Communication on Progress Ericsson 2018

UN Global Compact Advanced Level

Performance Report

Ericsson's Communication on Progress (CoP) covers the period May 2018 - April 2019, and it is part of Ericsson sustainability and corporate responsibility (CR) reporting process.

Ericsson Sustainability and Corporate Responsibility 2018 report fully integrated in Ericsson Annual Report 2018 (AR henceforward) contains:

- A statement by Ericsson´s President and CEO expressing continued support for the UN Global Compact and renewing the Company's commitment to its Ten Principles (AR Page 3),
- 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 S&CR 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. The S&CR Report contains information regarding the development, performance 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 information
Criterion 1: The COP describes mainstreaming into corporate functions and business units.	• 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. • The Company's declared vision and purpose, "Empowering an intelligent, sustainable and connected world", embodies the breadth of what Ericsson aims to do and how to contribute to the sustainable development agenda outlined in the UN's Sustainable Development Goals (SDGs). • 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, Information security Policy, Privacy 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.	• [Letter from the President and CEO (AR page 3)](#) • [Code of Business Ethics](#) • [Code of Conduct](#) • [Sustainability Policy](#) • [Occupational Health and Safety Policy](#)

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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. • 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. • Through transparency and engagement, Ericsson works to build trust across the value chain from suppliers to customers. • All suppliers must comply with 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.	• Significant topics and risk management (AR page 172) • Respect for human rights (AR page 175) • Responsible sourcing (AR page 180) • Code of Conduct • Responsible sourcing

2 Human rights management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	• Ericsson commits to comply with all laws, rules and regulations that apply to its business. We respect all internationally recognized human rights including the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization´s Declaration on Fundamental Principles and Rights at Work.	• Code of Business Ethics • Code of Conduct • Letter from the President and CEO (AR page 3) • Respect for human rights (AR page 175)

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	• We strive to avoid infringing on the human rights of others and address adverse human rights impacts with which Ericsson is involved. We shall, in all contexts, seek ways to honor the principles of internationally recognized human rights, even when faced with conflicting requirements. • 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. • 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.	• [Modern Slavery and Human Trafficking Statement 2018](#) • [UNGP Reporting Framework Index 2018](#)
Criterion 4: The COP describes effective management systems to integrate the human rights principles.	• 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.	• [Respect for human rights (AR page 175)](#) • [Information security and privacy (AR page177)](#) • [Code of Conduct](#) • [Privacy Policy](#) • [Reporting compliance concerns](#) • [UNGP Reporting Framework Index 2018](#) • [Modern Slavery and Human Trafficking Statement 2018](#)

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	• We have continued to work to explore leverage in our sensitive business process by introducing the use of contractual mitigations as conditions. Performing Human Rights Impact Assessment (HRIA) have also been identified as important mitigation and leverage 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 Sensitive Business Board governs the process. • 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. • 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. • Ericsson's employees, suppliers and other external parties are encouraged to report suspected violations of law, the Ericsson Code of Business Ethics or the Ericsson Code of Conduct through The Ericsson compliance line, an externally managed anonymous whistleblower tool.	
Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.	• Ericsson has reported according to the UN Guiding Principles (UNGP) on Business and Human Rights Reporting Framework, since 2015. • Our Sustainability and Corporate Responsibility Report 2018 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.	• [Respect for human rights (AR page175)](#) • [Responsible sourcing (AR page 180)](#) • [UNGP Reporting Framework Index 2018](#) • [Modern Slavery and Human Trafficking Statement 2018](#)

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	• We report annually on the number of cases reviewed within the Sensitive Business Process. When necessary, the Sensitive Business 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. • In 2018, Ericsson updated the self-assessment questionnaires to enhance the focus on anti-corruption and ethical behavior (see Supply Chain, page 30). Ericsson's CoC audits for suppliers are an important component of Ericsson's Responsible sourcing program. These audits are carried out using a risk-based approach to identify relevant suppliers. Prioritized risk areas include occupational health and safety, anti-corruption, labor rights (including modern slavery, and specifically working hours), environmental management, and communication of requirements further down the supply chain.	• Sustainability ambition: Objectives and achievements (AR page 171) • Reporting compliance concerns

3 Labor management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
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.	• Code of Business Ethics • Code of Conduct • Significant topics and risk management (AR page 172)

