# ERICSSON CORPORATE RESPONSIBILITY REPORT 2007

## EVERYDAY ACTIONS THAT COUNT

ERICSSON

**TAKING YOU FORWARD**

This printed report summarizes our Corporate Responsibility (CR) performance for 2007. Our focus is on how communications technology can bring most benefit to society around the world, every day, everywhere.

**Online information**
Our printed report is available to download online and we have put additional information on our website at
www.ericsson.com/corporate_responsibility
The web pages follow the chapter titles of this report, to help you find the information you need. The navigation buttons on the right of the web pages can direct you to further information not included in the printed report.

**About this report**
This report covers the period January 1, to December 31, 2007. Unless otherwise stated all information pertains to activities undertaken in 2007. Our last Corporate Responsibility Report, covering activities in 2006, was published in April 2007.

The report covers the Ericsson Group, i.e. Telefonaktiebolaget LM Ericsson and its subsidiaries, and also gives performance highlights from our joint venture Sony Ericsson.

We have used the Global Reporting Initiative (GRI) G3 guidelines when compiling this report. A complete GRI compilation appears online. An overview of our United Nations Global Compact Communications on Progress (UNGC COP) is printed on pages 38 and 39 and appears in full online.

This printed report and the GRI indicators that appear online have been assured by Det Norske Veritas (DNV). The assurance statement can be found on page 41, and extracts from DNV's findings are included on various pages throughout the report. Sony Ericsson information was not included in the assurance by DNV.

If you would like to give us feedback or ask questions about any aspect of our corporate responsibility activities, please contact us at
corporate.responsibility@ericsson.com

Please see our Annual Report 2007 for more information on Ericsson's organizational structure (p. 10-19, 153), nature of ownership and legal form (p. 138,146), subsidiaries (p. 121) and any significant changes regarding size, structure or ownership during 2007 (p. 3, 37, 96, 138). Our Annual Report is available at www.ericsson.com/investors

# Contents

9


11


12

6
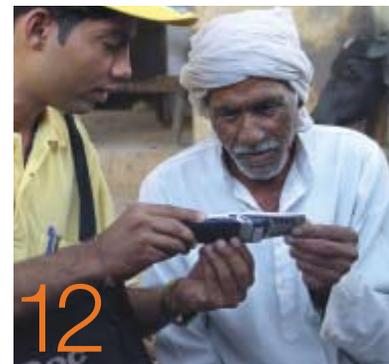
**About Ericsson.** Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 185 million subscribers. The Company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises among others. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices. Ericsson is advancing "communication for all" through innovation, technology, and sustainable business solutions. With customers in 175 countries, more than 74,000 employees generated revenue of USD 27.9 billion (SEK 188 billion) in 2007. Ericsson was founded in 1876 and is headquartered in Stockholm, Sweden.

**Every day actions that count.** At Ericsson we have a vision – to be the prime driver in an all-communicating world. This vision shapes the way we work around the world. We provide communications technology for people everywhere, making it possible for them to enhance and improve their lives at any given moment. At Ericsson, being responsible is part of the way we live and work every day.

On the following pages of this report and on our website, you can read about Ericsson's impact, our responsibilities and performance around the world. Our aim is to demonstrate the real results that we have achieved through Corporate Responsibility initiatives that both maximize social benefit and minimize potential risk to our Company and our stakeholders. We believe it's everyday actions that count.

24

33

19
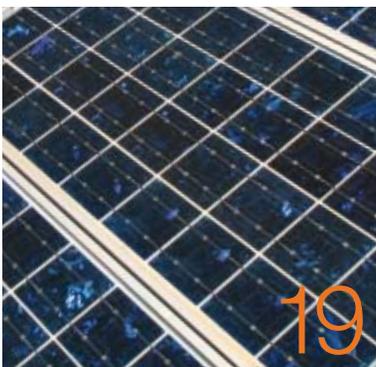
# Our founder, Lars Magnus Ericsson, believed that communication is a basic human need – no matter where people live or what their social status. This philosophy is still alive in the Company today and Ericsson has been committed to delivering benefits to society through communications for over a century.

Our vision of being a prime driver in an all-communicating world links our corporate responsibility (CR) commitments directly to our culture and our core business. As the world's leading telecommunications provider, our approach to corporate responsibility is that our core technology can deliver economic, social and environmental benefits to societies around the globe. We focus these efforts around enabling communication for all and creating innovative energy solutions to combat climate change.

### Communication for all

We are helping to create a world in which all people can have affordable access to basic services that can improve livelihood, enable access to health care and education, provide information and entertainment, and more – a world in which everyone can take part in a borderless and global information society. These beliefs form the basis of our ambition of communication for all. With the rapid deployment of affordable mobile networks and broadband technology in emerging markets, we have come far in this ambition, continuing to make that basic human need identified by our

founder a reality. The CR projects we initiated during 2007 reflect our commitment to the Millennium Development Goals (MDGs), and include our commitment to the Millennium Villages, Columbia University's Earth Institute and its visionary leader Jeffrey Sachs. We have also worked with refugees in northern Uganda, with safety and security on Lake Victoria, and on demonstrating the benefits of mobile broadband in India. In all cases our projects demonstrate that support for the MDGs is both a corporate responsibility as well as simply good business.

### The climate change challenge

Another key aspect of our work this year continues to be a focus on addressing climate change. We are a leader in communications technology. We are using that position and the expertise of our people to continue to develop practical solutions to the energy usage in our products. We are also exploring the ways that communications technology itself can support our customers and their subscribers to reduce their carbon footprint. Broadband technology changes our lives, improves the economy, and at the same

time is presenting us with countless opportunities for other sectors to offset their carbon footprint – the challenge ahead is to start to measure these offsets and apply them more broadly to the development of more sustainable societies. Despite these opportunities, it remains a sobering fact that it is the poorer countries around the world that are the most vulnerable to the effects of climate change. We are therefore committed to build on this work, find synergies with our projects supporting human rights and encourage a unified approach to the challenge of global equity.

### Innovating energy efficiency

This year has seen many positive developments in the area of sustainable energy solutions. We launched our Base Transceiver Station (BTS) Power Savings feature, that during periods of low network traffic puts the radio resources of the network that are not being used in standby mode, thereby signficantly reducing energy use. We continue to promote the use of renewable energy at our sites and we have a much greater understanding of our, and our sector's, carbon footprint through our advanced and ongoing life-cycle assessment research. At the same time, we exceeded our targets for reduced power consumption for both GSM and WCDMA radio base stations during 2007. In fact, we came very close to the 80 percent overall reduction that we targeted for WCDMA for the end of 2008, from a 2001 baseline, almost one year ahead of schedule. Energy optimization continues to be a core business focus for us. We have a proven track record of combining our products and services with our unique integration capabilities to create sustainable and energy efficient solutions. We will build on these achievements and capabilities in the future and share our knowledge to encourage others in the telecommunications sector to work together to tackle climate change.

### Business and human rights

In 2006, Ericsson joined the Business Leaders Initiative on Human Rights. We identified that our Company, our industry and business in general have key roles to play in the support of human rights. There are still too many of us in business that associate human rights only with risk, conflict or civil unrest and the role of government. The protection of human rights can, of course, mean all of those things. But the Universal Declaration of Human Rights is also a call to lift people out of poverty and improve their access to services that help them address their human needs. Growth in mobile communications is paving the way for technology to enable those basic rights around the world: the right to a earn a living, the right to take part in government, the right to health care and the right to education. Ericsson's approach is about finding practical

ways of enabling human rights within our sphere of influence. In 2007, we have been involved in projects on the ground in Africa and Asia, raising awareness amongst our customers, stakeholders and employees, and developing a rights aware culture.

### Celebrating the 60th anniversary year

2008 is the 60th anniversary year of the Universal Declaration of Human Rights. I have personally pledged Ericsson's support and we will use this anniversary to reinforce awareness of the relationship between human rights and mobile communications and support the Every Human Has Rights campaign launched by an inspirational group of people, The Elders. You can read more about this and our activities later in this report.

Ericsson is committed to bringing benefit to society through our core business. At the same time our governance, including important Company policies such as Code of Conduct and Code of Business Ethics reinforce that commitment. We continue to actively support the United Nations Global Compact whose ten principles reflect our own values. At the Global Compact Leaders Summit this year I had the honour of addressing members on the importance of human rights in business. Being there reinforced my belief in how integral corporate responsibility is to operating a sustainable business today.

I hope you find this report and all that Ericsson's employees have achieved as interesting and inspiring as I do and we welcome your feedback.
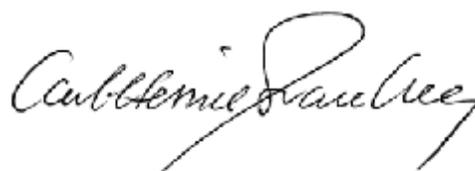
Carl-Henric Svanberg, President and CEO



**Carl-Henric Svanberg at the Millennium Village in Rwanda, addressing health care workers, villagers and local politicians, October 2007.**

## Key economic performance

**NET SALES**
(SEK billion)

| 2003 | 2004 | 2005 | 2006 | 2007 |
|------|------|------|------|------|
| 117.7 | 132.0 | 153.2 | 179.8 | 187.8 |
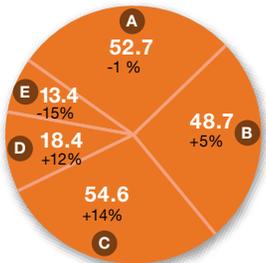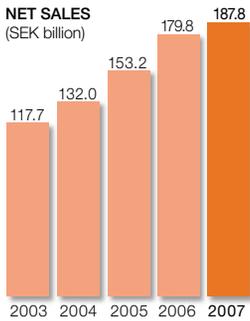
**SALES BY REGION**
Ericsson net sales (SEK billion) and change (%) year-over-year

- A 52.7 -1 %
- B 48.7 +5%
- C 54.6 +14%
- D 18.4 +12%
- E 13.4 -15%

- A Western Europe
- B Central & Eastern Europe, Middle East and Africa
- C Asia Pacific
- D Latin America
- E North America

**OUR 10 LARGEST MARKETS**
percent of total sales

| | |
|---|---|
| China | 7 |
| USA | 6 |
| India | 6 |
| Italy | 5 |
| Spain | 5 |
| Sweden | 4 |
| UK | 4 |
| Indonesia | 3 |
| Japan | 3 |
| Brazil | 3 |

# Activities around the world

### Mississauga, Canada – Dallas, US
The initial phase of the Live Green campaign involved all employees at the Ericsson Canada office in Mississauga. Using the lessons learned in Canada the project was then rolled out at 14 of the United States offices, one of which was the North American headquarters in Plano, Texas. There were approximately 2,800 employees in the US touched by this project.
Read more online.

### Georgia, US – Ericsson Response PMI Award
Ericsson Response received the Project Management Institute's Community Advancement through Project Management Award on October 6, 2007, in recognition of Ericsson Response's efforts following the earthquake in Muzaffarabad, Pakistan, on October 8, 2005.

### US - Stanford University, M-learning
Ericsson is working in partnership with Stanford University on a mobile learning pilot project. This project allows the creation of an educational community between Stanford professors and students in locations across Tanzania, Uganda and South Africa.

### Peru – Ericsson Response
Ericsson Response provided volunteer support, mobile phones and discount tariffs for the relief work after the earthquake that hit Peru on August 15, 2007.

Our corporate responsibility initiatives span the globe. This map shows a selection of our achievements in 2007. To see more of our activities around the world go to www.ericsson.com/corporate_responsibility

**Sweden – Stockholm Challenge**
The Stockholm Challenge is a global network and competition for entrepreneurs in the Information and Communication Technology (ICT) sector. Ericsson is a key sponsor supporting this cross fertilization of ideas and skills.
Read more on page 32 & 33.

**India**
Completed qualitative study: Mobile phone penetration in northern India, the Effects on Small Scale Businesses, to document how mobile communications can change and improve people's lives
Read more online.

**Germany – BTS Power Savings**
The Base Transceiver Station (BTS) Power Savings feature can put parts of the network into a sleep mode at off-peak times. It is currently achieving 15-25 percent energy savings and Vodafone Germany was the first operator to put it in place.
Read more on page 18 & 19.

**India – Gramjyoti, 'Light of the Village'**
A two month project showcasing the benefits of mobile broadband for rural India. Mobile technology was used to deliver a range of services including telemedicine, e-education and e-governance.
Read more on page 12 & 13.

**China – Meizhou Project**
For two years Ericsson has supported the Meizhou Project to stimulate economic growth and bridge the digital divide between this area in China and the outside world.
Read more on page 12 & 13.

**Uganda – Supporting refugees in Northern Uganda**
Along with various partners we are working on a project to introduce affordable mobile connectivity to refugee camps in northern Uganda, supporting displaced people with telecommunications.
Read more on page 9.

**Indonesia – Sumatra project**
Our solar powered main-remote radio base station, RBS 2111, uses up to 60 percent less energy than a standard radio base station and is ideal for rural areas with limited electricity supply.
Read more on page 18 & 19.

**Sub-Saharan Africa – Millennium Villages**
The Millennium Villages initiative is an innovative model for helping rural African communities lift themselves out of poverty. In partnership with others we are working to bring mobile and Internet communication to approximately 400, 000 people in 10 African countries.
Read more on page 10 & 11.

**South Africa – Ecology management**
Ericsson sub-Saharan Africa is making a significant contribution to the environment through the product take-back program for all its operations in the region.
Read more on page 29.

# Communication for all

'Communication for all' is a key part of Ericsson's strategy, marketing and corporate responsibility program. It demonstrates how Ericsson's core business brings social and economic benefit to society, and aligns with Ericsson's belief that communication is a basic human need.

