



PHOTO: J-BILD

CODE OF CONDUCT

BASIC WORKING CONDITIONS AND ENVIRONMENT

As a global leader in the telecom industry, Ericsson believes that it is important to behave in a socially and ethically responsible way. We care about the people who take part in the production and support of our products and services worldwide.

Thus it is important that the Ericsson brand name is always associated with respect for human rights, acceptable working conditions, and environmentally-friendly business practice, for our own and subcontractors' organizations.

Ericsson has signed the GLOBAL COMPACT UN directive. In order to make this commitment clear to our staff, our suppliers, and other affected parties, we have documented our CODE OF CONDUCT.

As an international company we must secure respect for and compliance with this CODE OF CONDUCT all over the world.

CODE OF CONDUCT

BACKGROUND Ericsson believes that people whose work contributes to our success should not be deprived of their basic human rights, nor be forced to suffer physically or mentally from their work in any way.

PURPOSE Ericsson expects employers to respect fundamental human rights, to treat their workforce fairly and with respect. In order to make our position clear to our own staff, our suppliers, and any other affected parties, we have documented a CODE OF CONDUCT.

APPLICATION This directive is applicable to all Ericsson operations as well as Ericsson suppliers.



1. Directive

1.1 OBLIGATION TO INFORM

This is an open document and shall be displayed in such a way that anyone whose work contributes to our products and services is aware of the principles of the Code of Conduct. It is the responsibility of suppliers to ensure that their employees and subcontractors are informed about and comply with this Code. Ericsson is prepared to clarify the content and associated requirements of this document upon request.

2. Legal requirements

All of our suppliers must, in all activities, obey national and regional statutory requirements in the countries in which they are operating. Should any of the requirements stated in this document be in violation of the law in any country or territory, the local law should always take precedence. In such case, a supplier must immediately inform Ericsson. It is, however, important to understand that Ericsson's requirements are not limited to the requirements of national laws.

3. Workers' rights

3.1 BASIC HUMAN RIGHTS

Anyone who works directly or indirectly for Ericsson should be entitled to his or her basic human rights.

Ericsson does not accept the use of bonded workers, forced labor, prisoners or illegal workers. If foreign workers are employed on a contract basis, they should never be required to remain in employment against their will. The employer covers all commissions and the recruitment agency fees.

We do not accept that workers are subject to corporal punishment, mental or physical disciplinary action, or harassment. Dismissal of female workers due to pregnancy is not acceptable. We recommend that all workers are

free to peacefully and lawfully join associations of their own choosing, and have the right to bargain collectively.

No worker should be discriminated against because of age, race, gender, religion, sexual orientation, marital or maternity status, political opinion or ethnic background. We recommend that all workers with the same experience and qualifications receive equal pay for equal work.

3.2 WAGES AND WORKING HOURS

All workers should know the basic terms and conditions of their employment.

Legislated minimum wages should be a minimum, rather than a recommended level. Wages should be paid regularly and on time. A normal workweek must not exceed the legal hourly limit, and all overtime work should be properly compensated.

Workers should be granted stipulated annual leave, sick leave and maternity/paternity leave without any form of repercussions.

4. Safety

4.1 BUILDING AND FIRE SAFETY

Ericsson requires that worker safety is always a priority concern. Buildings must have clearly marked exits, and emergency exits on all floors. We recommend that all exit doors should open outwards. Exits should not be blocked, and should be visible. All workers shall be informed of the safety arrangements. An evacuation plan should be displayed on every floor of a building and the fire alarm should be tested regularly. Regular evacuation drills are recommended.

4.2 FIRST AID

First aid equipment must be available in a building, and at least one person in each department should be trained in basic first aid. It is recommended that a doctor or nurse is available on short notice in the event of an accident on the premises. The employer should cover the

costs (not covered by social security) of medical care for injuries incurred on their premises.

5. Workplace conditions

It is important for all workers' well being, that chemicals are handled in a safe and correct way. All chemicals shall be marked, and labeled in a correct way. Training and instructions for handling chemicals must be performed and workers must have adequate body protection.

