

# Objectives and achievements



TARGET ACHIEVED



WORK IN PROGRESS



NOT COMPLETED

|                                | Objectives 2008  |  | Achievements 2008   | Objectives 2009  |
|--------------------------------|--|--|---|--|
| Responsible business practices | Long term objective: Ericsson is working towards increased transparency and accountability of its operations. We have a universal governance framework that applies wherever we operate, and whatever company we may acquire. Our CR-related policies and activities play a growing role in achieving this.        |  |   |  |
|                                | Governance   |  |   |  |
|                                | 100 percent completion rate of all employee anti-corruption course. 100 percent completion rate of all employee anti-corruption course.  |  | All Market Unit employees – our primary target group – and 65 percent of our workforce have taken the course.   | Continued roll-out in remaining units.   |
|                                | Include assessment of internal Code of Conduct as part of Global Assessment Program with DNV.  |  | Internal CoC assessments completed in India, China, Brazil and Turkey. CR component of global assessment program increased to 14% from 1% in 2007.                                | CR component of Global assessment program increased to 20%. Assessment program to cover 50% of Market Units (100% every second year, rolling program).   |
|                                |  |  | Acquisitions Tandberg Television and Redback merged into Ericsson's governance framework.   | Complete Tandberg Television and Redback compliance with EGMS.   |
|                                | Conduct corporate responsibility training for the Ericsson Board of Directors.   |  | Achieved.   | Conduct corporate responsibility training for the Ericsson Board of Directors.   |
|                                | Materiality investigation on human rights issues related to access to information, security and privacy.   |  | Achieved.   | Continue to monitor information, security and privacy issue.   |
|                                | Stakeholder inclusiveness  |  |   |  |
|                                | Conduct stakeholder engagement survey for review of 2007 CR Report.  |  | Indepth interviews conducted with customers and investors   | Conduct annual stakeholder engagement survey   |
|                                | Internal employee awareness and engagement program for CR launched.  |  | Including global launch of Sustainability/CR employee collaboration site  | Launch internal global innovation and sustainability competition   |
|                                | Complete stakeholder review of human rights case studies and publication in conjunction with BLIHR.  |  | Selected Ericsson case studies critiqued by NGOs, business organizations at BLIHR outreach day in India   | Publish three of these human rights and development case studies with business schools or human rights institutes.                                       |
|                                | Human rights   |  |   |  |
|                                | Complete socio-economic impact assessment in Sudan.  |  | Achieved.   | Publication during 2009.   |
|                                | Implement recommendations and relate to continual improvement of Ericsson management of human rights.  |  | General CR training held for 90% of global security management organization. Supported the Every Human has Rights Campaign Approx. 10 percent of employees signed online pledge.  |  |
| Sourcing                       | Contribute to raising standards worldwide by influencing our supply chain in the adoption of responsible conduct and environmental sustainability. Improve transparency and engagement among suppliers by fully integrating the Supplier Code of Conduct (S-CoC) Program across all our Market and Business Units. |  |   |  |
|                                | Initiate roll-out of risk assessment model globally.   |  | Achieved.   | Complete roll-out of risk assessment model by year end.  |
|                                | Define approach and select suppliers for increased engagement on S-CoC implementation in China.  |  | 81 suppliers were trained in nine cluster training sessions in China. Training of supplier representatives as CoC auditors, training of supplier managers on CoC and legislation. | Launch web-based Supplier training on CoC. Report wide use by our suppliers by the end of 2009.  |
|                                | Perform two supplier seminars to cover additional companies supplying Ericsson's factory in Jaipur, India. Hold Ericsson Supplier Day in India including Code of Conduct.  |  | Seminars held in India and Sri Lanka.   | See above objective.   |
|                                | Perform more than 120 S-CoC audits and follow up audits in China, India, Brazil and Eastern Europe.  |  | More than 250 S-CoC audits and over 300 assessments. Nine of 23 Market Units have trained auditors and ongoing programs.  | See last objective below.  |
|                                | Conduct observer training for 90 percent of the Market Units' strategic sourcing personnel.  |  | 96 percent of strategic sourcing personnel trained as observers. In total, over 1,100 employees have taken the training.  |  |
|                                | Perform two auditor training sessions in selected countries.   |  | Conducted 8 training sessions. 50 full and part-time S-CoC auditors in place.   | Have 75 trained auditors in place.   |
|                                | Expand the geographical scope of S-CoC activities with at least three new markets.   |  | Southeast Asia, Central and Eastern Europe, Mexico and South and Latin America.   | Have audit programs and trained S-CoC auditors at all Market and Business Units. This objective is also included in each BU/MU top management scorecard. |

