# UN Global Compact Advanced Level Communication on Progress

## Ericsson 2015

Ericsson's Communication on Progress (COP) covers the period May 2015 - May 2016, and it is part of our Sustainability and Corporate Responsibility (CR) reporting.

Our Sustainability and CR 2015 report "Technology for Good" contains:

› A statement by our CEO expressing continued support for the Global Compact and renewing our company's ongoing commitment to its Ten Principles,
› A description of action and policies related to Human Rights, Labor Standards, Environment, and Anti-Corruption,
› A description of policies and practices related to the company's operations in high-risk and/or conflict areas and
› A qualitative and quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met.

The Sustainability and CR report 2015 has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4. Information on the company's profile and context of operation can be found in the Annual Report.

## Implementing the Ten Principles into strategies and operations

| UN GC advanced criteria | Ericsson approach | Where to find out more |
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| **Criterion 1: The COP describes mainstreaming into corporate functions and business units.** | • Our Sustainability and Corporate Responsibility (CR) strategy is to create measureable contributions to a sustainable Networked Society, by reducing risk and increasing positive impacts, to help make the world a better place with our technology and expertise. This is reflected in Ericsson's wanted position and strategy, in which we seek to be a responsible and relevant driver of positive change in society.<br><br>• We have adopted the UN Sustainable Development Goals (SDGs) as the framework for measuring our impact on society.<br><br>• Sustainability and CR are integrated in our business strategy execution, target setting and risk management process which involves Regions, Business Units and Group Functions.<br><br>• Our Code of Business Ethics, Code of Conduct, Sustainability Policy and Occupational Health and Safety Policy are part of our governance system and applied globally across the business.<br><br>• The Ericsson Sustainability and CR Steering Group is comprised of senior executives who approve the strategy and targets that support our commitments. | • [Letter from the Chairman](#) (S&CR)<br><br>• [Letter from the CEO](#) (S&CR)<br><br>• [Letter from the VP of Sustainability and CR](#) (S&CR)<br><br>• [Top Leadership Commitment](#) (S&CR)<br><br>• [Strategy to deliver positive change with reduced risk](#) (S&CR)<br><br>• [On the horizon](#) (S&CR)<br><br>• [Assessing our most material issues](#) (S&CR)<br><br>• [Establishing common ground](#) (S&CR)<br><br>• [Sustainability policy](#)<br><br>• [Code of Business Ethics](#)<br><br>• [Code of Conduct](#) |
| **Criterion 2: The COP describes value chain implementation.** | • Through our strategy, we seek to create value for our key stakeholder groups: customers, employees, shareholders and society. | • [Letter from the Chairman](#) (S&CR)<br><br>• [Assessing our most material issues](#) (S&CR) |

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| | • We take into account upstream and downstream material issues across the value chain.  We map the key focus areas as identified in our materiality process in each phase of our value chain and identify the ways in which we engage with stakeholders to influence the impact of that issue.<br><br>• All suppliers must comply with high social and environmental requirements as set out in the Code of Conduct (CoC).<br><br>• Through transparency and engagement, Ericsson works to build trust across the value chain from suppliers to customers. The 'beyond monitoring' program focuses on increased preventive and joint development initiatives for service suppliers.<br><br>• We work with suppliers to raise awareness of Ericsson CoC requirements. As an important part of our approach, we provide free, online Code of Conduct and anti-corruption in the supply chain training to suppliers, offered in 16 languages.<br><br>• A sales compliance risk process is in place to monitor human rights issues for sales. | • On the horizon (S&CR)<br><br>• Responsible sourcing a top priority (S&CR)<br><br>• Life-cycle approach reduces carbon emissions (S&CR)<br><br>• Supporting the circular economy (S&CR)<br><br>• Closing the loop (S&CR)<br><br>• Managing human rights in the sales process (S&CR)<br><br>• Responsible Sourcing<br><br>• Code of Business Ethics<br><br>• Code of Conduct |