Last year was an important milestone in the mobile communications sector as worldwide subscriptions passed the 3 billion mark. That figure is expected to rise to over 5.5 billion by 2012 and 90 percent of that growth will come from emerging markets. Ericsson believes that providing communication for all results in the economic, social and environmental development of society while at the same time supports our core business in high growth emerging markets.

### Creating value

Communication for all focuses on three main areas where telecommunications (ranging from simple voice calls to full mobile broadband services) bring real value to society and can make a difference. Telecommunications can:

- Close the digital divide by reducing the gap between those who have access to information and communication technology and those that do not.
- Build society, for example by supporting the development of social infrastructure such as education and health services.
- Boost Gross Domestic Product (GDP).
- Help to offset the physical effects of climate change by creating travel substitution possibilities and the "virtualization" of many other products and services.

### Creating understanding

A number of projects were carried out throughout the year to demonstrate the role of telecommunications in stimulating social and economic development and thereby creating new markets. Good regulation and healthy competition are important to the successful development and expansion of telecommunications networks. By working with governments, regulators, operators, the United Nations and non-governmental organizations (NGOs) we aim to facilitate the understanding of the inherent value of telecommunication networks. One of the best ways to demonstrate this value is through real projects in action as shown on the following pages of this report.

In addition, Ericsson actively participates in initiatives such as GAID, The Global Alliance for Information and Communication Technologies and Development (see page 21), and actively supports the Millennium Development Goals.

**The following pages describe our initiatives to make communication more affordable and accessible to those at the bottom of the economic pyramid.**

# Enabling human rights through social and economic development

**Telecommunications can serve as a powerful enabler of human rights.**

Ericsson believes that business has a key role in supporting human rights and has adopted a statement of commitment. On December 10, 2007, Ericsson's CEO, Carl-Henric Svanberg, publicly pledged his support to raise awareness of the 60th anniversary of the Universal Declaration of Human Rights and the Every Human Has Rights campaign.

During this anniversary year, culminating in December 2008 in Paris, Ericsson will explore how telecommunications can enable rights such as the right to health, the right to education, the right to safety and security, and the right to a livelihood. We will work with international human rights experts to demonstrate and measure the powerful impact that access to communications can have on the enablement and preservation of rights.

We will also be making an internal investigation into how the business of a telecommunications vendor could potentially infringe on rights. We will focus on issues such as access to information, security and privacy.

In 2006, Ericsson joined the Business Leaders Initiative on Human Rights (BLIHR). BLIHR is a business led organization with thirteen corporate members, and its principle purpose is to find "practical ways of applying the aspirations of the Universal Declaration of Human Rights within a business context and to inspire other businesses to do likewise." BLIHR has six core work streams to proactively address human rights issues and create practical tools which companies around the world can apply in day to day operations. Ericsson is primarily working with BLIHR in two of its work streams – 'good governance in sensitive countries' and 'emerging economies.' These work streams are closely aligned with Ericsson's priorities of supporting human rights and socio-economic development in emerging economies.

**Business Leaders Initiative on Human Rights**

Ericsson is a member of this business led organization committed to finding practical ways to apply the aspirations of the Universal Declaration of Human Rights within a business context.

www.blihr.org

**Every Human Has Rights**

The Every Human Has Rights campaign calls on citizens to uphold the goals of the Universal Declaration in their daily lives and hold governments accountable for the same. The Elders, a group of global leaders convened by Nelson Mandela and Graça Machel to address some of the major problems facing the world, became the first signatories to the online pledge of this campaign. Visit the campaign site to make a difference:

www.theElders.org/humanrights

**Assurance information**

DNV has verified Ericsson's commitment to respecting and promoting Human Rights within their sphere of influence. The mechanisms adopted by the Group to assess and manage the Human Rights related risks associated with the provision of telecommunication services have also been verified.

# Supporting refugees in northern Uganda

Ericsson, in partnership with the United Nations High Commissioner for Refugees, the GSM Association Development Fund and local operator MTN Uganda, is working on a project to introduce affordable mobile connectivity to refugee camps and settlements in the Mayo and Adjumani districts of northern Uganda. Displaced people can be supported by telecommunications. The project will focus on bringing connectivity to refugee settlements including the following:

- The use of mobile technology to connect children and families that have been separated as a result of conflict.

- The delivery of quality education and e-learning.
- The provision of real-time health information, including data on disease outbreaks, patients' records and medical supplies.

The refugee connectivity project allows us to apply our core technology to connect some of those in greatest need, and we hope that mobile connectivity will also stimulate local business development in the area.

During 2007, the project feasibility study was completed. Build out of the telecom network, services and applications will be delivered in 2008.

# The Millennium Villages

**The Millennium Villages initiative offers a bold, innovative model for helping rural African communities lift themselves out of extreme poverty. The Millennium Villages are proving that by fighting poverty at the village level through community-led development, rural Africa can achieve the Millennium Development Goals (MDGs) – global targets for reducing extreme poverty and hunger by half and improving education, health, gender equality and environmental sustainability – by 2015.**

With the help of new advances in science and technology, project personnel work with villagers to create and facilitate sustainable, community-led action plans that are tailored to the villages' specific needs and designed to achieve the Millennium Development Goals.

**Ericsson's commitment**
**In 2007, Ericsson and Columbia University's Earth Institute formed a partnership, designed to bring mobile communications and the Internet to more than 400,000 people in ten African countries where the initiative is working.**

Nearly one billion people around the world live in extreme poverty, or on less than USD 1 per day. Poverty prevents men, women and children from fulfilling their most basic human needs and achieving their individual potential. The information and communication technology (ICT) sector has been identified as a sector with enormous capacity to support the achievement of the MDGs.

Ericsson has committed to apply its technology and expertise, working in partnership with the stakeholders on this project: **the Earth Institute at Columbia University, Millennium Promise, the United Nations Development Program and various regional African operators such as MTN and Zain, and Sony Ericsson.**

The project will be exploring the potential of mobile telecommunications and the Internet to transform rural resource-poor communities. This transformation will be evaluated in cooperation with the Earth Institute, including the social and economic impact and how the project has contributed to the achievement of the Millennium Development Goals.

Ericsson's involvement in this project is a demonstration of its Company vision to be the prime driver in an all-communicating world, its support of social and economic development through telecommunications, and its commitment to human rights.

## Telecommunication benefits

Ericsson's experiences around the world have demonstrated that access to mobile technologies is an important tool for encouraging entrepreneurial enterprise among rural communities. A shopkeeper can check that his supplier has the goods he needs, rather than making an expensive journey to a larger village or town, a small business can access better priced raw materials, and family members working away from home can transfer money back home cheaply and safely. And telecommunications itself can bring opportunities. For example, in partnership with the GSM Association's Development Fund, small business entrepreneurs in the Rwandan Millennium Village will have the opportunity to sell shared voice and data services to villagers, allowing the communities to enjoy shared public access to telephony and the Internet. This is all part of bridging the digital divide and begins to close the gap between rich and poor.

Telecommunications also boost and enhance systems for delivering education, health care and inclusion in the government of a country. Local people in the often remote village areas can get in touch with healthcare providers in an emergency or only travel for treatment when they need to. Mobile learning tools can be used to train health workers and they can use mobile phones to take part in national health campaigns targeting HIV/AIDS and malaria, for example.

Transmission and power can be common hurdles to building networks in these areas. Where possible, renewable energy solutions will be used to bring connectivity to the Millennium Villages. All these benefits are part of our belief that telecommunications can support sustainable development and human rights, bringing benefits to society and creating business opportunities in emerging markets.


Women's cooperative in Rwanda.

Ericsson staff member explains how to install and operate an Ericsson Fixed Wireless Terminal in Uganda.

# 2007 achievements

**Delivered the first telecom services to the Millennium Village in Rwanda.**
The services were customized to the needs of the village and, following Ericsson's upgrade of MTN's GSM network, villagers now have the opportunity to access mobile broadband services for the first time.

**Improved health services, equipping community health workers with tools to better serve communities.**
Ericsson worked with Sony Ericsson to provide mobile phones to the Millennium Village health clinics in Rwanda. Ericsson developed mobile learning tools to assist wih training of community health workers and a new toll-free service was set up that connects patients with on-duty medical personnel in an emergency.

Systems were set up to collect and share basic household health-related data such as patient records, test results, and birth and death registration.

**Provided connectivity to schools and health centers.**
Ericsson's Fixed Wireless Terminals (FWT) were installed at the local school and health centers in Rwanda and Uganda, providing wireless connectivity to up to ten computers per FWT simultaneously over the EDGE network.

**Initiated shared access to voice and data pilot.**
Together with MTN and the GSM Association's Development Fund we piloted a new business model in order to increase the accessibility and affordability of mobile communications.

**Renewable power supplies.**
Ericsson and Sony Ericsson have co-developed a Village Solar Charger for mobile phones that has been provided to each village. It can recharge at least 30 mobile phone batteries per day and eight phones simultaneously.

# In the future

The key objectives for the project in the immediate future are:
- Continued roll out of telecommunications networks to the 12 village clusters in ten African countries where the project is working: Senegal, Mali, Nigeria, Ghana, Rwanda, Tanzania, Uganda, Kenya, Malawi and Ethiopia.
- Work with operators to identify and develop services and applications customized for the villages' needs.
- Focus on stimulating business opportunities
- Introduce medical applications to facilitate a better understanding of the health of the community.
- Bring Internet access to schools, boost agricultural development and provide emergency communications.
- Prioritize deployment of green site solutions when feasible.
- Use latest technologies to reduce calling costs in order to make mobile communications more affordable for communities.

> " With more than 3 billion subscribers around the world, the mobile phone plays a key role as one of the most powerful tools to fight poverty, particularly for poor communities in remote areas of the world. Mobile technology will not only facilitate communication beyond borders, but will be an engine for empowerment and a driving force for economic growth. "
>
> **Jeffrey Sachs, Special Advisor to the United Nations Secretary-General and Director of Columbia University's Earth Institute.**



Dawn Heartley from GSMA Development Fund introducing shared access to voice and data.



Ericsson staff installs the Village Solar Charger at the community health center in Rwanda.

11

# Stimulating social and economic development

## Ericsson ConsumerLab research

Ericsson ConsumerLab researches the advantages that telecommunications can bring to people's lives around the world, in developed and emerging markets, enabling business models to be developed and potential new market opportunities to be turned into reality. It is always looking for opportunities where telecommunications can bring social and economic benefit to users and open up opportunities for Ericsson and networks across the world.

Detailed research is carried out by interviewing and understanding people's day-to-day lives, their quality of life, to see how telecommunications could bring an improvement. If a family spends eight hours queuing for bank services in Pakistan or must spend hours on a bus looking for work that might not exist when they arrive, it's clear that telecommunications can provide services that will help those people to spend their time and money in more efficient and profitable ways. The freedom that telecommunications can deliver can often allow people to become creative and entrepreneurial in the way they use technology to improve their lives. The detailed information gathered from these studies is analyzed and Ericsson works with the operators to demonstrate the market potential of providing mobile and data services and how the local economy will see growth because of it.

Ericsson's experience around the world shows that there are five key advantages that telecommunication brings to lower income communities and users:
- Generating income.
- Strengthening local networks.
- A modern infrastructure that works.
- Direct contact and privacy.
- A symbol of class and modernity.

Recent research around remittance and the transfer of money between family and friends demonstrates how telecommunications can deliver many advantages, such as support for family and friends and building local economies and communities. In 2007, research was conducted in many markets including India, Bangladesh, China, Brazil, Chile, Argentina and countries in South East Asia.
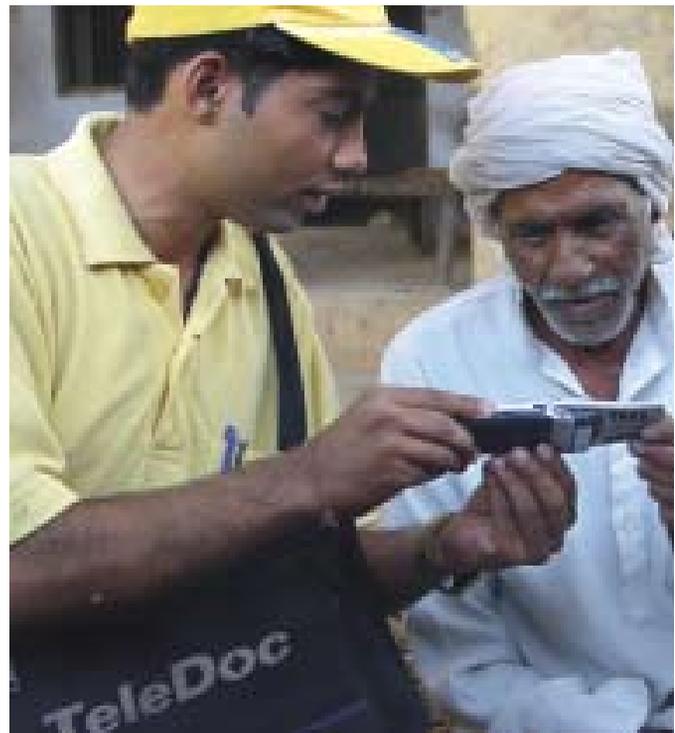


## Gramjyoti 'Light of the Village' demonstrates the benefits of connectivity

In September 2007, Ericsson undertook a two-month project in India, called Gramjyoti meaning 'Light of the Village.' The project showcased the benefits of mobile broadband for rural India. GSM is the wireless technology used by over 80 percent of global mobile subscriptions and covering 60 percent of India's population. The next generation of mobile technology, called WCDMA/HSPA, was used in the project to demonstrate the benefits of mobile broadband to local stakeholders.

