

GRI Disclosure 2016

Global Reporting Initiative

Reporting element descriptions are an indicative short description. For a full Standard Disclosure Items description please visit GRI Sustainability Reporting Guidelines.

The Standard Disclosure Items listed below have been externally assured by PwC, see Assurance Statement page 68 within [Ericsson Sustainability and Corporate Responsibility \(CR\) Report 2016](#).

Disclosure of Management Approach (DMA) covering identified significant issues can be found online.

The Ericsson Annual Report 2016, (publication date March 3, 2017) will be referred to in the document as “Annual Report” and the Ericsson Sustainability and Corporate Responsibility Report 2016, will be referred to in the document as “Sustainability and CR Report 2016”.



GRI Reporting elements Locations in Reports or websites and omissions

STANDARD DISCLOSURE PROFILE

Strategy and analysis

G4-01	Statement from the most senior decision maker of the organization, about the relevance of sustainability to the organization and its strategy.	Letter from the CEO in Annual Report (Pages 2-5), Letters from the Chairman, the CEO and the Senior Vice President of Sustainability and CR in Sustainability and Corporate Responsibility Report (Pages 2-3).
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Organizational profile

G4-03	Name of the organization.	Telefonaktiebolaget LM Ericsson.
G4-04	Primary brands, products, and/or services.	See Ericsson Annual Report (Pages 6-23).
G4-05	Location of organization's headquarters.	Shareholder information in Annual Report (Page 184).
G4-06	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the Report.	Customers in more than 180 countries use our solutions and services. Group policies and directives are applicable globally. Major markets and regions see Global presence 24/7 (Pages 24-25) in Annual Report .
G4-07	Nature of ownership and legal form.	Shareholders (Page 136) in Annual Report .
G4-08	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Major markets and regions see Global presence 24/7 (Pages 24-25) in Annual Report .
G4-09	Scale of the Reporting organization.	See Ericsson in brief (Page ii) in Annual Report .



G4-10	Number of employees by employment contract and gender.	Consolidated financial statement with notes (Page 94-95) in Annual Report .
G4-11	Percentage of total employees covered by collective bargaining agreements.	<p>Our 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.</p> <p>The coverage varies from country to country. In Sweden, all employees with the exception of Group Management are covered by collective agreements. We estimate that approximately 30% of employees are covered by collective bargaining agreements.</p>
G4-12	Describe the organization's supply chain.	See Annual Report Sourcing and Supply (Page 48)
G4-13	Significant changes during the Reporting period regarding size, structure, or ownership including: The location of, or changes in, operations. Changes in the share capital structure and other capital formation, maintenance, and alteration operations.	This is Ericsson (Page 1) in Annual Report .
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<p>Ericsson's Sustainability policy addresses the precautionary principle.</p> <p>Ericsson uses Life Cycle Assessment (LCA) to determine its most significant environmental impacts and to prioritize areas of improvement. Ericsson uses Human Rights Impact Assessment (HRIA) in accordance with the UNGP as part of our human rights due diligence and to help identify and manage salient human rights issues in high-risk countries.</p>
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<p>Ericsson was one of the first companies to endorse and become a signatory of the UN Global Compact 10 Principles. We commitment to uphold the UN Guiding Principles on Business and Human Rights (UNGP) which are implemented across our business operations.</p> <p>Ericsson is a founding member of the Broadband Commission for Sustainable Development and our CEO is a Broadband Commissioner.</p> <p>Since 2012, Ericsson has been a member of the World Economic Forum Partnership Against Corruption Initiative (PACI).</p> <p>In conjunction with COP21, we signed the Paris Pledge for Action, and the World Economic Forum (WEF) CEO Climate Leaders initiative.</p>



