

Sustainability and Corporate Responsibility report

Part of
Ericsson
Annual Report
2023

Annual Report 2023

Financial
report

Corporate
Governance
report

Remuneration
report

Sustainability
and Corporate
Responsibility
report



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This Sustainability and Corporate Responsibility report is rendered as a separate report added to the Financial Report in accordance with the Annual Accounts Act (SFS 1995:1554, chapter 6, section 10 and 11). An assurance report from the Company's auditor is appended hereto.

Forward-looking statements

This Sustainability and Corporate Responsibility Report includes forward-looking statements, including statements reflecting the Company's current views relating to performance goals and targets, future trends, events, commitments or results, future market or financial condition, and expected operational and financial performance.

The words "believe," "expect," "foresee," "anticipate," "assume," "intend," "likely," "projects," "may," "could," "plan," "estimate," "forecast," "will," "should," "would," "predict," "aim," "ambition," "seek," "potential," "target," "might," "continue," or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. Any statement that refers to the Company's strategy, future financial performance, expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such statements are based on management's expectations as of the date of this report, unless an earlier date is specified, including expectations based on third-party information and projections that management believes to be reputable.

We caution investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond our control that could cause actual results to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. Important factors that could affect whether and to what extent any of our forward-looking statements materialize include but are not limited to the factors described throughout this Sustainability and Corporate Responsibility Report, including in the section Risk factors. These forward-looking statements also represent our estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, we have not undertaken to independently verify such third-party data and do not intend to do so.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Readers are urged to carefully review and

consider the various disclosures made in this Sustainability and Corporate Responsibility Report and in other documents we file from time to time with our regulators that disclose risks and uncertainties that may affect our business. Unless specifically indicated otherwise, the forward-looking statements in this Sustainability and Corporate Responsibility Report do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this report. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this Sustainability and Corporate Responsibility Report, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation.

This Sustainability and Corporate Responsibility Report includes websites or references to additional company reports. These are intended to provide inactive, textual references only. The information on websites and contained in those reports is not part of this report and not incorporated by reference in this report.

This Sustainability and Corporate Responsibility Report contains statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards for measuring progress that are still developing and on internal controls and processes that continue to evolve. While certain matters discussed in this report may be significant, any significance should not be taken, or otherwise assumed, as necessarily rising to the level of materiality used for purposes of complying with Ericsson's public company reporting obligations pursuant to the U.S. federal securities laws and regulations, even if the report uses the words "material" or "materiality."

Integrity and sustainability for long-term value creation

Ericsson was founded on the belief that communication is a basic human need. And for over 145 years, the Company has been a part of transforming lives, industries and society for the better. The Company puts focus on embedding sustainability programs and practices across the organization to deliver positive impact to stakeholders and continues a cultural transformation of integrity-led business.

Integrity-led business

With a global presence, Ericsson operates in markets with varying degrees of complexity in terms of business culture, geopolitical stability and maturity of institutions. Within all these contexts, integrity serves as the foundation for Ericsson's ability to create value and reduce risks to the Company and its stakeholders. Ericsson is driving a cultural transformation to build operational excellence and enhanced governance to promote responsible decision-making.

Across its operations, Ericsson maintains the same high standards of ethical business – from equal opportunity for all and respect for human rights, to anti-corruption and health and safety.

Ericsson takes a holistic approach to risk management and is committed to act with integrity across its value chain. This is a continuous journey, and Ericsson is dedicating significant energy towards strengthening policies, procedures and processes to provide clarity and ensuring a foundation of responsible business.

Delivering impact

Ericsson's vision, a world where limitless connectivity improves lives, redefine business and pioneer a sustainable future, is built on the power of open mobile connectivity to deliver positive impact for communities and enterprises.

Mobile technology is already one of the most inclusive technologies globally, with 8.5 billion subscriptions¹⁾. The next wave of digitalization will see the benefits of connectivity extended at scale into enterprises and broader society. Mobile connectivity, artificial intelligence (AI) and cloud will be increasingly viewed as the enabling technologies to realize this next wave, and without mobile connectivity the other two cannot be deployed at scale. This kind of ubiquitous connectivity is critical for low-carbon future.



Driving digital inclusion

About 2.6 billion people – a third of the global population – do not have a fast and reliable broadband connection, due to lack of affordability and accessibility²⁾. Solutions like Fixed Wireless Access are in many cases the only option to deliver broadband to unserved and underserved areas, including households, businesses and institutions in developing and developed markets.

Financial inclusion is an important driver for attaining social inclusion and enabling micro, small and medium enterprises to grow. Today the Ericsson Wallet Platform supports about 85 million active users – many of whom were previously unbanked – with mobile financial services.

In addition to its commercial offerings, Ericsson is actively working to ensure that meaningful connectivity supports essential societal needs, such as access to education. Working with UNICEF and ITU Giga public private partnership, which aims to connect every school worldwide to the internet by 2030, Ericsson has provided its extensive experience of connecting schools over the past decade. Ericsson is also a leading private sector partner in the Digital Transformation Collaborative led by UNESCO, advising governments on the digital transformation of education.

Catalyzing Net Zero

The digital transformation of society and industry is also a low-carbon one. The telecom industry is leading the race to Net Zero greenhouse gas (GHG) emissions both in terms of Net Zero pledges and by being one of the

largest purchasers of renewable energy³⁾. Ericsson has set an ambition to be Net Zero across its value chain by 2040.

Ericsson's most important contribution to climate change mitigation is delivering energy-efficient products and solutions that will help break the energy curve of mobile networks, reducing customer energy use, energy costs and carbon emissions. Ericsson also works with suppliers to provide relevant tools and frameworks for business partners to set and achieve their own 1.5 °C-aligned targets.

Enabling industry transformation

While the Information and Communications Technology (ICT) sector is responsible for only 1.4% of the global carbon footprint⁴⁾, it has the potential to enable a 15% reduction of emissions across industries by 2030 through connectivity solutions such as smart building management systems and connected electric vehicle charging infrastructure⁵⁾.

Exponential technologies such as 5G, AI and the internet of things (IoT) have the potential to significantly increase productivity and efficiency. As an open innovation platform, 5G will have a direct impact on a range of societal infrastructure and industry sectors including transport, manufacturing, energy utilities and public safety, to name a few.

In summary, the networks, software and services Ericsson delivers to its customers support the digital transformation of industry and society. With 5G, high performance will act as engines for economic growth, a fundamental lever for fighting climate change and an enabler of social inclusion.

¹⁾ Ericsson Mobility Report (2023)

²⁾ Measuring digital development - Facts and Figures 2023 (2023), ITU Publications

³⁾ Mobile Net Zero: State of the Industry on Climate Action 2022 (2022), GSM Association

⁴⁾ Malmodin et al. (2023) ICT sector electricity consumption and greenhouse gas emissions – 2020 outcome, SSRN Electronic Journal

⁵⁾ Malmodin & Bergmark (2015) Exploring the effect of ICT solutions on GHG emissions in 2030, Atlantis Press

Strategy and targets

A business strategy delivering positive impacts

By extending leadership in mobile networks business and through a focused expansion into the enterprise market, Ericsson aims to create value for all stakeholders. Ericsson's sustainability and corporate responsibility programs and practices underpin its business strategy.

Leadership in mobile networks

5G is significantly more energy efficient than previous generations, supporting both cost and emissions reductions. 5G networks are also playing a multiplier role in addressing climate change by reducing not only the ICT industry's own emissions, but also enabling other sectors to transition toward a low-carbon economy. Ericsson is driving energy-efficient network development through hardware modernization, new software features, network energy optimization services and the use of AI-enabled automation and digital twin technologies. Mobile broadband is one of the most cost-efficient technology options to connect society,

and Fixed Wireless Access is an efficient and scalable alternative to wired connections to create universal and meaningful connectivity, in both emerging and developed markets.

Focused expansion into enterprise

Through agreed standards that bring global interoperability and enable economies of scale, 5G brings new levels of resilience and efficiency to industrial operations. These connected systems enable improved analytic insights through massive, distributed data collection combined with AI as well as enhanced automation possibilities supported by extended reality and IoT technologies. Together they support the transformation of industrial applications in areas such as logistics and manufacturing, renewable energy systems, low-carbon transportation and many other sectors. This makes mobile infrastructure, in particular 5G, an enabler of decarbonization across industries.

Integrity-led business

Technology leadership alone is not enough to navigate an uncertain and challenging global environment. Ericsson faces many global complexities, including geopolitical change and conflicts, competition and macroeconomic conditions, and the long-term success of the Company will be defined by its ability to provide world-leading technology and innovation paired with attraction and retention of the right talent, an ethical culture and operational excellence, all underpinned by strong governance.

Ericsson is committed to the UN Global Compact's ten principles and has made significant investments in building a strong culture of ethics and integrity, as well as health and safety, as a foundation for responsible business and value creation. Ericsson aims to make a positive impact within and beyond its value chain, built on the potential of its technology deployed and used in a responsible way.

Business

Leadership in mobile networks

By investing in technology leadership for performance, security as well as sustainability and through high performance programmable automated cloud-native networks and operations, and advanced network services.

- Continuously improve portfolio energy performance
- Efficient use of resources and transition to a circular economy
- Offer scalable connectivity solutions where fixed broadband connectivity is not a viable option.

Focused expansion into enterprise

Through seamless and secure wireless network solutions and through transforming how network features are exposed, consumed and paid for via the Global Communications Platform.

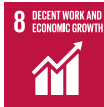
- Provide ICT solutions that enable increased efficiency and decarbonization
- Enabling technologies supporting the transformation of industries, including small- and medium sized enterprises.

People and planet

Positive impacts



2.4 million children and youth connected to the internet through the Giga initiative



85 million consumers accessing financial services through the Ericsson Mobile Wallet Platform every month




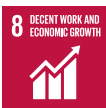


At least 0.8% growth in GDP for every 10% increase in mobile broadband adoption



Potential for 15% reduction of global GHG emissions enabled by ICT solutions

Performance on goals and targets

Below is a summary of the performance and current status of Ericsson's Sustainability and Corporate Responsibility goals and targets. Commentary on performance highlights is presented on pages 4–9, and target specifics and detailed performance data can be found in the notes to this report on pages 11–49.

	Goals and performance targets	Base year ¹⁾	Target year	2023 performance
Environment	 Climate change mitigation Net Zero GHG emissions across the value chain, covering scope 1, 2 and 3 ²⁾ (SBTi ³⁾ validated)	2020	2040	Total value chain emissions: +24% ⁴⁾ Scope 1 and 2 emissions: -38% ⁴⁾
	<i>Emission reductions</i> Reduce total GHG emissions in the value chain by 50%, and scope 1 and 2 ²⁾ by 90%. (SBTi ³⁾ validated)	2020	2030	
	<i>Portfolio energy performance</i> Reduce the energy consumption of typical new radio base station sites by 40% (New target)	2021	2025	30% reduction ⁴⁾
	<i>Supply chain engagement</i> Have 350 high-emitting and strategic suppliers set their own 1.5 °C-aligned emissions reduction targets	2020	2025	237 suppliers with accepted targets
Social	 Health and safety Zero fatalities and lost workday incidents	2020	2025	Fatalities: 10 Lost workday incidents: 97
	 Diversity and inclusion 30% share of women among all employees, line managers and executive population	2021	2030	All employees: 26% Line managers: 23% Executive population: 31%
Governance	 Ethics and Compliance Strengthen and enhance the Ethics and Compliance program to help ensure an effective and sustainable anti-bribery and corruption program	2019	2024	Implementation in progress

¹⁾ For targets tracked using a relative performance metric compared to a set baseline the base year is shown. For targets not tracked through a relative metric, the year the target was set (start year) is shown.

²⁾ Explanations of the boundaries for Scope 1, 2 and 3 emissions are included in the glossary on page 51. Detailed GHG accounting principles can be found in note E1.

³⁾ Science Based Targets initiative

⁴⁾ Compared to the target base year

Enabling achievement of the Sustainable Development Goals

Ericsson's products and solutions can contribute to the achievement of many of the United Nations Sustainable Development Goals (SDGs). Ericsson places strategic importance in meeting SDG 9 – Industry, innovation and infrastructure) and SDG 17 – Partnership for the goals) as their combined power helps to generate positive impact at scale.

Delivering open, resilient and sustainable networks are core to Ericsson's role as a technology and industry leader. By creating

and orchestrating ecosystems and working across trusted partnerships, Ericsson generates positive impact at scale to meet the global challenges of today and tomorrow. Ericsson engages and collaborates with its customers and business partners, as well as international institutions and civil society, in a connected ecosystem to catalyze climate action and support digital inclusion.

Ericsson's indirect positive impacts include, among other things, alleviating poverty

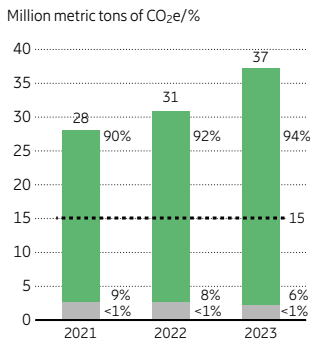
through mobile financial services, improved access to education through connected schools and digital learning, and reduced GHG emissions in its supply chain and portfolio as well as through digital data-driven solutions across industries.



2023 highlights

Environment

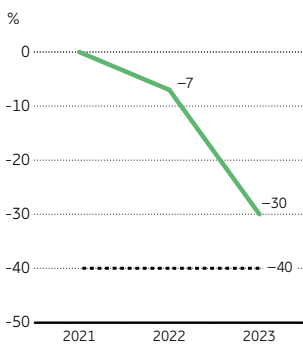
Value chain carbon footprint



■ Scope 1 and 2
 ■ Scope 3 Upstream
 ■ Scope 3 Downstream
 2030 target

Explanations of the boundaries for Scope 1, 2 and 3 emissions are included in the glossary on page 51. Detailed GHG accounting principles can be found in note E1.

Radio base station energy consumption



● Achieved reductions
 2025 target

Net Zero by 2040

Ericsson's long-term target is Net Zero GHG emissions across its value chain by 2040, with a near-term target to halve total value chain emissions and reduce Scope 1 and 2 emissions by 90% by 2030 compared to a 2020 baseline. The targets are 1.5 °C aligned and have been validated by the SBTi.

In 2023, total value chain GHG emissions were about 37 (31) million tonnes. 94 (92)% of the footprint occurred downstream¹⁾ in the value chain, primarily derived from the energy use of sold network equipment. 6 (8)% occurred upstream¹⁾ in the value chain. Emissions from Ericsson's own operations (Scope 1 and 2) accounted for less than 1 (<1)% of total emissions. Ericsson addresses emissions in all stages of its value chain, but the largest reduction potential comes from continued improvements in the portfolio's energy performance, followed by reducing upstream emissions through supplier engagement, product design and material choices.

The increase in total GHG emissions compared with 2022 is largely explained by an increase in downstream emissions in the use-phase of sold products. There has been a geographical shift in sales to markets, such as India, where a relatively larger share of electricity is generated using fossil fuels. This has led to a net increase in total downstream emissions despite higher energy efficiency in the Company's delivered solutions and Ericsson's customers buying more renewable electricity.

Reported downstream emissions from the use of sold products in one year is the sum of the estimated total lifetime emissions from network equipment sold in that same year, and are not accrued over the products' estimated lifetime. Shifts in the market mix such as that seen in 2023 can therefore result in significant variances in downstream emissions year-over-year.

Ericsson has continued to implement its Net Zero strategy, setting milestones for areas and activities with larger impact, such as product design and radio site energy consumption. Under this umbrella, the carbon footprint calculation and tracking project has continued, focusing on improving the accuracy of GHG accounting across Ericsson which will enable the fact-based decisions necessary to deliver on the Company's climate targets.

Portfolio energy performance

Downstream emissions, mainly from products in use, represented 94 (92)% of total value chain emissions. This makes continuous improvement in portfolio energy performance key to reaching the Company's emission reduction targets. Higher efficiency also creates financial value for customers as it contributes to reduced energy-related operational expenditures.

During 2023 Ericsson has continued to improve the energy performance of its portfolio, delivering increasing mobile broadband capacity in relation to the energy consumption of its solutions. In 2022, the Company achieved both of its previous portfolio targets, and is now pursuing a target to reduce the average energy consumption of typical new radio base station sites by 40% by 2025 compared to a 2021 baseline. By year-end, the Company achieved a reduction of 30 (7)% and is on track to achieve this new target.

Ericsson has continued to implement AI and machine learning solutions in its networks. This allows the service providers to operate their networks more intelligently to meet traffic demand and deliver the best user experience with the lowest energy use. An example is the Ericsson Predictive Cell Energy Management solution, which in 2023 was awarded the Network Sustainability Award for best intelligent automation solution for network sustainability and energy efficiency by FutureNet World.

In November, Ericsson issued a EUR 500 million green bond. The bond was issued under the Company's Green Financing Framework, which was put in place to finance investments in energy efficiency and renewable energy. The proceeds from the bond will be allocated to R&D aimed at enhancing the energy performance of both existing and future solutions.

Enabling effect of ICT

Ericsson's research²⁾ shows that the potential for ICT solutions to support other industries to decarbonize is substantial and much more significant than the sector's own carbon footprint. Technologies such as electric charging infrastructure, smart grids and building management systems all depend on connectivity and communication network infrastructure to reach their full potential.

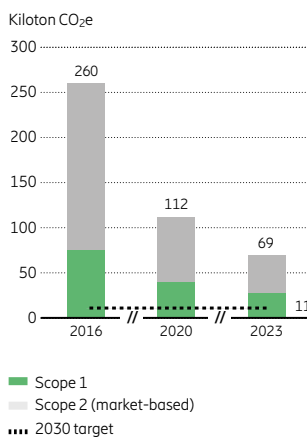
¹⁾ Explanations of what constitutes the upstream and downstream parts of a company's value chain are included in the glossary on page 51.

²⁾ Malmodin & Bergmark (2015) Exploring the effect of ICT solutions on GHG emissions in 2030, *Atlantis Press*

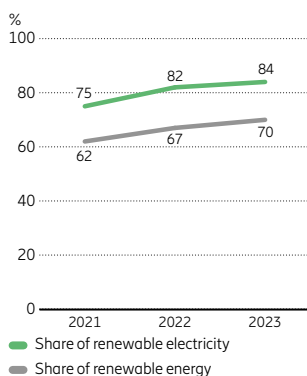
Supplier climate engagement



Scope 1 & 2 emissions



Share of renewable electricity and energy at facilities



In addition, through the development of technologies such as 5G and platforms for data and API management, the decarbonization potential is assessed to be even greater¹⁾.

Throughout 2023, Ericsson has continued to explore this topic, including publishing a report based on the ITU²⁾ standard on digitalization and Net Zero transition of industries that showed potential energy and emission savings in buildings enabled by ICT solutions³⁾.

Supply chain climate action

Supply chain emissions represented 6 (8)% of the total value chain carbon footprint. As part of its Net Zero target, Ericsson is working to reduce these emissions through supplier engagement, design improvements, and transport efficiency. The Company has continued to explore and implement ways to reduce the weight and size of products, and taken initiatives targeting carbon intense materials and processes such as aluminum. Climate-related criteria were also introduced into supplier scorecards, showing to what extent a supplier’s climate commitments support Ericsson’s Net Zero target.

Ericsson has a 2025 target to have 350 high emitting and strategic direct suppliers set their own emission reduction targets aligned with the 1.5 °C ambition, which shall include a halving of emissions by 2030. These suppliers, together with their supply chains, represent a majority of Ericsson’s upstream carbon footprint. By year end, 237 (225) suppliers had set accepted targets, which puts the Company on track to achieve the 2025 target. As an increasing number of suppliers have made qualifying commitments, Ericsson has introduced more stringent requirements for targets to be accepted, including providing a credible decarbonization plan. This in part explains why the year-over-year increase in aligned suppliers is smaller compared to previous years.

Climate action in own activities

Scope 1 emissions, primarily related to the service vehicle fleet, decreased to 27 (38) thousand tonnes. Part of the reduction is a result of a late 2023 shift in North America to subcontractors for network rollout and managed services, meaning emissions have moved from Scope 1 to Scope 3. Scope 2 emissions decreased to 42 (45) thousand tonnes, primarily driven by larger volumes of purchased renewable electricity. The share of purchased renewable electricity increased to 84 (82)%, which represented 70 (67)% of total facility

energy consumption. Since the 2016 baseline of Ericsson’s first SBTi validated emissions reduction target, yearly Scope 1 and 2 emissions have decreased by about 190 thousand tonnes.

While emissions from business travel increased to 53 (25) thousand tonnes, they remain lower compared with pre-pandemic levels. Ericsson has set a cap on business travel to limit these emissions to no more than 50% of pre-pandemic 2019 levels.

The company has continued to integrate sustainability KPIs into internal management reporting for more frequent monitoring. Focus areas for the coming year include automation of data management and exploring additional possibilities to further increase the share of renewable energy used in facilities.

Transition to circular economy

Work to increase product take-back volumes and the sale of refurbished equipment continued during the year. This included the development of a training for selected employees to raise their knowledge and awareness of e-waste, the take-back program and producer responsibilities. Reuse and product take-back was also added to the customer engagement framework, with the aim to increase awareness on these matters both internally and among customers.

Ericsson has also advocated for recycled material content to be added to the IEC⁴⁾ standard for declaring a product’s material composition that is used throughout the electronic manufacturing industry. This will enable better tracking of the share of recycled input material in electronic equipment.

Activities contributing to the transition to a circular economy, including manufacturing of electronic equipment, were added to the EU Taxonomy for Sustainable Activities in 2023. This has meant that Ericsson’s share of Taxonomy-eligible turnover has increased to 38 (0)%. During 2024 Ericsson will assess to what extent its eligible activities also meet the criteria for alignment with the Taxonomy.

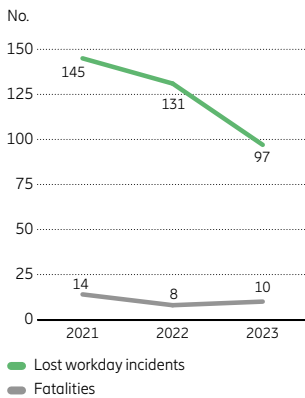
More information available in the notes to the S&CR report

p. 11	E1 – Climate change
p. 17	E2 – Pollution
p. 18	E3 – Water
p. 18	E4 – Resource use and circular economy
p. 20	E5 – Reporting according to article 8 of the EU Taxonomy regulation
p. 24	E6 – Environmental management

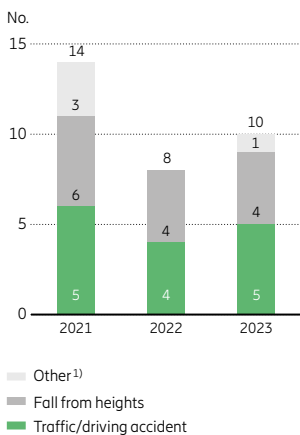
¹⁾ The enablement effect: The impact of mobile communications technologies on carbon emission reductions. (2019), *GSM Association*
²⁾ International Telecommunication Union (ITU) - a United Nations specialized agency for information and communication technologies
³⁾ Case Study on the Avoided Emissions from a Building Heating Management System Using an AI Steering Function (2023), *The Carbon Trust*
⁴⁾ International Electrotechnical Commission - a NPO publishing standards for infrastructure and trade in electrical and electronic goods.

Social

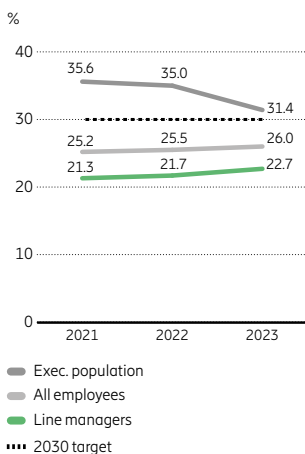
Lost workday incidents and fatalities



Breakdown of fatalities by cause



Share of women per employee category



Health, safety and well-being

In 2023 the number of reported fatalities increased to 10 (8) and primarily involved site service suppliers and third parties. One employee was also fatally injured. The causes of the fatalities were driving accidents, climbing or working at heights, and working with electricity. At the same time, lost workday incidents for both suppliers and employees decreased compared to the previous year to 97 (131) and primarily involved slips, trips and falls, site installations, climbing and working at heights and manual lifting and handling. Ericsson firmly believes that all fatalities and incidents are preventable and has a target to have zero fatalities and lost workday incidents.

Working towards this target, Ericsson has strengthened processes and governance and has continued embedding safety in its company culture. A major action taken during 2023 was assessing the maturity of site services suppliers against Ericsson's safety requirements. These assessments covered 61% of all site service suppliers and main improvement areas identified were strengthening project hazard and risk assessments, controlling high risk activities and managing subcontractors. In 2024, assessments of remaining suppliers will continue. As part of the consequence management process, when there is a non-conformity or fatality, yellow and red cards are issued to the supplier with related consequences such as monetary fines or contract termination.

Root cause analyses of the fatal incidents show that lack of risk awareness, poor supervision, inadequate risk assessment and unsafe behaviors are major contributors to these incidents. To address these deficiencies, Ericsson has put programs in place to proactively enhance site safety, emphasized the criticality of the site supervisor role and implemented the Stop Work Authority standard, in addition to promoting the Company's rules for safe working practices. The Stop Work Authority standard both requires and empowers people to immediately stop work when unsafe working conditions are identified and is a key measure to mitigate risks of incidents as soon as they are identified.

Diversity and inclusion

Ericsson drives a broad diversity and inclusion agenda to support all employees to realize their full potential. Within this, there is a particular focus on gender balance, with a target to achieve at least 30% representation of women at all levels of the Company by 2030.

To support this target, part of the variable compensation to executives is linked to a per-

formance criteria where the share of women in line manager positions is to increase to 23% by 2024. During the year, the share of women line managers increased to 22.7 (21.7)%. Among all employees, the share increased slightly to 26.0 (25.5)% while decreasing to 31.4 (35.0)% within the executive population.

Ericsson has a fifty-fifty gender balance goal for early career and graduate hires as part of the strategy to attract candidates from all backgrounds. In 2023 progress was made, with women representing 31 (27)% of all external hires.

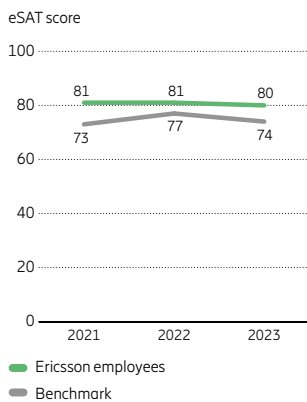
Work towards pay equity has continued with Ericsson putting additional efforts into measuring and better understanding the reasons behind gender pay gaps. Ericsson has made inclusive leadership one of the critical skills for its workforce to further embed inclusiveness in the company culture. This is supported by a bespoke training that combines the latest academic insight with online simulations. Ericsson also supports a network of 42 employee resource groups that cover a wide range of identities and characteristics, and also provides career accelerator programs to help remove barriers to progression for high performing talent, including from underrepresented groups.

Talent attraction, retention and development

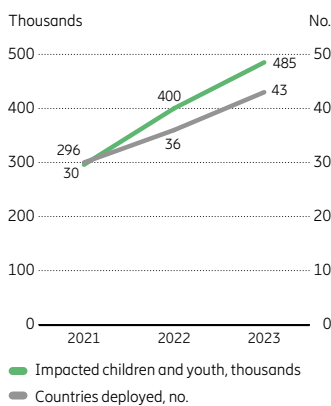
Ericsson's talent attraction strategy is built on three key focus areas: demand planning and capacity; identifying key talent markets; and attracting and retaining talent with critical skills. The Company continues to prioritize the development of future critical skills connected to its strategy. By year end, over 50,000 people had been upskilled or reskilled across critical skill areas such as Cloud Native, Power Skills and AI, in which 300 experts in 2018 acted as a catalyst to upskilling more than 30,000 employees as of year-end 2023. Nearly all employees use Degreed as the main digital learning experience platform for skill-building and learning completions, with many designating their own focus skills aligned to their career ambitions. After a slight reduction last year, 2023 saw a 59% increase in learnings completed through Degreed, reaching over 4.8 (3.0) million, which is the highest level to date. Employees are also encouraged to gain experience through internal job moves. This is supported by an open talent market as well as targeted succession planning, with increasing emphasis on putting critical skills to work.

