



Sustainability reporting standards disclosure 2018

The Ericsson Annual Report 2018 has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Core option. In addition, Ericsson has reported its Communication on Progress (COP) annually to inform its stakeholders on progress concerning human rights, labor standards, the environment and anti-corruption, and according to UN Global Compact Advanced Level criteria since 2012. Ericsson's COP is available on www.ericsson.com and on the UNGC website as part of Ericsson's Company Information. Ericsson Annual Report has been prepared in accordance with the UNGPs on Business and Human Rights Reporting Framework. Ericsson also publishes other annual statements and reports related to its commitments to responsible business such as a Modern Slavery Statement in accordance with the UK Modern Slavery Act, and a Conflict Minerals Report under the US Dodd-Frank Act.

GRI topic specific disclosures listed below have been externally assured by PwC, see Assurance Statement pages 190-191 within Ericsson Annual Report 2018. The Ericsson Annual Report 2018 will be referred to in this document as "Annual Report" or "AR". Topic specific disclosures description are an indicative, for a full description please visit Global Reporting Initiative (GRI) Sustainability Reporting Standards.

GRI	Topic specific disclosure	Locations in reports or websites and omissions
GENERAL DISCLOSURE (GRI 102)		
Organizational profile		
102-1	Name of the organization	Telefonaktiebolaget LM Ericsson
102-2	Activities, brands, products, and services	See Ericsson Annual Report (Pages 18-29)
102-3	Location of organization's headquarters	Shareholder information in Annual Report (Page 204) Torshamnsgatan 21, Kista, Stockholm, Sweden
102-4	Location of operations	Customers in more than 180 countries use our solutions and services. Group policies and directives are applicable globally Major markets and regions see Annual Report (Pages 23-29)
102-5	Ownership and legal form	See Shareholders within Annual Report (Page 134)
102-6	Markets served	Major markets and regions see Annual Report (Pages 23-29)
102-7	Scale of the organization	See Ericsson Annual Report (Pages 1-30)
102-8	Information on employees and another worker	Consolidated financial statement with notes G2 Information regarding members of the Board of Directors and Group management (Pages 88-89) in Annual Report and G4 Employee information (Page 93) in Annual Report Activities performed by workers who are not employees is not significant. Data is compiled from human resources management systems data base
102-9	Supply chain	See Annual Report Sourcing and Supply (Page 30)
102-10	Significant changes to the organization and its supply chain	See Annual Report (Pages 1 and 30)
102-11	Precautionary principle or approach	Ericsson's Sustainability policy addresses the precautionary principle Ericsson uses Life Cycle Assessment (LCA) to determine its most significant environmental impacts and to prioritize areas of improvement. The Company uses Human Rights Impact Assessment (HRIA) in accordance with the UNGPs as part of our human rights' due diligence
102-12	External initiatives	Ericsson was one of the first companies to endorse and become a signatory of the UN Global Compact 10 Principles. The Company is committed to uphold the UN Guiding Principles on Business and Human Rights (UNGP). Since 2012, Ericsson has been a member of the World Economic Forum Partnership Against Corruption Initiative (PACI)
102-13	Membership of associations	See Membership at Ericsson.com
Strategy		
102-14	Statement from senior decision-maker	Letters from the Chairman of the Board (Page 31) in Annual Report and the President and CEO (Pages 2-3) in Annual Report
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Ericsson's core values: respect, professionalism and perseverance, Code of Business Ethics (CoBE) applies to all employees

