



Net Zero
It's not only
a target
It's a way
of working

A blue arrow pointing to the right. Three lines branch off from the arrow's shaft: one connects to the word 'Net' in 'Net Zero', another connects to the word 'target', and a third connects to the word 'of' in 'of working'.

Imagine Net Zero. **It's possible**

Climate change is a defining issue of our times.

But at Ericsson, a sustainable future for people and the planet isn't only a target, it's built into the way we work and the solutions we deliver.

Which means we approach Net Zero with the same rigor and commitment that we do with other business imperatives – we set an ambitious target, concrete milestones, and transparently communicate progress.

We're taking climate action across our company and ecosystem of partners.

We will reduce impact by 50% in the value chain by 2030.

And continue to work with customers and partners to reach Net Zero across the value chain by 2040.

What is Net Zero and why is it important?

In the **Paris Agreement** of 2015, global governments recognised that warming of the earth must be limited to a well below 2°C increase and ideally not more than 1.5°C above pre-industrial levels. Every incremental degree of warming translates into increased risks of catastrophic events such as water shortages, floods and wildfires. The sooner emissions are reduced and the lower we can limit temperature rises, the better the outlook for humanity.

That's where Net Zero comes in.

Net Zero means that global greenhouse gas emissions from human activity are in balance with emission removals, thereby limiting global warming.

For companies, this means prioritizing the elimination of sources of emissions within their operation and value chain. When there is no possibility to eliminate more emissions, companies can then neutralize their value chain emissions with the addition of carbon removal technologies, achieving Net Zero.

We take our commitment to Net Zero seriously. In fact, at Ericsson, we have contributed to the development of the International Telecommunication Union's Net Zero standard specifically to help the ICT sector set relevant, science-based and ambitious Net Zero targets and strategies, and to navigate among the different international initiatives that provide guidance on Net Zero.

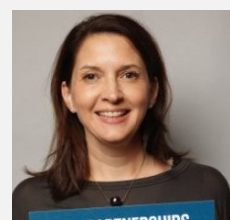


"The climate crisis is the greatest challenge humanity is facing at the moment. How we respond now will define the course of our future."

Borje Ekholm, President & CEO, Ericsson

"Science-based targets provide a clearly-defined pathway to move us toward Net Zero, and Ericsson is delivering solutions to enable a more resilient company, supply-chain, and leading an industry ecosystem of climate action."

Heather Johnson, Vice President for Sustainability and Corporate Responsibility, Ericsson



Ericsson aim to achieve Net Zero **10 years ahead** of the IPCC goal of 2050



2030

is our first major milestone where we will be Net Zero in our own activities. Delivering even further impact, we will reduce the carbon footprint of our supply chain and portfolio in use by 50%.

2040

is when we will be Net Zero across our entire value chain.

Technology and partnership to meet the climate challenge

Energy efficiency is on top of our and our customers' agendas, and it – together with the increased capacity demands – guides the development of new products, solutions, and features. This sets us on a good path toward taking the next step to significantly reducing the power consumed per delivered Gigabyte.

During the last couple of years, we have taken significant steps, for example, improving the energy efficiency of Massive MIMO radios by up to 50% and our multi-band radios by up to 20% compared to the earlier generation of radios.

We have released major additions across the RAN and transport portfolio, software features, and a number of updates in the Ericsson Silicon family, which enable faster and easier 5G rollouts and energy savings. We have also raised the sustainability bar with a triple-band, tri-sector 5G radio that does the job of nine radios and cuts energy consumption while reducing the embodied carbon emissions of our new products.

5G is a game changer as today's most energy-efficient technology. By combining the addition of new radio products for new 5G bands, as well as modernized existing radios, we have shown that we can increase mobile broadband capacity by ten times while also reducing absolute energy consumption on the radio site.



"Sustainability is a given, not an option. It is action, not a concept. At Ericsson, we take every possible step towards Net Zero emissions – from product design to commercial use. For instance, we continuously enhance our 5G portfolio, including our industry-leading Massive MIMO, to boost customers' network capacity and energy performance."

