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ERICSSON SUSTAINABILITY AND
CORPORATE RESPONSIBILITY REPORT 2009

DO YOU SEE WHAT WE SEE?

ERICSSON

CONTENTS

Additional information on Ericsson's sustainability performance is available online, including:
Global Reporting Initiative (GRI)
Key Performance Indicators (KPIs)

www.ericsson.com/sustainability_corporateresponsibility

THE ERICSSON VISION

Our vision is to be the prime driver in an all-communicating world. An all-communicating world is a world in which any person can use voice, text, images and video to share ideas and information whenever and wherever they want. As the leading supplier of communication networks and services, we play a vital role in making such a world a reality.

Sustainability requires a vision. Our vision reflects our ambition to use innovative technology to change lives for the better and to connect the world. We embrace our responsibility as the world's leading telecommunications company and the opportunity it provides us to help shape a more sustainable future.

Respect, professionalism and perseverance are the foundation of the Ericsson culture, guiding us in our daily work – how we relate to people and how we do business. We will continue to show leadership by listening and communicating with others – no matter where or who you are.

ABOUT THIS REPORT

This report, together with additional information available online, summarizes our 2009 sustainability and corporate responsibility (CR) performance.

For us, sustainability is about what we call the “triple bottom line” – long-term social equity, economic prosperity and environmental performance. Corporate responsibility is about maintaining the necessary controls to minimize risks, while creating positive business impacts for our stakeholders and our brand, by linking our products and services to an overall business goal of sustainable growth. A sustainable and responsible approach results in value creation for the company, our employees, our customers, our shareholders and society as a whole.

Unless otherwise stated, all information and data pertains to activities undertaken from January 1, 2009 to December 31, 2009. The report covers the Ericsson Group, i.e. Telefonaktiebolaget LM Ericsson and its subsidiaries, and provides performance highlights from our joint ventures with Sony Ericsson and ST-Ericsson.

The Ericsson Annual Report 2009 provides information on Ericsson’s structure, nature of ownership and legal form, subsidiaries, as well as changes regarding size, structure, financial performance and ownership during 2009.

The Ericsson 2009 Annual Report and other financial information can be found at www.ericsson.com/investors.

To help us improve reporting and ensure transparency, we welcome your feedback and questions on our report and performance. Please contact us at corporate.responsibility@ericsson.com.

ABOUT ERICSSON

Founded in 1876, Ericsson is a leading provider of communications networks, related services and multimedia solutions. Through our joint ventures ST-Ericsson and Sony Ericsson, we are also a major provider of handsets.

Our experience in building networks in more than 175 countries gives us unique customer and consumer insights, and our extensive portfolio of telecommunications solutions and intellectual property (patents) offers a true business advantage. We are committed to working with our customers and partners to expand the borders of telecommunications for the benefit of people everywhere.

Our operations have been divided into segments that create competitive advantage and best meet the needs of our global customer base.

EXTERNAL ASSURANCE

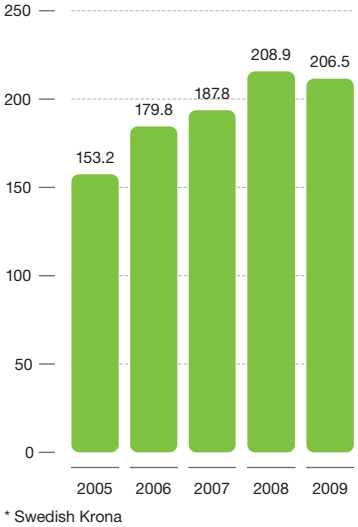
This report, with the exception of pages 36-37 pertaining to Sony Ericson and ST-Ericsson, has been assured by Det Norske Veritas. The assurance statement is on page 41, and a more detailed version can be found online at www.ericsson.com/sustainability_corporateresponsibility

GLOBAL REPORTING INITIATIVE (GRI) APPLICATION LEVEL

The GRI G3 guidelines have been used in compiling this report. A complete GRI compilation appears online.

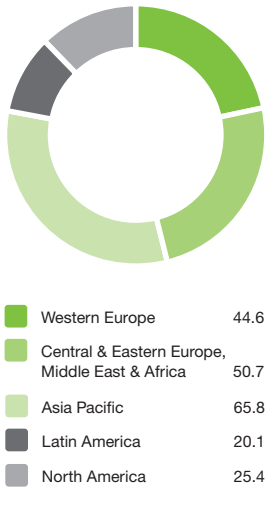
Ericsson’s Sustainability & CR report 2009 has achieved an A+ application level, which means the report has been externally assured, and that the application level has been checked by a third party, namely Det Norske Veritas.

NET SALES (SEK* bn)

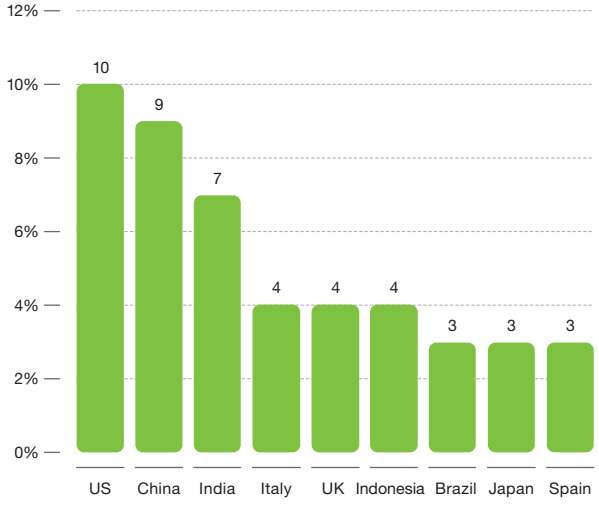


* Swedish Krona

NET SALES 2009 (SEK* bn)



% OF TOTAL NET SALES



MESSAGE FROM THE CEO

We see a future in which telecommunications forms the basis of a 21st-century information-based infrastructure. We see our technology having the power to create a more sustainable planet, transform industries and empower people around the globe.

Our world faces some serious challenges. As the market leader in telecom, we know we have a huge role to play in addressing these challenges, but this responsibility is also a business opportunity. The economic recession in 2009, for example, has provided an opportunity for broadband to help create jobs and stimulate economic growth. The US Government has said the economy sees a tenfold return for every dollar invested in broadband, and it plans to invest USD 6 billion in broadband networks.

By 2020, we see a world with 50 billion connected devices. But to reach that vision, we need open standards and interoperability that do not exist today. If we don't drive down costs, billions of people will be left out of global conversations.

ALLEVIATING POVERTY

We see the effect telecommunications is having in alleviating poverty; the link between access to communication, GDP growth and poverty reduction is well documented. Access to communications has a positive impact on GDP and socioeconomic development; a 10 percent increase in mobile penetration leads to a 1.2 percent GDP increase in developing countries.

The Millennium Development Goals and our work in the Millennium Villages in sub-Saharan Africa continue to be among our core commitments. The support we provide is not in the form of charity, but rather through technology and competence, and is built on a sustainable business case.

So far, our commitment has resulted in 85 percent connectivity in the Millennium Villages. The work there has recently been expanded to connect a school in Kumasi, Ghana, with one in Washington DC, allowing excited students to tell each other about their daily lives and collaborate on a joint project.

Despite these promising initiatives, the full impact telecom can have on health, education and income generation has not been fully explored. In five years, I hope that Ericsson and telecom will be synonymous with poverty alleviation and the achievement of the Millennium Development Goals.

FIGHTING CLIMATE CHANGE

A 21st-century infrastructure built on broadband will be pivotal to creating a sustainable, low-carbon economy, because broadband is the foundation that will enable numerous services such as smart grids, electronic-health (e-health) and intelligent transport. In shifting from products to services, with today's technology and know-how, we have the potential to affect climate change positively in ways that could not have been imagined a few years ago. This impact will be truly transformational.

It is estimated that Information and Communication Technology (ICT) can enable CO_2 reductions of 15 percent by 2020. The ICT sector itself is responsible for just 2 percent of global CO_2 emissions, yet it has the potential to help offset a significant part of the remaining 98 percent.

In line with our belief in ICT's role in reducing carbon emissions we participated in the COP15 climate conference in Copenhagen, and signed the Prince of Wales' Copenhagen Communiqué on Climate Change, which called for a robust and equitable global deal on climate change. We will also be part of ICT-related work for Stockholm Royal Seaport, a sustainable city project that aims to be free of fossil fuels by 2030 and cut carbon emissions to less than 1.5 tonnes per person by 2020. Broadband will be a key enabler of these goals.

In the coming years, we envision that video communication will be available anywhere, anytime, to everyone. We are working with key stakeholders in the industry to make a mass market product that will connect phones, PCs and wall screens at a fraction of the current cost and with less complexity than today's telepresence systems. Our vision for video follows our vision for the mobile communications industry, which today boasts more than 4.6 billion subscriptions.

Despite this tremendous potential, it is also vitally important that we keep our own company, and the industry's carbon footprint, in check. In 2009 we achieved our carbon-footprint-reduction targets, meeting our portfolio-efficiency aims, reducing our business travel, and improving distribution and logistics.

Also in 2009 we developed a new framework to help our customers meet their energy and CO_2 targets, called TCO_2. It introduces carbon metrics into a total-cost-of-ownership (TCO) methodology that allows operators to evaluate the carbon intensity of their networks while making economical network investment decisions.

BASIC HUMAN RIGHTS

When it comes to corporate responsibility, our unique global management system ensures that we apply the same standard in every market in which we operate. We remain strongly committed

to the UN Global Compact principles, and our Code of Conduct and Code of Business Ethics are regularly assessed, making sure we are on track wherever we are in the world.

In 2009, we greatly strengthened our Supplier Code of Conduct (S-CoC) Program by completing its global rollout. This means that all our business and market units (now reorganized into a regional structure) have trained auditors, as well as procedures in place for assessing critical suppliers and for planning, conducting and following up S-CoC audits and on-site assessments.

Our technology, solutions and services strengthen access to basic human rights: the right to health, education and the right to earn a livelihood. And we see access to telecommunications as a basic human right.

I am personally committed to continuing the sustainable approach we have employed for many years. But this is not about sustainability and corporate responsibility just for the sake of it. It is about creating long-term shareholder value, building the brand, and engaging with customers and employees.

For 2010, my top three sustainability priorities will be as follows…

Firstly, I want to ensure that all our employees think more about sustainability in their everyday lives and work, because that's important for our brand and for our business.

Secondly, we are building a lot of infrastructure that is using a great deal of power. Here, we have been working for the past 10 years to improve our equipment's power consumption. Clear targets over the past five years show that our radio base stations are now using 50 percent less power. Further, we have set new targets relating to energy savings for the next five years.

Thirdly, we are going to work with governments and other industries, using telecommunications to reduce CO_2 emissions. We definitely have a great role to play here.

As the world's leading telecommunications provider, we see the way towards a more sustainable future: by utilizing the technology that is available and continously developing.

Do you see what we see?

HANS VESTBERG
PRESIDENT AND CEO

OUR MOST RELEVANT ISSUES

We work with our primary stakeholder groups, using our Group strategy and policies, to define the top areas of material relevance for our efforts in sustainability and corporate responsibility.

Continuing dialog and partnerships help ensure we focus on the issues that are vital to our core business and most relevant to key stakeholders. We also use market research, risk management and life-cycle assessment (LCA) to help us understand the trends, challenges and opportunities affecting our company. These led to us identifying six core themes as the focus for our 2009 report.

ENABLING COMMUNICATION FOR ALL

Connectivity and communications change lives for the better. We are creating sustainable growth for society and for our industry by making telecommunications more accessible and affordable for everyone. This is also an important part of our support of the Millennium Development Goals (p.10).

REDUCING OUR ENVIRONMENTAL IMPACT

We are working constantly to improve the way we design and manufacture our products and solutions – the materials, methods and processes – and to make them more efficient, in order to reduce the impact we and our industry have on the environment (p.14).

ENABLING A LOW-CARBON ECONOMY

Information and Communication Technology (ICT) can make a huge difference in the way we protect our planet. We are leading the world into the future with transformative, sustainable innovations that bring greater efficiency (p.19).

CONDUCTING BUSINESS RESPONSIBLY

A constant focus on the long-term integrity of our business benefits everyone in the value chain. The Ericsson Group Management System (EGMS), which includes key corporate-responsibility-related policies such as the Code of Conduct, Code of Business Ethics, and the Environmental policy, help us maintain high standards across our operations around the world (p.24).

EMPOWERING PEOPLE

Our people are what make us great, their diversity being a hallmark of our culture. We are committed to helping them fulfill their potential, with a work environment that encourages innovation and stimulates creativity (p.28).

CARING FOR THE COMMUNITY

Around the world we are actively involved in addressing global sustainability challenges at the local level. We also make the most of our expertise through Ericsson Response, a worldwide employee volunteer initiative that provides communications for disaster-relief operations (p.34).

ENGAGING WITH STAKEHOLDERS

Continuous dialog with stakeholders provides vital input to our sustainability and CR work. The Ericsson Strategy Process aligns the business with stakeholder requirements by identifying gaps and setting objectives. Our material impacts are regularly assessed to maximize responsiveness and inclusiveness.

Key stakeholders include investors, customers, employees, suppliers, industry partners, governments, consumer and business users of telecommunication services, non-governmental organizations, standardization bodies, research institutes and the media.

Previously we conducted an annual survey identifying the top-ranked social, environmental and economic issues for customers and investors. From 2009, we have included these questions in the major surveys that Ericsson conducts. We also measure employees' views in annual surveys.

See the key issues discussed in 2009 below.