During 2023, Ericsson has enhanced its sourcing capacity, improved recruiter capabilities and invested in new technology to

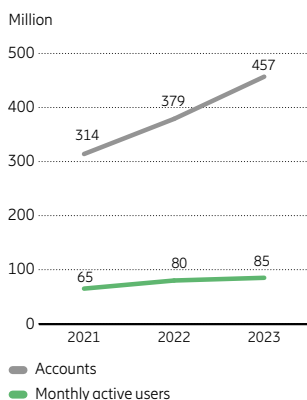
Employee satisfaction



Digital education – Connect to Learn



Ericsson Mobile Wallet accounts and active users



reduce complexity and provide a better hiring experience. A global recognition program has been created to drive engagement and recognize impact. Since 2021 Ericsson has an employee share purchase plan in place to encourage employees to take an individual stake in achieving the Company’s goals. At the end of 2023 the plan was implemented in 79 countries and available to about 88,000 employees, with a participation rate of 17.1 (18.9)%.

Employee satisfaction scores remained high at 80 (81) points and continues to be above the benchmark value for comparable companies in the industry, which is 74 (77).

Human rights

Ericsson has continued to strengthen its human rights due diligence practices. As part of a long-term human rights training plan, an e-learning course was made available to all employees and workshops with the Allegation Management Office were conducted, to heighten awareness of when reported compliance concerns should be treated as human rights-related. The risk indicators used in the Sensitive Business process were also updated to cover human rights aspects tailored to different types of business engagements, such as public networks for communication service providers (CSPs) as well as private networks for government agencies and enterprises. Full integration of these will be completed in 2024. 895 (683) sales opportunities were reviewed in the Sensitive Business process and 636 (435) cases resulted in either technical or contractual limitations to mitigate identified risks. 7 (13) sales opportunities were dismissed entirely as sufficient mitigating actions were not possible to enact. Relevant decisions also informed the work of the Business Risk Committee in their oversight of Group-wide human rights risk management.

Matters concerning labor rights, in particular working hours and adequate wages, continued to make up a significant part of non-conformities identified in supplier audits. All identified non-conformities are required to be addressed by time-bound corrective action plans. Ericsson also made significant efforts into improving traceability and visibility in the supply chain, with a focus on high-risk supplier categories beyond the first tier. A governance mechanism for managing findings related to risks of modern slavery in the supply chain was

also established. During 2023, Ericsson has not, through its reporting channels, been made aware of any adverse human rights impacts in which the Company has been involved.

Corporate citizenship

Ericsson continued to invest in connected reforestation projects and planted 100,000 mangroves and 20,000 fruit bearing plants through a project in India, which complements existing projects in Malaysia and the Philippines. Ericsson Response and the Refugee Emergency Telecom Cluster in Zimbabwe distributed connectivity to RETS¹⁾ partner offices that support more than 14,000 refugees and asylum seekers in the Tongogara refugee camp. Ericsson Response also supported the WFP-led ETC²⁾ efforts to respond after the devastating earthquake in Turkey in February. Preparedness is key for reducing the impact of natural disasters and during the year Ericsson Response supported WFP to help the Philippine Department of ICT to strengthen communication resilience after typhoons.

Digital inclusion

The Ericsson Mobile Wallet Platform supported 457 (379) million registered mobile wallet accounts. About 85 (80) million active consumers use mobile financial services powered by the platform every month, many of whom were previously unbanked. The platform has enabled many businesses and organizations to accept digital payments accelerating the growth of cash-light digital economies. Ericsson was the first private sector partner of UNICEF³⁾ and ITU’s Giga initiative, and over the past two years it has supported Giga in connecting more than 6,000 schools and 2.4 million children and youth to the internet. To date, Ericsson has positively impacted 485,000 children and young adults in 43 countries by providing access to digital learning and skills development programs through its Connect To Learn initiative.

More information available in the notes to the S&CR report

p. 25	S1 – Human Capital
p. 29	S2 – Health, safety and well-being
p. 31	S3 – Human rights
p. 34	S4 – Corporate citizenship
p. 35	S5 – Digital inclusion

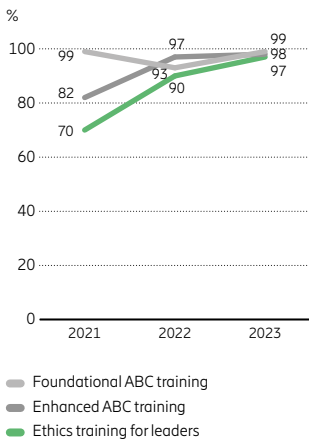
¹⁾ Refugee Emergency Telecommunications Sector, led by the United Nations High Commissioner for Refugees (UNHCR).

²⁾ World Food Programme – Emergency Telecommunications Cluster.

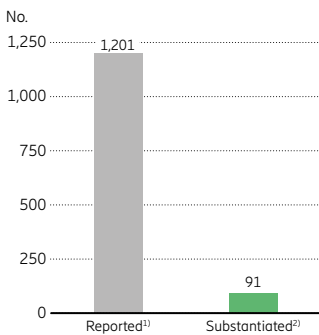
³⁾ United Nations Children’s Fund.

Governance

Completion rates for ethics and compliance trainings



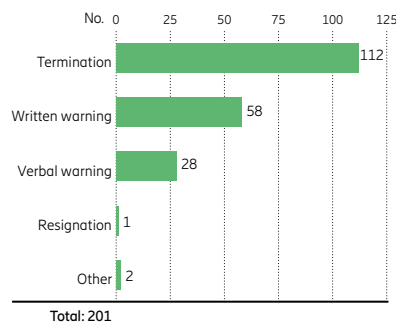
Reported and substantiated compliance concerns



¹⁾ All reported cases received in 2023.

²⁾ All cases concluded and deemed as substantiated during 2023, some of which were received in previous years.

Corrective and disciplinary actions taken¹⁾



¹⁾ Actions taken as a result of substantiated breaches of Ericsson's Code of Business Ethics. Each corrective action represents a unique individual meaning the total of actions shown here cannot be directly compared to the number of substantiated cases shown above, as each case may involve several individuals. An individual can be subject to several corrective actions but is only counted once in these statistics, with the most severe consequent determining classification in the above presentation.

Ethics and compliance

Ericsson is committed to maintaining the highest standards of corporate governance, prioritizing an integrity-led culture and compliance with laws in everything it does, driving integrity into and across the organization. The Company has invested significant resources and energy to strengthen its Ethics and Compliance (E&C) program, implementing and maintaining strong systems, controls and policies to effectively prevent and detect wrongdoing, including in the areas of ethics, anti-bribery and corruption, conflicts of interests, anti-money laundering and competition law. There is more information on this on pages 23-24 of the Financial report, in the Corporate Governance report and in note G2 of this report.

Ericsson believes that driving integrity into day-to-day decision-making requires constant focus to ensure that compliance processes and related controls are fit for purpose and that they are continuously tested and refined. Through an initiative referred to as the Business Critical Transformation, discussed in greater detail in the Ethics & Compliance section of the Corporate Governance report, Ericsson has embedded improved anti-corruption controls into its operations and managerial decisions, and further remediated the business process issues that were, in the past, a contributing factor in incidents of misconduct. Ericsson combined this work with rigorous testing of the E&C program's effectiveness, which includes clear expectations for management to understand and address testing results and process adherence within their areas of responsibility. This approach positions Ericsson to conclude its monitorship related to the DOJ resolution in June 2024, but more importantly, sets the foundation for a well embedded, self-sustaining ethics and compliance program.

To drive further accountability throughout the organization, all employees who are eligible for a short-term variable compensation (STV) pay-out may be denied all or part of the entitlement if they act in breach of Ericsson's Code of Business Ethics (CoBE). In addition, senior executives are subject to evaluation according to a set of pre-defined integrity criteria, which relate to compliance training, third party management, allegation management and other items tied to the Company's E&C program. Underperformance against these criteria can reduce STV pay-out by up to 100%, while exceptional performance may justify an additional incentive of up to a maximum of 10% of the executive's annual base salary.

Corporate contributions are an essential aspect of corporate responsibility and help demonstrate Ericsson's support for various communities and causes. They are also important for stakeholder engagement, marketing, research and development, and employer branding. In 2023, Ericsson replaced the existing process to evaluate, control, and manage contribution activities with a comprehensive new approach. The new process provides additional assurance that contributions are consistent with the Company's values, free from conflicts of interest, and in full compliance with all applicable anti-bribery and corruption (ABC) laws, regulations, and internal rules and policies.

Ericsson employees are obligated to act swiftly and transparently to disclose anything that may constitute a conflict of interest. To help employees fulfill this obligation, the Company initiated a global campaign in 2023 in which all employees have been asked to certify that they have disclosed all situations that may constitute a conflict of interest.

Third-party management and supplier audits

The process for vetting and oversight of the third parties has continued to develop to enable Ericsson to choose parties that meet the Company's expectation of zero tolerance for bribery and corruption. Through the global Third-Party Management (TPM) Program, Ericsson identifies and mitigates corruption and integrity-related risks in the context of third-party relationships. Business Partner Review Boards, comprised of senior business professionals and guided by compliance leaders evaluate third parties with higher risk, approve or reject interactions and monitor the risk landscape in the geographies where Ericsson conducts business. TPM works with businesses to obtain transactional assurance and helps ensure compliant payments.

Audits of suppliers as part of Ericsson's Responsible Sourcing program has continued where a risk-based approach is used to make the yearly selection of which suppliers to audit. 123 (114) audits based on the requirements in the Code of Conduct (CoC) for Business Partners were conducted in 2023. Critical non-conformities were identified at 1 (6)% of the audited suppliers and concerned health and safety standards and management. Ericsson also conducted 19 (15) Contract Compliance (CC) audits. No critical nonconformities were identified at these audits.

Each audit is seen as an opportunity for improvement and corrective action plans are established together with the suppliers

to address non-conformities. The corrective action rate for all non-conformities identified at CoC audits was 79 (73)% and the corresponding figure for CC audits was 65 (69)%.

Training and awareness raising

Ericsson has continued to provide mandatory training on topics critical for driving behavioral change and promoting integrity within the Company such as ABC, health and safety, and security awareness. At year end, mandatory foundational ABC training had been completed by 99 (93)% of the workforce. Enhanced ABC training for people in high risk roles had a 98 (97)% completion rate and 97 (90)% of people in executive leadership roles had completed training in workshop format that covered topics such as ethical decision-making and handling of ethical dilemmas.

Reported compliance concerns

In 2023, the number of reported compliance concerns was 1,201 (1,092). The Company views this increase as an indicator of continued confidence by employees and third parties in Ericsson's allegation management and investigation processes and the seriousness with which the Company treats potential misconduct. Out of the reported concerns, 125 (215) cases were referred for further investigation. 1,076 (877) cases were not referred for investigation as they were inquiries of a general nature, not deemed to be related to misconduct or breaches of the Code of Business Ethics, or deemed low-risk and not war-

ranting dedication of investigation resources. 582 of the reported concerns not referred for investigation were referred to other functions, such as the People function or Sourcing, to be addressed in accordance with their processes. During the year, 91 (118) cases were concluded and found to be substantiated. At year end, 78 (209) cases were still under investigation. This figure includes cases reported both in 2023 and in 2022. More details, including reported cases broken down by category, are available in note G2.

During the year, 201 (178) corrective and disciplinary actions involving individuals found to have acted in breach of the company's Code of Business Ethics were taken. 112 (39) of these actions resulted in terminations, and 58 (74) in written warnings.

Interactions with governmental authorities

Ericsson is and has been involved in legal proceedings involving governmental authorities in different jurisdictions. Further information about current proceedings is included in the Financial report on pages 25–26

Security and privacy

Ericsson has continued to execute its security and data privacy strategies with the goal to strengthen its operational and portfolio resilience. There is more information on these topics on pages 19–20 of the Corporate Governance report.

Advocacy and policy influence

Ericsson has continued to advocate for policies that encourage and incentivize the digital ecosystem to deploy and use transformational connectivity. Ericsson acts as a trusted partner for policy makers, sharing its expertise and knowledge to address policy dilemmas.

The Company is an active member of industry organizations and partnerships that develop policies and thought leadership. Examples include the European CEO Alliance, where Ericsson promotes projects focused on digitalization and energy supply, and Digital Europe, where it drives climate and environmental topics. Ericsson also contributed to an international training program, ICT Regulation – Policy and Practice, commissioned by the Swedish International Development Cooperation Agency.

Ericsson has hosted frequent government visits to its Imagine Studio in Stockholm to both engage in dialogue and demonstrate 5G use cases. All material policy-influencing interactions with public officials are documented for internal audit purposes and declared according to local regulations and practices.

More information available in the notes to the S&CR report

p. 37	G1 – S&CR Governance
p. 38	G2 – Compliance and business ethics
p. 41	G3 – Supply chain and responsible sourcing
p. 44	G4 – Advocacy and policy influence

Board of Directors

Stockholm, March 5, 2024

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Notes to the Sustainability and Corporate Responsibility report¹⁾

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¹⁾ When "material," "materiality," or the like is used in these Notes, the term is meant to refer to material under emerging European sustainability reporting regulation, and is not necessarily material under US securities or other laws.

Section E – Environment

E1 Climate change

Impacts, risks and opportunities

Ericsson has identified material impacts related to climate change both upstream and downstream in its value chain, as well as in its own operations. The ICT sector represents a relatively small share¹⁾ of GHG emissions, with emissions primarily being derived from the sector's energy consumption. The vast majority of GHG emissions in Ericsson's value chain²⁾, approximately 90% in recent years, occur downstream, primarily from electricity consumption in the use phase of sold products. Upstream emissions, which include both resource extraction and processing, manufacturing activities and transportation represent around 10% of total value chain emissions but this share is expected to increase as more renewable energy is deployed and used in the downstream portion of the value chain, reducing emissions from the use phase of sold products. While emissions from Ericsson's direct operations (Scope 1 and 2) represent less than 1% of the total carbon footprint, they are still considered material since all sectors of the economy need to reduce emissions in order to reach global agreements on climate mitigation.

In the past, with the rollout of each new generation of mobile network standards (such as 2G, 3G and 4G), new equipment has been added, which over time has increased total energy consumption across global mobile networks. The increases have been stable across each mobile generation. Ericsson's own research³⁾ shows that it is the surface coverage and the installation of new equipment when deploying new generations of mobile networks that has driven increased energy usage, rather than increased data traffic.

While the ICT sector must address its own carbon footprint, it can also play an important role in enabling other sectors in their decarbonization efforts. Many of the solutions needed in other sectors to reduce emissions, such as management systems and smart meters in buildings, smart electrical grids, telematics, and storage and inventory management solutions in enterprises, are all dependent on ICT solutions and infrastructure to function. Ericsson's own peer-reviewed 2015 research⁴⁾ suggests that ICT solutions have the potential to enable decarbonization of up to 15% in other sectors by 2030, and potentially even higher when including the enabling potential of 5G and the Internet of Things.

As part of its overall climate strategy and its commitment to align to the reporting recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), Ericsson has analyzed potential climate-related risks and opportunities using two different scenarios: Net Zero 2050 and Current Policies. The main conclusions from this analysis are presented below. A summary of the assessment methodology and assumptions under the two scenarios used is included at the end of this note. The results of the scenario analysis were incorporated into Ericsson's materiality analysis when identifying material climate-related risks and opportunities.

Expansion of network energy performance offering (opportunity – products and services)

Under the Net Zero 2050 scenario, both emission reduction targets and higher energy prices drive further efforts by communications service providers to increase energy performance in mobile networks. The combination of these two factors creates opportunities for Ericsson to expand its offering of network energy performance solutions.

Enabling emission reductions in enterprise sectors (opportunity – markets)

As other more emission-intensive sectors – such as power and utilities, transport and manufacturing – rapidly increase efforts to decarbonize in the Net Zero 2050 scenario, significant investments are made to achieve decarbonization goals. These investments, such as the deployment of smart grids and private networks, all depend on ICT solutions, which provides significant opportunity for Ericsson to expand its connectivity offering to these sectors.

Increased demand for equipment with lower embodied emissions (opportunity – products and services)

In the Net Zero 2050 scenario, the price of carbon emissions increases substantially. Simultaneously, Ericsson's customers rapidly increase the share of renewable energy used to power the networks, meaning the relative share of their upstream emissions increases. To address these embodied, and increasingly costly, emissions, customers' demand for low-carbon products, meaning equipment made from less carbon-intensive materials and processes, is expected to increase, which can mean new business opportunities for Ericsson.

Increased costs due to carbon emissions pricing (transition risk – policy)

In the Net Zero 2050 scenario, the price of carbon emissions increases substantially, leading to increased costs for actors in Ericsson's value chain. While direct impacts are limited, indirect impact upstream in the value chain is more significant, assuming emissions stay the same and costs are passed through to Ericsson from affected suppliers.

Disruptions caused by severe weather events (acute physical risk)

In the Current Policies scenario, the frequency and intensity of severe weather events, as well as coastal and riverine flooding, increases. This leads to heightened risks for long-term business interruptions as well as damage to inventory and fixed assets in the supply chain at both outsourced manufacturing sites and at Ericsson's own sites, such as production facilities and IT centers.

Policies

Ericsson's Sustainability Policy sets out the Company's foundational principles on environmental sustainability, including climate change mitigation. Ericsson uses life-cycle analysis (LCA) methodology to determine its significant environmental aspects and to assess the environmental impact of ICT, reduce the negative environmental impact of its own operations and take a precautionary approach to environmental challenges, applying design to ensure continuous environmental improvements with a life-cycle perspective on its portfolio. Ericsson also advocates the use of ICT to mitigate and adapt to climate change and to create low carbon economies of the future.

Ericsson's Code of Conduct (CoC) for Business Partners requires the company and its business partners, including suppliers, to develop and implement plans and targets to reduce their GHG emissions. Business partners must adopt, and publicly disclose, their targets for reducing emissions in alignment with the science-based 1.5 °C ambition and actively work toward achieving them, which includes public reporting on progress made on an annual basis. The CoC is based on the Responsible Business Alliance Code of Conduct and the UN Global Compact 10 principles, but also includes Ericsson-specific requirements and is part of standard-supplier contracts. It is available in multiple languages on the Company's website.

For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks, where their operations significantly impact the environment, Ericsson has additional environmental requirements. If energy consumption and/or GHG emissions are identified as significant environmental aspects, the supplier must calculate its carbon footprint, using the GHG protocol for its Scope 1, Scope 2 and, if applicable, for its Scope 3 emissions.

Management approach

Group climate strategy and targets are coordinated and driven by the central Sustainability and Corporate Responsibility unit. On an operational level, climate action strategies and policies are integrated across business and market areas, as well as Group functions, with each organization being responsible for executing on its respective strategies and targets.

¹⁾ Malmodin et al. (2023) ICT Sector Electricity Consumption and Greenhouse Gas Emissions – 2020 Outcome, *SSRN Electronic Journal*

²⁾ See page 15 for a description of Ericsson's GHG emissions accounting methodology.

³⁾ Ericsson Mobility Report (2015)

⁴⁾ Malmodin & Bergmark (2015), Exploring the effect of ICT solutions on GHG emissions in 2030, *Atlantis Press*

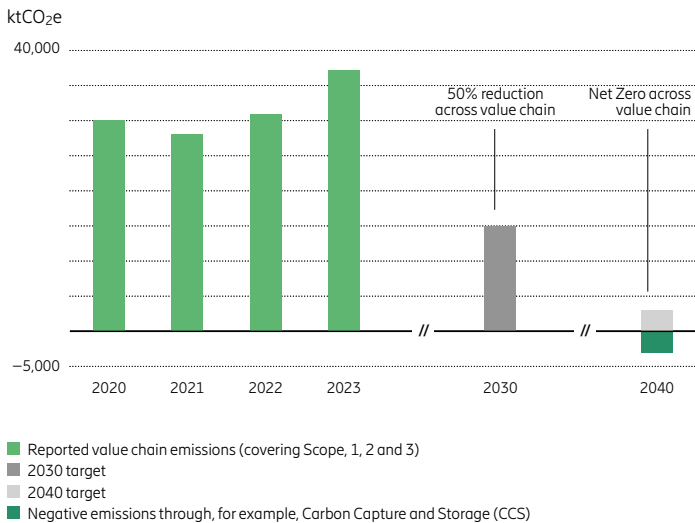
Note E1, cont'd.

Executive variable remuneration

A portion of the variable remuneration to executives is determined by performance on selected elements of the Company's GHG emission reduction targets. See page 7 of the Remuneration report for further information.

Net Zero transition plan

Ericsson has a SBTi validated target to achieve Net Zero¹⁾ value chain emissions by 2040, with a near-term target to reduce total value chain emissions by 50% from a 2020 baseline by 2030. The most significant actions that the Company plans to take to reach this target are described below.



Total value chain emissions as shown in the graph above should be considered illustrative of Ericsson's Net Zero transition plan, as they include forward-looking estimates of future emissions.

Scope 1 direct emissions

Ericsson is working to replace its fleet of internal combustion engine service vehicles with a low-emission fleet. The transformation will take place gradually, with some countries and market areas expected to transition faster than others due to differences in availability of low- or zero-tailpipe emissions vehicles and market conditions. In addition, the Company plans to increase the coverage and use of fleet management systems and telematics to optimize fleet utilization and reduce unnecessary trips, where feasible. Backup generators and local heating using fossil fuels at facilities will be phased out or replaced with low-emitting alternatives wherever possible. Technical building requirements specify limits on the maximum global warming potential for refrigerants used at facilities.

Scope 2 indirect emissions

Ericsson aims to source 100% renewable energy at its facilities by 2030. In addition, Ericsson works together with facility management companies to improve the energy efficiency of its facilities. The majority of facilities Ericsson occupies are leased.

Scope 3 upstream emissions²⁾

Ericsson engages with its high-emitting and strategic first-tier suppliers to have them set their own 1.5 °C aligned emission reduction targets. For targets to be accepted by Ericsson, they need to include a commitment to halving emissions in relevant scopes by 2030, and the supplier must make them public as well as commit to report on progress toward the targets publicly and at least annually. Ericsson continues to engage with those suppliers who have not yet set qualifying targets.

To reduce the emissions embodied in hardware products, Ericsson applies other measures such as product design and material choice, substitution and recycling.

To prevent emissions from business travel from returning to their pre-pandemic levels, Ericsson has set a cap on business travel emissions at 50% of their 2019 levels, with each business and market area, Group function and subunits being allocated yearly emission budgets for business travel.

Scope 3 downstream emissions²⁾

Ericsson's approach for reducing indirect downstream emissions from the use of products and services is through improved energy performance of the Company's solutions, which includes hardware, software and service solutions. A focal point is to ensure that the rollout of 5G does not result in an increase in the energy consumption of customers' mobile networks, as has been the case with rollouts of previous generations of mobile communication networks. This involves:

- Investments in R&D to increase the energy performance of the portfolio.
- Planning networks both from a performance and an energy usage perspective.
- Providing guidance on when and how to modernize equipment and operating networks intelligently by using artificial intelligence, machine learning and other features to reduce energy use during times of low network load.

To further reduce these emissions, customers also need to transition to low-carbon and renewable energy sources. Reducing energy demand, and subsequent consumption, are important steps in making the transition to renewable energy sources easier and more financially viable.

Besides improved energy efficiency, Ericsson can support customers with the integration of on-site renewable energy generation such as solar and wind energy at base station sites. By using the same management system to control the radio-access network and the renewable energy sources, the energy supply and demand can be optimized for the site conditions. More details on how Ericsson is aiming to reduce energy consumption of mobile networks are available in the Breaking the Energy Curve report on the Company's website.

For emissions related to product transport, Ericsson is utilizing increased data visibility to optimize transport planning and thereby reduce emissions.

Carbon removals

Ericsson plans to use carbon removal technologies, such as carbon capture and storage, to neutralize the unavoidable part of value chain emissions to reach its 2040 Net Zero targets. When such technologies are employed, they will not represent more than 10% of the base year carbon footprint and must adhere to high standards to ensure the effectiveness and trustworthiness of any Net Zero claims.

Internal price on carbon

Ericsson has an internal shadow carbon price of USD 100 per metric ton of carbon dioxide equivalent applicable to equipment transportation. The shadow price is included in the landed cost model when calculating the total price of outgoing deliveries of certain hardware product categories. The aim is to visualize the cost of carbon related to downstream transportation when calculating and deciding on transport routes for outgoing shipments sourced by Ericsson.

Product energy certifications

The majority of the product portfolio, made up of communication network hardware such as radios and antennas, is currently not covered by any third-party managed certification scheme for energy efficiency. Products eligible for certification, such as servers, constitute a smaller part of the product portfolio. These are currently not certified according to any such scheme.

¹⁾ Implies emission reductions of at least 90% within the set timeframe in the selected scopes.

²⁾ See note O2 on page 41 for an explanation on limitations regarding value chain reporting and disclosures.

Note E1, cont'd.

Enablement strategy

For many sectors, cellular technology has accelerated the digitalization process and proven to create value through improved productivity, safer workplaces and more environmentally sustainable operations. As an example, cellular connectivity helps accelerate the transformation of utility companies in an environment where energy costs as well as demand for electricity are increasing. Cellular technology has the potential to further provide companies in this sector with real-time data exchange, automatic grid fault detection, distribution automation, connected electric vehicle charging and building energy management and optimization.

Ericsson will continue to assess the use of ICT solutions in reducing GHG emissions of other sectors following the International Telecommunication Union's (ITU) standards and methodologies for making such assessments and quantifications. This requires companies to assess all types of effects, including the rebound effect¹⁾.

Research and contributions to standardization

Ericsson conducts research into the direct and indirect environmental impacts of the ICT sector and has for several years used LCAs to understand its portfolio's carbon and environmental footprint. In addition, the Company contributes to the development of methodologies for assessing these impacts. One example is the ITU's Net Zero standard, which guides companies in the sector on setting Net Zero targets, to which Ericsson contributed.

Training and awareness raising

Climate action is one of nine critical skills identified for Ericsson's workforce. A framework has been developed to upskill all employees based on the level of needs in their respective roles. Introductory and fundamental levels are currently available to all employees.

Collaborations and partnerships

As a general principle, any climate-related commitment or collaboration that Ericsson partakes in must be based on a scientific approach for the Company to consider endorsement. On the right, the most significant external collaborations related to climate change mitigation are listed.

Organization	Description
1.5 °C Supply Chain Leaders	Members of the 1.5°C Supply Chain Leaders work together to drive climate action through global supply chains and support small and medium-sized enterprises (SMEs) through the SME Climate Hub. The partnership aims to support suppliers in halving emissions before 2030 and achieving Net Zero emissions before 2050.
CEO Alliance for Europe	The CEO Alliance for Europe is a cross-sector collaboration between 12 companies, with over 1.5 million employees and EUR 500 billion in annual revenue working for a more sustainable and resilient Europe, with a focus on digitalization and decarbonization.
European Green Digital Coalition	The European Green Digital Coalition is an initiative by a group of ICT companies, supported by the European Commission and the European Parliament, which aims to promote and harness the enabling emission-reducing potential that digital solutions can have in other sectors.
Exponential Roadmap Initiative	The Exponential Roadmap Initiative brings together innovative and transformative businesses taking action in line with limiting global warming to 1.5°C. The purpose is to accelerate exponential climate action and solutions, integrate climate in business strategies and influence climate action in society, with the mission to halve emissions before 2030. The initiative is an accredited partner to the UN Climate Change High-Level Champions' Race to Zero campaign.
Pathways Coalition	The Pathways Coalition aims to accelerate the decarbonization of heavy transport with member companies committing to the vision of the coalition: to reach zero CO2 emissions by no later than 2050.
We Don't Have Time	We Don't Have Time provides a platform for the dissemination of knowledge, discussion and rating of businesses and public individuals from a climate perspective. Together with Ericsson, the partnership broadcasts Exponential Climate Action Summits to increase awareness of the need for climate action. We Don't Have Time is a member of the UN-backed Race To Zero campaign and the Exponential Roadmap Initiative.
World Economic Forum – Alliance of CEO Climate Leaders	The Alliance of CEO Climate Leaders is a global community of Chief Executive Officers who work towards climate action across all sectors and engage with policymakers to help deliver the transition to a Net Zero economy.