## Human rights management policies and procedures

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.** | • Ericsson works actively to respect human rights throughout its operations and across its value chain. Ericsson respects all internationally recognized human rights as stated in our Code of Business Ethics and Code of Conduct.<br><br>• We support the United Nations Global Compact initiative and its ten principles. We are also committed to and have implemented the United Nations Guiding Principles on Business and Human Rights throughout our business operations.<br><br>• Our Code of Business Ethics is acknowledged by all employees at the time of employment and repeatedly throughout the term of employment. In 2015 all employees were requested to acknowledge the Code; 99% of active employees completed the acknowledgement. The Code of Business Ethics is also available on our website and in the Sustainability and CR Report. | • [Code of Business Ethics](#)<br><br>• [Code of Conduct](#)<br><br>• [Letter from the CEO](#) (S&CR)<br><br>• [Letter from the Chairman](#) (S&CR)<br><br>• [Letter from the VP of Sustainability and CR](#) (S&CR)<br><br>• [Top Leadership Commitment](#)  (S&CR)<br><br>• [In respect of human rights](#) (S&CR)<br><br>• [Managing human rights challenges](#) (S&CR) |
| **Criterion 4: The COP describes effective management systems to integrate the human rights principles**. | • Human rights are implemented in several Ericsson policies and directives which are fully integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all Ericsson operations around the world. An external assurance provider assesses the EGMS every year and conducts audits on its effectiveness.<br><br>• The Sustainability and CR organization is responsible for overseeing the human rights area.<br><br>• Our human rights due diligence covers areas such as Sales, Sourcing and Legal Affairs. We focus on different areas or processes each year. In 2015 we strengthened integration of human rights considerations in mergers and acquisitions and reviewed options and innovations for using | • [Every action counts](#)  (S&CR)<br><br>• [In respect of human rights](#) (S&CR)<br><br>• [Protecting the rights of children](#) (S&CR)<br><br>• [Focus on the right to privacy](#) (S&CR)<br><br>• [Code of Conduct](#)<br><br>• [Reporting Compliance Concerns](#)<br><br>• [Managing human rights in the sales process](#) (S&CR)<br><br>• [GRI Human rights performance](#) |

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| | leverage to reduce risks to human rights within our value chain. | indicators 2015<br><br>• Disclosure Management Approach 2015 |
| | • Human rights considerations are an integrated part of Ericsson's sales process. The cross-functional, senior-level Sales Compliance Board governs the process. We also have a process in place on human rights considerations in trade compliance | |
| | • We use the lens of saliency in order to identify our leading human rights challenges. Human Rights Impact Assessments (HRIA) conducted in accordance with UNGP and the Sales Compliance Process help identify salient human rights issues. We have defined our salient human rights issues to be the right of freedom of expression, the right to privacy, and labor rights. In 2015, work with HRIA continued in Myanmar and Iran and was initiated in Ethiopia. | |
| | • Our Privacy framework aims to ensure that privacy is considered from the beginning of any product release and is an integral part of product development. | |
| | • Since 2012 Ericsson has been part of the Business Learning Program on Human Rights with the non-profit organization Shift to systematically embed a human rights framework across the company. | |
| | • All employees receive training on Sustainability &CR and this includes human rights. In 2015, two new employee e-learning courses were launched: one on Code of Business Ethics and Code of Conduct awareness, and another on human rights and business. In addition, specific human rights training were conducted for personnel within, for example, the Security, Finance, Mergers and Acquisitions and Sourcing organizations. | |
| **Criterion 5: The COP describes effective monitoring and evaluation mechanisms** | • Information about Reporting Compliance Concerns to the Ericsson Compliance Line is available on the Ericsson website. In 2015, we transitioned to a third-party managed whistleblower system. | • Every action counts (S&CR)<br><br>• In respect of human rights (S&CR) |

| of human rights integration. | • This is the second year that Ericsson has reported according to the UN Guiding Principles (UNGP) on Business and Human Rights Reporting Framework, and this year we have added a UNGP Reporting Framework Index. | • Objectives and achievements (S&CR) |
| | • Ericsson also uses the GRI G4 Sustainability Reporting Guidelines to produce our Sustainability and CR report including disclosure on human rights externally; in 2015, we reported in accordance with the GRI G4 Core Guidelines, and the report was externally assured by PricewaterhouseCoopers (PwC). | • UNGP Reporting Framework Index (S&CR) |
| | • We report annually on the number of cases reviewed within the Sales Compliance Process. When necessary, the Sales Compliance Process determines whether mitigation actions should be undertaken. | • Reporting Compliance Concerns |
| | • We have an internal audit function that reviews CR practice and an external auditor third party that reviews implementation of policies and procedures. The audit results are reviewed by appropriate management and boards and actions are followed up. | • GRI Human rights performance indicators 2015. |
| | • Human rights are an integrated part of the Ericsson Group Management System (EGMS). The Global Assessment Program is performed by an external assurance body. | |

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## Labor management policies and procedures