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
102-17	Mechanisms for advice and concerns about ethics	Employees, other persons than employees, such as suppliers, customers and other partners involved with Ericsson are encouraged to report any conduct that they believe, in good faith, to be a violation of laws or the Code of Business Ethics. Please see Reporting Compliance Concerns
Governance		
102-18	Governance structure	Corporate Governance Report (Pages 132-158), in Annual Report
Stakeholders engagement		
102-40	List of stakeholder groups	See Sustainability and Corporate Responsibility - Stakeholder engagement (Pages 168) in Annual Report
102-41	Collective bargaining agreements	Ericsson's Code of Conduct stipulates that all employees shall be free to form and to join, or not to join, trade unions or similar external representative organizations and to bargain collectively The coverage varies from country to country. In Sweden, all employees except for Group Management are covered by collective agreements. The Company estimates that approximately 30% of employees are covered by collective bargaining agreements
102-42	Identifying and selecting stakeholders	See Sustainability and Corporate Responsibility - Stakeholder engagement (Pages 168) in Annual Report
102-43	Approach to stakeholder engagement	The Company's stakeholder engagement is a continuous dialogue that provides vital input to our work. See Sustainability and Corporate Responsibility - Stakeholder engagement (Pages 168) in Annual Report
102-44	Key topics and concerns raised	See Sustainability and Corporate Responsibility - Stakeholder engagement (Pages 168) in Annual Report
Report practice		
102-45	Entities included in the consolidated financial statements	See P8 Investments in Annual Report (Pages 107-108) list of certain shareholdings owned directly and indirectly by the Parent Company as of December 31, 2018 A complete listing of shareholdings prepared in accordance with the Swedish Annual Accounts Act and filed with the Swedish Companies Registration Office (Bolagsverket), may be obtained upon request to: Telefonaktiebolaget LM Ericsson, External Reporting, SE-164 83 Stockholm, Sweden
102-46	Defining report content and topic Boundaries	Unless otherwise stated, all information and data pertain to activities undertaken from January 1, 2018, to December 31, 2018. The Report covers the Ericsson Group, i.e. Telefonaktiebolaget LM Ericsson and its Subsidiaries See Sustainability and Corporate Responsibility – About this report in Annual Report (Page 166)
102-47	List of material topics	See Sustainability and Corporate Responsibility - Significant topics and risk management (Pages 172-173) in Annual Report
102-48	Restatements of information	No significant re-statements in 2018
102-49	Changes in reporting	Implementation of reporting in accordance to Global Reporting Initiative (GRI) Sustainability Reporting Standards
102-50	Reporting period	See Sustainability and Corporate Responsibility – About this report in Annual Report (Page 166)

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
102-51	Date of most recent report	Sustainability and Corporate Responsibility Report 2017 was published in March 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	corporate.responsibility@ericsson.com
102-54	Claims of reporting in accordance with the GRI Standards	Global Reporting Initiative (GRI) Sustainability Reporting Standards in accordance to core level and external assurance. See Sustainability and Corporate Responsibility – About this report in Annual Report (Page 166)
102-55	GRI content index	See Ericsson.com/Sustainability
102-56	External assurance	See Sustainability and Corporate Responsibility - Auditor's Assurance Report (Pages 190-191) in Annual Report
MANAGEMENT APPROACH (GRI 103)		
103	Management approach	<p>For each sustainability topic identified, Ericsson is reporting an explanation of why the topic is material, the boundary for the significant topic, The Company related governance, policies and directives, reporting year highlights, where the impacts occur and main risks</p> <p>See Sustainability and Corporate Responsibility Report - Significant topics and risk management (Pages 172-173) and for each material area see:</p> <p>Respect for human right (Page 175) Anti-corruption (Page 176) Information security and privacy (Page 177) Diversity and inclusion (Page 178) Occupational health and safety (Page 179) Responsible sourcing (Pages 180-181) Radio waves and health (Page 182) Climate action, energy and environment (Pages 183-186) Internet for all (Page 187)</p>