Thousands of people within the Gramjyoti project area covering 18 villages and 15 towns were able to use broadband applications. Ericsson worked in partnership with Apollo Hospitals, Hand in Hand (a local NGO), Edurite, One97, CNN and Cartoon Network to deliver a range of services including telemedicine, e-education and e-governance.

# Safety and security on Lake Victoria

Lake Victoria is Africa's largest lake and more than 3.5 million people rely on the lake for their livelihood. More than 150,000 fishermen work on the lake and catch USD 500 million worth of fish per year. However, it is one of the most dangerous waterways in the world with 4,000 to 5,000 deaths every year from piracy and accidents.

One fisherman, on average, leaves behind eight dependents, meaning the death rate affects more than 30,000 people per year.

Mobile coverage does not currently extend across the lake, so Ericsson, network operator Zain (Celtel) and the GSMA Development Fund will collaborate to upgrade and extend mobile coverage, introduce new voice and data services, and establish a rescue coordination center on the lake with other regional stakeholders. Extended coverage will enable fishermen to be in contact with each other and with the shore and emergency rescue services. New services will boost the efficiency of local businesses by removing need for unnecessary travel and delivering valuable information such as fish prices and weather reports.

This project supports social and economic development and the human right to security of person and employment, and standard of living.

# M-learning

Mobile learning (m-learning) relates to e-learning and distance education where educational content is delivered across various locations via mobile devices, allowing people to take advantage of all kinds of learning and training opportunities. During the past eight years, Ericsson has conducted a number of collaborative projects with key universities to broaden the boundaries of m-learning and to conduct trials with real students. Quality education is a basic human right, yet gaining access to it remains a struggle. For many African countries, efforts are often hampered by limited funds and a lack of adequate numbers of teachers, classrooms and learning materials. To address this increasing need educators are looking for alternative strategies to meet the challenges they face, such as delivering meaningful content away from urban centers to the rural areas where 80 percent of the population actually lives. During 2007, Ericsson engaged in two pilot projects which have taken the m-learning technology from the test lab to the real environment in Africa. The first project was a partnership with Stanford University that is creating an educational community between the university and students in locations across Tanzania, Uganda and South Africa. A second project is the introduction of m-learning to community health workers in the Millennium Villages.



Screenshot of m-learning module: Caring for newborn infants, piloted in the health center in Rwanda.

# Meizhou Project, China

For two years Ericsson has supported the Meizhou Project to stimulate economic growth and bridge the digital divide between this area in the northeast area of Guangdong province and the rest of the world. The objective of this project is to increase government efficiency and improve the standard of living of local residents. Mobile broadband services now distribute information such as water levels, weather forecast, rainfall and agricultural information for local farmers. Mobile broadband also supports emergency services, e-government and education.

# Energy use and climate change

## Our approach

There are three main elements in our approach to addressing climate change:

- **Sphere of influence**, which we define as both the direct and indirect impacts of our business operations, our products and our sector's role in society, to identify where we can have greatest impact on energy use and climate change.
- **Life-cycle assessment** is the tool we use to measure the environmental impacts of our business operations, our products and our sector.
- **Our carbon footprint** summarizes our performance across both direct and indirect impacts of our business.

These three aspects of our approach are discussed on the following pages.

## Sphere of influence

Our sphere of influence includes direct impacts such as sites, transports and travel, and our indirect impacts such as products' estimated life-time in operation, associated operator activities and end-of-life treatment. While we focus actively on the products and services that we deliver, we also examine how the provision of telecommunication in itself can have broader implications to society in combating climate change.

Our sphere of influence is made up of the following four areas:

- **Productsand features:** includes energy efficient radio base station design and energy saving features such as the BTS Power Savings (see page 18).
- **Sites:**includes cooling, heat exchangers, alternative energies to power the sites and new techniques such as battery-diesel hybrid sites. Since 2000, we have delivered more than 200 sites using a variety of energy efficient and renewable energy technologies.

- **Networks:**At the network level, Ericsson has worked to reduce energy use for a number of years and continues to do so, setting targets to bring down energy use in 2G and 3G networks. Network solutions and services are designed to use fewer sites and to optimize network design.
- **Telecomcontribution to a low carbon economy:** Telecommunications have the capability to deliver societal solutions which can contribute to a transition to a global low carbon economy. It is estimated by WWF (World Wide Fund for Nature) and ETNO (European Telecommunication Network Operators) that societal behavior changes using telecommunications could result in a reduction of energy in society that is ten times greater than the amount of energy required to produce and deliver telecom services. Ericsson estimates that societal energy use and $CO_2$ emissions could be reduced by 5-20 percent between now and 2020. Examples of telecom applications that can support behavioral change are technologies for facilitating remote working and video conferencing that reduce travel and the need for large, energy intensive workplaces; and energy monitoring systems that remotely control heating and lighting, bringing energy efficiencies in the home and workplace.

In every area throughout our sphere of influence energy optimization is Ericsson's core strength. Our unique ability is to take complex telecommunication systems and optimize energy use at every step, focusing not just on any one product, but on a total cost of ownership reduction with the lowest possible energy impact and carbon footprint.

**The following pages describe our efforts to both minimize our own and our customers' environmental impacts, and at the same time contribute to minimizing society's impacts.**

# Life-cycle assessment and carbon footprint

Ericsson has a long tradition in life-cycle assessment (LCA) and has been using this technique to measure improvements in the energy efficiency of its products and solutions for many years. Our first life-cycle assessment of a radio base station was conducted in 1994-1995. Ericsson's expertise in this area has continued to grow over the years and the first LCA of a 3G network was conducted in 2001. LCA is now integral to the research and development activities of the business.

There were two parts to our LCA work in 2007: firstly the assessment of our own products and services; and secondly the assessment we have conducted to understand the impacts of the ICT sector as a whole.

### LCA and our products and services

The scope of Ericsson's LCA work is from 'cradle to grave' and covers every phase of a product's or system's life-cycle, including raw material extraction, production, supplier activities, transportation, radio base station site materials, operator and office activities, mobile devices, and end-of-life treatment. An important area that the LCA highlights is that about 70 percent of Ericsson's environmental impact (mostly energy use) occurs in the use phase of our products and systems. This information has been the basis for Ericsson's prioritization of activities to reduce energy use in networks and at sites, and the reason why we have chosen $CO_2$ as our key performance indicator.

We also measure $CO_2$ emissions per subscriber on Ericsson networks. This is the average amount of $CO_2$ emitted in order to deliver a mobile user's subscription for one year. This includes the phone as well as what was required to produce, deliver and operate the network to provide the service. The annual $CO_2$ emissions per average GSM subscriber have been reduced to about 25 kg, down from the first-generation networks that were about 180 kg in 1985. The 25 kg $CO_2$ equates to the same emissions created by driving an average car on the motorway for about an hour (0.2 kg $CO_2$ per kilometer). At the same time, functionality of mobile phones has increased dramatically since 1990, trans-

forming the mobile phone to a device capable of far more than simple voice calls. The first GSM services had a maximum data throughput of 9.6 kbps. For today's 3G networks, data rates up to 40 Mbps can be achieved with the addition of HSPA. The next evolution of mobile network LTE (long-term evolution) has been demonstrated at 144 Mbps, but the future goal is 300-400 Mbps over mobile. A key part of the $CO_2$ reduction is due to the energy efficiency improvements of our radio base station products.



$CO_2$ emission per subscriber per year shown together with the development of maximum data throughput.
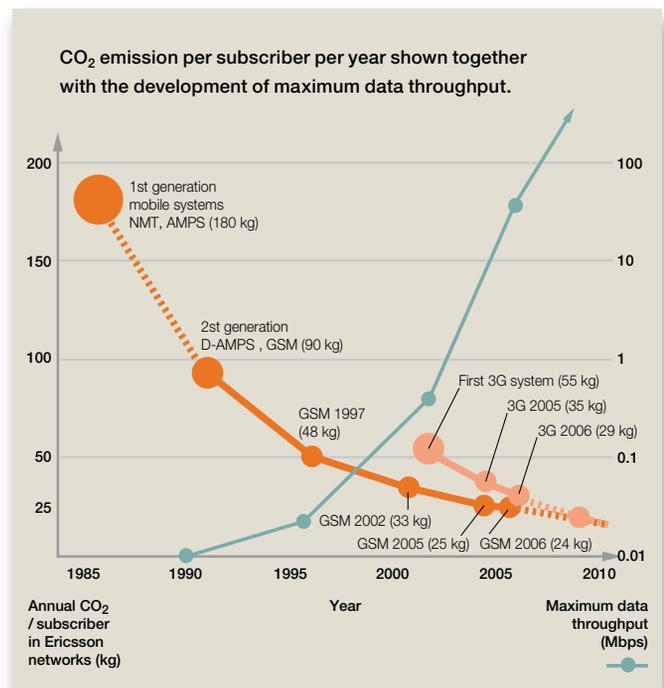
## The global ICT sector

There is an increasing realization about the potential to use ICT to reduce energy consumption in society. In order to understand our position within the ICT sector on this issue, and the role Ericsson can play, we have undertaken LCA work on the ICT sector as a whole, including PCs, data centers and fixed telecom. To do this we have used a combination of published studies and our own LCAs of telecommunications. Ericsson includes the whole life-cycle of the ICT sector in its LCA, including the supply chain. We have taken a more holistic approach than many other studies which stop at energy use. Ericsson's study shows that the total contribution of ICT to global $CO_2$ emissions is roughly 2 percent with 0.2 percent attributed to mobile telecom and 0.3 percent to fixed telecom. At the same time ICT contributes as much as 7 percent of global Gross Domestic Product. In comparison, buildings, travel and transports together are responsible for roughly 70 percent of global energy consumption and the corresponding $CO_2$ emissions, yet ICT can play a key role in helping these sectors to reduce their $CO_2$ footprint.

Ericsson's results show that the ICT sector remains a relatively energy-lean sector despite increases in subscriber numbers, thanks to advancements in technology and equipment functionality. This conclusion is reflected by the energy consumption of a number of global operators and Ericsson customers.

Technology improvements have kept energy usage low in our sector, but ICT services will be key to assisting society in a transition to a low carbon economy. Innovative use of telecommunications in the workplace and at home can impact how energy is used in heating, lighting and travel. Ericsson's aim is to continue our LCA work with an innovative approach to product and applications design to help drive, support, and measure these changes.

## Ericsson's 2007 carbon footprint

Ericsson's carbon footprint includes $CO_2$ emissions from the whole life-cycle of our products and systems produced in 2007, and summarizes our overall peformance.

Ericsson's carbon footprint can be separated into direct and indirect emissions. Ericsson's direct emissions include transports, facilities, travel and commuting and total about 0.9 Million tons (Mton) $CO_2$ in 2007. This number was determined based on information collected across the global operations of the Company. In 2007, more than 90 percent of transport data and over 70 percent of data from Ericsson sites around the world was collected. Hence, the total reported figures are predominantly based on actual data.

Ericsson's carbon footprint also includes indirect emissions from the use phase of products manufactured in 2007 (with an estimated product life-time of ten to fifteen years), the supply chain, operators activities and the end-of-life treatment of products. Emission figures for the supply chain, operator activities and end-of-life treatment are based on previous LCA studies and operator investigations covering about one third of global mobile phone subscriptions. Ericsson's carbon footprint for 2007 was very similar to 2006, but was achieved with a 25 percent increase in volume of radio base station sales. The achievement of our energy reduction targets for GSM and WCDMA combined with the introduction of new features such as the BTS Power Savings feature could lead to up to five Mton $CO_2$ emissions being avoided. This is roughly equivalent to 1.5 million cars on the road for one year (assuming 0.2 kg $CO_2$ per km, and an average of 15,000 km driven per year). Ericsson's 2007 performance on energy efficiency targets for radio base station development can be found on page 26.



Ericsson carbon footprint 2007.

| | 10 years | | | |
| | | 15 years | 10 years | |
| ~4 Mton | ~0.9 Mton | ~16 Mton | ~6 Mton | ~4 Mton | ~ -0.2 Mton |
| Supply chain | Ericsson | RBS operation | Other products operation | Operator activities | End-of-life treatment |

Estimated emissions from operations, 2007 ← → Estimated emissions from future life-time operations                    ~ = approximately
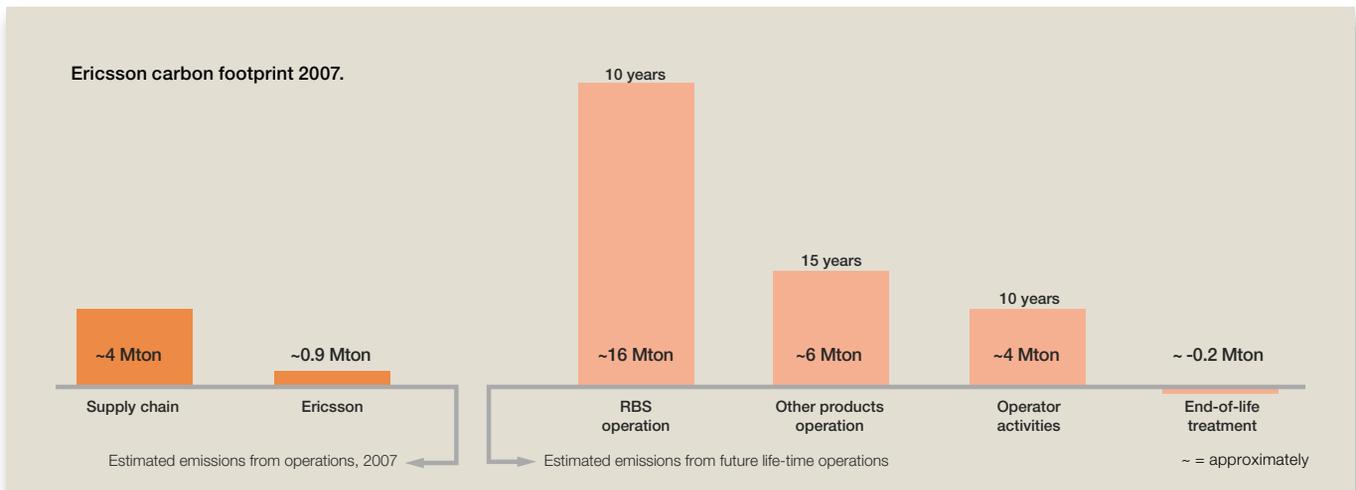
# Sustainable energy solutions

**Ericsson's experience in emerging markets shows that lack of reliable power can be a major barrier to rolling out telecommunication networks. Ericsson has focused on power sources and power use in the network for many years. Sustainable energy solutions are a fundamental part of increasing energy efficiency and in solving the power challenge of remote areas with no access to power grids.**

Energy can constitute up to 50 percent of the operating cost of a network. Ericsson works closely with operators to find viable solutions which reduce both energy consumption and operating costs. Ericsson has tools and knowledge to optimize the energy efficiency of sites in all types of operating environments. We support our customers with solutions for network energy reliability, cost efficient expansion and minimal environmental impact. Our global presence and knowledge base ensures that the latest research and development information is shared continuously throughout the organization.

