

Sustainability Reporting

Standards Disclosure 2022

ACCELERATE
THE TRANSFORMATION



Annual and Sustainability
Report 2022



> Global Reporting Initiative (GRI) Content Index

Epiroc's Annual and Sustainability Report has been prepared in accordance with the GRI Standards. This Global Reporting Initiative (GRI) Content Index 2022 contains references to the required disclosures or reasons for omission, as well as additional data and information. The index covers activities during the calendar year 2022 and references to pages in the Annual and Sustainability report. Epiroc has chosen to report General Standard Disclosure and Disclosure of Management Approach (DMA) as an integrated part of the annual report 2022. Sustainability information in the Annual and Sustainability Report in accordance with the GRI standards has been subject to limited assurance by Ernst & Young AB.

Changes to the previous year's GRI Content Index has been made mainly due to changes in reporting processes within Epiroc Group:

- Added indices compared to 2021: 305-5.
- Removed indices compared to 2021: 302-5, 404-1, 407-1, 409-1.

> Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. Epiroc reports to the SASB framework against the Industrial Machinery & Goods Standards.

> Task Force on Climate-Related Financial Disclosures (TCFD)

Epiroc is aligning its approach to the TCFD guidelines and reports accordingly.

All index should be read in conjunction with the Annual and Sustainability Report 2022, which is available at <https://www.epirocgroup.com/en>

