

Sustainability Reporting

Standards Disclosure 2021



Annual and
Sustainability
Report 2021



> **Global Reporting Initiative (GRI) Content Index**

Epiroc's Annual and Sustainability Report has been prepared in accordance with the GRI Standards version 2020, "Core" option. This Global Reporting Initiative (GRI) Content Index 2021 contains references to the required disclosures or reasons for omission, as well as additional data and information. The index covers activities during the calendar year 2021 and references to pages in the Annual and Sustainability report are indicated in this index below. Epiroc has chosen to report General Standard Disclosure and Disclosure of Management Approach (DMA) as an integrated part of the annual report 2021. Sustainability information in the Annual and Sustainability Report in accordance with the GRI standards version, "Core" option has been subject to limited assurance by Deloitte AB.

> **UN Global Compact Advanced Communication of Progress**

Epiroc also reports against the UN Global Compact Principles and the Annual and Sustainability Report 2021 is the Epiroc's Communication on Progress (COP) at the Global Compact Advanced Level. This index can be used as a guide to understand Epiroc's commitments to the UN Global Compact's 10 principles.

Details about Epiroc's community engagement program Water for All, can be found at <https://www.water4all.org/en> (UNGC advanced COP criterion 16)

> **Sustainability Accounting Standards Board (SASB)**

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. Epiroc reports to the SASB framework against the Industrial Machinery & Goods Standards.

> **Task Force on Climate-Related Financial Disclosures (TCFD)**

Epiroc is aligning its approach to the TCFD guidelines and reports accordingly.

All index should be read in conjunction with the Annual and Sustainability Report 2021, which is available at <https://www.epirocgroup.com/en>

GRI 102: General Disclosure Standard

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Organizational profile				
102-1	Name of the organization	Inside cover		
102-2	Activities, brands, products, and services	Inside cover, 10-13, 20-29, 52-54		
102-3	Location of headquarters	61		
102-4	Location of operations	Inside cover, 95, 131-132		
102-5	Ownership and legal form	64-67		
102-6	Market served	54		
102-7	Scale of the organization	32-33, 52-61, 82-85, 131-132		
102-8	Information on employees and other workers	11, 33, 45, 57, 96, 146, 150		Epiroc reports employees and external workforce as full-time equivalents (FTE). Omission: Employment contract (permanent or temporary) and employment type (full-time or part-time) is reported, but not specified by gender or region.
102-9	Supply chain	47-49, 139, 146-147	2	
102-10	Significant changes to the organizations and its supply chain	6-9, 146-147	2	
102-11	Precautionary Principle or approach	34-35, 138		
102-12	External initiatives	36, 50-51, 140, 142	15	
102-13	Membership of associations	50-51, 140	15- 18	
> Strategy				
102-14	Statement from senior decision-maker	6-9	1, 2, 15, 19	
102-15	Key impacts, risks and opportunities	16-19, 34-37, 74-79	1	
> Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	6-9, 32-33, 34-37, 145-146	2, 19, 20	
> Governance				
102-18	Governance structure	64-71, 141-142	20	

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Stakeholder engagement				
102-40	List of stakeholder groups	140	1, 21	
102-41	Collective bargaining agreements	146		
102-42	Identifying and selecting stakeholders	139, 140	21	
102-43	Approach to stakeholder engagement	139, 140	21	
102-44	Key topics and concerns raised	32-33, 34-37, 138-142	21	
> Reporting practice				
102-45	Entities included in the consolidated financial statements	131-132, 138		
102-46	Defining report content and topic Boundaries	34-35, 138	1	
102-47	List of material topics	34-37	1	
102-48	Restatements of information	39, 149		Recalculation of base year (2019) emissions is performed at significant structural changes, improvements in calculation methodology or data accuracy. See recalculated base year emissions on page 39. Emissions on page 148 are not restated.
102-49	Changes in reporting	138		
102-50	Reporting period	Inside cover, 138		
102-51	Date of most recent report	11 March 2021		
102-52	Reporting cycle	Inside cover, 138		
102-53	Contact point for questions regarding the report	Inside cover		
102-54	Claims of reporting in accordance with the GRI Standards	Inside cover, 138, 149		
102-55	GRI content index			Published with the Annual and Sustainability Report 2021 and can be found on www.epirocgroup.com
102-56	External assurance	Inside cover, 138, 149		

