

Communication on Progress Ericsson 2017

UN Global Compact Advanced Level

Ericsson's Communication on Progress (CoP) covers the period May 2017 - April 2018, and it is part of our sustainability and corporate responsibility (CR) reporting process.

Our [Sustainability and Corporate Responsibility 2017 report](#) "Technology for Good" (S&CR) contains:

- › A statement by our President and 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 report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standard, as well as the UN Guiding Principles on Business and Human Rights Reporting Framework (UNGPRF).

Information on the company's profile and context of operation can be found in [Ericsson Annual Report 2017](#). Ericsson has for the first time prepared a Sustainability Report in accordance with the Swedish Annual Accounts Act named the Sustainability Performance and Risk Report. The Sustainability Performance and Risk Report contains information regarding the development, performance, position and impact of the Ericsson Group activities relating to environmental, social, employee, human rights, anti-corruption and bribery matters. It also includes descriptions of Ericsson's sustainability and corporate responsibility related policies, the outcome of these policies, the principal risks related to environmental, social, employee, human rights, anti-corruption and bribery matters linked to the Company's operations, as well as a description on how Ericsson manages those risks.



1 Implementing the Ten Principles into strategies and operations

UNGC advanced criteria	Ericsson approach and progress	Where to find out more
<p>Criterion 1: The COP describes mainstreaming into corporate functions and business units.</p>	<ul style="list-style-type: none"> • We believe that sustainability and corporate responsibility (CR) are cornerstones of building a company for the future and creating lasting value. We work on two dimensions: creating positive impacts, and reducing risks related to environmental, social, employee, human rights and anti-corruption matters. 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. • We have adopted the UN Sustainable Development Goals (SDGs) as the framework for measuring our impact on society. • Sustainability and CR are integrated in our business strategy execution, target setting and risk management process which involves Market Areas, Business Areas and Group Functions. • Our Code of Business Ethics, Code of Conduct, Sustainability Policy, Occupational Health and Safety Policy, Electromagnetic Fields and Health Policy, Sales Compliance Policy and Anti-corruption Group Directive are part of our governance system and applied globally across the business. 	<ul style="list-style-type: none"> • Letter from the Chairman of the Board (S&CR) • Letter from the President and CEO (S&CR) • Letter from the Senior Vice President and Chief Sustainability Officer (S&CR) • Creating positive impact and mitigating risks (strategy) (S&CR) • Code of Business Ethics • Code of Conduct • Sustainability Policy
<p>Criterion 2: The COP describes value chain implementation.</p>	<ul style="list-style-type: none"> • Through our strategy, we seek to create value for our key stakeholder groups: customers, employees, shareholders and society. • We take into account upstream and downstream material issues across the value chain. We map the key focus areas as identified in our materiality assessment in each phase of our value chain and identify the ways in which we engage with stakeholders to influence the impact of that issue. 	<ul style="list-style-type: none"> • Significant sustainability issues (S&CR) • Sales compliance. Applying a human rights lens (S&CR) • Responsible sourcing. Maintaining high standards for suppliers (S&CR) • Code of Conduct



	<ul style="list-style-type: none"> • Through transparency and engagement, Ericsson works to build trust across the value chain from suppliers to customers. • All suppliers must comply with high social, ethical, human rights and environmental requirements as set out in the Ericsson Code of Conduct (CoC). • We work with suppliers to raise awareness of Ericsson CoC requirements. As an important part of our approach, we provide free-of-charge online trainings in four areas: Code of Conduct for suppliers; anti-corruption for suppliers; occupational health and safety for site services providers; and conflict minerals for suppliers. These trainings are provided in several languages. 	<ul style="list-style-type: none"> • Responsible sourcing
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2 Human rights management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.</p>	<ul style="list-style-type: none"> • 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. • 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 (UNGP) throughout our business operations. • Our Code of Business Ethics is acknowledged by all employees at the time of employment and periodically throughout the term of employment. The Code of Business Ethics is available on our website in several languages. 	<ul style="list-style-type: none"> • Code of Business Ethics • Code of Conduct • Letter from the Chairman of the Board (S&CR) • Letter from the President and CEO (S&CR) • Letter from the Senior Vice President and Chief Sustainability Officer (S&CR) • Creating positive impact and mitigating risks (strategy) (S&CR) • Governance. Building on a strong foundation (S&CR)



