



ERICSSON

# ERICSSON CODE OF CONDUCT



## Purpose

This Code of Conduct has been developed for the purpose of protecting human rights, promoting fair employment conditions, safe working conditions, responsible management of environmental issues, and high ethical standards.

In addition to compliance with all relevant laws, regulations and standards in all of the countries in which they operate, all Ericsson Units, companies and employees shall comply with the Code of Conduct even if it stipulates a higher standard than required by national laws or regulations.

Ericsson requires suppliers and their subcontractors to comply with the Code of Conduct, or similar standards, and to verify compliance by providing information and allowing access to their premises. Ericsson is committed to engaging its suppliers to ensure continuous and measurable improvements over time.

Ericsson supports the United Nations Global Compact initiative. In order to make this commitment clear to employees, suppliers, customers and other stakeholders, the Code of Conduct is based on the Global Compact's ten principles and shall be publicly available. We are also committed to implement the United Nations Guiding Principles on Business and Human Rights throughout our business operations.

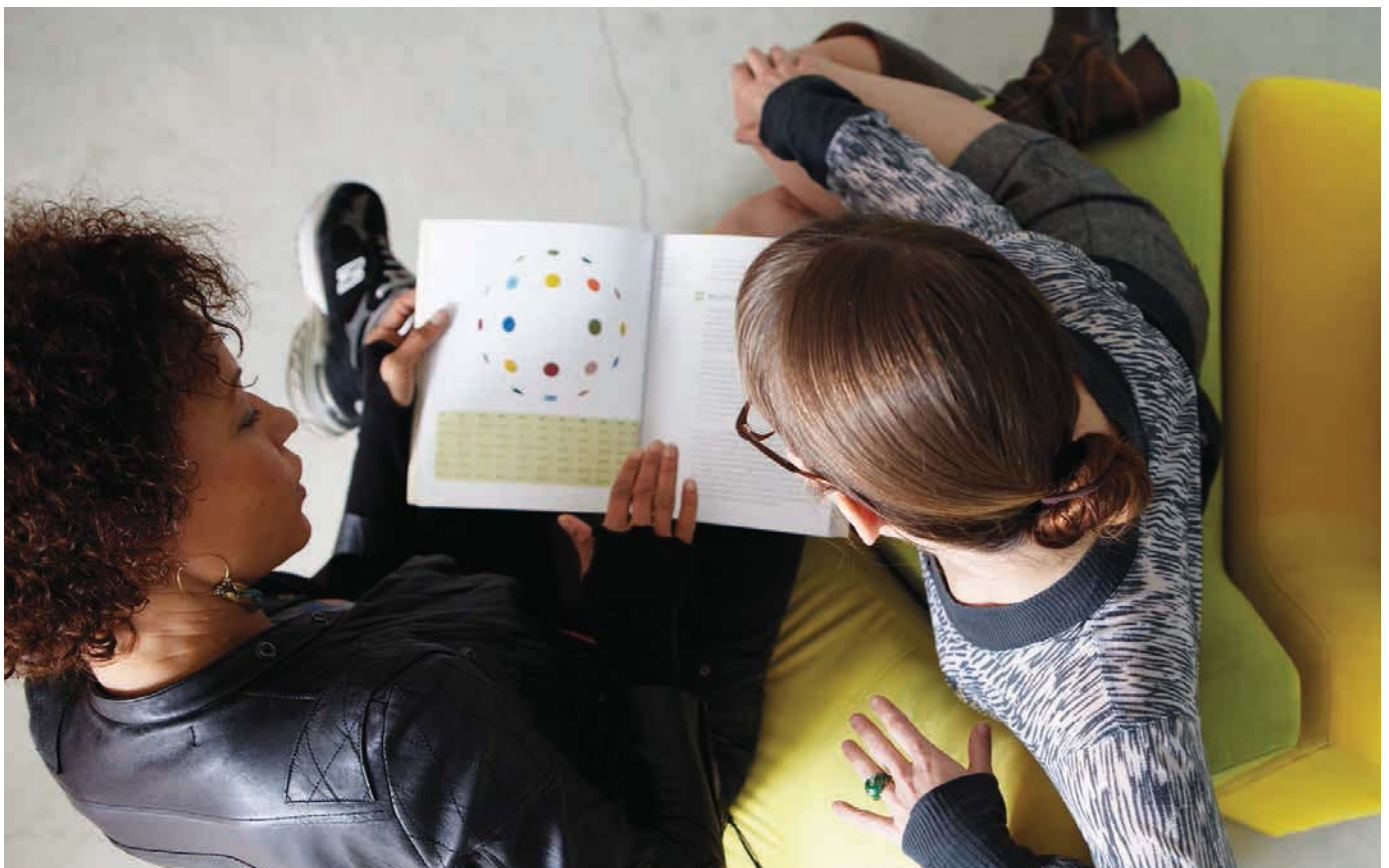
We are aware of the specific challenges to certain human rights issues in the Networked Society, such as the right of freedom of expression and the right to privacy, as well as the impacts on other rights arising from potential misuse of technology, and we work actively to minimize any such risks and challenges.

