

Ericsson's commitment to Corporate Responsibility

Corporate responsibility (CR) describes the activities we pursue to maximize the positive social, ethical and environmental effects within our sphere of influence, and to control potential risks in these areas. Benefits of our technology are promoted via the development of an increasingly energy-lean product portfolio and by linking our products and services to the positive and empowering socio-economic contributions communications brings to markets, all within a business goal of sustainable growth.

We are focusing our corporate responsibility initiatives on sustainability and social and economic development. Sustainability efforts focus on climate change, alternative energy and offsetting CO₂ emissions. Social and economic development efforts focus on the digital divide, increase of GDP, and access to healthcare and education.

Ericsson has pioneered a number of initiatives and engaged in a number of public-private partnerships to demonstrate how its core technology contributes to these two areas, making the world a better place. Ericsson's commitment to corporate responsibility is closely linked to our vision.

Ericsson's vision

Ericsson's vision is to be the prime driver in an all-communicating world -- a world in which all people can use voice, data, images and video to share ideas and information whenever and wherever they want.

Our aim is to make people's lives easier and richer, provide affordable communication for all and enable new ways for companies to do business. To deliver this we will excel in network infrastructure, expand in services and establish a position in multimedia solutions.

The close alliance between our core business and corporate responsibility means that responsible business at Ericsson is part of the way we live and work every day.

Social and economic development initiatives

More than 1 billion people around the world (one in six people) live on less than USD 1 a day, which is defined as extreme poverty by the United Nations. The United Nations Millennium Development Goals set forth concrete, time-bound and quantified targets for significantly reducing extreme poverty by 2015, addressing the many dimensions of poverty while promoting gender equality, education, and environmental sustainability.

The Information and Communication Technology (ICT) sector has been specifically mentioned as a sector with enormous capacity to support the achievement of the goals.

As a key ICT technology, mobile communications has been proven to have a positive effect on socio-economic development. A study by Professor Leonard Waverman, at London Business School, showed that for every 10 percent increase in mobile penetration, there was an increase in GDP growth rate of about 0.6 percent. In addition, the effect of mobiles is twice as large in developing countries as in developed ones.

Ericsson has initiated a number of projects and initiatives to demonstrate the positive impact that access to affordable communications can have in high growth markets and in support of the Millennium Development Goals.

The Earth Institute and the Millennium Villages: Ericsson has partnered with The Earth Institute, led by Jeffrey Sachs, at Columbia University to provide connectivity to the Millennium Villages project (www.earth.columbia.edu/articles/view/1799). This partnership is designed to bring mobile communication and the Internet to approximately 400,000 people in 10 countries in sub-Saharan Africa. We are leveraging our relationships with African operators to identify, design and provide customized telecom solutions to improve socio-economic conditions. Ericsson is also providing Village Solar Chargers, which can charge at least 30 mobile phone batteries per day and eight phones simultaneously. MTN, the Zain Group (formerly MTC) and Sony Ericsson are partners for this initiative.

Ericsson, Zain and GSMA Development Fund extend mobile service to Lake Victoria: Ericsson and Zain are extending the mobile network to provide much-needed communications on Lake Victoria, the world's second largest lake where more than 5,000 fishermen die annually due to drowning, pirating and other fishing related accidents. The project, conducted in collaboration with the GSMA Development Fund, aims to increase economic and social development through the introduction of mobile services, while at the same time significantly reducing the number of fishermen dying from accidents each year. Ericsson and Zain will build 21 new mobile sites in order to improve coverage in a 20 km radius around the lake where 90% of fishing occurs.

Mobile connectivity in refugee camps in Uganda: Ericsson, in partnership with the UNHCR, MTN Uganda and the GSMA Development Fund, is piloting the introduction of mobile connectivity to refugee camps and settlements in northern Uganda by introducing "Shared Access to Voice" and "Shared Access to Data" services. The partners are building a self-sustainable, scalable solution which will be used to guide and shape further replication in other refugee locations worldwide.

Gramjyoti Rural Broadband Project: Ericsson provided high-speed internet connectivity via WCDMA/HSPA technology in rural India, connecting communities to high-speed internet services for the first time. The initiative demonstrates how technology can be a major catalyst for social and economic empowerment in this developing region, bridging the digital divide and increasing productivity and quality of life. The location reflects the typical telecom profile of rural India, where many families have limited or no access to fixed phones, but do have access to a mobile phone.

