

United Nations Guiding Principles Reporting Framework index 2018

Description

This index is designed to help stakeholders identify the location of answers in the Annual Report 2018 and public commitments that Ericsson has provided according to the United Nations' Guiding Principles (UNGP) Reporting Framework. Below Ericsson's most relevant commitments and information sources related to human rights:

- [Code of Business Ethics](#)
- [Code of Conduct](#)
- [Occupational health and safety policy](#)
- [Privacy](#)
- [Modern slavery Act](#)

The UNGP Reporting Framework is the first comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights. This responsibility is set out in the UN Guiding Principles on Business and Human Rights, which constitute the authoritative global standard in this field.

The UNGP Reporting Framework provides a concise set of questions to which Ericsson strives to answer in order to know and show that is meeting its responsibility to respect human rights in practice.

UNGP Reporting Framework, with descriptions of the overarching and supporting questions, is available at: <http://www.ungpreporting.org>

Section	Overarching and supporting questions	Reference Ericsson Annual Report
Part A: Governance of respect for human rights		
Policy commitment	A.1. What does the company commitment state on the duty to respect human rights?	<p>We continue to support the ten principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights as important elements of our commitment to responsible business. (AR page 3)</p> <p>The Ericsson Code of Business Ethics reflects the Company's commitment to the UN Global Compact's 10 principles and the United Nations Guiding Principles (UNGPs) on Business and Human Rights. (AR page 169)</p> <p>Ericsson's Code of Conduct (CoC) applies to employees, contractors and suppliers. It is based on the 10 principles of the UN Global Compact, and includes the Company commitments regarding human rights, labor standards, the environment and anti-corruption, as well as Ericsson commitment to the UN Guiding Principles on Business and Human Rights. Employees and suppliers are required to comply with Ericsson's CoC requirements. (AR page 169)</p> <p>Respect for human rights, fair and safe working conditions, and ethically and environmentally sound business practices shall be fundamental parts of the Company's culture and identity. (AR page 174)</p> <p>Ericsson's commitment to respect human rights is part of its Code of Business Ethics and Code of Conduct. (AR page 175)</p>
	A.1.1. How was develop the company public commitment on the duty to respect human rights?	<p>In 2012 the Company formalized its commitment to UN Guiding Principles (UNGPs) on Business and Human Rights. (AR page 166)</p> <p>Policies and Group Directives of particular relevance from a sustainability and corporate responsibility perspective are the CoBE, the CoC and other Group steering documents – all of which reflect how Ericsson works to ensure responsible business practices. (AR page 169)</p> <p>Human rights are fundamental to protect the inherent dignity of human beings. Ericsson is committed to respecting human rights by mitigating and minimizing the risk of potential misuse its technology throughout its operations, products and business engagements. (AR page 175)</p>
	A.1.2. Whose human rights does the company public commitment address?	<p>The CoBE is an overview of Ericsson's fundamental Policies and Group Directives guiding Ericsson's relationships among employees and when interacting with external stakeholders. (AR page 169)</p> <p>Ericsson's CoC applies to employees, contractors and suppliers. (AR page 169)</p>