Summary of stakeholder engagement activities and Issues

Stakeholder group	2009 engagement activities	Key issues identified	How are we addressing the issues?
Investors and analysts	• Multiple one-on-one meetings • Capital Markets Day • Respond to investor questionnaires	• Integration of CR into risk management • Governance, e.g. corruption and supply chain • Energy consumption	• Strong focus on supply chain, including prioritized commodities (p.15) • Independent assessment of Code of Conduct implementation by DNV (p.26) • Employee anti-corruption training (p.25) • Carbon footprint reduction targets (p.15)
Customers	• Meetings and workshops on energy, supply chain, CR reporting and advisory services • Customer requirements • Annual customer satisfaction survey • CR projects and partnerships	• Importance of energy efficiency and carbon footprint • How to measure energy efficiency • Brand risks associated with supply chain management • Rural, low-income business case • Occupational health and safety (OHS) • Sustainable cities and the 98 percent • End of life treatment of telecom equipment	• Carbon footprint reduction targets (p.15) • Solutions launched for energy optimization (p.17-18) • Increased focus on energy/CO_2 standardization (p.16) • Commitment to E-TASC tool, so customers can access our manufacturing site data electronically • Project for product take-back in non-WEEE markets • Improved OHS reporting and OHSAS 18001 certification (p.27) • Rural business cases for operators
Employees	• Annual employee survey • Employee sustainability collaboration site • Sustainability and innovation competition	• Identify the barriers to and benefits of video conferencing and working from home • Top 5 employee issues • Employee engagement	• Increased focus on the direct impacts of our operations, e.g. virtual meeting and collaboration tools to reduce travel (p.15) • All-employee Sustainability and CR e-learning and engagement program for 2010
Suppliers	• Supplier audits, assessments • Seminars on our Code of Conduct requirements and approach • Online Code of Conduct training launched	• Supplier Code of Conduct (including 2nd tier compliance) • Network Rollout and related H&S issues • Reduce carbon footprint	• Benchmark supplier performance (p.26) • Increased focus on local sourcing and high-risk commodities and markets (p.26) • Online Code of Conduct training for all suppliers (p.26)
Industry partners	• Participate in industry initiatives on multiple topics	• Making communications more affordable and accessible • Supply chain management • Use of ICT to facilitate the transition to an energy-efficient, low-carbon economy • Energy measurements	• Supported Copenhagen Communiqué and Business Call to Action for MDGs • Participated in steering group for GSMA Green Manifesto • Active participation in the formation of the ICT4EE forum based on European commission recommendation • Published white paper on calculating Positive Climate impacts (p.19)
Governments	• Public policy work, meetings with regulators, research institutions and climate advisors • Outreach to governments in advance of COP15 to profile role of ICT in addressing the climate issue • Meetings with governmental bodies on e-health and m-health	• Importance of broadband and communication for all for the development of sustainable societies • Encourage governments and regulators to increase licensing of spectrum	• Participate in organizations such as the Global Alliance for ICT and Development (GAID), (p.42) • Published policy recommendations on the use of broadband in creating low-carbon economy with WWF • Published white paper on how to calculate Positive Climate impacts
Consumer and business users	• Consumer research	• Impact of connectivity on improving lives and economic development • Role of telecom in a carbon-lean society • Electromagnetic fields (EMF)	• Completed monitoring and evaluation program of Millennium Villages with Columbia University • Completed socioeconomic study in Sudan (p.10) • ConsumerLab study in India • Radio waves and health information and research (p.25)
NGOs and international organizations	• Engagement on various topics, such as telecom for carbon-lean economy (WWF) and Cool IT campaign (Greenpeace), and UN agencies on disaster management and m-health	• Increased requests for technological assistance, support and partnership • NGOs would like to see more activity in use of ICT for low-carbon economies • The use of telecom for disaster management and m-health is untapped	• Engaged with NGOs in letters to heads of government, promoting the role broadband can play in sustainable economic development • Published policy recommendations for use of telecom with WWF • Public-private partnerships regarding telecom for disaster management and m-health
Standardization bodies	• Actively participate in standardization bodies	• Materials data handling • Measurement specifications for climate change impact assessment and energy efficiency	• IEC standardization of materials data handling • ITU and ETSI standardization of assessment methods for environmental impact of ICT services; and energy measurement methods with several standardization bodies
Research institutes	• Participate in international research	• Future energy efficiency of telecommunication networks	• Lead role in EARTH project, an EU research initiative for future energy efficiency of telecommunication networks

ACTIVITIES AROUND THE WORLD

For more information on Ericsson's sustainability and corporate responsibility activities around the world, visit www.ericsson.com/sustainability_corporateresponsibility

4

DOMINICAN REPUBLIC
Indotel, with the support of Ericsson and its customers, has been able to provide telephony and internet access to 1.5 million people in the poorest areas of the country by the end of 2009 (p.12).

3

SURINAME
For the people in the remote interior of Suriname, a solar-powered, mobile voice and data network from operator Digicel means communications with the rest of the world for the first time.

1

BRAZIL
Ericsson and Vivo are bringing mobile broadband connectivity to 30,000 people in 175 villages in the Amazonian state of Pará in Brazil. The aim is to provide e-health and e-education services through mobile broadband (p.12).

4

3

2

1

2

PERU
Up to 50 remote villages are getting health, education and government services using broadband communications provided by Ericsson in a pilot project with Telefónica and local NGO, Sembrando.

10

AFRICA
Cyclist Kate Leeming is riding 24,000km across Africa, including visiting two Millennium Villages, to highlight the needs of the continent. We are providing all of her communications equipment.

11

LAKE VICTORIA, AFRICA
We are continuing to help save lives and assist in development across the Lake Victoria region, extending mobile network coverage for about 3.5 million people across three states and launching a safety and security initiative (p.11).

5

DENMARK
We supported the WWF Earth Hour Copenhagen campaign, held in conjunction with December's COP 15 climate summit in the Danish capital (p.35).

6

ITALY
The Sicilian city of Messina, hit by major flooding in 2009, is trialing an Ericsson text messaging application to improve emergency mobile communication in the hope that it will better protect residents.

7

EGYPT
The Green Supply initiative has led to major improvements across the region, reducing the number of site visits, reusing equipment and reassessing items reported as faulty.

8

MOROCCO
Sixty classrooms in remote areas of Morocco are now connected to the internet and equipped with interactive whiteboards (p.12).

13

INDONESIA
Indosat, Indonesia's second-largest telecom operator, is bringing advanced location-based services to its 29 million subscribers using Ericsson technology.

14

INDIA
Students at Indira Gandhi National Open University, the worlds largest, can download course material using an Ericsson-developed 3G environment (p.12).

9

SUB-SAHARAN AFRICA
We continue our partnership with the Earth Institute and local operators to provide connectivity to more than half a million people in the Millennium Villages across 10 countries in sub-Saharan Africa (p.11).

12

AFRICA
Ericsson and key partners launched the Weather Info for All initiative, which aims to ensure availability of accurate weather information through the installation of 5,000 automatic weather stations to those most vulnerable to climate change (p.11).

ENABLING COMMUNICATION FOR ALL

We see that access to mobile communications is critical in breaking the poverty cycle in developing countries; the right tools can help people escape from poverty and achieve the UN Millennium Development Goals (MDGs).

ConsumerLab studies by Ericsson and partners in countries such as India, Sudan and the Dominican Republic, and in the Millennium Villages, show how mobile communication makes a difference.

Our 2009 studies show how developing countries are using mobile communications to gain economic advantages and improve social interaction. The mobile phone is not just a convenience; it satisfies basic human needs and provides access to services like health-care, education and information supporting people's livelihood.

Our study with the Dominican Republic's Ministry of Health showed that the use of mobile phone applications for health data collection cuts the collection and analysis time from days to minutes.

The provision of education services is hindered in rural areas due to costs, distance and a lack of infrastructure. In the Dominican Republic, teachers said access to mobile communications had resulted in increased enrollment and retention of students.

A study by Deloitte showed that a 10 percent increase in mobile penetration leads to a 1.2 percent rise in GDP in developing countries. Mobile communication helps businesses do better and encourages people to find new income sources. It allows a farmer or fisherman to check current market prices so they can take their goods to the appropriate market.

New businesses emerge, based on selling phones, top-up cards and providing battery-charging services, as well as internet kiosks. Entrepreneurs in Mayange, Rwanda said they now earn 20 percent more since the introduction of mobile communications.

Decreasing costs and collective methods of use are allowing mobile phone technology to reach the bottom of the economic pyramid. Mobile usage in Bihar, India has boosted economic growth by 4 percent.

MILLENNIUM VILLAGES

More than 500,000 people in rural areas in 10 countries in sub-Saharan Africa benefit from mobile connectivity as a result of the Millennium Villages Project.

As part of our commitment to achieving the MDGs, we have been working with Millennium Promise, the Earth Institute at Columbia University and African operators on the project since 2007.

In 2009, connectivity reached 85 percent of the villages. Continued traffic growth indicates high demand for services.

We also conducted a monitoring and evaluation study of mobile communication's impact in the Millennium Villages. The results showed that healthcare greatly improved in all the villages in 2009, while toll-free emergency numbers improved connectivity in health emergencies. A conservative estimate based on interviews with health workers suggests that equipping them with mobile phones could save 6000 lives per year in the studied countries. In Dertu, Kenya, an integrated m-health outreach program is treating 1000 malaria cases each month.

Mobile phones are improving education, boosting teacher presence and teacher quality, and student attendance. In Dertu, Kenya, the number of girls at school rose significantly from two to 50 in the first month of mobile communications. School enrollment there tripled and dropout rates fell by 85 percent. In some villages, half the teachers say they are now better equipped to share knowledge with colleagues and to carry out their administrative duties. This will potentially impact the quality of primary education for 19.2 million children.

Small businesses are flourishing; two-thirds of people have cut travel costs by using mobile connectivity. Respondents reported saving USD 5 per trip outside the village. Interview data indicate that mobile phones help strengthen social networks and ensure better household support in times of need. They also make it easier to access information, health and education services, and new business opportunities.

LAKE VICTORIA

Lake Victoria, Africa's largest lake, is home to a vital fishing industry with more than 70,000 boats; 35 million people live along its shores in Tanzania, Kenya and Uganda. But catch rates are declining due to overfishing and a lack of resource management. In addition, nearly 5000 die in accidents on the lake each year.

As part of the Lake Victoria Project, which began in 2007, we are working with the GSM Association and mobile operator Zain to expand mobile coverage and launch a search-and-rescue initiative. The addition of 21 new sites in 2009 means that the network now covers 80 percent of the fishing zone with most activity. The network sites are powered by hybrid and solar solutions, keeping energy costs and environmental impact down.

The basic idea was simple: extended mobile coverage will reduce loss of life by enabling fishermen to call for help. A toll-free emergency number was launched in 2009. The project also seeks to increase socioeconomic development and promote a more sustainable fishing industry by helping local businesses with information on fish and commodity prices, weather alerts, safety bulletins, and by bringing suppliers and customers together via mobile trade applications.

In conjunction with the National Lake Rescue Institute, a coordinated emergency search-and-rescue service illustrates the potential of Ericsson's Mobile Positioning System, a location-based solution that helps locate fishermen in distress. In addition to this, the Ericsson CoordCom solution can control and coordinate rescue activities.

Since the launch of the network in 2009, subscriber traffic has been steadily increasing: a clear indication of the need for such basic services. The technology is in place and success now depends on the various governments being able to establish a long-term search-and-rescue solution for citizens.

WEATHER INFO FOR ALL

Unpredictable and extreme weather takes a huge toll each year on both lives and resources. Better information and real-time weather warnings help people prepare themselves, and can directly save lives.

A 2009 report from the Global Humanitarian Forum (GHF), The Anatomy of a Silent Crisis, states that every year climate change causes over 300,000 deaths, seriously affects 325 million people, and leads to economic losses of USD 125 billion. Sub-Saharan Africa suffers almost 25 percent of these losses, and is at the most immediate risk of droughts and floods.

The Weather Info for All project – a partnership between the GHF, Ericsson, the World Meteorological Organization, the World Bank, mobile operators Zain, Orange and MTN and the Earth Institute – aims to roll out up to 5000 automatic weather observation stations throughout Africa. Reusing infrastructure at new and existing mobile network sites, the stations will dramatically improve information crucial to predicting and coping with climate shifts. The initiative also seeks to distribute weather information by mobile phone.

Initial deployment focused on the area around Lake Victoria in Kenya, Tanzania and Uganda. The first 19 stations established there doubled the region's weather-monitoring capacity. In 2010, additional stations will be deployed in East Africa.

Better weather information will assist national meteorological services to make more accurate forecasts. The use of mobile phones to distribute information can help with storm warnings and disaster prevention, and also enhance economic opportunities for tens of millions of people, with relevant information provided for fisheries, agriculture and small business development.

While the lack of weather information is most serious in Africa, the initiative is well suited to expansion to other regions.

LIGHT TO RHAMNA

Morocco's Rhamna region spans 6000sq km and is home to 300,000 people. The area, close to the city of Marrakesh, is remote, and despite the rugged landscape most inhabitants work in agriculture.

Only 34 percent of the population attends secondary school and 60 percent cannot read or write; many children stay home to help with chores. There is one doctor for every 10,000 people and only one dentist for the entire population.

Starting in 2007, Ericsson Morocco partnered with the Rhamna Foundation, Maroc Telecom, the Moroccan Ministry of Education and the Ministry of Health to bring mobile education to schools, m-health services to Rhamna and m-learning services that help farmers with harvesting.

The project is called Lumière de Rhamna or Light of Rhamna. In 2009, the first phase of the project linked 60 classrooms to the internet and equipped them with interactive whiteboards that connect to a computer and a projector. The goal has been to bring mobile education to 347 schools. The second phase will boost healthcare services and reduce the need for travel in the region by providing a minivan transporting m-health solutions, a doctor and a nurse. The third phase will enable farmers to better harvest the land.

In late 2009, His Majesty King Mohammed VI visited the Rhamna areas of Bengrir and Nzalt Laadem to see the project. He appreciated that teachers will have access to distant classrooms with this connectivity, and that the same concept could be brought to villages, providing farmers with learning services, for example.

REACHING THE AMAZON

The Amazonian state of Pará in Brazil is one of the most remote areas in the world. The region of Belterra in Pará is home to more than 30,000 people who struggle to access healthcare, education and market-places. The few treacherous roads and the need for waterway transport adversely affect school attendance, for example, as most children have to travel for hours to get to school.

The aim is to use the internet to bring healthcare and education to those who are isolated and deprived of such services. Together with Brazilian operator Vivo and the non-governmental organization Saúde & Alegria, we are heading a group of eight companies working to bring mobile broadband to 175 villages in the region.

The region's inhabitants will be able to use m-health, mobile education and information services. The services are possible with the use of mobile applications and enablers such as the Mobile Survey Tool. This enables the collection and subsequent analysis of medical data in rural areas, for example, as well as applications for monitoring environmental impact, diagnosing patients, smoothing the progress of communication within the communities and running studies to monitor the quality of life index.

Mobile broadband infrastructure is operated and maintained by Vivo and the Vivo Institute, which is responsible for the company's social investments. Vivo will develop methodologies and practices for network learning, while Ericsson will implement the necessary solutions, services and applications.

Local Amazon villages can access communication services for development and fulfilling basic needs. Equal access to healthcare, education and information will allow people to make a living and contribute to the country's development. It also gives them tools to defend their natural resources and support the social and economic use of the territories.

WORLD'S LARGEST UNIVERSITY GOES MOBILE

With only 15 percent of students reaching high school, a shortage of teachers with higher degrees, and 50 percent of college professors with no master's degree or PhD, the mobile phone is bringing university studies to millions throughout India, while responding to the government's work towards promoting higher education.

