

Ericsson Nikola Tesla Group Business Partner Environmental Requirements

Requirement Specification



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1 Introduction

As a socially responsible company, Ericsson Nikola Tesla pays special attention to sustainable business performance that includes setting specific goals for climate and environmental protection and acting accordingly.

Taking into account our own climate and environmental impacts and a systematic optimization of consumption of all types of energy products and other natural resources are, therefore, an important part of the company's culture and strategy.

Environmental pollution and climate change have been recognized as one of the biggest global threats, and all economy sectors need to act to stop them.

We are aware that adverse environmental impact is connected to our business; we therefore strive to reduce, and possibly completely remove, the adverse environmental impact caused by our business activities and products.

For us to be able to reduce our adverse environmental impact, we need to consider the entire value chain. We require that our Business Partners, including Suppliers, have well developed environmental management programs and we consider good Business Partner collaboration to be of the utmost importance in these efforts.

2 Scope

Ericsson Nikola Tesla Group has issued a Code of Conduct for Business Partners, covering requirements in the areas of business ethics including anti-corruption, labor and human rights, occupational health and safety, environment and climate change. This document is a supplement to the Code of Conduct for Business Partners defining specific environmental requirements.

All relevant legal requirements concerning environmental protection as well as all relevant and applicable requirements defined in this document are mandatory for any Business Partner supplying hardware components and products, construction work, supply services, field maintenance and network roll out operations, as well as those with high environmental risks, where their operations significantly impact the environment or where the identified environmental aspects of the Business Partner need to be controlled according to the requirements specified in this document.

For definitions and general requirements, please refer to the Code of Conduct for Business Partners. Both the Code of Conduct for Business Partners and this document are available online at:

<https://www.ericsson.hr/en/suppliers>



3 Product- and service-related requirements

The Business Partner must be able to demonstrate design and supply chain activities which enable reduction of the adverse environmental impact of its products and services during their entire life cycle, by considering factors such as energy consumption, materials use and end-of-life treatment.

The Business Partner must comply with the requirements in the Ericsson Nikola Tesla Group Lists of Banned and Restricted Substances (<https://www.ericsson.hr/en/suppliers>). The lists cover restrictions related to product and packaging material content and product material information as well as materials used during provision of services.

The Business Partner must comply with all relevant phytosanitary and transport package treatment and labeling measures, such as the ISPM15 standard for wood and wood-based packaging. Treatment measures must be compliant with the requirements in the Ericsson Nikola Tesla Group Lists of Banned and Restricted Substances.

The Business Partner must upon request:

- declare the full material content of products delivered to Ericsson
- declare product energy consumption and product energy efficiency
- supply life cycle inventory data for supplier processes and products
- provide information concerning the process for handling and treatment of delivered products at the end of the products' life
- third-party product vendors must provide a solution to ensure a free of charge end of life treatment (EoLT) for products delivered to Ericsson Nikola Tesla Group.

4 Manufacturing requirements

The Business Partner must be able to demonstrate environmentally sound manufacturing practices to control its environmental risks and identified environmental aspects.

The Business Partner must comply with the requirements in the Ericsson Nikola Tesla Group Lists of Banned and Restricted Substances (<https://www.ericsson.hr/en/suppliers>) related to substances used in production processes.

The Business Partner must identify, measure and control emissions to air, water and land, and ensure proper treatment of all effluents of wastewater and air emissions. Solid wastes must be handled according to relevant routines and procedures to minimize their environmental impact. The performance of control and treatment systems must be routinely monitored and serviced.



5 Transport requirements

- The Business Partner shall reduce its adverse environmental impact by using the most environmentally friendly means of transport (such as road, sea or rail) whenever possible.
- The Business Partner must use fuel-efficient and low emission vehicles when transporting goods or providing services for Ericsson Nikola Tesla Group.
- In markets where available, Business Partners are encouraged to use vehicles powered by non-fossil fuels.
- The Business Partner must, upon request, provide information about environmental aspects of transportation of goods to Ericsson Nikola Tesla Group, for example carbon footprint, mode of transport, packaging material, and production locations.

6 Energy consumption requirements

If energy consumption is identified as a significant environmental aspect, the Business Partner must calculate its carbon footprint in terms of CO₂e¹, using the GhG protocol for its Scope 1, Scope 2 and if applicable for its Scope 3 (Greenhouse Gas protocol <http://www.ghgprotocol.org/>).

The Business Partner must have an active climate action program, aiming to reduce its carbon footprint. The Business Partner must have identified its climate impact and defined a long-term climate impact phase out roadmap² as well as reduction targets and plans for its operations.

The Business Partner must, upon request, inform Ericsson Nikola Tesla Group about the carbon footprint reduction targets, plans and achievements.

7 Water management requirements

Business Partners shall control and measure their water usage. If water consumption is identified as a significant environmental aspect, the Business Partner must develop a water management plan to minimize the overall water consumption, recycle used water or by any other means reduce their impact. The Business Partner shall upon request inform Ericsson Nikola Tesla Group about its water management plans, targets and achievements.

¹ Carbon dioxide equivalent (CO₂e) is a measure for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO₂) as the reference.

² The roadmap must focus on how the Business Partner will become climate neutral in its operations and for its products.



8 **Waste and circular approaches**

Business Partners must minimize the waste from their operations. To achieve a reduction of waste streams, the Business Partner must identify its impact as well as define and implement targets and plans for waste reduction. If available, all waste streams from the operations of a Business Partner must be separated for recycling or reuse as appropriate.

The Business Partner must, upon request, inform Ericsson Nikola Tesla Group about the waste reduction targets, plans and achievements.

9 **Change information**

- This is the first version of the document.