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Part A: Governance of respect for human rights		
	A.1.3. How is the company public commitment communicated?	<p>Group steering documents are reinforced by employee-awareness training and monitoring. (AR page 169)</p> <p>Employees read and acknowledge the CoBE at the time of employment and periodically re-acknowledge it throughout their term of employment. The CoBE is periodically updated and is translated into more than 30 languages to ensure that it is accessible to employees and stakeholders. (AR page 169)</p> <p>Ericsson has been a UN Global Compact (UNGC) signatory since 2000 and has reported its Communication on Progress (COP) annually to inform its stakeholders on progress concerning human rights, labor standards, the environment and anti-corruption, and according to UN Global Compact Advanced Level criteria since 2012. Ericsson's COP is available on www.ericsson.com and on the UNGC website as part of Ericsson's Company Information. (AR page 166)</p>
Embedding respect for human rights	A.2. How does the company demonstrate the importance of the implementation of its human rights commitment?	We continue to support the ten principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights as important elements of our commitment to responsible business. (AR page 3)
	A.2.1. How is responsibility for respect of human rights performance organized within the company, and why?	Group functions support the President and CEO in the governance and management of Ericsson. Group Function Marketing and Corporate Relations is accountable for developing and deploying strategies, policies, directives, processes and tools for sustainability and corporate responsibility. (AR page 169)
	A.2.2. What kinds of human rights issues are discussed by senior management and by the Board of Directors, and why?	The Company's Sensitive Business Policy aims to emphasize Ericsson's commitment to respecting human rights in its business engagements and operations. Ericsson's Sensitive Business Board, a cross-functional forum that consists of high-level representatives of Group Functions and Business Areas, is responsible for ensuring that business opportunities and engagements are conducted according to the Policy. (AR page 175)
	A.2.3. How are employees and contract workers made aware of the ways in which respect of human rights should inform their decisions and actions?	<p>Employees read and acknowledge the CoBE at the time of employment and periodically re-acknowledge it throughout their term of employment. (AR page 169)</p> <p>Ericsson's Code of Conduct (CoC) applies to employees, contractors and suppliers. Employees and suppliers are required to comply with Ericsson's CoC requirements. (AR page 169)</p>
	A.2.4. How does the company make clear in its business relationships the importance it places on respect for human rights?	<p>Critical aspects of conducting business in these ecosystems are the protection of sensitive data, and respect for the right to privacy. Ericsson aligns its business with legal requirements for privacy and is committed to ensure that privacy is designed into Ericsson's solutions. (AR page 27)</p> <p>Strong, responsible business practices such as management of sensitive data and fair competitive behavior are considered by Ericsson when building partnerships and ecosystems for the future. (AR page 29)</p>

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		Ericsson’s leadership in sustainability for the past 25 years is a core asset that will continue to be in focus across the company and is becoming an ever more fundamental part of the business. The work of the Board includes ensuring that business is conducted in a responsible manner that focuses on responsible sourcing, anti-corruption measures and health and safety, but also addresses environmental issues, energy efficiency and climate change and creating a positive socio-economic impact. (AR page 31)
	A.2.5. What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	

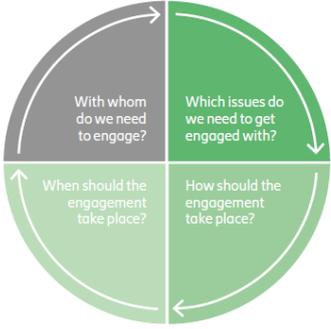
Section	Overarching and supporting questions	Reference Ericsson Annual Report
Part B: Defining the focus of reporting		
Statement of salient issues	B.1. State the salient human rights issues associated with the company’s activities and business relationships during the reporting period	Based on its current operations and business relationships, Ericsson has defined its salient human rights issues to include the right to freedom of expression, right to privacy and labor rights. (AR page 175)
Explanation of salient issues	B.2. Describe how the salient human rights issues were determined, including any input from stakeholders	<p>The engagement takes a variety of forms such as joint projects and initiatives, meetings, surveys, participation in industry groups, representation on decision making bodies, research projects and NGO dialogues. Other ways to gain stakeholder insight are research collaborations with academia, institutions and industry peers. (AR page 168)</p> <p>In 2018, Ericsson conducted a focused employee survey on sustainability and corporate responsibility. The Company’s employees were requested to select and rank the top sustainability and responsible business-related topics that they believed were of most significance to them and to Ericsson’s business, these results helped to inform our materiality assessment. (AR page 168)</p> <p>Ericsson has conducted topic assessment workshops with each Business Area in 2018. A consolidated outcome from the workshops was presented and approved by Ericsson’s Executive Team. Progress during the year and inputs resulting from surveys and from dialogue with employees, customers, investors and other stakeholders were considered in the assessment. (AR page 172)</p>
Geographical focus	B.3. If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made	In 2018, to ensure due diligence and mitigate modern slavery risks within the supply chain, Ericsson has piloted the concept of supplier worker-voice surveys focusing on forced labor. The pilots in China and India showed minimal risk of conditions that could lead to forced labor. (AR pages 180, 181)

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Additional severe impacts	B.4. Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed	Misuse of Ericsson’s technology could adversely impact right to privacy and freedom of expression (AR page 175) Ericsson acknowledges the potential risks, including armed conflicts, human rights violations and negative environmental impacts, in its supply chain associated with mining and the trading of minerals. (AR page 181)