We are cooperating with Indira Gandhi National Open University, the world's largest, to build a 3G environment that allows students to download course materials and get text message alerts. This mission, and India's soaring mobile phone adoption figures, will give students the flexibility to learn at their own pace, wherever they are.

Indira Gandhi National Open University has nearly 3 million enrolled students in India and 34 other countries.

RURAL COMMUNITIES GET CONNECTED IN DOMINICAN REPUBLIC

Low mobile penetration, widespread poverty and unclear business opportunities for operators were some of the barriers to bringing broadband to the Dominican Republic's rural communities. The government's regulatory agency, Indotel, overcame these challenges with the innovative Rural Broadband Connectivity Program.

When Indotel put out a tender in 2007, only 30 percent of the country's 383 municipalities had broadband capacity. In 2009, the project provided telephony and internet access to approximately 1.5 million people and 508 communities, mostly in the poorest areas.

Indotel worked with companies such as Ericsson to demonstrate the technology's availability and convince operators of the business opportunity. Ericsson helped prove that cost-effective mobile broadband technology is available to meet the connectivity needs of the country.

The second phase of the project will start in 2010 with an additional 1000 rural communities.

The project demonstrates the value of broadband access in emerging markets. It has, for example, had a significant impact on students wanting to gain a university degree, and even enabled some to get better jobs because they have acquired new internet skills. Broadband access has also helped to boost people's incomes, giving them access to up-to-date information and reducing their travel costs.

When completed, the project will position the Dominican Republic as the country with the best rural broadband infrastructure in Latin America.

REDUCING OUR ENVIRONMENTAL IMPACT

We use a life-cycle approach and Design for Environment (DfE) techniques to identify and minimize our environmental impact. We see that by proactively managing our impact we can identify business opportunities.

We are on track with our group target to reduce our life-cycle carbon footprint by 40 percent over five years (2009-2013) with 2008 as the baseline year, measured as CO_2 emissions per subscription (to account for variations in sales volumes from year to year). The target comprises sub-targets for both direct (our own activities) and indirect (products in operation) emissions, and in 2009 we achieved the 10 percent incremental reduction we had aimed for (see Carbon intensity graph p.15).

MEASURING OUR IMPACT

Life-cycle assessment (LCA) is used to measure reductions and improvements, by analyzing the environmental impact of our products from "cradle to grave" – that is, from raw material extraction, manufacture, transport and use, to disassembly and end-of-life treatment. Our calculations include emissions from in-house activities such as product transport, site activities and business travel, as well as the life-cycle impacts of products in operation sold during the year.

Ericsson's long tradition of LCA has become an integral part of our activities in the research and development of practical energy-efficient solutions that contribute to carbon footprint reduction.

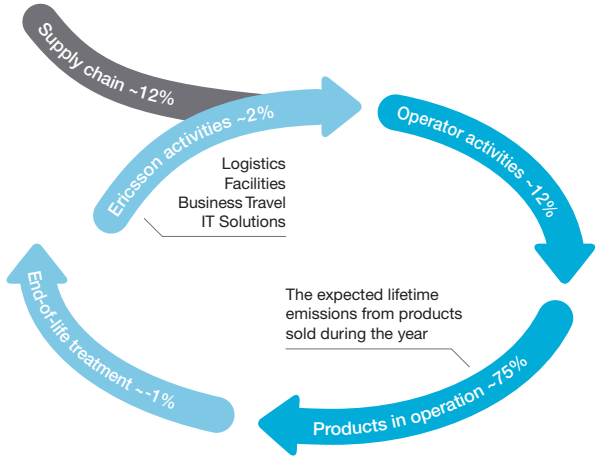
Products in operation (indirect emissions)

Reducing the energy consumption of products sold in 2009 will lead to a 3.5 million tonne CO_2 reduction over the products' lifetime. (Read more in Energy efficient networks p.18.)

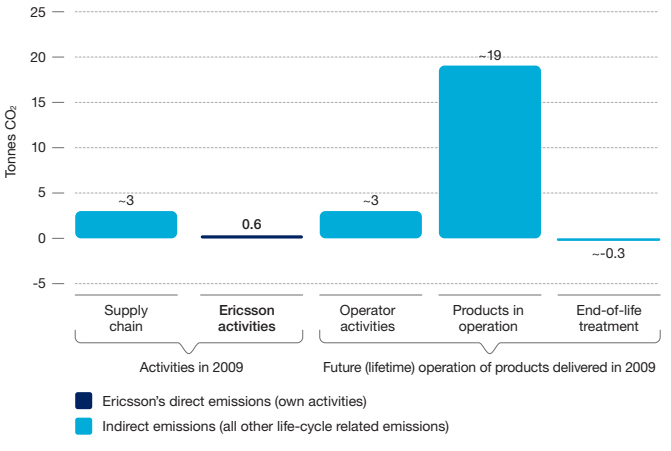
Own operations (direct emissions)

In 2008, our own activities accounted for 0.8 million tonnes of CO_2 and in 2009 that figure was down to 0.6 million tonnes of CO_2. Our four main focus areas are: facilities, logistics, business travel and IT solutions. The most significant of these is logistics: the shipping and distribution of products. Significant differences

LIFE-CYCLE PHASES



ERICSSON LIFE-CYCLE ASSESSMENT CARBON FOOTPRINT 2009



exist in CO_2 emissions between different modes of transport when expressed in terms of emissions per tonne-kilometer shipped. By increasing our knowledge of cost and environmental impacts related to different modes of transport, we have been able to reduce our emissions significantly by decreasing the usage of airfreight.

The integration of logistics in the sales process and the early involvement of distribution logistics in customer projects have helped create effective delivery plans with a high share of surface transport and low environmental footprint.

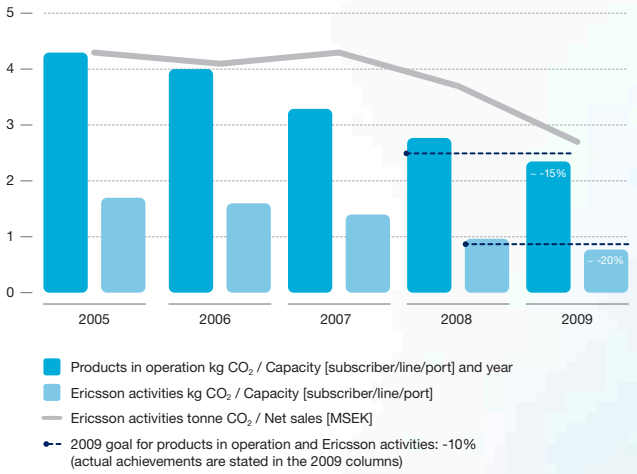
Due to a strategic shift from air to surface freight, which favors coordinated journeys of shorter distances, the percentage of products transported in 2009 by surface travel rose to 60 percent, up from 43 percent in 2008, meeting the set target. In 2010, we are looking to further reduce the environmental impact, by achieving 70 percent surface shipments.

Another measure we have taken is to reduce the direct carbon footprint relating to facilities. A project was started in 2009 to develop a global energy baseline by performing energy audits and to find new ways to reduce energy consumption in all our offices, test labs and production spaces. As part of this project, work is being done to further improve the company's data centers, servers and cooling systems being responsible for the highest consumption of energy in office buildings. Here, our efforts will focus on consolidating and reducing the number of data centers into more intelligent and efficient virtual servers, which produce less heat and therefore require less energy for cooling.

When it comes to business travel, we have been implementing smarter solutions that save money and reduce CO_2 – particularly by using "virtual" alternatives such as online meeting tools, and video and telepresence solutions. During 2010, we will get better CO_2 data from our travel partners, and the focus on travel management will increase.

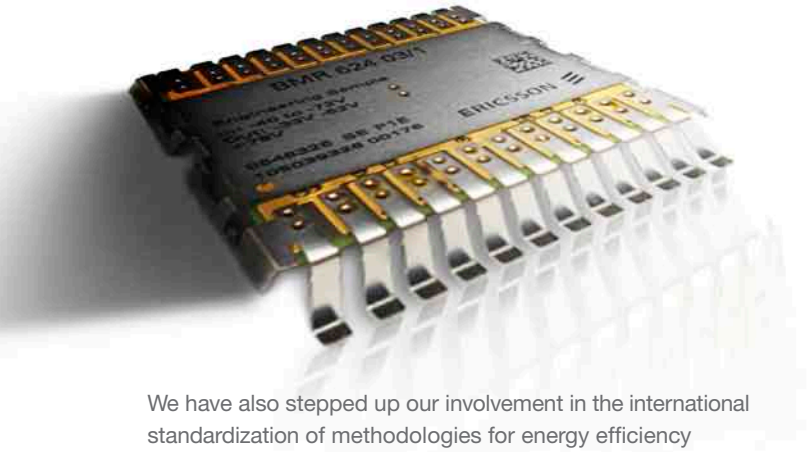
We are committed to minimizing the environmental impact of the services we deliver. In 2009, 43 percent of integration services and 23 percent of network rollout services were delivered remotely. Utilizing remote working techniques reduces air and ground travel. In addition we use intelligent collaboration tools to ensure that the customer experience is not compromised while services are delivered remotely.

CARBON INTENSITY



DESIGN FOR ENVIRONMENT

Our Design for Environment (DfE) approach focuses on minimizing the environmental impact of our products throughout their entire life cycle, with a particular emphasis on energy efficiency during the operational phase. Our energy efficiency targets apply to our entire product portfolio and actively support our overall goal of reducing our carbon footprint.



We have also stepped up our involvement in the international standardization of methodologies for energy efficiency measurements and environmental assessment. Standardization of energy efficiency measurement methods is ongoing within the European Telecommunications Standards Institute (ETSI), the Alliance for Telecommunications Industry Solutions (ATIS) in the US, and the China Communications Standards Association (CCSA). Standardization is also ongoing in the International Telecommunication Union's Telecommunication Standardization Sector (ITU-T) and ETSI on how to assess the environmental impact of ICT. The aim is to drive improvement of energy efficiency in the industry by supporting global benchmarking with well-defined, transparent and harmonized measurement methods.

We work proactively with managing materials, and during 2009 adjusted our list of banned and restricted substances to more efficiently match the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations. The list is part of all agreements with suppliers and applies to the entire product portfolio across all markets.

We worked on developing a replacement for the current online materials declaration tool for our suppliers in 2009. The new tool will be released during 2010 and will make the handling of product materials declarations more efficient for both us and our suppliers.

Work to phase out all lead from our soldering is continuing. Having started series production with lead-free solder in 2006, by the first quarter of 2009 we had produced more than 10 million lead-free soldered printed board assemblies. Field evaluations prove these boards are at least as reliable as those using lead solder.

PRODUCT TAKE-BACK

Our Ecology Management Program offers free take-back of decommissioned equipment in all 175 countries in which we conduct business.

The program is built around the requirements of the EU Waste from Electrical and Electronic Equipment (WEEE) Directive, but is applied globally. Of all material collected and processed during 2009, less than 5 percent was sent to landfill and more than 95 percent was recovered. The program has thereby reached its recovery target, and substantially exceeds the WEEE's stipulated minimum 75 percent recovery rate.

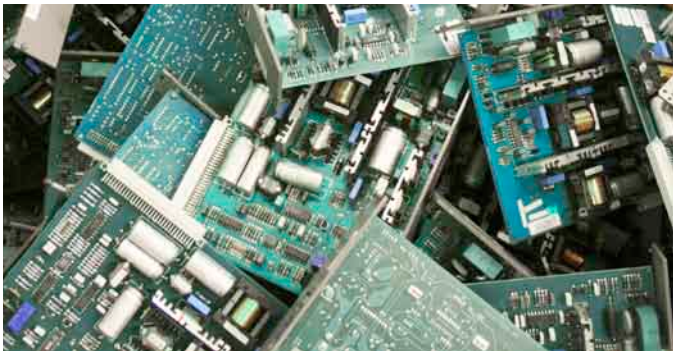
In 2009 we received 267 take-back orders from customers and about the same number from internal sources, amounting to 7045 tonnes. Providing this free service ensures decommissioned equipment does not end up in trade-restricted areas, in landfill, or in places where unethical business practices are taking place. One of our focus areas in 2010 will be increasing the amounts collected.

The key material streams we deal with are ferrous metals, precious metals and plastics. The majority of these metals eventually re-enter the commodities market where they are sold to industry as raw materials. This reduces the need to use the diminishing reserves of global natural resources.

Our focus for end-of-life treatment activities in 2009 has been on further strengthening the Ecology Management Program's global reach and efficiency. As part of this, we developed and introduced an improved set of reporting tools into our IT landscape that allows Ericsson companies in the EU, and globally where required, to more efficiently prepare waste reports for local authorities. We also extended these reporting capabilities to cover batteries and packaging.

Ericsson participates in, and contributes to, a number of global organizations focused on improving WEEE handling. Key examples are the UN's Solving the E-waste Problem (StEP) program and the Global e-Sustainability Initiative (GeSI) working group on waste handling.

Our overall aim is to reduce the end-of-life impact of our products, while making the process cost-neutral.



TCO_2: TOTAL UNDERSTANDING OF COSTS AND CARBON

In response to rising energy costs, network growth, regulations and growing climate change concerns, telecom operators increasingly recognize the need to reduce the environmental impact of their network operations.

We have developed TCO_2, an approach that combines the carbon metrics of LCA with the total-cost-of-ownership (TCO) accounting methodology. Using TCO_2, operators can minimize carbon intensity while optimizing network-driven costs.

Operators focusing on the efficiency of their existing networks have various options:

- modernizing and optimizing networks, reducing energy consumption in the installed base by using energy-reducing software and capacity-enhancing features, and/or upgrading to more energy-efficient network equipment
- sharing assets and resources to leverage economies of scale through higher utilization of assets and resources
- changing the energy mix by supplying the network with less carbon-intensive energy sources.

Using TCO_2, CO_2 emissions and carbon intensity can be calculated in parallell with the costs for each scenario.

Our 2009 white paper, TCO_2: Minimizing Carbon Intensity in Telecom Networks Using TCO Techniques, explains this approach further.

DELIVERING THE ENERGY SAVINGS

Combined with our technological leadership, Ericsson's 40,000-plus services employees make us well placed to help operators optimize the environmental performance of their network operations.

Environment and Sustainability consulting services based on our TCO_2 approach can help operators set CO_2 reduction targets and roadmaps, predict CO_2 and energy impacts based on network growth and energy cost rises, and identify ways to achieve targets.

Our Network Energy Optimization (NEO) service helps operators optimize energy efficiency across their networks. Starting with maximum efficiency at the network level (less energy in, for more traffic out), it then looks at solutions that can be deployed at a site level (for example, cooling options and software features).

