



UNGC Advanced-level reporting

Electrolux endorses the United Nations Global Compact (UNGC) and its ten principles on environment, labor practices, human rights and anti-corruption. Electrolux is also a signatory of the UNGC Water Mandate.

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 in regards to the criteria for reporting as defined by the UNGC. The column to the left indicates their information requirements. The areas that are marked in grey text under each criteria are not addressed in the report.

For the first year, Electrolux has also responded to the [United Nations Guiding Principles](#) reporting framework. A separate index has been created to guide readers to relevant areas in the report that address human rights. Our work will continue to improve human rights reporting in future reports.

The 2015 Sustainability Report and the 2015 Annual Report reflect its commitment to these principles and the efforts to continuously improve performance. The 2015 Sustainability Report is third party assured.

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



Implementing the ten principles into strategies and operations

UN Global Compact Advanced Criteria

References

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 Statement: Sustainability at the core](#)

[Management Approach](#)

[Integrating sustainability](#)

[Performance: Promises 1 - 9](#)

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](#)

[Performance: Improve sustainability in the supply chain](#)

[Managing sustainability risks](#)

UNGP Reporting framework index, see below

Human Rights Management Policies & Procedures

UN Global Compact Advanced Criteria

References

Criterion 3: The COP describes robust *commitments, strategies or policies* in the area of human rights

The following best practices are described in our COP

- 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 services
- Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties

Management Approach: Social

Code of Conduct

Strategy: 6. Always act ethically & respect human rights

Strategy: 9. Improve sustainability in the supply chain

Criterion 4: The COP describes effective *management systems* to integrate the human rights principles

The following best practices are described in our COP

- 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

Managing sustainability risks

Performance: Always act ethically & respect human rights

Management approach: Social

Snapshot: Code of Conduct training

Performance: Be a force for good

Tapping into the millennial mind

Criterion 5: The COP describes effective *monitoring and evaluation mechanisms* of human rights integration

The following best practices are described in our COP

- 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

Auditing & monitoring

Strategy: 9. Improve sustainability in the supply chain

Stakeholders inform our strategy

Performance: Always act ethically & respect human rights

Managing sustainability risks

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

Managing sustainability risks

Strategy:
6. Always act ethically & respect human rights

Strategy:
9. Improve sustainability in the supply chain

Performance:
Always act ethically & respect human rights

Performance:
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

Managing sustainability risks

Stakeholders inform our approach

Performance:
Always act ethically & respect human rights

Management approach

Performance:
Improve sustainability in the supply chain

Snapshot: Tailored training on the Code of Conduct

Management approach: Social

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

Performance: Always act ethically & respect human rights

Management approach

Stakeholders inform our approach

Performance: Improve sustainability in the supply chain

Auditing & monitoring

Environmental Management Policies and Procedures

UN Global Compact Advanced Criteria

References

Criterion 9: The COP describes robust *commitments, strategies or policies* in the area of environmental stewardship

The following best practices are described in our COP

- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- 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

Strategy: 1. Constantly improve product performance & efficiency

Strategy: 2. Make better use of resource

Strategy: 3. Eliminate harmful materials

Strategy: 4. Achieve more with less

Strategy: The climate target 2020

Management approach: Environment

Value chain

Environmental policy

Performance: Improve sustainability in the supply chain

Criterion 10: The COP describes effective *management systems* to integrate the environmental principles

The following best practices are described in our COP

- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- 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

Management approach: Environment

Auditing & monitoring

Annual Report: Sustainability

Management approach: Social

Criterion 11: The COP describes effective *monitoring and evaluation* mechanisms for environmental stewardship

The following best practices are described in our COP

- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- 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

Integrating sustainability

Auditing & monitoring

CEO statement: Sustainability at the core

Performance: Improve sustainability in the supply chain

Auditing & monitoring

Anticorruption management policies and procedures

UN Global Compact Advanced Criteria

References

Criterion 12: The COP describes robust *commitments, strategies or policies* in the area of anti-corruption

The following best practices are described in our COP

- 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
- *Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption*
- *Detailed policies for high-risk areas of corruption*
- Policy on anticorruption regarding business partners