Universal Declaration of Human Rights 60th anniversary: 2008 marks the 60th anniversary year for the Universal Declaration of Human Rights. Ericsson is taking a leadership role in promoting human rights through its work in organizations such as the UN Global Compact and the Business Leaders Initiative on Human Rights (BLIHR). We are exploring the use of mobile technology as an enabler of human rights - such as the right to health, the right to education and the right to safety and security - particularly in emerging markets.

Mobile learning: Over the past five years Ericsson has pioneered the application of mobile technologies in distance learning initiatives. Ericsson's end-to-end solution allows the development and deployment of structured learning content to mobile handsets as well as technology to track usage over disparate target groups. The solution has been tested in Africa through Ericsson's involvement with the Millennium Villages project where remote health workers were targeted with specific learning interventions delivered to their mobile handsets. Ericsson is also collaborating with Stanford University's International Outreach Program to further explore the innovative use of mobile technologies in distance e-learning in Africa

Low ARPU program: Ericsson has initiated a program to address the low income segments especially in the high-growth markets. The purpose is to find the business models and solutions that will help socio-economic growth in areas that are excluded for telecommunication. To date Ericsson has started 55 projects in those markets especially using business models and technical solutions that will enable sustainable mobile communications for the people at the bottom of the pyramid.

Sustainability initiatives

Societies across the globe need to make the shift towards a low carbon economy. Ericsson and others estimate that societal behavior changes using telecommunications could reduce the use of energy in society by a factor of 10 compared to the amount of energy required to produce and deliver telecom services. By using sustainable energy solutions and energy efficient networks, and encouraging applications that reduce travel, telecommunications can be a significant factor in accelerating development towards a low carbon economy – and tackling climate change on a global scale.

Our sustainability initiatives focus on delivering energy-lean solutions to our customers, on understanding our own and our customers' carbon footprint, and on promoting the smart use of telecommunications in order to support the transition to a low-carbon economy. Our sustainable energy solutions include a broad range of products, features and services designed to optimize the energy efficiency of the radio network. This includes a life-cycle approach to optimizing networks with the fewest number of sites, efficient radio base stations, innovative site concepts, and our proven track-record in the use of alternative energies.

Mobile broadband contributing to carbon-lean economy: A new study of Australian operator Telstra's Next G(TM) network, which was supplied and installed by Ericsson reveals that business users of the new mobile broadband service can reduce their carbon footprint as well as improve their productivity. It confirms that many business users of the new HSPA-enabled 3G network are able to reduce their kilometers traveled, as well as the need to print documents, resulting in a reduced carbon footprint for their work activities. The businesses reduced their carbon footprint by up to 17 percent, with an average of between 5-10 percent.

Significant reduction of energy consumption: In 2006, Ericsson improved the energy efficiency of our WCDMA base station portfolio by 35 percent – exceeding our 25 percent target. This target was exceeded again in 2007 and by 2008, we intend to improve energy efficiency by up to 80 percent over 2001 levels.

Ericsson also introduced Base Transceiver Station Power Savings Feature, a new feature that enables base station equipment to go into stand-by mode during quieter periods. This stand-by mode can reduce consumption of energy by 15-25 percent. If the installed base of Ericsson GSM base stations had this feature, CO₂ emissions would fall by 1 million tons per year – the equivalent emissions of 330,000 cars each travelling 16,000km per year. Both of these initiatives will significantly lower operational costs for our customers.

The Ericsson Tower Tube: Ericsson has pioneered an innovative construction that houses base stations and antennas, fully encapsulating them in an aesthetic, energy-efficient and environmentally friendly tower made from flexible concrete. The concrete itself has a lower environmental impact than traditional steel, producing 30 percent less CO₂ emissions during production and transportation.

Diverging from the standard design, the radio base station is placed at the top of the tower, cutting the distance between it and the antenna. This gives capacity and coverage benefits for the mobile network and can in an optimized network, together with the fact that no active cooling is needed, reduce energy consumption up to 40 percent during the lifetime of the tower. It can be built in a variety of shapes and sizes, with customized finishes for any landscape.

Green site solutions: Many areas in emerging markets are beyond the electricity grid or without a reliable power supply, requiring alternative energy sources to power the base stations that bring mobile connectivity. Ericsson has many well-established and commercially operational green site solutions in a number of markets. These include solar, biofuel, battery and diesel hybrid sites, and fuel cells.