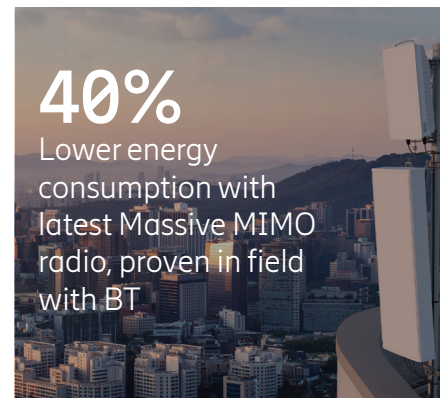
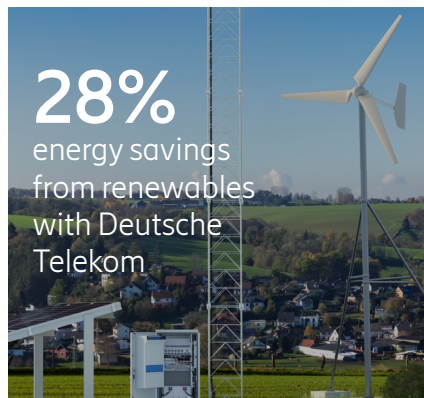
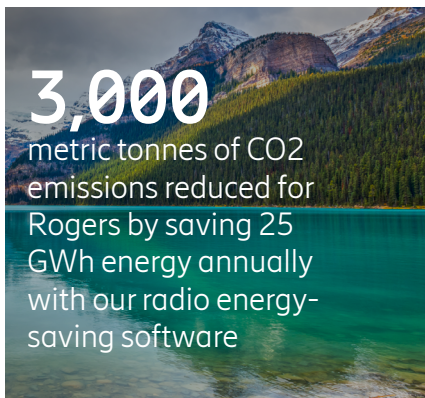
Fredrik Jejdling, Executive Vice President and Head of Business Area Networks, Ericsson

What we have achieved so far

Our commitment to environmental sustainability is decades long and our research in this area is industry-leading. Meeting concrete energy and environmental targets over the years has laid a solid foundation for us to understand our impacts and how to tackle them.

Customer cases

As we move forward on our Net Zero journey, co-operation and collaboration with our customers is more important than ever. We are committed to supporting them in continuing to cut their carbon emissions.



Ericsson performance

Since 1993, we've reported on environmental issues, and continue today. We track our progress, report it in a transparent and clear manner and publish results annually in our Sustainability and Corporate Responsibility report. Below are some highlights from 2022.

Emissions reductions	Portfolio energy performance		Supply chain engagement
Reduce scope 1, 2 and scope 3 categories Business travel and Downstream transportation (SBTi verified)	Achieve a 5G portfolio that is 10 times more energy efficient per transferred data compared to 4G	Achieve 35% energy savings in Ericsson Radio Systems compared to the legacy portfolio (SBTi verified)	Have 350 ⁰ high-emitting and strategic suppliers set their own 1.5 C aligned emissions reduction target
2016 - 2022	2017 - 2022	2016 - 2022	2019 - 2025
60% reduction	10 times more energy efficient	39% savings	225 suppliers with accepted targets
Achieved	Achieved	Achieved	On track

The steps on how we plan to get to Net Zero by 2040

We have already reduced emissions across our own activities by **71% since 2016**.

Our journey to halving value chain emissions by **2030** means these steps are to be taken between 2020 and **2025**.

Along our supply chain

Collaboration across the value chain and transformative design changes will be key going forward

36%

reduction of embodied carbon emissions for a typical new site

25%

reduction in transport emissions in the transition to seaborne freight

350

Suppliers to have aligned 1.5°C climate targets, who, together with their supply chains, are responsible for 90% of Ericsson's supplier emissions

In our own activities

50%

cap business travel emissions to 50% (from a 2019 baseline)

100%

renewable energy across our factories by 2023

71%

emission reduction since 2016

Across our Portfolio

40%

ambition to reduce the energy consumption of a typical new site

70%

carbon reduction potential with the combination of 40% less energy consumption and more renewable energy usage at the typical new site

Our ambition by 2025

By 2030



50% reduction in supply chain

50%
reduction in our supply chain emissions

Further improved our products' form factors (size and weight) and choice of materials

Actual emission reductions from suppliers that aligned to the 1.5°C degree ambition

And further reduced emissions from product transport



Net Zero in our own activities

100%
source renewable energy across our facilities

100%
transition to fossil-free vehicle fleet

50%
cap on business travel emissions (from a 2019 baseline)

Support low emission commuting

Investing in permanent carbon removal projects



50% reduction in portfolio in use

50%
reduction in our portfolio in use emissions

Lead in energy performance solutions for our portfolio

Support customers move to renewable energy

Reduce energy consumption in customer data centers through more efficient software solutions

