



SUSTAINABILITY CREATING BUSINESS OPPORTUNITIES

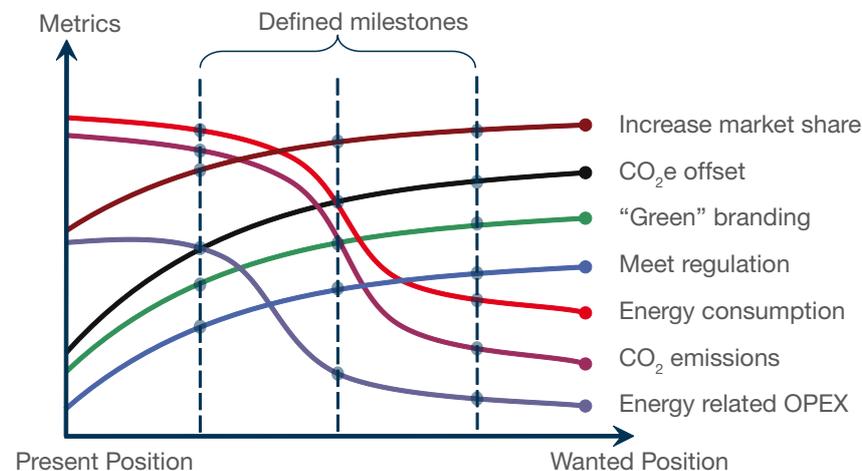


SUSTAINABILITY – HYPE OR BUSINESS OPPORTUNITY?

Since the industrial revolution human activity has had a negative effect on the earth's climate. This is evidenced by increasing CO₂e (Carbon Dioxide Equivalent) levels in the atmosphere from power generation, transportation, manufacturing, agriculture and other industrial activities. The Information Communications Technology (ICT) sector has an important role to play in reducing environmental impact from these and other sectors. The wider deployment of communication networks and the addition of an underlying intelligence to existing infrastructure can reduce CO₂e by 15% or more. This is not hype but a reality which results in new business opportunities and lowered operational costs.

ICT - centre of a revolution

ICT has been estimated to account for 2% of energy consumption and as a consequence 2% of CO₂e emissions¹. While this figure is expected to increase over the coming years it is important not to underestimate the net benefit ICT can contribute by increasing efficiency in other sectors, which account for the remaining 98% of emissions¹. Think of a communications network as being the centre of a societal transforma-



Providing strategy and solutions to meet your environmental objectives

tion; an enabling platform that other sectors benefit from directly.

The opportunity landscape ICT companies can address is growing and increase the potential for generating new revenue streams. This is made possible by next generation technologies such as Mobile Broadband which offer more bandwidth and higher network capacities enabling transformative solutions such as virtual meetings, teleworking, e-health, mobile-health, and distance learning.

These kinds of innovative solutions which substitute real-world products

and services ultimately help reduce environmental impact. In the case of Acea (an Italian energy utility), Ericsson provided an advanced Meter Management solution and managed service facilitating the deployment of a smart grid.

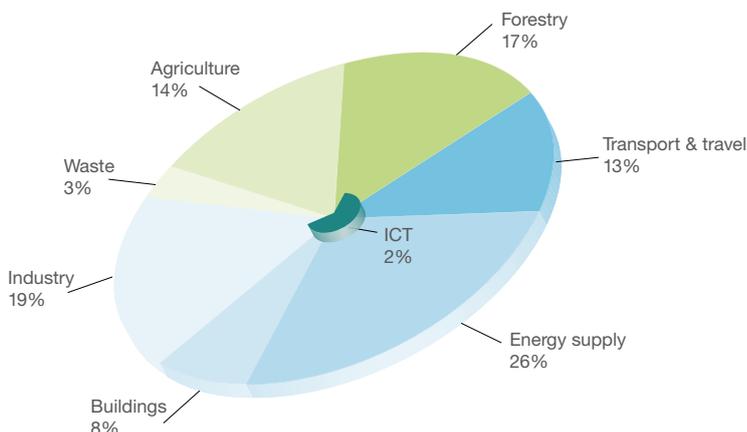
**SUSTAINABLY
GROW BUSINESS**

The revolution is under way

While ICT can benefit other sectors, it is possible to cut our own emissions by increasing energy efficiency which in turn leads to lowered energy OPEX. As energy requirements and energy price volatility increase this has become an immediate challenge, particularly in regions with inadequate or unstable power grids.

