

Sustainability Reporting Standards disclosure 2017

Topic specific disclosures description are an indicative, for a full Topic specific disclosures description please visit Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The Topic specific disclosures listed below have been externally assured by PwC, see Assurance Statement pages 78-79 within Ericsson [Sustainability and Corporate Responsibility](#) (CR) Report 2017.

Management approach disclosures covering identified significant issues can be found online.

The Ericsson Annual Report 2017, will be referred to in this document as “Annual Report” or “AR” and the Ericsson Sustainability and Corporate Responsibility Report 2017, will be referred to in the document as “Sustainability and CR Report 2017” or “S&CR”.



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 4-17)
102-3	Location of organization's headquarters	Shareholder information in Annual Report (Page 173)
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 4-5)
102-5	Ownership and legal form	Shareholders see Annual Report (Page 116)
102-6	Markets served	Major markets and regions see Annual Report (Pages 4-5)
102-7	Scale of the organization	See Ericsson Annual Report (Pages 4-5)
102-8	Information on employees and other worker	Consolidated financial statement with notes (Page 94-95) in Annual Report There portion of 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 28)



102-10	Significant changes to the organization and its supply chain	See Annual Report (Pages 4-5)
102-11	Precautionary principle or approach	Ericsson's Sustainability policy addresses the precautionary principle We use Life Cycle Assessment (LCA) to determine our most significant environmental impacts and to prioritize areas of improvement. We use 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 selected high-risk countries
102-12	External initiatives	Ericsson was one of the first companies to endorse and become a signatory of the UN Global Compact 10 Principles. We commit to uphold the UN Guiding Principles on Business and Human Rights (UNGPR) which are implemented across our business operations Since 2012, Ericsson has been a member of the World Economic Forum Partnership Against Corruption Initiative (PACI) In conjunction with COP21, we signed the Paris Pledge for Action, and the World Economic Forum (WEF) CEO Climate Leaders initiative
102-13	Membership of associations	See Sustainability and CR Report (Page 16)

Strategy

102-14	Statement from senior decision-maker	Letters from the Chairman of the Board, the President and CEO and the Senior Vice President of Sustainability and CR in Sustainability and CR Report (Pages 4-5)
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Ethics and integrity

102-16	Values, principles, standards, and norms of behavior	Our core values: respect, professionalism and perseverance, Code of Business Ethics (CoBE) and Code of Conduct (CoC) applies to all employees
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 114-146), in Annual Report
Stakeholders engagement		
102-40	List of stakeholder groups	Engaging with stakeholders in Sustainability and CR Report (Pages 3 and 17)
102-41	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>
102-42	Identifying and selecting stakeholders	We engage with relevant stakeholders. See Engaging with stakeholders in Sustainability and CR Report (Page 17)
102-43	Approach to stakeholder engagement	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 17)
102-44	Key topics and concerns raised	Engaging with stakeholders in Sustainability and CR Report (Pages 12-13)
Report practice		
102-45	Entities included in the consolidated financial statements	See Notes to the Parent Company financial statements in Annual Report (Pages 90-91)
102-46	Defining report content and topic Boundaries	<p>Unless otherwise stated, all information and data pertains to activities undertaken from January 1, 2017, to December 31, 2017. The Report covers the Ericsson Group, i.e. Telefonaktiebolaget LM Ericsson and its Subsidiaries</p> <p>See Sustainability and CR Report (Page 3)</p>
102-47	List of material topics	See Sustainability and CR Report (Pages 12-13)



102-48	Restatements of information	No significant re-statements in 2017
102-49	Changes in reporting	Implementation of reporting in accordance to Global Reporting Initiative (GRI) Sustainability Reporting Standards
102-50	Reporting period	Sustainability and CR Report (Page 3)
102-51	Date of most recent report	Sustainability and Corporate Responsibility Report 2016 was published in March 2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability and CR Report (Page 71)
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 in Sustainability and CR Report (Page 3)
102-55	GRI content index	GRI Index in Sustainability and CR Report (Pages 74-75)
102-56	External assurance	Ericsson Sustainability and CR Report has been assured by PwC according to Far RevR6 (based on the international standard ISAE3000) and AA1000, see Assurance Statement on page 78 and 79.