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	- 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 . We also support the UN SDGs. - 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 2018, 23% of Ericsson employees were female.	[Diversity and inclusion](#) (AR page 178) [Occupational health and safety](#) (AR page 179) [Responsible sourcing](#) (AR page 180)
Criterion 7: The COP describes effective management systems to integrate the labor principles.	- 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. - 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.	[Significant topics and risk management](#) (AR page 172) [Occupational health and safety Policy](#) [Diversity and inclusion](#) (AR page 178) [Occupational health and safety](#) (AR page 179) [Responsible sourcing](#) (AR page 180) [Report compliance concerns](#) [Ericsson Occupational Health and Safety Management System Group Certificate](#)

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Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration.	• Our Global Assessment Program, executed by a third-party external certification body, reviews implementation of Ericsson Group Management System, which covers also Ericsson Code of Conduct principles adherence, including labor and occupational health and safety. • Ericsson organizations and performance are regularly monitored 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.	• Sustainability ambition (AR page 171) • Responsible sourcing (AR page 180) • Code of Conduct

4 Environmental management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.	• The Ericsson Code of Conduct is based on the United Nations Global Compact´s ten principles derived from: the Universal Declaration of Human Rights, the International Labour Organization´s Declaration of Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption as well as United Nations Guiding Principles on Business and Human Rights • We strive to contribute to the sustainable development of society by developing, producing, and offering products, services and solutions with excellent sustainability performance.	• Sustainability Policy • Code of Conduct • Supplier environmental requirements • List of banned and restricted substances • Climate Action, energy and environment (AR Report) • Responsible sourcing(AR Report) • Significant sustainability issues (AR Report) • Sustainability ambition: Objectives and

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	• 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. • In 2018 Ericsson and Telia Company published an extensive study (The Energy and Carbon Footprint of the Global ICT and E&M Sectors 2010−2015) performed on the carbon and energy footprints of the global ICT sector. The study included measured data from network operations covering 40% of global mobile subscriptions. The carbon footprint of the sector, including end-user equipment, data centers and network infrastructure, corresponds to 1.4% of global emissions. • In 2017, we set a new target to reduce the CO_2e 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. • In 2017, 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 objectives and commitments, Ericsson's own activities − Carbon footprint reduction and and energy saving in our newly launched Ericsson Radio System, have been recognized as Science Based Target (SBT).	achievements (AR Report)

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	• 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. • Ericsson requires the Supplier and its subcontractors to comply with the Code of Conduct, which includes Environmental requirements.	
Criterion 10: The COP describes effective management systems to integrate the environmental principles.	• 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. • Main risks include: Difficulty to estimate the future impact of climate change and environmental matters; Adverse future events, such as extreme weather conditions, and New or changes in stakeholders or regulatory environmental requirements related to Ericsson's own activities and to product energy consumption. • 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. • The Sustainability and CR organization is accountable for overseeing the environmental area. • 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 are provided for all employees. Specialized training is available for certain functions.	• [Climate Action, energy and environment (AR Report)](#) • [Reporting compliance concerns (AR Report)](#) • [Reporting compliance concerns – Fair play](#)

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	• Ericsson's employees, suppliers and other external parties are encouraged to report suspected violations of law, the Ericsson Code of Business Ethics or the Ericsson Code of Conduct through The Ericsson compliance line, an externally managed anonymous whistleblower tool.	
Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	• 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. • We have an internal Group Directive on Incident Management including a management of incident description and responsibilities. • 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. • Ericsson suppliers are to report environmental as well as occupational health and safety incidents that occur during the operations on behalf Ericsson, according to binding OHS requirements via Global Incident Reporting Tool. • During the last seven years we have had no significant environmental incidents.	• Climate Action, energy and environment (AR Report) • Reporting compliance concerns (AR page 170) • Reporting compliance concerns – Fair play • Responsible sourcing (AR Report) • Sustainability ambition: Objectives and achievements (AR Report) • Sustainability reporting. Standard disclosure 2018

5 Anti-corruption management policies and procedures

UNGC advanced criteria	Ericsson approach and progress	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 zero-tolerance corruption and bribery policy. as part of Ericsson 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.	• Code of Business Ethics • Code of Conduct • Anti-corruption (AR page 176)
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, 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. • To foster individual accountability, Ericsson employees periodically acknowledge the Code of Business Ethics. By the end of 2018,	• Anti-corruption (AR page 176) • Sustainability ambition: Objectives and achievements (AR page 171) • Reporting compliance concerns (AR page 170) • Sustainability reporting. Standard disclosure 2018