¹⁾ The reduction in expected gains from new technologies that increase the efficiency of resource use because of behavioral or other systemic responses.

Note E1, cont'd.

Metrics and targets

Targets

Emission reductions – long-term

Net Zero value chain emissions by 2040. This implies at least a 90% reduction of emissions in Scope 1, 2 and relevant Scope 3 categories^{1) 2) 3)} from a 2020 baseline, and the potential use of carbon removal and storage technology for the remaining unavoidable maximum 10% of emissions. This target has been validated as 1.5 °C aligned by the Science Based Targets initiative (SBTi).

Emission reductions – near-term

Halving of total value chain emissions by 2030, including a 90% reduction in Scope 1 and 2, and a 50% reduction of overall relevant Scope 3 categories^{1) 2) 3)}. The Scope 3 component of the target is disaggregated as shown below.

Emissions covered			Base year	BY emissions	Target year	TY change vs. BY	TY emissions	2023 change	2023 emissions	Use of	
Scope	Category(ies)	Target scope	(BY)	(tCO ₂ e)	(TY)	(%)	(tCO ₂ e)	vs. BY (%)	(tCO ₂ e)	CRT/CCS ⁴⁾	SBTi status
Scope 1 & 2	Market-based			111,889		- 90	11,200	- 38	69,280		
Scope 3	6 & 7 ¹⁾	Company-wide	2020	65,432	2030	+ 48 ⁵⁾	97,000	+ 55	101,599	Potentially	Validated (1.5 °C)
	1–5, 9 & 12 ²⁾			2,576,861		- 50	1,288,400	- 21	2,023,358		
	11 ³⁾			27,281,138		- 50	13,640,600	+ 29	35,057,200		
Total				30,035,320⁶⁾		- 50	15,037,200	+ 24	37,251,437		

¹⁾ Business travel and Employee commuting

²⁾ Purchased goods and services, Capital goods, Fuel- and energy-related activities, Upstream transportation, Downstream transportation, End-of-life treatment of sold products and Waste generated in operations

³⁾ Use of sold products and services

⁴⁾ Carbon removal technology / Carbon capture and storage

⁵⁾ As the target baseline coincides with the COVID-19 pandemic, Ericsson foresees an increase in business travel and employee commuting compared to the extraordinary low volumes observed in the baseline year.

⁶⁾ Nominal differences comp. to previously reported emissions for the same period due to alignment with the SBTi methodology. See note O3 for more information.

Portfolio energy performance

Reduce energy consumption at radio base station sites by 40%

Scope	Base year	Target year	Target energy reduction (%)	2023 energy reduction (%)	SBTi status
Typical new radio base station site	2021	2025	40	30	Not validated

This target supports the Net Zero target by addressing downstream GHG emissions through reducing the energy consumption of customers' mobile networks. The target entails reducing the energy consumption of radio base station type sites by 40% by 2025 compared with a 2021 baseline. The energy consumption is measured in kWh and target performance is expressed as the average of potential reductions for modeled type sites in rural, suburban and urban locations for a service provider operating in Europe. The target is intended to track the Company's capability to provide energy-efficient solutions to its customers. For this reason, it measures energy consumption reduction, compared with the base year, from the best performing solution of software and hardware available in the target and reporting year, respectively. These values should be understood as the maximum potential energy savings possible in each respective year.

Supply chain engagement

Have 350 suppliers set 1.5 °C aligned emission reduction targets

Scope	Base year	Target year	Targeted alignment (No.)	Aligned in 2023 (No.)	SBTi status
First-tier suppliers	2020	2030	350	237	Not validated

This target supports the Net Zero target, addressing upstream GHG emissions by having 350 high-emitting and strategic direct suppliers set their own 1.5 °C aligned emission reduction targets, which shall include a commitment to halve emissions in relevant scopes to 2030. Targets must be made public, be accompanied by a credible transition plan, and the supplier must report at least annually on the progress to Ericsson for the targets to be accepted as aligned.

Metrics

Energy consumption in own operations

Energy consumption and mix¹⁾

(MWh)	2023	2022	2021
Fossil sources			
Fuel consumption from coal and coal products	-	-	-
Fuel consumption from oil and petroleum products ²⁾	63,525	103,692	123,445
Fuel consumption from natural gas	45,127	44,772	23,720
Fuel consumption from other fossil sources	-	-	-
Purchased or acquired electricity	76,047	92,201	126,926
Purchased or acquired heat	19,090	24,188	25,693
Purchased or acquired steam	-	-	-
Purchased or acquired cooling	51,534	51,453	55,996
A. Total fossil energy consumption³⁾	255,323	316,306	355,780
Share of fossil sources in total energy consumption (%)	34	40	47
Share of fossil sources in total electricity consumption (%)	13	16	24
Nuclear sources			
Fuel consumption from nuclear sources	-	-	-
Purchased or acquired electricity	13,906	10,788	6,260
B. Total nuclear energy consumption³⁾	13,906	10,788	6,260
Share of nuclear sources in total energy consumption (%)	2	1	1
Share of nuclear sources in total electricity consumption (%)	2	2	1

(MWh)	2023	2022	2021
Renewable sources			
Fuel consumption from renewable sources	-	-	-
Purchased or acquired electricity	478,866	466,208	389,553
Purchased or acquired heat	-	-	-
Purchased or acquired steam	-	-	-
Purchased or acquired cooling	-	-	-
Consumption of self-generated non-fuel renewable energy	1,621	1,001	1,000
C. Total renewable energy consumption	480,487	467,209	390,553
Share of renewable sources in total energy consumption (%)	64	59	52
Share of renew. sources in total electricity consumption (%)	84	82	75
D. Total energy consumption (A+B+C)	749,716	794,303	752,593

¹⁾ Measured energy consumption at facilities (offices, production sites, warehouses, data centers and labs) represents approximately 81 (85) % of reported energy consumption. For locations where measured data is not available, extrapolation of consumption at similar locations have been used to estimate the consumption.

²⁾ Fuel consumption is primarily related to the service vehicle fleet and is estimated partially based on vehicle telematics data and partially on contracted yearly mileages for leased vehicles without telematics installed.

³⁾ Energy data for previous reporting periods have been restated. See note O3 for more information.

Note E1, cont'd.

Energy intensity			
(MWh/net sales MSEK)	2023	2022	2021
Facility energy	2.62	2.55	2.71
Fuel for service vehicles	0.23	0.37	0.53
Total	2.85	2.93	3.24

Product transportation

Product transportation by mode ¹⁾			
(Ktonnekm)	2023	2022	2021
Air	94,536	136,027	153,956
Road	169,090	155,086	179,790
Sea	169,407	119,725	152,230
Rail	170	5,865	2,877
Total	433,203	416,703	488,853

¹⁾ Data covers outbound emissions of goods transported from a manufacturing site to either a supply hub or a customer warehouse. Transported distances are estimated based on linear routes between locations.

Greenhouse gas emissions

GHG emissions by scope and category			
(metric tons of CO ₂ e)	2023	2022	2021
Scope 1 direct GHG emissions			
Fuel for service vehicle fleet	16,039	27,689	32,176
Facility stationary combustion and refrigerants	10,990	10,713	6,066
Total gross Scope 1 emissions	27,029	38,402	38,242
Scope 1 emissions under regulated ETSs (%)	0	0	0
Scope 2 indirect GHG emissions			
Purchased energy (gross location-based)	136,628	141,636	138,985
Purchased energy (gross market-based)	42,251	45,258	57,685
Scope 3 other indirect GHG emissions			
Upstream			
Purchased goods and services	1,751,600	2,199,900	2,313,000
Capital goods	37,800	39,200	42,000
Fuel- and energy-related activities ¹⁾	19,700	36,600	23,200
Upstream transportation ^{1) 2)}	164,800	206,200	215,300
Waste generated in operations	1,000	1,200	800
Business travel ²⁾	52,599	25,469	9,255
Employee commuting (incl. teleworking)	49,000	34,500	26,800
Downstream			
Downstream transportation ^{1) 2)}	21,158	7,090	7,082
Use of sold products and services ¹⁾	35,057,200	28,262,400	25,352,500
End-of-life treatment of sold products	27,300	31,800	33,000
Total gross Scope 3 emissions	37,182,157	30,844,359	28,022,937
Total gross GHG emissions (location-based)	37,345,814	31,024,397	28,200,164
Total gross GHG emissions (market-based)	37,251,437	30,928,019	28,118,864

¹⁾ Emissions in previous reporting periods have been restated. See note O3 for more information.

²⁾ Emissions reported do not consider the so-called high-altitude effect of emissions from air travel and air transport as there is still significant uncertainty as to how large this effect is and how it should be calculated. For reference purposes only, the high-altitude effect in 2023 is estimated to correspond to emissions of 108,000 metric tons of CO₂e.

Share of GHG emissions by scope

(%)	2023	2022	2021
Scope 1	0.1	0.1	0.1
Scope 2 (market-based)	0.1	0.1	0.2
Scope 3 upstream	5.6	8.2	9.4
Scope 3 downstream	94.2	91.5	90.3

Emissions intensity by scope

(metric tons of CO ₂ e/net sales MSEK)	2023	2022	2021
Scope 1	0.10	0.14	0.16
Scope 2 (location-based)	0.52	0.52	0.60
Scope 2 (market-based)	0.16	0.17	0.25
Scope 3 upstream categories	7.88	9.37	11.32
Scope 3 downstream categories	133.30	104.22	109.30
All scopes (market-based)	141.45	113.90	121.04

Supply chain engagement

Suppliers with 1.5 °C aligned emissions reduction targets

(No.)	2023	2022	2021
Suppliers	237	225	121

GHG accounting methodology

Emissions are reported according to the GHG Protocol using financial control as the basis for consolidation. Emissions are reported in CO₂e and include the following gases and chemicals: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs) and perfluorochemicals (PFCs). Measurement periods are aligned to the fiscal year and based on the latest available data at cut-off date, supplemented with extrapolated estimates for periods where no measured data is available.

Scope 1

Consumed volumes of fuels and refrigerants are multiplied by applicable emission factors to derive emissions. Fuel consumption in the service vehicle fleet is estimated partially based on vehicle telematics data and partially on contracted yearly mileages for leased vehicles without telematics installed.

Scope 2

Purchased energy volumes are multiplied by country average emission factors for location-based emissions. For market-based emissions, the residual energy mix and purchased renewable energy instruments are the source of the emission factors used in the calculations. Part of the energy consumption at facilities is estimated. See the footnote to the energy table above for details.

Scope 3

Emission factors used to calculate emissions in the categories Purchased goods and services, Capital goods, Fuel- and energy-related activities, Waste generated in operations, and End-of-life treatment of sold products are based on internal studies and Ericsson's LCAs of the carbon footprint of its products, multiplied with relevant activity metrics to derive yearly emissions.

Emissions in the category Upstream transportation are calculated using a combination of calculations based on spend-based data, and calculations based on measured weights and transported distances of outbound shipments paid for by Ericsson.

The majority of emissions in the category Business travel are based on data reported by travel agencies, with a smaller part including hotel nights being estimated based on travel spend. Emissions in category Employee commuting are estimated based on a survey of employees' commuting and teleworking habits.

Emissions in the category Use of sold products and services are calculated and reported in their entirety in the year a product is sold and not accrued over its expected lifetime. For the purpose of calculating these emissions, the average expected lifetime of products sold is assumed to be 10 years. Emission factors relevant to the use phase have been estimated using the current energy mix in the grids of markets served, or the latest available customer-specific energy mix data where that is stated in the public domain. Future changes in grid factors or customer-specific energy mixes that may occur over the expected lifetime of sold products is not factored into the calculations.

The majority of emissions in the category Downstream transportation are calculated using the weight and distances of transported products where the transport has been paid for by the customer.

Emissions in the remaining Scope 3 categories have been assessed as not material and are therefore not reported on.

Estimating Scope 3 emissions is associated with inherent uncertainties due to limitations in availability and accuracy of primary data, which is why the reported figures should not be regarded as exact measurements. The table below summarizes Ericsson's Scope 3 accounting methodologies and the estimated levels of uncertainty of reported figures by category.

Note E1, cont'd.

Scope 3 category	Accounting method	Level of uncertainty (±%)
Purchased goods and services	Average data	30
Capital goods	Average data	30
Fuel- and energy-related	Average data	30
Upstream transportation	Distance- and spend-based	30
Business travel	Distance- and spend-based	10
Employee commuting	Average data and distance-based	30
Downstream transportation	Distance-based	10
Use of sold products and services	Direct use-phase emissions through a hybrid method	10
End-of-life treatment of sold products	Average data	30

Emission factors used in consolidation

Source	GWP (kg CO ₂ e)	Measured by	Source
Purchased energy			
Electricity from fossil sources	0.01 – 1.35	kWh	IEA/US EIA/AIB/Supplier specific
Electricity from nuclear sources	0.00	kWh	IEA
Electricity from renewable sources	0.00	kWh	Supplier specific
District cooling	0.00 – 0.41	kWh	IEA
District heating, Sweden	0.04	kWh	Supplier specific
District heating, other	0.04 – 0.26	kWh	Country averages
Fuels and refrigerants			
Natural gas (local heating)	0.20	kWh	DEFRA
Diesel	0.26	kWh	DEFRA
Gasoline	0.25	kWh	DEFRA
Refrigerants	466 – 14,800	kg	IPCC 4 th assessment report
Travel			
Air	0.09 – 0.57	pkm	DEFRA
Road	0.00 – 0.40	pkm	Country averages
Transport			
Air	0.78 – 1.19	tonnekm	DEFRA (adjusted)
Road	0.10	tonnekm	DEFRA (adjusted)
Sea	0.03	tonnekm	DEFRA (adjusted)
Rail	0.04	tonnekm	DEFRA (adjusted)
Spend-based emissions	0.05 – 0.21	USD	Ericsson-specific

Scenario analysis for climate-related risks and opportunities

Scenarios analyzed

Net Zero 2050

- Ambitious mitigating actions introduced imminently
- Net-zero global GHG emissions around 2050
- 50% chance of limiting global warming to below 1.5 °C by the end of the century
- Relatively low physical risks but high transitional impacts.

Current Policies

- Mitigating actions limited to currently adopted or announced policies
- Emissions grow until 2080
- Global warming of around 3 °C by the end of the century
- High physical risks but lower transitional impacts.

Assessment methodology

Initially, more than 30 potential climate-related risks and opportunities were considered in the analysis. The items on this longlist were identified through consultations with internal subject matter experts covering several company functions, and through external benchmarking. The probability and impact of

all items were analyzed qualitatively through the usage of heatmaps. This was followed by a more granular analysis of a shortlist of risks and opportunities considered to be of highest relevance to Ericsson. Risks and opportunities upstream and downstream in the value chain, as well as in own operations were considered. Physical risks were mainly assessed using the assumptions under the Current Policies scenario, whereas transitional risks and opportunities were primarily analyzed in the context of the Net Zero 2050 scenario. Both scenarios are published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

Regarding time horizons, the quantitative analysis of opportunities focused on the period up to 2025, and the quantitative analysis of risks on the period between 2025 and 2030. For the purpose of this analysis, Ericsson defined short-, medium-, and long-term time horizons as up to 2025, 2025-30, and beyond 2030, respectively. The more long-term impacts of risks and opportunities, stretching beyond 2030, were primarily assessed in a qualitative fashion. Under the Current Policies scenario, the impacts of physical risks are expected to become more severe after 2030.

E2 Pollution

Impacts, risks and opportunities

Ericsson has identified potential material impacts related to pollution both upstream and downstream in its value chain. As regards the upstream value chain, all manufacturing of electronic equipment today requires small volumes of substances of concern and sometimes substances of very high concern. Downstream in the value chain, negative impacts can also occur if end-of-life products are not properly disposed of or recycled. Ericsson's own manufacturing processes primarily involve assembling products and components manufactured by other actors upstream in the value chain. Hence, no significant amounts of such substances are used in Ericsson's own operations.

Fossil fuel energy generation is a significant source of air pollution. It is an indirect environmental impact from the electricity consumption of network equipment, which is especially relevant in markets where fossil energy sources make up a significant share of the energy mix.

Increasing regulation on the use of certain substances may drive increased compliance costs as well as increased costs to research and develop alternative solutions and substances, exemplified with the recent proposal on restricting the use of PFAS¹⁾ in the European Union. In addition, the availability of alternatives may be limited, meaning they could come at a higher price than substances currently used.

Policies

Ericsson's Code of Conduct (CoC) for Business Partners requires suppliers to identify the environmental aspects and associated impacts and minimize adverse effects on the community, environment and natural resources within their operations, while safeguarding the health and safety of the public. The CoC is based on the Responsible Business Alliance Code of Conduct but also includes Ericsson-specific requirements and is part of standard-supplier contracts. It is available in multiple languages on the Company's website.

For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks where their operations significantly impact the environment, Ericsson has additional environmental requirements. Among others, these require the suppliers to comply with the requirements in the Ericsson Lists of Banned and Restricted Substances related to substances used in production processes. The requirements are applicable when designing, purchasing and manufacturing components and products, including batteries and packaging. Substitution of substances under observation is recommended as a precautionary approach.

Management approach

Ericsson strives to minimize the environmental impact of its products throughout all life-cycle stages. For information on portfolio energy performance, see note E1.

Material declarations

Ericsson collects material declarations from its suppliers. Upon request, suppliers are expected to declare the full material content of products delivered to Ericsson. This includes substances on the REACH²⁾ candidate list and declarations of the use of certain critical raw materials (as defined in the EU Critical Raw Materials List). In addition, there is a SCIP (Substances of Concern In articles, as such or in complex objects (Products)) reporting process in place to fulfill requirements in the EU Waste Framework Directive. All electronic products may contain small traces of declarable substances through impurities that are near impossible to eliminate, and which fall below the threshold for what needs to be declared. Ericsson continuously works to avoid inclusion of harmful substances in products and components.

Product take-back program

See note E4 for information about Ericsson's product take-back program, which is part of the Company's extended producer responsibility.

Metrics

While not related to any identified material impacts, risks or opportunities, Ericsson discloses emissions of air pollutants derived from its own operations, as this information is frequently asked for by external stakeholders.

Other emissions to air ¹⁾			
(metric tons)	2023	2022	2021
NOx	38	49	54
SOx	62	61	63
Particle matters	11	12	13

¹⁾ Emission data for previous reporting periods have been restated. See note O3 for more information.

¹⁾ Per- and Polyfluorinated Substances (PFAS) are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease and water, and can be found in a variety of products, including electric equipment and electronics.

²⁾ REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is the regulation and system governing the manufacture and import of chemicals in the EU.

E3 Water

Impacts, risks and opportunities

Material impacts related to water have been identified upstream in the value chain, primarily linked to the manufacturing of semiconductors and extraction of natural resources such as minerals used in electronic hardware. Semiconductor manufacturing requires high quality water. Often freshwater is used, which may cause impact on the water availability in adjacent communities if not managed properly. Mining of minerals can impact water in several stages of the mining process, which may impact both the availability of freshwater as well as the quality of the water.

Ericsson has not identified any material water-related impacts in its own operations or downstream in the value chain. Ericsson does not use water in its assembly processes, meaning water used at facilities is primarily used for sanitary purposes and comes from municipal water supplies. Freshwater is not directly drawn from ground or surface water sources. Ericsson's products and services do not consume water in their use phase.

As water is a key input in certain parts of Ericsson's upstream value chain, water shortages affecting these parts of the value chain could lead to supply chain disruptions. Under the Current Policies scenario considered as part of Ericsson's climate scenario analysis (see further details in note E1), several regions where Ericsson suppliers are located, including manufacturers of semiconductors in Southeast Asia, are at risk of high-water stress in the future, which could cause shortages of manufacturing inputs.

Policies

Ericsson's Code of Conduct (CoC) for Business Partners requires suppliers to reduce the use of natural resources, including water. The CoC is based on the Responsible Business Alliance Code of Conduct with additional Ericsson-specific requirements and is part of standard-supplier contracts. It is available in multiple languages on the Company's website.

For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as

those with high environmental risks where their operations significantly impact the environment, Ericsson has additional environmental requirements. Among others, these require the supplier to measure and control emissions to water and ensure proper treatment of all effluents of wastewater. Further, suppliers shall control and measure their water usage. If water consumption is identified as a significant environmental aspect, the business partner must develop a water management plan to minimize the overall water consumption, recycle used water or by any other means reduce their impact.

Management approach

Ericsson conducts audits of first-tier suppliers to verify adherence to the CoC. Currently, the focus of the CoC audits as relates to water is on assessing suppliers' wastewater management practices. In 2023, no major nonconformities related to water management were identified.

Metrics

While not related to any identified material impacts, risks or opportunities, Ericsson discloses water consumption and intensity metrics for its own operations, as this information is frequently asked for by external stakeholders.

Water consumption¹⁾

(m ³)	2023	2022	2021
Own operations	906,800	1,053,200	1,150,000

¹⁾ Out of total reported water consumption, approximately 37% of the Group's headcount is covered by measured data, with the remaining part being estimated based on extrapolations of the measured volumes.

Water consumption intensity

(m ³ /net sales MSEK)	2023	2022	2021
Own operations	3.44	3.88	4.95

E4 Resource use and circular economy

Impacts, risks and opportunities

Material impacts related to resource use and the transition to a circular economy have been identified upstream in the value chain, primarily linked to manufacturing of electronic equipment, as well as downstream in the value chain, related to the recovery and treatment of end-of-life electronic equipment. Network equipment is manufactured using finite natural resources such as steel, aluminum, copper and rare earth minerals, as well as plastics. Metals are recycled to a high degree, in general, while rare earth metals and plastics have low recycling rates. Downstream in the value chain, the recovery and recycling rates of network equipment varies across regions. Product take-back levels are low because of the second-hand value of products, and the fact that the ownership resides with Ericsson's customers. A large share of the network equipment is assumed to be resold and reused through informal second-hand markets. A smaller share is assumed to be recycled through substandard processes.

In its own operations, Ericsson primarily assembles parts and components from suppliers, which generates comparatively little material waste. Ericsson can, however, through product design, steer what materials are used by suppliers to enable higher rates of recyclability, use of non-virgin materials and longer lifetimes of its products.

Redesigning products to meet customer or regulatory demands using alternative or non-virgin materials could lead to increased R&D costs. Scarcity of certain raw materials, including both virgin and non-virgin minerals, paired with increased demand in several industries for the same materials, could lead to higher costs of input materials and components used in electronic hardware. Increased requirements on product take-back collection rates may lead to increased cost of sales.

Policies

Ericsson's Sustainability policy states that life-cycle assessment methodology shall be used to determine significant environmental aspects, and reduce the negative environmental impacts of its own operations and take a precautionary approach to environmental challenges. Ericsson shall also apply design to ensure continuous environmental improvements with a life-cycle perspective on the portfolio. In addition, the policy states that Ericsson shall provide product take-back services and assist customers in end-of-life management of products and solutions.

Ericsson's Code of Conduct (CoC) for Business Partners requires suppliers to identify their environmental aspects and associated impacts, and minimize adverse effects on the community, environment, and natural resources within their operations, while safeguarding the health and safety of the public. The CoC is based on the Responsible Business Alliance Code of Conduct but also includes Ericsson-specific requirements and is part of standard-supplier contracts. It is available in multiple languages on the Company's website.

For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks where their operations significantly impact the environment, Ericsson has additional environmental requirements. Among others, these require the supplier to reduce, where possible, the presence of dangerous goods, chemicals, hazardous waste and other substances or materials posing a hazard to humans or the environment, as well as implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle non-hazardous solid waste. The supplier is also required to conserve the use of natural resources, including water, fossil fuels, minerals and virgin forest products, by practices such as modifying production, maintenance and facility processes, materials substitution, reuse, conservation and recycling.

Note E4, cont'd.

Management approach

Product design principles

Ericsson utilizes the Design for the Environment principles and has generic product requirements in this area that apply to all product design processes. These include specific requirements on ease of dismantling and disassembly of products to facilitate recycling. In addition, products are designed to be durable and have a high longevity, which is part of the quality process. The list of banned and restricted substances and the material declarations (see further details in note E2) are also important tools to design products that have a high grade of recyclability. The recyclability of products taken back has historically been high, averaging above 90% in recent years.

Ericsson works to reduce the weight and size of products and is looking at more sustainable material choices. This is part of the Net Zero initiative but will also contribute to more efficient resource use and circularity.

Refurbish, reuse and repair services

The Support Services portfolio includes a structured approach to refurbish, reuse and recycle used equipment. Shared warehouses and spare parts reduce the need to produce and store spare parts. Automatic hardware fault analysis is conducted to avoid unnecessary hardware replacements.

Ericsson offers repair services, and as a complement to new sales also offers reuse of old equipment.

Packaging

Traditionally, packaging designed by Ericsson mainly consists of fiber-based materials and inserts made from plastics. Ericsson is piloting alternative packaging with inserts that are fully recyclable and reduce the total plastic content of the packaging from 20% to less than 1%.

Product take-back program

Ericsson offers a global product take-back program, through collaboration with third-party vendors, where end-of-life (EoL) products can be collected from customers and subsequently dismantled and recycled in a way that minimizes the environmental impact. A limited number of group companies participate in other collective take-back schemes. As the equipment is the property of the customer, take-back volumes are dependent on their utilization of the programs.

Waste from own operations

The waste generated from Ericsson's own operations is primarily office waste. Waste generated at production sites is managed according to local legislation by contracted waste management companies.

Metrics

Resource inflows

Ericsson's hardware is manufactured using natural resources, and products primarily consist of metals such as aluminum, iron, copper and silicon. Hardware also contains small amounts of materials found on the EU list of Critical Raw Materials. The hardware also contains polymers (including plastics) such as polycarbonates, and additives.

A typical radio contains about 70% aluminum, 10% iron/steel, 5% copper and 5% silicon. The remaining 10% is made up of smaller amounts of other compounds, including less than 1% of rare earth elements. Externally sourced packaging contains cardboard and plastics.

Resource outflows

Products and materials

Physical resource outflows from Ericsson's production processes, including outsourced production, include network hardware in the form of radios, antennas, basebands, power modules, routers and modems, and site materials (such as cables and batteries) as well as packaging in the form of plastics and cardboard.

All products are designed according to generic product requirements and Design for the Environment principles as described above. Cradlepoint (now part of Business Area Enterprise Wireless Solutions) has its own product requirements containing similar Design for the Environment principles.

Take-back of end-of-life products

Collected EoL product volumes by disposal method

(metric tons)	2023	2022	2021
Reuse	36	25	2
Recycling	3,581	4,636	5,211
Energy recovery (incineration)	151	146	164
Landfill	101	18	12
Total	3,869	4,825	5,389

Waste from own operations

While not related to any identified material impacts, risks or opportunities, Ericsson discloses waste generated in its own operations, as this information is frequently asked for by external stakeholders.

Generated waste by disposal method^{1) 2)}

(metric tons)	2023	2022
Total weight generated (A+B)	7,182	8,130
Waste diverted from disposal		
Hazardous waste		
Preparation for reuse	-	3
Recycling	38	49
Other recovery operations	5	-
Non-hazardous waste		
Preparation for reuse	157	332
Recycling	3,435	3,831
Other recovery operations	344	-
A. Total weight diverted from disposal	3,979	4,215
<i>Share diverted from disposal out of total weight generated (%)</i>	<i>55</i>	<i>52</i>
Waste directed to disposal		
Hazardous waste		
Incineration	43	29
Landfill	19	32
Other disposal methods	0	-
Non-hazardous waste		
Incineration	1,613	2,089
Landfill	1,528	1,762
Other disposal methods	-	3
B. Total weight directed to disposal	3,203	3,915
<i>Share directed to disposal out of total weight generated (%)</i>	<i>45</i>	<i>48</i>
Weight of non-recycled waste	3,709	4,251
<i>Share of non-recycled waste (%)</i>	<i>52</i>	<i>52</i>

¹⁾ Waste volumes from production sites are based on measured data. Waste volumes from other facilities are estimated based on extrapolations of waste generated at the Company's headquarters. Other facilities include offices, warehouses, data centers and labs.