Topic - Specific standards

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Economic				
> Economic performance				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	33, 52-57, 74-79, 139, 143-144	1, 15	
103-2/3	The management approach, components and evaluation	64-67	1, 15	
GRI 201: Economic performance				
201-1	Direct economic value generated and distributed	33, 50, 82, 84, 96-100, 101, 148	15	
201-2	Financial implications and other risks and opportunities due to climate change	35, 74-79, 143-144		See TCFD information in this annex.
201-3	Defined benefit plan obligations and other retirement plans	96-100		Epiroc Group applies IFRS and discloses employee benefits in accordance with IAS 19.
> Anti-corruption				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 12	
103-2/3	The management approach, components and evaluation	138-142, 145, 147	1, 2, 12-14	
GRI 205: Anti-corruption				
205-1	Operations assessed for risks related to corruption	47-49, 74-79, 146-147	13, 14	
205-2	Communication and training about anti-corruption policies and procedures	47-49, 74-79, 146-148	13, 14	Omission: The indicator is reported partially. The topic is material for Epiroc. Anti-corruption policies and procedures are communicated in the whole organization. Anti-corruption is included in the Code of Conduct E-learning which is available for all employees and managers. However Epiroc does not currently report data by employee category and region for this specific training, consolidated on the Group level, but percentage of managers that completed the training is disclosed.
205-3	Confirmed incidents of corruption and actions taken	47-48, 146-147	14	

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Environment				
> Energy				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	33, 35-41, 74-79, 139	1, 2, 9	Epiroc's Sustainability Policy can be found online at www.epirocgroup.com
103-2/3	The management approach, components and evaluation	40-41, 138-141	1, 2, 9-11	
GRI 302: Energy				
302-1	Energy consumption within the organization	38, 40-41, 148-149	10, 11	Omission: The Epiroc Group reports and follows-up on direct energy use in MWh. The Group does not report on energy production sold.
302-3	Energy intensity	38, 148-149	10, 11	The Epiroc reports and follows-up on energy use in MWh with relation to Cost of Sales (MSEK).
302-5	Reductions in energy requirements of products and services	22-27, 36-39	10, 11	Omission: The Group does not report on the energy-efficiency of all/the majority of its products in the Annual Report. On pages 22-27 it is described how our solutions in automation, digitalization and electrification can drive production efficiency and reduce energy consumption. Our new 2030 sustainability goals include offering a full range of emission free products and to halve CO ₂ e emissions from machines sold (in 2030 compared to machines sold in 2019).
> Emissions				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	9, 35-41, 52, 74-79, 139	1, 2, 9	
103-2/3	The management approach, components and evaluation	40-41, 138, 141-142, 144-145	1, 2, 9-11	
GRI 305: Emissions				
305-1	Direct (scope 1) GHG emissions	39, 138, 148-149	10, 11	
305-2	Energy indirect (scope 2) GHG emissions	39, 138, 148-149	10, 11	
305-3	Other indirect (scope 3) GHG emissions	37-39, 138, 148-149	10, 11	Omission: Epiroc reports in unit CO ₂ and not in CO ₂ e for emissions from upstream and downstream transports. In 2022 this will be reported as CO ₂ e.
305-4	GHG emissions intensity	4, 38, 41, 148-149	10, 11	

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Environmental compliance				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	38-41, 74-79, 139, 144-145	1, 2, 9	
103-2/3	The management approach, components and evaluation	41, 138, 141-142, 144-145	1, 2, 9-11	
GRI 307: Environmental compliance				
307-1	Non-compliance with environmental laws and regulations	144-145	10, 11	
> Supplier Environmental Assessment				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47, 49, 74-79, 139, 144-145	1, 2, 9	Epiroc's business model relies heavily on collaborations with business partners, and its own operations focus mainly on assembly. The environmental risks and impacts are comparatively larger outside the organization, in the value chain. Supply chain management is material and discussed with stakeholders.
103-2/3	The management approach, components and evaluation	47-49, 138, 141-142, 146-147	1, 2, 9-11	
GRI 308: Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	48, 146, 148	10, 11	Epiroc uses a risk based approach to identify significant suppliers. This scoping can include new and old suppliers every year. Data for new suppliers specifically is not disclosed.
> SOCIAL				
> Employment				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	44-46, 74-79, 139, 146	1, 2, 6-8	
103-2/3	The management approach, components and evaluation	46, 146	1, 2, 6-8	
GRI 401: Employment				
401-1	New employee hires and employee turnover	44-46, 146	7, 8	Omission: With reference to legislative reasons, employee turnover is not reported by age group or gender. Number of recruitments by age group is not reported. Our employee turnover definition include employees leaving the organization voluntarily, but not due to dismissal, retirement, or death in service.