ECONOMIC

Economic performance (GRI 201)

201-2	Financial implications and other risks and opportunities due to climate change	Sustainability and Corporate Responsibility in the Annual Report (Page 152) and Sustainability and CR Report (Pages 44-54) 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 Internet for all in Ericsson Sustainability and CR Report (Pages 56-69)
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 Annual Report (Page 28)
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 (Pages 27, 131, 151 and 158)
205-2	Communication and training about anti-corruption policies and procedures	92,950 of active employees have taken the anti-corruption training. See Annual Report (Page 158) and Sustainability and CR Report (Pages 22-23)
205-3	Confirmed incidents of corruption and actions taken	See Sustainability and CR Report (Pages 21-23 and 41) In 2017, 16 employment contracts and 4 contracts with business partners, were terminated due to fraud, corruption and regulatory breach. There was one court case regarding corrupt practices brought against the organization or any employee

ENVIRONMENTAL

Materials (GRI 301)

301-1	Materials used by weight or volume	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 195,000 tonnes in 2017. Ericsson Radio System (ERS) represented over 70% of radio unit deliveries in Q4 2017. Using the Radio 4415 as a typical radio weighing only 20 kg we can estimate that the total weight of materials used are approximately:
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		<ul style="list-style-type: none"> • Metals: 177,000 tonnes • Polymers, ceramics: 16,000 tonnes • Additives: <1700 tonnes <p>Parts of this standard are no 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</p>
Energy (GRI 302)		
302-1	Energy consumption within the organization	<p>Energy consumption within the organization (Scope 1 and scope 2): 3,628,800 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). See Energy, environment and climate action in Ericsson Sustainability and CR Report (Pages 54-55)</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): 4,435,200 GJ</p> <p>Energy consumption within the organization is estimated based on certain assumptions for example, 1 kg CO₂e emitted is equal to 3.85 kWh. See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 55)</p>
302-3	Energy intensity	See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 55)
302-4	Reduction of energy consumption	For energy reduction initiatives see Sustainability and CR Report (Pages 53-54). 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 55)
302-5	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 46-49)
Emissions (GRI 305)		
305-1	Direct (Scope 1) GHG emissions	See Energy, environment and climate action in Ericsson Sustainability and CR Report (Page 55). We are using CO ₂ e carbon dioxide equivalent to disclosure all our emissions



305-2	Energy indirect (Scope 2) GHG emissions	See Energy, environment and climate action in Sustainability and CR Report (Page 55)
305-3	Other indirect (Scope 3) GHG emissions	See Energy, environment and climate action in Sustainability and CR Report (Page 55)
305-4	GHG emissions intensity	Scope 1 emissions intensity: 0.37 CO ₂ e Ktonne/SEK Billion Scope 2 emissions intensity: 0.77 CO ₂ e Ktonne/SEK Billion Scope 3-Ericsson own activities-Indirect emissions intensity: 1.59 CO ₂ e Ktonne/SEK Billion See Energy, environment and climate action in Sustainability and CR Report (Page 55)
305-5	Reduction of GHG emissions	For greenhouse gas emissions reduction initiatives see Sustainability and CR Report (Pages 53-54). See Energy, environment and climate action in Sustainability and CR Report (Page 55)
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 1,329 tonnes in CO₂e • SO_x representing 1,387 tonnes in CO₂e • PM representing 172 tonnes in CO₂e

Supplier environmental assessment (GRI 308)

308-1	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 30-31)
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SOCIAL

Employment (GRI 401)

401-1	New employee hires and employee turnover	Information regarding members of the Board of Directors, the Group Management and Employees in Annual Report (Pages 73-78) and Sustainability and CR report (Page 41) Information segregated by age group, gender and market area is not disclosed as it is not applicable based on Equal Employment Opportunities (EEO) commitment
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Occupational health and safety (GRI 403)		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>For major incidents and fatalities, see Conducting Business Responsibly in Ericsson Sustainability and CR Report (Page 33-34 and 41)</p> <p>Information by gender is omitted 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 omitted as it is not relevant</p>
Training and education (GRI 404)		
404-1	Average hours of training per year per employee	<p>See Sustainability and CR Report (Page 37)</p> <p>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</p>
404-3	Percentage of employees receiving regular performance and career development reviews	<p>See Sustainability and CR Report (Page 37)</p> <p>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</p>
Diversity and equal opportunity (GRI 405)		
405-1	Diversity of governance bodies and employees	<p>The Board of Directors members, in Annual Report (Pages 126-129). The Executive Team, in Annual Report (Pages 134-137)</p> <p>Breakdown of employees (number of employees by region, per segment, per gender) please see Annual Report (Pages 73-78) and Sustainability and CR report (Page 41)</p>
Non-discrimination (GRI 406)		
406-1	Incidents of discrimination and corrective actions taken	<p>For 2017, there were 412 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 Other cases addressed locally as described on Reporting Compliance Concerns are not disclosed as are not relevant</p>