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor.** | • We believe anyone working on behalf of Ericsson deserves a safe working environment, and we therefore take an inclusive approach to Occupational Health and Safety (OHS) including our supply chain. By being transparent, we aim to encourage others in our sector to follow suit.<br><br>• We aim for zero deviations from the Code of Conduct and zero OHS incidents. To avoid incidents and prevent work-related hazards we apply a risk-based approach.<br><br>• We respect the principles concerning fundamental rights set out in the International Labour Organization´s Declaration on Fundamental Principles and Rights at Work. These are reflected in our Code of Business Ethics. We support the United Nations Global Compact initiative and its ten principles which cover the area of labor.<br><br>• Our Code of Conduct is based on the Global Compact's ten principles and this includes: requirements reflecting the principles contained in international labor standards as described above. We also support the UN SDGs, of which reducing inequality is a key focus.<br><br>• Ericsson supports diversity and inclusion within our global workforce. Diversity and inclusion are integral to our vision, strategy and company values. A Global Diversity and Inclusion Council comprised of senior business leaders across the company reviews, approves, and monitors diversity and inclusion activities.<br><br>• A particular focus for Ericsson is increasing gender diversity. Our 2020 gender diversity target is for 30% of all employees to be female, including leaders and executives. In 2015, 22% of Ericsson employees were female. | • [Letter from the Vice President of Sustainability & CR](#) (S&CR)<br><br>• [Top Leadership Commitment](#) (S&CR)<br><br>• [Code of Conduct](#)<br><br>• [Code of Business Ethics](#)<br><br>• [Strategy to deliver positive change with reduced risk](#) (S&CR)<br><br>• [Every action counts](#) (S&CR)<br><br>• [Shaping a diverse, inclusive workforce](#) (S&CR)<br><br>• [Responsible sourcing a top priority](#) (S&CR)<br><br>• [Health and safety comes first](#) (S&CR)<br><br>• [Radio waves and health](#) (S&CR) |

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| | • We raise awareness about diversity and inclusion among employees; in 2015, this included a Global Diversity Awareness Month. | |
| **Criterion 7: The COP describes effective management systems to integrate the labor principles.** | • Ericsson's labor policies, directives and governance are fully integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world.<br><br>• Our Responsible Sourcing Program includes Code of Conduct audits and assessments on requirements concerning labor in our supply chain. Before we select our suppliers, we require mandatory Supplier Self-Assessments. Ericsson uses a risk-based approach to identify relevant suppliers for Code of Conduct audits.<br><br>• Ericsson's operations are certified to the Occupational Health and Safety Assessment Series - OHSAS 18001 requirements. In 2015 we also established Zero Tolerance Safety Rules regarding workplace safety, and rolled out a global toolkit for assessing and managing social work environment risks and stress. | • Shaping a diverse, inclusive workforce (S&CR)<br><br>• Health and safety comes first (S&CR)<br><br>• Responsible sourcing a top priority (S&CR)<br><br>• Radio waves and health (S&CR)<br><br>• Disclosure Management Approach 2015 |
| **Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration.** | • Our Global Assessment Program, executed by a 3$^{rd}$ party certification body, reviews implementation of our EGMS, which includes Code of Conduct principles including labor and Occupational Health and Safety. Units are regularly assessed and followed up. Outcomes are followed up in the organization.<br><br>• We have an incident reporting process and system providing knowledge and statistics to reduce risk for re-occurring health and safety incidents. This includes reporting from employees, contractors and suppliers in high-risk related activities. | • Responsible sourcing a top priority (S&CR)<br><br>• Objectives and achievements (S&CR)<br><br>• Code of Conduct<br><br>• GRI Human rights performance indicators 2015. |

## Environmental management policies and procedures

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.** | • We strive to develop, produce, and offer products, services and solutions with excellent sustainability performance and we shall contribute to the sustainable development of society.<br><br>• Our Sustainability Policy states our commitment to continuously reduce the environmental impact of our own operations and to use Design for Environment strategies to achieve continuous environmental improvements regarding Ericsson's products and solutions.<br><br>• Our environment strategy has three focus areas: Lead in energy and environmental performance of our products; improve the sustainability performance of our own activities; drive ICT as a major solution to minimize the effects of urbanization and climate change.<br><br>• Ericsson Suppliers Environmental Requirements are included in our Code of Conduct.<br><br>• We continue to focus on providing solutions to help other sectors of the economy, primarily utilities and transport, to offset carbon emissions. In 2015, we delivered on a target to reduce twice as much societal $CO_2$ emissions via our product and service offerings in areas such as utilities (smart meters) and transport as we emitted from our own operations.<br><br>• We set both year-on-year goals and long-term objectives to measure our environmental performance including end-of-life product management.<br><br>• We supported a number of commitments on climate in conjunction with the UNFCCC COP21. This included signing the Paris Pledge for Action, the World Economic | • [Sustainability Policy](#)<br><br>• [Supplier Environmental Requirements](#)<br><br>• [Banned and restricted substance lists](#)<br><br>• [Life cycle approach reduces carbon emissions](#) (S&CR)<br><br>• [Supporting the circular economy](#) (S&CR)<br><br>• [Decoupling energy from traffic growth](#) (S&CR)<br><br>• [Closing the loop](#) (S&CR)<br><br>• [A turning point for climate action](#) (S&CR)<br><br>• [Responsible sourcing a top priority](#) (S&CR)<br><br>• [Assessing our most material issues](#) (S&CR)<br><br>• [Building a low-carbon future today](#) (S&CR)<br><br>• [Objectives and achievements](#) (S&CR) |