NEO evaluates the use of alternative energy sources at sites. During 2009, we continued to deploy sites off the power grid, using wind and solar solutions that reduce diesel consumption by 90 percent or more. One site in Dertu, Kenya, was powered by renewables for 94 percent of its running hours, resulting in a reduction in diesel consumption of 17,200 liters per year. We have also rolled out almost 2500 sites using a hybrid generator solution that combines a diesel generator with a special battery bank, cutting diesel consumption by at least 35 percent, leading to total CO_2 savings of 61,000 tonnes per year.

During 2009, we conducted a nationwide energy and CO_2 audit of operator Telstra's network in Australia. The study identified the opportunity for Telstra to reduce CO_2 emissions by up to 30 percent in the radio access network and 56 percent in its core network.

ENERGY EFFICIENT NETWORKS

As the world approaches 50 billion connected devices over the next 10 years, telecom networks will need to cope with the expected traffic growth and capacity demands.

Minimize energy – Maximize traffic

The most important energy-efficiency parameters are the total energy required and the traffic delivered (voice calls handled or megabytes transferred). Good design is at the heart of any efficient, sustainable network. By far the best way to achieve an energy-optimized network is to build it on good foundations, based on sound design principles. Our approach uses our innovative solutions on node, site and network level to minimize the energy used while maximizing the traffic.

A typical mobile network today consumes 12-20 kWh per subscriber and year, of which up to 80 percent is consumed in the radio access network. With the hardware, features and functions from our portfolio in 2009, operators can reduce this to around 3 kWh, a fourfold increase in energy efficiency per subscriber-year. In a network with 10,000 base station sites, energy savings could total about 68 GWh, more than 40 percent. All our product cycles focus on more compact and efficient designs that provide the equivalent or better performance in a smaller size, consuming less power and generating less heat (which requires less cooling).

Our latest generation of our GSM/WCDMA/LTE radio base stations, the RBS 6000, offers greater efficiency in the power supply units, radio units and climate system, while improved software increases energy efficiency even further. Energy savings can be substantial: an average of 30 percent on previous generations of base stations.

Another example of energy optimization stands out from our recent Nortel acquisition: the new radio design for the CDMA base transceiver station reduces energy consumption by around 50 percent over previous technology.

In the core network, Ericsson has continuously and successfully exploited state-of-the-art hardware (component) technology, resulting in very compact hardware units with significantly larger capacity per used energy unit. This has led to an improvement in energy consumption of more than 90 percent since 1995 for a realistic core network scenario. The latest generation of the Ericsson Mobile Softswitch solution can support 30 million subscribers on just above 2 mW per subscriber.

Broadband networks are a fundamental prerequisite for creating sustainable cities and we apply the same holistic approach to energy efficiency on the access, optical transport and IP edge in our fixed broadband networks.

In our optical transport products, we have made significant improvements to energy efficiency for metro and core-network applications and for mobile backhaul. For metro, using Wavelength Division Multiplexing technology, bandwidth per port is advancing beyond the current norm of 10 Gbps, with power reductions of more than 60 percent when moving to 100 Gbps. This is nearly a 30-fold improvement in energy efficiency.

The mobile backhaul application using packet technology shows energy efficiency improvements of more than 10 times when moving to LTE, as backhaul speeds are increased up to 100 Mbps.

For the IP edge, testing shows that the SmartEdge Multi Service Edge Router becomes more efficient when scaled up to support a very large subscriber base. When delivering multimedia-enabled services to 256,000 subscribers it consumes only 5 mW per subscriber.

ENABLING A LOW-CARBON ECONOMY

We see ICT as fundamental to industries and other areas of society increasing efficiency and reducing carbon emissions. It is essential that we get ICT and telecom onto the global climate agenda, and promote broadband as a vital part of a more sustainable society.

Fixed and mobile broadband solutions are already improving many of the necessities of life, such as transportation, energy supply, and the way we build and live in our homes and cities. They are allowing us to shift from dependency on a high-carbon 20th-century physical infrastructure to a low-carbon 21st-century information-based infrastructure. By 2020, we see some 50 billion connected devices. This will revolutionize the way we live and work – and broadband will be the foundation upon which the new services will be based.

To understand the impact of this transformation on sustainability, we talk about the "2 and the 98 percent." The ICT industry is estimated to be responsible for about 2 percent of global CO_2 emissions today, and it is vital to decrease this footprint (our efforts in reducing our own footprint are discussed in Reducing our environmental impact p.14). The remaining 98 percent comes from other industries, such as energy production and supply, transport, or construction. The ways ICT can reduce CO_2 emissions can be surprising, and the results dramatic. Smart, low-carbon communications can provide both transformative and incremental solutions.

Reducing the 98 percent

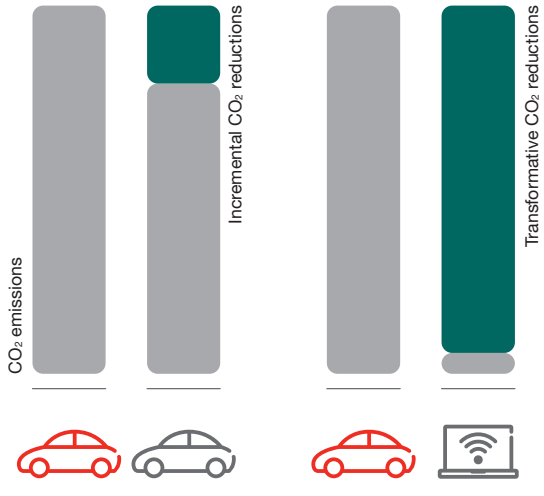
Travel substitution – transporting information instead of products and people – and what is known as "dematerialization" – reducing the physical resources needed to provide a product or service – are the two main transformative effects of ICT.

Incremental solutions, on the other hand, lead to improvements in existing areas, such as optimizing travel. Together, these two aspects improve the efficiency of other industries.

Our 2009 white paper, Measuring Emissions Right, assesses the potential CO_2 emission reductions from introducing an ICT-based service. From a life-cycle perspective, the environmental impact of both the ICT-based service and the service it replaces needs to be considered. The method not only includes the direct emissions, but also the infrastructure of ICT systems (such as antenna towers and site buildings) as well as conventional systems (such as airports, roads and buildings). It introduces a figure called the "potential reduction factor," the total reduction in CO_2 emissions divided by the total additional CO_2 of the new ICT-based service.

Using our methodology we have studied some of our existing solutions to quantify the CO_2 emission reduction potential. It has been used to analyze CO_2 emissions from communication networks in Sweden, as well as the effects of introducing smart work solutions, such as videoconferencing, teleworking and flexi/virtual offices at operator TeliaSonera. In this case, the reductions from internal smart work alone total about 40 percent per employee from 2001 to 2007 – or over 2.8 tonnes of CO_2 per employee since 2001. The total reduction potential of smart work in the world has been estimated to be 2-4 percent of global CO_2 emissions, if reductions of 20-40 percent can be achieved per employee over a 10-20 year timeframe.

INCREMENTAL AND TRANSFORMATIVE CHANGE



SUSTAINABLE URBAN DEVELOPMENT

We see that more than half the world's population now lives in cities, increasing to 70 percent by 2050[1]. This is creating challenges and opportunities for our planet. Accelerating urbanization is making it essential that we find ways to reduce and minimize the impact of cities on the environment. ICT is one of the smartest ways to reduce overall carbon emissions and make cities more sustainable.

Low-carbon solutions aim to reduce direct emissions from vehicles, and decrease energy usage in buildings and energy production, to create a low-carbon economy. These strategies include transformative CO_2 reductions, notably ICT solutions that provide everyday services in a more energy-efficient way, such as smart grids, virtual meetings, teleworking, e-health and m-health, and remote education. This is the sort of 21st-century infrastructure the world needs to cope with the demands of tomorrow.

The northern Greek smart city of Veria is getting just such an infrastructure. Its metropolitan area broadband network will provide the 50,000 inhabitants with digital access to healthcare, education and tourist information, modernize the agriculture and textile industries, and create business and job opportunities in other sectors. As part of the Veria project, we are integrating a fiber-optic network and Wi-Fi technology for the wireless hot-spots. The local government will provide laptops, video phones, IP phones, PDAs and wireless home routers.

Carbon-positive cities

During 2009, WWF Sweden and Ericsson released a joint report: Communications Solutions for Low Carbon Cities, recommendations for policy makers for using ICT for low-carbon urban development. The recommendations included establishing a methodology to make low-carbon communications solutions visible; integrating low-carbon ICT solutions into climate strategies for cities; and supporting low-carbon partnerships.

Stockholm Royal Seaport is one of Stockholm's three urban development areas with a specific environmental profile. It takes a low-carbon approach to urban planning, design and management. The solutions being implemented and encouraged will enable those living and working there to make well-informed choices. The four main environmental targets involve becoming a climate-positive city district, adapting to future variations in climate, becoming fossil fuel free by 2030, and for individual CO_2 emissions to be lower than 1.5 tonnes by 2020. Broadband will be one of the enabling technologies supporting the achievement of these goals.

As a major sponsor of the EUROCITIES conference, a gathering of officials from major European cities in Stockholm in November 2009, we hosted an in-depth workshop with participants, discussing how broadband infrastructure, smart grids and intelligent transport systems can help cities reduce their CO_2 emissions.

The shift to cities is having a profound effect on humanity's impact on the planet. By making the most of smart, low-carbon solutions, we can turn that effect into a positive one.

[1] World Urbanization Prospects, United Nations Department of Economic and Social Affairs, February 2008

INTELLIGENT LOGISTICS IN SWEDEN

Fuel efficiency is becoming as important as speed of delivery for today's transport companies and their customers – and mobile broadband is letting them maximize both.

Global transportation and logistics company DB Schenker is motoring towards a more sustainable future with an intelligent transport system – made possible by mobile broadband – that optimizes traffic flow and loads, as well as monitoring fuel consumption across the company's vehicle fleet in Sweden. This reduces the overall fuel-related costs and the environmental impact.

The system allows administrators to see the location of each truck and to match that information with incoming orders. This means the trucks travel shorter distances with full loads and better information.

The tools also monitor aspects of driver behavior such as braking, gear-shifts, acceleration and speed. Drivers can review and assess their own data, increasing their awareness of how they drive and even encouraging them to compete for the best fuel consumption figures.

DB Schenker can also provide data to customers like Ericsson who are concerned about carbon emissions, providing accurate information so that transport efficiency can be optimized, and giving DB Schenker a competitive advantage.

Each of the 3700 DB Schenker trucks is connected via a reliable internet connection, with high-speed transmission and comprehensive HSPA or GPRS coverage around the country. The high network speeds, extensive coverage and reliability ensure the system runs smoothly around the clock.

Ericsson mobile broadband technology makes solutions such as intelligent transport systems possible.

E-HEALTH IN CROATIA

ICT solutions can have significant impacts on energy consumption and CO_2 emissions, as seen in an e-health system provided by Ericsson in Croatia. Connecting 2400 primary healthcare teams in the 20 counties and the capital, Zagreb, the Healthcare Networking Information System provides electronic reporting and booking, updates patient records, and digitalizes prescriptions and referrals, so they can be sent to pharmacies, hospitals and laboratories without the need for printouts.

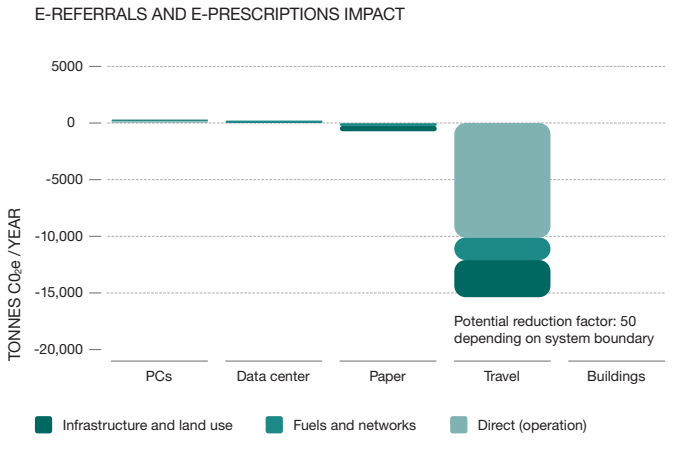
A life-cycle based assessment study of CO_2 emissions looked at just two aspects of the system: e-referrals and e-prescriptions. The environmental benefits come on top of more efficient planning and financing, and improved quality of care.

The two services together produce about 330 tonnes of CO_2 per year in emissions, from PCs, networks and data-center resources. But the gains are much greater.

- Given an assumed 50 percent reduction in travel (on average about three fewer visits per patient and year) the potential reduction in travel emissions is about 7kg of CO_2 annually per patient: up to 15,000 tonnes in total.
- An assumed 50 percent reduction in paper consumption due to the e-prescription service saves about 230 tonnes of CO_2 per year.

These figures are based on assumptions of 12 million annual patient visits and an average patient visit requiring travel of 20 km, 25 percent by car and the rest by public transport.

The potential reduction factor over a 20-year period is as high as 50, depending on whether infrastructure is included and, if so, to what extent.



STRATEGY AND SUSTAINABILITY

Douglas Gilstrap, Ericsson's new Senior Vice President of Strategy, plans to work with sustainability to promote low-carbon solutions that help improve both society and Ericsson's business.

Where is Ericsson's sustainability strategy heading?

We put our sustainability strategy in the context of our broader vision for the development of the connected world and intelligent society.

Our customers look to us and expect not just leadership in technology, but also leadership in our vision – to be a thought leader. We believe that our sustainability impacts our customers, and they increasingly want us to help them to achieve their sustainability targets.

What we focus on from a strategic perspective is how we can use our innate ability to innovate, and take solutions to scale, to the mass market, to start to transform societies. We have the leverage to help society, to create better innovations and sustainability for end users and the world as a whole.

How important is sustainability to you on a personal level?

Sustainability is critical to me. We have to have it. It's so important for our children and our children's children – it's something for which we all have a responsibility. It is about the triple bottom line, the successful integration of social, economic and environmental factors, in a way that creates value for the company and its shareholders. For me, as the head of Strategy, the business connection is fundamental. This is not about charity – it is about our core business – and to me, the connection is so obvious. We can make money, but we can also help make the world a better place.

As pressure mounts to find solutions to climate threats, we need to focus on implementing solutions, and find better ways to connect ICT to the political process.

What work is Ericsson doing currently on a strategic level with this?

During 2009, we ran a yearlong strategic study that looked at four different criteria: the sustainability potential of our solutions, the time to market, the business potential within that market, and finally our assets and what we could do with our technology leadership through mobile broadband. Our focus for 2010 is on delivering in the areas this study pinpointed.