By progressively applying the latest in energy best practices, CO₂e can be reduced along with energy related OpEx. This creates a virtuous cycle, aligning business objectives to environmental benefits.

When optimizing a network it is important to take a systematic approach to yield maximum benefit. Viewing the network as a single system consisting of multiple interdependencies can avoid the sub-optimization that can often occur.



1: Smart2020 report to be cited, <http://www.smart2020.org/>

SYSTEMATICAL APPROACH TO REDUCING NETWORK ENERGY CONSUMPTION

I. NETWORK LEVEL SOLUTIONS



II. SITE LEVEL SOLUTIONS



III. ALTERNATIVE ENERGY SOURCES



Quantifying environmental benefits and impacts

Life Cycle Assessment (LCA) is a preferred technique to evaluate environmental impacts. Since 1994 Ericsson has tailored LCA specifically to the telecommunications sector, grounding our knowledge of these impacts in a globally acknowledged methodology.

In addition to indicating the key environmental impacts resulting from telecommunications affects, LCA can quantify the CO₂e offset potential ICT solutions bring to CO₂e intensive sectors. It is possible to determine not only the financial business case for ICT solutions addressing other sectors but also the environmental business case for those solutions. For instance by using the LCA approach it was possible to calculate Ericsson's e-health delivery system implemented in Croatia reduced CO₂e by 15,700 tons per year there.

The transformation journey

Operators face many challenges in developing new revenue streams or reducing operational costs associated with energy consumption. While they require unique solutions aligned with their individual business models, Ericsson can draw upon a wealth of best practice and expertise to help meet these challenges making you the centre of the low carbon

economy underpinned by efficient communications infrastructure.

Ericsson's offerings supporting this change include:

- Environmental strategy
We assist you in developing the necessary strategies to reach your target position, leveraging our global capabilities and experience.
- Network energy optimization
We take a holistic approach to reduce your energy consumption across your network, data centers, and facilities.
- Solutions for a low-carbon society
We provide the consulting, platforms, and systems integration to roll out innovative solutions to enable smarter cities, power grids, and transport solutions etc, needed to help create the cities of the future today.
- Life cycle assessment
We can quantify the environmental impact of your operations and the net benefits that ICT solutions can have on society.

Our sector is in the spotlight due to the important role it can play in the low carbon economy. It is now up to you to provide the solutions to assist society and your business.

Let Ericsson be your business partner on this journey.

ERICSSON ENGAGEMENT FACTS:

ENERGY EFFICIENT PRODUCTS

Reducing our life-cycle carbon footprint by 40% over 5 years (2009-2013, baseline year 2008), measured as CO₂ emissions per subscription.

DESIGN FOR ENVIRONMENT

We minimize the use of hazardous materials in our product ranges ahead of national and regional regulations (e.g. over 10 years' experience of lead-free soldering).

LIFE CYCLE ASSESSMENT

Our first radio base station LCA was conducted in 1994 and since then we have actively refined and updated our LCA model with new technologies as they emerge.

ECOLOGY MANAGEMENT

Ericsson offers all our customers a free of charge service to take back Ericsson products and solutions worldwide. All material collected is treated by highly specialized recyclers in an environmentally efficient manner with a recovery rate over 95%, well exceeding the EU WEEE directive stipulation of 75%.

ALIGN BUSINESS NEEDS TO ENVIRONMENTAL GOALS

