

Ericsson ESG reporting reference index 2021



About this document

Ericsson strives to report environmental, social and governance (ESG) information that is relevant to the Company's stakeholders in a transparent, balanced, and comparable way. As a means to achieve this, Ericsson's ESG disclosures are based on several complementing ESG reporting frameworks, listed in the table of contents of this document.

This document contains references to disclosures in Ericsson's Annual report and other publications that are relevant for making disclosures in accordance with these reporting frameworks. It is intended to be used together with the Annual report and the other cited publications.

References to documents constituting the 2021 Annual report, and other cited publications, are indicated using the following abbreviations:

Document	Abbreviation
Financial report	FR
Corporate Governance report	CGR
Remuneration report	RR
Sustainability and Corporate Responsibility report	S&CRR
Ericsson 2021 in Review	EIR
5G Human Rights Assessment	HRA
Modern Slavery and Human Trafficking Statement	MSS

For inquiries regarding this document and related disclosures please contact: corporate.responsibility@ericsson.com

Global Reporting Initiative (GRI) Content Index

General Disclosures

GRI Standard	Disclosure and disclosure number	Reference(s)	Omission
General Disclosures (2016)	102-1	Name of the organization	FR 1, S&CRR 28
	102-2	Activities, brands, products and services	FR 1, 4–10
	102-3	Location of headquarters	FR 1
	102-4	Location of operations	FR 7, 45–47
	102-5	Ownership and legal form	FR 124–126
	102-6	Markets served	FR, 7, 45–47, EIR 36–41
	102-7	Scale of the organization	FR 13, 29–30, 76, 90–91
	102-8	Information on employees and other workers	FR 76, S&CRR 30
	102-9	Supply chain	FR 19–20, EIR 22
	102-10	Significant changes to the organization and its supply chain	No significant changes
	102-11	Precautionary Principle or approach	Sustainability policy
	102-12	External initiatives	S&CRR 28
	102-13	Memberships of associations	Company website
	102-14	Statement from senior decision-maker	FR 2–3
	102-16	Values, principles, standards, and norms of behavior	CGR 3, S&CRR 19, Code of Business Ethics
	102-17	Mechanisms for advice and concerns about ethics	S&CRR 18
	102-18	Governance Structure	CGR 4–11, S&CRR 7
	102-40	List of stakeholder groups	S&CRR 28
	102-41	Collective bargaining agreements	S&CRR 31
	102-42	Identifying and selecting stakeholders	S&CRR 28
	102-43	Approach to stakeholder engagement	S&CRR 28
	102-44	Key topics and concerns raised	S&CRR 28
	102-45	Entities included in the consolidated financial statements	FR 90–91, S&CRR 28, 31–32
	102-46	Defining report content and topic boundaries	S&CRR 28–29
	102-47	List of material topics	S&CRR 29
	102-48	Restatements of information	Page 8 in this document
	102-49	Changes in reporting	S&CRR 29. No significant changes in boundaries
	102-50	Reporting period	S&CRR 28
	102-51	Date of most recent report	March 3, 2021
	102-52	Reporting cycle	S&CRR 28
	102-53	Contact point	corporate.responsibility@ericsson.com
102-54	Claims of reporting in accordance with the GRI Standards	S&CRR 28	
102-55	GRI content index	Pages 2–3 in this document.	
102-56	External assurance	S&CRR 28, 37	

Topic specific disclosures for material topics

GRI Standard	Disclosure and disclosure number	Reference(s)	Omission	
Business ethics and anti-corruption				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 4, 19	
	103-2	The management approach and its components	FR 20, CGR 2–3, S&CRR 5, 7, 18–19	
	103-3	Evaluation of the management approach	S&CRR 19	
Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	S&CRR 35	○
	205-2	Communication & training about anti-corruption policies and procedures	S&CRR 35	○
	205-3	Confirmed incidents of corruption and the actions taken	FR 20–21	
Climate action - network energy performance				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 2, 10–12	
	103-2	The management approach and its components	S&CRR 3, 7, 10–12	
	103-3	Evaluation of the management approach	S&CRR 12	
Energy (2016)	302-5	Reductions in energy requirements of products and services	S&CRR 12	

Topic specific disclosures for material topics, cont.