Achieving energy efficient communications is a three step process requiring: energy-optimized networks, site optimization and alternative energy sources. In 2007, Ericsson made significant achievements in all three areas. More information can be found online and in the white paper we published 2007, entitled 'Sustainable mobile communications and energy use.'

**"** We are rolling out Ericsson's hybrid solution in all our Ugandan operations. This new solution offers a more powerful battery bank in a cabinet with low-power cooling, and allows us to reduce our diesel expenses by 50 percent. The savings are dramatic, and will allow us to extend our network cost-effectively, providing coverage to people who have never before had access. **"**

**Siyabonga Zulu, Operations Director, Celtel, Uganda.**

## Energy-optimized network

Network efficiency starts with good design. No amount of energy efficiency at the component level can make up for an inefficiently designed network, where the number of radio sites could be double what is needed for the same coverage and quality.

### BTS Power Savings
Ericsson's Base Transceiver Station (BTS) Power Savings feature can put parts of the radio resources not needed at off-peak traffic times into a sleep mode. Currently, it is possible to make 15-25 percent overall energy savings at the RBS level in this way without any impact on service quality.



**Sustainability and cost reductions went hand in hand when Bharti Airtel, India, implemented Ericsson's Base Transceiver Station Power Savings feature.**

The Ericsson Tower Tube reduces:
- power consumption
- need for cooling
- footprint
- construction time.

# Site optimization

**Hybrid solution in Uganda**
In Uganda, 50 percent of radio base stations are powered by diesel generators. Ericsson has worked with local operator, Celtel, to develop a hybrid power solution using diesel and batteries to significantly reduce cost and increase efficiency. Traditional off-grid diesel solutions consist of two diesel generators working alternately. With Ericsson's new hybrid energy solution, one of these diesel generators is replaced by a battery bank with specially designed batteries that can handle a large amount of charges and discharges. The diesel generator can be switched off at regular intervals and the radio base station can be powered by the battery. The sites now running are consuming 50 percent less diesel, significantly cutting costs and emissions.

**Ericsson Tower Tube**
Another innovation is the Ericsson Tower Tube, an innovative radio base station site concept. The concrete tower has a lower environmental impact than traditional steel, consum-

ing up to 40 percent less power from a life-cycle perspective. This is because concrete results in less energy and $CO_2$ than steel during production and transport, but most important is that during operation feeder losses are substantially reduced, and no active cooling is needed.

**Energy efficient site cooling in south East Asia**
Today the most common solution to cool telecom shelters containing radio equipment is with air conditioning units, consuming some 1200-2000W. However, Ericsson's modern radio base stations (in this case RBS2216) endure higher temperatures so new cooling methods can be used. Ericsson has conducted trials in Bangladesh and Indonesia which prove that significantly lower energy consumption can be achieved by using heat exchangers for the shelters and separate cooling compartments for the battery back up. The power used for cooling the sites can be reduced up to 60 percent, depending on the configuration of the site.

# Alternative energy sources

**Solar power in Indonesia**
Ericsson has been active for a number of years in creating renewable energy solutions for radio base stations, especially in remote areas. The first solar charged site was installed in 2000 and there are over 200 sites today. Ericsson's most recent development is the solar powered main-remote radio base station, RBS 2111, recently deployed in Sumatra, Indonesia (in partnership with Telkomsel). The main remote radio base station uses up to 60 percent less energy than a traditional radio base station and is ideal for rural areas with limited electricity supply.

**The Village solar charger**
With Sony Ericsson, Ericsson has developed a mobile phone solar charger for the Millennium Villages project. This innovation, intended for use in villages almost anywhere in the world, is capable of recharging at least 30 mobile-phone batteries per day and eight phones simultaneously.

**Biofuels in India**
In 2007, Ericsson worked with local operator Idea Cellular and the GSM Association's Development Fund to launch 23 radio base stations powered by biofuels, extending the network in rural India. The bio-diesel is produced locally, with used cooking oil from restaurants. The 23 commercial site locations are in areas that have not previously had access to a mobile network due, in large part, to an unreliable power supply.



Biofuel produced from used cooking oil.

**Assurance information**

DNV has verified Ericsson's approach, processes and tools for enhancing the energy performance of products and features, during all stages of their life-cycle.

# How Ericsson operates a responsible business

Ericsson's corporate responsibility (CR) focus is two-fold: how telecommunications can deliver environmental and social benefits to society, and on having the necessary controls in place to minimize risks in this area regarding the governance of the Company's own operations. This section of the report focuses on CR governance issues, such as responsible supply chain management, environmental management and Ericsson's responsibilities towards its employees. Sony Ericsson's performance is also profiled.

### Corporate responsibility management

Ericsson's corporate responsibility activities are managed by the Corporate Responsibility Director, working in partnership with colleagues around the business. The Corporate Responsibility Director reports to the Senior Vice President of Communications, who reports to the CEO. A joint Corporate Responsibility and Sustainability Steering Committee governs the overall programs and performance in these areas. The committee is made up of senior executives in the business.

The three core Company policies that guide Ericsson's corporate responsibility are: The Environmental Policy, the Code of Business Ethics, and the Code of Conduct. These policies are an integral part of the Ericsson Group Management System.

### Materiality

Ericsson's material impacts are regularly assessed using an ongoing process comprising a combination of activities including:

- An ongoing dialogue with stakeholders.
- Internal risk analysis, a risk based approach to supply chain management, and a human rights impact assessment of selected operations during 2007.
- LCA and determination of our 2007 carbon footprint.
- Identification of business opportunities.
- Participation in related industry fora and standardization bodies.

Our materiality process has guided us to identify the following key material issues covered in this report:

- Communication for all – communication is a basic human need and can bring social, environmental and economic development to societies around the world.
- Telecommunications as an enabler of human rights – supporting the right to health, the right to education, the right to safety and security, and the right to livelihood, among other rights.
- Energy use and climate change – delivering energy efficient solutions to our customers and to society.
- Supply chain – managing risks and securing our supply chain.
- Environmental management – comprising environmental stewardship, the elimination of hazardous substances and resource efficiency.
- Employees – our commitment to the people who work for Ericsson.

An issue still under investigation is the extent to which freedom of expression, privacy and security are material to Ericsson. At this point, Ericsson sees these issues as material to the ICT sector, but not necessarily to itself a telecom vendor. A more detailed analysis will be conducted during 2008 to assess the potential material impact on Ericsson more completely.

We continue to assess our material issues using the materiality process and stakeholder engagement. We are committed to working substantively with

these issues throughout the year and to reporting progress annually.

### Stakeholder engagement

Dialogue with stakeholders is an ongoing process and important to the way Ericsson relates to the communities and societies with which it is involved. Regular meetings and dialogue are held with stakeholders throughout the year by various parts of the business. Stakeholder engagement activities include:

- Meetings with investors and socially responsible investment analysts.
- Meetings with non-governmental organizations (NGOs).
- Meetings with regulators and government officials.
- The use of systematic methods, such as the annual customer satisfaction survey and the employee opinion survey.
- Regular contact with customers.
- 2007 stakeholder engagement survey.
- Regular participation in industry fora such as GeSI, including participation in "A Materiality Assessment by the Global eSustainability Initiative."
- Participation in several United Nations Global Compact local networks.
- Supplier engagement workshops.

The stakeholder engagement survey for 2007 was conducted with suppliers, customers, investors, NGOs and employees to generate feedback on the 2006 Corporate Responsibility Report. Specific feedback on employee feedback can be found on page 31, and feedback from other stakeholders on our website. Ericsson appreciates the efforts of all the stakeholders who contributed to the survey.

We are committed to continue engaging with stakeholders on a range of issues and will continue to use the information we learn to inform our decisions in the future.

### Signatories and membership organizations

#### United Nations Global Compact
Ericsson is a signatory to the Global Compact and endorses its ten principles on human rights, fair labor practices, the environment and anti-corruption.

#### Global e-Sustainability Initiative (GeSI)
GeSI is a global partnership of ICT companies that promotes technologies for sustainable development.

#### Business Leaders Initiative on Human Rights (BLIHR)
BLIHR is a business-led organization to help lead and develop the corporate response to human rights.

#### Global Alliance for ICT and Development (GAID)
GAID is a global forum and platform for cross-sector policy dialogue on the use of ICT for enhancing the achievement of internationally agreed development goals, notably the reduction of poverty. GAID is an initiative approved by the United Nations Secretary-General in 2006.

#### Solving the E-waste Problem (StEP)
StEP is an initiative of various UN organizations with the overall aim to solve the e-waste problem. Together with members from industry, governments, international organizations, NGOs and the science sector, StEP initiates and facilitates approaches towards the sustainable handling of e-waste.

### Assurance information

DNV has verified Ericsson's approach to materiality assessment and stakeholder engagement and found that in 2007 significant progress has been made in identifying material issues and understanding stakeholder information needs and expectations with regards to corporate responsibility.

# Governance

## 37,000

In 2007, 37,000 employees took part in anti-corruption training, which is ongoing. The target for 2008 is that all employees will complete the training.

All of the Market Units have completed the course with a participation rate close to 100 percent.
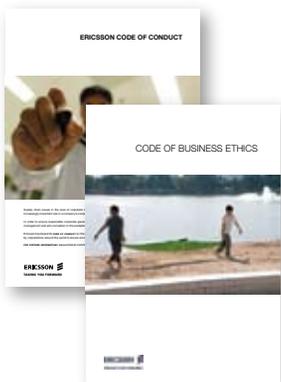


The Code of Business Ethics and the Code of Conduct are two of Ericsson's key corporate responsibility policies.

Transparent and accountable governance and management of the company are cornerstones of corporate responsibility. Ericsson is committed to running a responsible and ethical business.

The Ericsson Group Management System includes policies and directives, organization and delegation of authority, standardized processes, employee performance reviews and a commitment to operational excellence, which all work together to ensure transparency and accountability. The Corporate Governance Report is appended to the Ericsson Annual Report 2007 and provides details of how Ericsson operates in accordance with applicable legislation and listing requirements.

Ericsson's Code of Conduct and Code of Business Ethics guide and shape our day-to-day behavior and give clear guidelines in working with suppliers, colleagues and partners within and outside Ericsson. Ericsson's Code of Conduct is our commitment to our employees and our supply chain, and it is based on the United Nations Global Compact principles that are designed to safeguard human rights, promote fair and safe labor conditions, environmental management and high ethical standards.

Ericsson's Code of Business Ethics covers fundamental corporate principles such as treating employees with respect, safeguarding human rights and the environment, dealing with conflicts of interest, proper use of company assets, and our obligations as responsible corporate citizens. It includes a whistleblower procedure for employees to raise their concerns about questionable accounting or auditing matters, anonymously if necessary. Incidents are reported to the Audit Committee of the Board of Directors. There were no material incidents reported for 2007. All Ericsson employees are periodically required to acknowledge they have read and understood the Code of Business Ethics.

### Anti-corruption

As an extension of the Code of Business Ethics and Code of Conduct, Ericsson has focused on employee awareness and understanding of their responsibilities to uphold our anti-corruption commitments. Ericsson operates in a large number of countries with different rules and regulations. Globally we strive to raise employee awareness of the importance of not engaging in corruptive behavior, and to have clear global guidelines. The key messages we express to our employees are:
- "Accepted business practice" or "everybody is doing it" are never excuses.
- Corruption is never of benefit to Ericsson.
- Practically anything of value can potentially constitute a bribe depending on the circumstances.
- Benefits should be addressed to the company and not to an individual employee.
- No deal is big enough when brand value is at stake.
- Whenever in doubt, always seek advice.

We have run workshops, training sessions and an e-learning program with our businesses around the world to raise understanding and develop the tools and resources needed to roll out the anti-corruption message to employees. The objectives of the course are for employees to:
- understand the importance of not engaging in corruptive behavior.
- identify potentially questionable situations.
- determine acceptable behavior and so take responsibility for their actions.
- escalate issues internally when necessary.

### Good governance in sensitive countries

Ericsson conducts business in many diverse markets around the world. As business increases in markets where many laws, regulations and standards may not be as developed or enforced as in other parts of

the world, it is important to uphold consistent and responsible principles for conducting business in the global marketplace. Toward this aim, all Ericsson policies and directives are implemented globally as part of the Ericsson Group Management System. Furthermore we recognize the US Embargo and have a strong Internal Compliance Program.