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
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> Occupational Health and Safety

GRI 103: Management approach

103-1	Explanation of the material topic and its Boundary	7, 42-43, 74-79, 139, 145-146	1, 2, 6	
103-2/3	The management approach, components and evaluation	43, 138-146	1, 2, 6-8	
403-1	Occupational health and safety management system	43, 141-142, 145-146		
403-2	Hazard identification, risk assessment, and incident investigation	145-146		
403-3	Occupational health services	145-146		
403-4	Worker participation, consultation, and communication on occupational health and safety	145-146		
403-5	Worker training on occupational health and safety	42-43, 145-146		
403-6	Promotion of worker health	145-146		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	145-146		

GRI 403: Occupational Health and Safety

403-9	Work-related injuries	42-43, 145-146, 148	7, 8	Omission: Epiroc does not report on work-related hazards that pose a risk of high-consequence injury.
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> Training and Education

GRI 103: Management approach

103-1	Explanation of the material topic and its boundary	44-46, 74-79, 139, 146	1, 2, 6	
103-2/3	The management approach, components and evaluation	46, 138-146	1, 2, 6-8	

GRI 404: Training and Education

404-1	Average hours of training per year per employee	44-46, 146, 148	7, 8	Omission: Epiroc does not report on trainings hours by gender.
404-3	Percentage of employees receiving regular performance and career development reviews	44-46, 148	7, 8	Omission: Epiroc reports number of yearly performance and development discussions on total level and not by gender or by employee category.

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Diversity and Equal Opportunity				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	44-46, 74-79, 139, 146	1, 2, 6	
103-2/3	The management approach, components and evaluation	45, 138-146	1, 2, 6-8	
GRI 405: Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	44-46, 64-71, 127	7, 8	Omission: Age group is not disclosed at Group level. Minority group membership is not reported on in the Group due to national legislation in countries of operation.
> Non-discrimination				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 3	
103-2/3	The management approach, components and evaluation	46, 49, 138-143	1, 2, 3-5	
GRI 406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	47-49, 146-147	5	
> Freedom of association and collective bargaining				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 6	
103-2/3	The management approach, components and evaluation	46, 138-146	1, 2, 6-8	
GRI 407: Freedom of association and collective bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	146-147	7, 8	Omission: Epiroc Group reports percentage of employees covered by collective bargaining. Labor relations risk data is not compiled at Group level according to geography, operation or supplier. Labor relations are followed-up regularly on the operational level and reviewed by the internal audit. Suppliers in the risk scope are audited for safety, health, environment, business ethics and human rights issues.

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Forced or compulsory labor				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 3	
103-2/3	The management approach, components and evaluation	49, 138-146	1, 2, 3-5	
GRI 409: Forced or compulsory labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	47-49, 74-79, 146-147	5	
> Human rights assessment				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 3	
103-2/3	The management approach, components and evaluation	49, 138-146	1, 2, 3-5	
GRI 412: Human rights assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	47-49, 146-147	4, 5	
412-2	Employee training on human rights policies or procedures	47-49, 146-147	4, 5	Omission: Epiroc reports percentage of managers trained in Epiroc Code of Conduct E-learning, which includes human rights issues. Number of hours is not available.
> Supplier social assessment				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	47-49, 74-79, 139, 146-147	1, 2, 3	
103-2/3	The management approach, components and evaluation	49, 138-146	3-5	
GRI 414: Supplier social assessment				
414-1	New suppliers that were screened using social criteria	47-49, 146-147	4,5	Epiroc uses a risk based approach to identify significant suppliers. This scoping can include new and old suppliers every year. Data for new suppliers specifically is not disclosed.
414-2	Negative social impacts in the supply chain and actions taken	47-49, 74-79, 146-147	8	