GRI Standard	Disclosure and disclosure number		Reference(s)	Omission
Emissions (2016)	305-3	Other indirect (Scope 3) GHG emissions	S&CRR 32	
Human Capital				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 4, 8–9	
	103-2	The management approach and its components	S&CRR 5, 7–9	
	103-3	Evaluation of the management approach	S&CRR 8–9	
Employment (2016)	401-1	New employee hires and employee turnover	FR 76, S&CRR 30	○
Training and education (2016)	404-1	Average hours of training per year per employee	S&CRR 31	○
	404-3	Percentage of employees receiving regular performance and career development reviews	S&CRR 31	
Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	FR 76, S&CRR 30	
	405-3	Ratio of basic salary and remuneration of women to men	S&CRR 30	○
Health, safety and wellbeing				
Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	S&CRR 25	
	403-2	Hazard identification, risk assessment, and incident investigation	S&CRR 24	
	403-3	Occupational health services	S&CRR 24–25	
	403-4	Worker participation, consultation, and communication on occupational health and safety	S&CRR 24–25	
	403-5	Worker training on occupational health and safety	S&CRR 24–25, 27	
	403-6	Promotion of worker health	S&CRR 24–25	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S&CRR 24–25, 27	
	403-9	Work-related injuries	S&CRR 36	○
	Security and privacy			
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 2, 22–23	
	103-2	The management approach and its components	S&CRR 7, 22–23	
	103-3	Evaluation of the management approach	S&CRR 22–23	
Non-GRI disclosure	-	Number of reported security and privacy incidents	S&CRR 36	
Climate action – own activities				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 4, 10–11	
	103-2	The management approach and its components	S&CRR 5, 7, 10–11, 14	
	103-3	Evaluation of the management approach	S&CRR 14	
Energy (2016)	302-1	Energy consumption within the organization	S&CRR 31	
	302-3	Energy intensity	S&CRR 31	
Emissions(2016)	305-1	Direct (Scope 1) GHG emissions	S&CRR 32	
	305-2	Indirect (Scope 2) GHG emissions	S&CRR 32	
	305-3	Other indirect (Scope 3) GHG emissions	S&CRR 32	
	305-4	Emissions intensity	S&CRR 32	
Human rights				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 2, 20, 27	
	103-2	The management approach and its components	S&CRR 3, 7, 20–21, 26–27	
	103-3	Evaluation of the management approach	S&CRR 20, 26–27	
Human rights assessment (2016)	401-1	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	S&CRR 20–21, 35	
Resource circularity				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 15	
	103-2	The management approach and its components	S&CRR 7, 15	
	103-3	Evaluation of the management approach	S&CRR 15	
Non-GRI disclosure	-	Product take-back volumes and disposal methods	S&CRR 31	
Responsible management of suppliers				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 2, 26–27	
	103-2	The management approach and its components	S&CRR 3, 7, 26–27	
	103-3	Evaluation of the management approach	S&CRR 26–27	
Non-GRI disclosure	-	Supplier risk assessment	S&CRR 36	
	-	Responsible Minerals Assurance Process (RMAP) conformant smelters	S&CRR 36	
Digital inclusion				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 2, 16	
	103-2	The management approach and its components	S&CRR 3, 7, 16	
	103-3	Evaluation of the management approach	S&CRR 16	
Corporate Citizenship				
Management approach (2016)	103-1	Explanation of the material topic and its boundary	S&CRR 17	
	103-2	The management approach and its components	S&CRR 7, 17	
	103-3	Evaluation of the management approach	S&CRR 17	

SASB reference Index

Standard: Technology & Communication Sector - Hardware (2018)