In 2007, Ericsson conducted a human rights impact assessment on the business in Sudan. The assessment was conducted for two reasons: to ensure Ericsson was not complicit in human rights abuses and was displaying ''good governance in sensitive countries'' according to our work in this area with BLIHR; and to help identify the opportunities for its telecommunication solutions to be a force for good in the region.

Sudan is a very complex country – it is Africa's largest country, with a multitude of religions, social classes and cultures. In the capital of Khartoum, there is wealth and reasonably widespread access to communications. Other parts of the country, like Darfur, face widespread poverty, civil war and ongoing conflict, displaced persons and refugees. Mobile telecommunication has had a significant impact on communities, emerging as a vital technology that not only allows people to stay in touch with family and friends, but also can boost earning potential and combat poverty. Ericsson believes that its operations in Sudan have made a positive impact on economic growth and social development.

The human rights impact assessment was conducted independently by a human rights lawyer and advisor to BLIHR, and the finding are summarized below.

### The findings

The assessment concluded that Ericsson can demonstrate "non complicity in human rights abuses" and has been involved in "substantial actions" to ensure its business operations are a "force for good" in Sudan.

The key findings of the assessment that formed those conclusions were:
- Ericsson has a very limited relationship with the Sudanese government and its customers are foreign owned telecommunications operators.
- The services Ericsson provides, in particular to the

marginalized areas of the South and Darfur, can bring social and economic benefits to the local population.
- Ericsson has a well-controlled and implemented system of checks built into the management system, in particular through end-user agreements and adherence to the Code of Conduct by suppliers.
- Ericsson has a range of plans and activities underway to demonstrate its positive influence in Sudan.

**Demonstrating a positive influence**

Ericsson is engaged in a number of activities, referred to as "substantial actions" in the human rights impact assessment, to ensure its business operations are a "force for good" in Sudan. Ericsson has:
- Engaged actively with the investment community primarily in the US and with related work in this area led by the United Nations Global Compact.
- Committed to support and participate in a United Nations Global Compact network in Khartoum.
- Begun a socio-economic impact assessment of the telecommunications industry in Sudan, due to be completed in 2008.
- Worked together with the UN High Commissioner for Refugees and its customer MTN in order to provide telecommunications connectivity to refugee settlements in northern Uganda, on the border with Sudan.

**Assurance information**

DNV has verified Ericsson's Governance structure, Code of Conduct, Code of Business Ethics and other relevant elements of the Ericsson Group Management System. The mechanisms in place to identify, report, investigate and respond to incidents were verified, as were the awareness-raising initiatives relating to anti-corruption. The report of the Human Rights Impact Assessment in Sudan was reviewed and "substantial actions" were verified.

## Committed

In 2007, Ericson committed to join the Global Compact local network in Sudan.

# Responsibility in the supply chain

Auditors at work.

Ericsson's Supplier Evaluation & Classification concept describes how we evaluate and manage our suppliers. The concept supports us in making fact-based decisions regarding supplier evaluation, selection and relations. It includes a process, common templates and instructions, and defined general and specific criteria for evaluation and classification of suppliers. The Code of Conduct and Environmental Requirements are two of nine evaluation criteria that are applicable to all suppliers.

According to this concept all Ericsson Market and Business Units are responsible for securing their respective suppliers' compliance with the Code of Conduct and the Environmental Requirements.

## Initial risk assessment model for identifying focus markets and commodities

A risk assessment model for prioritizing and selecting markets and businesses for Code of Conduct audits was introduced in 2006. The implementation of the risk model resulted in a focused audit program for 2005 through to the present. The assessment uses market risk and commodity risk factors to determine what markets and commodities the audit process should focus on. The market risk factors include revenue, market maturity, and social and political aspects. The commodity risk factors are set as a function of how critical each line of business' processes and activities are from a Code of Conduct perspective.

As a result of this initial risk assessment, China, India and Brazil were selected as focus markets mainly because a large part of Ericsson's production is based there. Die-casting - mainly of parts for radio base stations - and network roll-out (NRO, installing equipment at telecom sites) were identified as initial focus commodity areas. As the audited companies had shown significant improvements, during 2007

these areas were extended to include the commodities: enclosures, mechanical parts – both including surface treatment of parts, power supply and printed circuit board manufacturing.

### Expanded risk assessment model

In 2007, an expanded risk assessment model was developed, based on the evaluation of the ongoing pilot results. The results of this assessment will be rolled out starting in 2008. Beside the commodity and market factors, supplier relations, audit activities and each company's exposure to particularly important risk areas – chemicals handling and work at great heights – contribute to the total risk factor. The commodity factors are weighed as a function of our accumulated experiences from them.

## Audits and audit reporting

All supplier Code of Conduct audits and follow-up visits are prepared, performed and documented in accordance with the ISO 19011 guideline standard for audit of management systems. Our auditors have been trained according to a well-defined process that also corresponds to the guidelines of ISO 19011.

Ericsson's Code of Conduct requirements have been a part of the supplier evaluation concept since 2005. Ericsson also monitors existing suppliers with regards to the Code of Conduct requirements, primarily through audits and follow-up visits. The audit and reporting process follows a scorecard approach.

Each audited supplier has a Code of Conduct scorecard that is completed after each audit. The scorecard is an integrated part of the audit report. It covers the following areas: employee conditions, health and safety, supplier requirements and environmental management. By accumulating scorecard results over time for a given supplier, for all suppliers in a given market or for a given commodity area, trends can easily be seen and actions can be taken.

Each audit report, including the scorecard, is communicated to the supplier responsible, who updates his/her overall supplier scorecard.

### Audits and auditors, delivering results

The number of audits and follow-up visits increased significantly during 2007 to 110 from 40 in 2006.

For 2006, a target was set in China to reduce non-compliance (dark blue part of pie chart) by 60 percent compared to 2005. A reduction of 74 percent was reached. During 2007, the number of non-compliances was reduced by another 56 percent compared to the end of 2006. Chinese suppliers are generally followed-up in situ every three to six months, depending on the results of previous audits.

For our Code of Conduct auditors, an audit is much more than an opportunity to assess a supplier's compliance to the Code of Conduct requirements. It is an opportunity to further strengthen the relation between Ericsson and the supplier, to inform and educate the supplier about our requirements in a way that is comprehensible given the supplier's line of business and particular conditions.

### Training

In order to maintain and improve the quality and capacity of Ericsson's supply chain monitoring activities, various training activities are being performed. Strategic buyers are being trained, starting in late 2007, as "Code of Conduct observers," allowing them to assess supplier standards on more occasions than during formal monitoring visits. Ericsson's team of in-house "Code of Conduct auditors" is trained to conduct the actual audits and follow-ups. In 2007, three additional auditors were trained in Sweden, two in India and three in China, bringing the total number of auditors to 14 worldwide.

### Supplier engagement

Ericsson works to find a collaborative approach with suppliers and engages in formal and informal dialogue to improve relationships and results in supply chain management. Ericsson holds regular feedback sessions with suppliers at a number of levels, based on supplier classification (preferred, approved, observed) and based on local conditions.

In 2007, two supplier seminar events were organized in India to discuss key issues arising from Ericsson's ongoing engagement with suppliers. The seminars attracted over 50 suppliers from all over India. In general, suppliers reacted positively to Ericsson's Code of Conduct requirements as they help the suppliers increase their competitiveness. According to several suppliers, complying with Ericsson's requirements has given them an advantage when competing for orders from other major companies.

### Investor visits

During 2007, as one of its stakeholder engagement activities, Ericsson arranged visits for key investors to visit Ericsson's factories in China and Brazil, as well as supplier factories, for learning purposes. Swedbank Robur, one of Ericsson's larger investors which visited the China operations commented:

"It was very interesting to witness supplier evaluations in practice at factories in China and learn about Ericsson´s engagement process with high risk suppliers. We approve of Ericsson's risk based approach when auditing suppliers and want to further encourage the company to broaden the scope and number of the audits and further increase transparency within this field."
**Anna Nilsson, Head of SRI Analysis, Swedbank Robur AB.**

### Assurance information

DNV verified Ericsson's risk-based approach to supply chain management, covering the selection, assessment and optimisation of supplier performance. The implementation, scope and findings of Code of Conduct audits of suppliers were verified, as were training and supplier engagement initiatives."

**Results of risk-based projects, 2007**
Through close engagement with suppliers, Ericsson significantly reduced the number of lowest markings on the Code of Conduct scorecard among selected die-casting suppliers in China and India and network roll-out suppliers in India and Brazil.

■ Critical situation, action shall be in place

■ Warning, action shall be in place

■ Supplier status as expected by Ericsson
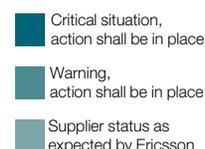


**DIE-CASTING, DEC 2006**
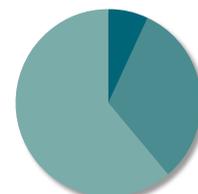


**DIE-CASTING, DEC 2007**
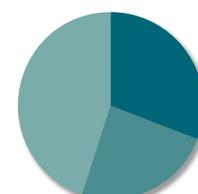


**NETWORK ROLL-OUT, DEC 2006**
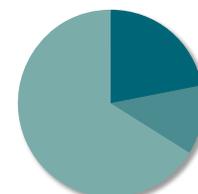


**NETWORK ROLL-OUT, DEC 2007**

# Environmental management
## Ericsson's approach

**30 kg CO$_2$**

The annual emission of CO$_2$ per mobile phone subscription has decreased by more than 80 percent compared with the first analog systems (from about 180 kg CO$_2$ in 1985 to less than 30 kg CO$_2$ in 2007 for an average 3G subscriber).

**1998**

The year that Ericsson first introduced its Banned and Restricted Substances List.

The key environmental issues for Ericsson as for many companies in the ICT sector fall into two main areas: energy use and climate change; and materials and waste. Ericsson uses four central principles to understand those impacts and address them with a consistent and methodical approach:

- **Environmental Management System (EMS).** The environmental work is governed by the EMS which is regularly reviewed by external assessors for compliance to ISO 140001.
- **Life-Cycle Assessment (LCA).** Our LCA work includes monitoring and reporting on our performance in: materials, energy, water, biodiversity, emissions, effluents and waste, products and services and transport. Key performance indicators can be found in this report and on our website.
- **The Design for Environment (DfE).** DfE is part of the standard requirement specifications we use in our design process, and ensures that environmental aspects are included in product design.
- **Ecology Management.** At end-of-life, Ericsson offers a complete product take-back program designed to meet the EU Waste from Electronic Electrical Equipment (WEEE) Directive and other national e-waste regulations. Ericsson has implemented this program not just in the EU but globally.

**Design for Environment**

Through our Design for Environment (DfE) program, Ericsson provides its product managers and designers with guidance on how to develop products that will have a positive or minimal negative impact on the environment while not compromising functionality.

**Energy efficiency**

Energy efficiency is an important design parameter for all parts of Ericsson's product portfolio and we have a strong and growing track record in this area.

We will continue to satisfy the market with sustainable innovations and techniques to optimize energy efficiency at every step of product and solution development. We believe standardization in this area is an important parameter in order to move towards an even more energy-lean industry.

During 2007 Ericsson increased its participation in environmental standardization activities for energy efficiency within e.g. ETSI, the European Telecommunications Standards Institute, to develop standards and guidelines related to energy efficiency of telecommunications networks and products.

> We have applied Design for Environment in all product development projects. Our key focus areas for DfE are: energy efficiency, using less materials, removal of hazardous substances and material data management.

**2005-2008 ENERGY EFFICIENCY GOALS FOR RBS DEVELOPMENT**
Improvement in energy efficiency index in % for the annual portfolio delivery

Legend: 2005 baseline, 2006, 2007

GSM:
- -5%
- -13%
- Goal 2006: -5%
- Goal 2008: -15%

WCDMA:
- -35%
- -55%
- Goal 2006: -25%
- Goal 2008: -50%
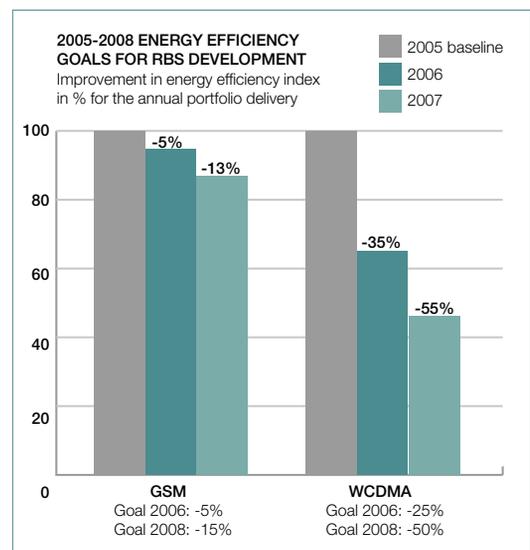
## Materials data management

There is increased attention from stakeholders about the material content of products. Ericsson actively participates in international standardization of materials data management. Ericsson considers standardization in this area to be important to ensure that materials data is communicated throughout the entire value chain in a common format, so that information about the substances of interest for the final products is obtained in an efficient way.

A material declaration is a detailed description of a product's material and constituent content. We include these details to ensure we are meeting regulation and being responsible and transparent towards our customers and stakeholders on the environmental impact of our products. This information is used in our work in Design for Environment, Ecology Management and the end-of-life treatment of products. The diagram below shows a material declaration for a WCDMA radio base station.

## ISO 14001

Our EMS, certified according to ISO 14001, has been in operation worldwide since 2001 and Ericsson was one of the first companies to receive global ISO 14001 certification. A single global system provides us with a clear and consolidated view of all our impacts and actions, and enables us to assess and update the environmental impacts of the entire organization around the world.