G4-16	Memberships in associations and national or international advocacy organizations.	Memberships and affiliations on http://ericsson.com/sustainability .
<h2 style="background-color: #003366; color: white; padding: 5px;">Identified material aspects and boundaries</h2>		
G4-17	Entities included in the organization's consolidated financial statement.	See Notes to the Parent Company financial statements in Annual Report (Pages 110-111).
G4-18	Process for defining Report content, including implementation of Reporting principles, and the Aspect Boundaries.	See Sustainability and CR Report (Pages 12-13).
G4-19	List all the material Aspects identified in the process for defining Report content.	See Sustainability and CR Report – Materiality process (Pages 12-13).
G4-20	Material aspect boundary within the organization.	Unless otherwise stated, all information and data pertains to activities undertaken from January 1, 2016, to December 31, 2016. The Report covers the Ericsson Group, i.e. Telefonaktiebolaget LM Ericsson and its Subsidiaries.
G4-21	Material aspect boundary outside the organization.	<p>We work actively to address human rights across our value chain; Our zero tolerance approach against bribery and corruption is applicable to our value chain.</p> <p>Our approach to responsible sourcing goes beyond monitoring to engage our suppliers in continuous improvement.</p> <p>We have an inclusive approach to Occupational Health and Safety (OHS) including all persons who are employed by – or working on behalf of – Ericsson, i.e. suppliers.</p> <p>We apply a life-cycle model to environmental management as part of a circular economy approach.</p>
G4-22	Explanation of the effect of any re-statements of information provided in earlier Reports, and the reasons for such re-statement.	No significant re-statements in 2016.



G4-23	Significant changes from previous Reporting periods in the scope and aspect boundary.	Implementation of Reporting in accordance to GRI 4.0 Sustainability Reporting Guidelines core level.
Stakeholders engagement		
G4-24	List of stakeholder groups engaged by the organization.	Engaging with stakeholders in Sustainability and CR Report (Page 10).
G4-25	Basis for identification and selection of stakeholders with whom to engage.	We engage with relevant stakeholders. See Engaging with stakeholders in Sustainability and CR Report (Page 10).
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	We consult a wide range of stakeholders both within Ericsson and externally. Our stakeholder engagement is a continuous dialogue that provides vital input to our work. See Engaging with stakeholders in Sustainability and CR Report (Page 10).
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its Reporting.	Engaging with stakeholders in Sustainability and CR Report (Page 10).
Report profile		
G4-28	Reporting period for information provided.	Sustainability and CR Report (Page ii)
G4-29	Date of most recent previous Report.	Sustainability and Corporate Responsibility Report 2015 was published in April 2016.
G4-30	Reporting cycle.	Annual.
G4-31	Contact point for questions regarding the Report or its contents.	Sustainability and CR Report (Page 61).



G4-32	GRI Content index and “in accordance” option.	Global Reporting Initiative G4 Core and external assurance in Sustainability and CR Report (Page ii), and GRI Index in Sustainability and CR Report (Pages 64-65).
G4-33	Policy and current practice with regard to seeking external assurance for the Report.	Ericsson Sustainability and Corporate Responsibility Report has been assured by PwC according to Far RevR6 (based on the international standard ISAE3000) and AA1000, see Assurance Statement on page 68.

Governance

G4-34	Governance structure of the organization, on economic, environmental and social topics, including committees under the highest governance body.	Corporate Governance Report (Pages 134-161), in Annual Report . See Sustainability and CR Report (Page 15).
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Ethics and integrity

G4-56	Organization’s values, principles, standards and norms of behavior.	Our Vision and Core Values; Code of Business Ethics (CoBE) ; Code of Conduct (CoC) ; and Sustainability policy applies Group-wide to all employees.
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ECONOMIC - PERFORMANCE INDICATORS

Economic performance

G4-EC02	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Sustainability and Corporate Responsibility in the Annual Report (Pages 48-49) and Sustainability and CR Report (Pages 47-48). Ericsson publicly disclosure climate change risks and opportunities through CDP, according to CDP deadline. Please see latest available CDP Report .
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G4-EC04	Financial assistance received from government.	<p>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.</p> <p>In 2014, we signed our first public private partnership engagement with a national development agency, UK Department for International Development (DFID), to expand secondary education to thousands of marginalized girls in Myanmar. DFID is providing approximately £3.7 million in funding, distributed in two years, which is matched by Ericsson through cash and in-kind contributions. DFID funding primarily be used to pay partners engagements in teacher training and Monitoring and Evaluation.</p>
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Indirect economic impacts

G4-EC08	Significant indirect economic impacts, including the extent of impacts.	Description of significant economic impact can be found in Internet for all in Ericsson Sustainability and CR Report (Pages 49-59).
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Procurement practices