Metric code	Accounting metric	Reference(s)	Comment
Product security			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	S&CRR 22–23	–
Employee diversity & Inclusion			
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	S&CRR 30	Privacy legislation in many geographies prevent Ericsson from collecting data on employee race and/or ethnicity.
Product lifecycle management			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	–	Ericsson keeps a list of banned and restricted substances that are restricted to use in products, in the manufacturing of Ericsson products, or in products supplied to Ericsson. The list also contains substances under observation and substances with reporting requirements. The list is available on the Company's web page. The list is based on IEC 62 474 declarable substances but has a wider scope and includes additional substances. Banned and restricted substances shall not be intentionally added for use in applications specified by Ericsson. Further details and thresholds on some of the restrictions can be found in the list. However, all electronic products may contain small traces of declarable substances, falling below the thresholds for what needs to be declared, through impurities which are near impossible to eliminate entirely.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	S&CRR 12	Ericsson products eligible for certification, such as servers, constitute a smaller part of the product portfolio. These are currently not certified according to any energy efficiency scheme.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria		The majority of the product portfolio, made up of communication network hardware such as radios and antennas, is currently not covered by any certification scheme for energy efficiency. Ericsson is continuously working to improve the energy performance of its entire portfolio to help its customers meet current and future traffic demands while simultaneously addressing network energy consumption and related carbon emissions.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	S&CRR 31	–
Supply chain management			
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by a. all facilities and b. high-risk facilities	S&CRR 26–27, 36	Ericsson has its own program for auditing suppliers' adherence to the Company's Code of Conduct for Business Partners, and for verifying contract compliance. Additionally, the Company is a member of the Responsible Business Alliance (RBA) and is working to increase the share of participating suppliers.
TC-HW-430a.2	Tier 1 suppliers' 1. non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and 2. associated corrective action rate for a. priority nonconformances and, b. other nonconformances		
Materials sourcing			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	FR 19–20 EIR 22	Ericsson is working to provide more detailed disclosures in coming years.
Metric code			
TC-HW-000.A	Number of units produced by product category (#)	–	Ericsson is not disclosing this information due to confidentiality reasons.
TC-HW-000.B	Area of manufacturing facilities (m ²)	186,000	–
TC-HW-000.C	Percentage of production from owned facilities (%)	–	Ericsson is working to provide this information in coming years.

WEF Measuring Stakeholder Capitalism

Core metrics and disclosures

Theme and metrics	Core disclosure	Reference(s)
Principles of Governance		
Governing purpose	Setting purpose	FR 2–3, 8–9, Company website
Quality of governing body	Governance body composition	GCR 7, 12–14, Nomination's Committee's proposal for 2022 AGM
Stakeholder Engagement	Material issues impacting stakeholders	S&CRR 28–29
Ethical behavior	Anti-corruption	S&CRR 24, 35
	Protected ethics advice and reporting mechanisms	S&CRR 18, 35
Risk and opportunity oversight	Integrating risk and opportunity into business process	FR 99–112, CGR 18–19
Planet		
Climate change	Greenhouse gas (GHG) emissions	S&CRR 10–11, 32
	TCFD implementation	S&CRR 7, 10–14, 32–33
Nature loss	Land use and ecological sensitivity	The relevance of this disclosure to Ericsson is being evaluated.
Freshwater availability	Water consumption and withdrawal in water-stressed areas	The relevance of this disclosure to Ericsson is being evaluated.
People		
Dignity and equality	Diversity & inclusion	FR 76, S&CRR 30
	Pay equality	S&CRR 30
	Wage level	S&CRR 30
	Risk for incidents of child, forced or compulsory labor	S&CRR 27, MSS 5–6
Health and well-being	Health & safety	S&CRR 24–25, 36
Skills for the future	Training provided	S&CRR 31
Prosperity		
Employment and wealth generation	Absolute number and rate of employment	FR 76, S&CRR 30
	Economic contribution	S&CRR 36
	Financial investment contribution	FR 11, 13, 15
Innovation of better products and services	Total R&D expenses	FR 13, EIR 20
Community and social vitality	Total tax paid	FR 14, 77–78