## Assurance information

DNV verified Ericsson's environmental policy, objectives and management system. The approach to LCA and Design for the Environment were also verified. The mechanisms in place to manage information on the material content of products, reducing hazardous materials and substances in products, as well as product take-back initiatives have been verified.



## 2000

The year that Ericsson launched its first solar-powered site in Morocco.



Compared to an analog RBS from the mid 1980s, today's 3G Main-Remote RBS has a footprint of nearly zero, a weight of less than 5 percent, and consumes about 10 percent of the energy, but can serve about five times as many voice calls and has a maximum data throughput that is 200 times greater.

**MATERIAL DECLARATION
RBS 3216 – WCDMA INDOOR**

| Material types | | |
|---|---|---|
| | Metals: | 142 kg |
| | Polymers: | 5 kg |
| | Ceramics: | 1,5 kg |
| | Others: | 0,3 kg |

| Valuable substances | | |
|---|---|---|
| | Iron/steel: | 72 kg |
| | Al/Al comp.: | 27 kg |
| | Cu/Cu comp.: | 42 kg |
| | Ag/Ag comp.: | 293 grams |
| | Gold: | 5 grams |
| | Palladium: | 1,2 grams |

| Observation substances | | |
|---|---|---|
| | Antimony: | 4 grams |
| | Bismuth: | 0,04 grams |
| | Beryllium: | 0,7 grams |
| | Bromine: | 43 grams |
| | Nickel: | 137 grams |
| | Lead: | 5 grams |

→ RECYCLE
→ REUSE
→ LANDFILL

# Product stewardship

## 90%

**During 2008, more than 90 percent of the e-waste collected from Ericsson will be recycled. This will result in less than 10 percent of the recycled e-waste ending up as landfill.**

## StEP

**Solving the E-Waste Problem. Ericsson believes that the UN's StEP initiative will make a valuable contribution to industry, in particular in establishing global best practices for evaluating recycling, waste treatment and asset management businesses.**

### Hazardous substances and legislation

Ericsson is monitoring environmental legislation world-wide and works together with industry organizations to achieve a harmonized approach on reducing hazardous substances in products. As we apply the same internal requirements for all markets, the result is products that often contain less hazardous substances than the actual market demands.

The RoHS **(Restriction of the use of certain Hazardous Substances in electrical and electronic equipment)** Directive requires that, from July 1, 2006, electrical and electronic equipment put on the market in the EU does not contain more than the permitted levels of hazardous substances. Ericsson products are produced to guidelines that are formed in compliance with this legislation and we are constantly striving to remove or reduce hazardous substances in our products.

When technically feasible alternatives exist, Ericsson's approach to hazardous substances is proactive and therefore we do not await legislative requirements before making changes. For example, despite there being an exemption under RoHS for lead in solder used in telecommunication infrastructure products, most of Ericsson products are produced with lead-free soldering. Ericsson operates a strict internal exemption handling process taking a restrictive stance towards use of exemptions in the RoHS Directive.

The REACH **(Registration, Evaluation, Authorization and Restriction of Chemical substances)** Directive came into force in the EU June 1, 2007. Ericsson has identified a need to establish industry best practice and is working in partnership with suppliers, industry organizations and authorities on efficient handling of information on substances according to REACH.

The EuP **(Eco-design for Energy-using Products)** Directive 2005/32/EC will soon result in a number of so called Implementing Measures (IM) for specific products. Ericsson continuously monitors the development of IMs and will ensure full compliance with IMs applicable to its products if/when such are developed.

### Ecology Management and product take-back

Ericsson offers free take-back of customers' decommissioned equipment, a service run by Ericsson's Global Services organization around the world. It was initiated in 2002 as a precursor to the EU WEEE **(Waste Electronic Electrical Equipment)** Directive which came into effect in 2005. Now formalized into a global program it is being proactively rolled out to all markets.

Customers contact their local Ericsson business to request the service. In some cases Ericsson is involved in decommissioning products but in other instances equipment can be deposited by the user at a collection point. The waste treatment of this material is solely the responsibility of Ericsson and we ensure it is disposed of or treated in a way that respects the environment. A central Ericsson team is informed by the local Ericsson business when there is a request to take back material from the collection point. This team then makes the necessary arrangements for transport and organizes recycling of this material with the contracted recyclers, maximizing cost efficiency and ensuring Ericsson's stewardship of the whole process. All customers receive a Certificate of Destruction as proof of the high quality of the take-back and recycling service.

Ericsson has agreed global contracts with a number of recyclers to ensure the best available treatment of waste and high levels of supplier responsibility. The recyclers must comply with 80 requirements covering the recycling process,

transport of equipment, after processing, landfill limits and ethical issues. Suppliers must identify new markets for the recycled content, encouraging less waste to landfill at the end of the process. The energy efficiency of the product take-back process will be a future area of focus, aligned with our overall carbon footprint and life-cycle analysis work.

### Product take-back in action

In sub-Saharan Africa, Ericsson is making a significant contribution to the environment through the product take-back program for all its operations in the region. Ericsson's recycling partner has already collected 80 tons of electronic waste (e-waste) from Ericsson's operations in Nigeria, Botswana, and South Africa. The equipment is shipped to the recyclers in Durban, South Africa, where it is disassembled and sorted into ferrous and non-ferrous metals, electronics, cabling and plastics. This is then

shipped to the recycler's facility in Singapore for final processing as there are no facilities available in Africa that can meet the stringent environmental requirements that Ericsson demands.

More than 90 percent of the e-waste collected from Ericsson is recycled, and the value recovered on precious and non-ferrous metals is returned to Ericsson. These revenues are then used to fund the take-back process. Ericsson targets exceed the European Union's WEEE Directive, which aims to recycle or reuse 75 percent of recovered equipment and ensure that less than 25 percent ends up in landfill sites.

Customers are becoming more aware of the environmental consequences of their activities and Ericsson can provide valuable assistance and successful solutions to meet strict environmental regulations around the world.



**Waste from electronic and electrical equipment is a growing environmental concern globally.**

### Assurance information

DNV has verified the mechanisms being adopted at Ericsson to manage compliance with the applicable legal requirements with regards to hazardous and chemical substances in products; and electronic and electrical waste take-back of end-of-life products.

## Environmental awards

In 2007, Ericsson won the Clean Design Award in China. This award is given where an approach to design is adopted which meets environmental legislation and also delivers business benefits.



Ericsson also won an award for energy-efficiency innovation from the China Center of Information Development (CCID), where cutting edge telecommunications technologies are in place to aid sustainable development in China.



In 2007, Ericsson Power Modules won the Prestigious 2007 Elektra Award in the category Clean Design.

# People

## Key figures Gender

22 percent of the Group's 74,000 employees are female. 18 percent of line managers are female.

## Key figures Nationality

73 percent of the workforce is outside of Sweden.
36 percent of top 200 executives have a background other than Swedish.
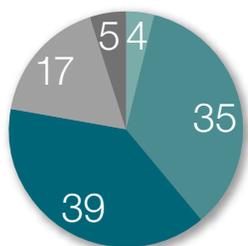


**EMPLOYEES BY AGE (percent)**

■ Under 25   ■ 46–55
■ 26–35      ■ Over 55
■ 36–45

**EMPLOYEES BY GENDER**

| Age | Female | Male |
|---|---|---|
| Under 25 years | 23% | 77% |
| 26-35 years | 22% | 78% |
| 36-45 years | 22% | 78% |
| 46-55 years | 20% | 80% |
| Over 55 years | 19% | 81% |
| **TOTAL** | **22%** | **78%** |

### Introduction

At Ericsson, we are guided by our core values of professionalism, respect and perseverance. These values define how we work together, and how we treat our customers and partners. Our success is dependent on our diverse and engaged workforce, and Ericsson is committed to supporting its people.

Attracting and developing talented people helps Ericsson to build on our essential knowledge base, which is vital in order to meet the challenges and opportunities we face as a business day to day. We aim to maintain a competent and diverse workforce through engagement and performance management, for our employees' personal development and to support the evolution of our business in an ever-changing environment.

Every year, an employee opinion survey is conducted. In 2007, 90 percent of our employees participated in this survey. The continued high participation rate reflects employee recognition that Ericsson uses this tool to further develop workforce satisfaction and performance. This year's results show that the Company's Human Capital Index (HCI) is on a very high level according to external benchmarks, and Ericsson is committed to reaching even higher levels of commitment and excellence in the future.

### Diversity program

Our focus on diversity underpins Ericsson's core values and our ways of working. To Ericsson, diversity means striving for a workplace that is rich in cultures, ideas, and innovation, and one that also respects and values individual differences. It is these differences that will provide an environment that will have a positive impact on performance, motivation, knowledge sharing and innovation.

Ericsson is a global company with experience from building networks in more than 175 countries, and employees representing even more nationalities and cultures. In each country of operation, we take actions to secure that we comply with legislation and best practice in the area of diversity. In 2006, we adopted a global approach to coordinate, support and encourage local diversity initiatives. Since then a number of diversity-related activities have been started at a Group level in addition to local activities.

Our aim for 2007 was to establish a system for reporting results on local diversity activities. We achieved this and established a global diversity program, including a diversity manager and a system for reporting the results of local diversity activities. We also conducted a base-line analysis in order to guide Ericsson's global priorities and actions. The diversity strategy on a global level puts special focus on two areas:

● Achieving a representative proportion in terms of gender at all levels of the organization - In a male-dominated industry, our challenge is to encourage greater female representation at all levels of the organization. Currently, 22 percent of the Group's 74,000 employees are female and hold 18 percent of all managerial positions and 12 percent of the top 200 executive positions.

● Increasing the proportion of people from different backgrounds (nationalities) in senior management roles - Ericsson has a tradition of providing opportunities for employees to work in other countries. This practice increases individuals' understanding of how to conduct business in cultures different from their own. 73 percent of Ericsson's organization is outside of Sweden and 73 percent of employees have a background other than Swedish. Currently, 36 percent of the top 200 executives have a background other than Swedish.

There is a positive trend in terms of female advancement in leadership roles since 2003. Despite that, the total number of female employees in Ericsson has reduced in recent years mainly due to growth of our services business.

The progress of our diversity work is measured continuously through the annual employee opinion survey as well. This allows us to capture the diversity as seen at individual, workgroup and organization levels.

The 2008 objectives for the diversity program are:
- Establish global goals in relation to prioritized diversity parameters.
- Diversity is integrated into Individual Performance Management (IPM) and every manager receives feedback on how they contribute to a diverse work environment and diversity related goals.
- Diversity on-line training will be implemented globally to increase awareness.

### Learning and performance management

In a fast-changing business environment, it is essential for Ericsson that its employees have the right competence to develop and share their knowledge, skills and expertise. Changing technologies, business conditions and markets require a continuous learning process to acquire the skills, attitudes, values and competencies required.

Ericsson's employees can search for and sign up for training through the global learning intranet portal. Employees can access a large library of e-learning content. In this library, more than 20,000 courses have been accessed during 2007. The most frequently taken courses are:
- 3G communication systems.
- Professional assertiveness.
- 1G and 2G communication systems.
- Becoming a manager.
- Teamwork results without authority.

Ericsson also customizes e-learning courses on specific topics relevant for compliance. The top three accessed e-courses in 2007 were:
- Security.
- Anti-corruption.
- Individual Performance Management (IPM).

Approximately one-third of line managers went through some of the Group-developed leadership programs.

### Health and safety

Ericsson is committed to providing a safe workplace for all employees and health and safety is important to us, our employees, our customers and other stakeholders. We address health and safety on a global and local level to tailor activities to the varying nature of our global operations. Our Code of Conduct is the Group policy that addresses all safe and just working conditions and it is the responsibility of the management of each local company in each country to ensure local implementation of health and safety regulation. We also give training to all employees and subcontractors involved in the design and construction of all civil works at a telecom site. In 2007, a health and safety review was made of all our manufacturing sites, based on the Swedish legislation SAM, AFS 2001:1 and OHSAS 18001.

### Employee materiality poll

Ericsson actively engages with its employees, and it is important that they understand and share the value of our corporate responsibility programs and initiatives and also provide us with feedback on how we are addressing our corporate responsibility. In 2007, we carried out a materiality poll, in which our employees demonstrated a good overall understanding of Ericsson's corporate responsibility priorities. Just under 4000 employees answered the voluntary poll, and 30 percent of the total votes for the top five issues identified climate change as a material issue. Our employees indicated that they would like more communications to be focused on this issue.

### Assurance information

DNV has verified the Employee Materiality Poll process and results, as well as Ericsson's approach to managing diversity, learning and performance management and Health and Safety management.

## 90 percent
of employees participated in our annual employee opinion survey in 2007.

## 30 percent
of the total votes for the top five issues identified climate change as a material issue.

## Top 5
The top five material issues as identified by Ericsson employees:
- Company energy use and climate change.
- Communication for all.
- Renewable energy sources for telecommunications.
- Human rights.
- Ericsson Response.

# Ericsson Response

**Alongside our commitment to Ericsson employees and their working environments, we engage them on corporate responsibility issues to further our activities in this area.**

## Ericsson Response

The Ericsson Response program is a global initiative that aims to develop a better and faster response to human suffering caused by disasters. Ericsson has a great deal of experience in humanitarian response activities and brings its expertise to relief efforts around the world. Ericsson was first in the telecom industry to establish a coordinated response to disasters, and the Ericsson Response program has been in operation since year 2000. Essential to this program are the skilled and dedicated volunteers that give up their time for this relief work.

The Ericsson Response Volunteer (ERV) program provides employees with the opportunity to become involved in this initiative, in parallel with the employee's normal day to day work. Ericsson's aim is to empower employees to make a difference in society and contribute positively to communities around the world.

