

Delivering sustainable value

“The key to our successful business performance is linked to the achievement of our ambitious sustainability targets and programs. A strong focus on responsible business and sustainability delivers value to Ericsson, our customers and society.”

Ronnie Leten, Chair of the Board



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Ericsson Annual Report 2020



Global Sustainability reporting standards and frameworks



Externally assured by



Sustainability embedded across the business



“We have integrated Sustainability and Corporate Responsibility into our business strategy. Ultimately, conducting business with integrity is the only way we can drive real and positive change.”

Börje Ekholm

Ericsson President and CEO



Sustainability focus in each Business Area



Networks

Key focus areas for Networks include energy performance, materials management and circular economy, which includes reuse, refurbishment and recycling. Networks is investing to improve the energy performance of its portfolio and to reduce the carbon footprint of its products so as to lower customers' total cost of ownership.

Digital services

Network security, protection of sensitive data and the right to privacy are critical aspects of the digital ecosystems. Ericsson is committed to developing software solutions that meet leading security and privacy requirements.

Managed services

The use of automation, machine learning and AI improves network optimization and management, leading to enhanced energy management and reduction in carbon footprint. Automation also contributes to improved safety for the workforce managing networks for Ericsson.

Emerging Business and Other

Enabling the reduction of carbon emissions across industries and increasing productivity to meet global challenges are focus areas for Emerging Business and Other. New solutions enabled by 5G and IoT will dramatically reduce emissions and have a positive impact on other critical environmental areas such as efficient resource utilization and water and air quality.

Sustainability focus across our Market Areas



The Sustainability and Corporate Responsibility programs and initiatives in the market areas are aligned to the global sustainability strategy.

Each year Ericsson assesses environmental, social and corporate governance topics significant to the Company and presents them in the Sustainability and Corporate Responsibility report.

In 2020, Ericsson strengthened its compliance, anti-corruption, and health, safety and well-being programs and training. The continued deployment of carbon-reduction initiatives and advocacy for digital inclusion were also in focus.



- MANA North America
- MELA Europe and Latin America
- MMEA Middle East and Africa
- MOAI South East Asia, Oceania and India
- MNEA North East Asia

Our strategy and approach



Ericsson's purpose - Empower an intelligent, sustainable and connected world

Sustainability strategic areas

Our approach to Sustainability and corporate responsibility is an integral part of Ericsson's strategy, and culture and is embedded across its operations to drive business transformation and create value for stakeholders. Our strategy covers three focus areas:

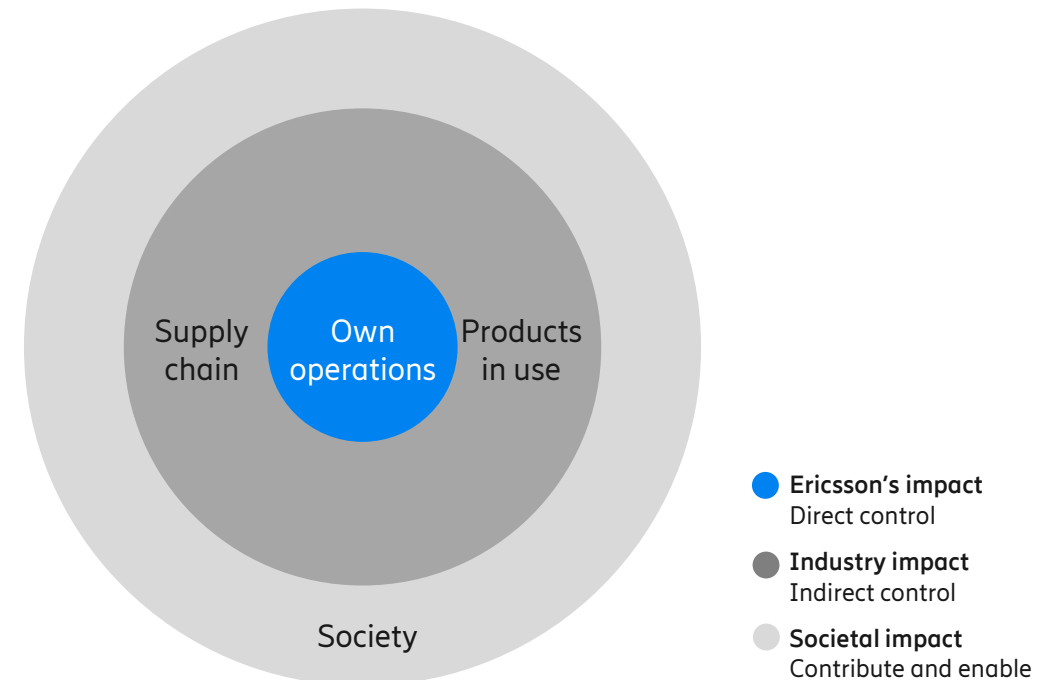
Corporate responsibility

Environmental sustainability

Digital inclusion

Ericsson's value chain impact approach

We drive real and lasting impact throughout our value chain. Our starting point is in our own operations, and we extend our focus on sustainability and responsible business through our supply chain, the use of our products and our wider impact on climate action and digital inclusion.