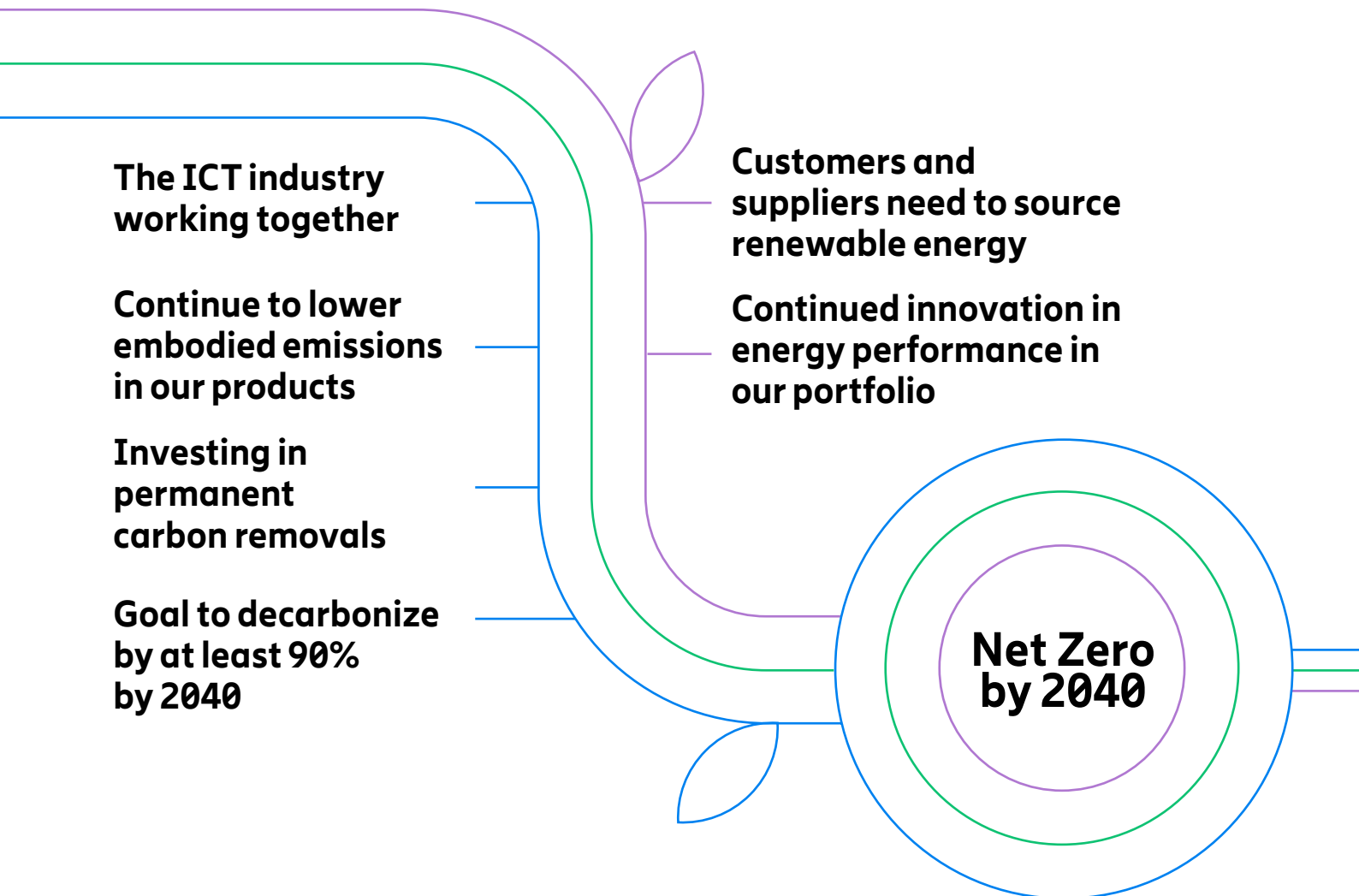
Support sustainable and efficient network management



Our aim by 2030

By 2030, Ericsson aim to halve value chain greenhouse gas emissions. This is underpinned with targets on reaching Net Zero in our own activities and halving supply chain and portfolio in use emissions.

Continuing our journey to Net Zero across our value chain by **2040**



We're committed to achieving Net Zero emissions across our value chain by 2040.

To achieve this, we will continue to work with suppliers and customers, based on a foundation of research and scientific facts. Innovative energy solutions will become even more critical to our customers as well as sourcing renewable energy for their networks. We will work to decarbonize our entire value chain by a minimum 90% from 2020 levels. Then we will neutralize the rest of the residual value chain emissions by investing in permanent carbon removals, according to industry standards.

We continue to welcome engagement and collaboration with our customers, suppliers, partners and governments so that together, we can reach the crucial target of Net Zero.