Ericsson Response was involved in a number of activities in 2007.

### Peru

Ericsson Response received a request from PADRU (Pan American Disaster Response Unit) to provide volunteer support from Ericsson Costa Rica after the earthquake that hit Peru on August 15, 2007. We provided Peruvian relief workers with mobile phones and discounted tariffs to be used during the relief work for a more efficient operation.

### Central African Republic

The Central African Republic (CAR) is plagued by raging war between several factions that use unimaginable violence to gain control and establish power. The northern half of the country is particularly devastated by war, and assistance is needed. Ericsson Response has had an on-the-job-training agreement with the Swedish Rescue Services Agency (SRSA). Ericsson Response Volunteers (ERV) had the task to support the UN Office for the Coordination of Humanitarian Affairs (OCHA) with an ICT technician for a new UN Camp in the north-western town of Paoua, where the UN aims to establish a base to monitor and stabilize the situation.

### Tanzania

A volunteer has been on an Ericsson Response mission collaborating with Swedish Rescue Services Agency (SRSA) in Morogoro, Tanzania. Ericsson Response installed communications equipment in the premises that SRSA has built there for a research project for de-mining.



Ericsson Response's GSM equipment arrives by UN aircraft to a disaster site.

Twenty-one Ericsson Response volunteers from five different countries (Spain, Sweden, Italy, Germany and Finland) and two people from the Spanish Red Cross Emergency Response Unit participated in April 2007 in the first simulation exercise carried out by the program in Spain.

### Panama

Fourteen Ericsson employees from Latin America and Canada went through the basic training course which is required to become an Ericsson Response Volunteer. The training was held in Panama and facilitated by PADRU.

**ITU Regional Joint Conference on Disaster**

Ericsson actively participated in the International Telecommunications Union (ITU) Regional Joint Conference on "Disaster: Relief and Management – International Cooperation & Role of ICT" that was held in Alexandria, Egypt on April 14-17, 2007. The conference was organized by the ITU, in cooperation with different UN agencies.

The conference addressed the issues of disaster relief and management as well as the international cooperation and the role of ICT, with the aim of providing guidance on technical, policy and institutional issues in the development of networks and systems. It also explored the issue of possible regional cooperation mechanisms in disaster communications with emphasis on emergency situations in the Arab countries.

## WIDER

**Wireless LAN in Disaster and Emergency Response, WIDER, is one of Ericsson Response's solutions developed by vounteers and the IT University in Stockholm. WIDER was deployed in Pakistan in 2005, in response to the earthquake, and was the solution which resulted in the award below.**



## Awards

**Ericsson Response received the Project Management Institute's Community Advancement through Project Management Award on October 6, 2007, in recognition of Ericsson Response's efforts following the earthquake in Muzaffarabad, Pakistan, on October 8, 2005.**



**An earthquake victim in Peru receives Red Cross attention.**



**Ericsson Response provides communication assistance to Burundi refugees in Tanzania.**

# Sony Ericsson
## Social and environmental performance highlights 2007

**Number of units shipped** (million)

| 2003 | 2004 | 2005 | 2006 | 2007 |
|------|------|------|------|------|
| 27.2 | 42.3 | 51.2 | 74.8 | 103.4 |
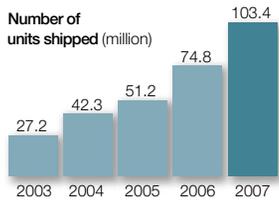
## Feature-rich functionality

**In pace with growing sales of mobile phones, increased phone functionality contributes to reducing need for additional electronics, such as music players, cameras and alarm clocks. This reduces the overall environmental impact.**

T650i – 2007's best mobile phone from environmental point of view according to Greenpeace.

Ericsson and Sony Ericsson work proactively together to improve performance towards sustainable development. We share a common vision of sustainability, ensuring that it is embedded in our strategies and activities.

Sony Ericsson, a 50/50 joint venture of Sony Corporation and Ericsson, was established in 2001, as a provider of mobile multimedia devices, such as mobile phones, accessories and PC cards. The company employs approximately 8,500 people worldwide and in 2007, volume and sales grew to 103.4 million units and EUR 12,916 million respectively.

Sony Ericsson considers sustainable development and production to be one of the most important challenges for the future and one that demands immediate action from responsible manufacturers. It has implemented a life-cycle approach to product development that takes into account design, supply chain, manufacturing, product use (operation) and end-of-life treatment of all its products. In December 2007, continuous efforts in environmental activities gained Sony Ericsson first place in the Guide to Greener Electronics ranking by Greenpeace. The ranking is based on policies and practices on unwanted substances and product take-back.

Information regarding Sony Ericsson's environmental performance can be found in the Sony Ericsson Environmental Declaration (available at www.sonyericsson.com/environment). Environmental information is available for every Sony Ericsson product.

### Phasing out unwanted substances

Every product manufactured by Sony Ericsson since the beginning of 2006 has been fully compliant with the EU legislation Restriction of the use of Hazardous Substances Directive (RoHS). Sony Ericsson goes beyond the RoHS Directive, and has also taken action against a number of additional unwanted substances by banning or restricting them from their products.

The company was first to remove brominated flame retardants in printed circuit boards, cables and casings, with their first model introduced in 2001. Since 2006, all production has been without these harmfull substances. Most brominated flame retardants are environmentally persistent and bio-accumulative which can be hazardous to those recycling discarded phones.

Sony Ericsson has made progress in phasing out polyvinyl chloride (PVC) from its products, and during 2007, all new products were free from PVC.

### Energy efficiency

Most of the energy used by many consumer electronic products, including mobile phones, comes from products in idle mode and not when the product is actually being used. Sony Ericsson focuses on minimizing the wasted energy and recommends its users to unplug the charger from the socket after the product is fully charged. The most efficient chargers in standby mode are made by Sony Ericsson with at least 50 percent lower power consumption in this mode than the EU voluntary Code of Conduct (CoC) for power supplies. Also, Sony Ericsson phones meet the requirements of the US Energy Star Program.

| COMPANY | STANDBY POWER @240 VAC (W) |
|---------|---------------------------|
| SONY ERICSSON | 0.1 |
| COMPETITOR B | 0.15 |
| COMPETITOR C | 0.19 |
| COMPETITOR D | 0.18 |
| COMPETITOR E | 0.21 |

### Recycling

Sony Ericsson recognizes the importance of product take-back and recycling. The collection and recycling systems used must be efficient and effective and Sony Ericsson participates in both voluntary and required collection and recycling schemes in many countries around the world. This includes an active participation in the UNEP (United Nations Environmental Program) mobile phone partnership initiative to develop guidance documents for environmentally sound management of the end-of-life treatment of mobile phones.

Sony Ericsson is fully compliant with European legislation resulting from the EU Directive on Waste Electrical and Electronic Equipment (WEEE). In the US, Sony Ericsson became a proud supporter of Plug-In To eCycling with the US Environmental Protection Agency (EPA) in 2007. It is a partnership between EPA and consumer electronics manufacturers and retailers offering consumers more opportunities to donate or recycle used electronics.

Sony Ericsson believes accurately assessing the numbers of handsets collected and recycled around the world is not possible at this time. In Australia, an industry driven scheme for collection and recycling has conducted a market study to better understand collection numbers and attitudes from end users towards giving back a mobile phone. Results show that high numbers of phones can not be expected to be collected. Only 4 percent say that they are likely to give the phone back to the system even though they are aware of it and the positives benefit of recycling. This result is consistent with earlier research conducted in the US and Europe. In all these studies, conducted over several years, it is clear that the users prefer to keep the phone for eventual use or to pass it on to friends and family. It can also be said that any collection targets based on sales volume and usage time of the first owner will fail, as any expectations on high returns of used mobile phones by then will not be met for quite some time.

### Addressing electromagnetic field issues

All Sony Ericsson phone models are designed and tested to meet relevant regulations and standards on electromagnetic fields (EMF) exposure. Sony Ericsson works closely with Ericsson on this topic and sponsors research together with the rest of the industry. Consumer information on EMF is provided with all mobile phone models and is also available on the Sony Ericsson website.

### Supply chain

All Sony Ericsson suppliers must undergo assessment to ensure compliance with substance requirements. Supplier audits verify that suppliers have procedures in place to control unwanted substances in their own supply chain. Sony Ericsson cooperates with Sony on their green partner program that includes audits at supplier sites across the world.

The importance of social responsibility is not limited to activities within its own organization but, extends through the supply chain to all manufacturers of Sony Ericsson products. The supplier social responsibility code places expectations on suppliers to provide a safe workplace for employees, respect basic human rights and apply proper ethical standards in all business dealings. Sony Ericsson inspects all first level suppliers to ensure the requirements are realized on a practical level.

### Coltan ore and the usage of the metal tantalum originating from the Democratic Republic of the Congo

Tantalum is a metal that goes in to a number of different products yet it has proved nearly impossible for industry to trace the exact source of this substance. Ericsson and Sony Ericsson, like the rest of the ICT industry, recognize that this is a very complex issue.

Very low levels of tantalum are used in some Sony Ericsson phone models within their capacitors. Sony Ericsson has significantly reduced the use of tantalum capacitors and replaced them with a ceramic type. There are between zero to a couple of tantalum capacitors out of a total of 100-150 capacitors within a Sony Ericsson phone.

Sony Ericsson has contacted its suppliers of tantalum capacitors and requires them to not use illegally mined tantalum from the Democratic Republic of the Congo and the surrounding area. Suppliers have confirmed that they meet this requirement.

## Millennium Villages

**Sony Ericsson has partnered with Ericsson and the Earth Institute on the Millennium Villages in Africa. Sony Ericsson has provided mobile phones to all community health wokers in the villages and is working with Ericsson on the development of mobile applications for health care.**

Health application, household health data collection form developed for Millennium Villages.

## 30 charges

**The Village Solar Charger, co-developed by Ericsson and Sony Ericsson, can charge up to 30 phones overnight and 8 phones simultaneously using solar energy.**

# Achievements and objectives

| | Objectives 2007 | Achievements 2007 | Objectives 2008 |
|---|---|---|---|
| **Communication for all** page 6 | Conduct new socio-economic studies for selected emerging markets. | ● Studies completed in Bangladesh and Pakistan. | Deliver voice and data connectivity to Millennium Villages including an evaluation of the impact of mobile communications. |
| | | ● Socio-economic impact assessment initiated in Sudan. Completed social impact element. | Complete socio-economic impact assessment in Sudan. |
| | Initiate project on the role of telecommunication in furthering human rights. | ● 6 case studies defined and initiated in emerging markets. | Complete stakeholder review and publication in conjunction with BLIHR. |
| | Conduct a human rights risk assessment of business operations in Sudan. | ● Conducted independent human rights risk assessment for business operations in Sudan. | Implement recommendations and relate to continual improvement of Ericsson management of human rights in general. |
| | | ● Initiated evaluation of the impact of the mobile phone services and applications to small businesses in India (completed Feb 2008). | Evaluate impact of mobile broadband and multimedia services in 3 high growth markets in Asia and Africa. |
| | | | Conduct research about mobile content in Africa and India. |
| **Energy use and climate change** page 14 | Publish results of LCA for fixed broadband and 3G mobile network. | ● Results of LCA presented at conference LCM 2007 in Zurich and published in the conference proceedings. | Complete full peer reviewed LCA study on mobile communications in accordance with ISO 14040 standards. |
| | Set measurable energy-related targets for fixed broadband. | ◗ Developed a baseline for the energy consumption for all existing products within the broadband access portfolio, and established interal goals for reducing energy consumption. | Define new long-term targets in conjunction with technology improvements within the industry. |
| | An additional 20 percent energy efficiency improvement targeted from 2006 to end 2008 for WCDMA radio base stations. | ● The incremental target for 2007 (10 percent) was exceeded. Actual reduction was 30 percent. | An additional 10 percent energy efficiency is targeted for completion in 2008. Define new long-term objectives. |
| | 15 percent improvement in energy efficiency of GSM radio base station products sold from beginning of 2006 to end 2008. | ● The incremental target for 2007 (7.5 percent) was exceeded. Actual reduction was 9 percent. The total acheivement 2006-2007 was above 13 percent. | Complete the remaining 2 percent energy efficiency from 2006-2008 target. Define new long-term objectives. |
| | Introduce power saving standby feature for GSM radio base stations during low load. | ● Feature successfully introduced and applicable to entire installed base of more than 1 million GSM radio base stations. | |
| | Complete second biofuel pilot project with Ideal Cellular in India. | ● Completed and project is commercially live. | |
| | Contribute to infrastructure build-up of the Center for Sustainable Communications at the Swedish Royal Institute of Technology and establish related pilot projects in at least two areas. | ● Work initiated in three areas; LCA studies, video communication, and mobile applications. | To have intermediate, publishable results from 2 of 3 ongoing projects for LCA, video communications and mobile applications. |
| **Governance** page 20 | Implement all-employee e-learning on anti-corruption. | ◗ End 2007, 37,000 employees have taken the e-learning course. The course implementation was completed but the completion rate is ongoing. | 100 percent completion rate of anti-corruption course. |
| | Implement global self assessment program for internal Code of Conduct compliance. | ● Self assessment completed by DNV. | Include assessment of internal Code of Conduct as part of Global Assessment Plan with DNV. |
| | Conduct annual corporate responsibility training for the Ericsson Board of Directors. | ○ The Board training, which included CR training, was rescheduled until 2008. | Conduct annual corporate responsibility training for the Ericsson Board of Directors. |
| | Continue regular, systematic stakeholder engagement, including a survey to assess the usefulness of our corporate responsibility reporting for 2006. | ● Completed stakeholder engagement survey. | Conduct stakeholder engagement survey for review of 2007 CR Report. |
| | Implementation of Group Sponsorship Directive with Market Units. | ● Implemented Group Sponsorship Directive. | |
| | | | Internal employee awareness and engagement program for CR launched. |
| | | | Materiality investigation on human rights issues related to access to information, security and privacy. |

