

Telefonaktiebolaget LM Ericsson (Ericsson)

TICKER
 ERIC.B

MARKET CAPITALIZATION
 US\$33.5 billion

HEADQUARTERS
 Sweden

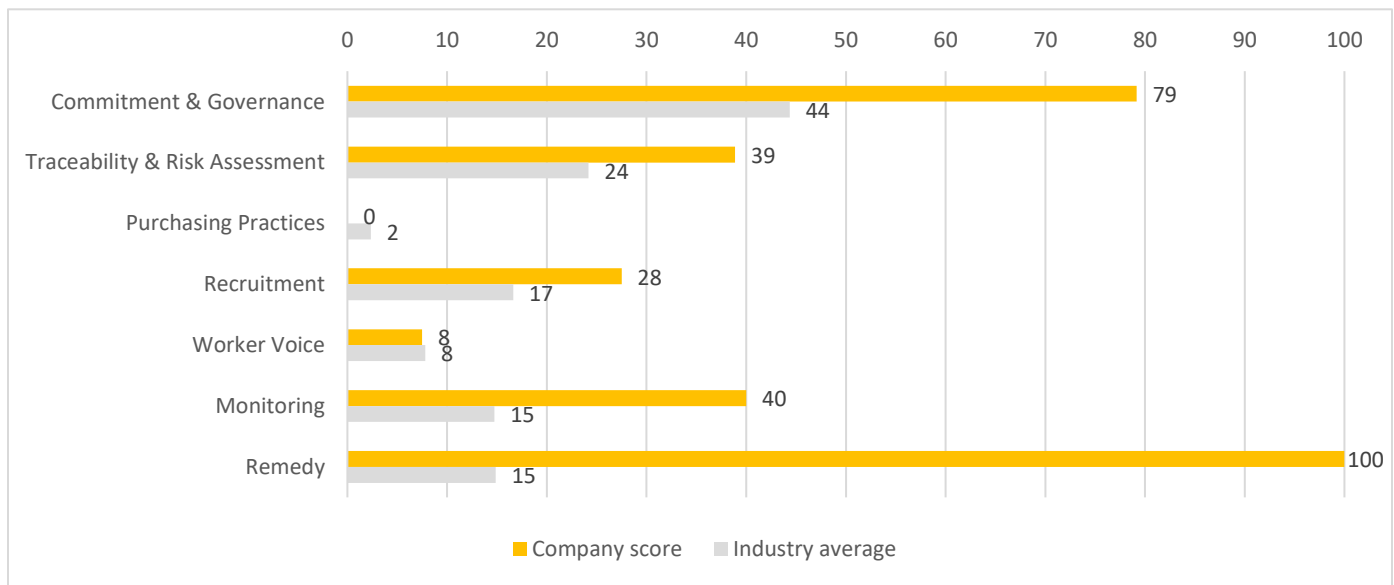
DISCLOSURES
[UK Modern Slavery Act](#): Yes

[California Transparency in Supply Chains Act](#): Not applicable

[Australia Modern Slavery Act](#): Yes

OVERALL RANKING
7 out of 60

(2020 Rank: 9 out of 49)

OVERALL SCORE
42 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST

No

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK SOURCING COUNTRIES

 Likely China and/or Malaysia²

SUMMARY

Telefonaktiebolaget LM Ericsson (Ericsson), a Swedish communications equipment company, ranks 7th out of 60 companies. Compared to 2020, the company improved its rank by 2 places. This is because the company began disclosing a strengthened policy on worker-paid recruitment fees, training for second- and third-tier suppliers, and additional remedy outcomes for workers. Ericsson is the highest-scoring European company in the benchmark and the highest-scoring company on the theme of Remedy. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Worker Voice.

LEADING PRACTICES

Responsible Recruitment: Ericsson discloses that a workshop was held in Malaysia with its direct hardware supplier for its second- and third-tier suppliers focusing on forced labour, migrant workers, and recruitment fees.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: The company discloses a policy prohibiting worker-paid recruitment fees in its supply chains and provides an example of fee remediation to supply chain workers. The company is encouraged to disclose how it ensures the implementation of its policy on recruitment fees, through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. The company is further encouraged to disclose information on the labour agencies used by its suppliers.

Worker Voice: The company discloses a grievance mechanism for suppliers' workers and external stakeholders. The company may consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved. To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labour. KnowTheChain (June 2020), "[2020 KTC ICT Benchmark Report](#)."