Content Index	Disclosure	Pages in the Annual and Sustainability Report 2021	UNGC COP Advanced Criteria	Comment
> Customer health and safety				
GRI 103: Management approach				
103-1	Explanation of the material topic and its Boundary	42-43, 74-79, 139, 145-146	1, 2	
103-2/3	The management approach, components and evaluation	43, 141-142	1, 2	
GRI 416: Customer health and safety				
416-1	Assessment of the health and safety impacts of product and service categories	42-43, 145-146	7, 8	Omission: Percentage of significant product and service categories is not measured on Group level. Live Work Elimination project is described.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	146	7, 8	

Sustainability Accounting Standards Board (SASB)

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	Response	Pages in Annual report 2021
Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	Epiroc reports total energy consumed and percentage renewable. Epiroc reports and follows-up on energy use in MWh. Epiroc does not report on percentage grid electricity.	37-41, 144-145, 148
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	Epiroc reports on total record injury frequency rate (TRIFR), which is same recordable injuries as included in TRIR and calculated per million working hours. Epiroc also reports number of fatalities. Epiroc companies are encouraged to use a reporting tool for near misses.	42-43, 145-146 148
Fuel Economy & Emissions in Use-phase	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Epiroc does not report on the energy-efficiency of all/ the majority of its products in the Annual Report. On pages 22-27 it is described how our solutions in automation, digitalization and electrification can drive production efficiency and reduce energy consumption. Our new 2030 sustainability goals include offering a full range of emission free products and to halve CO ₂ e emissions from machines sold (in 2030 compared to machines sold in 2019).	37-41, 144-145, 148
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	Description of the management of risks associated with the use conflict minerals and cobalt is described.	47-49, 144-145
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	Epiroc does not report this.	

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	Response	Pages in Annual report 2021
Number of units produced by product category	Quantitative	Number	RT-IG-000.A	Epiroc does not report this.	
Number of employees	Quantitative	Number	RT-IG-000.B	15 529 employees (14 611 numbers of employees is an average during the year)	57, 96, 146, 148

Task Force on Climate-Related Financial Disclosures (TCFD)

Disclosure focus area	Recommended disclosure	Key locations and comments
I. Governance	a) Describe the board's oversight of climate-related risks and opportunities	Annual and Sustainability Report 2021, Corporate Governance, pages 64-71 and Risk management, pages 74-79 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C1.1)
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Annual and Sustainability Report 2021, Corporate Governance, pages 64-71 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C1.2) (C1.2a) (C2.2) (C2.2a)
II. Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Annual and Sustainability Report 2021, Sustainability, pages 33-41 and Risk management, pages 74-79 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C.3)
	b) Describe the Impacts of Climate related risks and opportunities on the organization's business, strategy and financial planning	Annual and Sustainability Report 2021, Strategy, pages 16-19 and Sustainability, pages 33-41 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C.3)
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	Annual and Sustainability Report 2021, Strategy, pages 16-19 and TCFD, pages 143-144
III. Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks	Annual and Sustainability Report 2021, Corporate Governance, pages 64-71 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C2.2) (C2.2a) (C2.3a)
	b) Describe the organization's processes for managing climate-related risks: Risks and risk management	Annual and Sustainability Report 2021, Corporate Governance, pages 64-71 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C1.2a) (C2.2) (C2.3a)
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Annual and Sustainability Report 2021, Corporate Governance, pages 64-71 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C1.2a) (C2.2) (C2.3a) (C3)
IV. Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Annual and Sustainability Report 2021, Sustainability, pages 33-41, 148 and TCFD, pages 143-144 CDP Climate Change Response 2021 (C1.3) (C2.3a) (C5) (C6) (C7) (C8) (C9) (C11)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Annual and Sustainability Report 2021, Sustainability, pages 33-41, 148 and TCFD, 143-144 CDP Climate Change Response 2021 (C6) (C7) (C.9)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	During the year we got the validation from the Science Based Target Initiative (SBTi) for our goals: • Epiroc commits to reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2030 from a 2019 base year. • Epiroc commits to reduce absolute Scope 3 GHG emissions from use of sold products by 50% over the same timeframe. Annual and Sustainability Report 2021, Sustainability, pages 33-41, 148 and TCFD, 143-144 CDP Climate Change Response 2021 (C0.1) (C4)

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Inspired by innovation.**

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succeed today and the technology to lead tomorrow.
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