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|  | Objectives 2008   |   | Achievements 2008  | Objectives 2009   |
|--|---|---|--|---|
| Energy, climate change and the environment | We will continue to address our own carbon footprint and reduce the environmental impact of our products. We will also focus innovation on developing telecoms solutions directed at reducing the 98 percent of carbon emissions produced by society at large.  |   |  |   |
|  | Define new long-term energy efficiency targets for fixed broadband, GSM and WCDMA.  |   | 40 percent reduction in Group carbon footprint over five years. Measured as CO <sub>2</sub> per subscriber, with 10 percent reduction in the first year, and including portfolio-wide energy efficiency targets.                               | 10 percent Group-level carbon footprint reduction per subscriber (applies to all products in portfolio).  |
|  | An additional 10 percent energy efficiency is targeted for completion in 2008. Define new long-term objectives.   |   | Exceeded target. 15 percent improvement in efficiency for WCDMA since 2007.  | Establish methodology for calculating positive carbon impacts, including a portfolio analysis of solutions with high carbon reduction potential together with WWF.        |
|  | Complete the remaining two percent energy efficiency from 2006-2008 target. Define new long-term objectives.  |   | Exceeded target. 7.5 percent improvement in energy efficiency for GSM.   |   |
|  | To have intermediate, publishable results from two of three ongoing projects for LCA, video communications and mobile applications.   |   | Project expanded with the center for sustainable communications at KTH to include CO <sub>2</sub> emissions of whole ICT sector.   | Publish results of CO <sub>2</sub> emissions of whole ICT sector with KTH.  |
|  | Complete full peer reviewed LCA study on mobile communications.   |   | This includes full LCA study on Ericsson mobile communication networks and a new LCA on a Sony Ericsson mobile telephone. The report has been sent for peer-review by three independent experts.   | Publish results of CO <sub>2</sub> reduction potential of 3 selected telecom services with operators.   |
|  |   |   | 1,500 employees participated in survey on video conferencing, to identify barriers for use and interest in working more from home. Video and tele-presence strategies defined.   | Install telepresence pilot projects at selected locations to reduce business travel and related carbon emissions.   |
|  | At least 50 percent of all outbound shipping is by surface mode.  |   | 41 percent of outbound shipping is by surface mode.  | Increase outbound surface mode shipping target to 60 percent.   |
|  | <b>Product stewardship</b>  |   |  |   |
|  | Reach compliance to internal targets for limited products from recent acquisitions and legacy products  |   | Plans defined for recent acquisitions and legacy products.   | The deadline is extended to year end.   |
|  | Ensure that for each WEEE take-back globally processed via Ecology Management that more than 90 percent is recovered and less than 10 percent is disposed of in landfill.   |   | At least 90 percent of take-back is recovered and less than 10 percent goes to landfill.   | Ensure that less than 5 percent of WEEE is disposed of in landfill. Incorporate battery and packaging collection and treatment into Ecology Management.                   |
|  | Identify basic requirements for material declarations tool based on legislative (REACH) and other developments.   |   | Achieved.  | Continuous improvement of material declarations for all products in portfolio, through improved data collection and development of tool.                                  |
|  | Review Ericsson Banned and Restricted Substance list and update if necessary.   |   | Achieved.  | Publish updated Banned and Restricted Substances list.  |
| page 16                                    |   |   | Utilize common management system to consolidate ISO 14001 certification among all production units.  |   |
| Communication for all                      | We will continue to develop innovative business models and actively contribute to bridging the digital divide. We will partner with organizations with similar goals in order to reach those at the bottom of the pyramid and to fulfil our vision of communication for all.                          |   |  |   |
|  | Deliver voice and data connectivity to Millennium Villages.   |   | By Q1, 2009, 60 percent of the villages are connected, covering 55 percent of the Millennium Village population.   | 12 Millennium Villages connected and 3-5 additional villages added.   |
|  | Evaluate impact of mobile broadband and multimedia services in 3 high growth markets in Asia and Africa.  |   | Published research on rural mobile broadband in Indonesia, South Africa and Rwanda.  | Together with Columbia University, develop measurement tools to monitor and evaluate the impact of telecom on MDGs in the Millennium Villages.                            |
|  | Conduct research about mobile content in Africa and India.  |   | Achieved.  | Lake Victoria safety and security phase II completed.<br>Mobile survey tool and one additional application developed and commercially launched to support the rural poor. |
| page 22                                    |   |   | Weather Info for All pilot project implemented in selected African countries.  |   |
| People                                     | We will equip our people to lead the transformation to a multi-media world. We will emphasize the value of diversity in the workforce in anticipating the needs of global markets. Our long term vision is to employ a proportional number of female managers relative to the total female workforce. |   |  |   |
|  | Complete IPMs for 90 percent of employees.  |   | 91 percent of employees completed Individual Performance Management Appraisals (IPM).  |   |
|  | Diversity integrated into IPM (Individual Performance Management) and every manager receives feedback on how they contribute to diverse work environment and diversity related goals.   |   | Managers set diversity goals and receive feedback on performance.  | Enhance diversity training in the Leadership Core Curriculum.   |
|  | Establish global goals in relation to prioritized diversity parameters  |   | Defined long term diversity objectives.  |   |
|  | Diversity on-line training will be implemented globally in 2008 to increase awareness.  |   | Training was launched.   | Ongoing, with aim that 95 percent of all employees complete the course by Q1, 2009.   |
| page 32                                    |   | Occupational Health and safety (OHS): Established an organization and mapped types of issues and how to address them. Defined Group policy. | Implement a global OHS system. Integrate a reporting system for incidents on fatalities, serious injuries and dangerous occurrences. Establish objectives and targets at Market Unit level. Assess relevant risks and define control measures. |   |