²⁾ Waste data for previous reporting periods have been restated. See note O3 for more information.

E5 Reporting according to Article 8 of the EU Taxonomy Regulation

Accounting policies

According to Article 8 of the EU Taxonomy Regulation (the taxonomy), turnover, capital expenditure (CapEx) and operational expenditure (OpEx) are defined as described below. For CapEx and OpEx, these definitions are different compared with Ericsson's financial reporting. The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and as endorsed by the EU. The basis of preparation of the financial statements is explained in note A1 to the consolidated financial statements.

Turnover

Total turnover corresponds to net sales in the consolidated income statement.

CapEx

Total CapEx corresponds to additions, including capitalized research and development costs, to balance sheet items property, plant and equipment, intangible assets, before any remeasurement, depreciation, amortization or impairment and excluding any changes in fair value but including the effect of business combinations, as specified in notes C1 and C2 to the consolidated balance sheet, complemented by additions/changes in IFRS16 classified right-of-use assets, as specified in note C3 to the consolidated balance sheet as presented in the Financial Report, part of the Annual Report.

OpEx

Total OpEx corresponds to non-capitalized research and development costs, building renovation costs, short-term leases, maintenance and repair costs, as well as other indirect costs for the day-to-day servicing of assets of property, plant and equipment.

Eligible turnover, CapEx and OpEx

Turnover, CapEx and OpEx in accordance with the above definition and which is associated with eligible activities (see below) constitutes the basis for calculating the share of eligible turnover, CapEx and OpEx. Amounts recorded on product codes related to eligible activities have been used as the basis to calculate amounts of eligible turnover, CapEx and OpEx. A reconciliation of amounts has been performed to avoid any double-counting.

Changes in accounting policies or disclosures compared with the previous reporting period

The adoption of the Environmental Delegated Regulation in 2023 has supplemented the taxonomy with additional economic activities. Ericsson has assessed several of these as relevant to include in its disclosures starting from the fiscal year 2023. Comparative data for 2022 related to these activities has not been included.

Eligible and aligned economic activities

Identifying economic activities relevant for the Company has required interpretations of the taxonomy as well as the delegated regulations. Ericsson's interpretation is that for an economic activity to be considered taxonomy-eligible, it must:

- Be, or be aimed at, generating external turnover
- Meet the description of an activity included in one of the annexes to the Climate or Environmental Delegated Regulation, and
- Have practically applicable technical screening criteria associated with it.

Based on this interpretation, turnover, OpEx and CapEx derived from activities meeting these criteria have been included as taxonomy-eligible in the key performance indicators presented below. Moreover, individually eligible CapEx and OpEx (see below) can also be added to the share of eligible and aligned CapEx and OpEx. However, there remains some uncertainty around how the taxonomy should be applied, and interpretations, as well as reporting practices, are expected to evolve over time.

Climate Delegated Regulation

Activities in the telecommunication sector are not yet included in the Climate Delegated Regulation of the taxonomy. The European Commission states in the Delegated Regulation that it may consider adding such activities and developing additional technical screening criteria in the future. However, at present most of Ericsson's commercial offering to its customers, including mobile networks, is not covered by activities included as eligible activities in the Climate Delegated Regulation.

Data-driven solutions for GHG emissions reductions (Climate change mitigation (CCM) 8.2)

Ericsson offers artificial intelligence-powered and data-driven operations solutions, focusing on managing energy assets efficiently through intelligent site measurements and control, enabling customers to improve network energy efficiency, and consequently reducing energy-related greenhouse gas (GHG) emissions. This activity does not currently meet the associated technical screening criteria, and related turnover, CapEx and OpEx are therefore not reported as aligned.

Computer programming and related activities (Climate change adaptation (CCA) 8.2)

Within all business areas, software development is part of Ericsson's commercial offering to its customers. Should expenditures associated with making this activity more resilient to the effects of climate change be incurred, these will be accounted for as either eligible CapEx or OpEx. Related turnover is not included in the share of eligible turnover since this activity is not classified as an enabling activity, as defined in the taxonomy.

Ericsson has not incurred any expenditures of this nature during the reporting year.

Environmental Delegated Regulation

As the activities below were added to the taxonomy in 2023, Ericsson is reporting on eligibility but not alignment of related turnover, CapEx and OpEx for the fiscal year 2023, in accordance with the amendments to the Disclosure Delegated Regulation.

Manufacture of electrical and electronic equipment (Circular economy (CE) 1.2)

Ericsson sells electronic equipment in the form of network hardware such as radios, antennas, basebands, power modules, routers and modems, and site materials such as cables and batteries. The equipment is manufactured both at own manufacturing sites and by third-party electronics manufacturers. Equipment sold as part of a solution, but which Ericsson has not been involved in designing, such as laptops sold as part of a network (so-called third-party equipment), is excluded from eligible turnover as Ericsson does not have any significant influence over choice of input materials or over features such as durability, reusability or recyclability.

Repair, refurbishment and remanufacturing (Circular economy (CE) 5.1)

Ericsson offers hardware support services to its customers, which includes repairing and refurbishing network equipment.

Sale of spare parts (Circular economy (CE) 5.2)

Ericsson sells spare parts, including refurbished spare parts, for network equipment it has sold to customers.

Individually eligible CapEx and OpEx

It is permitted to include expenditures for purchases of products and services related to other economic activities than those stated above as eligible and aligned CapEx and OpEx, if these are included in either the Climate or Environmental Delegated Regulation, and if the economic activity of the supplier of the product or service in question is taxonomy-eligible and aligned, as applicable. Ericsson includes expenditures for motor vehicles (CCM 6.5), vehicle charging infrastructure (CCM 7.4), and energy-efficiency measures in buildings (CCM 7.3) as eligible and, where applicable, aligned CapEx and OpEx. As the assessment of alignment of these activities requires detailed information about the suppliers' own taxonomy alignment, Ericsson is currently not able to assess to what extent identified individually eligible CapEx and OpEx can be considered to also be taxonomy-aligned.

Minimum safeguards

Minimum safeguards are yet to be assessed in detail. Ericsson's policies and procedures to prevent bribery, corruption and anticompetitive behavior are detailed in note G2 and its policies and procedures as relates to human and labor rights in notes S1 to S3.

Note E5, cont'd.

Nuclear and fossil gas related activities**Nuclear energy related activities**

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
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The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
--	----

The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
---	----

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
--	----

The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
---	----

The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No
--	----

Key performance indicators

Turnover	Substantial contribution criteria							Does no significant harm (DNSH)					Category enabling activity	Category transitional activity			
	Code ¹⁾	Turnover SEK million	Proportion of turnover 2023 %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water			Pollution	Circular economy	Biodiversity
Economic activities				Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	%
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A1 Environmentally sustainable activities (Taxonomy-aligned)																	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (A1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Of which enabling (%) activities</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E
<i>Of which transitional (%) activities</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)																	
				Objective(s) for which activity is eligible ²⁾													
Data-driven solutions for GHG emission reductions	CCM 8.2	48	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0
Manufacturing of electrical and electronic equipment	CE 1.2	93,288	35	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Repair, refurbishment and remanufacturing	CE 5.1	6,064	2	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Sale of spare parts	CE 5.2	929	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Turnover of Taxonomy-eligible but not env. sustainable activities (A2)		100,329	38														0
Turnover of Taxonomy-eligible activities (A1+A2)		100,329	38														0
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																	
Turnover of Taxonomy non-eligible activities		163,022	62														
Total		263,351	100														

Proportion of turnover / Total turnover

(%)	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0	0
Climate change adaptation	-	-
Water and marine resources	-	-
Pollution prevention and control	-	-
Circular economy	0	37
Biodiversity	-	-

¹⁾ Abbreviated activity codes:

CCM: Climate change mitigation

CCA: Climate change adaptation

CE: Circular economy

²⁾ Eligible (EL) / Non-eligible (N/EL):

Note E5, cont'd.

CapEx	Substantial contribution criteria							Does no significant harm (DNSH)											
	Code ¹⁾	CapEx SEK million	Proportion of CapEx 2023 %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) CapEx 2022 %	Category enabling activity	Category transitional activity
Economic activities				Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible	Yes / No / Not eligible		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1 Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (A1)																			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Of which enabling (%) activities</i>																			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E
<i>Of which transitional (%) activities</i>																			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)																			
																	Objective(s) for which activity is eligible ³⁾		
Purchases and leases of vehicles ²⁾	CCM 6.5	257	5	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0
Data-driven solutions for GHG emission reductions	CCM 8.2	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Manufacturing of electrical and electronic equipment	CE 1.2	2,006	37	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Repair, refurbishment and remanufacturing	CE 5.1	65	1	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
Sale of spare parts	CE 5.2	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	-
CapEx of Taxonomy-eligible but not env. sustainable activities (A2)		2,328	43																0
CapEx of Taxonomy-eligible activities (A1+A2)		2,328	43																0
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		3,097	57																
Total		5,425	100																

Proportion of CapEx / Total CapEx

(%)	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0	5
Climate change adaptation	-	-
Water and marine resources	-	-
Pollution prevention and control	-	-
Circular economy	0	38
Biodiversity	-	-

¹⁾ Abbreviated activity codes:

CCM: Climate change mitigation

CCA: Climate change adaptation

CE: Circular economy

²⁾ Full name: Transport by motorbikes, passenger cars and commercial vehicles³⁾ Eligible (EL) / Non-eligible (N/EL):

Note E5, cont'd.

OpEx	Code ¹⁾	OpEx SEK million	Proportion of OpEx 2023 %	Substantial contribution criteria						Does no significant harm (DNSH)							
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) OpEx 2022 %
Economic activities				Yes / No / Not eligible						Yes / No							
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A1 Environmentally sustainable activities (Taxonomy-aligned)																	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OpEx of environmentally sustainable activities (A1)																	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Of which enabling (%) activities</i>																	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E
<i>Of which transitional (%) activities</i>																	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)																	
				Objective(s) for which activity is eligible ³⁾													
Purchases and leases of vehicles ²⁾	CCM 6.5	56	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0
Data-driven solutions for GHG emission reductions	CCM 8.2	9	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0
Manufacturing of electrical and electronic equipment	CE 1.2	17,070	29	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						-
Repair, refurbishment and remanufacturing	CE 5.1	35	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						-
Sale of spare parts	CE 5.2	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL							-
OpEx of Taxonomy-eligible but not env. sustainable activities (A2)		17,170	29														0
OpEx of Taxonomy-eligible activities (A1+A2)		17,170	29														0
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																	
OpEx of Taxonomy non-eligible activities		41,836	71														
Total		59,006	100														

Proportion of OpEx / Total OpEx

(%)	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0	0
Climate change adaptation	-	-
Water and marine resources	-	-
Pollution prevention and control	-	-
Circular economy	0	29
Biodiversity	-	-

¹⁾ Abbreviated activity codes:

CCM: Climate change mitigation

CCA: Climate change adaptation

CE: Circular economy

²⁾ Full name: Transport by motorbikes, passenger cars and commercial vehicles³⁾ Eligible (EL) / Non-eligible (N/EL):

E6 Environmental management

Environmental Management System

Ericsson's Sustainability policy is the Company's foundation for environmental management. The policy articulates, among other things, that Ericsson shall use LCA methodology to determine its significant environmental aspects and to assess the environmental impact of ICT, that it shall reduce the negative environmental impact of its own operations and take a precautionary approach to environmental challenges and apply design to ensure continuous environmental improvements with a life-cycle perspective regarding its portfolio.

In adherence with the Sustainability policy, Ericsson continuously strives to minimize the negative impacts of its own operations. The Company's Environmental Management System (EMS) is certified to the ISO 14001:2015 standard, covering management, research, product management, development and supply, sales and installation, and maintenance of hardware, software, services and solutions for ICT. The EMS, as an integrated part of the Ericsson Group Management System, builds on Group-wide processes such as audits and assessments as well as management reviews.

Environmental aspects are assessed to identify those that are significant, which forms the basis for setting targets. Environmental regulation is periodically monitored and evaluated on a country level to ensure that Ericsson meets environmental compliance obligations.

In addition to Ericsson's Enterprise Risk Management (ERM) framework, a specific Environmental Risk Management framework, which is aligned to ERM, is in place. The Company has an incident reporting system through which employees and suppliers are encouraged to report environmental incidents. Incident reporting is part of the environmental requirements for suppliers included in the Ericsson Code of Conduct for Business Partners.

Metrics

Incidents reported

(No.)	2023	2022	2021
Significant environmental incidents ¹⁾	0	0	0

¹⁾ A significant environmental incident is defined as an unplanned event that has resulted in, or may result in, severe long-term negative environmental impact, including impact on air, water, land, natural resources, flora and/or fauna.

Land use and biodiversity

As part of its analysis of material impacts, risks and opportunities, Ericsson has assessed its impacts on biodiversity and ecosystems. The conclusion of this analysis was that the main drivers of loss of biodiversity and degradation of ecosystems on which Ericsson and its value chain has an impact are climate change, use of natural resources and air pollution. These impacts, and Ericsson's approach to addressing them, are further described in notes E1 to E4.

Other main drivers of biodiversity loss and degradation of ecosystems are changes in land and sea use as well as the introduction of invasive species. Ericsson did not identify any material impacts related to these two drivers in the ICT industry in general or in Ericsson's value chain in particular through its materiality analysis. Ericsson's facilities, including offices, data centers, test labs and production sites, are located in urban or semi-urban areas with limited impact on land use and surrounding ecosystems. In some instances, Ericsson supports customers when building telecommunication sites. In such cases, Ericsson's standard procedures include considering location selection as part of minimizing the environmental impact from land use.

Consequently, Ericsson addresses its biodiversity-related impacts through its efforts within climate change mitigation, work to reduce pollution, and its transition to a circular economy. Biodiversity, including ecosystems, is therefore not managed or reported on as a standalone matter.

Section S– Social

S1 Human capital

Impacts, risks and opportunities

With a workforce of around 113,000 people located in more than 110 countries, counting both employees and the external workforce, Ericsson has identified several impacts related to its own workforce.

In several of the countries where Ericsson operates and has a significant share of its workforce there are heightened risks of violations of international conventions on labor rights and decent working conditions, as well as weak enforcement of local labor laws such as adequate wages, excessive working time and the right to freedom of assembly and freedom of association. Countries and regions with heightened risks in one or several of these areas include, but are not limited to, China, India, Southeast Asia, the Middle East and Africa, and parts of Latin America. This means Ericsson must ensure its local employment policies and practices provide for secure and fair working conditions for its workforce globally and in these markets in particular.

While diversity and inclusion are global challenges, several of the aforementioned countries have higher risks of discrimination at work and non-respect of women's and minority rights. The ICT sector globally has a below average share of women in the workforce as well as in leadership roles. Within Ericsson, women today make up about 26% of all employees and 23% of managers. In recent years, Ericsson has had no substantiated cases of discrimination at work, and Ericsson performs above the benchmark when employees are surveyed on whether they believe the Company provides a workplace where people are given the same opportunities regardless of their background and if they are treated with respect and dignity. Nevertheless, Ericsson must remain vigilant and continue to promote an inclusive culture based on mutual respect, with equal treatment and opportunities for all.

Ericsson provides relevant training and development programs to its workforce, ensuring that employees build critical skills and that the company is an attractive employer. This applies to both skilled professionals working in R&D and commercial areas, as well as professionals in many other job roles and functional areas.

Impacts related to the health, safety and well-being of Ericsson's employees are described further in note S2.

How Ericsson manages its workforce, and how it is perceived as an employer by current and potential employees, can affect its abilities to attract and retain key talent, which in turn can impact the Company's competitiveness, ability to innovate and efficiently execute on its strategy. Workforce-related factors such as diversity and inclusion are also increasingly part of customers' supplier evaluation processes, meaning Ericsson's performance in this area could have an effect on how the Company is assessed in tenders and proposals. Ericsson's ability to upskill and reskill its workforce in critical areas can also affect the Company's ability to secure its strategic priority of technology leadership.

Policies

Ericsson's Code of Business Ethics (CoBE), applicable to all people working for Ericsson, outlines the Company's position on being committed to fostering an inclusive and supportive workplace where people can reach their full potential with respect for the dignity of every human being and in accordance with all internationally recognized human rights, including those outlined in the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. All forms of discrimination are prohibited, even if local law permits it, including discrimination based on factors such as race, color, gender, language, religion, political affiliation, national or social origin, pregnancy or parental status, disability, marital status, age, sexual orientation, gender identity and/or expression, transgender status, health status, trade union membership or any other characteristic.

Anchored on the CoBE is the People Group Policy, which further articulates that Ericsson is committed to equal opportunity in employment, development, compensation, benefits and all other personnel actions without discrimination. The principles set out in the policy include, but are not limited to the idea that every individual's employment opportunities shall be based on openness and fairness, and that pay and recognition will reward impact and be based on the principles of competitiveness, fairness and transparency.

Executive variable remuneration

A portion of the variable remuneration to executives is determined by performance on the Company's target to increase the share of women in line manager positions. See page 7 of the Remuneration report for further information.

Management approach

Ericsson's ability to attract, develop and retain talent is largely determined by the experience it provides for its people. Ericsson strives to enable employees to realize their full potential, and in doing so, create long-term value for the business. Focal points of the strategy are culture and leadership, diversity and inclusion, fair and competitive rewards, career development, and well-being. Ericsson's People Strategy is governed by Ericsson's Global People Leadership Team, headed by the Chief People Officer, with the team having responsibility for strategy formulation and execution. Subject matter experts develop Group-wide core processes that are embedded throughout business areas and market areas, and other Group functions by unit people leaders. A global People Services unit supports delivery, ensuring consistent practices across the business.

Culture and leadership

A strong company culture with defined core values and key behaviors is a prerequisite for both a positive people experience and for successfully executing on business strategies. The cornerstone of Ericsson's culture are the following four core values:

- Professionalism: Building trust by delivering on promises
- Respect: Listening and caring with authenticity
- Perseverance: We continually challenge ourselves to be at the forefront of innovation
- Integrity: Making transparent, honest and uncompromising decisions.

Ericsson's key behaviors, which are called the Five Focus Areas, were introduced as part of a major culture transformation initiative. Each employee is expected to live the core values and demonstrate the Five Focus Areas consistently. These Five Focus Areas are:

Empathy and humanness	Fostering empathy for different perspectives and approaches, enabling people to bring their unique perspectives and humanness.
A speak-up environment	Creating an environment where it is safe to share ideas, ask questions, and speak up if observing compromises on ethics.
Cooperation and collaboration	Encouraging cross-company cooperation and acting as one Ericsson, with the customer in focus.
Executing speedily	Moving quickly when needed to seize opportunities.
Fact-based, courageous, and ethical decision-making	Basing decisions on the right data and being brave to take tough decisions – always with an ethical lens.

Engaging with employees

Surveys are carried out regularly to understand how employees are experiencing work and their perceptions of the Company, its leadership and strategies. Results are summarized on both Group and unit level for managers and leaders to be able to act when and where appropriate. See note S2 for information about occupational health and safety committees in which both employer and employee representatives participate.

Channels for raising concerns

Employees are expected to report concerns related to corruption, fraud, accounting, internal controls, discrimination and harassment, human rights or other matters that could constitute a breach of law, or that could harm the business or reputation of Ericsson, its employees and shareholders, directly to their manager, the superior of a manager or to the People or Legal and Compliance departments. In addition, concerns can be raised via the Ericsson Compliance Line, either through a secure website or by telephone at any time, see further details in note G2.

Note S1, cont'd.

Diversity and inclusion

Ericsson fosters a work environment based on respect. Treating colleagues with respect, dignity and inclusion brings out the best in everyone and is the right thing to do. At Ericsson, there is no room for harassment, threats, bullying or violence against anyone regardless of their position or seniority, and all forms of harassment, threats and acts of violence are prohibited.

Ericsson is committed to creating a diverse and inclusive organization, as this is core to the Company's values and helps ensure that it attracts the best global talent, fosters innovation, and brings greater value to customers. Accountability for diversity and inclusion sits with all leaders at Ericsson including the CEO and Executive Team, with strategy led by the Global People Leadership Team. Each business area, market area and Group function has a dedicated diversity and inclusion lead responsible for driving strategy execution and performance.

Ericsson aims to achieve a greater gender balance alongside increasing the representation of currently underrepresented groups. To achieve this, Ericsson focuses on creating unbiased people processes so that, for example, job advertisements use gender-neutral language, and on upskilling employees in inclusive leadership through training programs.

Ericsson supports a network of more than 42 employee resource groups throughout the organization including but not limited to sexual orientation, gender, age, families, health, and well-being. It also provides career development programs focused on removing barriers to progression for these groups.

Compensation and rewards

At Ericsson, the guiding principle is that people should be paid in a fair way and be recognized and rewarded for the impact that they create. Consequently, pay and benefits offered are market competitive and relevant to the individual with the aim to provide a broad reward offering to attract and retain talent and to keep employees feeling engaged, supported and rewarded.

Ericsson is consistent in its rewards offerings and works to ensure that pay decisions are non-discriminatory, based on the Company's pay philosophy and always applied using the same criteria. There is a defined and globally consistent job leveling and job architecture in place to ensure that pay is competitive and fair. To drive fairness and consistency and promote a culture of appreciation, the Company has put in place a global recognition program and platform.

The global job leveling and job architecture enable Ericsson to make meaningful comparisons on pay, and the Company continues to refine its review of pay equity to identify where unexplained pay differences may exist.

Career and development

Ericsson enables its people to develop skills and experience through on the job training and a focus on internal mobility. A set of critical skills areas necessary to execute on the growth strategy of extending leadership in mobile networks, and focused expansion into enterprise have been identified, including technology, commercial and power skills. Learning and development opportunities connected to these critical skills range from introductory and fundamental, to experienced and advanced training, and are offered to upskill and reskill employees both for their job roles and to prepare for the future. Employees are offered internal job rotation opportunities, and Ericsson often first looks internally for candidates to fill open positions.

Upskilling and reskilling are further facilitated by a digital learning platform, which gives employees easy access to material and courses, and gives the Company a tool for tracking and analyzing progress and completions for measuring skills shifting.

Besides training and development programs in the scope of the critical skills areas, employees have access to a broad range of upskilling assets such as online internal and external courses and articles through the digital learning platform. Together with their managers, employees set individual annual and long-term career goals and learning plans. Employees also receive annual individual performance evaluations. The Company further emphasizes and recognizes those who participate in its Teach for Ericsson program, understanding that a teaching culture is essential to amplifying a learning culture.

Remote and flexible working arrangements

Ericsson offers possibilities for remote working in a hybrid model to employees where job role and responsibilities allow for it. When possible, employees are also offered flexible working hours to help them balance work and personal commitments. For more information on approaches to well-being, see note S2.

Strategic workforce management

Ericsson uses workforce planning and analytics to plan the workforce size and capabilities required to match current and future business needs and ensure that the right resources are in the right place at the right time and at the right cost. A People Analytics and Digital Solutions team provides analytics and insight to support leaders on both Group and unit level in making informed workforce and business decisions.

Metrics and targets

Targets

Gender diversity

To further the policy objectives of inclusiveness and equal opportunity, Ericsson has set a target to increase the share of women among all employees, line managers and executive population, as outlined below.

Employee category	Base year (BY)	Target year	Share in BY (%)	Target share (%)	Share in 2023 (%)
All employees			25.2		26.0
Line managers	2021	2030	21.3	≥ 30	22.7
Executive population			35.6		31.4

Metrics

Characteristics of employees in the workforce and diversity metrics

Employees (Headcount)	2023	2022	2021
Executive Team	16	17	15
Executive population ¹⁾	175	177	163
Line managers	7,499	7,602	7,241
Technical employees ²⁾	74,454	78,789	75,859
Non-technical employees	17,808	18,944	18,044
Total	99,952	105,529	101,322

Employees by gender

Employees (Headcount)	2023	2022	2021
Male	73,919	78,518	75,815
Female	25,954	26,901	25,480
Other/Not reported	79	110	27
Total	99,952	105,529	101,322

Share of women per employee category

(%)	2023	2022	2021
Executive Team	25	18	20
Executive population ¹⁾	31	35	36
Line managers	23	22	21
Technical employees ²⁾	22	21	20
Non-technical employees	46	46	47
All employees³⁾	26	25	25

¹⁾ Employees reporting to members of the Executive Team.

²⁾ Non-managerial employees in job roles within the fields of science, technology, engineering and mathematics (STEM).

³⁾ 2022 share presented here differs from the share presented in note G4 in the Financial report (26%) due to nominal differences when rounding to the nearest whole percentage point.

Note S1, cont'd.

Employees by contract type and gender

2023 (Headcount)	Male	Female	Other / Not reported	Total
Permanent employees	72,686	25,503	79	98,268
Temporary employees	1,233	451	-	1,684
Non-guaranteed hours employees	-	-	-	-
Total	73,919	25,954	79	99,952
Full-time employees	73,442	25,482	79	99,003
Part-time employees	477	472	-	949
Total	73,919	25,954	79	99,952

Share of employees by age group¹⁾

(%)	2023	2022	2021
<30	13	15	14
30–50	66	65	67
>50	21	20	19

Employees by country²⁾

(Headcount)	2023	2022	2021
India	22,848	23,112	21,777
Sweden	13,977	14,481	14,183
China	9,950	10,791	10,723
Other countries	53,177	57,145	54,639
Total	99,952	105,529	101,322

Share of employees by nationality and employee category³⁾

2023 (%)	All employees	Line managers	Technical employees ⁴⁾
Indian	26	20	30
Chinese	11	10	11
Swedish	10	16	9
American	5	6	4
Mexican	3	2	4
Other	44	46	41

2022 (%)	All employees	Line managers	Technical employees ⁴⁾
Indian	25	20	29
Chinese	11	10	12
Swedish	10	16	9
American	6	6	5
Romanian	4	3	3
Other	44	45	42

¹⁾ Data on employees broken down by age groups for previous years has been restated. See note O3 for more information.

²⁾ Country-level data is disclosed for countries representing at minimum 10% of the global headcount.

³⁾ Nationalities disclosed are the top five nationalities among all employees.

⁴⁾ Non-managerial employees in job roles within the fields of science, technology, engineering and mathematics (STEM).

Employee movements

Turnover (No. / %)	2023	2022	2021
Employees who have left the company (No.)	13,362	14,381	11,631
Turnover rate (%)	13	14	12
Leavers by gender (%)			
Men	74	74	76
Women	26	26	24
Other / not reported	0	0	0
Leavers by age (%) ¹⁾			
<30	23	30	29
30–50	56	60	58
>50	21	10	13

Hiring

(No. / %)	2023	2022	2021
Employees who have joined the company (No.)	7,785	17,235	12,129
Hiring rate (%)	8	17	12
New joiners by gender (%)			
Men	68	72	70
Women	31	27	30
Other / not reported	0	0	0
New joiners by age (%) ¹⁾			
<30	49	45	49
30–50	47	50	47
>50	4	5	4
Positions filled by internal candidates (%) ²⁾	49	37	40

¹⁾ Data on leavers and new joiners broken down by age for previous years has been restated. See note O3 for more information.

²⁾ Derived by dividing the number of positions filled in a year by people already employed by Ericsson by the total number of positions filled in the same year.

Characteristics of non-employees in the workforce

Besides employees, Ericsson also has an external workforce that does not have a direct employment relationship with the Company. This workforce is primarily made up of consultants working in the fields of service delivery, product development and supply. Every year, Ericsson also offers internships to students and new graduates in various parts of the Company.

Non-employees in workforce

(Headcount)	2023	2022	2021
External workforce	13,125	18,088	12,308

Collective bargaining

Ericsson respects the right of all employees to form or join independent trade unions as well as the right to collective bargaining. In places where local laws restrict these rights, Ericsson seeks other ways of having a meaningful dialogue with employees. This includes alternative, independent and freely elected forms of employee representation such as employee committees or councils. As for the rights of employees of suppliers, Ericsson's requirements in this area are set out in its Code of Conduct for Business Partners. These requirements are on par with the rights of Ericsson's own employees.

