

UN GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS



Ericsson endorses the 10 UN Global Compact (UNGC) principles which provide a universal framework for business conduct. The UNGC principles guide us in development of Group practices within our sphere of influence. Through initiatives like Refugees United and Connect to Learn; Ericsson Response, the Millennium Villages and Weather Info for All, we mobilize our core business to support UN efforts to alleviate poverty, improve the environment and bridge the digital divide.

ERICSSON POLICIES AND DIRECTIVES

Respect for human rights and intolerance of corruption are embodied in our values of respect, professionalism and perseverance and in our Code of Business Ethics. The Code of Conduct (CoC) aims to protect human rights, promote fair employment and safe working conditions, and maintain high ethical standards. The Sustainability Policy, replacing the previous Environmental Policy, describes our commitment to reduce the environmental impact of our own operations and to support socio-economic development through communication for all. The CR component of our Global Assessment Program rose from 20 percent to 25 percent in 2010. Suppliers must meet high social and environmental standards. In 2010, the Ericsson Board of Directors completed annual sustainability and CR training and we launched a CR and sustainability engagement e-learning program.

HUMAN RIGHTS

Ericsson sees access to communication as a basic human right. Our first obligation is to avoid complicity in human rights abuse, notably in countries where regulations and ethical standards are not enforced. Our core technologies can also help improve lives, promote democratic societies and generate economic opportunities. Among our actions:

- Addressed the issue of conflict minerals in our supply chain and in sector initiatives, (p. 70).
- Joined the Stanford University Mobile and Social Computing Research Group (MobiSocial) to address privacy issues around open social networks (p. 69).
- CEO served as a Commissioner on the Broadband Commission for Digital Development which presented a Declaration to the UN General Secretary at the 2010 Millennium Development Goals Summit. Our partnership in the Millennium Villages initiative supports sub-Saharan Africans' right to health, education and equality (p. 16).
- Published a "Monitoring and Evaluation Report" on the Millennium Villages, defining a model for socio-economic impacts of mobile communications (p. 16).
- Published report, "Life Lines at Lake Victoria", assessing outcome of the communications project for people living around Lake Victoria in East Africa (p. 14).

- Conducted 550 S-CoC audits and 218 on-site assessments of supply chain; increased online CoC training for suppliers to 13 languages (p. 66).

FAIR LABOR PRACTICES

Human resources procedures ban discrimination and ensure equality and diversity in our operations. We encourage union membership. In countries where workers cannot freely choose membership, work conditions are discussed with local management in a structured format. In 2010, we

- Strengthened global approach to health & safety, progressed towards implementation of the Occupation Health and Safety Assessment Series (OHSAS) 18001 (p. 68).
- Increased HIV/AIDS focus among our employees in Africa (p. 69).
- Supported independent research on health issues related to radio waves and electromagnetic fields (EMF) (p. 69).

ENVIRONMENT

- Participated in Global Compact Caring for Climate, COP16 Low Carbon Leaders Project.
- Environmental Management System globally ISO 14001 certified. This ensures our operations are consistently managed with minimal impact on the environment.
- Promoted low-carbon technologies. CEO addressed COP16. Ericsson among industry leaders presenting Guadalajara ICT Declaration for Transformative Low-Carbon Solutions (p. 48).
- Achieved Group carbon footprint reduction target (p. 29).
- Continued to improve energy-efficiency of products (p. 34).
- Incorporated hazardous substances, producer responsibility, efficient resource use in product design, procurement, production and operation. Updated Banned and Restricted Substances lists, developed new tool for materials declaration (p. 40).
- Published "Measuring Emissions Right," assessing climate-positive effects of ICT. Developed LCA studies on ICT-enabled carbon reduction in other industries: mobile money in Kenya, e-health in Croatia, and collaborative working solutions (p. 24/46).

ANTI-CORRUPTION

The Ericsson Group Management System ensures integrity and high standards of conduct worldwide. A whistle-blower procedure enables employees to report violations relating to accounting, internal controls and procedures or fraudulent practices.

- A Chief Compliance Officer appointed early 2011 to strengthen focus and training on business ethics and anti-corruption (p. 64).