Code of Conduct

Managing sustainability risks

Strategy: 6. Always act ethically & respect human rights

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

The following best practices are described in our COP

- *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
- *Internal checks and balances to ensure consistency with the anticorruption commitment*
- *Actions taken to encourage business partners to implement anti-corruption commitments*
- 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

Performance: Always act ethically & respect human rights

Auditing & monitoring

Code of Conduct

Performance: Improve sustainability in the supply chain

Criterion 14: The COP describes effective *monitoring and evaluation mechanisms* for the integration of anti-corruption

The following best practices are described in our COP

- Leadership review of monitoring and improvement results
- Process to deal with incidents
- Public legal cases regarding corruption
- *Use of independent external assurance of anti-corruption programmes*
- Outcomes of integration of the anti-corruption principle

Performance: Always act ethically & respect human rights

Management approach: Social

Annual Report: Note 24 Other liabilities

Taking action in support of broader UN goals and issues

UN Global Compact Advanced Criteria

Reference

Criterion 15: The COP describes core business contributions to *UN goals and issues*

The following best practices are described in our COP

- 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*

Strategy: 7. Provide sustainable solutions for everyone

Strategy:
8. Be a force for good

Snapshot: Tapping into the millennial mind

Performance:
Be a force for good

Criterion 16: The COP describes strategic social investments and philanthropy

The following best practices are described in our COP

- 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
- *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*

Strategy:
8. Be a force for good

Performance:
Be a force for good

Snapshot: Tapping into the Millennial Mind

Snapshot: Electrolux joins U4E to promote high-efficiency appliances

Snapshot:
Joining forces for sustainable transport

Snapshot:
Electrolux joins U4E to promote high-efficiency appliances

Criterion 17: The COP describes advocacy and public policy engagement

The following best practices are described in our COP

- 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

Snapshot: Tapping into the Millennial Mind

Performance:
Be a force for good

Criterion 18: The COP describes partnerships and collective action

The following best practices are described in our COP

- 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

Snapshot: Tapping into the Millennial Mind

Snapshot:
Joining forces for sustainable transport

Snapshot:
Raising food-waste awareness with #happyplates

Corporate sustainability governance and leadership

UN Global Compact Advanced Criteria

Reference

Criterion 19: The COP describes CEO commitment and leadership

The following best practices are described in our COP

- *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**
- *Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team*

CEO statement:
Sustainability at the core

Integrating sustainability

Criterion 20: The COP describes Board adoption and oversight

The following best practices are described in our COP

- **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)*

CEO statement:
Sustainability at the core

Criterion 21: The COP describes stakeholder engagement

The following best practices are described in our COP

- *Publicly recognize responsibility for the company's impacts on internal and external stakeholders*
- **Define sustainability strategies, goals and policies in consultation with key stakeholders**
- *Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance*
- *Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'*

Stakeholders inform our approach

Value chain

Strategy:
6. Always act ethically & respect human rights

The 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

Strategy:
6. Always act ethically & respect human rights

EMBEDDING RESPECT FOR HUMAN RIGHTS

A2 How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?

Performance:
Always act ethically & respect human rights

Performance:
Improve sustainability in the supply chain

Snapshot:
Tailored training on the Code of Conduct

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.

Managing sustainability risks

B2 **Determination of salient issues:** Describe how the salient human rights issues were determined, including any input from stakeholders.

Managing sustainability 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.

Managing sustainability risks

High and medium risk regions

B4 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.

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

Snapshot: Tailored training on the Code of Conduct

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

ASSESSING IMPACTS

C3 How does the company identify any changes in the nature of each salient human rights issue over time?

Materiality analysis

Managing sustainability 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?

Managing sustainability risks

Management approach: Social

Performance: Always act ethically & respect human rights

Performance: Improve sustainability in the supply chain

TRACKING PERFORMANCE

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

Managing sustainability risks

Auditing & monitoring

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?

Performance: Always act ethically & respect human rights

Auditing & monitoring

Performance: Improve sustainability in the supply chain