	<ul style="list-style-type: none"> • Ericsson reports according to the UN Guiding Principles on Business and Human Rights Reporting Framework (UNGPRF). • In line with the UK Modern Slavery Act, Ericsson has published a separate statement describing how we are tackling the challenge of modern slavery and human trafficking throughout our operations and supply chain. 	<ul style="list-style-type: none"> • Modern Slavery and Human Trafficking Statement 2017 • UNGP Reporting Framework Index (S&CR)
<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles.</p>	<ul style="list-style-type: none"> • Human rights principles are fully implemented and 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. • The Sustainability and CR organization is responsible for overseeing the human rights area. • The Board of Directors is briefed twice a year on sustainability and CR matters; more often if needed. In 2017, briefings covered specific topics like OHS, and human rights, including modern slavery. • Our human rights due diligence covers processes within sales, sourcing, legal affairs, mergers and acquisitions (M&A) and operations. In 2017 our focus was on responsible sourcing and the issue of modern slavery as well as the continued strengthening of our sales compliance process. • We have continued to work to explore leverage in our sales compliance process by introducing the use of contractual mitigations as conditions. Performing Human Rights Impact Assessment (HRIA) we have also identified the use of leverage as important mitigation measures, including initiating stakeholder discussions about our salient human rights issues. • Human rights considerations are an integrated part of Ericsson’s sales process. The cross-functional, senior-level Sales Compliance Board governs the process. 	<ul style="list-style-type: none"> • Governance. Building on a strong foundation (S&CR) • Sales compliance. Applying a human rights lens (S&CR) • Spotlight on privacy assurance (S&CR) • Spotlight on children’s rights (S&CR) • Code of Conduct • Reporting compliance concerns • Management approach disclosure 2017 • UNGP Reporting Framework Index (S&CR) • Modern Slavery Statement 2017



	<ul style="list-style-type: none"> • HRIAs are conducted in accordance with the UNGPs and help identify our salient human rights issues. We have defined our salient human rights issues to be the right to freedom of expression, right to privacy and labor standards. • Based on our experience of carrying out HRIAs we decided to develop a simplified HRIA process in 2016 that would enable us to scale up and work more efficiently. Working together with Shift, we developed a customized HRIA process that we are using as a complement to our more in-depth HRIAs for higher-risk contexts. We carried out our first customized HRIA in Cuba in 2016, which identified the following topics: labor issues, transport and OHS, privacy and freedom of expression. During 2017, we acted on the identified mitigation measures. • Our Privacy Framework encompasses our corporate IT network, our products and our services. It requires us to consider privacy from the outset of any product or service release as an integral part of development. • We have a human rights and business e-learning available for all employees and it is mandatory training for certain functions, including Legal Affairs, Security and Corporate Audit. In addition to the e-learning, we have also conducted targeted human rights trainings for Regional Business Review officers and Corporate Audit. • Ericsson works proactively on initiatives that focus on promoting and protecting child rights with a range of partners. For example, we have worked with World Childhood Foundation and the nonprofit organization Darkness to Light to develop the Stewards of Children Prevention Toolkit mobile app, which is designed to help anyone working with children to detect the signs of, and prevent, child sexual abuse. It has a built-in mobile learning module along with information about where to get help. It is available at: www.socapp.org. • We work as a company to actively prevent child sexual abuse (CSA) and we are one of the leaders in the industry in terms of adopting a zero-tolerance policy. Our efforts in this area 	
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	<p>include a unique monitoring tool that scans all PCs used by Ericsson employees and consultants to ensure that the PCs are not used to access or store CSA images (as defined by law enforcement authorities).</p>	
<p>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.</p>	<ul style="list-style-type: none"> • This is the fourth year that Ericsson has reported according to the UN Guiding Principles (UNGP) on Business and Human Rights Reporting Framework. • Our S&CR Report 2017 is produced in accordance to Global Reporting Initiative (GRI) Sustainability Reporting Standards core level, and the report was externally assured by PricewaterhouseCoopers (PwC), including disclosure on human rights externally. • 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. • We have an internal audit function that reviews corporate responsibility practice and an external third-party assurance body that reviews implementation of policies and procedures. The audit results are reviewed by appropriate management and boards and corrective actions plans are followed up. • Human rights are an integrated part of the Ericsson Group Management System (EGMS). The Global Assessment Program is performed by an external assurance body. 	<ul style="list-style-type: none"> • <u>Governance. Building on a strong foundation</u> (S&CR) • <u>Sales compliance. Applying a human rights lens</u> (S&CR) • <u>Objectives and achievements</u> (S&CR) • <u>UNGP Reporting Framework Index</u> (S&CR) • <u>Reporting compliance concerns</u>