Privacy and security are important elements in products and services delivered by Ericsson, and we align our product and business processes to ensure that human rights aspects of privacy and freedom of expression are respected throughout the operations of our products and services.

We firmly believe that information and communication technology promotes greater transparency and enables many fundamental human rights, such as the right to health, education, freedom of assembly, and freedom of expression.

## Application

The Code of Conduct shall be applied throughout the company's operations, including in the production, supply, sales and support of Ericsson products and services worldwide, as well as by Ericsson suppliers through contractual agreement.



# Code of Conduct<sup>1</sup>

## Human rights

We respect all internationally proclaimed human rights, including the International Bill of Human Rights<sup>2</sup> and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We strive to ensure that we are not complicit in human rights abuses. We shall, in all contexts, seek ways to honor the principles of internationally recognized human rights, even when faced with conflicting requirements.

We are also committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our business operations.

## Labor standards

**Freedom of association** – All employees shall be free to form and to join, or not to join, trade unions or similar external representative organizations and to bargain collectively. Information and consultation with employees can be done through formal arrangements or, if such do not exist, other mechanisms may be used.

**Forced labor avoidance** – Forced, bonded or compulsory labor shall not be used and employees shall be free to leave their employment after reasonable notice as required by applicable law or contract. Employees shall not be required to lodge deposits of money or identity papers with their employer.

**Fair employment conditions** – Employees shall understand their employment conditions. Pay and terms shall be fair and reasonable, and comply at a minimum with applicable laws or industry standards, whichever is higher.

Working hours shall comply with applicable laws. The normal work week shall not exceed 48 hours.

Hours worked beyond the normal work week shall be voluntary, unless a collective bargaining agreement allows for required time under certain conditions and/or, if legal, in exceptional circumstances. Other than in such circumstances, a work week shall not exceed 60 hours.

Exceptional circumstances include short-term business demands and natural disaster but do not include anticipated peak or seasonal increases in production requirements.

Absent exceptional circumstances, personnel shall be provided with at least one day off in every seven-day period. One day off shall be interpreted as at least twenty four consecutive hours.

Deduction from wages as a disciplinary measure shall not be permitted.

Corporal punishment, physical or verbal abuse or other unlawful harassment and any threats or other forms of intimidation shall be prohibited.

**Child labor avoidance<sup>3</sup>** – No person shall be employed who is below the minimum legal age for employment. Minimum age is the age of completion of compulsory schooling, or not less than 15 years or not less than 14 years, in countries where educational facilities are insufficiently developed.

Children shall not be employed for any hazardous work, or work that is inconsistent with the child's personal development. A child means a person below the age of 18 years. Personal development includes a child's health or physical, mental, spiritual, moral or social development.

Where a child is employed, the best interests of the child shall be the primary consideration. Should any child be found to be performing child labor, policies and programs shall be contributed to, supported, or developed.