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| | Forum CEO Climate Leaders initiative, and the Earth Statement. We also support the Swedish government initiative Fossil-Free Sweden and the UN Global Compact CEO Water Mandate. | |
| **Criterion 10: The COP describes effective management systems to integrate the environmental principles.** | <ul><li>Ericsson's environmental policies, directives and governance are fully integrated within the Ericsson Group Management System (EGMS}. The EGMS is used in all operations covering all units around the world.</li><li>Ericsson's Environmental Management System is certified to ISO 14001 and is part of the EGMS.</li><li>Environmental risks are assessed as part of the annual Strategy, Target Setting and Risk Management Cycle.</li><li>We use Life Cycle Assessment (LCA) methodology to determine our significant environmental aspects and to assess the environmental impact of ICT. 20 years of experience of life-cycle assessment (LCA). This covers raw material extraction, design, manufacturing, transport, use of products, disassembly and closing the loop with proper end-of-life management</li><li>To ensure sound handling of products at end of life, Ericsson has a long-established Ecology Management and Product Take-back Program made available to all Ericsson's customers globally free of charge, not only in markets required by law.</li><li>Internal training and awareness is provided for all employees. Specialized training is available for certain functions.</li><li>Whistleblower and reporting violations procedures exist and can be accessed by all employees and stakeholders.</li></ul> | <ul><li>Strategy to deliver positive change with reduced risk (S&CR)</li><li>Life cycle approach reduces carbon emissions (S&CR)</li><li>Decoupling energy from traffic growth (S&CR)</li><li>Supporting the circular economy (S&CR)</li><li>Closing the loop (S&CR)</li><li>Building a low-carbon future today (S&CR)</li><li>Objectives and achievements (S&CR)</li><li>Disclosure Management Approach 2015</li></ul> |
| **Criterion 11: The COP describes effective monitoring and evaluation mechanisms** | <ul><li>We conduct LCA according to international standards (ISO 14040 series). We also report and follow up according to GRI Environmental KPIs. All targets are reviewed on a regular basis and reported quarterly to a steering group</li></ul> | <ul><li>Responsible Sourcing Program (S&CR)</li><li>GRI Environmental performance indicators 2015</li></ul> |

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| for environmental stewardship. | comprised of executive leaders.<br><br>• We have an internal Group Directive on Incident management including a management of incident description and responsibilities.<br><br>• Internal audits and external audits are regularly conducted on our own operations.<br><br>• Our Sustainability and Corporate Responsibility Report has been externally assessed by an external 3$^{rd}$ party.<br><br>• Our Global Assessment Program audits application of policies and directives, management of risks and objectives achievement.<br><br>• During the last five years we had no significant environmental incidents. | • [Energy, Environment and Climate](#) (S&CR) |

## Anti-corruption management policies and procedures

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption.** | • Ericsson has a publicly stated policy of zero tolerance of corruption and bribery. This is clearly communicated in our Code of Business Ethics.<br><br>• The Ericsson Anti-Corruption Group Directive details responsibilities to be in compliance with all relevant anti-corruption laws.<br><br>• Ericsson has an established process for the selection of suppliers and in general does not use agents, unless required by law or in very restricted circumstances.<br><br>• We are a signatory to PACI, The Partnership Against Corruption Initiative of the World Economic Forum, which includes a commitment to zero-tolerance.<br><br>• Ericsson is a member of the Swedish Leadership for Sustainable Development (SLSD). One of the four priority areas is reduction of corruption and unethical behavior. | • [Code of Business Ethics](#)<br><br>• [Every action counts](#) (S&CR)<br><br>• [Standing strong on anti-corruption](#) (S&CR)<br><br>• [Sparking change through advocacy](#) (S&CR) |
| **Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.** | • Ericsson's anti-corruption policy stated in Ericsson Code of Business Ethics, directives and governance are fully integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world.<br><br>• Our approach is based on prevention and accountability, and we continually improve our anti-corruption program through robust risk assessment, internal audit and regularly updated employee and supplier training.<br><br>• Our anti-corruption compliance program is supported by top management and headed by a Chief Compliance Officer, responsible and accountable for the Program. Our Code of | • [Standing strong on anti-corruption](#) (S&CR)<br><br>• [Responsible sourcing a top priority](#) (S&CR)<br><br>• [Objectives and achievements](#) (S&CR)<br><br>• [GRI Social performance indicators 2015](#)<br><br>• [Disclosure Management Approach 2015](#) |

Business Ethics, which includes anti-corruption, is signed by the CEO.