The temperature and noise level of the work environment should be tolerable. Ventilation should be adequate. Lighting should be sufficient for the work performed.

The workplace should have an adequate number of clean sanitary facilities, which are preferably separated for men and women. Workers should have access to these facilities without unreasonable restrictions.

6. Housing conditions

Where staff's housing facilities are provided, we require that workers' safety is a priority concern. The recommended safety and workplace conditions described above are applicable to these housing facilities. All workers should be provided with their own individual bed, and the living space per worker must meet the minimum legal requirement.

Dormitories, toilets and showers should be separated for men and women. There should be no restriction on workers' rights to leave the dormitory during off-hours.

Fire alarms, fire extinguishers, unobstructed emergency exits and evacuation drills are of particular importance in dormitory areas.

7. Environmental issues

The environment is of increasing concern globally and Ericsson expects its suppliers to comply with applicable environmental laws and regulations and fulfill the terms of Ericsson environmental requirements.

8. Child labor

8.1 DEFINITION OF CHILD

A child in this context is a person younger than 15 years of age, or 14 years of age in accordance with the exceptions for developing countries as set out in Article 2.4 in the ILO Convention No.138 on Minimum Age.

8.2 CHILD LABOR CODE

Ericsson bases its child labor code on the UN Convention on the Rights of the Child, article 32.1.

We "recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

8.3 IMPLEMENTATION OF OUR CHILD LABOR CODE

Ericsson does not accept child labor. We acknowledge that it exists and realize that it cannot be eradicated by simply setting up rules or inspections, but by actively contributing to the improvement of children's social situations. Thus, we endeavor to improve the situation for any child affected by our ban on child labor. Ericsson will request that the employer acts in accordance with the overall best interests of the child. A satisfactory solution is whatever improves an individual child's overall situation. The employer should cover the costs for this.

8.4 ENFORCEMENT OF OUR CHILD LABOR CODE

Ericsson will discontinue cooperation with any party that persists in non-compliance with our child labor code.

8.5 APPRENTICESHIP PROGRAMS

Ericsson accepts apprenticeship programs for children between the ages of 12 and 15 years in countries where the law permits such programs, but only under certain conditions. The total numbers of hours spent on light work and school together should never exceed seven hours per day. The employer must be able to prove that work is not interfering with the child's education, that apprenticeship is limited to a few hours per day, that the work is light and clearly aimed at training, and that the child is properly compensated. We will not accept apprenticeship programs that do not comply with these terms.

8.6 SPECIAL RECOMMENDATIONS

Ericsson acknowledges that according to Article 1 of the UN Convention on the Rights of the Child, a person is a child until the age of 18. We therefore recommend that children in the age group 15–18 years be treated accordingly, i.e. by limiting the total number of working hours per day and implementing appropriate rules for overtime. Children in this age group are not allowed to perform hazardous work.

9. Monitoring and enforcement

9.1 THE PRINCIPLE OF TRUST AND COOPERATION

Ericsson expects all its workers, suppliers and their subcontractors to respect this Code of Conduct and to actively do their utmost to achieve its standards. We are prepared to cooperate with our suppliers to achieve adequate solutions. We are also prepared to take cultural differences and other relevant factors into consideration, but we will not compromise on the fundamental requirements described in this document.

9.2 MONITORING

All suppliers are obliged to keep Ericsson informed about where each order is produced. Ericsson reserves the right to make unannounced visits to sites where people work directly or indirectly for Ericsson. We also reserve the right to let an independent party make inspection.

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PHOTO: JACQUES DESHARNAIS



PHOTO: ECKE KULLER

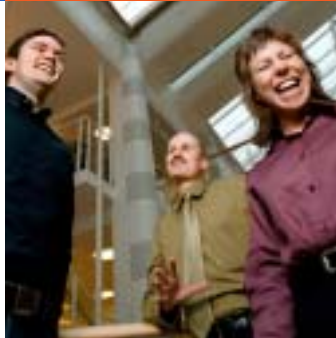


PHOTO: MARIE ULLNERT

CONTACT US REGARDING CODE OF CONDUCT

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