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
> General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Legal name: Last page Ownership and legal form: 69 Location of headquarters: 65 Countries of operations: 1, 10, 101, 137-138	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	137-138, 145				
	2-3 Reporting period, frequency and contact point	Reporting period: Last page, 144 Date of most recent report: 9 March 2023 Reporting cycle: Last page, 144 Contact point for questions regarding the report: Last page				
	2-4 Restatements of information	157-158				
	2-5 External assurance	145, 159, last page				
	2-6 Activities, value chain and other business relationships	Activities, brands, products, and services: 10-13, 20-21, 54-65, last page Supply chain: 145, 157-158 Significant changes to the organizations and its supply chain: 161				
	2-7 Employees	Information on employees and other workers: 10, 46-49, 54-65, 102, 148, 157, 162	Epiroc does not currently report data by gender or region consolidated on the Group level.	Information unavailable/incomplete	Employment contract (permanent or temporary) and employment type (full-time or part-time) is reported.	
	2-8 Workers who are not employees	157	Data for the number of workers who are not employees and whose work is controlled by the organization is not reported.	Information unavailable/incomplete	Employment contract (permanent or temporary) and employment type (full-time or part-time) is reported.	
	2-9 Governance structure and composition	68-77, 147	Under-represented social groups are not reported.	Information unavailable/incomplete	Epiroc does not currently describe the composition of the Board by under-represented social groups.	
	2-10 Nomination and selection of the highest governance body	68-77, 147				
	2-11 Chair of the highest governance body	68-77, 147				
	2-12 Role of the highest governance body in overseeing the management of impacts	147				
	2-13 Delegation of responsibility for managing impacts	147-148				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	147-148				
	2-15 Conflicts of interest	52-23, 147-148				
	2-16 Communication of critical concerns	80-85, 147-148				
	2-17 Collective knowledge of the highest governance body	147-148				
	2-18 Evaluation of the performance of the highest governance body	147-148				
	2-19 Remuneration policies	36, 71-72				
	2-20 Process to determine remuneration	71-72				
	2-21 Annual total compensation ratio	Ratio of remuneration for highest paid individual to average total compensation for all employees: 157				
	2-22 Statement on sustainable development strategy	8-9				
	2-23 Policy commitments	6-9, 33, 34-37, 144-148				
	2-24 Embedding policy commitments	147-148				
	2-25 Processes to remediate negative impacts	158				
	2-26 Mechanisms for seeking advice and raising concerns	51, 157-158				
	2-27 Compliance with laws and regulations	155-156, 158				
	2-28 Membership associations	158				
	2-29 Approach to stakeholder engagement	32-33, 146				
	2-30 Collective bargaining agreements	157				
➤ Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	35-36, 145-146	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	145				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
> Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 54-57, 74-79, 139, 143-144				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	32-33, 54-65, 88-91, 102, 106, 107				
	201-2 Financial implications and other risks and opportunities due to climate change	35-37, 80-85, 155-156				
	201-3 Defined benefit plan obligations and other retirement plans	102-106				
> Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	50-54, 145, 147-148, 157-158				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	50-53, 81-85, 157-158	Percentage of operations assessed is not reported.	Information unavailable/incomplete	Epiroc has not assessed percentage of operations.	
	205-2 Communication and training about anti-corruption policies and procedures	50-53, 81-85, 157-158	Epiroc does not currently report data by employee category and region for this specific training, consolidated on the Group level.	Information unavailable/incomplete	The indicator is reported partially. The topic is material for Epiroc. Anti-corruption policies and procedures are communicated in the whole organization. Anti-corruption is included in the Code of Conduct E-learning which is available for all employees and managers. Percentage of managers that completed the training is disclosed.	
	205-3 Confirmed incidents of corruption and actions taken	50-53, 157-158				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
➤ Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	37-42, 145-146, 154-155				
GRI 302: Energy 2016	302-1 Energy con- sumption within the organization	38-42, 160-161	The Epiroc Group does not report on energy production sold.	Informa- tion unavail- able/ incom- plete	The Epiroc Group reports and follows-up on direct energy use in MWh.	
	302-3 Energy inten- sity	38-42, 160-161				
➤ Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	37-42, 145-146, 154-155				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	38-40, 160-161	No information on Biogenic fuel emissions.	Informa- tion unavail- able/ incom- plete	The Epiroc Group does not report GHG trades or bio- genic emissions.	
	305-2 Energy indirect (Scope 2) GHG emis- sions	38-40, 160-161				
	305-3 Other indirect (Scope 3) GHG emis- sions	38-40, 160-161	No information on Biogenic fuel emissions.	Informa- tion unavail- able/ incom- plete	The Epiroc Group does not report GHG trades or bio- genic emissions.	
	305-4 GHG emissions intensity	38-40, 160-161				
	305-5 Reduction of GHG emissions	4, 38-40, 160-161				
➤ Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	50-54, 145, 157-158				
GRI 308: Supplier Environ- mental Assess- ment 2016	308-1 New suppliers that were screened using environmental criteria	50-53, 157, 160-161	Data for new sup- pliers specifically is not disclosed.	Informa- tion unavail- able/ incom- plete	Epiroc uses a risk based approach and risk tools to identify signifi- cant suppliers. This scoping can include new and old suppliers every year. Data for new suppliers specifically is not disclosed.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
> Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	46-48, 145, 157				
GRI 401: Employ- ment 2016	401-1 New employee hires and employee turnover	47, 157	Number of recruit- ments by age group and gender is not reported.	Informa- tion unavail- able/ incom- plete	With reference to legislative rea- sons, employee turnover is not reported by age group or gender. Our employee turnover defini- tion include employees leaving the organization vol- untarily, but not due to dismissal, retirement, or death in service. Turnover for new employees is not followed up on separately.	
> Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	43-45, 145, 156				
GRI 403: Occu- pational Health and Safety 2018	403-1 Occupational health and safety management system	44-45, 147, 156				
	403-2 Hazard identi- fication, risk assess- ment, and incident investigation	156				
	403-3 Occupational health services	156				
	403-4 Worker partic- ipation, consultation, and communication on occupational health and safety	156				
	403-5 Worker train- ing on occupational health and safety	43-45, 156				
	403-6 Promotion of worker health	156				
	403-7 Prevention and mitigation of occu- pational health and safety impacts directly linked by business relationships	156				
	403-9 Work-related injuries	43-45, 156, 160-161	The Epiroc Group does not report distinctly employees and external workers. No information of work-related haz- ard available.	Informa- tion unavail- able/ incom- plete	Epiroc Group reports the num- ber of high-con- sequence inju- ries and not the rate of these.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
➤ Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	144-145, 147, 158				
GRI 404: Training and Educa- tion 2016	404-3 Percentage of employees receiving regular performance and career develop- ment reviews	46-49, 160-161	Epiroc does not report number of yearly perfor- mance and devel- opment discus- sions by gender or by employee category.	Informa- tion unavail- able/ incom- plete	Epiroc reports number of yearly perfor- mance and development discussions on total level and not by gender or by employee category.	
➤ Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	46-48, 50-53, 145, 147				
GRI 405: Diversity and Equal Opportu- nity 2016	405-1 Diversity of governance bodies and employees	47-48, 71, 157	Age group is partly disclosed at Group level, but not for all companies. Minority group membership is not reported on.	Legal prohibi- tions	Whether a per- son belongs to a minority group or not is not reported on in the Group due to national legisla- tion in countries of operation.	
➤ Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	50-53, 145, 158				
GRI 406: Non-dis- crimination 2016	406-1 Incidents of dis- crimination and cor- rective actions taken	50-53, 157-158				
➤ Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	50-54, 145, 157-158				
GRI 414: Supplier Social Assess- ment 201	414-1 New suppliers that were screened using social criteria	50-53, 157-158				
	414-2 Negative social impacts in the supply chain and actions taken	50-53, 81-85, 157-158				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
> Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	43-45, 145				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	43-45, 156	Percentage of significant product and service cate- gories is not mea- sured on Group level.	Informa- tion unavail- able/ incom- plete	Percentage of significant prod- uct and service categories is not measured on Group level. Live Work Elimina- tion project is described.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	156				