| | Objectives 2007 | Achievements 2007 | Objectives 2008 |
|---|---|---|---|
| **Supply chain** page 24 | Establish a risk assessment model for local sourcing. | ● The risk assessment model for local sourcing has been enhanced and tested. | Initiate roll out of risk assessment model globally. |
| | Begin roll out of risk-based approach on a global basis, including selection of new commodity areas for key markets. | ● Enclosure, printed circuit board, power supplier and mechanical manufacturers selected as new audit areas and 20 suppliers in these areas were audited in order to establish a baseline for these risk areas. | Define approach and initiate implementation for selecting suppliers for increased engagement on supplier code of conduct implementation in China. |
| | Perform two supplier seminars to cover all companies supplying Ericsson's factory in India. | ● Two seminars were conducted in India. | Perform two supplier seminars to cover additional companies supplying Ericsson's factory in Jaipur, India. Hold Ericsson Supplier Day in India including Code of Conduct. |
| | Perform more than 50 audits and follow up activities in China, India and Brazil. | ● 110 Supplier Code of Conduct audits and follow up audits have been performed. | Perform more than 120 Supplier Code of Conduct audits and follow up audits in China, India, Brazil and Eastern Europe. |
| | Conduct observer training for 60 percent of sourcing personnel worldwide. | ◐ The Observer training was started late 2007. Until December 2007, 93 sourcing personnel have taken the training and 35 of these are sourcing personnel. This corresponds to 15 percent of the Market Unit sourcing target. | Conduct observer training for 90 percent of the Market Units' strategic sourcing personnel. |
| | Perform two auditor training sessions in China and India. | ● Auditor training sessions completed. | Perform two auditor training sessions in selected countries. |
| | | | Expand the geographical scope of the supplier code of conduct activities with at least three new markets. |
| **Environment** page 26 | Successively work to phase out only remaining RoHS hazardous substance (lead) used in Ericsson product portfolio today. This objective includes elimination of selected EU-approved RoHS exemptions by 2008. | ● All products are RoHS compliant. Set more stringent internal targets with the exception of some limited products from recent acquisition and legacy products. | Reach compliance to internal targets for limited products from recent acquisitions and legacy products. |
| | Establish a global baseline for return flow of phased out products through Ecology Management and demonstrate that the same recycling requirements in WEEE Directive can be obtained or exceeded globally. | ● Ecology Management processes have been used globally, demonstrating Ericsson capability to perform global operations based on the EU WEEE directive. | Ensure that for each WEEE take-back globally processed via Ecology Management that more than 90 percent is recovered and less than 10 percent is disposed of in landfill. |
| | | | Identify basic requirements for material declarations tool based on legislative (REACH) and other developments. |
| | | | Review Ericsson Banned and Restricted Substance list and update if necessary. |
| | | | At least 50 percent of all outbound shipping is by surface mode. |
| **People** page 30 | Complete IPMs for 90 percent of employees. | ◐ Individual performance management (IPM) completed for 89 percent of employees. | Complete Individual Performance Management (IPM) for 90 percent of employees. |
| | Establish a system for reporting results of local diversity activities. | ● Global diversity program established including system for reporting results. | Diversity integrated into IPM and every manager receives feedback on how they contribute to diverse work environment and diversity related goals. |
| | | ● Base-lining analyses conducted to guide global priorities and actions. | Establish global goals in relation to prioritized diversity parameters. |
| | | | Diversity on-line training will be implemented globally in 2008 to increase awareness. |

# UN Global Compact – Communication on Progress 2007

Ericsson was one of the first signatories of the UN Global Compact and continues to support the ten principles stipulated by the Global Compact in the areas of human rights, fair labor, environment and anti-corruption. Our commitment to these principles provides guidance for the continuous development of our Group policies and practices.

This Communication on Progress (CoP) provides an overview of our performance during 2007. Page numbers refer to activities performed during the year that are outlined in our 2007 Corporate Responsibility Report.

To ensure the protection of human rights and fair labor practices throughout our operations, to protect the environment and to avoid corruption, Global Compact principles one to ten are addressed in the Ericsson Code of Conduct and Code of Business Ethics. Our progress for 2007 is described here.

## Human rights

Ericsson sees access to communication as a basic human right, and human rights play a central role in our values, professionalism, respect and perseverance, that guide us in business. We identified that our company has a key role to play in the support of human rights. Ericsson's approach is about finding practical ways of enabling human rights within our sphere of influence, while at the same time ensuring we are not violating rights through any of our business operations.

### Activities and achievements:

- Ericsson's CEO held a keynote address at the Global Compact Leaders Summit in July on human rights. Ericsson was also a major sponsor of the Summit, page 3.
- Our work in the Business Leaders Initiative on Human Rights (BLIHR), progressed significantly, with substantive work in Good governance in Sensitive Countries and Emerging Economies BLIHR work streams, page 23.
- Completed human rights impact assessment in Sudan and committed to join the Global Compact local network in Sudan, page 23.
- We have been involved in projects on the ground in Africa and Asia, raising awareness amongst our customers, stakeholders and employees, and developing a rights aware culture, pages 4 and 5.
- 2008 is the 60th Anniversary of the Universal Declaration of Human Rights. In December 2007, Ericsson pledged to help raise awareness of the UDHR and to use this anniversary to reinforce awareness of the relationship between human rights and mobile technology, page 8.
- Ericsson supports GAID, The Global Alliance for Information and Communication Technologies and Development, page 21.
- Millennium Villages - Formed a partnership with Columbia University's Earth Institute to bring mobile communication and the Internet to approximately 400, 000 people in 10 African countries where the initiative is working, page 10.
- Ericsson Response cooperates with humanitarian organizations in disaster relief, page 32.

Our Code of Conduct and Code of Business Ethics detail our commitment to Global Compact Principles one and two.

**Fair labor practices**

We emphasize professionalism, respect and equal opportunity in our approach to human resources. Human Resource procedures ban discrimination and ensure equality and diversity in the workplace and in employment. We encourage union membership and in countries where workers cannot freely choose membership, work conditions are discussed with local management in a structured format.

Activities and achievements:
- Held supplier seminars, and conducted audits and follow up activities to ensure social responsibility through the supply chain, pages 24 and 25.
- Enhanced and tested the risk-based approach to sourcing for selected commodity and market areas, pages 24 and 25.
- Further implemented risk-based approach to supplier code of conduct for selected commodity and market areas, page 25.
- Achieved 90 percent response rate on annual employee survey, which provides insight to how employees perceive their work conditions, page 30.
- Expanded global diversity activities and appointed Manager of Global Diversity Programs, page 30.

Our Code of Conduct and Code of Business Ethics detail our commitment to Global Compact principles three through six.

**Environment**

Our environmental policy states our commitment to continuous environmental improvement and pollution prevention. Our Environmental Management System (EMS) is in accordance with ISO 14001, and operations are certified globally to ensure that issues are managed consistently and at the source, page 26.

Activities and achievements:
- Became a signatory to the Global Compact's Caring for Climate: the Business Leadership Platform, page 21.
- Launched new energy-efficient products and features, page 18.
- Continued member of the Global e-Sustainability Initiative (GeSI) – a global partnership of ICT companies that promotes technologies for sustainable development, page 21.

- Published Ericsson carbon footprint and a material declaration for a radio base station, page 17 and 27.
- Improved energy efficiency of WCDMA and GSM radio base stations, exceeding targets set for 2007, page 26.
- Ensured all products compliant to Restrictions on the use of certain Hazardous Substances (RoHS) Directive and initiated further internal targets for hazardous substance elimination, page 28.
- Worked with global implementation of Ericsson Ecology Management Provision for handling Waste from Electrical and Electronic Equipment (WEEE), page 28.

The Ericsson Environmental Policy details our commitment to Global Compact principles seven, eight and nine.

**Anti-corruption**

Our Code of Business Ethics expresses our intolerance to corruption. A whistleblower procedure is in place for employees to report violations relating to accounting, internal controls and procedures for fraudulent practices.

Activities and achievements:
- Focused on improving employee awareness and understanding of anti-corruption, page 22.
- Anti-corruption training completed by more than half of global workforce, page 22.
- Implemented Group Sponsorship Directive.

The Code of Business Ethics, an umbrella code, communicates intolerance to corruption that relates to the tenth principle.

# Global Reporting Initiative (GRI)

We compiled the 2007 Corporate Responsibility Report by taking into consideration the Global Reporting Initiative (GRI) G3 Guidelines, which were released in late 2006.

The voluntary GRI guidelines are designed to provide a uniform way of benchmarking sustainability reporting among companies worldwide. Ericsson chooses to apply the GRI as one tool for systematically reporting on our performance as well as a way to provide extended information and data that is of interest to our stakeholders. We have been using the GRI as a guide in our annual corporate responsibility reporting since 2001.

Our reported GRI Application Level and GRI indicators for 2007 are available at www.ericsson.com/corporate_responsibility.

# Radio waves and health

Ericsson's radio products are designed and tested to comply with relevant standards, regulations, and laws related to exposure to radio frequency electromagnetic fields (radio waves). Ericsson also provides public information on radio waves and health and supports independent research to further increase the knowledge in this area. Ericsson acknowledges the expertise of the World Health Organization (WHO) and sponsors EMF research primarily according to recommendations from WHO and mainly in collaboration with the Mobile Manufacturers Forum. The research is funded in conjunction with governments or other third parties, with less than 50 percent of the funding provided by industry. All studies are independently managed, performed according to high quality standards and published openly in peer-reviewed journals. Ericsson currently co-sponsors different ongoing research projects related to radio waves and health, and since 1996, has supported more than 90 studies addressing most of the research needs identified by WHO. The total cost of this comprehensive research is more than EUR 40 million, with a fraction of the funding provided by Ericsson. Public health authorities and independent expert groups have reviewed the total amount of research and they have consistently concluded that the balance of evidence does not demonstrate any health effects associated with radio wave exposure from either mobile phones or radio base stations.

## Caution concerning forward looking statements

Some statements in this report are forward looking for purposes of the U.S. Private Securities Litigation Reform Act of 1965. We caution that forward-looking statements are not promises or guarantees rather they are assumptions and estimates about future expectations. These expectations are subject to risks and uncertainties that the actual results could differ materially from those described or implied herein. Economic, competitive, regulatory, technological and other important factors that could affect whether and to what extent any of our forward-looking statements materialize are discussed in our Annual Report 2007 and are incorporated in this report by reference.

# DNV Assurance Statement Summary

## Ericsson Corporate Responsibility Report 2007

Det Norske Veritas (DNV) has carried out an independent verification of the Ericsson Group Corporate Responsibility Report 2007 ('the Report'). The Management of the Ericsson Group is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting that information. DNV's responsibility regarding this verification is to the Ericsson Group only, in accordance with the terms of reference agreed. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based upon this assurance statement summary or the full version, provided at www.ericsson.com/corporate_responsibility

### Scope and Methodology

DNV's scope of work included the verification of:

- CR related policy, strategy, objectives and achievements in 2007 described in the Report;
- CR management practices at Group level and two local units (UK and Italy), focusing on key functional areas;
- CR related initiatives and projects described in the Report;
- Processes and tools for collecting, aggregating and reporting qualitative and quantitative data in the Report;
- Accuracy, comparability, completeness and neutrality of the statements made within the Report;
- Materiality and stakeholder engagement initiatives described in the Report;
- Process for defining the content, focus and boundaries of the Report;
- Review of the report against the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, 2006.

The scope of the verification covered the Ericsson Group, including Telefonaktiebolaget LM Ericsson and its subsidiaries. It excluded statements or data relating to the Sony Ericsson joint venture, provided in the report.

This verification was carried out between January and March 2008, by suitably qualified and experienced professionals, in accordance with the DNV Protocol for Verification of Sustainability Reports. DNV was not involved in the preparation of any statements or data included in the report except for the Assurance statements which appear on pages 8, 19, 21, 23, 25, 27, 29 and 31.

### Conclusions

In DNV's opinion, the Ericsson Group Corporate Responsibility Report 2007 provides an accurate and fair representation of the policies, strategies, management systems, initiatives and projects carried out by Ericsson in 2007. Moreover, it meets the content and quality requirements of the GRI Sustainability Reporting Guidelines (2006):

- **Materiality:** the Report generally provides a balanced representation of material aspects concerning Ericsson's Corporate Responsibility performance. It gives particular emphasis to human rights and socio-economic issues, as this is the focus of the 2007 Report;
- **Completeness:** the Report is not believed to omit relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental and social impacts. The information in the report includes the most significant actions or events in the reporting period;
- **Accuracy:** DNV has not found material inaccuracies in the data verified or instances where data is presented in a way which significantly affects the comparability of data;
- **Neutrality:** DNV considers that the information contained in the report is generally unbiased. More emphasis is given to the opportunities associated with the provision of telecommunication services than to downside risks. Particular emphasis was given to human rights and socio-economic issues, as this is the focus of the 2007 report;
- **Comparability:** in the 2007 Report, Ericsson has sought to improve the presentation of information to allow readers to identify positive and negative trends in performance on a year-to-year basis.

Detailed information on the verification process, conclusions and recommendations is provided in the full Assurance Statement, which can be found at the above mentioned website.

Thomas Andrésen-Gosselin
Project Manager

Antonio Ribeiro
Lead Verifier

Det Norske Veritas, Stockholm, 27 March 2008