How can Ericsson bring about these changes?

Of course factors such as leadership and awareness are key, but I would say that the most important driver for these changes is a clear strategy. At Ericsson, we have sustainability embedded in our strategy – we've done many studies on it, we understand what we need to do and what areas to focus on. And we have the technology and the global footprint to do it. Now it's time to do it.

What regions or countries do you see playing an important role in creating a sustainable world?

The United States, China and India will continue to be hugely important. They consume a lot of resources, they have large populations, and mobile broadband will be a great enabler for sustainability. You also have countries such as Sweden, which are and have been at the forefront of the sustainability agenda. In Sweden, with local partners and ecosystems, we are incubating our sustainable cities concept, which we intend to take to other parts of the world.

What changes do you see happening this century within sustainability?

I think we're going through a transformation. The 20th-century infrastructure that we are used to is based on physical infrastructure: we have to drive to the doctor, to the supermarket, and travel to meet our customers. With a 21st-century information-based infrastructure, we can transform basic services into virtual ones. We can skip the trip to the doctor by sending our personal health information remotely, we can do more shopping online, and we can use telepresence for at least some of those business meetings. But in all cases, mobile and fixed broadband will be the necessary foundation, or enabler, to deliver new services. We see that the need for such services is increasingly driven from a sustainability perspective.

DOUGLAS GILSTRAP
SENIOR VICE PRESIDENT
GROUP FUNCTION
STRATEGY

INTELLIGENT APPLICATIONS

We see that advanced multimedia solutions are starting to revolutionize the way we communicate, do business, live, learn, travel, access healthcare and entertain ourselves. And they are helping to reduce the impact we have on the environment.

IPTV & Connected Home solutions

Our Connected Home solution lets consumers access their home multimedia devices and services wherever they are, reducing the need for physical transport and items such as DVDs, compact discs and the accompanying packaging. It also provides a single point of entry for IPTV and communication services such as multimedia telephony. Upcoming versions will allow families to monitor and minimize power consumption in their homes.

Location Based Services (Transportation)

Intelligent transport systems are changing the world of travel, the way we move things from point A to point B. Route, load and flow planning, and real-time traffic information make vehicle and workforce management fleets, roads and railways more efficient, improve safety and security, and reduce the environmental impact.

Business Communication Suite

Providing rich communications for both the PC and mobile phone, the Business Communication Suite simplifies low-carbon transformative services such as videoconferencing and teleworking, reducing the need for travel. Suitable for a wide range of applications – including healthcare, education and enterprise services – it enables collaboration by giving users access to an active phone book and straight-forward social-networking tools, such as presence, messaging, chat, video, file sharing and corporate directory.

Dynamic Discount Solution

The Dynamic Discount Solution lets operators offer discounted voice calls to subscribers, depending on traffic load in the network at a specific location. This decreases peak-time traffic and shifts calls to off-peak times when capacity is available, increasing energy efficiency in the network and providing voice communication to low-income subscribers.

Mobile Virtual Number

With a Mobile Virtual Number, a phone number and connected personalized features can be assigned to an individual instead of a device. Whole families or villages can share one phone and still have personalized charging and messaging, reducing the need for multiple devices with their additional energy consumption. The Mobile Virtual Number has great potential in poor, rural communities as well as among small-business users.

CONDUCTING BUSINESS RESPONSIBLY

GOVERNANCE FRAMEWORK

Our governance framework is based on the standards of business conduct embodied in the Ericsson Group Management System (EGMS), which applies globally. The EGMS includes policies, directives and guidelines for business processes and risk management.

The EGMS is a dynamic governance system that enables us to adapt to evolving demands, including new legislation and stakeholder expectations, and its consistency and global reach builds trust in the way we work. Our internal system provides easy access to company structures, processes, policies and directives.

From the corporate responsibility perspective, the key element of EGMS is compliance with the Code of Business Ethics – including the Code of Conduct and the Environmental Policy. Compliance is monitored through the Global Assessment Program, which is implemented by our external assurance provider, and which gauges how Group policies and directives are applied, how operational risks are managed and how corporate responsibility objectives are reached.

The Global Assessment Program involves visits to all Ericsson market units once every second year. These audits help verify market unit performance against targets defined in the EGMS. The process is designed to help mitigate risks and strengthen performance Group-wide. The choice of sites and focus areas is based on risk and materiality assessments.

We have been steadily increasing the percentage of the corporate responsibility criteria included in the overall Assessment Program. In 2009, it was increased to a targeted 20 percent, and is now a standard component of the assessment.

Strengthening management

All members of our Board of Directors receive regular training that meets their individual needs. Full-day training sessions are also held for all directors twice a year to enhance their knowledge of

specific issues and operations. The board is also advised annually on strategy, material issues and key focus areas of sustainability and corporate responsibility. Training sessions in 2009 provided in-depth information on the industry landscape, new technologies, network transformation and future products.

Business ethics

Our Code of Business Ethics summarizes the company's basic policies and directives, and is translated into more than 20 languages, ensuring that it is accessible to all employees. It covers the importance of following laws and statutes that concern Ericsson's operations and financial reporting. It also gives details on how to protect information about our operations, customers and suppliers.

The Code is periodically reviewed and acknowledged by all employees. The next update takes place in March 2010, when our employees will be asked to acknowledge the Code. The Code, which is a reminder of each employee's responsibilities, is a tool to help everyone deal with situations in which they are unsure how to act. The process of acknowledging the Code is a way to raise awareness and ensure the business is run with integrity so that the company can maintain credibility with customers, partners, employees, shareholders and other stakeholders.

Combating corruption

We seek to counter corruption by starting with accountability, and linking individual actions to our core values. An anti-corruption e-learning program is provided to current employees and is mandatory for new employees. The course, launched in 2007, aims to create awareness and avoid mistakes by employees, before they happen. It teaches them to identify problematic situations and evaluate appropriate courses of action, before risking engagement in anything that may be questionable. Group Legal Counsel is also available to provide support and give advice.

One of the greatest anti-corruption challenges is overcoming the cultural perceptions of what corruption is in different countries, and ensuring that common standards are upheld.

It is a line responsibility to adhere to laws, policies and directives, and there are reporting procedures for breaches, including a whistleblower procedure for suspicion of financial irregularities.

RADIO WAVES AND HEALTH

Ericsson's radio products are designed and tested to comply with standards, regulations and laws related to exposure to radio waves and electromagnetic fields (EMFs).

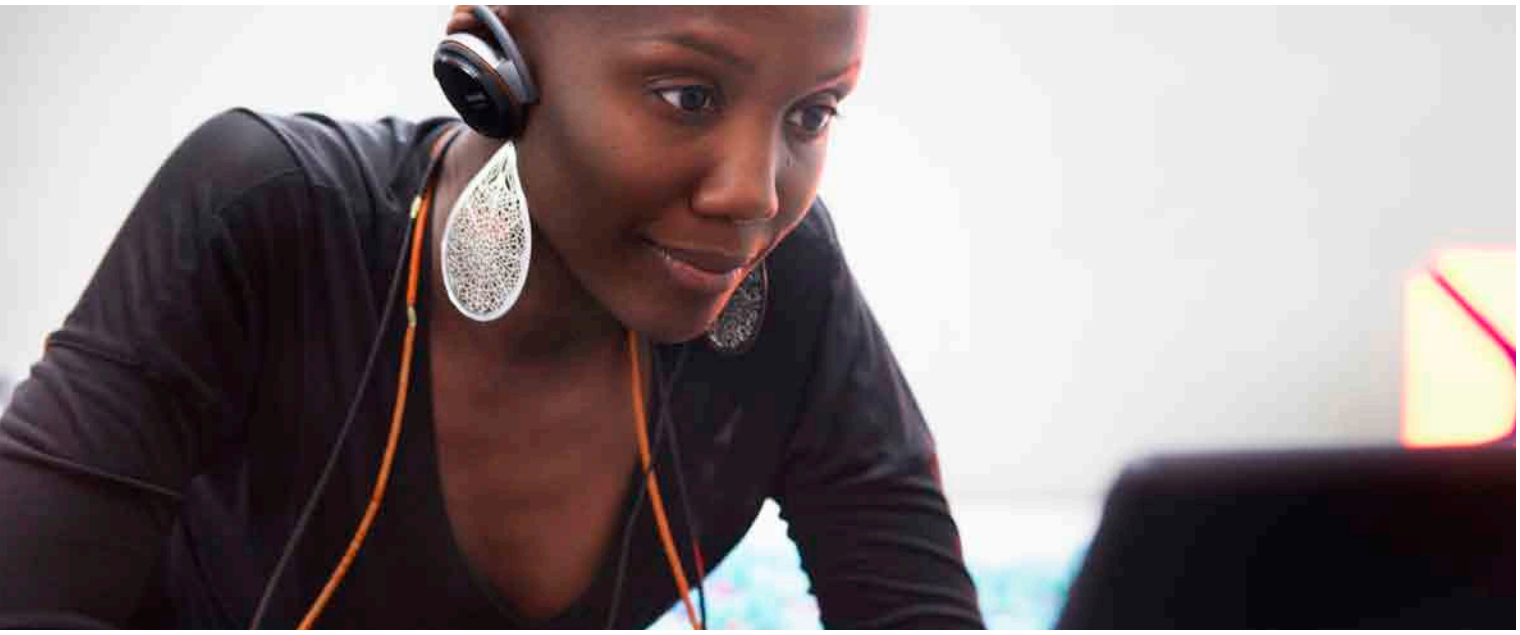
We support research into these areas mostly through the Mobile Manufacturers Forum (MMF) in accordance with World Health Organization (WHO) recommendations. The research is independently managed, peer-reviewed and mainly funded by governments or other third parties – less than half of the funding is provided by industry bodies. We have supported more than 90 studies since 1996.

In 1998, the International Commission on Non-Ionizing Radiation Protection (ICNIRP) issued guidelines for limiting EMF exposure. These guidelines are based on a review of the scientific research results available on the possible health effects of exposure to radio frequency EMFs. The guidelines are endorsed by the WHO, and have been adopted as national guidelines in a many countries.

In 2009, ICNIRP published a comprehensive review report covering the research performed since 1998. The commission concluded that with all the new research taken into account, there is still no evidence of any adverse health effects of EMF exposure at levels below the ICNIRP limits. ICNIRP therefore reconfirmed the 1998 guidelines.

National and international health authorities and expert groups also conclude that the balance of evidence does not demonstrate any health effects associated with radio wave exposure from mobile phones or radio base stations.

SUPPLIER CODE OF CONDUCT



Effective management of our supply chain on Code of Conduct issues is a top priority. We have tens of thousands of suppliers around the world, working closely with us to ensure the quality of what they deliver and the way they interact with the world around them. Our Supplier Code of Conduct (S-CoC), based on the UN Global Compact principles, defines our cooperation with suppliers on social and environmental issues, ensuring that they meet the standards we expect.

In 2009, we completed the global rollout of our S-CoC Program. This means that all our business and market units (reorganized into a regional structure in early 2010) have trained auditors, as well as procedures in place for assessing critical suppliers and for planning, conducting and following up S-CoC audits and on-site assessments.

After 14 training sessions around the world in 2009, we now have some 130 certified S-CoC auditors globally – up from 50 at the end of 2008. In 2009, we carried out more than 530 S-CoC audits and about 500 on-site assessments: close to double the numbers from 2008. Naturally, following up the results to ensure continuous improvements is a critical part of the process.

The audit and assessment results vary widely, but are generally positive. There is however always room for improvement. Our audits and assessments have identified a number of key improvement areas: environmental management (many suppliers have an environmental management system in place, while others have more work to do); the proper use of personal protective equipment; and the suppliers' communication of S-CoC requirements to their own suppliers.

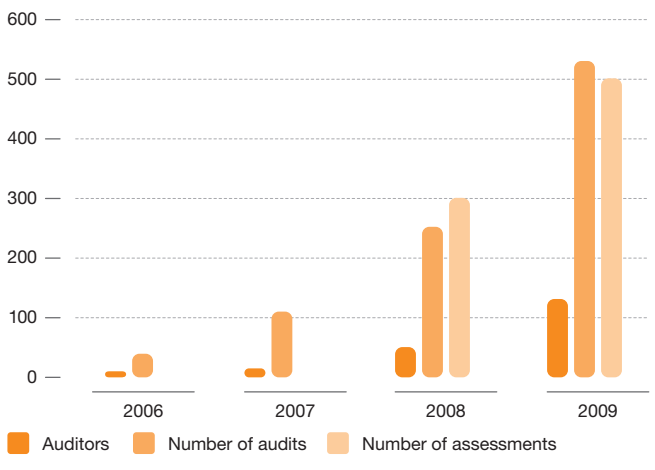
Our online S-CoC training is expected to help our suppliers better communicate the message to their own suppliers. In 2009, we launched this extensive training in five languages – English, Chinese, Russian, Spanish and Portuguese – and will add a further eight languages during 2010. The training spells out our standards in:

- Employee conditions (including forced and child labor)
- Health and safety
- Supply chain compliance
- Environmental management
- Elimination of discrimination
- Anti-corruption.

Thousands of our suppliers' employees worldwide have taken the training already, and we expect thousands more to do so over the coming years. The training is available on ericsson.com and is available for anyone to use.

Both the audits and the training reflect our collaborative approach to working with our suppliers. The idea is to help the suppliers improve in key areas, strengthening their business, reducing both their risk and ours, and creating value for all stakeholders – not least their employees.

SUPPLIER CODE OF CONDUCT AUDITS AND ASSESSMENTS



OCCUPATIONAL HEALTH AND SAFETY

Ericsson is committed to ensuring a safe working environment and healthy workplaces around the world. This dedication is shown in a variety of different ways, including workplace programs and the implementation of international standards. These measures promote a safe and healthy working environment for the company, its employees and its customers.

Being involved with the latest occupational health and safety (OHS) initiatives demonstrates Ericsson's vested interest in the wellbeing of all those who work with the company.

We made some significant changes in our OHS strategy in 2009. We built an OHS network across 60 countries, completed internal training and workshops in developing regions and implemented a new OHS Policy and Directive. Perhaps more importantly, we shifted our focus from a locally tailored OHS approach to a global coordination system applicable to all markets.

A benchmarking survey conducted in early 2009 showed that there was a great variation in OHS standards compliance, ranging from low percentages to 95 percent. Because of the work done during 2009 to build competence and move towards a global coordination approach, we are confident that the lowest figure will be around 50 percent when the bench-marking survey is conducted again.

In 2010, we will continue to work on strengthening the company's OHS competence, aligning global OHS plans and building a strong customer focus. We will also focus on developing common OHS practices and responsibilities globally.