3 Labor management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor.</p>	<ul style="list-style-type: none"> • 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. • We aim for zero deviations from the Ericsson Code of Conduct and zero OHS incidents. To avoid incidents and prevent work-related hazards we apply a risk-based approach. • 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 Ericsson Code of Business Ethics and Ericsson Code of Conduct. We support the United Nations Global Compact initiative and its ten principles which cover the area of labor. • Our Code of Conduct is based on the UN 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. • A particular focus for Ericsson is increasing gender diversity. Our 2020 gender diversity ambition is for 30% of all employees to be female, including leaders and executives. In 2017, 23% of Ericsson employees were female. 	<ul style="list-style-type: none"> • Letter from the Senior Vice President and Chief Sustainability Officer (S&CR) • Code of Business Ethics • Code of Conduct • Sustainability and CR Strategy. Creating positive impact and mitigating risks (S&CR) • Governance. Building on a strong foundation (S&CR) • Responsible sourcing. Maintaining high standards for suppliers (S&CR) • Occupational health and safety. Ensuring a health and safety workplace (S&CR) • Diversity and inclusion (S&CR)
<p>Criterion 7: The COP describes effective management systems to integrate the labor principles.</p>	<ul style="list-style-type: none"> • Ericsson’s labor related policies and directives are fully integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world. 	<ul style="list-style-type: none"> • Occupational health and safety. Ensuring a health and safety workplace (S&CR) • Diversity and inclusion (S&CR)



	<ul style="list-style-type: none"> • Our Responsible Sourcing Program is founded in Ericsson Code of Conduct. Before we select our suppliers, we require mandatory Supplier Self-Assessments. Ericsson uses a risk-based approach to identify relevant suppliers for Ericsson Code of Conduct audits. • Ericsson’s operations are certified to the Occupational Health and Safety Assessment Series - OHSAS 18001 requirements. 	<ul style="list-style-type: none"> • Responsible sourcing. Maintaining high standards for suppliers (S&CR) • Radio waves and health (S&CR) • Management approach disclosure 2017 • Ericsson Occupational Health and Safety Management System Group Certificate
<p>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration.</p>	<ul style="list-style-type: none"> • Our Global Assessment Program, executed by a third-party external certification body, reviews implementation of our EGMS, which covers also Ericsson Code of Conduct principles adherence, including labor and occupational health and safety. Ericsson organizations around the globe are regularly assessed and outcomes are followed up in the organization. • We have an incident reporting process and system providing information to reduce risk for re-occurring health and safety incidents. This includes reporting from employees, contractors and suppliers in high-risk related activities. 	<ul style="list-style-type: none"> • Responsible sourcing. Maintaining high standards for suppliers (S&CR) • Objectives and achievements (S&CR) • Code of Conduct

4 Environmental management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.</p>	<ul style="list-style-type: none"> • We strive to contribute to the sustainable development of society by developing, producing, and offering products, services and solutions with excellent sustainability performance. 	<ul style="list-style-type: none"> • Sustainability Policy • Code of Conduct • Supplier environmental requirements • List of banned and restricted substances