Section	Overarching and supporting questions	Reference Ericsson Annual Report		
Part C: Management of Salient Human Rights Issues		Right to privacy	Freedom of expression	Labor rights
Specific policies	C.1. Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	Ericsson Code of Business Ethics reflects the Company’s commitment to the UN Global Compact’s 10 principles and the United Nations Guiding Principles (UNGPs) on Business and Human Rights. (AR page 169) Ericsson’s Code of Conduct (CoC) applies to employees, contractors and suppliers. It is based on the 10 principles of the UN Global Compact, and includes the Company commitments regarding human rights, labor standards, the environment and anti-corruption, as well as Ericsson commitment to the UN Guiding Principles on Business and Human Rights. Employees and suppliers are required to comply with Ericsson’s CoC requirements. (AR page 169) The Company’s Sensitive Business Policy aims to emphasize Ericsson’s commitment to respecting human rights in its business engagements and operations. (AR page 175) Ericsson is committed to providing a safe and healthy work environment for all, as part of Ericsson OHS Policy which is publicly available on Ericsson’s website www.ericsson.com. (AR page 179)		
	C.1.1. How does the company make clear the relevance and significance of such policies to those who need to implement them?	Policies as part of Group steering documents are reinforced by employee-awareness training and monitoring. Compliance with Policies is mandatory for all employees and operations unless a deviation is approved by the CEO. (AR page 169) Employees and suppliers are required to comply with Ericsson’s CoC requirements. (AR page 169)		
Stakeholder engagement	C.2. What is the company’s approach to stakeholders’ engagement in relation to salient human rights issue?	Ericsson engages with its stakeholders on an ongoing basis on a diverse range of topics, including supply-chain management, energy performance, human rights, anti-corruption, Technology for Good programs and other significant topics. The engagement takes a variety of forms such as joint projects and initiatives, meetings, surveys, participation in industry groups, representation on decision making bodies, research projects and NGO dialogues. (AR page 168) As part of its continuous efforts to partner leading companies and Non-Governmental Organizations in building leverage for respect for human rights, Ericsson signed the Paris call for trust and security in cyberspace in 2018 and furthered its collaboration with the Global Network Initiative (GNI). (AR page 175)		

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Part C: Management of Salient Human Rights Issues	Right to privacy	Freedom of expression	Labor rights	
	C.2.1. How does the company identify which stakeholders to engage with in relation to salient issue, and when and how to do so?	<p>The engagement takes a variety of forms such as joint projects and initiatives, meetings, surveys, participation in industry groups, representation on decision making bodies, research projects and NGO dialogues. (AR page 168)</p> <p>Graph "Ericsson's approach to stakeholder engagement" (AR page 168)</p>  <p>Ericsson's approach to stakeholder engagement</p>		
	C.2.2. Which stakeholders has the company engaged with regarding each salient issue, and why?	<p>The Company's stakeholders fall into four categories: customers, shareholders, employees and society. In the society category Ericsson includes suppliers, governments, civil society, non-governmental organizations, industry partners, media, academia and the public. (AR page 168)</p> <p>The approach to stakeholder engagement enables Ericsson to learn about its stakeholders' expectations and concerns, thus providing insights into risks as well as opportunities. (AR page 168)</p>		
	C.2.3. How have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	<p>The approach to stakeholder engagement enables Ericsson to learn about its stakeholders' expectations and concerns, thus providing insights into risks as well as opportunities. (AR page 168)</p> <p>Progress during the year and inputs resulting from surveys and from dialogue with employees, customers, investors and other stakeholders were considered in the assessment. (AR page 172)</p>		
Assessing impacts	C.3. How does the company identify any changes in the nature of each salient human rights issue over time?	<p>Human rights due diligence. Risk methodology and criteria for evaluating sales opportunities:</p> <ul style="list-style-type: none"> — Portfolio — Purpose — Customer — Country <p>(AR page 175)</p>		
		<p>The approach to stakeholder engagement enables Ericsson to learn about its stakeholders' expectations and concerns, thus providing insights into risks as well as opportunities. (AR page 168)</p>		