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
ECONOMIC		
Economic performance (GRI 201)		
201-2	Financial implications and other risks and opportunities due to climate change	See Risk Factors - Regulatory, Compliance and Corporate Governance risk (Page 123-124) in the Annual Report and Sustainability and Corporate Responsibility Report - Climate action, energy and environment (Pages 183-185) in the Annual Report Ericsson publicly reports climate change risks and opportunities through CDP, according to CDP deadline. Please see latest available CDP Report
201-4	Financial assistance received from government	The occurrence of government grants is very limited. They are normally reported as reductions of development costs or reductions of capital expenditure, depending on their nature
Indirect economic impacts (GRI 203)		
203-2	Significant indirect economic impacts	Description of significant economic impact can be found in Sustainability and Corporate Responsibility- Internet for all (Pages 187) In Annual Report
Procurement practices (GRI 204)		
204-1	Proportion of spending on local suppliers	No policy, but relatively constant level of sourcing activities taking place locally around the world. Out of Ericsson's total spend, approximately 50 percent was local or regional spend (country or market area level). See Supply chain in Annual Report (Page 30)
Anti-corruption (GRI 205)		
205-1	Operations assessed for risks related to corruption	Market areas, Business Units, Customer Groups and Group Functions analyze risks, including corruption. Risk Management is described in the Annual Report (Page 40 , Pages 149-151 , and Page 172)
205-2	Communication and training about anti-corruption policies and procedures	A new mandatory online anti-corruption training for all employees was launched in 2018 and completed by over 88,150 active employees. See Sustainability and Corporate Responsibility – Anti-corruption (Page 176) in Annual Report
205-3	Confirmed incidents of corruption and actions taken	See Sustainability and Corporate Responsibility – Reporting compliance concerns (Pages 170) in Annual Report In 2018, 23 employment contracts, were terminated due to fraud, corruption and regulatory breach.

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
ENVIRONMENTAL		
Materials (GRI 301)		
301-1	Materials used by weight or volume	<p>Ericsson requires material declarations for all parts and components included in products. Based on this information Ericsson can compile and analyze the material content for individual products. Total weight of products put on the market (excluding packaging) was approximately 200,000 tonnes</p> <p>Using the Radio 4415 as a typical radio weighing only 20 kg it can estimated that the total weight of materials used are approximately:</p> <ul style="list-style-type: none"> — Metals: 181,500 tonnes — Polymers, ceramics: 16,500 tonnes — Additives: 1,700 tonnes <p>Parts of this standard are no applicable, as it can be estimated that Ericsson uses metals with a global average recycling ratio. The smelting and refining of minerals often combine materials from many different sources, making it difficult to trace their origin after refining</p>
Energy (GRI 302)		
302-1	Energy consumption within the organization	<p>Energy consumption within the organization (Scope 1 and 2): 3,171,600 GJ</p> <p>Energy consumption within the organization is estimated based on certain assumptions for example, fuel heat value assumed to be about 9 kWh/liter on average for petrol and 10 kWh/liter for diesel)</p> <p>See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S6 Environment aspects (Page 189) in Annual Report</p>
302-2	Energy consumption outside of the organization	<p>Energy consumption outside of the organization (Scope 3-Ericsson own activities according to life-cycle assessment): 5,350,000 GJ</p> <p>Energy consumption outside the organization is estimated based on certain assumptions for example, 1 kg CO₂e emitted is equal to 3.85 kWh</p> <p>See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S6 Environment aspects (Page 189) in Annual Report</p>
302-3	Energy intensity	<p>Energy intensity by net sales. See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S6 Environment aspects (Page 189) in Annual Report</p>
302-4	Reduction of energy consumption	<p>Sustainability and Corporate Responsibility Report - Climate action, energy and environment (Pages 183-185) in the Annual Report</p> <p>Ericsson applies a Life-Cycle Assessment and GhG protocol to measure its environmental performance. For Energy consumption reduction figures see Consolidated sustainability statements and notes – S6 Environment aspects (Page 189) in Annual Report</p>
302-5	Reductions in energy requirements of products and services	<p>Reductions in energy requirements of products and services and potential energy savings, see Sustainability and Corporate Responsibility Report - Climate action, energy and environment (Pages 185) in the Annual Report</p>
Emissions (GRI 305)		
305-1	Direct (Scope 1) GHG emissions	<p>See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S8 Green House Gas Emissions (CO₂e) (Page 189) in Annual Report</p>

