings	~450	~200	Minor findings	~550	~150
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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 the deployment of digital learning tools to reach more people working within our supply base.																
Drive the improvement of supplier ecological footprints.	● Expand the 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. 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.																

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

Our Climate Target

The roadmap 2015 to 2020	Read more in the related promises
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



Sustainability milestones

1991

First Environmental Policy.

1995

First Environmental Report.

1999

First time Electrolux is included in the Dow Jones Sustainability Index as the sustainability leader in its industry.

2002

Formalized corporate social responsibility commitments and implemented the Workplace Code of Conduct.

2003

Electrolux joins the UN Global Compact.

2004

Implemented the Electrolux Restricted Materials List.

2014

New carbon target to halve our climate impact by 2020 compared with 2005.

2016

Electrolux Food Foundation established and the Feed the Planet partnership with Worldchefs and AIESEC launched.

2018

One of the first 100 companies with a Science Based Target approved to meet the Paris agreement's climate targets.

2019

Inclusion in the CDP climate leadership category for the 4th year in a row.

Awards and recognition

The Group's sustainability performance helps strengthen relations with new and existing investors and consumers. Last year, our commitment to sustainability was recognized by:

Dow Jones Sustainability World Index

Electrolux has been recognized as one of the leaders in the household durables industry in the prestigious Dow Jones Sustainability Index (DJSI) for thirteen consecutive years. The index highlights the 10% best-in-class economic, environmental and social performers among the world's 2,500 largest companies.

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 Climate & Water

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 addition, Electrolux was also included in the leadership A- category for Water.

oekom

oekom research AG awards Prime Status to leading companies in their industry.





The Electrolux purpose

We shape living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people.

Our offering

Electrolux is a global leader in household appliances. We offer thoughtfully designed, innovative and sustainable solutions under esteemed brands including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi.

119

billion SEK in sales

60

million products sold annually

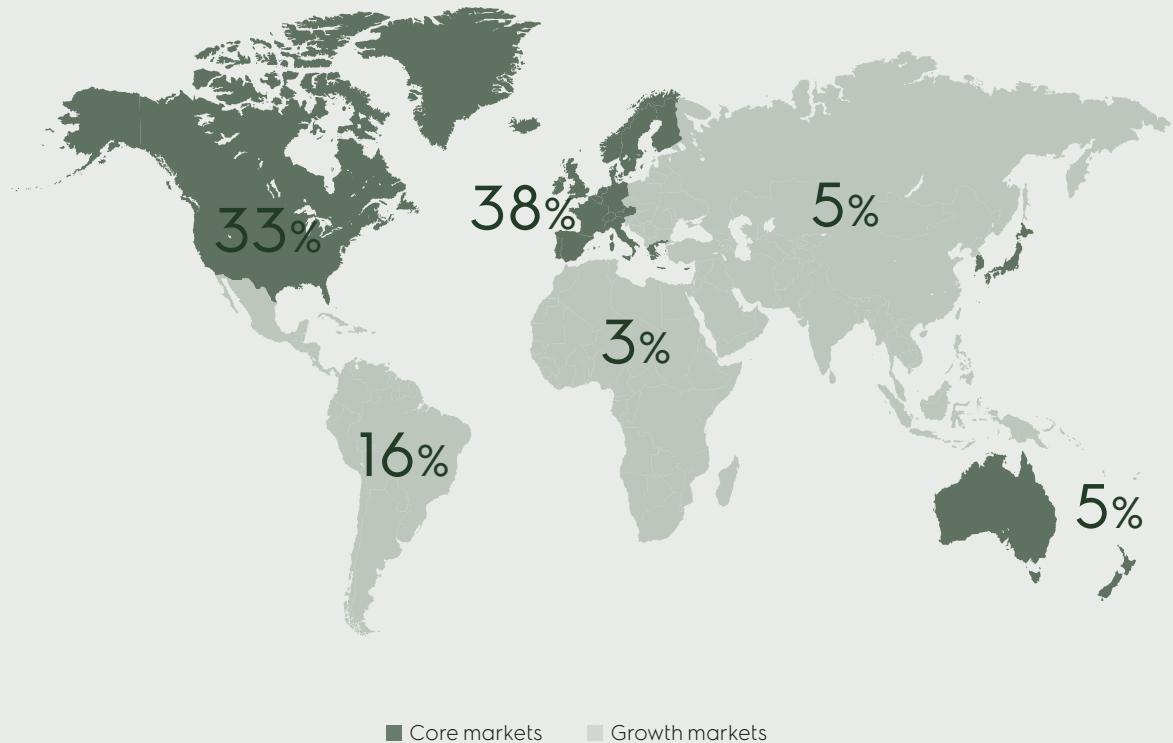
>120

countries

49,000

employees

Sales by region



Sales account for household appliances sold across the world.

Concept, text and production
Electrolux Sustainability Affairs and
Hallvarsson & Hallvarsson.





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For more detail and comprehensive performance data, please see our
Sustainability and GRI report:
www.electroluxgroup.com/sustainabilityreport2019