	more than 88,150 active employees had completed a new mandatory anti-corruption e-learning aimed at raising 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 requirements.	
	• Ericsson's employees, suppliers and other external parties are encouraged to report suspected violations of law, the Ericsson Code of Business Ethics or the Ericsson Code of Conduct through The Ericsson compliance line, an externally managed anonymous whistleblower tool.	
Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	• The adherence to our anti-corruption program is part of the Global Assessment Program and is evaluated and reviewed by the Audit and Compliance Committee of the Board of Directors annually.	• [Anti-corruption (AR page 176)](#)
	• 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 and Compliance Committee of the Board of Directors.	• [Audit and Compliance Committee (AR page 140)](#) • [Reporting compliance concerns (AR page 170)](#) • [Inquiries from US authorities](#) (AR page 41) • [Sustainability reporting. Standard disclosure 2018](#)
	• Concerns reported through the Ericsson Compliance Line are received by the Corporate Investigation Team which reports to the Audit and Compliance 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.	

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6 Taking action in support of broader UN goals and issues

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
Criterion 15: The COP describes core business contributions to UN goals and issues.	• 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. • We believe ICT is fundamental to addressing challenges such as climate change, urbanization, poverty, education, health, human rights, and humanitarian issues such as refugees, peace building and disaster response. • We leverage public-private partnerships to scale our impact. • We see ICT as a powerful enabler for each of the 17 SDGs.. We have adopted the SDGs as the framework for measuring our impact on society as part of our Sustainability and Corporate Responsibility strategy. • We focus on SDG 9 Industry, innovation and infrastructure and SDG 17 Partnership for the goals as part of our main contribution to SDG´s. • Our focus on SDG 9 and SDG 17 will impact positively mainly on SDG 8 Decent work and economic growth, SDG10 Reduced inequalities, SDG12 Responsible consumption and production and SDG 13 Climate action. • We have been running a joint research project with Imperial College in London for the past two years. The results show that, on average, a 10% increase in the mobile broadband adoption ratio causes a 0.8% increase in GDP. • In 2018, we published a detailed study of the energy and carbon footprint of the ICT (Information and Communication Technology) and E&M (Entertainment and	• [Sustainability approach (AR page 167)](#) • [The energy and carbon footprint of the ICT and E&M sector in Sweden 1990-2015 and beyond](#) • [The exponential Exponential Climate Action Roadmap](#) • [How Important Are Mobile Broadband Networks for Global Economic Development?](#)

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	Media) sectors in Sweden both historically, currently (2015) and beyond. It is a follow up to a study of ICT in Sweden 2010. • In 2018, we participated and lead The Exponential Climate Action Roadmap report, that was presented in The Global Action Climate Summit.	
Criterion 16: The COP describes strategic social investments and philanthropy.	• 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.	• [Internet for all](#) (AR page 187)
Criterion 17: The COP describes advocacy and public policy engagement.	• 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. • In 2018, Among other meetings the Company was invited as an industry representative to the United Nations Global Compact, Principles for Responsible Investment and Global Reporting Initiative	• [Stakeholder engagement](#) (AR page 168) • [Letter from the President and CEO](#) (AR page 3)

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	meeting on Investor-Relevant Business Reporting on the Sustainable Development Goals.	
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. • 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 and UNICEF. • 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 the benefits of the internet, which underpin achievement of the SDGs, are affordable and accessible to all.	• [Internet for all](#) (AR page 187) • [Stakeholder engagement](#) (AR page 168)

7 Corporate sustainability governance and leadership

UNGC advanced criteria	Ericsson approach and progress	Where to find more information
Criterion 19: The COP describes CEO commitment and leadership.	• The commitment to responsible business is anchored at the highest levels of Ericsson. The President and CEO, and senior management, actively support and	• [Letter from the President and CEO](#) (AR page 3)

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	are regularly informed of progress on sustainability and CR. • The President and CEO Letter in our Annual Report explicitly states our support for the UN Global Compact. • Sustainability and CR related targets are defined on Group level.	
Criterion 20: The COP describes Board adoption and oversight.	• 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. • Ericsson Annual Report includes a Sustainability and Corporate Responsibility Report, which is approved by the Board of Directors.	• [About this report](#) (AR page 166) • [Letter from the President and CEO](#) (AR page 3) • [Letter from the Chair of the Board](#) (AR page 31) • [Sustainability management](#) (AR page 169)
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-	• [Significant topics and risk management](#) (AR page 172) • Ericsson Sustainability and Corporate Responsibility Twitter account www.twitter.com/ericssonsustain • Ericsson Sustainability and Corporate Responsibility Facebook account www.facebook.com/technologyforgood

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governmental organizations, standardization bodies, research institutes and media.

- 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.

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