Collective bargaining agreements

(%)	2023	2022
Employees covered ¹⁾	29	29

¹⁾ In 2023 and 2022 Ericsson mapped out the existence and coverage of collective bargaining agreements in the 20 countries with the largest employee headcount. These countries cover approximately 87 (86)% of the Group's total headcount. The share of employees covered stated above is based on this mapping, assuming the remaining unsurveyed 13 (14)% of the total headcount is not covered. Comparative figures for 2021 are not available.

Note S1, cont'd.

Training and skills development metrics

Average recorded training hours per employee and by gender ¹⁾			
(Hours)	2023	2022	2021
Men	38.6	18.9	19.7
Women	36.8	17.8	17.0
All employees	38.1	18.6	19.0

Completed learning opportunities by gender ¹⁾²⁾			
(Thousands)	2023	2022	2021
Men	3,598	2,283	2,321
Women	1,230	757	823
Total	4,828	3,040	3,144

Spend on learning and development			
(SEK thousands)	2023	2022	2021
Average per employee	3.2	4.0	3.8

Share of employees receiving performance and career development reviews ¹⁾³⁾			
(%)	2023	2022	2021
Men	93	93	n/a
Women	92	91	n/a
Total	93	93	91

¹⁾ Excludes employees of Vonage and Cradlepoint.

²⁾ Refers to learning contents (courses, articles, webinars etc.) consumed and completed through Ericsson's learning platform and includes both external and Ericsson-internal content.

³⁾ Performance evaluations recorded as of January 31 the following year. Field service personnel excluded.

Remuneration metrics

Ratio of compensation of women to men ¹⁾			
(%)	2023	2022	2021
Base salary	85	84	86
Total compensation	85	82	82

CEO to employee pay ratio ²⁾³⁾⁴⁾			
(Ratio)	2023	2022	2021
Base salary – Sweden	27	26	26
Base salary – Global	39	40	48
Total compensation – Sweden	76	75	74
Total compensation – Global	103	109	124

¹⁾ The figures presented above reflect the average unadjusted pay ratio of women to men for Ericsson's employees globally. This metric does not take into consideration other factors affecting compensation levels, such as location, job role and responsibilities, experience, age, education level etc. For timing and practical reasons, the calculations are based on compensation levels as of the end of the third quarter of each respective year. Total compensation includes full time annual base salary, short-term variable pay (STV) / sales incentive plan (SIP) target entitlement, and long-term variable (LTV) pay grants given in the current year. The figures for total compensation ratios exclude Field Service Organization employees in certain companies that follow local STV plans making it difficult to make relevant comparisons (about 1,100, 1,600 and 7,000 individuals in 2023, 2022 and 2021 respectively). The total compensation ratio includes employees of Vonage (now part of business area Global Communication Platform) from the year 2023 and employees of Cradlepoint (now part of Business Area Enterprise Wireless Networks) from the year 2022.

²⁾ For comparison reasons, base salary in this context excludes holiday pay in Sweden (including for the CEO) and therefore differs from the data presented in the table Total Remuneration to the President and CEO and Executive Vice President on page 5 in the Remuneration report, which includes holiday pay.

³⁾ For comparison reasons, Total Compensation in this context is based on STV/SIP target level entitlement and LTV granted for each respective year (including for the CEO) and therefore differs from the information presented in the table Total Remuneration to the President and CEO and Executive Vice President, on page 5 in the Remuneration report, which shows actual earned STV and vested LTV. The total compensation ratio includes employees of Vonage (now part of business area Global Communication Platform) from the year 2023 and Cradlepoint (now part of Business Area Enterprise Wireless Networks) from the year 2022.

⁴⁾ Ratios for previous reporting periods have been restated. See note O3 for more information.

Employee satisfaction

Employee satisfaction by gender			
(eSAT score) ¹⁾	2023	2022	2021
Men	80	81	81
Women	80	81	81
Total	80	81	81

¹⁾ Measuring scale: 0–100 with 100 being the most favorable score. Employees of Vonage are excluded from these statistics and employees of Cradlepoint are excluded from the 2021 data.

S2 Health, safety and well-being

Impacts, risks and opportunities

Ericsson has identified material impacts within health, safety and well-being related to both its employees and employees of suppliers such as contractors and site services suppliers. In recent years, Ericsson has recorded several fatalities among supplier employees, particularly within field operations, and two fatalities among its own employees.

The two primary causes of these fatalities have been falling when working at heights and road traffic accidents, with the latter sometimes also involving fatal injuries to third parties such as members of the public. The same causes, together with manual handling and lifting, and working with electricity, represent most of the lost workday incidents recorded in recent years. These incidents have involved both own employees as well as supplier employees.

For the workforce not involved in field service-related activities, the main identified risks related to health and well-being are mental health problems caused by stress, anxiety and poor work-life balance, and musculoskeletal illnesses caused by, for example, repetitive or static work patterns or lifting objects. Ericsson has a responsibility to ensure the health, safety and well-being of all people working for the Company.

Work environment conditions such as health and safety are commonly included in customers' supplier evaluation processes, meaning Ericsson's performance in this area could affect how the Company is assessed in tenders and proposals.

Policies

Ericsson's approach and commitments are set out in its Health, Safety, and Well-being policy, which states that the Company shall apply a risk-based approach to prevent, control and mitigate work-related hazards and risks, and continually improve its processes. Ericsson shall comply with customer and other applicable health and safety requirements that extend beyond legal compliance, even when these requirements exceed local legislation. Further, Ericsson shall design workplaces and work processes, and provide tools that promote and support the health, safety and well-being of workers. The Company shall provide necessary training and engage and consult with employees and other stakeholders to get input for continuous improvement of the health, safety and well-being management system.

Additionally, through its Code of Conduct (CoC) for Business Partners, Ericsson sets requirements for occupational health and safety (OHS) for itself and its business partners, including suppliers. These requirements include taking a risk-based approach to health and safety, that employees are appropriately educated, trained and have the right experience to perform their tasks, and that appropriate incident reporting and investigation procedures are in place. For suppliers supplying construction, field maintenance, network rollout, warehouse services, or where otherwise included in the supplier contract, Ericsson has additional and more detailed OHS requirements in place to mitigate risks.

Management approach

Health, safety and well-being is governed globally by two forums. The Global OHS Board, chaired by the Chief Marketing and Communications Officer, makes decisions and provides guidance on the OHS strategy and global programs. The Major Incidents and Performance Review Board, co-chaired by executives in the Managed Services and Networks organizations, reviews fatal and major incidents, root causes and actions taken, and follows up on performance and compliance. Both forums are mirrored in the market areas to promote consistency, alignment and accountability across the Group.

Ericsson drives a proactive agenda that goes beyond legal compliance, international standards and customer requirements to prevent work-related injuries and illnesses. The Ericsson Care program is the company's overarching approach for its health, safety and well-being efforts to reach Ericsson's target of zero fatalities and lost workday incidents. See below for more information about this target. Annual health, safety and well-being risk and opportunity assessments are conducted to identify strategic risks as well as the recurring

risks and opportunities. These assessments are aligned to the Enterprise Risk Management framework.

OHS Management System

The Company's OHS management system is a part of the Ericsson Group Management System and is designed to mitigate health, safety and well-being risks, as well as capture and implement opportunities for improvement in these areas across Ericsson's business and processes. It is certified to ISO¹⁾ 45001, the international standard for OHS management.

Stop Work Authority

All people working for Ericsson are provided with the authority, responsibility and obligation to stop their own work or intervene in other's work in situations where there is a belief that there is imminent danger of life-threatening injury or serious illness. Such cases shall be reported using the incident reporting process described below. Work shall only recommence once the risk has been mitigated and the workplace is safe. People applying Stop Work Authority shall not be criticized or penalized in any way. Ericsson does not accept any form of retaliation toward a person stopping their work or reporting a related case.

Incident reporting and investigation

Ericsson has a global incident reporting tool for reporting hazards, near misses and incidents involving employees, suppliers and anyone working on behalf of Ericsson supporting its operations. Concerns related to remote working can also be reported through this tool. Reported incidents are investigated by performing a root-cause analysis to remedy any damage and prevent recurrence.

Supplier management

Ericsson has specific OHS requirements for suppliers that are part of contracts, and it is continuously strengthening its processes to improve safety performance in its supply chain. The Company has introduced a supplier safety maturity assessment process to qualify suppliers against a set of predefined criteria. Based on the maturity assessment, an improvement plan is developed and shared with the supplier. Completion of actions in the improvement plan is aimed at helping suppliers improve their safety performance and maturity, and each supplier should complete assigned actions within set timelines. Ericsson applies consequence management to suppliers who do not close their actions in time or refuse to complete or be part of the assessment.

Site services suppliers failing to adhere to Ericsson's health and safety requirements are handled through a consequence management process. To mitigate the risk of repeated failure of suppliers to follow rules and procedures, Ericsson imposes consequences such as financial penalties, reduction of business volumes, more quality inspections and audits, and written warnings. In severe cases, supplier relationships can be terminated.

Employee consultation and participation

Ericsson has established OHS committees that include managers and employees, or employee representatives where such exist. The committees meet on a regular basis, follow up on OHS performance, and discuss and decide on actions for improvement of the OHS management system and its processes. Communication around health, safety and well-being targets, performance, programs and training is available for all employees through internal channels such as the intranet and newsletters.

Employees are asked yearly about health, safety and well-being through an annual employee survey, which includes questions about their perceptions of the Company's efforts within health, safety and well-being, as well as their perceived work-life balance.

Health and well-being

Ericsson has a dual approach for well-being made up of a combination of organizational components and individual areas. The organizational components draw on the growing understanding of the conditions that enable health and well-being and the benefits of good work and include:

¹⁾ International Organization for Standardization

Note S2, cont'd.

- Supportive workplace environment: An inclusive environment in which jobs are designed to consider physical, social and emotional well-being
- Leadership advocacy: Safety and well-being behaviors role-modeled by leaders to drive accountability at all levels of the Company.

The individual areas are interrelated and comprise:

- Physical: Maintaining healthy habits in fitness, nutrition, disease prevention and rest
- Emotional: Good mental health and work-life balance, taking time to disconnect and recover, managing stress, and adapting to and coping with change
- Financial: Being financially resilient, educated and confident to make financial decisions so that employees are prepared for the unexpected and on track for their future plans
- Social: Sense of belonging, respect and feeling of purpose in career and life.

Ericsson allows for hybrid and flexible working arrangements, which facilitates greater autonomy for employees on where and when they perform their work. A home furniture package is provided to improve ergonomics for hybrid working employees, aimed at preventing musculoskeletal ill-health caused by poor posture. Ericsson offers confidential counselling and well-being support online or via telephone through an external employee assistance program provider.

Training and awareness raising

All Ericsson employees and employees of site services suppliers are required to take health, safety and well-being induction training. Additional training is required based on a person's role and risk exposure to ensure adequate competence needs are met. Further, targeted web-based training that covers safe driving awareness and lifesaving rules¹⁾ is available to all employees and suppliers. Ericsson has a safety leadership training program for leaders within three levels of the CEO including Executive Team members and selected key roles that have a direct impact on operational safety.

Ericsson's Walk the Talk guide also encourages all leaders to conduct regular safety and well-being walks by personally visiting a site and having a conversation exclusively about health, safety and well-being.

There is a mental health awareness and well-being training program in place which comprises:

- An online course on musculoskeletal health available to all employees on the importance of behaviors that alleviate injuries.
- An online course aimed at line managers and those in select key roles to improve their understanding of how to manage mental health in the workplace.
- Webinars available to all employees on how to improve self-care for mental health and well-being, information on prevalent diseases such as cardiovascular and diabetes, and financial well-being.
- A learning guide aimed at leaders on the connection between well-being and productivity, safety and performance, and how leaders can enhance well-being in their teams.

Metrics and targets

Targets

Fatalities and lost-workday incidents

Ericsson has a target to have zero work-related fatalities and lost workday incidents caused by either physical injuries or work-related illnesses by 2025. The target scope covers both Ericsson's own workforce and employees of field service suppliers.

Target Zero

Category	Base year	Target year	No. in base year	Targeted no.	No. in 2023
Fatalities	2020	2025	7	0	10
Lost workday incidents			143		97

¹⁾ Eight basic lifesaving rules that apply to the entire workforce, covering driving, seatbelts, wearing helmets, alcohol and drug use, personal protective equipment, working in drop zones and at heights, and electricity.

Metrics

Health and safety

Fatalities by involved party

(No.)	2023	2022	2021
Ericsson employees	1	0	1
Suppliers and subcontractors ¹⁾	8	6	11
Third parties ²⁾	1	2	2
Total	10	8	14

Fatalities by cause

(No.)	2023	2022	2021
Fall from heights	4	4	6
Driving/traffic accident	5	4	5
Electric accident	1	-	1
Slip and fall	-	-	1
Hit by falling object	-	-	1
Total	10	8	14

Lost workday incidents by involved party³⁾

(No.)	2023	2022	2021
Ericsson employees	53	96	77
Suppliers and subcontractors ¹⁾	43	30	66
Third parties ²⁾	1	5	2
Total	97	131	145

Employee fatality and lost workday incident rate

(per 500 FTEs) ^{4) 5)}	2023	2022	2021
Fatality rate	0.00	-	0.00
Lost workday incident rate	0.26	0.44	0.35

Lost workdays and reported near misses

(No.)	2023	2022	2021
Lost workdays ⁶⁾	1,679	3,040	2,390
Near misses	11,004	9,716	6,699

¹⁾ Primarily site service suppliers and subcontractors.

²⁾ Third parties refer to any person not working for Ericsson either as an employee or as a supplier or subcontractor, such as a member of the public, who is affected by an incident assessed to be within the Company's control.

³⁾ Incidents resulting in one or more lost workdays.

⁴⁾ Indicates the rate of fatalities/lost workday incidents occurring in a year per 500 full-time equivalents (FTEs), using 1,000,000 hours as the standardized average number of hours worked by 500 FTEs in one year. Total hours worked is estimated based on standard annual working hours for active employees and sums to 206 (220) (217) million hours. Due to limitations in data availability, data for suppliers and subcontractors is not available.

⁵⁾ Rates for previous reporting periods have been restated. See note O3 for more information.

⁶⁾ Ericsson is currently only able to collect information with satisfactory accuracy on the number of lost workdays for its own employees.

Supplier consequence management

Warnings by type of finding¹⁾

(No.)	2023		2022		2021	
	Red cards	Yellow cards	Red cards	Yellow cards	Red cards	Yellow cards
Working at heights	72	8	47	16	24	18
Incorrect use of PPE ²⁾	51	25	40	32	20	29
Insufficient incident and resource management	29	2	8	17	3	26
Lack of adherence to driving/vehicle standards	6	9	3	4	2	0
Lack of required and certified competence	41	16	15	17	11	18
Lack of risk assessment/Safe working conditions	44	24	83	86	22	74
Total	243	84	196	172	82	165

¹⁾ Red cards and yellow cards indicate the severity of the consequence issued to a supplier after a violation of our Health and Safety Standards. Red cards are used for serious breaches and carry significant consequences.

²⁾ Personal Protective Equipment.

Note S2, cont'd.

Well-being

Employee perceptions			
(Survey results)	2023	2022	2021
Balance ¹⁾	79	77	76
Well-being commitment ²⁾	80	85	87

¹⁾ Scoring of aggregated employee responses to the statement "I am able to successfully balance my work and personal life" measured on a scale of 0–100 with 100 being the most favorable result. Cradlepoint employees are not included in 2021 statistics. Vonage employees are not included.

²⁾ Scoring of aggregated employee responses to the statement "Ericsson takes a genuine interest in employees' well-being" measured on a scale of 0–100 with 100 being the most favorable result. Cradlepoint employees are not included in 2021 statistics. Vonage employees are not included.

S3 Human rights

Impacts, risks and opportunities

Ericsson has identified material impacts related to human rights in both its upstream and downstream value chain, as well as in its own operations. The analysis of impacts has been informed by Ericsson's prior stakeholder consultations, due diligence practices and analysis of business relationships. The material impacts related to human rights identified and described below are largely the same as the identified salient human rights issues across Ericsson's value chain.

Ericsson has an extensive supply chain with a global presence. Many suppliers and subcontractors are found in countries and regions including, but not limited to, Asia, the Middle East and Africa, and Latin America, where there are heightened risks of workers not being paid an adequate wage or having secure employment conditions, working excessive hours, not being provided with adequate housing, or their right to freedom of association not being respected. Similarly, in largely the same geographies, there are heightened risks of discrimination and harassment of women and other underrepresented groups or minorities in the workplace. Beyond its first-tier suppliers, Ericsson has also identified heightened risks of forced and child labor, in particular for activities involving the extraction of natural resources used in Ericsson's hardware, as well as electronics manufacturing in certain parts of the world including, but not limited to China, India, Brazil and Malaysia.

Ericsson also has its own workforce and works with suppliers and subcontractors in several countries with heightened risk to personal security caused by conflicts, civil unrest, criminality or authoritarian rule.

Downstream in the value chain, the material impacts identified relate to how misuse of the company's technology and solutions could create risks of negative impacts on the right to privacy of end users, through functionalities where governments and authorities can intercept private communications, so-called lawful intercept. While Ericsson, as a network vendor company, does not hold a license and does not receive requests directly from authorities, it could be obliged by authorities to shut down networks where it operates these on behalf of service providers, which could impact people's right to exercise their freedom of expression. The potential severity and likelihood of both these impacts correlate with the strength of rule of law, the regulatory environment and robustness of democratic institutions in the countries where Ericsson deploys and operates networks.

Ericsson is involved in the development of new technologies such as 6G and artificial intelligence (AI). The application and unintended effects on people and communities of such technologies are under increasing scrutiny, governmental regulation, litigation, and the subject of public debate. Ericsson has therefore identified technology ethics as another human rights-related area with potentially material impacts.

In addition to the material impacts described here, additional identified impacts related to Ericsson's own workforce are described in note S1, health and safety-related impacts in note S2, and impacts related to labor rights in the supply chain in note G3. More details on human rights risks and considerations in Ericsson's value chain can be found in the 5G Human Rights Assessment, available on the Company's website.

Existing and emerging legal requirements on companies to ensure respect for human rights across their value chains, in particular mandatory due diligence provisions such as those included in the US anti-forced labor import laws and the anticipated Corporate Sustainability Due Diligence directive in Europe, require companies to strengthen their measures in the area, which can increase compliance-related costs. Failure to demonstrate compliance can have both legal and financial consequences, as well as affect Ericsson's access to certain markets. Human rights-related factors are also increasingly included in customers' supplier evaluation processes, meaning Ericsson's performance in this area could have an effect on how the Company is assessed in tenders and proposals.

Policies

Ericsson's Business and human rights statement describes the Company's commitment to respect internationally recognized human rights, including those outlined in the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and how the Company works to embed the UN Guiding Principles on Business and Human Rights (UNGPs) throughout its business operations. The statement also describes Ericsson's commitment to providing grievance mechanisms in line with the UNGP's effectiveness criteria and access to remedy in cases when Ericsson has caused or contributed to adverse human rights impacts, engaging with stakeholders and rights holders to identify and mitigate potential adverse impacts in the development of new technologies and services, undertaking external assessments of the implementation of human rights principles and generally tracking the effectiveness of the Company's actions, and providing for transparent reporting. It also clarifies Ericsson's commitment to invest in training and awareness on human rights for both employees and business partners.

The commitment to respect internationally recognized human rights is further incorporated in Ericsson's Code of Business Ethics (CoBE) available to the Company's workforce in more than 40 languages. While the Business and human rights statement outlines the process of human rights due diligence, the CoBE specifically addresses Ericsson's most salient human rights issues including non-discrimination, just and favorable conditions of work such as living wages and adequate rest and leisure, the right to form and join trade unions and bargain collectively, the company's prohibition of forced labor, child labor and human trafficking, and the right to privacy and freedom of expression.

As a member of the Global Network Initiative (GNI), Ericsson is committed to the GNI Principles on Freedom of Expression and Privacy.

Ericsson's Code of Conduct (CoC) for Business Partners requires Ericsson and its business partners to respect all internationally recognized human rights standards, including the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The CoC is based on the Responsible Business Alliance Code of Conduct but also includes Ericsson-specific requirements and is a part of standard supplier contracts. It is available in several languages on the Company's website.

Note S3, cont'd.

Management approach

The area of business and human rights is managed by the Sustainability and Corporate Responsibility (S&CR) unit. Within the S&CR unit sits human rights subject matter experts, responsible for developing the Company's human rights strategy and for supporting the business and market areas and Group functions in the implementation of the strategy and commitments.

Human rights due diligence

To operationalize its commitments to respecting human rights, the Company has integrated human rights due diligence across its business operations. The aim is to ultimately provide better outcomes for people across the value chain and ensure the Company's technology is a force for good, by preventing and mitigating intended and unintended misuse. Ericsson's S&CR strategy, part of its wider business strategy, incorporates its commitment to the UNGPs and compliance to existing and emerging regulation in the area of human rights. Human rights risks are also included in Ericsson's Enterprise Risk Management Framework and overseen by the Business Risk Committee. In addition to the information below, additional details on Ericsson's human rights due diligence efforts and prioritized areas can be found in Ericsson's Business and Human Rights Statement, available on the Company's website.

Sales opportunities – Sensitive Business Framework

In order to assess, prevent and mitigate potential misuse of Ericsson's technology, human rights due diligence is integrated into the sales process through the Sensitive Business Framework. The framework aims to ensure that Ericsson's solutions are used in accordance with international human rights standards. The Sensitive Business Framework is managed on an operational level by a dedicated team of sensitive business experts and governed by a cross-functional forum with representatives from the business and market areas, and Group functions. Decisions, and the rationale behind those decisions, can be escalated to the Business Risk Committee when deemed necessary. Four main factors are considered when assessing the potential human rights risks in a given sales opportunity.

Portfolio All technology in the engagement is evaluated based on the amount of personally identifiable information that it processes and how this information will be accessed and stored.	Purpose The purpose and context in which the customer intends to use the product, service or solution.
Customer The type and ownership structure of the customer.	Country The country-specific risk with regards to human rights. A third-party risk analytics firm is used to assess countries based on risks related to the right to privacy and freedom of opinion and expression.

When the initial risk screening identifies risks in a sales opportunity that is to be pursued, the market area shall submit an approval request, which is evaluated according to the Sensitive Business risk methodology and may be approved, approved with conditions or rejected. Conditional approvals include technical and/or contractual mitigations. Implementation of these mitigations by the relevant market area is monitored to ensure adherence. Described below are examples of cases reviewed in this process during the reporting year. The Sensitive Business Framework can also trigger further due diligence measures (for example, a review of legal frameworks in a country, or heightened human rights due diligence concerning the customer or country) before a decision is taken on the opportunity.

Supply chain

See note G3 for a description of how environmental, social and governance factors, including human rights, are considered in Ericsson's supply chain management approach.

Mergers and acquisitions (M&A)

Human rights issues are included as one aspect in Ericsson's due diligence process for M&A. The focus is on evaluating main human rights risks of the target company, as well as to what extent the target company has sufficient due diligence frameworks in place to identify and address such human rights risks. In case red flags or gaps are identified, a mitigation plan including appropriate remediations is required either as a precondition or as part of the integration post closure.

Enhanced measures

When conducting business in conflict-affected areas or when human rights risks are otherwise considered elevated, enhanced due diligence is conducted. Measures taken in such situations include engaging with external stakeholders, including potentially affected stakeholders or their intermediaries and representatives.

In conflict-affected or high-risk contexts, it may be difficult to reach out directly to impacted stakeholders. In such circumstances, Ericsson tries to leverage its engagement in forums such as the GNI and the Business Network on Civic Freedoms and Human Rights Defenders to identify ways of engaging with external stakeholders that ensure their personal security and safety. This can involve sharing information about current and future business activities and practices, potential human rights risks and mitigating measures, and how to establish meaningful communication channels with concerned stakeholders.

A standalone human rights impact assessment can also be triggered by factors such as reentry into a market, reports about deteriorating human rights situations in a specific country, new product developments or identified actual adverse impacts. The methodology used for conducting human rights impact assessments is aligned with the UNGPs.

Protection of workforce in high-risk areas

Ericsson has operations in areas of high risk where, for example, armed conflicts, criminality and authoritarian rule can lead to situations that expose employees and the external workforce to heightened risk to their personal security. Ericsson monitors geopolitical and security threats worldwide and maintains security risk ratings for areas hosting Ericsson operations. The Company's security strategy articulates the criticality of proactively and effectively mitigating and managing such risk, which is operationalized through the deployment of a global framework for Security in High-Risk Areas. The objective of this framework is to enable business operations in high-risk areas while safeguarding employees, suppliers and anyone working on behalf of Ericsson supporting its operations through adequate and risk-based personal protection measures, for example:

- Procedures, training and precautionary actions to minimize the risk of becoming the target of criminal activity.
- Requirements on travel routes and transportation arrangement (e.g., timing, travelling in convoys, use of armed security escorts, security precautions at stops, tracking of movements).
- Use of satellite telephones in remote locations.
- Physical security requirements for accommodation and work locations.

Technology ethics

Ericsson is involved in the development of new technologies such as 6G and AI, and its human rights-related policies and commitments apply also to the development of new technologies. Ericsson adheres to the EU's Ethics Guidelines for Trustworthy AI and has incorporated the guidelines in development and governance processes, including AI development guidelines and design rules. The principles cover topics such as explainability, non-bias, non-discrimination and possibility of human oversight. Apart from the implementation of trustworthy AI by design, Ericsson is also committed to ensuring that the company itself uses trustworthy AI.

Grievance mechanism

Internal and external stakeholders can report suspected violations of laws, regulations or company policies, including human rights violations, through the Ericsson Compliance Line. Reporting through this channel can be done anonymously. Ericsson does not require persons that report compliance concerns to waive their rights to bring claims through a judicial process as a condition to participating in the grievance process. As part of reporting a compliance concern, either via a manager or through the Ericsson Compliance Line, Ericsson does not require the reporter to sign a non-disclosure agreement. The reporter is, however, asked not to share any communication relating to an ongoing matter, in order to protect the integrity of the process. More information can be found in note G2.

Note S3, cont'd.

Collaborations and partnerships

Ericsson leverages its efforts through collaborations and partnerships with other organizations. Listed below are the most significant external collaborations, partnerships and commitments related to human rights.

Organization	Description
Business Network on Civic Freedoms and Human Rights Defenders	A group of companies committed to identifying ways that businesses and society can benefit from increased support from the private sector for the protection of civic freedoms and human rights defenders.
Global Network Initiative	An initiative addressing Freedom of Expression and Right to Privacy in the ICT sector. Participants are internet and telecommunications companies, human rights and press freedom groups, investors, and academics and academic institutions.
Shift Business Learning Program	The Business Learning Program supports companies working to integrate principles on business and human rights. Shift is a nonprofit, mission-driven organization working with businesses, financial institutions and standard setters to drive business respect for human rights according to the UNGPs.
UN B-tech Project	A project led by UN Human Rights to provide an authoritative and broadly accepted roadmap for applying the UNGPs in the ICT sector. The Tech Company Community of Practice, in which Ericsson participates, is an initiative of the UN Human Rights B-Tech Project to advance business respect for human rights in the technology industry.

Training and awareness raising

Ericsson provides human rights training accessible to all employees. Targeted training and capacity building for key job roles and functions is also offered. All market areas have an appointed single point of contact responsible for Sensitive Business. Each such person is onboarded by the Sensitive Business Unit at Group level and is responsible for informing the relevant functions, such as account managers within their respective market areas, of recent developments and decisions. Senior members of the Sensitive Business Core Team receive onboarding as well as continuous updates by the Sensitive Business Council.

Metrics

Human rights related incidents

During 2023, Ericsson has not, through its reporting channels, been made aware of any adverse human rights impacts in which the Company has been involved. Consequently, no remediation actions have been undertaken. See note G2 for more information on reported compliance concerns.