To date, Ericsson has installed more than 200 photovoltaic "**Sunsites**" (solar-powered base stations) in Morocco, Mexico and Ethiopia among other countries. Solar power is more expensive

to install, but for low and medium capacity sites, it can prove a cheaper option than diesel generators within a year or two of operation.

Ericsson, Idea Cellular and the GSM Association Development Fund launched base stations powered by locally produced **biofuels** to extend Idea's commercial mobile network in rural India. The biodiesel for these base stations comes from fish oil and waste vegetable oil – essentially used frying oils from local restaurants. The use of biodiesel can be controversial primarily due to widespread clear cutting of tropical rain forests and taking land out of food production. In Ericsson's projects, responsible environmental practices for the production of biodiesel have been followed and no clear cutting or competition with food crop has occurred.

Ericsson's **hybrid power solution** combines diesel with battery technology. Traditional off-grid diesel solutions consist of two diesel generators working alternately. With Ericsson's new hybrid energy solution, one of these diesel generators is replaced by a battery bank with specially designed batteries that can handle a large amount of charges and discharges. This solution significantly reduces energy consumption in mobile networks outside the electricity grid, cutting network operating costs by up to 50 percent. Ericsson's new solution was first selected by Celtel Uganda, who is rolling out the solution across Uganda.

Employee initiatives

Ericsson Response is a global initiative for responding to human suffering caused by disasters. Ericsson Response is prepared to provide on-site communications technologies and support to the world's most respected humanitarian organizations, including the UN Office for the Coordination of Humanitarian Affairs, the World Food Programme, and the United Nations High Commissioner for Refugees, as well as the Swedish Rescue Service, the Red Cross/Red Crescent Movement, and Télécoms Sans Frontières.

Corporate Responsibility milestones

Green Leader: Ericsson ranked fifth among the 10 best global environmental performers, according to EIRIS and the FTSE4GOOD. Ericsson has been identified by Ethical Investment Research Services as a "Green Leader" among nearly 3000 companies based on our responsible practices and management systems.

Rated "Best in Class" by Carbon Disclosure Project: Ericsson was honored as "Best in Class" in its approach to climate change disclosure in a report released by the Carbon Disclosure Project (CDP), a coalition of over 315 global investors with more than USD 41 trillion in assets. Ericsson was the only telecommunications supplier and Swedish company to be named in the global leadership index and ranked third overall on the Nordic index.

Inaugural China Information Industry Energy-Efficiency Innovation Award: The China Center for Information Industry Development selected Ericsson for this award in part for our work to improve the energy efficiency of our products as well as overall network energy optimization.

Ericsson Response Honored with 2007 PMI Community Advancement Through Project Management Award – Organizational Category: Honored for advancing communities in need through Ericsson Response program for international assistance in disasters. Improved communications, increased cooperation and the efficiency of relief work in Muzaffarabad, Pakistan, over a nine-month period, deploying WIDER system (WLAN in Disaster and Emergency Response) and on-site volunteers.

Memberships and affiliations

Business Leaders Initiative on Human Rights (BLIHR): Ericsson is committed to leading the corporate response to human rights. BLIHR, chaired by Mary Robinson, the previous United Nations High Commissioner for Human Rights and former President of Ireland, aims to find practical applications for the aspirations of the Universal Declaration of Human Rights within a

business context, and to inspire other businesses to do likewise. Ericsson has taken an active roll to drive these issues into the telecom sector.

United Nations Global Compact: Ericsson is committed to the UN Global Compact, which encompasses four areas; labor, human rights, environment and corruption.

Global e-Sustainability Initiative (GeSI): Ericsson is a founding member of the Global e-Sustainability Initiative, a cooperative venture involving global Information & Communication Technology (ICT) companies, the UN Environment Programme and the International Telecommunication Union. GeSI works to coordinate ICT industry responses to mutual concerns, influence the sustainability debate and provide public information.

Ericsson supports GAID, The Global Alliance for Information and Communication Technologies and Development, an initiative approved by the United Nations Secretary-General in 2006. GAID's mission is to provide a platform to discuss the use of information communication technology (ICT) in achieving internationally agreed development goals, notably the reduction of poverty.

Notes to editors:

More information on Ericsson's CR activities, including a link to Ericsson's latest Corporate Responsibility Report at: www.ericsson.com/ericsson/corporate_responsibility/index.shtml.

Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 185 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 188 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on the Stockholm, London and NASDAQ stock exchanges.

For more information, visit www.ericsson.com or www.ericsson.mobi.

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