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
		Ericsson uses CO ₂ e carbon dioxide equivalent to disclose its emissions
305-2	Energy indirect (Scope 2) GHG emissions	See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S8 Green House Gas Emissions (CO ₂ e) (Page 189) in Annual Report
305-3	Other indirect (Scope 3) GHG emissions	See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S8 Green House Gas Emissions (CO ₂ e) (Page 189) in Annual Report
305-4	GHG emissions intensity	Scope 1 emissions intensity: 0.26 CO ₂ e Ktonne/SEK Billion Scope 2 emissions intensity: 0.64 CO ₂ e Ktonne/SEK Billion Scope 3-Ericsson own activities-Indirect emissions intensity: 1.83 CO ₂ e Ktonne/SEK Billion See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S8 Green House Gas Emissions (CO ₂ e) (Page 189) in Annual Report
305-5	Reduction of GHG emissions	Sustainability and Corporate Responsibility Report - Climate action, energy and environment (Pages 183-185) in the Annual Report See Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S8 Green House Gas Emissions (CO ₂ e) (Page 189) in Annual Report
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	NO _x , SO _x and Particulate Matters (PM) emissions are determined from business travel, product transportation, facility energy use and fleet vehicles. Based on calculated CO ₂ e emissions for transports, travel and site energy consumption, estimations can be made of NO _x , SO _x and PM (particulate matter) emissions. <ul style="list-style-type: none"> – NO_x representing 1,516 tonnes in CO₂e – SO_x representing 1,338 tonnes in CO₂e – PM representing 154 tonnes in CO₂e
Supplier environmental assessment (GRI 308)		
308-1	New suppliers that were screened using environmental criteria	See Sustainability and Corporate Responsibility Report - Responsible sourcing (Pages 180-181) in Annual Report

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GRI	Topic specific disclosure	Locations in reports or websites and omissions
SOCIAL		
Employment (GRI 401)		
401-1	New employee hires and employee turnover	Consolidated financial statement with notes G2 Information regarding members of the Board of Directors and Group management (Pages 88-89) in Annual Report and G4 Employee information (Page 93) in Annual Report Information segregated by age group, gender and market area is not disclosed as it is not applicable based on Equal Employment Opportunities (EEO) commitment
Occupational health and safety (GRI 403)		
403-1	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	See Sustainability and Corporate Responsibility Report - Occupational health and safety (Pages 179) in Annual Report and Sustainability and Corporate Responsibility Report - Consolidated sustainability statements and notes – S5 Occupational health and safety (Pages 188) in Annual Report
Training and education (GRI 404)		
404-1	Average hours of training per year per employee	See Our people story - Learning and development (Pages 16-17) in Annual Report Training information by gender is omitted as it is not applicable based on elimination of discrimination policy included described on Ericsson Code of Conduct. Information segregated by employee category is omitted due to confidentiality and competitive reasons
404-2	Percentage of employees receiving regular performance and career development reviews	See Our people story - Learning and development (Pages 16-17) in Annual Report All employees have performance reviews, but information by gender is omitted as it is not applicable based Elimination of discrimination policy described on Ericsson Code of Conduct. Information segregated by employee category is omitted due to competitive reasons
Diversity and equal opportunity (GRI 405)		
405-1	Diversity of governance bodies and employees	The Board of Directors members, in Annual Report (Pages 144-147). The Executive Team, in Annual Report (Pages 152-155) Breakdown of employees (number of employees by region, per segment, per gender) please see G4 Employee information (Page 93) in Annual Report
Non-discrimination (GRI 406)		
406-1	Incidents of discrimination and corrective actions taken	For 2018, there were 445 compliance concerns reported to Audit and Compliance Committee, most of them received via The Ericsson compliance line but also via certain other channels such as mail addressed to Group Functions or Market Areas excluding unrelated spam e-mails) No cases reported were classified as discrimination

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