UN Global Compact – Communication on Progress 2007

Ericsson was one of the first signatories of the UN Global Compact and continues to support the ten principles stipulated by the Global Compact in the areas of human rights, fair labor, environment and anti-corruption. Our commitment to these principles provides guidance for the continuous development of our Group policies and practices.

This Communication on Progress (CoP) provides an overview of our performance during 2007. Page numbers refer to activities performed during the year that are outlined in our 2007 Corporate Responsibility Report.

To ensure the protection of human rights and fair labor practices throughout our operations, to protect the environment and to avoid corruption, Global Compact principles one to ten are addressed in the Ericsson Code of Conduct and Code of Business Ethics. Our progress for 2007 is described here.

Human rights

Ericsson sees access to communication as a basic human right, and human rights play a central role in our values, professionalism, respect and perseverance, that guide us in business. We identified that our company has a key role to play in the support of human rights. Ericsson's approach is about finding practical ways of enabling human rights within our sphere of influence, while at the same time ensuring we are not violating rights through any of our business operations.

Activities and achievements:

- Ericsson's CEO held a keynote address at the Global Compact Leaders Summit in July on human rights. Ericsson was also a major sponsor of the Summit, page 3.
- Our work in the Business Leaders Initiative on Human Rights (BLIHR), progressed significantly, with substantive work in Good governance in Sensitive Countries and Emerging Economies BLIHR work streams, page 23.
- Completed human rights impact assessment in Sudan and committed to join the Global Compact local network in Sudan, page 23.
- We have been involved in projects on the ground in Africa and Asia, raising awareness amongst our customers, stakeholders and employees, and developing a rights aware culture, pages 4 and 5.
- 2008 is the 60th Anniversary of the Universal Declaration of Human Rights. In December 2007, Ericsson pledged to help raise awareness of the UDHR and to use this anniversary to reinforce awareness of the relationship between human rights and mobile technology, page 8.
- Ericsson supports GAID, The Global Alliance for Information and Communication Technologies and Development, page 21.
- Millennium Villages - Formed a partnership with Columbia University's Earth Institute to bring mobile communication and the Internet to approximately 400, 000 people in 10 African countries where the initiative is working, page 10.
- Ericsson Response cooperates with humanitarian organizations in disaster relief, page 32.

Our Code of Conduct and Code of Business Ethics detail our commitment to Global Compact Principles one and two.

Fair labor practices

We emphasize professionalism, respect and equal opportunity in our approach to human resources. Human Resource procedures ban discrimination and ensure equality and diversity in the workplace and in employment. We encourage union membership and in countries where workers cannot freely choose membership, work conditions are discussed with local management in a structured format.

Activities and achievements:

- Held supplier seminars, and conducted audits and follow up activities to ensure social responsibility through the supply chain, pages 24 and 25.
- Enhanced and tested the risk-based approach to sourcing for selected commodity and market areas, pages 24 and 25.
- Further implemented risk-based approach to supplier code of conduct for selected commodity and market areas, page 25.
- Achieved 90 percent response rate on annual employee survey, which provides insight to how employees perceive their work conditions, page 30.
- Expanded global diversity activities and appointed Manager of Global Diversity Programs, page 30.

Our Code of Conduct and Code of Business Ethics detail our commitment to Global Compact princlples three through six.

Environment

Our environmental policy states our commitment to continuous environmental improvement and pollution prevention. Our Environmental Management System (EMS) is in accordance with IS0 14001, and operations are certified globally to ensure that issues are managed consistently and at the source, page 26.

Activities and achievements:

- Became a signatory to the Global Compact's Caring for Climate: the Business Leadership Platform, page 21.
- Launched new energy-efficient products and features, page 18.
- Continued member of the Global e-Sustainability Initiative (GeSI) – a global partnership of ICT companies that promotes technologies for sustainable development, page 21.

- Published Ericsson carbon footprint and a material declaration for a radio base station, page 17 and 27.
- Improved energy efficiency of WCDMA and GSM radio base stations, exceeding targets set for 2007, page 26.
- Ensured all products compliant to Restrictions on the use of certain Hazardous Substances (RoHS) Directive and initiated further internal targets for hazardous substance elimination, page 28.
- Worked with global implementation of Ericsson Ecology Management Provision for handling Waste from Electrical and Electronic Equipment (WEEE), page 28.

The Ericsson Environmental Policy details our commitment to Global Compact principles seven, eight and nine.

Anti-corruption

Our Code of Business Ethics expresses our intolerance to corruption. A whistleblower procedure is in place for employees to report violations relating to accounting, internal controls and procedures for fraudulent practices.

Activities and achievements:

- Focused on improving employee awareness and understanding of anti-corruption, page 22.
- Anti-corruption training completed by more than half of global workforce, page 22.
- Implemented Group Sponsorship Directive.

The Code of Business Ethics, an umbrella code, communicates intolerance to corruption that relates to the tenth principle.