UNGC Communication on Progress

Principle and criterion	Reference(s)
Implementing the Ten Principles into Strategies and Operations	
1. Mainstreaming into corporate functions and business units	FR 6, S&CRR 1, 6–7
2. Value chain implementation	S&CRR 2–5
Human Rights Management Policies and Procedures	
3. Robust commitments, strategies, or policies in the area of human rights	Business and Human Rights Statement Code of Business Ethics Code of Conduct for Business Partners
4. Effective management systems to integrate the human rights principles	S&CRR 7, 20–21, 26–27 Modern Slavery and Human Trafficking Statement 5G Human Rights Impact Assessment Statement on sourcing of minerals from Conflict–Affected and High–Risk Areas
5. Monitoring and evaluation mechanisms of human rights integration	S&CRR 18, 21, 27, 35–36
Labour Management Policies and Procedures	
6. Strategies or policies in the area of labor	Code of Business Ethics Code of Conduct for Business Partners Health, Safety and Wellbeing Policy Supplier Occupational Health and Safety Requirements
7. Management systems to integrate the labor principles	S&CRR 7–9, 24–27
8. Monitoring and evaluation mechanisms of labor principles and integration	S&CRR 18, 30–31, 35–36
Environmental Management Policies and Procedures	
9. Commitments, strategies, or policies in the area of environmental stewardship	Code of Business Ethics Code of Conduct for Business Partners Sustainability Policy Business Partner Environmental Requirements
10. Management systems to integrate the environmental principles	S&CRR 7, 10–15, 33
11. Monitoring and evaluation mechanisms for environmental stewardship	S&CRR 18, 31–32, 34
Anti-corruption Management Policies and Procedures	
12. Commitments, strategies, or policies in the area of anti-corruption	Code of Business Ethics Code of Conduct for Business Partners
13. Management systems to integrate the anti-corruption principles	FR 19–20, CGR 2–3, S&CRR 7, 19
14. Monitoring and evaluation mechanisms for the integration of anti-corruption	S&CRR 18, 35
Taking Action in Support of Broader UN Goals and Issues	
15. Core business contribution to UN goals and issues	S&CRR 1–5, Company Website
16. Strategic social investments and philanthropy	S&CRR 16–17, 36
17. Advocacy and public policy engagement	S&CRR 11, 16, 28, Company website
18. Partnership and collective action	S&CRR 16–17, 28, Company website
Corporate Sustainability Governance and Leadership	
19. CEO commitment and leadership	FR 2–3
20. Board adoption and oversight	CGR 2, S&CRR 7
21. Stakeholder engagement	S&CRR 28–29