	<ul style="list-style-type: none"> • 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. • To maximize our positive impact, we take a circular economy approach with a focus on three key areas: leadership in product energy and environmental performance; environmentally responsible use of materials, waste, and water; and reducing the carbon footprint of our own operations. • We continue to focus on providing solutions to help other sectors of the economy, primarily utilities and transport, to reduce carbon emissions. • Over the past six years, we have reduced CO₂e emissions by 48% in absolute emissions from our own activities, including facilities energy usage, product transportation and business travel, compared to the baseline. • In 2017, we set a new target to reduce the CO₂e emissions of Ericsson's own activities, including facilities energy use (Scope 1 and 2), fleet vehicles (Scope 1), business travel (Scope 3) and product transportation (Scope 3) by 35% in 2022 in absolute terms compared with baseline 2016. • Our extensive research on the energy and carbon footprint of ICT from a life-cycle perspective shows that products in operation typically represent about two-thirds of the carbon footprint of ICT. We set both year-on-year goals and long-term objectives to measure our environmental performance. Ericsson commits to 35% of energy saving in our newly launched Ericsson Radio System versus legacy portfolio thereby lowering the overall energy consumption by operators. • Both commitments, the reduction of absolute scope 1, 2 and 3 (business travel and upstream and downstream transportation) GHG emissions 35%, and the reduction of 35% in the energy consumption of comparable sold products by 	<ul style="list-style-type: none"> • <u>Circular economy. Coming full circle</u> (S&CR) • <u>Leveraging the Internet of Things. Innovative IoT-based solutions to sustainable development challenges</u> (S&CR) • <u>Product energy performance. Understanding the energy challenge</u> (S&CR) • <u>E-waste management. From waste to resource</u> (S&CR) • <u>Responsible sourcing. Maintaining high standards for suppliers</u> (S&CR) • <u>Significant sustainability issues</u> (S&CR) • <u>Objectives and achievements</u> (S&CR)
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	<p>2022 from a 2016 base year, have been recognized as Science Based Target (SBT).</p> <ul style="list-style-type: none"> We supported a number of commitments on climate such as UN Global Compact's Caring for Climate and the UN Global Compact CEO Water Mandate. 	
<p>Criterion 10: The COP describes effective management systems to integrate the environmental principles.</p>	<ul style="list-style-type: none"> Ericsson's environmental related policies and directives are integrated within the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world and is certified to ISO 14001 and is part of the EGMS. Environmental risks are assessed as part of the annual strategy, target setting and risk management cycle. We use Life Cycle Assessment (LCA) methodology to determine our significant environmental aspects and to assess the environmental impact of ICT. Our life-cycle assessment (LCA) covers raw material extraction, design, manufacturing, transport, use of products, disassembly and closing the loop with proper end-of-life management. To ensure sound handling of products at end of life, Ericsson has a long-established Product Take-back Program made available to all Ericsson's customers globally free of charge, not only in markets required by law. Internal training and awareness on environmental topics is provided for all employees. Specialized training is available for certain functions. 	<ul style="list-style-type: none"> Creating positive impact and mitigating risks (strategy) (S&CR) Circular economy. Coming full circle (S&CR) Leveraging the Internet of Things. Innovative IoT-based solutions to sustainable development challenges (S&CR) Product energy performance. Understanding the energy challenge (S&CR) E-waste management. From waste to resource (S&CR) Objectives and achievements (S&CR) Management approach disclosure 2017
<p>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.</p>	<ul style="list-style-type: none"> We conduct LCA according to international standards (ISO 14040 series). We also report and follow up on our environmental performance according to GRI Sustainability Reporting Standards. All targets are reviewed on a regular basis and reported quarterly to a steering group comprised of executive leaders. We have an internal Group Directive on Incident Management including a management of incident description and responsibilities. 	<ul style="list-style-type: none"> Responsible sourcing. Maintaining high standards for suppliers (S&CR) GRI Sustainability Reporting Standards disclosure 2017. Environmental standards Circular economy. Coming full circle (S&CR)



	<ul style="list-style-type: none"> • Our Global Assessment Program audits the adherence to our policies and directives, including risk management and objectives achievement. Internal and external audits are regularly conducted on our own operations. • Our Sustainability and Corporate Responsibility Report has been externally assessed by an external third party. • During the last seven years we have had no significant environmental incidents. 	
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5 Anti-corruption management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption.</p>	<ul style="list-style-type: none"> • Ericsson has a zero-tolerance corruption and bribery policy. This is clearly communicated in our Code of Business Ethics. • The Ericsson Anti-Corruption Group Directive describes responsibilities and procedures to ensure compliance with all relevant anti-corruption laws. • We are a signatory to The Partnership Against Corruption Initiative (PACI) of the World Economic Forum, which includes a commitment to zero-tolerance. • 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. • Our Code of Conduct, which is part of our contractual relationship with suppliers, includes anti-corruption. 	<ul style="list-style-type: none"> • Code of Business Ethics • Code of Conduct • Anti-corruption. Reinforcing a zero-tolerance culture (S&CR)