Key performance 2020



Delivering sustainable value



57% reduction of carbon emissions

We reduced our own carbon emissions by approximately 317 Ktonnes, representing a reduction of 57%, in 2020. We have already surpassed our target for 2022, which was 35%

Own operations

5G portfolio 6.6 times more energy efficient

Our 5G product portfolio is 6.6x more energy efficient than 4G per transferred data. Our target is to be 10x more efficient by 2022, helping break the energy curve in mobile networks

Products in use

+188 million people connected

Our target is to enable internet for all through MBB to connect additional 500m people by 2024 and help bridge the digital divide. Since 2019 the number of people connected increased with 188m.

Society

43% reduction in major incidents

The number of major incidents involving our employees and our suppliers' employees decreased in 2020 by 43%. We exceeded our target of a 30% reduction by 2022

Own operations

Supply chain 1.5°C aligned climate target

To promote climate action in global supply chains, we have set a target for our high emitting and strategic suppliers to set their own 1.5°C aligned climate targets by 2025

Supply chain

Every school connected

In 2020 we partnered with UNICEF to help map school connectivity in 35 countries by the end of 2023. The aim is to connect every school to the internet by 2030

Society

Creating business relevance



Ericsson's identified topics 2020

Ericsson annually assesses environmental, social and corporate governance topics significant to the company, which is a central part of the Company's strategy, target setting, risk management and reporting processes



Topics covered in the Sustainability Report 2020

A	Anti-corruption
B	Radio waves and health
C	Information security
D	Privacy protection
E	Responsible management of suppliers
F	Diversity and inclusion
G	Respect for human rights
I	Sustainability management, governance and regulatory environment
K	Health, safety and well-being
L	Ericsson's own carbon emissions
M	Network energy performance
S	Digital inclusion

Key highlights report 2020 (1/2)



General approach and strategy

Ericsson is committed to contributing to the sustainable development of society through its technology and solutions, and expertise of its employees as well as through its partnerships.

Research: Ericsson's focus on research and development and on energy performance enables the Company to deliver more innovative and energy efficient products and solutions for its customers and other sectors.

SDGs: Aligning Ericsson's Group Sustainability targets with the SDGs helps us validate that we are setting meaningful goals as well as to illustrate how our non-financial targets are making a positive impact on society.

ESG ratings and Ericsson's non-financial performance - Ericsson's commitment to sustainability and corporate responsibility is reflected in its policies and practices and the Company discloses data linked to its ambitious sustainability targets published annually in its Sustainability and corporate responsibility report.

Responsible business

Conducting business responsibly - Ericsson has zero tolerance for any form of bribery, corruption, undue influence or collusion. We also established a new target of zero fatalities and lost workday incidents by 2025 to reinforce this commitment.

Health and safety - Nothing is more important to Ericsson than its people. We are committed to providing a safe and healthy work environment for employees and the employees of suppliers. Through our program Ericsson Care, we maintain a strong focus on reducing risks to health, safety and well-being by adopting and strengthening safe behaviors and reinforcing a positive safety culture.

Key highlights report 2020 (2/2)



Environmental responsibility

Enablement effect: As stated in the Exponential Roadmap, ICT solutions can enable reduced carbon emissions by up to 15% in other sectors by 2030. We are part of the solution to reduce global emissions.

Energy performance: Increased energy performance of our products and solutions offering is a key enabler to lower customers' total cost of ownership and network related carbon footprint. Ericsson's Breaking the energy curve report addresses this topic in detail.

1.5C Supply Chain Leaders: To promote climate action in global supply chains, we were one of the founders of the 1.5°C Supply Chain Leaders. We have set a target for high emitting and strategic suppliers to set their own 1.5°C aligned climate targets.

Carbon neutral and carbon footprint: We remain committed to its carbon neutral target for own operations by 2030. Further, our Science Based Target (SBT) of 35% emission reductions from our own activities is in line with the 1.5°C trajectory and well on track.

Digital inclusion

2020 celebrated 2 milestones: Connect to Learn 10 years and Ericsson Response 20 years.

UNICEF: In 2020 Ericsson established a global three-year partnership with UNICEF to help map school connectivity in 35 countries by the end of 2023. This joint effort will support the Giga initiative, which aims to connect every school to the internet by 2030.

COVID-19 pandemic reflect a growing divide between people who are connected and those who are not. We work to bridge this divide focusing on accessibility, affordability and digital literacy.

Engage with us

Continue the discussion in social media

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