G4-EC09	Proportion of spending on local suppliers at significant locations of operation.	No policy, but relatively constant level of sourcing activities taking place locally around the world. Out of Ericsson's total spend, approximately 54 percent was local or regional spend. See Annual Report (Page 48).
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ENVIRONMENTAL - PERFORMANCE INDICATORS

Materials

G4-EN01	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. For example, in a typical radio base station with the total weight of 110 kg the materials used are approximately:</p> <ul style="list-style-type: none"> • Metals: 100 kg • Polymers, ceramics: 9 kg • Additives: <1 kg • Precious metals: 0,1 kg <p>Total weight of products put on the market (excluding packaging) 170,000 tonnes approximately.</p>
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		Parts of this standard disclosure are not applicable, as it can be estimated that we use metals with a global average recycling ratio. The smelting and refining of minerals often combines materials from many different sources, making it difficult to trace their origin after refining.
Energy		
G4-EN03	Energy consumption within the organization.	See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 41-42).
G4-EN04	Energy consumption outside of the organization.	See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 42).
G4-EN06	Reduction of energy consumption.	For energy reduction initiatives see Sustainability and CR Report (Page 41). We apply a Life-Cycle Assessment and GhG protocol to measure our environmental performance. For Energy consumption reduction figures see Sustainability and CR Report (Page 42).
G4-EN07	Reductions in energy requirements of products and services.	Reductions in energy requirements of products and services and potential energy savings, see Energy, environment and climate action in Sustainability and CR Report (Pages 34-39).
Water		
G4-EN08	Total water withdrawal by source.	Water supply is ordinary municipal water and water is mainly used for sanitary purposes, restaurants, dressing rooms, sport facilities and cooling purposes. We do not abstract freshwater directly from ground or surface water sources but use municipal water. See Sustainability and CR Report (Page 41).
Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (S1).	See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 42).



G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	See Energy, environment and climate action in Sustainability and CR Report (Page 42).
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope3).	See Energy, environment and climate action in Sustainability and CR Report (Page 42).
G4-EN18	Greenhouse gas (GHG) emissions intensity.	See Energy, environment and climate action in Sustainability and CR Report (Page 41).
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	For greenhouse gas emissions reduction initiatives see Sustainability and CR Report (Page 41), We apply a Life-Cycle Assessment and GHG protocol to measure our carbon footprint. See Energy, environment and climate action in Sustainability and CR Report (Page 42).
G4-EN21	NOx, SOx, and other significant air emissions.	NOx, SOx and Particulate Matters (PM) emissions are determined from business travel, product transportation, facility energy use and fleet vehicles. <ul style="list-style-type: none"> • NOx 1,584 tonnes • SOx 1,675 tonnes • PM 201 tonnes
Products and services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Our Circular Economy Program, including design and product take back, combines phase-out of unwanted substances with knowledge of the actual material content in our products. The main tool for phase-out of hazardous substances is our List of banned, restricted and observation substances that is applied on all markets worldwide. See also EN 06 as well as Sustainability and CR Report (Pages 34-39).
Supplier environmental assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Environmental criteria are part of all new suppliers' self-assessments. See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).



Environmental grievance mechanisms

G4-EN34	Number of grievance about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	For 2016, there were zero environmental grievances addressed through Ericsson Compliance Line .
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HUMAN RIGHTS – PERFORMANCE INDICATORS

Investment

G4-HR01	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	<p>Our most significant investment agreements are acquisitions. Economic, environmental and social considerations, including respect of human rights considerations, are included in mergers and acquisitions process. Disclosing the percentage and total number of significant agreements is not relevant and applicable.</p> <p>Upon acquisitions all new employees have to acknowledge our Code of Business Ethics (CoBE). Other policies such as the Code of Conduct (CoC) and (CoBE) are implemented when acquisitions are made.</p>
G4-HR02	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	<p>Sustainability and Corporate Responsibility, Occupational Health and Safety, Human Rights and Business and Code of Business Ethics and Code of Conduct awareness e-learnings are available to all employees via Ericsson Academy and contain human rights content.</p> <p>The completion of these trainings represents approximately 153,000 hrs of training for active employees since these trainings were deployed. Over 66% of Ericsson active employees have completed at least one of these training by 2016, and 99% of employees have confirmed that they have read and understood the Code of Business Ethics, during the latest acknowledgement period in 2015.</p>