<p>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.</p>	<ul style="list-style-type: none"> • Ericsson's anti-corruption policy, stated in Ericsson Code of Business Ethics, is deployed to all employees via directives and instructions as an integrated part of the Ericsson Group Management System (EGMS). The EGMS is used in all operations covering all units around the world. • 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. • 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 Business Ethics, which includes anti-corruption, is approved by our President and CEO. • Risk assessments, which cover all business areas, market areas 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. • During 2017, we continued a global rollout of an automated anti-corruption screening tool to undertake due diligence of suppliers. In 2017 over 17,600 suppliers have been screened by this tool. • We established Business Partner Review Boards in all of our Market Areas in 2017. These Boards are made up of senior Market Area managers who generally meet on a monthly basis to review business partners from a compliance risk perspective to ensure that they meet our compliance and ethical criteria. • To foster individual accountability, Ericsson employees periodically acknowledge the Code of Business Ethics. In 2017, 99% of active employees acknowledged Ericsson's Code of Business Ethics. • By the end of 2017, more than 92,950 active employees had completed an anti-corruption e-learning course aimed at 	<ul style="list-style-type: none"> • Governance. Building on a strong foundation (S&CR) • Anti-corruption. Reinforcing a zero-tolerance culture (S&CR) • Responsible sourcing. Maintaining high standards for suppliers (S&CR) • Objectives and achievements (S&CR) • GRI Sustainability Reporting Standards disclosure 2017. Anti-corruption standard (GRI 205) • Management approach disclosure 2017
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	<p>raising awareness of risks, dilemmas and appropriate courses of action.</p> <ul style="list-style-type: none"> • 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 requirements. 	
<p>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.</p>	<ul style="list-style-type: none"> • The adherence to our anti-corruption program is part of the Global Assessment Program and is evaluated and reviewed by the Audit Committee annually. • Corruption related 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 effectiveness is reviewed and evaluated annually by the Audit Committee of the Board of Directors. • 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. • 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. 	<ul style="list-style-type: none"> • <u>Governance. Building on a strong foundation</u> (S&CR) • <u>Anti-corruption. Reinforcing a zero-tolerance culture</u> (S&CR) • <u>GRI Sustainability Reporting Standards disclosure 2017. Anti-corruption standard (GRI 205)</u>



6 Taking action in support of broader UN goals and issues

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 15: The COP describes core business contributions to UN goals and issues.</p>	<ul style="list-style-type: none"> At Ericsson, we channel our technology leadership, innovation and advocacy to create positive socio-economic and environmental impacts and address a range of global challenges. These challenges 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. We see ICT as a powerful enabler for each of the 17 SDGs, and our Sustainability and CR 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. 	<ul style="list-style-type: none"> Letter from the President and CEO (S&CR) Letter from the Senior Vice President and Chief Sustainability Officer (S&CR) Creating positive impact and mitigating risks (strategy) (S&CR) Sustainable Development Goals (S&CR) Partnership for the Goal. Working together for a common good (S&CR) SDGs highlighted in Conducting business responsible section (S&CR) SDGs highlighted in Energy, environment and climate action section (S&CR) SDGs highlighted in Internet for all section (S&CR)
<p>Criterion 16: The COP describes strategic social investments and philanthropy.</p>	<ul style="list-style-type: none"> 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. 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 expertise to support initiatives like Connect to Learn and Refugees United. Ericsson Response has served numerous UN agencies with telecommunications services in times of disaster for over 15 years. 	<ul style="list-style-type: none"> Internet for all (S&CR) Improving education (S&CR) Reconnecting refugees (S&CR) Supporting humanitarian response (S&CR)



<p>Criterion 17: The COP describes advocacy and public policy engagement.</p>	<ul style="list-style-type: none"> • As an industry leader, we are strong advocates for the message that ICT can help shape more sustainable societies. We engage in public private partnerships to advance shared aims and visions. Our work in the Broadband Commission for Sustainable Development continues to drive the fundamental role of mobile broadband as the key enabler to realizing Internet for All. • Our approach to stakeholder engagement enables us to learn about our stakeholders' concerns early, providing us with insight into risks as well as opportunities. Our stakeholders fall into four categories: customers, shareholders, employees and society. In the society category we include suppliers, governments, civil society, non-governmental organizations, industry partners, media, academia, and the general public. 	<ul style="list-style-type: none"> • <u>Letter from the President and CEO</u> (S&CR) • <u>Letter from the Senior Vice President and Chief Sustainability Officer</u> (S&CR) • <u>Partnership for the goals</u> (S&CR) • <u>Stakeholder engagement</u> (S&CR)
<p>Criterion 18: The COP describes partnerships and collective action.</p>	<ul style="list-style-type: none"> • 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. • 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. • Our humanitarian partners include the World Food Programme, the UN Office for Coordination of Humanitarian Affairs, the International Rescue Committee, UNICEF, the Swedish Civil Contingencies Agency, and Save the Children. • We engage in a number of public-private partnerships and the UN is a preferred partner with UNESCO on education and conflict resolution with the Whitaker Peace & Development Initiative • Through our work in the Broadband Commission for Sustainable Development, the Alliance for Affordable Internet, the Internet for All Steering Group of the World Economic Forum, and the Smart Africa Alliance we aim to ensure that 	<ul style="list-style-type: none"> • <u>Sustainable Development Goals</u> (S&CR) • <u>Partnership for the goals</u> (S&CR) • <u>Stakeholder engagement</u> (S&CR)



	the benefits of the internet, which underpin achievement of the SDGs, are affordable and accessible to all.	
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7 Corporate sustainability governance and leadership