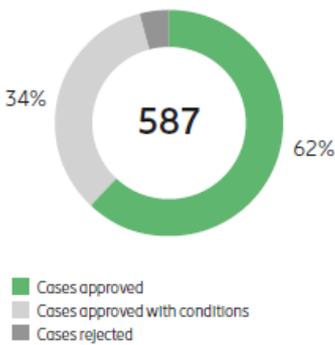
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Part C: Management of Salient Human Rights Issues	Right to privacy	Freedom of expression	Labor rights	
	C.3.1. Were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	<p>The increasing use of Information and Communication Technology (ICT), and specifically of new technologies such as machine learning and Artificial Intelligence (AI), also brings challenges to security, privacy and risk management. This makes it crucial to remain vigilant and balance the benefits of ICT against respecting the human rights of individuals. (AR page 175)</p> <p>As both the value of information and the capabilities of threat actors increase, information security and privacy have become issues of national importance globally and a key consideration for operations in Information and Communication Technology (ICT). Attacks on infrastructure, or crimes focusing on the theft, misuse or tampering of information, can have major impacts on society and on the trust that society places in organizations that handle information. (AR page 177)</p>		
	C.3.2. Did any severe impacts occur that were related to a salient issue and, if so, what were they?			
Integrating findings and taking actions	C.4. How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	Progress during the year and inputs resulting from surveys and from dialogue with employees, customers, investors and other stakeholders were considered in the assessment. (AR page 172)		
	C.4.1. How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in findings and implementing solutions?	When a high-risk sales opportunity is identified by the sensitive business automated tool, the Market Area submits an approval request in accordance with the sensitive business process. Submissions are evaluated according to the sensitive-business risk methodology and may be rejected, approved or approved with conditions. Conditional approvals include technical and/or contractual mitigations to prevent unintended use of sensitive functionality. Ericsson follows up on decisions in a separate dedicated process. (AR page 175)		
	C.4.2. When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	During stakeholder consultations, identified dilemmas are discussed and addressed. Ericsson supports discussions on finding ways to manage emerging dilemmas through greater transparency, collective action and a clear regulatory framework. (AR page 168)		

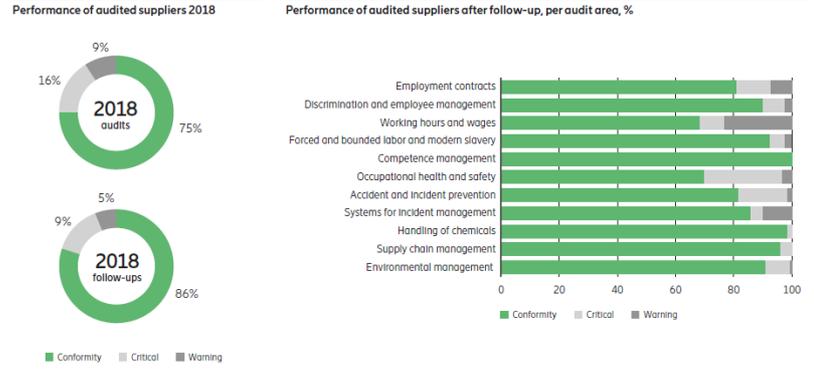
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	C.4.3. What action has the company taken to prevent or mitigate potential impacts related to each salient issue?	<p>In order to assess, prevent and mitigate potential negative impacts on its salient human rights issues, Ericsson has integrated due diligence about human rights into its sales process through its sensitive business process (AR page 175)</p> <p>Given that Ericsson’s financial, customer and personal data as well as its intellectual property are targeted by threat actors, the Company focuses on providing end-to-end secure services, solutions and products and protecting critical assets in a rapidly changing environment while responding proactively to existing and emerging threats to business and human rights. (AR page 177)</p> <p>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 (AR page 180)</p> <p>Ericsson’s Global OHS Program focuses on continuously improving the Company’s safety culture by increasing OHS awareness through consultation and training and by the implementation and enforcement of Ericsson’s Zero Tolerance Safety Rules established in 2015 (AR page 179)</p> <p>Since driving-related hazards are deemed to be Ericsson’s highest OHS related risk, the Company launched an online Driver Safety Awareness training course in 2017, and in 2018 continued with the roll-out of the Connected Fleet solution which promotes driver safety through telematic capabilities. (AR page 179)</p> <p>The Remote Site Assurance (RSA), a risk mitigation platform solution, was launched in 2018. The RSA provides a live interface with</p>		