Non-discrimination

G4-HR03	Total number of incidents of discrimination and corrective actions taken.	<p>For 2016, there were 145 Reporting Violations received and Reported to Audit Committee (mainly received via Ericsson Reporting Violations mailbox / Ericsson Compliance Line but also via certain other channels and excluding unrelated spam e-mails).</p> <p>One case was classified as discrimination. This case was investigated locally, where the allegation was substantiated and disciplinary action in accordance with national legislation was taken.</p> <p>Other cases addressed locally as described on Reporting Compliance Concerns are not disclosed as are not relevant. See Reporting</p>
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		Compliance Concerns on ericsson.com
Forced and compulsory labor		
G4-HR06	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	<p>Through our Ericsson Global Assessment Plan, including supplier's audits, we have not identified any Ericsson operations as having significant risk for incidents of forced or compulsory labor.</p> <p>In line with UK Modern Slavery Act, we are tackling the challenge of modern slavery and human trafficking throughout our operations and supply chain. See Ericsson Modern Slavery and Human Trafficking Statement 2016.</p>
Security practices		
G4-HR07	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	<p>In 2016, 17% of all Ericsson employees working on Functional Area Security were informed and trained on human rights related to security within Ericsson scope of work.</p> <p>Ericsson Human Rights and Business e-learning is mandatory for all employees working on Functional Area Security since Q4 2016.</p>
Assessment		
G4-HR09	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	See Sustainability and CR Report (Pages 15-20).
Supplier human rights assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Human rights criteria are part of all new suppliers' self-assessments. See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).



Human rights grievance

G4-HR12	Number of grievance about human rights impacts filed, addressed, and resolved through formal grievance mechanism.	<p>For 2016, there were zero human rights grievances received and Reported to Audit Committee (mainly received via Ericsson Reporting Violations mailbox / Ericsson Compliance Line but also via certain other channels and excluding unrelated spam e-mails).</p> <p>Other cases addressed locally as described on Reporting Compliance Concerns are not disclosed as are not relevant. See Reporting Compliance Concerns on ericsson.com</p>
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LABOR AND DECENT WORK - PERFORMANCE INDICATORS

Employment

G4-LA01	Total number and rates of new employee hires and employee turnover by age group, gender and region.	<p>Information regarding members of the Board of Directors, the Group Management and Employees in Annual Report (Pages 94-98).</p> <p>Information segregated by age group, gender and region is not disclosed as it is not applicable based on Equal Employment Opportunities (EEO) commitment.</p>
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Occupational health and safety

G4-LA06	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism and total number of work-related fatalities, by region and gender.	<p>For major incidents and fatalities, see Conducting Business Responsibly in Ericsson Sustainability and CR Report (Page 33). Information by gender is not disclosed as it is not relevant. Information related to minor incidents, including personal injuries, dangerous occurrences, damages in connection with work injuries and occupational diseases is not disclosed as it is not relevant.</p>
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Training and education

G4-LA09	Average hours of training per year per employee by gender, and by employee category.	<p>See Sustainability and CR Report (Page 29).</p> <p>Training information by gender is not disclosed as it is not applicable based on Ericsson Code of Conduct - Elimination of discrimination policy. Information segregated by employee category is not disclosed due to confidentiality and competitive reasons.</p>
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G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	See Sustainability and CR Report (Page 29). All employees have performance reviews, but information by gender is not disclosed as it is not applicable based on Ericsson Code of Conduct - Elimination of discrimination policy. Information segregated by employee category is not disclosed due to confidentiality and competitive reasons.
Diversity and equal opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	The Board of Directors members, in Annual Report (Pages 146-149). The Executive Leadership Team, in Annual Report (Pages 154-158). Breakdown of employees (number of employees by region, per segment, per gender) please see Annual Report (Pages 94-98).
Supplier assessment for labor practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Labor practices criteria are part of all new suppliers' self-assessments. See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).
Labor practices grievance mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	For 2016, there were zero labor practices significant grievances addressed through our Reporting Violations received and Reported to Audit Committee (mainly received via Ericsson Reporting Violations mailbox / Ericsson Compliance Line but also via certain other channels and excluding unrelated spam e-mails). See G4-HR03 Other cases addressed locally as described on Reporting Compliance Concerns are not disclosed as are not relevant. See Reporting Compliance Concerns on ericsson.com .