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>Criterion 19: The COP describes CEO commitment and leadership.</p>	<ul style="list-style-type: none"> • The commitment to responsible business is anchored at the highest levels of Ericsson. The President and CEO, and senior management, actively support and are regularly informed of progress on sustainability and CR. • The President and CEO Letter in our Sustainability & CR report explicitly states our support for the UN Global Compact. • Sustainability and CR related targets are defined on Group level. 	<ul style="list-style-type: none"> • Letter from the Chairman of the Board (S&CR) • Letter from the President and CEO (S&CR) • Letter from the Senior Vice President and Chief Sustainability Officer (S&CR)
<p>Criterion 20: The COP describes Board adoption and oversight.</p>	<ul style="list-style-type: none"> • The Board of Directors is aware of sustainability and CR's growing importance to the company and to our stakeholders. In management of sustainability and CR, the Board of Directors' remit is both governance and strategy. The Board of Directors 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. • 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 addition to the Sustainability & CR Report, sustainability information is included in the Annual Report, which is approved by the Board of Directors. 	<ul style="list-style-type: none"> • Letter from the Chairman of the Board (S&CR) • Governance. Building on a strong foundation (S&CR) • 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.
 - 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 are: customers, employees, investors, suppliers, industry partners, governments, consumers and business users of telecommunications services, non-governmental organizations, standardization bodies, research institutes and media.
 - Specific stakeholders are consulted regarding certain 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. Still other stakeholder engagements are held around issues such as right to privacy, 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 assessment 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.
 - We also engage stakeholders in conversation about Technology for Good™ through social media such as our blog, Facebook and Twitter.
- [Creating positive impact and mitigating risks \(strategy\) \(S&CR\)](#)
 - [Significant sustainability issues \(S&CR\)](#)
 - [Sales compliance. Applying a human rights lens \(S&CR\)](#)
 - Ericsson Sustainability and Corporate Responsibility Twitter account www.twitter.com/ericssonsustain
 - Ericsson Sustainability and Corporate Responsibility Facebook account www.facebook.com/technologyforgood



8 Annex: Business and peace

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
<p>The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas.</p>	<ul style="list-style-type: none"> Ericsson's Human Rights, Labor, Environmental and Anti-corruption related 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. Our strategy, target setting and risk management procedures 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. 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. 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 four core criteria to evaluate human rights risks associated with unintended use of functionality: the type of product or service, the market, the customer and the purpose of the functionality. We use external risk indices to review high-risk and conflict countries. Ericsson has a Group-wide trade compliance process for managing compliance with relevant export control, customs and other trade laws and regulations including sanctions. 	<ul style="list-style-type: none"> Code of Business Ethics Code of Conduct Sustainability Policy Responsible sourcing. Maintaining high standards for suppliers (S&CR) Raw materials sourcing. Transparency and due diligence (S&CR)



<p>The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas.</p>	<ul style="list-style-type: none"> • 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. Ericsson provides ICT technology and education solutions and training and expertise to help catalyze positive social change for youth in conflict-affected countries. • We are also committed to, and have implemented, the United Nations Guiding Principles on Business and Human Rights (UNGP) throughout our business operations, reflected in our Code of Business Ethics. For the fourth consecutive year we reported according to the UNGP Reporting Framework. Human Rights Impact Assessments (HRIA) are undertaken on a case-by-case basis. • 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. 	<ul style="list-style-type: none"> • Creating positive impact and mitigating risks (strategy) (S&CR) • Sales compliance. Applying a human rights lens (S&CR) • Anti-corruption. Reinforcing a zero-tolerance culture (S&CR) • Raw materials sourcing. Transparency and due diligence (S&CR)
<p>The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas.</p>	<ul style="list-style-type: none"> • Stakeholder engagement occurs on many levels continuously, including with civil society and international organizations. 	<ul style="list-style-type: none"> • Sustainable Development Goals (S&CR) • Partnership for the goals (S&CR) • Stakeholder engagement (S&CR) • Supporting humanitarian response (S&CR)