- Risk assessments, which cover all business units, regions and group functions, are an integrated part of the Ericsson strategy process whereby compliance (including corruption) is one of the risk areas to be assessed.

- To foster individual accountability, Ericsson employees periodically acknowledge the Code of Business Ethics. In 2015, 99% of active employees acknowledged Ericsson´s Code of Business Ethics.

- By the end of 2015, more than 94,700 active employees had completed an anti- corruption e-learning course designed to raise awareness of risks, dilemmas and appropriate courses of action.

- Key personnel in sales and other relevant functions, including regional leadership teams, receive additional specialized training.

- Our Code of Conduct, which is part of our contractual relationship with suppliers, includes anti-corruption.

- In 2015, we placed special focus on anti-corruption e-learning for suppliers. By the end of 2015, over 10,800 supplier employees, representing some 3,600 companies from 148 countries, had completed the anti-corruption e-learning. The training is available in 16 languages.

| Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption. | <ul><li>Anti-corruption is part of the Global Assessment Program and is evaluated and reviewed by the Audit Committee annually.</li><li>Corruption risks are evaluated as an integral part of Group Risk Assessment, in line with strategy and target-setting process. Headed by the Group's Chief Compliance Officer, the anti-corruption compliance program targets both prevention and personal accountability. The program's effectiveness is reviewed and evaluated annually by the</li></ul> | <ul><li>Every action counts (S&CR)</li><li>Standing strong on anti-corruption (S&CR)</li><li>GRI Social performance indicators 2015</li></ul> |

Audit Committee of the Board of Directors. We use external anti-corruption indices to assess corruption risk on a country level.

- In November 2015, we strengthened the reporting of violations by updating the whistle-blower tool with a third party managed whistleblower system, renamed the Ericsson Compliance Line.

- Concerns reported through the Ericsson Compliance Line are received by the Corporate Investigation Team within Corporate Audit which reports to the Audit Committee of parent company Telefonaktiebolaget LM Ericsson.

- To help ensure that suppliers meet our Code of Conduct, also in 2015 we selected an automated anti-corruption screening tool for suppliers and other third parties.

- Corporate Audit and external auditors assess the implementation of the Anti-Corruption Group Directive to ensure consistency with the commitment. The anti-corruption compliance program is evaluated and reviewed by the Audit Committee.

## Taking action in support of broader UN goals and issues

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 15: The COP describes core business contributions to UN goals and issues.** | • At Ericsson, we channel our technology leadership, innovation and advocacy to help create positive socio-economic and environmental impacts to address a range of global challenges. These include climate change, urbanization, poverty, education, health, human rights, and humanitarian issues such as refugees, peace building and disaster response. We believe ICT is fundamental to addressing these challenges, and we leverage public-private partnerships to scale our impact.<br><br>• In 2015, our Sustainability & CR strategy embraced the UN SDGs that were ratified by the UN General Assembly. We see ICT as a powerful enabler for each of the 17 goals, and our 2015 report shows how our products, services and solutions can help achieve them. We have adopted the SDGs as the framework for measuring our impact on society, and each of the Executive Leadership Team members is an ambassador for one of the goals.<br><br>• In 2015, our CEO Hans Vestberg joined the board of the UN Foundation to support its work to improve health, increase prosperity, empower women and girls, and address climate change. As a commissioner on the Broadband Commission for Sustainable Development, Vestberg advocates the role of ICT to achieve the SDGs, and in 2016, he joined the Business and Sustainable Development Commission.<br><br>• In 2015, the Earth Institute at Columbia University in collaboration with Ericsson published a report describing ICT's role in achieving the SDGs.<br><br>• We also support other UN goals and issues, for example, in 2015 we signed The CEO Water Mandate of the UN Global | • [Technology for good](#)<br><br>• [Sustainable Development Goals](#)<br><br>• [ICT & SDGs: How Information and Communications Technology can achieve the Sustainable Development Goals](#)<br><br>• [CEO Water Mandate](#)<br><br>• [Letter from the CEO](#) (S&CR)<br><br>• [Letter from the VP of Sustainability and CR](#) (S&CR)<br><br>• [ICT and the UN Sustainable Development Goals](#) (S&CR)<br><br>• [Strategy to deliver positive change with reduced risk](#) (S&CR)<br><br>• [Communication for all](#) (S&CR)<br><br>• [Bridging the digital divide](#) (S&CR)<br><br>• [Mobile money meets enhances financial inclusion](#) (S&CR)<br><br>• [M-commerce](#)<br><br>• [Connectivity as a service](#) (S&CR)<br><br>• [Access to education through technology](#) (S&CR)<br><br>• [Ericsson Response marks 15 years](#) (S&CR) |