PRODUCT RESPONSIBILITY – PERFORMANCE INDICATORS

Customer health and safety

G4-PR01	Percentage of significant products and services categories subject for which health and safety impacts are assessed for improvement.	Ericsson's radio base station products are tested for compliance with relevant standards and regulations regarding health and safety of radio frequency electromagnetic field (EMF) exposure before they are placed on the market. Ericsson also supports customers and offers services to verify compliance with EMF standards and regulations when products are put into service. The procedures for EMF health and safety cover 100 percent of products. For more information please see Radio Waves and Health on Ericsson.com.
G4-PR02	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	<p>During 2016 there were no recorded incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life-cycle.</p> <p>The Ericsson Group Management System (EGMS) is certified according to OHSAS 18000 standard. See Ericsson Group OHSAS 18000 certificate.</p>

Customer privacy

G4-PR08	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	During 2016 there were no substantial complains regarding breaches of customer privacy or loss of customer data.
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SOCIETY – PERFORMANCE INDICATORS

Local communities

G4-SO01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	<p>We have conducted Human Rights Impact Assessments in certain markets and regularly conduct research on the impact that access to communications through ICT has on social and economic development.</p> <p>Ericsson Group Management System (EGMS) ensures that local environmental issues are considered. Life Cycle Assessment (LCA) is the methodology used by Ericsson to assess environmental impacts. Ericsson LCA is covering all sites and operations.</p> <p>For information about local community engagement please see Internet for</p>
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		all in Ericsson Sustainability and CR Report (Page 49-59).
G4-SO02	Operations with significant actual and potential negative impacts on local communities.	<p>We have conducted Human Rights Impact Assessments in certain markets and regularly conduct research on the impact that access to communications through ICT has on social and economic development.</p> <p>Layoffs, closure of plants and redundancies are handled in accordance with applicable local legislation.</p> <p>Ericsson Group Management System (EGMS) ensures that local environmental issues are considered. Life Cycle Assessment (LCA) is the methodology used by Ericsson to assess environmental impacts.</p>
<h2>Anti-corruption</h2>		
G4-SO03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	All Regions, Business Units, Customer Groups and Group Functions analyze risks, including corruption. Risk Management is described in the Annual Report (Page 49) and Annual Report (Pages 151-153).
G4-SO04	Communication and training on anti-corruption policies and procedures.	Over 84% of active employees have taken the anti-corruption training. See Sustainability and CR Report (Page 21).
G4-SO05	Confirmed incidents of corruption and actions taken.	<p>For 2016, there were 145 Reporting Violations received and reported to Audit Committee (mainly received via Ericsson Reporting Violations mailbox / Ericsson Compliance Line but also via certain other channels and excluding unrelated spam e-mails).</p> <p>These incidents were classified in categories and distributed as follows:</p> <ul style="list-style-type: none"> • 29% related to fraud, corruption & regulatory breach • 1% related to security issues • 11% related to operations issues • 49% related to human resources issues • 10% related to conflicts of interest <p>In 2016, there were zero incidents in which employment contracts, or contracts with business partners, were terminated due to corruption." There were no court cases regarding corrupt practices brought against the organization or any employee.</p> <p>See also Reporting Compliance Concerns on ericsson.com.</p>



Anti-competitive behavior

G4-SO07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	<p>Description of Legal Proceedings, see Annual Report (Page 50).</p> <p>Fair competition is the basis for business development and innovation. All Ericsson employees shall compete in the open market as vigorously and constructively as possible, while consistently complying with the law in each of the countries in which Ericsson operates. See Code of Business Ethics.</p>
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Supplier assessment for impacts on society

G4-SO09	Percentage of new suppliers that were screened using criteria for impacts on society.	Labor practices criteria are part of all new suppliers' self-assessments. See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	See Sustainability and CR Report for Responsible Sourcing (Pages 22-23).

Grievance mechanisms for impact on society

G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	<p>For 2016, there were zero societal grievances received and Reported to Audit Committee (mainly received via Ericsson Reporting Violations mailbox / Ericsson Compliance Line but also via certain other channels and excluding unrelated spam e-mails). See G4-SO05.</p> <p>Other cases addressed locally as described on Reporting Compliance Concerns are not disclosed as are not relevant. See Reporting Compliance Concerns on ericsson.com</p>
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