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Tracking performance	C.5. How the company knows if efforts to address each salient human rights issue are effective in practice?	<p>Graph "Sensitive business cases 2018" (AR page 175)</p> <p>Sensitive business cases 2018</p>  <p>Consolidated sustainability statements and notes (AR page 185)</p> <ul style="list-style-type: none"> — S2: Sensitive business — S3: Information security and privacy 		<p>Consolidated sustainability statements and notes (AR page 185)</p> <ul style="list-style-type: none"> — S5: Occupational health and safety

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		<p>Graphs "Performance of audited suppliers" (AR page 180)</p>  <p>Consolidated sustainability statements and notes (AR page 185)</p> <p>— S1: Reported compliance concerns</p>		
	C.5.1. What specific examples from the reporting period illustrate if each salient issue is being managed effectively?	See C5		
Remediation	C.6. How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	"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, or can talk directly to their manager, manager's manager or Group Function Legal Affairs and Compliance. (AR page 170)"		
	C.6.1. Through what means can the company receive complaints or concerns related to each salient issue?	<p>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, or can talk directly to their manager, manager's manager or Group Function Legal Affairs and Compliance. Compliance concerns may relate to corruption, questionable accounting, deficiencies in the internal control of accounting, auditing, environmental, occupational health and safety, or human right matters, or other matters that could seriously affect vital interests of the Group or personal health and safety. (AR page 170)</p> <p>Information security and privacy incidents are reported through Ericsson's Security Incident Management System (SIMS), and routed to the appropriate function for case handling. (AR page 177)</p> <p>Ericsson encourages employees and suppliers' employees to report OHS incidents transparently through its Global Incident Reporting Tool (GIRT). (AR page 179)</p>		

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	C.6.2. How does the company know if people feel able and empowered to raise complaints or concerns?																					
	C.6.3. How does the company process complaints and assess the effectiveness of outcomes?	The Corporate Investigations team within Group Function Legal Affairs and Compliance receives alleged breaches from the Ericsson compliance line or other sources and decides whether the reported compliance concern merits investigation. It presents each reported compliance concern to the Group Compliance Committee, which is chaired by the Chief Compliance Officer (CCO). (AR page 170)																				
		Information security and privacy incidents are reported through Ericsson’s Security Incident Management System (SIMS), and routed to the appropriate function for case handling. Ericsson has an established Security and Privacy Framework to ensure that issues are considered throughout the entire product lifecycle. (AR page 177)	Ericsson has two Group OHS Governance Fora in place: the Global OHS Board and the OHS Incident Review Board. The purpose of these Boards is to ensure and drive the execution of OHS strategy within the business by setting clear targets, by analyzing incident trends to prevent reoccurrence, and by building a strong OHS culture. Both Boards are mirrored in Market Areas to support. (AR page 179)																			
	C.6.4. What were the trends and patterns in the complaints or concerns and their outcomes regarding each salient issues, and what lessons has the company learned?	<p>Graph “Reported compliance concerns 2018 (AR page 170)</p> <table border="1"> <caption>Reported Compliance Concerns (2018)</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Fraud, corruption and regulatory breach</td> <td>29%</td> </tr> <tr> <td>Operations</td> <td>24%</td> </tr> <tr> <td>Conflicts of interest</td> <td>23%</td> </tr> <tr> <td>Miscellaneous</td> <td>12%</td> </tr> <tr> <td>Security</td> <td>8%</td> </tr> <tr> <td>Human resources</td> <td>2%</td> </tr> <tr> <td>Sustainability</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>445</td> </tr> </tbody> </table> <p>Consolidated sustainability statements and notes (AR page 188)</p> <ul style="list-style-type: none"> — S1 Reported compliance concerns — S3 Information security and privacy — S5 Occupational health and safety 			Category	Percentage	Fraud, corruption and regulatory breach	29%	Operations	24%	Conflicts of interest	23%	Miscellaneous	12%	Security	8%	Human resources	2%	Sustainability	0%	Total	445
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	C.6.5. Did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?			

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