Sensitive business due diligence

Cases reviewed by outcome

(No.)	2023	2022	2021
Approved	252	235	286
Approved with conditions	636	435	432
Rejected	7	13	4
Total	895	683	722

Sensitive Business case examples

Decision	Customer	Description	Rationale
Approved	Local communications service provider	A customer in a high-risk country requested an expansion of its network.	The solution requested was assessed by the Sensitive Business team and was found to not process any personally identifiable data. Based on that assessment, there was a low risk of potential adverse human rights impacts. The engagement was approved.
Approved	Local reseller	A customer requested to buy and resell a private network for smart manufacturing. The solution could include support for video cameras, connected vehicles and connected robots for manufacturing.	Personal identifiable information, such as call logs, was to be processed in the network. Considering that the intended use of the technology was related to manufacturing and in a low-risk country from a human rights risk perspective, the engagement was approved.
Approved with conditions	Multinational communications service provider	Within the scope of a frame agreement, potentially covering several local operators, a customer asked Ericsson to provide a financial services technology where the end users are private consumers.	The solution processed personal identifiable information and the local operators were operating in countries with different risk levels. Considering the potential human rights-related risks, contractual mitigations limiting the use of the Ericsson solution in certain markets were agreed with the customer.
Approved with conditions	Government entity	The customer requested Ericsson to modernize its existing private network, including both radio and core network.	The intended use of the private network was for internal communication (voice and data) within the customer's organization. In order to restrict the use to the requested purpose, contractual mitigations limiting how the private network can be used were included in the agreement with the customer.
Dismissed	Local communications services provider	An operator requested a new core network solution, in a country where Ericsson had no previous presence.	The assessment by Sensitive Business identified regulatory requirements giving authorities wide-ranging access to user data from the solution. This finding led to further due diligence concerning the regulatory environment and country-related risks. It was concluded that the identified risks could not be mitigated, and the opportunity was therefore dismissed.
Not pursued ¹⁾	Local operator	A customer, which was a subsidiary of a multinational company, requested as part of an engagement that Ericsson provide a specific monitoring solution which was said to be required by the authorities.	During early-stage discussions, risks related to the monitoring solution were identified, and the decision to scope out the identified part of the opportunity was taken ahead of formally submitting the opportunity for assessment.

¹⁾ Sales opportunities that are "not pursued" are not included in Sensitive Business Framework statistics shown above, as the circumstances were such that they were dismissed without the need for a decision by the Sensitive Business Board. Described here is an example of such a case.

S4 Corporate citizenship

Impacts, risks and opportunities

Ericsson and its technology have the potential to positively impact people and communities in a multitude of ways, from facilitating access to education for children and young people, to providing necessary communications infrastructure to support humanitarian response in crisis situations. In addition to the benefits to the receiving parties, meaningful community engagement also contributes to enhancing the employee experience for the people working for Ericsson and can positively impact the Company's brand and reputation.

Policies

To achieve wanted impacts, Ericsson's efforts are aligned to five cause categories: humanitarian response, education & digital skills, climate & environment, community capacity building, with diversity & inclusion underpinning all of these. Ericsson does not make donations to political or religious causes. Certain subsidiaries have their own guiding principles for their work with corporate citizenship that may deviate from the Group's.

Management approach

Ericsson leverages its core competencies in connectivity technology to support, develop and create a positive impact for stakeholders in the communities in which it operates. Described in this section are Group-wide programs and initiatives through which Ericsson engages with local communities and stakeholders on a non-commercial basis. In addition to these Group-wide initiatives, there are local initiatives driven by the market areas not described here. Initiatives related to digital education are described in note S5.

Group level operational responsibility over the initiatives and programs described on the next page is delegated to Ericsson's Sustainability and Corporate Responsibility unit, often in collaboration with the market areas. Volunteering activities are managed together with Ericsson's human resources department and the heads of Marketing and Communication in the market areas through the Volunteer Program Board, chaired by the Head of Sustainability and Corporate Responsibility.

Due diligence of partner organizations

So that Ericsson only partners with organizations that share similar values and ethical standards, systematic evaluations of partners for sponsorship and donations are applied. The compliance function is responsible for evaluating all sponsorships and donations, with regard to potential misuses, ensuring appropriate due diligence of receiving parties and recommending necessary mitigation measures to be adhered to when necessary. More information on third-party management can be found in note G2.

Monitoring and controls

Execution of all donations and sponsorships must follow predefined procedures using a dedicated application with a built-in approval flow. All required documentation is subsequently stored in the same application for traceability and verifiability.

Donations, profit distribution and sponsorships

Ericsson makes donations, both in the form of company-matched employee donations as well as direct donations, to selected causes and organizations. Donations can be in the form of monetary or in-kind payments and can be done either directly to a beneficiary or via a third party. In certain markets, most notably in India and South Africa, Ericsson is subject to mandatory profit distribution rules, where a portion of the local entity's profits are to be spent on community investments.

Ericsson engages in monetary and in-kind sponsorships of activities that are aligned with Ericsson's values and brand strategy. Sponsorships should benefit all involved parties, and lead to a result that can be measured against predefined financial objectives.

Ericsson Volunteers

Ericsson Volunteers is one way through which the Company delivers a meaningful employee experience and contributes to positive impacts on communities and broader society. Every employee is given one paid day per year when they can apply their skills and time to volunteering. A volunteering framework sets the direction for activities applicable for volunteering, including the five cause categories as well as activities for extended volunteering, such as Connect To Learn and Ericsson Response.

Ericsson Response

Ericsson Response is a global volunteer program founded by employees in 2000. Together with partners, Ericsson Response utilizes the Company's technology and the skills of its employees to provide connectivity where local services are not sufficient, for example after natural disasters or in refugee situations. It is a partner of the World Food Program-led UN Emergency Telecommunications Cluster, a global network of partners to fill connectivity gaps for humanitarians and populations affected by disasters. Ericsson is a partner to the United Nations High Commissioner for Refugees (UNHCR), the UN Refugee Agency, and contributes to the reach and impact of the Refugee Emergency Telecommunications Sector (RETS) to provide vital communications to the humanitarian response community in support of its activities.

Collaborations and partnerships

Ericsson leverages its impacts through collaborations and partnerships with other organizations. Below a select number of external collaborations are listed.

Organization	Description
1t.org	Ericsson contributes to 1t.org, part of the World Economic Forum's work to accelerate nature-based solutions through our pledge on Connected Mangroves, which is a reforestation project in Malaysia, the Philippines and India that leverages connected technologies such as solar-powered sensors and real-time camera footage to collect and analyze critical data on mangrove wetlands. The projects offer the local communities a platform to check on water, soil and humidity conditions, and remotely monitor any intrusion on the site.
International Red Cross and Red Crescent Movement	The organized International Red Cross and Red Crescent Movement is a humanitarian movement with staff and volunteers worldwide. It was founded to protect human life and health, to ensure respect for all human beings, and to prevent and alleviate human suffering. Ericsson contributes with donations during emergencies to the Red Cross / Red Crescent humanitarian work.
United Nations High Commissioner for Refugees (UNHCR)	UNHCR, the UN Refugee Agency, is a global organization dedicated to saving lives, protecting rights, and building a better future for refugees, forcibly displaced communities and stateless people. Ericsson Response provides critical equipment and surge capacity to enable the delivery of vital communication services in refugee emergencies through UNHCR's RETS.
United Nations Children's Fund (UNICEF)	UNICEF works in over 190 countries and territories to protect the rights of children. Ericsson supports UNICEF-led efforts through donations, employee volunteering and humanitarian response action in disaster-stricken areas. In addition, Ericsson is a partner to UNICEF on the Giga initiative for school connectivity, see more information in note S5.
World Food Programme (WFP)	The WFP is the leading humanitarian organization saving and changing lives, delivering food assistance in emergencies and working with communities to improve nutrition and build resilience. Ericsson contributes through the Ericsson Response and WFP partnership.

Metrics

Community investments

(SEK million)	2023	2022	2021
Donations and sponsorships ¹⁾	89	115	113

¹⁾ Includes donations, mandatory profit distributions, and sponsorships made by Ericsson Group companies during the reporting year. Sponsorships include those with activity start date January 1 to December 31, or multiyear contracts that were active during the reporting year. Sponsorships related to general marketing and brand building activities, including those related to sports and recreation are not included.

S5 Digital inclusion

Impacts, risks and opportunities

The number of internet users has increased from a few million to almost 5 billion within 30 years. This growth has enabled a digital transformation that is reshaping societies and economies. Research shows that, on average, a 10% increase in mobile broadband adoption can increase economic growth by up to 0.8%, with the effect being significantly larger in low-income countries¹⁾. Moreover, a 2022 study commissioned by Ericsson in 15 countries in Asia, Africa and Latin America also showed that 5G rollout can generate overall economic benefits (in terms of GDP growth) three-to-seven times higher than the incremental cost of extending coverage²⁾. Similarly, increases in school connectivity can have significant effects of economic growth, with potential double-digit additions to GDP if low-income countries achieve the same levels of connectivity as the most connected economies³⁾. While there was improvement between 2022 and 2023, the potential of the internet for social and economic growth remains largely untapped, as 2.6 billion people or roughly one-third of the world's population remains offline, and many among the two-thirds of the people online lack meaningful connectivity⁴⁾.

The connectivity gap is twofold and consists of both a gap in overall coverage, meaning access to any type of mobile broadband connection, and a gap in terms of lacking a mobile broadband connection that is good enough to allow full participation in the digital economy, such as access to at least 4G coverage. The challenge in bridging both these gaps is primarily a financial, rather than a technological, one with a need for new business models to evolve to enable meaningful connectivity at lower cost. Through solutions such as Fixed Wireless Access (FWA), Ericsson contributes to increased affordability, which is one enabler for connecting the unconnected and closing the digital divide.

Nearly one-quarter of the world's adult population lacks access to formal banking and financial services, according to World Bank Findex. However, the majority of the unbanked population owns a mobile phone that can help them access formal financial services. Mobile financial services offer the possibility to bring millions of financially underserved people into the formal economy, improving individual livelihoods and transforming economies. In addition, without sufficient digital literacy people cannot fully partake in the digital economy regardless of whether they have a meaningful connection or not, which is why digital upskilling is another key enabler to achieve broad digital inclusion in society. Through its digital education program, Connect To Learn, Ericsson works with governments, communication service providers, non-governmental organizations (NGOs) and international/UN agencies to accelerate access to digital connectivity for schools and learning centers, and to empower the next generation with digital skills to enhance industry-ready education and make students more attractive on the job market.

Policies

Ericsson's Sustainability policy states that the Company shall engage in activities that have a positive social, environmental and economic impact on people, business and society and promote digital inclusion. In addition, Ericsson's Human Rights policy articulates that the Company shall proactively promote human rights by working toward fulfillment of the positive potential of ICT for realizing and sustaining human rights.

Management approach

Ericsson's approach is based on the belief that technology developed and deployed responsibly can help bridge the digital divide and ensure that the benefits of the digital economy and society are enjoyed by all. The Company works toward this goal through digital inclusion initiatives, which cover the portfolio, business cases, advocacy and on-the-ground efforts.

Business models for affordable connectivity

Ericsson continues to explore how its portfolio and offerings can be used to develop cost-efficient and profitable business offerings targeting regions with no or low internet penetration. The scope of these efforts includes radio and power management solutions as well as business cases and use case scenarios. FWA is one example of an efficient and scalable alternative to wired connections and a portfolio solution that can benefit institutional coverage, such as, for example, in schools. In recent years, a substantial share of new 5G FWA launches has been in emerging markets.

Financial inclusion

Ericsson's Mobile Wallet Platform enables leading communications service providers and financial institutions to provide easy to use, affordable and secure mobile financial services to financially underserved people worldwide, helping them lead a financially empowered life. It allows unbanked people to save and transfer money, receive financial aid and salary, pay bills and merchants, top up mobile services, get instant loans, as well as access insurance and other financial services.

Digital education

Ericsson's commitment to bridging the digital divide includes a focus on access to education and digital skills development. This is carried out through Ericsson's global flagship education program, Connect To Learn, a non-profit program delivered in collaboration with governments, communications service providers, NGOs and international/UN agencies, with the ambition to:

- Accelerate access to digital connectivity for schools and community learning centers and, ultimately, all learners around the globe and their communities.
- Empower the next generation with digital skills, essential for their socio-economic development and enhance industry-ready education to make students employment ready.

Key non-profit education offerings that Ericsson deploys globally in collaboration with partners are:

Ericsson Educate

A digital skills development program designed for university students covering key topics related to emerging technologies such as: telecommunications and 5G, AI, data science, automation and the Internet of Things.

Ericsson Digital Lab

An educational program designed to inspire children aged 11–16 to explore new technologies and develop their problem-solving skills. The Digital Lab is a place where instructors from Ericsson and partnering organizations can share their interest in technology with students, and includes courses on robotics, game development, electronics and artificial intelligence.

In 2020, Ericsson became the first private sector partner to make a multi-million-dollar commitment to support the joint UNICEF-ITU⁵⁾ Giga initiative for global school connectivity with the aim to connect every school to the internet and every young person to information, opportunity and choice. With support from Ericsson, Giga maps schools and their connectivity levels to help target investment to where it is most needed and to measure progress toward increasing internet access. Ericsson's financial and in-kind support has contributed to Giga's achievements to date in connecting nearly 6,000 schools and over 2.4 million students.

¹⁾ Edquist et al. (2018) How important are mobile broadband networks for the global economic development? *Information Economics and Policy*

²⁾ Stewart et al. (2022) Future Value of mobile in emerging markets. *Analysis Mason*

³⁾ Birdwell et al. (2021) Connecting learners: Narrowing the educational divide. *The Economist Intelligence Unit*.

⁴⁾ The State of Broadband 2023 – Digital Connectivity: A Transformative Opportunity (2023) *International Telecommunication Union and United Nations Educational Scientific and Cultural Organization Broadband Commission for Sustainable Development*

⁵⁾ International Telecommunication Union

Note S5, cont'd.

Collaborations and partnerships

Ericsson leverages its efforts through collaborations and partnerships with other organizations. Described below is a select number of external collaborations around digital inclusion.

Organization	Description
ITU/UNESCO Broadband Commission for Sustainable Development	Ericsson's CTO is a Commissioner on the Broadband Commission for Sustainable Development, a multi-stakeholder, high-level platform for developing policy recommendations and thought leadership on universal meaningful connectivity and the importance of broadband on the global sustainable development agenda. The Commission envisions and works toward realizing a fully connected world that harnesses the power of broadband to achieve the UN's Sustainable Development Goals (SDGs) by 2030.
The Digital Transformation Collaborative	The Digital Transformation Collaborative is a tech-focused public-private partnership led by UNESCO that aims to mobilize resources at national scale in collaboration with governments to advance their visions for leveraging sustainable digital transformation in education to achieve SDG 4. Ericsson is a member of the Digital Transformation Collaborative steering group.
The World Economic Forum/EDISON Alliance	The World Economic Forum-aligned EDISON Alliance 1 Billion Lives Challenge brings together digital inclusion commitments from governments, companies and other organizations globally. The members, including Ericsson, are committed to prioritizing digital inclusion as foundational to the achievement of the UN's SDGs so that every person can fully participate in the digital economy and society.
Whitaker Peace & Development Initiative	Ericsson is a long-standing partner to the Whitaker Peace & Development Initiative aimed at supporting youth and women from underprivileged backgrounds to develop skills as leaders, peacemakers, entrepreneurs and community builders. The partners recognize the important role of ICT in education and pursue joint efforts to develop peacebuilding and livelihood programs using ICT as a tool to foster resilience, peace and sustainability in communities affected by conflict, violence and poverty.
Technovation	Ericsson is partnering with education nonprofit Technovation in a global mentorship program with the objective to inspire girls to be leaders and tech entrepreneurs. With the support of volunteer mentors and parents, girls work in teams to code AI-based and mobile apps that address real-world problems. Ericsson employees support as mentors to enrolled participants.

Metrics

Connect To Learn			
(No. cumulative)	2023	2022	2021
Impacted children and youth	485,200	400,163	296,079
Countries covered	43	36	30

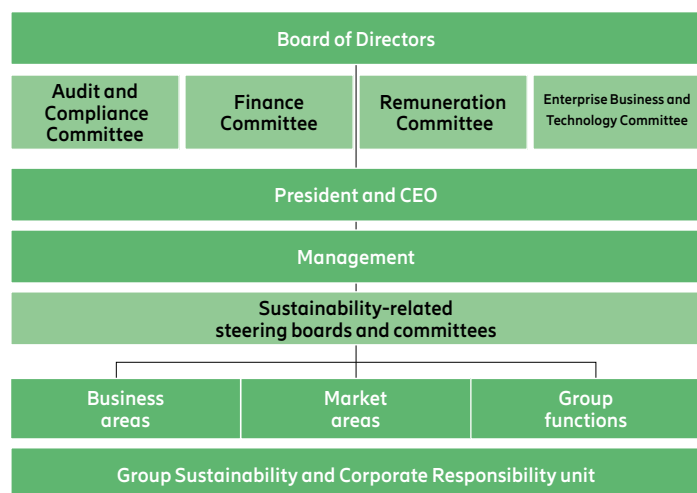
Ericsson Mobile Wallet			
(No. in millions)	2023	2022	2021
Registered accounts	457	379	314
Active users ¹⁾	85	80	65

¹⁾ Active users are defined as those having used the service in the past 30 days from the reporting cut-off date.

Section G – Governance

G1 Sustainability and corporate responsibility governance

Governance of Sustainability and Corporate Responsibility (S&CR) follows the Company's overall governance structure. The Board of Directors, Executive Team and management's respective roles and responsibilities with regards to S&CR are described below.



Board of Directors

The Board of Directors oversees Ericsson's S&CR strategy and receives reports on developments and performance annually, or more often as needed. The Board approves the annual S&CR report as part of the Company's statutory Annual Report.

Board committees

In addition to the primary oversight exercised by the Board, each of the committees of the Board is involved, to some degree, in Ericsson's S&CR strategy. The Audit and Compliance Committee oversees Ericsson's Ethics and Compliance program and whistleblower procedures, and reviews the Group's handling of information and cybersecurity, data privacy, and its environmental, social and governance (ESG) reporting practices. The Finance Committee oversees the promotion of the S&CR strategy in external funding through the application of the Green Financing Framework. As part of its role to prepare and propose rewards and compensation policies that attract and motivate the Company's executives and align with the Company's long-term interests, the Remuneration Committee considers the inclusion of ESG and Ethics & Compliance criteria in variable compensation plans and monitors the performance of such criteria. Part of the Enterprise Business and Technology Committee's role of monitoring the Company's technology ecosystem, relationships and partnerships involves reviewing matters related to energy and sustainability.

President and CEO and the Executive Team

The Executive Team, led by the President and CEO, is responsible for approving S&CR strategies and related Group targets, and regularly receives reports on the implementation of strategies and progress made on targets and milestones. Its members are also part of dedicated steering boards and committees that provide more frequent strategic guidance and oversight of S&CR-related matters.

Ericsson maintains a robust approach to risk management. The Company has made significant strides toward ensuring that strategic, external and internal risks are properly identified, assessed, internally reported, escalated, and effectively addressed. As part of its enhanced approach to risk management, Ericsson has established the Group Business Risk Committee (BRC) which is co-chaired by the Chief Financial Officer and the Chief Legal Officer. The BRC now serves as a fully embedded risk escalation and oversight forum which has strengthened management's decision making and handling of risks. The BRC applies a "heightened scrutiny" approach in evaluating and mitigating these types of risks, and the organization has implemented various actions to

address these risks, ranging from enhanced contractual protections, changes to the scope or nature of operations, or decisions to responsibly exit relevant jurisdictions or customer relationships.

Steering boards and committees	Chaired by
Business Risk Committee	Chief Financial Officer and Chief Legal Officer
Group Compliance Committee	Chief Legal Officer
Group Enterprise Security and Privacy Board	Chief Financial Officer
Product Security Board	Chief Technology Officer
Global People Leadership Team	Chief People Officer
Global OHS Board	Chief Marketing and Communications Officer

Executive remuneration

A portion of the variable remuneration to executives is determined by environmental, social and integrity criteria, including compliance with the Code of Business Ethics (CoBE). See pages 6–7 of the Remuneration report for further details.

Operational management

A dedicated S&CR unit, reporting to the Chief Marketing and Communications Officer, is accountable for developing and implementing strategies, policies, steering documents, targets and processes related to S&CR. Responsibility for executing on S&CR strategies and progressing on targets lies with the Group functions, business and market areas, often in cross-functional collaborations.

Policies

During 2023, Ericsson enhanced and clarified its Code of Business Ethics (CoBE), which is a core governance pillar. The updated CoBE sets out the Company's expectations, principles and requirements for employees as they conduct business. It provides the framework for ethical decision-making, and guides employees in making decisions and managing risk as they engage with colleagues, customers, partners, owners, and other stakeholders. Ericsson's Code of Conduct (CoC) for Business Partners outlines expectations on Ericsson, its suppliers and other business partners in key areas such as business ethics and anti-corruption, labor and human rights, occupational health and safety, environment and climate change. It is a binding requirement for all business partners. Additional ESG-related policies are listed below. The main contents of the two codes and other policies as relates to material impacts, risks and opportunities are described in the topic-specific notes to this report. The CoBE is approved by the Board and the CoC and Group-wide policies are approved by the President and CEO. Ericsson expects employees and encourages external stakeholders to report concerns of violations of either of the codes through the Ericsson Compliance Line, see more information in note G2.

Foundational policies and steering documents

Code of Business Ethics
Code of Conduct for Business Partners
Sustainability Policy
Business and Human Rights Statement
Group People Policy
Health, Safety & Well-being Policy
Security Policy
Privacy Policy
Government and Advocacy Policy

Group management system and risk management

Ericsson has a global management system, the Ericsson Group Management System (EGMS). The EGMS aims to ensure that Ericsson's business is well-managed and has the ability to fulfill the objectives of major stakeholders within established risk limits and with reliable internal control. The EGMS also aims to promote compliance with applicable laws, listing requirements, governance codes and corporate responsibilities.

Note G1, cont'd.

EGMS is founded on ISO 9001 (international standard for quality management systems) and is designed as a dynamic governance system to enable Ericsson to adapt the system to evolving demands and expectations, including new and changing regulation and legislation as well as customers' and other stakeholders' requirements. ISO certificates are issued by a third-party certification body proving that the system is efficient throughout the operations as well as compliant to the ISO standards in scope. Ericsson's operations are currently certified to ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Health and Safety) and ISO 27001 (Information Security). Selected Ericsson units are also certified to TL 9000 (telecom-specific standard). The EGMS is also assessed within the scope of the audit plan of Ericsson's internal audit function (Corporate Audit). Identification and treatment of ESG-related risks is an integrated part of the Enterprise Risk Management (ERM) framework, which is a part of the EGMS. There are also dedicated risk management frameworks aligned with the ERM framework that cover specific areas of risks such as anti-corruption, environment, health and safety, and information security. More information on the EGMS and ERM framework can be found

on pages 23–24 in the Financial report and on pages 16–17 in the Corporate Governance report.

External commitments and endorsements

In addition to topic-specific commitments and endorsements described in this report, Ericsson is a founding member of the UN Global Compact and continues to support its ten principles. Ericsson's President and CEO is a member of the World Economic Forum's Alliance of CEO Climate Leaders, a global community of chief executive officers who work toward climate action across industry sectors and engage with policymakers to help deliver the transition to a Net Zero economy. Ericsson's CEO is a member and incoming chair (2024) of the CEO Alliance for Europe, a cross-sector action tank, working toward a more prosperous, sustainable and resilient Europe. Ericsson's Chief Technology Officer is a commissioner on the ITU/UNESCO¹⁾ Broadband Commission for Sustainable Development, which develops and advocates policy recommendations to advance broadband connectivity and digital inclusion.

¹⁾ International Telecommunication Union / United Nations Educational, Scientific and Cultural Organization

G2 Compliance and business ethics

Impacts, risks and opportunities

Corruption, bribery and unethical business practices are an obstacle to economic and social development, and often disproportionately affect fragile communities and undermine democratic institutions. They erode the trust that people and businesses have in institutions, and damage the business environment, causing long-term barriers to efficient economic activities in countries and regions where they occur, leading to lower levels of investments and reduced growth. Ericsson is a large multinational company with approximately 100,000 employees worldwide, and customers in more than 180 countries. With its global reach, Ericsson is present in emerging markets in Asia, Latin America, Eastern Europe, the Middle East, and Africa, including many countries with weaker institutions and that have a higher risk of bribery and corruption.

As described in more detail below, there have been historical instances where Ericsson failed to properly mitigate bribery and corruption risks. As a result, the Company incurred significant costs related to investigations, legal actions, compliance monitorship and fines, and suffered damage to its brand and reputation. Further violations of applicable anti-bribery and anti-corruption laws and regulations could have severe financial and reputational consequences. Since 2019, Ericsson has made significant investments to strengthen its Ethics and Compliance (E&C) infrastructure, enhance its approach to governance and risk management and improve its corporate culture, overseen by the Board of Directors and the Executive Team.

Interactions with US authorities and other governmental authorities

Ericsson is and has been involved in legal proceedings involving governmental authorities in different jurisdiction. Further information about current proceedings is included in the Financial report on pages 25–26.

Policies

The Company's foundational values and principles are set out in the Code of Business Ethics (CoBE) available in over 40 languages. The CoBE articulates the Company's commitment to conduct business with integrity and zero tolerance for bribery and corruption. It emphasizes that employees must disclose potential conflicts of interest, not partake in anti-competitive practices and only engage with vetted third parties who abide by the same standards of integrity as Ericsson. In addition to the CoBE, specific policies on: anti-corruption; gifts, entertainment and hospitality; third-party management; conflicts of interest; anti-money laundering; anti-trust law; and insider rules, among others, are in place to support Ericsson's employees in conducting business in compliance with applicable laws and regulations. These policies are supported by relevant internal controls and recurrent internal testing to ensure end-to-end oversight and an effective E&C program that reduces the probability of risks occurring and mitigates the adverse effects if they do.

Ericsson's Code of Conduct (CoC) for Business Partners articulates the Company's expectations and anti-bribery and corruption (ABC) requirements for its business partners. It also makes clear that Ericsson expects its business partners to foster a culture of integrity based on transparency, compliance and ethical business practices. The CoC is based on the Responsible Business Alliance Code of Conduct but also includes Ericsson-specific requirements and is part of standard-supplier contracts. It is available in several languages on the Company's website.

Executive variable remuneration

Short-term variable compensation of the Company's executives includes an evaluation of performance criteria related to integrity. See further information on page 2 of the Remuneration report.

Management approach

Ericsson focuses on driving continuous cultural change with a focus on embedding integrity into its ways of working, fostering a culture of transparency, collaboration and open dialogue, sound and ethical business decisions and strong risk management. Ericsson requires that each employee complies with the CoBE, seeks assistance when unsure of the right course of action and speaks up when there are violations or suspected violations of the CoBE. In turn, it expects that executives will drive the culture of integrity and compliance, encourage open discussions about ethics and compliance, and anticipate and mitigate potential compliance issues. As part of this effort to set the tone at the top, the CEO frequently sends email communications to all employees in which practical compliance challenges and related solutions are highlighted.

Ericsson's E&C program consists of ten hallmarks – ranging from leadership and culture to mergers and acquisitions, rewards and sanctions – based on the expressed expectations of leading authorities with jurisdiction over Ericsson. Ericsson's Group Business Risk Committee, co-chaired by the Chief Legal Officer (CLO) and the Chief Financial Officer, serves as a fully embedded risk escalation and oversight forum which has strengthened management's decision making and handling of risks. The BRC process and Group-wide assessment of risk has enhanced the Company's insights into enterprise risk and has increased alignment and the ability to effectively address risks which impact various parts of the organization. In particular, the BRC reviews potential risk matters with high impact (including risks which arise in "high risk" jurisdictions) and provides an internal management forum for monitoring and assessing risks identified in the enterprise risk management system.

The Audit and Compliance Committee (ACC) of the Board of Directors oversees matters relating to compliance risk and regularly receives reporting on compliance related matters from the CLO, the Chief Compliance Officer (CCO) and the Head of Corporate and Government Investigations. The Compliance

Note G2, cont'd.