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| | Compact.<br><br>• In 2015, Ericsson's CEO Hans Vestberg joined the board of the UN Foundation. He is also on the Leadership Council of the UN Sustainable Development Solutions Network (SDSN) and a commissioner of the Broadband Commission for Sustainable Development. | • A mobile platform helps refugees reconnect (S&CR)<br><br>• A turning point for climate action (S&CR)<br><br>• Peacebuilding starts with youth (S&CR) |
| **Criterion 16: The COP describes strategic social investments and philanthropy.** | • Philanthropy is not part of our Sustainability and CR approach, rather working in public-private partnerships with UN and other partners, --using our technology and competence to support initiatives like Connect to Learn and Refugees United are two examples. Ericsson Response has served numerous UN agencies with telecommunications services in times of disaster for 15 years.<br><br>• In 2015, employee donation campaigns raised USD 75,000 for the WFP and the ETC in Nepal, and USD 450,000 for UNHCR refugees.<br><br>• All of our initiatives fall under the umbrella of Technology for Good™, which aims to use our technology and expertise in order to advance society through sustainable development. | • Technology for good<br><br>• Communication for all (S&CR)<br><br>• Bridging the digital divide (S&CR)<br><br>• Mobile money meets enhances financial inclusion (S&CR)<br><br>• Access to education through technology (S&CR)<br><br>• Ericsson Response marks 15 years (S&CR)<br><br>• A mobile platform helps refugees reconnect (S&CR)<br><br>• Peacebuilding starts with youth (S&CR) |
| **Criterion 17: The COP describes advocacy and public policy engagement.** | • Ericsson's support of the SDGs is reflected in the many arenas where we took this message around the globe in 2015, in dialog with UN and international organizations, government leaders and ministries, as well as corporate leaders.<br><br>• In global fora such as the global climate negotiations of the UNFCCC, the UN Broadband Commission for Sustainable Development, the Global e-Sustainability Initiative (GeSI), and the work leading up to the adoption of the UN Sustainable Development Goals, Ericsson advocate for | • The CEO Letter (S&CR)<br><br>• Communication for all (S&CR)<br><br>• Sparking change through advocacy (S&CR)<br><br>• Establishing common ground (S&CR)<br><br>• Ericsson Response marks 15 years (S&CR)<br><br>• Building a low-carbon future today |

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| | ICT's role to address UN goals and issues. | (S&CR) |
| | • In 2015, Ericsson's CEO Hans Vestberg joined the board of the UN Foundation. The CEO is a member of the Leadership Council of the UN Sustainable Solutions Development Network (SDSN) and also a Commissioner of UN Broadband Commission for Digital Development. Ericsson is among 20 leading businesses in the Swedish leadership for Sustainable Development. | • [A turning point for climate action](#) (S&CR)<br><br>• [In recognition](#) (S&CR) |
| | • Our ongoing collaboration with UN-Habitat, the UN agency tasked with creating a better urban future, explores how ICT-enabled solutions for cities can drive progress toward SDG 11, Sustainable Cities and Communities. | |
| | • Ericsson annually hosts a global meeting of telecom regulators focused on broadband for all. | |
| **Criterion 18: The COP describes partnerships and collective action.** | • ICT can play a transformational role in accelerating the achievement of all the SDGs. We are engaged in public-private partnerships to scale our impact.<br><br>• All of our initiatives fall under the umbrella of Technology for Good™ which aims to use our technology and expertise in order to advance society through sustainable development with initiatives including Connect to Learn and Refugees United. Ericsson Response, which marked its 15-year anniversary in 2015, supports UN and humanitarian workers with emergency telecoms support as a leading partner of the UN Emergency Telecom Cluster.<br><br>• We engage in a number of public-private partnerships and the UN is a preferred partner. We engage with the World Food Programme and UNICEF on disasters, UNDP through the Business Call to Action on rural development projects and with UNESCO on education and conflict resolution with the Whitaker Peace & Development Initiative; Broadband Commission (co-chaired by ITU and UNESCO) on climate change and digital inclusion, the UN Global Compact Caring for the Climate, UN-Habitat on sustainable urbanization and ICT, and the UNFCCC, Momentum for Change via the ICT industry organization GeSI. | • [Sparking change through advocacy](#) (SC&R)<br><br>• [Establishing common ground](#) (S&CR)<br><br>• [Ericsson Response marks 15 years](#) (SC&R)<br><br>• [Bridging the digital divide](#) (S&CR) |