**Elimination of discrimination** – All employees shall be treated with respect and dignity.

All kinds of discrimination based on partiality or prejudice is prohibited, such as discrimination based on race, color, gender, sexual orientation, marital status, pregnancy, parental status, religion, political opinion, nationality, ethnic background, social origin, social status, indigenous status, disability, age, union membership and any other characteristic protected by local law, as applicable.

Employees with the same qualifications, experience and performance shall receive equal pay for equal work with respect to those performing the same jobs under similar working conditions.

**Fair Working Conditions** – A healthy and safe working environment and, if applicable, housing facilities shall be provided for employees, in accordance with international standards and national laws.

Appropriate health and safety information and training shall be provided to employees including, but not limited to, arrangements for safe evacuations of buildings and correct handling and marking of chemicals and machinery.

<sup>1</sup> The Ericsson Code of Conduct is based on the United Nations Guiding Principles on Business and Human Rights as well as 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 [www.unglobalcompact.org](http://www.unglobalcompact.org)

<sup>2</sup> The International Bill of Human Rights consists of the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights

<sup>3</sup> Applicable articles under this section are 2.4 in the ILO Convention No. 138 on Minimum Age, Article 1 and 32 in the United Nations Convention on the Rights of the Child

## Environment

We shall strive to develop, produce and offer products and services with excellent sustainability performance and contribute to the sustainable development of society.

We shall strive to continuously improve, with a life cycle perspective, the environmental performance of our products. We shall work to continuously reduce the negative impact of our own operations and take a precautionary approach to environmental challenges.

We shall use appropriate methodologies to determine significant issues and aspects, for setting and reviewing objectives and targets, and as a basis for communicating sustainability performance of our operations, products and services.

## Anti-corruption

No form of extortion and bribery, including improper offers for payments to or from individuals performing work for Ericsson, or organizations, shall be tolerated.



## Ericsson Code of Conduct – supplier supplement

The Code of Conduct is applicable to all Ericsson operations and to any party that contributes to Ericsson products, services and other business activities (“Supplier”).

### Compliance

Ericsson requires the Supplier and its subcontractors to comply with the Code of Conduct, or equivalent standards which may request higher standards than required by applicable laws.

Upon request, a Supplier must, by way of providing information and/or allowing access to premises to Ericsson or its representative, verify to Ericsson’s reasonable satisfaction, that the Supplier and its subcontractors comply with the Code of Conduct.

The Responsible Sourcing Program ensures high standards in the supply chain in terms of Ericsson requirements in the areas of labor, environment, human rights and anticorruption, which are valid for all suppliers. The program uses a risk based approach to ensure effective management of the environmental and social impacts by implementing supplier risk analysis, regular supplier audits, assessments, performance benchmarking and other activities which ensure compliance with the Ericsson Code of Conduct and Code of Business Ethics.

### Obligation to inform

It is the responsibility of the Supplier to ensure that its employees and subcontractors are informed about and comply with the Code of Conduct.

The supplier shall inform Ericsson if they discover a breach of the Code of Conduct in their own operations.

The Code of Conduct includes, as applicable, specific requirements for Suppliers related to Occupational Health and Safety, and Environment.

These requirements are detailed in the accompanying documents: “The Ericsson General Supplier Occupational Health and Safety Requirements”, “The Ericsson Specific Supplier Occupational Health and Safety Requirements”, and “The Ericsson Supplier Environmental Requirements”, as well as in the operating instructions referenced in these documents. All documents are available at:

[www.ericsson.com/responsible\\_sourcing](http://www.ericsson.com/responsible_sourcing)

## Reporting possible violations

Information about the Ericsson Reporting Violations process is available on the Ericsson website:

[www.ericsson.com/thecompany/corporate\\_governance/code\\_of\\_business\\_ethics/reporting\\_violations](http://www.ericsson.com/thecompany/corporate_governance/code_of_business_ethics/reporting_violations)

Alternatively, violations may be reported by email to the Corporate Audits email box: [reporting.violations@ericsson.com](mailto:reporting.violations@ericsson.com) or by postal mail to: Head of Corporate Audit, Group Function Finance, Telefonaktiebolaget LM Ericsson, SE 164 83 Stockholm, Sweden.