Office function at Ericsson is led by the CCO, who reports to the CLO. In addition to reporting to the CLO, the CCO has a further independent reporting line to the ACC on the areas of the E&C Program. The CCO regularly reports to the ACC on the effective operation of the E&C Program, including information of actual or suspected serious CoBE violations, insights from investigations outcomes and remediation activities, the identification of patterns of failures, and emerging risks and changes in the legal and regulatory environment. In addition, the CLO has a direct reporting line to the ACC on compliance matters that fall outside the scope of the E&C program, and on the holistic management of legal, compliance, ethical and associated reputational risks arising in the Company's operations. The compliance organization consists of compliance officers at Group level and local compliance officers supporting the line organization.

In 2022, Ericsson created a standalone Competition and Antitrust Unit. Originally part of the Compliance Office, in 2023 the Competition and Antitrust unit became part of the newly created Global Risk and Regulatory Policy unit.

Risk assessments, monitoring and controls

Ericsson conducts bribery and corruption risk assessments using a risk-based, multitiered approach across multiple regions to identify areas of heightened risk. This typically includes document collection, review and analysis, on-site or remote interviews of key personnel, and financial transaction testing for select markets and units. Focus areas include but are not limited to leadership and culture, sales, third-party management, gifts, entertainment and hospitality, conflicts of interest, government relations, policies and procedures, corporate contributions, and joint ventures and partnerships. Further, end-to-end testing and monitoring of the E&C program is performed in cooperation between different assurance functions, such as the Control Monitoring Center within the Finance function, a Monitoring and Testing unit within the Compliance Office, and a dedicated unit within Corporate Audit.

Digitalization and operational efficiency

Over the last few years, the Company has invested in digital capabilities to enable the employees, line managers and compliance professionals to work more efficiently, get easier access to compliance data and simplify the E&C program processes. Examples of the tools deployed include the E&C Portal (facilitating controls for conflict of interest, and gifts, entertainment and hospitality, including benefits provided to and from third parties, particularly public officials), the Allegation Case Management System (handling the allegation management process end-to-end from intake to remediation) and third-party management (TPM) risk management tools. The digital landscape is continuously evolving, with emphasis on AI and analytics to further enhance risk management of ABC risks.

Third-party management

Ericsson maintains a global, risk-based and integrated TPM program to prevent, detect and manage bribery and corruption risks in the Company's relationships with its third parties. The management of third-party compliance risk is integrated into business processes, and business leaders, managers and individual contributors are all expected to act as owners of compliance risk. Components of the TPM program are managed by a central team of due diligence experts and data specialists. Key elements include a risk-based due diligence process to assess bribery and corruption risk exposure and potential liability that may result from relationships with third parties. A risk mitigation toolbox includes a broad range of measures that can be used to mitigate identified risks such as training, certifications, financial transaction preapprovals, or, in extreme cases payment blocks and rejections.

TPM increasingly utilizes advanced data analytics and reviews business rationale at the transaction level, whilst focusing on monitoring risks throughout the life cycle of business relationships. Business Partner Review Boards, comprised of senior business leaders and compliance professionals, regularly monitor the third-party risk landscape and provide approvals and mitigating actions on high-risk third parties on both market area and global levels. The effectiveness of underlying processes in each geography is continuously measured and strengthened, when necessary.

Training and awareness raising

The purpose and objectives of Ericsson's E&C training plan are to develop a robust risk-based training strategy for all employees, establish a sustainable model for face-to-face training initiatives, and provide employees with training

on the Company's compliance-related policies and procedures. Training clarifies to people working for the company what is expected in their roles, educates them on how to recognize bribery and corruption risks, and guides them on how to handle dilemma situations that arise in the course of their work.

To achieve these objectives, Ericsson has considered various learning styles to engage people and has created multiple training platforms, training material and communication assets to allow diverse and interactive training experience tailored to specific target groups and based on the level of risk exposure.

All employees and external workforce must complete foundational online ABC training courses every second year. Ericsson also provides mandatory enhanced ABC training for approximately 15,000 employees in high-risk roles, many of whom are also line managers. About 200 executives, including the Executive Team, are also provided with training in ethical dilemmas in a workshop format. The same type of training is also provided to other leaders on an ongoing basis as part of broader leadership training or as standalone training for intact teams. The CoBE promotes and supports Ericsson's Speak-Up Culture and prohibits retaliation for speaking up in any form. All employees are required to confirm their understanding of the CoBE on a regular basis.

Employee perceptions and performance evaluations

Employees are regularly asked about how they perceive Ericsson's commitment to compliance, business ethics and anti-bribery and corruption. The annual employee survey includes questions about their perception of the Company's commitment to ethical and responsible business practices, as well as whether they feel free to speak their mind without fear of negative consequences.

All employees have a goal related to acting with integrity, which encompasses a number of specific actions that must be satisfied annually. Failure to meet any of these specific requirements has a negative impact on the outcome of an employee's annual performance evaluation.

Prevention of anticompetitive behavior

As part of the commitment to a compliance culture, Ericsson has a standalone Competition and Antitrust Unit driving the Company's Competition and Antitrust program, which is currently being strengthened after an antitrust audit. Employees are asked to recognize competition (antitrust) laws and comply with them. Given the complexity of competition laws, employees are encouraged to consult with the competition law attorneys in the Company's Legal department in case of any questions.

Reporting compliance concerns

Employees are expected to report concerns related to corruption, fraud, accounting, internal controls, human rights matters or other matters that could constitute a breach of law, or that could harm the business or reputation of Ericsson, its employees and shareholders directly to their manager, the superior of a manager or to the People or Legal and Compliance departments. In addition, the Company promotes transparency through the maintenance of the Ericsson Compliance Line, a dedicated communication channel for employees and external stakeholders to report any compliance concerns either by a secure website or by phone. The Ericsson Compliance Line is operated by a third party and is available 24/7, 365 days per year, and enables reporting from multiple countries in several languages, and anonymously if so chosen. Where applicable, Ericsson employees and external stakeholders have the option to report certain matters via local channels, which have been implemented in accordance with the European Union Directive on the protection of persons who report breaches of Union law. The process for receiving and handling compliance concerns is designed to help maintain an appropriate degree of independent assessment. Ericsson does not accept any discrimination of, or retaliation against, individuals who report compliance concerns in good faith.

In addition, the Company has increased the frequency at which it publishes its Speak Up Newsletter, featuring anonymized examples of actual misconduct and the way any such misconduct was addressed by the Company. The Speak Up Newsletter also includes short stories highlighting situations in which employees facing difficult choices chose to do the right thing. Progress in the Speak Up culture in recent years can be seen in the increased raising of compliance questions and potential concerns by Ericsson's employees. The willingness by Ericsson's employees to speak up is an essential safeguard to ensure that the Company conducts business with integrity.

Note G2, cont'd.

Ericsson's Allegation Management Office is responsible for the overall process from the time an allegation of potential misconduct is reported to the remediation of any substantiated violation of Ericsson policy. The Corporate and Government Investigations (CGI) team is responsible for appropriately investigating allegations of potential compliance violations and disclosing allegations to regulators as required. The CGI team also regularly reports on

investigations to the ACC. Among other misconduct, the team investigates allegations that individuals may have offered or provided things of value to public officials, company customers and other private parties, including gifts, entertainment or travel. Findings and remediation plans for cases are presented to Ericsson's Group Remediation Committee or Market Area Remediation Committees.

Metrics and targets

Target

Strengthen Ericsson's E&C program to help ensure an effective and sustainable anti-bribery and anti-corruption program by 2024.

Metrics

Training and awareness raising

Ethics and compliance training – completion rates

(%) ¹⁾	Target audience	Audience size ²⁾	2023	2022	2021
CoBE acknowledgement	Employees and external workforce	106,000	98	99	99
Foundational ABC training	Employees and external workforce	106,000	99	93	99
Enhanced ABC training	Employees in high-risk roles	15,000	98	97	82
Ethics training for leaders	Executive population	200	97	90	70

¹⁾ Completion rates are calculated by dividing the number of individuals having completed training at the reporting year cut-off date with the number of individuals having been assigned the same training.

²⁾ The (rounded) headcount of the respective target audience groups by year end of the current reporting year. The size of a group may change over time as definitions and scopes are revised.

Employee perceptions

(Survey results)	2023	2022	2021
Ethical and responsible business practices ¹⁾	89	88	87

¹⁾ Scoring of aggregated employee responses to the statement "Ericsson shows a commitment to ethical and responsible business practices" measured on a scale of 0–100 with 100 being the most favorable result. Cradlepoint employees are not included in 2021 statistics. Vonage employees are not included.

Compliance concerns reporting and corrective actions

The table below shows the number of compliance concerns received, the number investigated, the number concluded in the reporting year which were found to be substantiated, and the number of open investigations at year-end. As the length of an investigation varies depending on case complexity, not all cases are concluded in the same year as they are reported. Hence, the number of substantiated cases and cases under investigation also includes cases received in prior reporting periods but which were concluded during the reporting year. Many matters reported are not referred for investigation. These are often inquiries of a general nature or other matters which are not deemed to be related to misconduct or breaches of the CoBE. When applicable, these cases were referred directly to the relevant units to address in accordance with their processes.

Reported, investigated and substantiated compliance concerns¹⁾

(No.)	2023	2022
<i>Concern intake and investigation</i>		
Reported	1,201	1,092
Not referred for investigation ²⁾	1,076	877
Referred for investigation	125	215
<i>Status at year end</i>		
Substantiated ³⁾	91	118
Under investigation	78	209

Reported concerns by category

(No.)	2023	2022
Fraud, corruption and regulatory breach	153	177
Conflicts of interest	86	69
Human resources	475	429
Discrimination	6	20
Human rights	–	–
Operations	183	125
Other ⁴⁾	298	272
Total	1,201	1,092

¹⁾ The process for categorizing compliance concerns underwent significant transformation in 2022 such that comparative figures for 2021 are not available.

²⁾ Cases received but not investigated as they pertained to inquiries of a general nature or other matters not deemed to be related to misconduct or breaches of the Code of Business Ethics.

³⁾ Cases closed and concluded to be substantiated during the reporting year, some of which were reported in previous reporting years.

⁴⁾ Includes reported concerns related to environmental sustainability, health and safety, as well as concerns which were assessed as not constituting compliance concerns, such as product quality issues, employees testing the Compliance Line, or comments of a general nature. When applicable, these cases were referred directly to the relevant units to address in accordance with their processes.

Corrective and disciplinary actions by type¹⁾

(No.)	2023	2022	2021
Termination	112	39	97
Demotion	–	4	2
Written warning	58	74	89
Verbal warning	28	46	22
Resignation	1	8	19
Other	2	7	4
Total	201	178	233

¹⁾ Actions taken as a result of substantiated breaches of Ericsson's CoBE. Each action represents a unique individual, meaning the sum of actions shown in this table cannot be directly compared to the number of substantiated cases shown above, as each case may involve several individuals. An individual may receive several corrective actions. In the above table, only the most severe action determining category classification is counted.

G3 Supply chain and responsible sourcing

Ericsson's supply chain

Ericsson has a global supply chain with around 20,000 first-tier suppliers. About 2,000 of these make up more than 90% of the supplier spend, and around 200 suppliers of the total supplier base are providers of hardware to Ericsson's production.

The global electronics supply chain is long and complex. In simple terms, it begins with the extraction of natural resources used in electronics manufacturing, which are then sold and transported to smelters and refiners for processing. The refined materials are traded and exchanged, and subsequently used in the manufacturing of parts and components, which are assembled into finished products.

Manufacturing and assembly of Ericsson's electronic hardware takes place both at Ericsson's own sites and at third-party electronic manufacturing services sites. In addition, a limited number of modules are manufactured by original/joint design manufacturing suppliers supporting specific market and business requirements.

Ericsson's supply hubs are regional distribution centers for logistics operations to serve customer orders and customer projects efficiently with activities like the collection of deliveries from production units and suppliers, warehousing, co-packing, order configuration and transport optimization. Regional inbound (component) hubs consolidate material from component suppliers, and these are a central point of component supply to the production sites, creating resilience and flexibility in the inbound supply chain.

Manufacturing sites and hubs

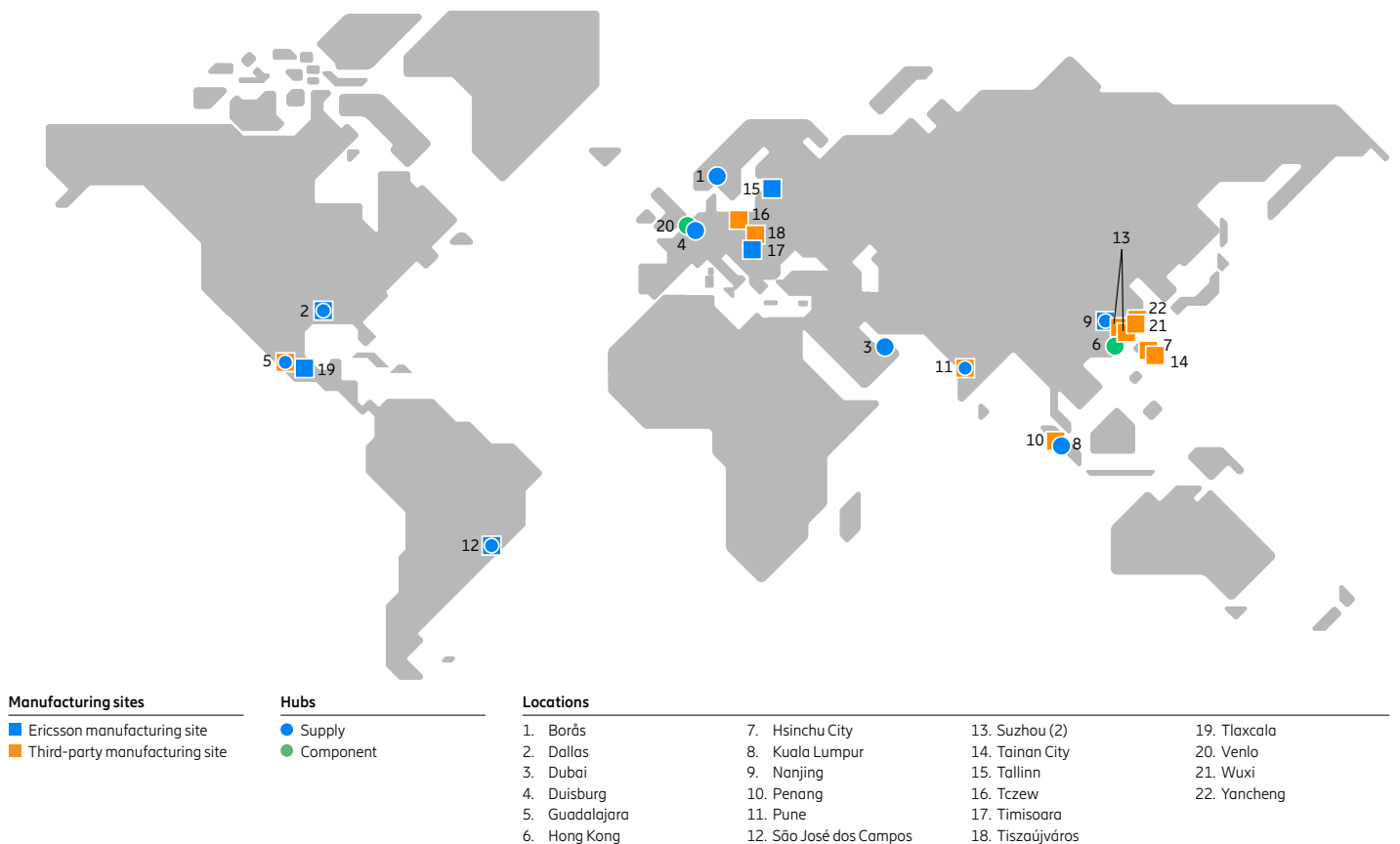
(No.)	2023	2022
Manufacturing sites		
Own sites	6	6
Third-party sites	11	9
Hubs		
Supply	9	9
Component	2	2
Share of production (%)¹⁾		
Own sites	14	17
Outsourced	86	83

¹⁾ Calculated based on the number of units delivered in the reporting year. Shares fluctuate over time due to factors such as demand forecasts and type of hardware that is produced.

Impacts, risks and opportunities

Ericsson contributes and is linked to several impacts through its business and supplier relationships. Material environmental impacts related to the upstream value chain are primarily greenhouse gas (GHG) emissions from resource extraction, manufacturing and transportation, use of natural resources and possible inclusion of banned or restricted substances in Ericsson's hardware, as well as freshwater use in primarily resource extraction activities as well as in semiconductor manufacturing. More information on these impacts is available in notes E1 to E4.

Manufacturing sites and supply chain hubs



Note G3, cont'd.

For social factors, the main material impacts identified upstream in the supply chain relate to equal treatment and opportunities, occupational health and safety (OHS), freedom from discrimination, forced and child labor, substandard working conditions as well as the security of workers in the value chain. More information on these impacts is available in notes S2 and S3.

Additionally, with a complex and global supply chain come risks of a partner's business conduct not being aligned to a company's own values, principles and standards. Ericsson has identified material impacts relating to corruption and bribery in its upstream value chain. More information on this is available in note G2.

Policies

Ericsson's Code of Conduct (CoC) for Business Partners is the foundation for the Company's work with responsible sourcing. The CoC covers four main areas: anti-corruption and business ethics, human and labor rights, safe and healthy working conditions, and environmental management. In addition, and covering all these areas, there is a requirement on suppliers to have an established management system. Business partners must also ensure and monitor that their suppliers and subcontractors comply with the CoC, or other agreed equivalent standards. The CoC is based on the Responsible Business Alliance (RBA) Code of Conduct but also includes Ericsson-specific requirements and is part of standard-supplier contracts. It is available in several languages on the Company's website. More detailed descriptions on the requirements in the CoC relating to identified material impacts are included in notes E1 to E4, S2 and S3 to this report.

Alongside the CoC, specific environmental and OHS requirements on business partners and suppliers involved in certain activities with higher environmental impact or with higher risks to workers' health and safety are also part of relevant supplier contracts and can also be accessed through the Company's website.

Management approach

Supplier segmentation and business continuity

Ericsson segments its supplier base to efficiently manage and prioritize supplier relationship management activities, optimize value from the supplier base as well as manage risks. Suppliers are segmented into one of four categories based on a combination of the following four aspects: spend, risk, dependency and value. Suppliers in the top two categories are considered business critical.

Ericsson strives to have dual supply sources to strengthen the supply chain resilience wherever possible. The company also invests in strategic buffers to further reduce the risk of disruptions. In addition, the Company monitors disruptive events in real time and offers suppliers to be visualized in the monitoring process. In case such an event occurs, Ericsson will be notified of which suppliers may be impacted. The risks and potential severity are subsequently assessed, and based on supplier input about its impacts and internal insights into the supply chain, mitigation activities for the specific event will be enacted. The real-time monitoring can be extended to integrate a supplier's business continuity plans, enabling additional granularity in the analysis of the supplier's vulnerability.

Responsible sourcing

Within Ericsson's sourcing organization, a dedicated unit is responsible for driving sustainability-related initiatives and with a focus on supplier alignment with environmental and OHS expectations, as well as adherence to the CoC in the supply chain. The scope of the Responsible Sourcing program mirrors the topics covered in the CoC. This work is aligned with the Sustainability and Corporate Responsibility strategy and is an integrated part of the supply chain strategy. Supplier adherence to standards and requirements is verified through two audit programs, one based on the CoC and the other on contract compliance.

Due diligence and supplier screening

Ericsson has a process for assessing its first-tier suppliers for risk of non-conformity with its CoC. A modular supplier sustainability risk assessment based on the supplier category's risk profile is triggered during the supplier onboarding process and for selected active suppliers. The scope of each assessment is predefined based on the type of products or services the supplier provides. Once a supplier has been selected for assessment, one or several self-assessment questionnaires covering environmental, OHS and human

rights management are sent to the supplier for completion. The supplier shall also provide supporting documentation for its responses. Suppliers are subsequently rated as having high, medium, or low risk, depending on how well they meet Ericsson's criteria in the assessed area(s). Based on this rating, a recommendation to either approve, not approve, or approve the supplier with certain conditions to address gaps (or the equivalent recommendations in the case of an active supplier) will be issued.

Monitoring

Suppliers' environmental performance and audit findings closure status are monitored via supplier performance cards together with other criteria such as quality and timely deliveries. Supplier performance evaluations are primarily done for top segmented suppliers as a recurrent activity to drive performance improvements. Ericsson has implemented a consequence management process for site services suppliers, where OHS incidents are most frequent. There is more information on this in note S2.

Code of Conduct for Business Partner audits

Suppliers in focus of this program are first-tier suppliers and primarily those making up the top 90% of Ericsson's supplier spend. The inherent risk of these suppliers – based on factors such as purchase volume, country, type of service or product supplied and time since the last audit – is assessed and forms the basis for audit selection. The audits are performed by a contracted third-party audit firm and are done primarily on-site, with remote audits being an option for high-risk countries. The overall audit criteria is adherence to the CoC, with specific criteria including, but not being limited to, employment conditions such as working hours, wages and management dialogue, OHS matters such as accident and incident prevention, chemical handling as well as communication of requirements to sub-suppliers and contractors.

Non-conformities are required to be addressed through time-specific corrective action plans. Since the CoC is part of standard supplier contracts, suppliers failing to adhere to it may have their contracts terminated. Ericsson does not conduct unannounced audits.

Contract compliance audits

Ericsson also conducts audits to verify compliance to contractual agreements between suppliers and Ericsson. These are performed by Ericsson's internal auditors and follow the principles of ISO 9011 Guidelines for Auditing Management Systems. Besides the CoC, other criteria such as trade compliance, business continuity management and security are in the scope of these audits. Non-conformities are required to be addressed through time-specific corrective action plans.

Responsible Business Alliance (RBA)

Ericsson is a member of the RBA and is working to increase the share of participating suppliers, and to make further use of its audit programs and other assets.

Training and awareness raising

Ericsson offers free training through its website to its suppliers and business partners. Besides general training on the CoC, targeted content covering anti-corruption, human rights, conflict minerals and OHS is also available via the Company's website. For suppliers in scope of the supplier engagement target, Ericsson offers training on climate change mitigation.

A set of training modules has been created for all sourcing employees focusing on environmental requirements and how to guide suppliers to drive climate action. Direct access to the United Nation Global Compact and Sustainable Development Goals training academies is available to employees in the sourcing organization as well as to suppliers via Ericsson's website.

Conflict minerals due diligence

Ericsson bases its approach on sourcing of minerals and metals on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This process covers the metals tin, tantalum, tungsten and gold (3TGs), as well as cobalt, and from 2023 mica. As there are often several tiers of suppliers between Ericsson and smelters or refineries, the Company does not normally have a direct purchasing relationship with these. More information on this topic can be found in Ericsson's annual Conflict Minerals report, available on the Company's website.

Note G3, cont'd.

Grievance mechanism

The Ericsson Compliance Line, available to internal as well external stakeholders, including suppliers and their employees, can be used to report concerns about violations of the CoC, policies, laws or regulations. See further information in note G2.

Metrics¹⁾

Supplier audits

Conducted audits

(No.)	2023	2022	2021
Code of Conduct for Business Partner audits	123	114	124
Contract Compliance audits	19	15	24

Code of Conduct for Business Partners audits

(%)	2023	2022
Audit findings²⁾		
Suppliers with non-conformities	85	97
Suppliers with critical non-conformities	1	6
Corrective action rate³⁾		
All non-conformities	79	73
Critical non-conformities	100	63

Audit findings per category (2023)

(%)	All non-conformities	Critical non-conformities
Access and transparency ⁴⁾	0	-
Employment conditions	42	-
Environmental management	4	-
Anti-corruption measures	3	-
OHS management	48	100
Sub-supplier communication ⁵⁾	3	-
Total	100	100

Contract Compliance audits

(%)	2023	2022
Audit findings		
Suppliers with non-conformities	100	100
Suppliers with critical non-conformities	-	-
Corrective action rate		
All non-conformities	65	69
Critical non-conformities	-	-

Audit findings per category (2023)

(%)	All non-conformities	Critical non-conformities
Code of Conduct for Business Partners	36	-
Quality Management Systems	20	-
Security	9	-
Sourcing	9	-
Business Continuity Management	7	-
Other	19	-
Total	100	-

¹⁾ See note O2 for an explanation on limitations regarding value chain reporting and disclosures.

²⁾ Calculated as the number of audited suppliers with identified non-conformities /critical non-conformities divided by the total number of audited suppliers in the preceding 12-month period. 2022 data was based on findings in the preceding 24-month period due to a change in data collection processes.

³⁾ Calculated as the number of non-conformities/critical non-conformities addressed and closed within 12 months from the time of identification, divided by the total number of identified non-conformities/critical non-conformities in the same period. 2022 data was based on findings in the preceding 24-month period due to a change in data collection processes. The corrective action rates are calculated based on the rate at which findings identified in the reporting period have been addressed and closed during the same period. For this reason, findings identified late in the reporting period may not have been addressed and closed by the reporting year cut-off date which is December 31.

⁴⁾ Access to facilities and documentation necessary to conduct the audit.

⁵⁾ Communication of Ericsson's requirements, such as those in the CoC, to sub-suppliers where this is required.

Conflict minerals due diligence

Smelters and refineries RMAP¹⁾ participation and conformity by minerals in scope²⁾

2023					2022				
(No.)	Identified	Participating	Conformant	Conformity rate (%) ³⁾	(No.)	Identified	Participating	Conformant	Conformity rate (%) ³⁾
Cobalt	84	47	36	77	Cobalt	63	47	29	62
Gold	186	111	95	86	Gold	171	116	98	84
Tantalum	43	34	34	100	Tantalum	36	35	35	100
Tin	112	69	63	91	Tin	77	63	54	86
Tungsten	62	38	37	97	Tungsten	46	44	40	91
Total	487	299	265	89	Total	393	305	256	84

¹⁾ Responsible Minerals Assurance Process

²⁾ Numerical information presented here corresponds to information included in the most recent Conflict Minerals Report submitted to the US Securities and Exchange Commission for each respective year. 2022 data has been restated as a result of this. See note O3 for more information.

³⁾ Out of RMAP participating smelters.

G4 Advocacy and policy influence

Impacts, risks and opportunities

The telecommunications sector in which Ericsson operates is highly regulated and increasingly politicized. National and transnational sector-specific policies affect the behavior and investment decision of service providers, which, in turn has implications on the services offered to consumers. Consequently, Ericsson's policy and advocacy activities can have an indirect impact on people's access to connectivity and the affordability of those services.

Ericsson's market is highly regulated, and its evolving technology is increasingly on the agenda of developing geopolitical alliances. The prominence of global open standards has enabled economies of scale, making mobile connectivity the fastest-ever scaling technology solution globally. Policy, regulation and new geopolitical alliances can significantly impact Ericsson's addressable market and have an influence on its supply chain and research and development clusters. At the same time, engaging policymakers, either directly or via intermediary organizations, to influence policy outcomes must be conducted in a manner that enhances Ericsson's reputation and mitigates corruption risks.

Policies

Ericsson's Group Policy on Government and Policy Advocacy (GPA) states that, Ericsson needs to anticipate, analyze, manage and mitigate political, regulatory, reputational and sensitive technology risks, drawing from several parameters to so support its business objectives. It further articulates the Company's commitment to conducting government and policy advocacy with transparency, integrity and ethics. A more detailed Group Directive on Policy Advocacy and Interaction sets forth the binding requirements applicable to managing advocacy activities with public officials and industry representatives. These rules of engagement are mandatory for all GPA advocacy activities.

Ericsson is a member of national and transnational trade associations relevant to its business and also participates in organizations with a more general industrial and business focus. Ericsson only participates in intermediary organizations that are aligned with the Company's values and uses its position to try and maintain consistency on policy positions as they are developed.

Ericsson does not contribute directly or indirectly to political parties or individual politicians, as stipulated by the Company's Code of Business Ethics. Exempt from this policy is support of voluntary employee contributions permitted under local law and supported by public reporting regulations.

Management approach

Ericsson's purpose and vision focuses on the power of mobile connectivity to deliver positive change, and the role that Ericsson will play in shaping that change. Its advocacy activities aim to achieve positive and sustainable long-term conditions for the Company and the broader information and communications technology sector. Accordingly, Ericsson acts as a trusted advisor, offering its expertise to policymakers to help deepen their understanding of the sector and its interplay across the economy in order to effectively achieve their policy objectives.