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## Corporate sustainability governance and Leadership

| UNGC advance criteria | Ericsson approach | Where to find more information |
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| **Criterion 19: The COP describes CEO commitment and leadership.** | • The commitment to responsible business is anchored at the highest levels of Ericsson. The CEO and senior management actively support and are regularly informed of progress on sustainability and CR.<br><br>• In 2015, Ericsson CEO Hans Vestberg joined the board of the UN Foundation. He is also a member of the Leadership Council of the UN Sustainable Solutions Development Network (SDSN) and a Commissioner of UN Broadband Commission for Sustainable Development.<br><br>• In 2015 Ericsson signed the World Economic Forum CEO Climate Leaders initiative and the CEO Water Mandate.<br><br>• The CEO Letter in our Sustainability & CR report always explicitly states our support for the UN Global Compact.<br><br>• Sweden has a long commitment to principles of sustainable development and Ericsson is among 20 leading businesses in the Swedish Leadership for Sustainable Development, which highlights leadership for sustainable global development by integrating social, environmental and economic sustainability in their business models and core operations.<br><br>• The VP of Sustainability and CR reports directly to the CEO and is part of the Global Leadership Team.  Sustainability & CR is a topic that is regularly discussed.<br><br>• Sustainability and CR leadership target is on the Group top-level scorecard. | • [Letter from the CEO](#) (S&CR)<br><br>• [Letter from the VP of Sustainability and CR](#) (S&CR)<br><br>• [Strategy to drive positive change and reduce risk](#) (S&CR)<br><br>• [Every action counts](#) (S&CR)<br><br>• [A turning point for climate action](#) (S&CR)<br><br>• [Sparking change through advocacy](#) (S&CR) |
| **Criterion 20: The COP** | • The Board is aware of sustainability and CR's growing importance to the company and to our stakeholders. In | • [Letter from the Chairman](#) (S&CR) |

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| describes Board adoption and oversight. | management of sustainability and CR, the Board of Directors' remit is both governance and strategy. The Board strives to uphold the company's responsibility to conduct business responsibly. The Board is also aware of the risks related to sustainability and CR performance, and the actions that must be taken to address such risks.<br><br>• The Ericsson Board of Directors is briefed regularly in order to stay informed about the issues, oversee governance of sustainability and CR, and ensure that these topics are integrated into the strategy. In 2015, briefings covered governance updates, strategy execution including risks, performance, and results, specific topics like OHS and human rights, as well as advocacy activities and stakeholder feedback and perception.<br><br>• In addition to the Sustainability & CR Report, sustainability information is included in the Annual Report, which is approved by the Board.<br><br>• Ericsson Sustainability and CR annual performance is presented each year to all shareholders at Annual General Meeting (AGM). | • [Every action counts](#) (S&CR)<br><br>• [About this report](#) (S&CR) |
| :--- | :--- | :--- |
| **Criterion 21: The COP describes stakeholder engagement.** | • Our stakeholder engagement is an inclusive and continuous process aimed at building relationships and creating mutual understanding. The engagement approach helps us identify the stakeholders, issues and ways to engage in order to incorporate feedback into our current and future efforts.<br><br>• We engage with our stakeholders in many fora and on a wide range of topics to enhance our ability to tackle shared challenges, and find common solutions. Some of the main stakeholder groups we interact with on an ongoing basis: customers, employees, investors, suppliers, industry partner, government, consumer and business users of telecommunications services, non-governmental organizations, standardization bodies, research institutes and media.<br><br>• Specific stakeholders are consulted regarding certain | • [Establishing common ground](#) (S&CR)<br><br>• [Sparking change through advocacy](#) (S&CR)<br><br>• [Assessing our most material issues](#) (S&CR)<br><br>• [In respect of human rights](#) (S&CR)<br><br>• [Focus on the right to privacy](#) (S&CR)<br><br>• www.twitter.com/ericssonsustain<br><br>• www.facebook.com/technologyforgood |

issues and challenges. For example, we have engaged in the Business Learning Program of the non-profit Shift as part of embedding a human rights framework across the company. We also engage in stakeholder consultations as part of our Human Rights Impact Assessments (HRIA) in high-risk countries. In promoting children's rights, we are part of the UNICEF Corporate Network for Children's Rights in Sweden and participate in the Global Child Forum. Still other stakeholder engagements are held around issues such as right to privacy, handling of e-waste (UN StEP) and engaging employees in humanitarian response and sustainable development through our employee volunteer program.