Assessing health and safety

As part of the company's risk management strategy, we plan to implement the Occupation Health and Safety Assessment Series (OHSAS) 18001.

This international occupational health and safety management system specification will provide a framework that allows us to consistently identify

and control our health and safety risks, reduce the potential for accidents, aid legislative compliance and improve overall performance.

The OHSAS 18001 certificate will provide customers with the confidence that we have robust procedures for managing OHS. Once it is implemented, it will help protect our employees and others engaged in company business, as well as protecting both our brand and our customers.

HIV/AIDS IN SUB-SAHARAN AFRICA

Programs to reduce the impact of HIV/AIDS are making a real difference for people working with Ericsson in sub-Saharan Africa. We expanded our cooperation with the Swedish Workplace HIV/AIDS Programme (SWHAP) during 2009 to Uganda, adding to ongoing efforts in South Africa, Kenya, Tanzania, Botswana and Zimbabwe.

SWHAP provides support with funding and expertise for workplace activities to tackle HIV/AIDS. It also evaluates and follows up programs.

The workplace programs typically include policy formulation, information, training of peer educators, voluntary counseling and testing, providing support to HIV-positive employees and community outreach.

Ericsson Kenya's rapid progress led to it being one of five companies shortlisted for the SWHAP Achievement Award in 2009. A survey at the company in 2008 showed that one-third of employees had relatives living with HIV and 43 percent had lost relatives to AIDS.

Ericsson Uganda launched its program in late 2009 and will now also support branches in Rwanda and Tanzania.

An early lack of employee interest and management involvement meant the program in South Africa faced initial difficulties. Things have improved, but the test rate – 499 out of 1050 employees – is still low compared with other SWHAP countries, although it is reasonable for a workplace with highly educated employees.

Ericsson South Africa has also started working with SWHAP to support rollout programs across sub-Saharan Africa.

The business case is clear. An actuarial assessment commissioned by SWHAP in South Africa showed that the total additional costs of HIV/AIDS for Ericsson in the country could surpass SEK 29 million between 2008 and 2012. A successful workplace program could reduce these costs by SEK 12.5 million.

EMPOWERING PEOPLE

LEARNING TO BE BETTER AT WHAT WE DO

There are some basic ways of looking at the need for learning and competence development within Ericsson today.

At the very heart of the issue is the fact that we need to continuously build on our people assets in order to evolve as a company into the future. Our way is to grow those future competencies from within and recruit top talent from the market when necessary.

In order to maintain our competitiveness, we need to shorten lead times between developing new products and fully taking them to the market and implementing them. Part of the challenge lies in how well competence can be acquired in this process. It is becoming more difficult to acquire and keep knowledge fresh in an information society. As the life cycle of necessary skills becomes shorter there is a need for more learning and performance tools to support us in our work. This puts demands on us to create means of support that are more personalized and collaborative, drawing on the power and competencies of the whole organization.

By giving our employees the tools and offering important opportunities for continuous development, we maintain interest and enthusiasm for Ericsson as a company and an employer, and build loyalty.

We all know that when our customers face challenges in the changing business and technology landscape, people are going to make the difference. By developing the top talents within the industry we will sharpen our competitive edge and maintain our position as a thought leader within technology and competence management.

Three key priorities for 2010 – and beyond

To meet these challenges successfully, there are three areas that are prioritized: strengthening our portfolio of competence; enriching formal and informal learning, making learning more relevant and available on demand; and making the best use of our internal learning solutions to provide value to customers, universities, suppliers and other partners.

Context, not just content, is important. We can spend a lot of time designing an attractive course module, but the kind of expectations that individuals and managers set before any learning event will make the difference. It is also equally important to prepare for how newly acquired knowledge can be translated into job performance.

In 2009, 93 percent of our employees had at least one formal performance-related discussion with their line managers during the year, a rate that has continuously improved over the years. Competence needs and development activities are part of this performance appraisal process. Depending on that dialog, the manager and employee should agree upon the most appropriate activity for the individual in terms of competence development.

What did we achieve in 2009?

As a learning organization, we have a number of dimensions we consider in evaluating our targets. We want to see evidence that line managers have a greater degree of involvement in the individual's learning process. For instance, how well does management highlight learning and competence development activities?

How effective are alternative ways for learning and development, and how well is our online system supporting the individual in finding and accessing what they need in terms of competence support?

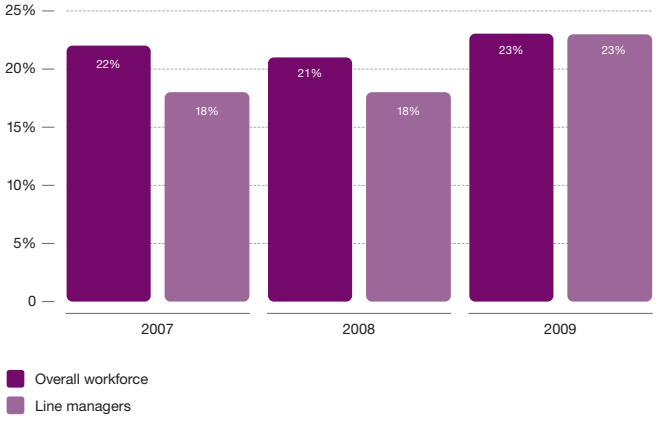
We use our all-employee survey to track progress from year to year. For the dimensions considered, respondents' replies were 10 percent more favorable in 2009 than in 2008, surpassing a global target of 6 percent. That equates to some 4000 more employees in the organization feeling more positive about the company's efforts when it comes to learning and competence development.

Effective learning improves individual and business performance

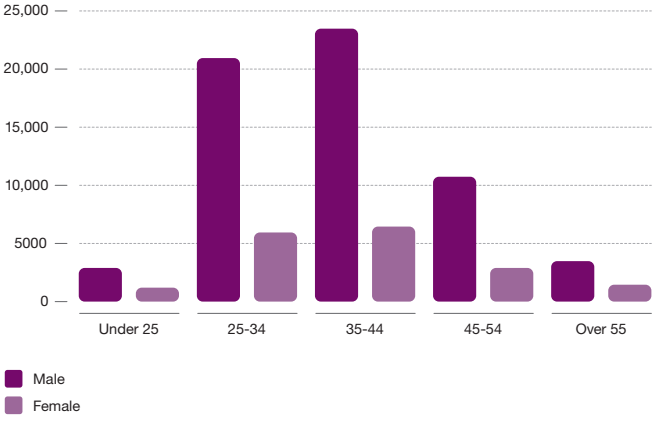
We also look at how we can make better investments in competence development. Ericsson significantly invests in competence development around the globe, both in formal training and through improving the culture and structure of informal learning. As part of that investment, we have explored ways in which we can become less ad hoc in terms of selecting the right suppliers, and how we can gain better quality and output from our investments. This work has had positive results, both lowering costs for the company and raising quality levels.

The establishment of the Ericsson Academy in 2009 aims to coordinate our learning efforts to become more effective, from the global development of learning solutions for products, jobs and other areas, to the local planning and implementation of learning and performance support.

FEMALE REPRESENTATION 2007-2009



EMPLOYEES BY AGE AND GENDER 2009



ERICSSON ACADEMY

The company launched its own dedicated learning organization for its 80,000-plus employees in November 2009. The Ericsson Academy will be launched externally in 2010.

Ericsson Academy is a strategic hub that inspires people and organizations to exchange ideas, perform better, collaborate, and stimulate innovative thinking and behavior. The Academy is an umbrella under which the organization provides a range of training courses, interactive forums, and learning materials online and on-demand, all tailored to an individual's needs. Together with our global service organization and the 23 training centers around the world, the aim is to take the Academy beyond a focus on the internal workforce, and to create a facility that will continuously share competence and knowledge with customers, universities, suppliers and partners.

Upgrading competence and skills

The Academy facilitates the entire process of analyzing competence needs, the design of the solutions, course and tutorial development, implementation and follow-up. During 2010, this includes the development of educational content related to several products, the alignment of local learning portals across the globe, and of programs for various jobs within the company.

It actively promotes a wide spectrum of different learning methods based on a thorough understanding of the need for competence development and skills. Aside from using training methods such as online, on-demand course materials, tutorials and coaching, it also encourages alternative methods of knowledge transfer within the organization, such as placing juniors alongside senior staff in projects and in feedback sessions after customer visits.

A further aim of the Academy is to encourage management and the organization to view education as an important part of the overall business strategy – and to secure the right learning enablers for any change.

How does learning on demand work?

Some simple examples of acquiring knowledge within the organization could be to ask a colleague, read a document, or go to a class. The Academy aims to make it easier in all of these dimensions using online and digital tools. It provides a portal that blends formal learning assessments with tests, on-demand tutorials and documents from Ericsson's product catalogues. There are also lists of experts who can be contacted, ensuring that every individual has access to the most appropriate kind of support for their competence needs.

Around 80-90 percent of employees took some form of structured e-learning course in the past year, and the Academy portal receives about 20,000 hits per month. The Academy offers around 2,500 courses, and individual courses have been used by up to 35,000 employees at a time.

SILICON VALLEY: HEART OF INNOVATION

The two worlds of mobile and internet are coming together, and Silicon Valley is one hub of innovation where these worlds join.

Since the early 20th century, Silicon Valley has been home to a vibrant, growing electronics industry and houses thousands of technology companies. This makes it a perfect place for Ericsson, which has stepped up its presence and efforts to work with Silicon Valley companies and universities in the development and delivery of a new era of the mobile internet for consumers and businesses.

Our Silicon Valley focus is to drive the telecommmunication and internet convergence and to lead the ecosystem for mobile broadband in Silicon Valley. Innovation is something that is engrained in the ways of working here, and at Ericsson Silicon Valley, that innovation is working closely with sustainability.

The products developed by Ericsson's Silicon Valley office are handling large volumes of IP traffic, which means they have to process to a high degree, generating a lot of power and heat. Building on the experience from the earlier acquisitions of Silicon-Valley-based companies Redback and Entrisphere, Ericsson has taken these challenges and is producing a variety of innovative products, including the most energy-efficient internet router on the market, SmartEdge.

For 2010, the focus on Ericsson Silicon Valley is to continue to innovate and produce cutting-edge solutions that are sustainable. In Silicon Valley, sustainability is not something that is just added on anymore; it's a business requirement.

ERICSSON RESPONSE™

WHEN COMMUNICATION IS VITAL ERICSSON IS THERE

We believe that disaster response can be faster and more effective.

In a disaster, it is essential that aid workers have the means to coordinate rescue operations. Ericsson Response is a global initiative that provides the communications, equipment and expertise needed to respond effectively to human suffering.

Aiding relief work with expertise and technology

Ericsson Response is an employee volunteer organization formed in 2000 when employees expressed the wish to contribute their experience in disaster situations.

Since then, the program has developed successful partnerships with UN relief agencies and other humanitarian organizations, and provided thousands of hours per year in training to employees willing to volunteer their time and effort.

Key achievements during the past few years include providing communications systems and expertise to our partners in Pakistan, Democratic Republic of the Congo, Sudan, Panama and Haiti.

Adapting to the context

Each mission is different. Ericsson works to further develop the program's measures of success. We examine the number of people we deploy and train, and the efficiency of our equipment. We debrief volunteers and document the lessons learned. We also analyze field reports from our partners and other agencies.

Ericsson is also constantly working to ensure that the right competencies are available in the right place. We have become better at determining which skills and solutions to offer to make the relief work of our partners more efficient. We have formal agreements with partner organizations and improved preparation for our volunteers.

Making a difference

Ericsson Response, our flagship Corporate Responsibility program, is not a commercial venture. As the market leader in telecom, we feel it is our responsibility to provide logistics and communications support in emergencies, as they are fundamental to the success of relief operations.

ERICSSON RESPONSE MISSIONS – 2009

SUDAN

On behalf of Save the Children Sudan, an Ericsson Response team went to the south of the country to restore communications infrastructure in 11 of the organization's offices. Our support included technical assistance and training, and the installation of radio and computer equipment for staff, many of whom had been without an operating radio for over a year.

Save the Children Sudan and the volunteers were very satisfied with the operation, and everyone felt the mission had exceeded their expectations.

DEMOCRATIC REPUBLIC OF THE CONGO

In collaboration with several humanitarian organizations, Ericsson volunteers established radio communication in the Kabalo region of the Democratic Republic of the Congo to support a UN-coordinated de-mining mission. The volunteers set up a fully-functioning room for high frequency and very high frequency radio for long-distance communication, aimed at keeping the de-mining team in constant contact with all units in the vicinity. The Ericsson Response contribution was a significant factor in the success of this project.

PANAMA

After heavy flooding in Panama, Ericsson had a request from the Red Cross there to help in an area close to the Costa Rican border. Communication support was provided to relief workers through the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Red Cross Society of Panama.

HAITI

When a devastating earthquake hit Haiti in January 2010, Ericsson Response mobilized immediately. About 30 volunteers were quickly put on stand-by, and the first team arrived in Haiti just days after the temblor hit.

Loaned to the main UN bodies, the first round of volunteers was deployed swiftly to provide voice communication in UN camps.

Volunteers set up a portable GSM network and supported the camps with data connections. Within a month, the GSM network was providing mobile communications for an area of approximately 200sq km, covering several camps and parts of the capital, Port-au-Prince. The introduction of a second network increased the coverage to 400sq km.

In another camp, one volunteer worked with UNICEF as an ICT officer to help rebuild communications after the organization's offices in Port-au-Prince were all but destroyed. UNICEF highly appreciated the partnership with Ericsson Response, seeing our reliable communication systems and trustworthy expertise as crucial to accomplishing its mission.

CARING FOR THE COMMUNITY

CONNECTING SCHOOLS IN GHANA

Students in Kumasi, Ghana had the chance to interact with their American peers to improve their English skills thanks to a partnership between the city, the Millennium Cities Initiative at Columbia University's Earth Institute, Ericsson and African operator Zain.

Students at the Opoku Ware Junior High School used the internet and videoconferencing to collaborate with several schools in the Washington, DC area on writing an adventure story for World Read Aloud Day.

The partnership aims to strengthen teachers' and students' skills in science, math, technology and reading.

Ericsson and Zain are providing the 3G connectivity for 18 participating schools in Kumasi. More schools will be fully connected in the coming months, and their students will begin connecting with schools in New York City and Washington, DC in September 2010.

We are hoping to provide a model for how to teach ICT in ways that are useful to students, supporting their core curriculum and increasing their familiarity with the world around them and global issues.

The Millennium Cities Initiative works to help cities meet the Millennium Development Goals and provides an urban counterpart to the Millennium Villages Project, with which Ericsson is also closely involved.