Only employees trained and individually authorized may engage in policy advocacy activities. All material policy-influencing interactions with public officials are documented for internal audit purposes and declared according to local regulation and practices. Further, Ericsson has implemented a policy on gifts, entertainment and hospitality, which dictates rules of engagement toward public officials.

Due diligence

Ericsson only participates in trade and industry associations that share its ethical values. It does not engage in any advocacy efforts that would undermine Ericsson's commitment to ethical business practices. Any new or existing memberships due for renewal are subject to specific compliance review requirements and conditions. The same general principles apply when any employee participates in advocacy activities under the umbrella of any one of these associations.

Climate policy alignment

The Company's memberships and involvement in multilateral industry organizations also cover climate-related advocacy efforts. It is central to Ericsson to only engage in partnerships that share the Company's position on a science-based climate perspective, not conflicting with the Paris Agreement, and partnerships are evaluated on a case-by-case basis.

Significant policy topics

Below is a summary of the most significant topics on which Ericsson is engaging with industry and policymakers, and the Company's position on those topics.

Theme	Topic	Objective
Connectivity & Infrastructure Investment	Connectivity agenda	Promoting ambitious objectives for transformational connectivity
	Deployment barriers	Speeding up the permission and lowering of site access costs
	Tax incentives	Encouraging horizontal incentives for productivity enhancing capital expenditure
	Competition policy	Evolving to sustainable market structures
	Public funding	Amplifying private investment in areas of clear market failure
	Net neutrality	Enabling network-based innovation
	Spectrum supply	Ensuring a future roadmap of spectrum
	Spectrum pricing	Encouraging investment-friendly approaches
Open Innovation	Global standards	Safeguarding scale economies through harmonized standards
	Open standards	Promoting market-based approaches consistent with the World Trade Organization's Technical Barriers to Trade principles
	6G research and collaboration	Catalyzing research collaboration across geographies
Digital Transformation, Trust & Inclusion	Cross-border data flows	Advocating for harmonized rules to promote trust and secure use of data
	Artificial intelligence	Promoting a risk-based and proportionate approach that safeguards use of AI in networks
	Privacy	Balancing personal data protection with flexibility to innovate
	Demand-side stimulation	Encouraging digital skills and incentivizing economy-wide take-up of the digital transformation
	Digital transformation	Promoting digitalization across industry verticals and public services
Security & Cyber Resilience	Security of deployed mobile networks	Ensuring the Ericsson Security Trust Stack is used holistically
	Supply chain security	Implementing Ericsson's Security Reliability Model throughout the supply chain
Sustainability	Carbon abatement	Incentivizing the use of connectivity-enabled digitalization to lower carbon emissions
	Energy efficiency	Promoting the use of new technologies to increase energy efficiency

Note G4, cont'd.

In addition to the areas listed above, Ericsson also advocates for:

Digital inclusion

Universal internet coverage and for digital inclusion through affordability and digital literacy efforts. The focus is on low-income countries and countries with low internet penetration. This is done through organizations such as The Broadband Commission for Sustainable Development and the International Telecommunication Union. Ericsson also advocates the use of 5G for broadband connectivity in rural areas in developed countries, for example, in Europe.

Environment and climate change mitigation

Ericsson contributes to consultations and hearings on strategies and legislative proposals in the area of environment and climate. The Company's approach is to advocate clear environmental legal requirements that are effective, based on science and that promote the environmental performance of the sector. Ericsson is also advocating for the benefits of digitalization and 5G in the transition to a Net Zero future.

Human rights

Ericsson is engaged in consultations for legislative proposals and policy developments, and it supports legislation in line with international human rights standards that ensure companies across value chains are covered by the same responsibilities, in particular in relation to the right to freedom of expression and privacy.

Memberships

Ericsson is a member of several associations, which to varying degrees advocate and/or exercise influence over public policy development. Below are the most significant memberships maintained on a Group level. Memberships maintained by subsidiaries and local entities are not included, which is why the list should not be considered exhaustive. Ericsson is also a member of several chambers of commerce on a national level.

- African Telecommunications Union
- Alliance Française des Industries du Numérique
- Association of Providers of Telecommunications and Value-Added Services (VATM)
- Associazione Civita
- Assonime
- Australian Tech Council
- Bitkom
- BusinessEurope
- CTIA The Wireless Association
- Digital Connectivity Forum
- Digital Europe
- Digitales
- European Roundtable for Industry
- European Telecommunications Network Operators Association
- Fondazione Astrid
- Global Business Alliance
- Groupe Speciale Mobile Association (GSMA)
- Information Technology Institute
- International Institute of Communications
- Istituto per la Competitività
- Näringslivets Internationella Råd
- Official College of Telecommunication Engineers
- Stockholms Handelskammare
- Studieförbundet för Näringsliv och Samhälle
- Svenska International Chamber of Commerce
- Svenskt Näringsliv - Teknikföretagen
- Sweden-India Business Council
- Tech UK
- Telecommunication Development Sector (ITU-D)
- Telecommunications Industry Association
- US Telecom – The Broadband Association

Section O – Other – Basis for preparation

01 Stakeholder engagement and materiality

Stakeholder engagement

Ericsson continuously engages with its stakeholders through different channels to understand their expectations, requirements and concerns about current and emerging environmental, social and governance (ESG) matters. The table

below contains a non-exhaustive list of examples of stakeholder engagements taking place over the past year, and the main ESG-related topics and concerns raised by different stakeholder groups.

Stakeholder group	Examples of engagements	Main topics and concerns raised
Employees	<ul style="list-style-type: none"> – Employee surveys – Employee resource groups – Dialogues with union representatives – Training and awareness-raising initiatives 	<ul style="list-style-type: none"> – Business ethics and anti-corruption – Health, safety and well-being of workforce, including working in hybrid working models – Diversity and inclusion – Learning and development
Customers	<ul style="list-style-type: none"> – Individual customer meetings and dialogues – Customer ESG assessments – Joint research and development. 	<ul style="list-style-type: none"> – Business ethics and anti-corruption – Portfolio energy performance and circularity – Product security and quality features – Role of industry and digitalization in society – Supplier management with a focus on labor rights and working conditions
Investors and analysts	<ul style="list-style-type: none"> – Investor dialogues and Capital Markets Day – Analyst inquiries and meetings – ESG ratings and rankings 	<ul style="list-style-type: none"> – Business ethics and anti-corruption – Corporate governance – Portfolio sustainability – Supplier management with a focus on labor rights and working conditions
Suppliers	<ul style="list-style-type: none"> – Responsible Business Alliance – 1.5 °C Supply Chain Leaders – Supplier assessments and audits – Supplier training, seminars and workshops. 	<ul style="list-style-type: none"> – Business ethics and anti-corruption – Health, safety and well-being of workforce – Labor rights and working conditions – Environmental and climate requirements – Conflict minerals, and materials and product traceability
Regulators and international institutions	<ul style="list-style-type: none"> – Policy advocacy toward regulators – Partnerships with: <ul style="list-style-type: none"> - UNICEF/UNHCR/UN World Food Programme - UN B-tech Project - World Health Organization - ITU Broadband Commission for Sustainable Development. 	<ul style="list-style-type: none"> – Environmental and human rights impacts of ICT sector – Digital inclusion, education and connectivity – Humanitarian relief efforts – Radio waves and health.
Academia and business	<ul style="list-style-type: none"> – Joint research and research funding – Development of technology curriculum – Participation in standardization bodies – Membership of industry associations – European CEO Alliance. 	<ul style="list-style-type: none"> – Environmental impacts of ICT sector – Enablement effect of ICT in mitigating climate change – Radio waves and health.
Civil society, NGOs and other	<ul style="list-style-type: none"> – Participation in/partnerships with: <ul style="list-style-type: none"> - World-Wide Fund for Nature - Exponential Roadmap Initiative - Global Network Initiative - Shift Business Learning Program 	<ul style="list-style-type: none"> – Collective climate action – Protection of right to privacy and freedom of expression – Digital inclusion and education – Supplier management with a focus on labor rights and working conditions – Operating in conflict-affected and high-risk countries

Materiality assessment

During 2023, Ericsson undertook a materiality assessment to update its understanding of its material sustainability-related impacts, risks and opportunities.

The scope of the assessment was the operations of the Ericsson Group and its upstream and downstream value chain, with a focus on the electronics manufacturing supply chain when analyzing upstream impacts. The geographical scope of the assessment was global, but with a focus on the countries and regions in which the company has a significant number of employees, suppliers and customers, also factoring in the Company's presence in geographies with known heightened risks of human rights violations and substandard working conditions.

The assessment was carried out in the following main phases:

- A. Definition of the universe of environment, social and governance (ESG) matters in scope of the assessment
 - B. Initial assessment of impacts, risks and opportunities
 - C. Validation with key internal stakeholders and subject matter experts
 - D. Validation with selected external experts
 - E. Review and approval by the Executive Team and Audit and Compliance Committee of the Board of Directors
- A. The universe of ESG matters assessed was based on matters found in ESG reporting frameworks, supplemented by input from benchmarking of matters included in industry peers' and customers' external ESG disclosures, as well as matters covered in the assessment methodologies of a select number of ESG rating agencies.

- B. After scoping out matters with no apparent relation to Ericsson and its value chain, remaining matters were analyzed in more detail to identify actual and potential negative and positive impacts, as well as actual and potential risks and opportunities.

Ericsson's current understanding of impacts, risks and opportunities, based on the Company's peer-reviewed research into the environmental impacts of its products and solutions, existing human rights due diligence processes, risk management framework, as well as ongoing stakeholder engagements, were incorporated in this phase of the assessment. Additional sources of information used included, but were not limited to, external scientific research, industry and non-governmental organization reports, third-party ESG risk intelligence tools, results of employee surveys, conducted supplier audits, internal risk assessments and information about cases reported via the Ericsson Compliance Line.

Negative impacts were assessed based on their severity (scale, scope and irremediable character) and positive impacts were assessed based on their scale and scope. For potential impacts, the likelihood of the impact occurring was also considered. When assessing impacts downstream in the value chain, in relation to customers and end-users, impacts with a connection to Ericsson's portfolio were considered. Impacts occurring within customers' operations or value chains but with no or minimal connection to Ericsson's products, solutions or technology were not considered relevant for the assessment.

While numerical scales were used to quantify scale, scope and irremediability in the initial stages of the assessment of all impacts, the thresholds applied for ultimately determining if a matter should be considered material or not were largely qualitative and involved varying degrees of subjective and professional judgement.

Note O1, cont'd.

Risks and opportunities were assessed based on their magnitude and likelihood of occurrence. Where relevant, existing conclusions and thresholds in Ericsson's enterprise risk management process were factored into the assessment.

- C. The preliminary results were reviewed with internal subject matter experts and business representatives to both validate the assessment of materiality, as well as to embed understanding of impacts, risks and opportunities across the Company.
- D. Subsequently, a not-for-profit organization with expertise in the area of human rights was consulted for a review of identified impacts related to human and labor rights. This review was intended to function as external subject matter expert input. While it is not an affected stakeholder, the organization had the opportunity to highlight impacts that affected stakeholders would expect to see analyzed and managed.
- E. The consolidated results were reviewed and approved by the Executive Team and the Audit and Compliance Committee of the Board of Directors.

The results of the materiality assessment are presented below. The table shows where material impacts occur, or may occur, in the value chain and not where actions to manage impacts take place, which in most cases would be by Ericsson through its own operations. While the assessment scope included risks and opportunities, these will need to be further analyzed and incorporated into other business processes to ensure consistent treatment with other risk factors and to enable a more refined analysis of potential financial implications, going forward. More detailed descriptions of identified impacts, risks and opportunities, as well as Ericsson's policies and actions to manage these can be found in the topic-specific notes to this report.

Changes in material matters compared with previous reporting periods

The 2023 materiality assessment was done on a more granular level compared with previous assessments, meaning several of the matters presented below were previously part of broader topics assessed. This does not mean that their inherent significance has changed, only how they are presented in the list of material topics. Matters which were previously not considered material, or which were not included in previous assessments, but which are now included due to the full value chain being considered include: water resources, air pollution, adequate housing, security of people, technology ethics, supplier relationships & payment terms, and responsible marketing.

Material impacts, risks and opportunities

Sustainability matters	Impact			Potential risks and opportunities	Details in note / section	
	Upstream (extended supply chain)	Own operations	Downstream (customers and end-users)			
Environment	Climate change and energy	●	●	●	E1	
	Air pollution			●	E2	
	Substances of concern and very high concern	●		●	E2	
	Water resources	●			E3	
	Natural resources and circularity	●		●	E4	
Social	Training & skills development		●	●	S1	
	Diversity & inclusion	●	●	●	S1/G3	
	Gender equality and equal pay	●	●	●	S1/G3	
	Discrimination & harassment	●	●		S1/G2/G3	
	Freedom of assembly & association	●	●		S1/G3	
	Adequate wages & secure employment	●	●		S1/G3	
	Working time	●	●		S1/G3	
	Work-life balance		●		●	S1/S2
	Occupational health & safety	●	●	●	●	S2/G3
	Forced & child labor	●			●	S3/G3
	Adequate housing	●				S3/G3
	Freedom of expression & right to privacy			●		S3
	Security of people	●	●			S3
	Technology ethics			●		S3 ¹⁾
	Corporate citizenship & emergency response			●		S4
	Digital education			●		S5
	Socioeconomic impacts of ICT			●		S5
Governance	Corruption & bribery	●	●	●	●	G2
	Anti-competitive behavior				●	G2
	Supplier relationships & payment terms	●				– 2)
	Data privacy & cybersecurity		●	●	●	Corp. Gov. report p. 19
	Political engagement & advocacy			●	●	G4
Responsible marketing				●	– 2)	

¹⁾ In this year's report Ericsson includes information about its position on responsible use of AI. Technology ethics in a wider context will be addressed in coming reports.

²⁾ Matter not addressed in this year's report. These will be addressed in coming reports.

02 Reporting principles, scope and external assurance

This Sustainability and Corporate Responsibility Report ("the report", "this report"), published on March 6, 2024, constitutes Ericsson's annual statutory sustainability report and contains information about material environmental, social and governance (ESG) related impacts, risks and opportunities, as well as governance and policies, management approaches, metrics and targets relevant to these matters. A description of Ericsson's strategy and business model can be found on pages 7-12, and a description of financial and non-financial risk factors on pages 105-119 of the Financial Report, which is also part of Ericsson's Annual Report.

Reporting principles and frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Ericsson has, in the preparation of the report, applied reporting principles as prescribed in the standard GRI 1: Foundation (2021). The report has also been prepared in accordance with the UN Guiding Principles on Business and Human Rights reporting framework.

The report also includes climate-related disclosures included in the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) as well as relevant disclosures in applicable Sustainability Accounting Standards Board (SASB) standards. Ericsson is also reporting on the core disclosures of the Stakeholder Capitalism Metrics developed and endorsed by the International Business Council and the World Economic Forum. As a supplement to the report, an ESG reporting reference index is published on the ESG section of the Investor Relations pages on Ericsson's website. The index contains detailed references to applied reporting frameworks and standards and includes the GRI content index.

Scope and boundaries

Unless otherwise stated, the information and data provided pertain to the period January 1 to December 31. The report covers the Ericsson Group, which is the parent company Telefonaktiebolaget LM Ericsson and its subsidiaries as presented in note P8 to the parent company's financial statements in the Financial Report. The report does not include environmental and social data related to associated companies or joint ventures. These constitute a limited share of the Group's headcount and operations.

In 2022, Ericsson acquired Vonage, now part of Business Area Global Communications Platform, and in 2020, Cradlepoint, now part of Business Area Enterprise Wireless Solutions. For a limited number of ESG disclosures, primarily people-related, these companies have not yet been fully consolidated into this report. At year-end 2023, these companies had a combined headcount of about 4,200 employees, equal to 4,2% of the Group's total employee headcount. Where the scope of a disclosure excludes one or both of these companies, this is indicated in a footnote.

As a general principle, baselines for Group ESG targets are recalculated when the effect of a merger, acquisition or divestment on the performance of a target key performance indicator is assessed as significant. In other cases, baselines or data pertaining to previous reporting periods are not restated. Information on restatements made in the reporting year can be found in note O3.

The report contains disclosures related to the Company's upstream and downstream value chain including suppliers, vendors, customers and other business partners. There are inherent uncertainties to the completeness, accuracy and verifiability of this information, as it relates to performance and activities that are beyond the Company's direct influence and control.

External assurance

The report has been subject to assurance procedures by the Company's statutory auditors in accordance with the assurance standard ISAE 3000. The report as a whole has been subject to limited assurance procedures. Additionally, information on GHG emissions in Scope 1, 2 and Scope 3 categories Business travel and Downstream transportation, presented in note E1, as well as information on the share of women per employee category, presented in note S1, have been subject to reasonable assurance procedures. The assurance report can be found on page 50.

Related reporting and disclosures

Ericsson publishes other ESG-related statements and reports on its website, such as the annual CDP Climate Change questionnaire response, a Modern Slavery and Human Trafficking Statement, and a Conflict Minerals Report.

03 Restatements of information

The following information in the Sustainability and Corporate Responsibility Report has been restated:

- Information in note E1 about purchased non-renewable electricity has been restated for the years 2022 and 2021 to align with emerging disclosure regulation. The total amount of purchased non-renewable electricity has not been restated but is from 2023 presented with a breakdown on electricity from fossil sources and electricity from nuclear sources which was not included in previous years.
- Information in note E1 about Scope 3 GHG emissions for the years 2022 and 2021 has been restated. In the process to validate Ericsson's emission reduction targets by the SBTi, emissions in the categories Upstream transportation, Downstream transportation, and Fuel- and energy-related activities were reclassified within the same three categories to align with the SBTi methodology, including a change in the application of well-to-wheel and tank-to-wheel emission factors. In short, this has meant an increase of emissions reported in the category Upstream transportation, and a decrease in emissions reported in the categories Downstream transportation and Fuel- and energy-related activities, compared to what was reported in previous years. In addition, emissions in the category Use of sold products and services for the year 2022 have been restated due the correction of an identified calculation error. The resulting changes are presented below. Consequently, total GHG emissions, the share of the value chain carbon footprint and emissions intensity broken down per scope for the years 2022 and 2021 reported in note E1 have also been restated.

GHG emissions

(metric tons)	After restatements		Prior to restatements	
	2022	2021	2022	2021
Fuel- and energy-related activities	36,600	23,200	77,700	79,000
Upstream transportation	206,200	215,300	36,600	49,000
Downstream transportation	7,090	7,082	116,176	119,169
Use of sold products and services	28,262,400	N/A	25,048,000	N/A

- Information in note E2 about other emissions to air has been restated for the years 2022 and 2021, as Ericsson has redefined the scope of this disclosure. The new scope is aligned to the boundaries of direct Scope 1 emissions as set forth by the GHG Protocol. Previously, the scope included indirect sources of emissions, including purchased energy at facilities, business travel, commuting and transport. The resulting changes are presented below.

Other emissions to air

(metric tons)	After restatements		Prior to restatements	
	2022	2021	2022	2021
NOx	49	54	682	645
SOx	61	63	657	694
Particle matters	12	13	71	77

- Information in note E4 about waste generated in operations broken down by disposal method has been restated for the years 2022 and 2021 to align with emerging disclosure regulation. The total amount of waste generated has not been restated but the breakdown per recovery and disposal method is now presented with more granularity compared to previous years.
- Information in note S1 about employees, new hires and turnover broken down by age groups has been restated for the years 2022 and 2021 to align with emerging disclosure regulation. Prior to 2023, the age brackets used were: under 25, 25-35, 36-45, 46-55 and over 55 years old. As of 2023, the brackets used are: under 30, 30-50 and over 50 years old.
- Information in note S1 about the CEO to employee pay ratio for the years 2022 and 2021 has been restated to align with emerging disclosure regulation. Prior to 2023 the mean employee salary and mean total compensation was used to calculate this metric. As of 2023, the median employee salary and median total compensation is used to calculate this metric.
- Information in note S2 about fatality and lost-time incident rates has been restated for the years 2022 and 2021 to align with emerging disclosure regulation. Prior to 2023 these rates were calculated using the assumed number of hours worked by 100 FTEs in a year (200,000) as the normalization factor. As of 2023 the normalization factor is the assumed number of hours worked by 500 FTEs which is 1,000,000 hours.
- Information in note G3 about the number of smelters, their RMAP participation and RMAP conformity status has been restated for the year 2022 to align with information presented in Ericsson's Conflict Minerals Report filed with the US Securities and Exchange Commission. In previous years the information presented in the Sustainability and Corporate Responsibility Report reflected a snapshot of information available at the reporting year cut-off date, meaning the period covered was not the same as the period covered in the Conflict Minerals Report.

Assurance report

Auditor's Assurance Report on Ericsson's Sustainability and Corporate Responsibility Report and statement regarding the Statutory Sustainability Report

To Telefonaktiebolaget LM Ericsson, corporate identity number 556016-0680

Introduction

We have been engaged by the Board of Directors and Executive Management of Telefonaktiebolaget LM Ericsson ("Ericsson") to undertake an assurance engagement of the Ericsson Sustainability and Corporate Responsibility Report ("the Sustainability Report") for the year 2023. The Company has defined the scope of the Sustainability Report on page 48 in the Sustainability Report, which also constitutes the Statutory Sustainability Report.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 48 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The engagement includes limited assurance on the complete Sustainability Report, and an audit of selected information consisting of GHG emissions in Scope 1, 2, and Scope 3 categories Business travel and Downstream transportation disclosed on page 15, as well as information on the share of women per employee category, disclosed on page 26 in the Sustainability Report.

The objective of an audit is to obtain reasonable assurance that the information is free of material misstatements. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the selected information in the Sustainability Report. A limited assurance engagement consists of making inquiries, primarily of persons

responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 *The auditor's opinion regarding the Statutory Sustainability Report*. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Ericsson in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit. Since this engagement is combined, our conclusions regarding the limited assurance, the reasonable assurance, and the examination according to RevR 12 will be presented separately below.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

In our opinion, the selected information in the Sustainability Report which has been subject to our reasonable assurance procedures has, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and Executive Management

A Statutory Sustainability Report has been prepared.

Stockholm 5 March 2024

Deloitte AB

Thomas Strömberg
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

Glossary

2G

Second generation of mobile systems (the first digital generation). Includes GSM, TDMA, PDC and cdmaOne.

3G

Third generation mobile systems. Includes WCDMA/HSPA, CDMA2000 and TD-SCDMA.

4G

Fourth generation mobile systems, also known as LTE.

5G

The fifth generation of mobile systems. An evolution of 4G/LTE.

ABC

Anti-bribery and corruption.

AI

Artificial intelligence. The ability of a machine to perform a task commonly associated with intelligent beings.

API

Application programming interface. A software intermediary for two or more computer programs to communicate with each other.

Cloud native

Software approach of building, deploying, and managing modern applications in cloud computing environments.

CO₂e

Carbon dioxide equivalents. The amount of a particular greenhouse gas, expressed as the amount of carbon dioxide that gives the same greenhouse effect.

COVID-19

The disease caused by the coronavirus (SARS-CoV-2).

COVID-19 pandemic

The global spread of the disease caused by the coronavirus (SARS-CoV-2).

Downstream in value chain / Downstream emissions

Activities (and related greenhouse gas emissions) occurring post manufacturing/production, primarily associated with a product's distribution, use and end-of-life phases.

ESG

Environment, Social, and Governance. Refers to the three overarching themes for assessing non-financial factors which can impact a company's value-creating abilities.

GHG

Greenhouse gases. Naturally occurring and man-made gases that trap heat in the atmosphere, contributing to the greenhouse effect warming the earth.

GHG (Greenhouse gas) protocol

A framework and de facto standard for measuring, accounting and managing greenhouse gas emissions.

Global Reporting Initiative (GRI) Standards

The first and most widely adopted global standards for sustainability reporting. GRI is an independent international organization that has pioneered sustainability reporting since 1997.

GSM

Global System for Mobile Communications. Second generation mobile system.

ICT

Information and Communication Technology.

IoT

Internet of things. A common name for technologies enabling objects with built-in electronics and internet connection to be controlled or to exchange data over a network.

ITU

International Telecommunication Union.

LCA

Life-Cycle Assessment. An approach for calculating the environmental impact of a product or service across all its lifecycle phases, ranging from extraction of raw materials and manufacturing to usage and end-of-life management.

LTE

Long-Term Evolution. 4G; the evolutionary step of mobile technology beyond 3G HSPA, allowing data rate above 100 Mbps.

LWI

Lost workday incidents. An incident resulting in one or more lost workdays.

Mobile broadband

Wireless high-speed internet access using the HSPA, LTE, CDMA2000EV-DO and 5G technologies.

Net Zero

A state in which no net additions of greenhouse gases are released into the atmosphere. Organizations can achieve this primarily by reducing their emissions as well as using certain accepted carbon capture, removal and storage technologies to neutralize any unavoidable remaining emissions.

Own Activities

Cover GHG emissions in Scope 1, 2, and Scope 3 categories Business Travel and Employee Commuting.

SASB

Sustainability Accounting Standards Board. An organization publishing sustainability reporting standards. Now part of the IFRS (International Financial Reporting Standards) Foundation.

SBTi

The Science Based Target initiative, A partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that defines and promotes best practice in emissions reductions and net-zero targets in line with climate science, including providing a second opinion on the ambition level of targets set by corporates and other entities.

Scope 1

Direct GHG emissions derived from assets/sources that are owned or controlled by an organization, typically through combustion of fossil fuels.

Scope 2

Indirect GHG emissions derived from the energy purchased and consumed, but not generated by, an organization, typically from acquired electricity, heating and cooling.

Scope 3

Other indirect GHG emissions which are a consequence of the activities of the company but are derived from sources not owned or controlled by the company. These include emissions occurring in the supply chain as well those occurring when customers use a company's products and services.

SDGs

Sustainable Development Goals. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership.

TCFD

Task force on Climate related Financial Disclosures. A framework for disclosing on an organization's strategies, targets and risk management approaches as regards climate change.

The Paris Agreement

A legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris 2015. The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2 °C and pursuing efforts to limit it to 1.5 °C.

UNGC

United Nations Global Compact. Is a voluntary initiative adopted in 2005 by the UN Secretary-General, based on CEO commitments to Implement universal sustainability principles and to take steps to support the UN Sustainable Development Goals.

UNGP

United Nations Guiding Principles on Business and Human Rights. The companies' responsibility to protect and respect human rights are defined in the UN's guiding principles for business and human rights

UNHCR RETS

United Nations High Commissioner for Refugees – Refugee Emergency Telecommunications Sector. RETS is the mechanism through which UNHCR coordinates the communications technology response in emergencies.

UNICEF

United Nations children's fund, established in 1946, and responsible for providing humanitarian and developmental aid to children worldwide.

Upstream in value chain / upstream emissions

Activities (and related greenhouse gas emissions) occurring in an organization's supply chain, including extraction of raw materials, manufacturing, assembly and distribution of purchased products and components, and other acquired services.

WEF

World Economic Forum.

WFP-led ETC

Emergency Telecommunications Cluster led by World Food Programme (WFP).

More information

Information about Ericsson and its development is available on the website: www.ericsson.com. Annual and interim reports and other relevant shareholder information can be found at: www.ericsson.com/investors

Every care has been taken in the translation of this annual report to English. However, in the event of discrepancies, the Swedish original will supersede the English translation.

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About Ericsson

Ericsson is a leading provider of mobile connectivity solutions to telecom operators as well as enterprises in various sectors. Together with our customers and partners in the ecosystem, we are leading the next wave of digitalization in society. We provide high-performance, differentiated and programmable networks and make advanced network capabilities available to developers around the world. Through world-leading research, we drive new standards and are instrumental in the development of the next-generation mobile communications infrastructure, software, and services.

The Company has approximately 100,000 employees, and customers in around 180 countries. Ericsson is headquartered in Stockholm, Sweden. Our shares are listed on Nasdaq Stockholm and our American Depositary Shares (ADS) are listed on Nasdaq New York. Ericsson's vision is a world where limitless connectivity improves lives, redefines business and pioneers a sustainable future.