- Insights gained from ongoing stakeholder consultation and input are taken into account in our materiality process and inform our strategy. A robust stakeholder engagement approach leads to better management of CR risks and ensures a balanced approach to issues such as human rights, responsible sourcing, corruption, health and safety, conflict minerals, and handling of e-waste.

- In 2015, a stakeholder survey was conducted to incorporate feedback from select investors, customers and employees to further strengthen our materiality process. The survey confirms the importance of conducting business responsibly, and the general balance and relation of our significant issues from a medium-term perspective.

- We also engage stakeholders in conversation about the Networked Society and Technology for Good™ through social media such as our blog, Facebook and Twitter.

## Annex: Business and peace

| UNGC advance criteria | Ericsson approach | Where to find more information |
|---|---|---|
| **The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas.** | • Ericsson's Human Rights, Labor, Environmental and Anti-corruption policies, directives and governance are fully integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world.<br><br>• The policies apply globally to all 180 countries where we serve customers.<br><br>• Our annual strategy, target setting and risk management cycle as well as our due diligence processes take into consideration specific high-risk or conflict- affected areas. For example, we have taken further steps to increase the transparency regarding conflict minerals in our supply chain, working with our suppliers towards the aim of conflict-free sourcing.   .<br><br>• In management of our supply chain, we use a risk-based approach in which high-risk portfolio areas and highest-risk markets are prioritized for assessments and monitoring.<br><br>• In the sales process, the Sales Compliance Board considers human rights in its decisions and proactively makes case-by-case risk assessments of business when deemed necessary. It uses three core criteria to evaluate human rights risks associated with unintended use of functionality: the type of product, service or know-how, the market, as well as the customer.  We use external risk indices to review high-risk and conflict countries.<br><br>• Ericsson has a Group-wide trade compliance process for managing compliance with relevant export control, customs and other trade laws and regulations including sanctions. | • Sustainability Policy<br><br>• Code of Conduct<br><br>• Code of Business Ethics<br><br>• Focus on tracing conflict minerals (S&CR)<br><br>• Responsible sourcing a top priority (S&CR) |

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| **The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas.** | • Ericsson is the technology partner to The Whitaker Peace & Development Initiative (WPDI), founded by UNESCO Special Envoy for Peace and Reconciliation and UN Advocate for Children Affected by War, Forest Whitaker and dedicated to peace-building and community empowerment of youth in conflict-affected countries such as Uganda, Mexico and South Sudan. Ericson provides ICT technology and education solutions and training and expertise to help catalyze positive social change for youth in conflict-affected countries. <br><br> • We are also committed and have implemented the United Nations Guiding Principles (UNGP) on Business and Human Rights throughout our business operations, reflected in our Code of Business Ethics. For the second consecutive year we reported according to UNGP on Business and Human Rights Reporting Framework, complemented by an index in 2015. Human Rights Impact Assessments (HRIA) are undertaken on a case-by-case basis. Our sales compliance process includes risk analysis of possible unintended use of technology by governments. <br><br> • We have a Group Anti-Corruption Directive and our Code of Business Ethics clearly states zero tolerance for bribery and corruption. Our Anti-Corruption Compliance Program includes mandatory training for all employees and the Program is continually monitored by Ericsson's internal audit function and evaluated annually by the Audit Committee of the Board of Directors. | • [Strategy to deliver positive change with reduced risk](#) (S&CR) <br><br> • [Managing human rights in the sales process](#) (S&CR) <br><br> • [Standing strong on anti-corruption](#) (S&CR) <br><br> • [Focus on tracing conflict minerals](#) (S&CR) <br><br> • [Peacebuilding starts with youth](#) (S&CR) <br><br> • [Ericsson Response marks 15 years](#) (S&CR) <br><br> • [A mobile platform helps refugees reconnect](#) (S&CR) |
| **The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas.** | • Stakeholder engagement occurs on many levels continuously, including with civil society and international organizations. <br><br> • For example, a stakeholder consultation with civil society and human rights organizations was held in association with the HRIA conducted in Iran. Right to privacy and discrimination of religious minorities and women were issues that were highlighted during the consultations and | • [Establishing common ground](#) (S&CR) <br><br> • [Sparking change through advocacy](#) (S&CR) <br><br> • [A mobile platform helps refugees reconnect](#) (S&CR) <br><br> • [Peacebuilding starts with youth](#) (S&CR) |

| | further discussed, and mitigation measures were further strengthened to address these concerns. | • In respect of human rights (S&CR) |
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| Page reference | |
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| S&CR | Sustainability and Corporate Responsibility Report 2015 |