HELPING HAND FOR THE YOUNG

In São Paolo there are many homeless young people who are unable to become independent and access higher education. Teenagers exposed to alcohol and other drugs, violence, family problems, and who suffer from social exclusion are in a similarly disadvantaged position.

For 10 years, the Jovem Parceiro (Young Partner) Program, which Ericsson supports, has been helping these young people overcome their troubles and get a good start in life.

Whereas such teenagers once worked sewing clothes and polishing shoes, they can now study and get jobs in engineering, an area closely connected to our business.

The program has evolved over the years, during which it has helped more than 140 people. The annual intake recently rose from four teenagers to 20.

Through Jovem Parceiro, we sponsor the educational and professional development of the participants, who are aged 15-17. Daily classes include life skills, teamwork, languages, and IT fundamentals. There are also technical classes, which support their professional development.

To position them better in the job market, we joined forces with the Iochpe Foundation in 2009 to create the Formare Program.

This ensures they receive official certification on completion of the course, gaining a qualification recognized by the Brazilian Ministry of Education, which gives them a definite advantage in their search for work.

Of the 90 young people who have graduated from the Formare Program over the years, 85 percent are now working for established companies such as Xerox, IBM and Bradesco Bank.

The program is run by 491 volunteer employees from Ericsson in Brazil.

EARTH HOUR IN DENMARK

At the COP 15 climate summit in Copenhagen in December 2009 a light was shone on the challenges facing the world – and then switched off. The WWF Earth Hour Copenhagen campaign demonstrated the city's support for the planet, with our help. One of our technical platforms was used for fundraising and reminder text messages in conjunction with a one-hour lights-out in the Danish capital. We were also able to help WWF during the summit, providing a meeting venue at Ericsson Denmark for several days when NGOs were denied access to the conference site.

MOBILE EDUCATION FOR STREET CHILDREN

There are about 245,000 street children living in 79 major Philippine cities. These children are faced with a number of difficult issues, from health problems to drugs. Many of them do not receive a school education and do not feel empowered to report the abuse or violence that they endure.

To address this, Ericsson Philippines, with cooperation from the United Nations Children's Fund (UNICEF), began the Mobile Education and Child Protection Program for Street Children in 2009.

This program equips street children with vital skills, teaching them how and where to report incidents of abuse, exploitation and violence committed against them or other children, and making sure they have better access to social services.

Our support provides mobile education on the child protection program to about 300 street children and their families. The program allows the children to take part in learning sessions with trained street educators, using interactive information technology. It also provides better access to social services, intensive follow-up activities, and guidance and counseling on conflict resolution, problem solving, and preventing street or gang violence.

ABRUZZO EARTHQUAKE

The massive earthquake which hit central Italy in April 2009 devastated the Teofilo Patini school in a village near the epicenter in the city of L'Aquila, Italy. Ericsson's employees in Italy responded immediately, donating working time and money toward reconstruction efforts.

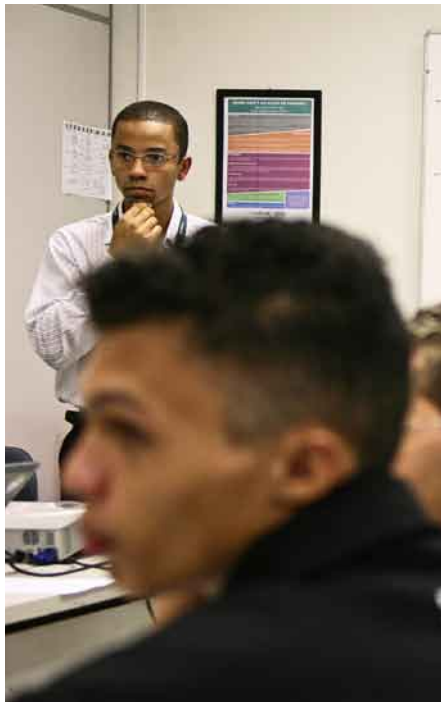
The small school in the Abruzzo region can now pride itself on being the most technologically advanced in Italy, thanks to Ericsson's generous Italian staff.

The employees voted to spend the funds on designing and implementing broadband and multimedia services for the school.

We equipped all classrooms with high-speed network access, allowing teachers and students to access internet, follow video conferences, record events in audio and video format, and share them with other classes. Digital, interactive blackboards and advanced multimedia devices were added, all managed through a simple touch screen.

We also gave the school staff technical training so they could then teach students and colleagues how to use the cuttingedge equipment.

Ericsson Italy plans to contribute further by supplying the school with a text messaging system that will help students and their families communicate about homework, absences and events.



ST-ERICSSON

ST-Ericsson is a 50/50 joint venture of STMicroelectronics and Ericsson. It has one of the industry's strongest product offerings in semiconductors and platforms for mobile devices for GSM, EDGE, WCDMA, HSPA, TD-SCDMA and LTE.

ST-Ericsson is a leading supplier to the top handset vendors, and its products and technologies enable more than half of all phones in use today.

Although only established in 2009, ST-Ericsson has already started to put sustainability plans and commitments in place – the company recognizes the importance of conducting business and managing environmental issues in a responsible manner to ensure long-term sustainability.

Commitments and objectives

In December 2009, after only 10 months in operation, ST-Ericsson achieved an ISO 9001 certificate, which ensures quality business processes are being applied. The company is now working towards ISO 14001, aiming to complement its high quality products with effective environmental management.

ST-Ericsson's environmental policy is based on complying with both global and local regulations, and on applying the "reduce, reuse, and recycle" approach across the production process.

The company clearly communicates its environmental requirements, policies, practices, and impact to interested parties and stakeholders such as suppliers and employees.

Objectives for 2010 include deploying an Environmental Management System (EMS), defining an EMS roadmap, and achieving ISO 14001 certification.

Suppliers commitment

ST-Ericsson uses the code of conduct promoted by the Electronic Industry Citizenship Coalition (EICC). It asks suppliers to comply with this code and with the European Union's Restriction of Hazardous Substances (RoHS) Directive for electrical and electronic equipment. In March 2009, the company implemented a Banned and Restricted Substances list for its products and packaging.

Sustainable innovation

The company strives to achieve low-energy, sustainable solutions for all its products and processes. The latest addition is Power-HUB®, an innovative power-harvesting concept that the company is developing for mobile handsets. Commercially available in 2011, PowerHUB® automatically uses the optimum power source or best combination of sources, including green ones, available at any time for maximum efficiency, and manages energy conversion (high-voltage power) to meet the system's needs.

SONY ERICSSON

The development of mobile phones and devices over the last few decades has revolutionized how people communicate. However, the market's rapid growth has resulted in an increased number of devices and corresponding electrical waste.

Sony Ericsson has considered sustainable development and production to be one of its most important challenges since the joint venture was launched in 2001. It is one of the issues the company believes demands immediate action from responsible manufacturers.

In 2009, Sony Ericsson set three new environmental targets, using the 2008 figures as a baseline:

- By 2015, reduce CO_2 from its internal activities by 20 percent
- By 2015, reduce CO_2 from the life cycle of its products by 15 percent
- Collect 1 million phones before the end of 2011

Details on the progress made toward reaching these targets will be presented in Sony Ericsson's sustainability report[2] in the second quarter of 2010.

GreenHeart™

The GreenHeart™ portfolio introduces innovations that reduce environmental impact without compromising style or features. Sony Ericsson GreenHeart™ phones are the result of a commitment to: eliminating the use of unwanted substances from the product design and manufacturing process; replacing the paper manual with an in-phone version; and using recycled plastics and an energy efficient display. This approach helps reduce the overall CO_2 emissions of the phone by 15 percent.

Assessing impact across the product life cycle

Sony Ericsson has implemented a life-cycle approach to all product development that takes into account design, supply chain, manufacturing, product use and end-of-life treatment.

In 2009, Sony Ericsson conducted a Life Cycle Assessment (LCA) covering the extraction of raw materials, manufacturing of components, inbound and outbound transportation, utilization and end-of-life treatment for a mobile phone with a lifespan of three and a half years. The energy used in Sony Ericsson offices and for travel was also taken into account and calculated as an annual figure to be included in production overheads. The results showed that approximately 23.5kg of CO_2 could be attributed to the life cycle of the mobile phone, equivalent to a 150 km drive in a typical family car.

Sony Ericsson's own activities account for up to 0.85kg CO_2e/phone, or only 3.6 percent of the total impact. This is why Sony Ericsson has focused much more on reducing the impact of its products than of its activities. Nonetheless Sony Ericsson has now started reporting all internal impacts in line with the Greenhouse Gas Protocol[3]. The three new environmental targets set in 2009 will be tracked on a yearly basis and presented in the company's sustainability report.

Chargers and power consumption

Sony Ericsson has worked hard to reduce the power consumption of its chargers. Life-cycle assessments of mobile phones from the late 1990s showed that the charger accounted for about one third of the total energy/CO_2 impact of a phone. This has been reduced to 10 percent by decreasing the no-load power consumption (the energy wasted when the charger is connected but not in use) for every generation.

In 2009, Sony Ericsson launched its first commercial GreenHeart™ charger, the EP300, which is highly efficient (Energy Star Class V) and has a no-load power consumption of 30mW, giving it a five-star European Commission Integrated Product Policy (EC IPP) rating.

Sony Ericsson also supports the industry's adoption of a standardized charger interface, and will introduce chargers and phones that meet this standard during 2010.

In 2009, Sony Ericsson moved up to second place in the Greenpeace Guide to Greener Electronics rankings. The company performed best on the toxic chemicals criteria of all the ranked brands and was the first to score full marks on all chemicals criteria.

To learn more, please refer to the Sony Ericsson Sustainability Report at www.sonyericsson.com/sustainability.

[2] For more information see the Sony Ericsson Sustainability Report at www.sonyericsson.com/sustainability.

[3] Greenhouse Gas Protocol, a registered trademark of the Greenhouse Gas Protocol Initiative. http://www.ghgprotocol.org/

OBJECTIVES AND ACHIEVEMENTS

▲ Target achieved ▶ Work in progress

	Objectives 2009	Status	Achievements 2009	Objectives 2010
Enabling communication for all	12 Millennium Villages connected and three to five additional villages added	▶	85 percent of the villages connected and two new sites added	100 percent of the villages connected. Introduce at least three new applications to benefit the poor
	Together with Columbia University, monitor and evaluate the impact of telecom on MDGs in the Millennium Villages	▲	Monitoring and Evaluation surveys were completed for four sites	Publish Monitor and Evaluation Report, and define a model for socio-economic impacts of mobile communications
	Lake Victoria safety and security phase II completed	▲	Phase II of the Lake Victoria project was completed. 21 telecom sites were built and Ericsson search and rescue solution demonstrated	Handover project to local stakeholders for the establishment of search and rescue capabilities in the Lake Victoria Region.
	Mobile survey tool and selected applications developed and commercially launched to support the rural poor	▲	Mobile Survey Tool, Ericsson Virtual Number and Ericsson Connect Call were launched	Develop applications to support distribution of weather information, agriculture and community power
	Weather Info for All pilot project implemented in selected African countries	▲	19 weather stations were installed at mobile sites in Uganda, Kenya and Tanzania	Install up to 100 new stations in East Africa and support the development of end-user services related to weather and climate
Reducing our environmental impact	10 percent Group-level carbon footprint reduction per subscriber (applies to all products in portfolio)	▲	Company's direct and indirect footprint has improved by more that 10 percent. See Carbon intensity graph (p.15)	10 percent Group-level carbon footprint reduction per subscriber (applied on product portfolio level)
	Achieve volume rollout EDA 1200 VDSL2, enabling substantial power savings for operators choosing fixed broadband from Ericsson	▲	EDA 1200 VDSL2 rolled out	
	Initial Telepresence service implementation projects at selected locations to reduce business travel and related carbon emissions	▲	Telepresence sites installed at pilot locations	Leverage use of virtual collaboration tools to reduce business travel by 10 percent and set global travel baseline
	Increase outbound surface shipping target to 60 percent	▲	Outbound surface shipping target of 60 percent was achieved	Increase outbound surface shipping target from 60 to 70 percent
		▲	Achieved 7 percent energy reduction per head (50 percent of facilities)	Establishment of global energy management program worldwide Our Global FM Supplier to establish a Competence Center in the area of Energy Management including implementation of a new Environment and Energy Reporting System Perform Energy Audits on major locations (>5.000m² and lease period left > 5years)
	Reach compliance to internal targets for limited products from recent acquisitions and legacy products. The deadline is extended to the end of 2009	▲	Recent acquisitions aligned with Ericsson way of working	
	Ensure that less than 5 percent of WEEE is disposed of in landfill. Incorporate battery and packaging collection and treatment into Ecology Management	▲	Less than 5 percent of WEEE was disposed of in landfill. Battery and Packaging collection and treatment has been incorporated into Ecology Management	Ensure that less than 5 percent of WEEE is disposed of in landfill, and increase the volume of collect/take-back material by 20 percent during 2010
	Continuous improvement of material declarations for all products in portfolio, through improved data collection and development of tool	▲	New tool for material data collection developed	Implementation of new tool for material declarations
	Publish updated Banned and Restricted Substances lists	▲	An updated version of the Ericsson List of Banned and Restricted Substances was published in July 2009	
	Utilize common management system to consolidate ISO 14001 certification among all production units	▲	Target achieved	
Enabling low-carbon economy	Establish methodology for calculating positive carbon impacts, including a portfolio analysis of solutions with high carbon reduction potential with WWF Sweden	▲	A methodology for calculating Positive Carbon Impacts was published as a white paper	
	Publish results of CO_2 emissions of whole ICT sector	▲	Article accepted for publication in 2010 in major international journal	At least three activities to illustrate Telecom as a catalyst for a sustainable society
	Publish results of CO_2 reduction potential of three selected telecom services with operators	▲	Published results of CO_2 reduction potential for e-health in Croatia, digital media delivery in Spain, video-conferencing services and smart work	