UNGP Business and Human Rights

Section	Questions	Reference(s)
Part A. Governance of Respect for Human Rights		
Policy commitment	A1. What does the company say publicly about its commitment to respect human rights?	Business and Human Rights Statement
	A1.1 How has the public commitment been developed?	HRA 4–9
	A1.2 Whose human rights does the public commitment address?	Business and Human Rights Statement 1–3
	A1.3 How is the public commitment disseminated?	Business and Human Rights statement Code of Business Ethics Code of Conduct for Business Partners
Embedding Respect for Human Rights	A2. How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	S&CRR 20–21, 26–27
	A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?	S&CRR 7, 20, HRA 61
	A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?	S&CRR 7, 20, HRA 61
	A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	Code of Business Ethics, S&CRR 19
	A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?	Code of Conduct for Business Partners S&CRR 26–27
	A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	S&CRR 20–21, 26–27, MSS 6
Part B. Defining a Focus of Reporting		
Statement of Salient Issues	B1. State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	S&CRR 20, MSS 5–6 HRA 19–23 and subsequent detailed sections
Determination of Salient Issues	B2. Describe how the salient human rights issues were determined, including any input from stakeholders.	HRA 4–9, MSS 8–9
Choice of Focal Geographies	B3. If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	S&CRR 26–28, MSS 7, HRA 62
Additional Severe Impacts	B4. 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.	HRA 23 and subsequent detailed sections
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?	Business and Human Rights Statement Code of Business Ethics Code of Conducts for Business Partners
	C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?	S&CRR 19, 26, MSS 8–9
Stakeholder Engagement	C2. What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	S&CRR 26–28, MSS 7, HRA 62
	C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	HRA 23 and subsequent detailed sections
	C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	S&CRR 20–21, 26–28, MSS 7–8
	C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	S&CRR 20–21, 26–28, MSS 7–8
Assessing impacts	C3. How does the company identify any changes in the nature of each salient human rights issue over time?	HRA 23 and subsequent detailed sections
	C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	S&CRR 20–21, 26–28, MSS 7–8
	C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	S&CRR 20–21, 26–28, MSS 7–8
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?	S&CRR 20–21, 26–28, MSS 7–8
	C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	S&CRR 20–21, 26–28, MSS 7–8
	C4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	S&CRR 20–21
	C4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	S&CRR 20–21, 26–27, MSS 7–8
	C5. How does the company know if its efforts to address each salient human rights issue are effective in practice?	S&CRR 20–21, 26–27
Remediation	C5.1 What specific examples from the reporting period illustrate if each salient issue is being managed effectively?	S&CRR 20–21, 26–27
	C6. How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	S&CRR 20–21, 27–28
	C6.1 Through what means can the company receive complaints or concerns related to each salient issue?	S&CRR 18, MSS 9, HRA 60
	C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?	S&CRR 18, MSS 9, HRA 60
	C6.3 How does the company process complaints and assess the effectiveness of outcomes?	S&CRR 18, MSS 9, HRA 60
	C6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	S&CRR 18, MS 6–7
	C6.5 During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	S&CRR 20–21, 26–27, MSS 6–7

Omissions and restatements

Omissions from the GRI Standards

Disclosure	Omission and reason for omission
205-1	Corruption risk assessments are done per market area, segment, and group function and not per specific subsidiaries wherefore a percentage figure is not relevant to disclose.
205-2	Ericsson's anti-corruption training program is currently undergoing a significant transformation, which hinders the Company from breaking down data on training in anti-corruption policies on the granularity described in the standard, in particular with regards to reporting on a regional basis. Ericsson is working to provide these disclosures in coming years.
403-9	Due to limitations in data availability for hours worked by suppliers, Ericsson is not able to calculate fatality- and lost-time injury frequency rates for its suppliers and contractors. With the introduction of new tools, the Company aims at providing this data in coming years. Ericsson does not always collect information on recovery time and is therefore not able to provide data on "high consequence injuries" as defined in the GRI Standards. The company discloses the number of "major incidents" as an alternative performance indicator.
401-1	Ericsson does not report on hiring and turnover rates broken down by region and does not foresee doing so in the coming years.
404-1	Due to limitations in data availability, average training hours of employees broken down per employee category is not reported on. The company is evaluating the relevance of reporting this information in the future.
405-3	To ensure the relevance and quality of underlying data, Ericsson is not disclosing gender pay data broken down by employee category or significant locations of operations. The Company is working to provide this information in coming years.

Restatements of information

Page	Restatement
S&CRR 31	Average learning hours per year and person for 2020 and 2019 have been restated due to more accurate data being made available.

About Ericsson

Ericsson provides high-performing solutions to enable its customers to capture the full value of connectivity. The Company supplies communication infrastructure, services and software to the telecom industry and other sectors. Ericsson has approximately 100,000 employees and serves customers in more than 180 countries. Ericsson is listed on Nasdaq Stockholm and the Ericsson ADS trade on NASDAQ New York. The Company's headquarters are located in Stockholm, Sweden.

It all started in a mechanical workshop in Stockholm in 1876 where Lars Magnus Ericsson designed telephones and his wife Hilda manufactured them by winding copper wire coils. With 5G now a commercial reality, we continue to invest to strengthen our 5G leadership. Our portfolio is designed to help our customers digitalize and to increase efficiency in an intelligent and sustainable way, while finding new revenue streams.