Sustainability Accounting Standards Board (SASB)

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	Response	Pages in Annual report 2022
Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	Epiroc reports total energy consumed and divided into direct and indirect energy use. Indirect energy is reported in GWh electricity and heating. Epiroc reports percentage renewable energy used. Epiroc reports and follows-up on energy use in MWh. Epiroc does not report on percentage grid electricity.	35, 38-40, 160-161
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	Epiroc reports on total record injury frequency rate (TRIFR), which is same recordable injuries as included in TRIR and calculated per million working hours. Epiroc also reports number of fatalities. Epiroc companies are encouraged to use a reporting tool for near misses.	43-45, 156, 160-161
Fuel Economy & Emissions in Use-phase	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Epiroc does not report on the energy-efficiency of all/the majority of its products in the Annual Report. On pages 22-27 it is described how our solutions in automation, digitalization and electrification can drive production efficiency and reduce energy consumption. Our 2030 sustainability goals include offering a full range of emission free products and to halve CO ₂ e emissions from machines sold (in 2030 compared to machines sold in 2019).	34-41, 160-161
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	Description of the management of risks associated with the use of conflict minerals and cobalt is described.	50-53, 154-156
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	Epiroc does not report this.	

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	Response	Pages in Annual report 2022
Number of units produced by product category	Quantitative	Number	RT-IG-000.A	Epiroc does not report this.	
Number of employees	Quantitative	Number	RT-IG-000.B	16 996 employees (15 969 numbers of employees is an average during the year)	61, 102, 157, 160-161

Task Force on Climate-Related Financial Disclosures (TCFD)

Disclosure focus area	Recommended disclosure	Key locations and comments
I. Governance	a) Describe the board's oversight of climate-related risks and opportunities	Annual and Sustainability Report 2022, Corporate Governance, pages 68-77 and Risk management, pages 80-85 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C1.1) (C1.1a-d)
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Annual and Sustainability Report 2022, Corporate Governance, pages 68-77 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C1.2) (C1.2a) (C2.2)
II. Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Annual and Sustainability Report 2022, Sustainability, pages 34-37 and Risk management, pages 80-85 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C2.3) (C2.3a) (C2.4) (C2.4a) (C3)
	b) Describe the Impacts of Climate related risks and opportunities on the organization's business, strategy and financial planning	Annual and Sustainability Report 2022, Sustainability, pages 34-37 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C2.3) (C2.3a) (C2.4) (C2.4a) (C3)
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	Annual and Sustainability Report 2022, TCFD, pages 154-155 CDP Climate Change Response 2022 (C2.3) (C2.3a) (C2.4) (C2.4a) (C3.2a)
III. Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks	Annual and Sustainability Report 2022, TCFD, pages 154-155 CDP Climate Change Response 2022 (C2.2)
	b) Describe the organization's processes for managing climate-related risks: Risks and risk management	Annual and Sustainability Report 2022, TCFD, pages 154-155 CDP Climate Change Response 2022 (C1.2a) (C2.2) (C2.3a)
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Annual and Sustainability Report 2022, TCFD, pages 154-155 CDP Climate Change Response 2022 (C1.1b) (C1.2) (C1.2a) (C2.2)
IV. Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Annual and Sustainability Report 2022, Sustainability, pages 34-37, 160-161 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C4) (C5) (C6) (C7) (C8) (C9) (C11)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Annual and Sustainability Report 2022, Sustainability, pages 334-37, 160-161 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C5) (C6) (C7) (C8) (C9)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	We have a number of 2030 goals, included two validated Science Based Target Initiative (SBTi) goals: • Epiroc commits to reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2030 from a 2019 base year. • Epiroc commits to reduce absolute Scope 3 GHG emissions from use of sold products by 50% over the same timeframe. We also have yearly targets. Annual and Sustainability Report 2022, Sustainability, pages 34-41, 160-161 and TCFD, pages 154-155 CDP Climate Change Response 2022 (C0.1) (C4)

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Inspired by innovation.**

Performance unites us, innovation inspires us and
commitment drives us to keep moving forward.
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succeed today and the technology to lead tomorrow.
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