	Objectives 2009	Status	Achievements 2009	Objectives 2010
Conducting business responsibly	100 percent completion rate of all employee anti-corruption courses. Continue rollout in remaining units	▲	61,000 employees, or 75 percent of staff, attended the course	
	Increase CR component of Global Assessment program to 20 percent	▲	The Global Assessment program currently has 20 percent CR criteria	Develop specific sustainability and CR criteria for joint ventures
	Increase CR component of Global Assessment sample to 50 percent of market units (100 percent every second year, rolling program)	▲	Achieved	
	Complete TANDBERG Television and Redback compliance with EGMS	▲	TANDBERG and Redback are fully integrated with EGMS	Nortel integrated in key areas of EGMS
	Conduct corporate responsibility training for the Ericsson Board of Directors	▲	Corporate responsibility session with Board of Directors completed	Conduct corporate responsibility training for the Ericsson Board of Directors
	Materiality investigation on human rights issues related to access to information, security and privacy		This target delayed until 2010	
	Conduct annual stakeholder engagement survey	▲	Sustainability and CR questions are now fully integrated with main business surveys with customers and brand tracking	Establish baseline for new measurement of sustainability & CR performance
	Launch internal global innovation and sustainability competition	▲	Sustainovate competition was launched, with participation from employees in 70 countries with 3468 ideas	Launch sustainability and CR employee awareness and engagement program
	Publish three human rights case studies in conjunction with business schools or human rights institutes	▶	The Business School publication was delayed	
	Implement a global Occupational Health and Safety (OHS) system	▶	Occupational Health and Safety Group Policy and Group Directive approved	Implement the Occupational Health and Safety Assessment Series (OHSAS) 18001
	Integrate a reporting system for incidents on fatalities, serious injuries and dangerous occurrences	▲	OHS incident reporting has been implemented worldwide through SIMS (Security Incident Management System)	
	Establish objectives and targets at market unit level; assess relevant risks and define control measures	▲	Completed	
	Publish complete socioeconomic impact assessment in Sudan	▶	Completed socioeconomic impacts assessment of mobile communications in Sudan	
	Complete S-CoC of risk assessment model by end of 2009	▲	Risk assessment model is now commonly used in market and business units	Establish Business Warehouse Database as a common tool for supplier CoC classification and reporting
	Launch web-based supplier training on CoC	▲	The web-based CoC training for suppliers was launched in five languages. All suppliers have been informed and encouraged to use the training widely, through Ericsson's global Sourcing organization	Launch the web-based CoC training in eight more languages. Actively inform all suppliers and encourage its use globally
	Report wide use of training course by our suppliers by the end of 2009	▶	The course has been completed by thousands of suppliers' employees. Several suppliers have ensured a 100 percent completion rate by employees	
	Have 75 trained auditors in place	▲	80 people were trained during 2009, bringing the number of trained S-CoC auditors to 130	Develop and implement a five-year S-CoC strategy
	Have audit programs and trained S-CoC auditors at all market and business units. This objective is also included in each unit's top management scorecard	▲	By the end of 2009, all market and business units had at least one trained S-CoC auditor and an implemented S-CoC program in place. We conducted more than 530 audits and 500 on-site assessments	Continue to improve and develop the S-CoC Program using regular auditor seminars, internal collaboration sites, continued trainings, conferences and other means. Maintenance and development of the S-CoC Program is included in each BU/MU top management scorecard
Empowering people	Maintain or improve performance level for Individual Performance Management (IPM)	▲	93 percent of employees had at least one formal performance-related discussion with their manager	Maintain or improve performance level for Individual Performance Management (IPM)
			The company launched Ericsson Academy, its own dedicated and strategic learning organization for its 80,000-plus employees. About 80-90 percent took some form of structured e-learning course	* 90 percent of employees to have strengthened their competence through Ericsson Academy * External introduction of Ericsson Academy * 10 percent improvements of our employee key indicators of learning excellence * Establish a maturity framework for competence management excellence * Leverage on our educational assets in one to two key CR projects
	Enhance diversity training in the Leadership Core Curriculum	▲	Achieved target	
	Continued implementation of targets in relation to prioritized diversity parameters	▲	Introduced specialized training on diversity and encouraged all units to address diversity criteria in IPM and unit organization	
	95 percent of employees complete the Diversity online training to increase awareness	▶	Training available to all employees globally. Integrated into new Ways of Working as a competitive strength	Launch new Ways of Working to guide all employee behavior, including diversity parameters

UN GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

The 10 principles of the UN Global Compact provide a universal framework for business conduct, which Ericsson strongly endorses.

Ericsson's commitment to the 10 principles of the UN Global Compact guides us in the development of Group practices throughout our sphere of influence. Moreover, through initiatives like Ericsson Response, the Millennium Villages, the Lake Victoria project and Weather Info for All, we mobilize our core business to support the UN in its efforts to alleviate poverty, improve the environment and bridge the digital divide.

Ericsson policies and directives

Respect for human rights and intolerance of corruption are embodied in our values of respect, professionalism and perseverance and in our Code of Business Ethics. The Code of Conduct (CoC) is also designed to protect human rights, promote fair employment and safe working conditions, and maintain high ethical standards. The Environmental Policy details our commitment to the precautionary approach; to promoting greater responsibility; and to developing environmentally sound technologies. The CR component of our Global Assessment Program is now 20 percent, up from 14 percent in 2008. We insist upon the same standards of labor and environmental performance among all suppliers. During 2009, we completed the annual sustainability and CR training for the Ericsson Board of Directors.

Human rights

Ericsson sees access to communication as a basic human right and we actively support the fulfillment of human rights within our sphere of influence. Our first obligation is to avoid complicity in human rights abuse, notably in countries where regulations and ethical standards are not enforced. Ericsson's core technologies can also help improve lives, promote democratic societies and generate economic opportunities.

- Our CEO joined the Advisory Board for the UN Digital Health Initiative
- Our partnership in the Millennium Villages initiative (p.11) supports sub-Saharan Africans' right to health, education and equality
- We completed a socioeconomic impact assessment of mobile communications in Sudan (p.11)
- The S-CoC program has been implemented in all market and business units. About 530 S-CoC audits and 500 on-site assessments were performed (p.26). Web-based CoC training for suppliers was launched in five languages

Fair labor practices

Human resources procedures ban discrimination and ensure equality and diversity in our operations. We encourage union membership and, in countries where workers cannot freely choose membership, work conditions are discussed with local management in a structured format.

- A new health and safety policy was introduced, and we committed to implementing the Occupation Health and Safety Assessment Series (OHSAS) 18001 (p.27)
- Increased focus on HIV/AIDS in Africa through the Swedish workplace HIV/AIDS Programme (SWHAP) (p.27)
- We fund independent research on health and safety issues relating to radio waves and electromagnetic fields (EMF) (p.25)

Environment

- Our Environmental Management System is globally certified to ISO 14001. This ensures our operations are consistently managed with minimal impact on the environment
- We actively promote technologies that help create carbon-lean societies, and our CEO spoke about this on several occasions in advance of COP15
- We achieved our Group-level carbon footprint reduction target (p.15)
- One significant environmental aspect is the energy consumption of our products during operations. We introduced TCO_2 to advise customers to minimize their footprint (p.17)
- We take environmental aspects such as hazardous substances, producer responsibility and efficient use of resources into account in product design, procurement, production and operation (p.16). We updated our Banned and Restricted Substances lists and a new tool for material data collection was developed
- A global internal competition for innovation and sustainability was held and generated more than 3000 ideas by employees from 70 countries.

Anti-corruption

The Ericsson Group Management System, implemented and monitored wherever we do business, ensures integrity and high standards of conduct. A whistle-blower procedure is in place for employees to report violations relating to accounting, internal controls and procedures or fraudulent practices.

- In 2009, 61,000 employees took the e-learning course on anti-corruption.

DNV Assurance Statement Summary

Ericsson Sustainability and Corporate Responsibility Report 2009

Det Norske Veritas (DNV) has carried out an independent verification of Ericsson Group ('Ericsson') Sustainability and Corporate Responsibility Report 2009 ('the Report') against the AA1000 Assurance Standard (AA1000AS 2008) and GRI G3. The Management of Ericsson 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 Ericsson only, in accordance with the scope of work commissioned. The stakeholders of Ericsson are the intended users of this statement. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement summary or the full version, provided at www.ericsson.com/corporate_responsibility. The assurance is based on the assumption that the data and information provided to DNV is complete and true.

Scope and Methodology

DNV's scope of work included verification of the following:

- Adoption of Ericsson sustainability and CR-related policies, practices and procedures at Group level and across 13 of 23 Market Units covered by DNV assessors in the Global Assessment Plan for 2009, focusing on Ericsson Group requirements for sustainability and CR including: senior management leadership and oversight; environmental management; code of conduct; local sourcing and supplier management; facilities management; occupational health & safety; SOX Entity-wide controls, including code of business ethics; HR management; and CR project management.
- Sustainability and CR-related policy, strategy, objectives and achievements in 2009, as described in the Report;
- Sustainability and CR-related actions, initiatives and projects described in the Report;
- Processes and tools for collecting and managing quantitative and qualitative data and information reported;
- Materiality, inclusivity and responsiveness processes described in the Report, and the reliability of specified sustainability performance information, as required for a Type 2, moderate level of assurance in AA1000AS 2008;
- Extent to which the Report adheres to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

This verification focused primarily on the Report, and not on the adequacy, effectiveness or efficiency of Ericsson's sustainability and CR management practices. Those aspects are the subject of Ericsson's Global Assessment Plan. The scope of this verification covered Ericsson Group, including Telefonaktiebolaget LM Ericsson and its subsidiaries. It excluded Sustainability and CR management, performance or reporting practices by any of Ericsson's external suppliers or any other third parties mentioned in the Report. It also excluded statements or data relating to the Sony Ericsson joint venture or ST-Ericsson, also provided in the Report.

This verification was carried out between September 2009 and March 2010, by qualified and experienced professionals, in accordance with the DNV Protocol for Verification of Sustainability Reports. The following methods were applied, to enable verification of the Report:

- Interviews with Ericsson personnel representing relevant functions at Group level and at Market Units, including data owners:
- Review of documentation, data records and sources relating to sustainability and CR management at the Market Units, including external Supplier Management practices and performance by Local Sourcing departments;
- Review of the processes and tools used to collect, aggregate and report on sustainability and CR-related data at the Market Units visited, and at Group level;
- Review of internal and external communication relating to Ericsson's sustainability and CR management and performance.

Conclusions

Based on the scope of work carried out, DNV concludes that the Report 2009 provides an accurate and fair representation of Ericsson's policies, strategies, management systems, initiatives and performance in 2009.
Materiality: Acceptable. In 2009, Ericsson continues to include principal engagement points and topics identified through the inclusion of stakeholders in the processes for defining materiality, CR strategy and the content of the Report;
Inclusivity: Good. In comparison with the 2008 Report, the current version has improved in responding to the concerns and information needs of stakeholders;
Responsiveness: Acceptable. The Report generally provides a balanced representation of material aspects concerning Ericsson's sustainability and CR performance: and
Reliability: Acceptable. Although some systematic errors were identified, these did not affect material indicators.

Recommendations

Materiality – A more comprehensive description of the approach adopted to identify, assess, monitor and review sustainability and CR issues would strengthen future reporting content and data collection;
Inclusivity and Responsiveness – the Report could more clearly present how it seeks to address stakeholder comments and recommendations specifically in relation to the previous year's Report in order to respond to issues specific to the report; and
Reliability – Ensuring that clear guidelines are set and awareness is high among those contributing performance indicators will increase the reliability of the ensuing Report

DNV states its independence and impartiality with regard to this commission. DNV did not provide any services to Ericsson during 2009 that could conflict with the independence of our work. Specific details of the information verified and the methods employed are provided in the full version of this Assurance Statement.

The Report is based on the GRI (2006) Guidelines and its principles. DNV also endorses the GRI Application Level of **A+**, as declared by Ericsson. Detailed information on the verification process, conclusions and recommendations by DNV is provided in the full Assurance Statement, available at www.ericsson.com/corporate_responsibility.

For Det Norske Veritas AS

Dr Helena Barton
Global Manager: CR Report Verification
Det Norske Veritas AS, Stockholm,
9th April 2010

Tom C Andrésen Gosselin
Lead Verifier

AA1000 Licensed Assurance Provider 000-10

MEMBERSHIPS

CORE SUSTAINABILITY AND CORPORATE RESPONSIBILITY

United Nations Global Compact

This is an organization for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption (p.5). www.unglobalcompact.org

Ericsson is a signatory of the UN Global Compact.
Ericsson also supports the Caring for Climate initiative.

GeSI

Ericsson is a founding member of the Global e-Sustainability Initiative (GeSI), which aims to create an open and global forum for the improvement and promotion of products, services and access to ICT to benefit society and the environment. Sustainable sourcing and climate change are key issues on the agenda. www.gesi.org

GAID

Under the umbrella of the UN, the Global Alliance for ICT and Development (GAID) is a multi-stakeholder partnership aimed at bridging the digital divide. GAID focuses on issues of access, connectivity, content and education. Ericsson has been a member of its steering committee since 2007. www.un-gaid.org

StEP

With members from industry, government, the NGO sector and academia, the Solving the e-waste Problem (StEP) initiative develops sustainable solutions to e-waste through analysis, planning and pilot projects. www.step-initiative.org

RECOGNITION

SOME EXAMPLES OF THE RECOGNITION RECEIVED IN 2009 FOR OUR SUSTAINABILITY EFFORTS ARE OUTLINED BELOW

Green Pioneer in Korea

At the Korea-EU Industrial Cooperation Day event, Ericsson was named the Green Pioneer for its environmental initiatives, low-impact technology and cooperative efforts on a 4G-based "green ecosystem."

Commended for green services

Ericsson won the SUPERCOMM EOS Green Services Award for its efforts to help operators reduce energy consumption in their IP Edge and Carrier Ethernet deployments. The award honors companies that contribute to cutting-edge network-enabled voice, video and data communications.

China acknowledges mobile solutions

Ericsson was awarded the title of China Green Company for the second year in a row for its innovative and low-environmental-impact mobile solutions that support sustainable social, economic and environmental development in China. The award is jointly organized by Daonong Enterprise Institute, Guanghua School of Management and Beijing University.

Award received for DC/DC power modules

Ericsson Power Modules received the Frost & Sullivan Green Excellence Award in Product Innovation for its world DC/DC converters. The award recognizes the company's miniature and high-density DC/DC power modules, including DC/DC converters, which reduce environmental impact.

Svanberg receives industry honor

Former Ericsson President and CEO Carl-Henric Svanberg was given the GSMA's highest annual honor, the Chairman's Award, at the 2010 GSMA Mobile World Congress. He was recognized for his approach to sustainability and his advocacy for GSM as the technology that would connect the world.

Rankings

Ericsson was number six in the technology sector in the Covalence second-quarter ethical ranking for 2009.

Ericsson's was one of nine vendor profiles analyzed by the International Data Corporation (IDC) in its Green-Ability Gauge, a series that assesses vendors' green IT go-to-market strategies through their related action and awareness.

Ericsson was included in the Ethibel EXCELLENCE Investment Register in 2009.

FTSE Group confirms that Ericsson has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social and environmental criteria, and are positioned to capitalize on the benefits of responsible business practice.

FTSE4Good

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Telefonaktiebolaget LM Ericsson
SE-164 83 Stockholm, Sweden
www.ericsson.com