

Ericsson Nikola Tesla d.d. Social report 2007

The company
contributes
to all six
segments
of social
responsibility

6 +

Ericsson Nikola Tesla – a socially responsible company

Socially responsible entrepreneurship has become an area of rising public interest in the last decade. Numerous companies worldwide, especially those in the most developed economies, are regarding social responsibility more and more as the concept that ensures operational competitiveness and sustainable development of society at large.

Ericsson Nikola Tesla, as part of the globally present Ericsson group, and on an equal footing with other Ericsson companies, participates in the creation of new worldwide communication trends and sets an example of a socially responsible enterprise in Croatia and other countries it operates in.

Led by the principle of responsibility in all segments of its operations and in relations with all stakeholders, Ericsson Nikola Tesla believes that social responsibility helps the Company build esteem, ensures employee motivation and satisfaction, as well as wider social acceptance, increases competitiveness and enables faster growth of the Company in the long run. With this in mind, we keep emphasizing that along with financial responsibility, companies should have a high awareness of their social responsibility towards the community and sustainable development. However, companies should also have a clear strategy of operational development and a leading position in their scope of activity and must also take care of their employees, shareholders, customers, partners, suppliers, as well as product and service users. In such a business chain everyone, including product and service suppliers, importers, producers, as well as customers and users, should act in the same manner and take into consideration the environmental impact of a product during its life cycle.

With this in mind, a long-term outlook, competitiveness and business excellence in everything we do are the basic preconditions on which the operations of every company should be based. Only a company that is successful in this way and is responsible towards all stakeholders, can be equally responsible towards the community in which it operates. Following these principles, Ericsson Nikola Tesla creates preconditions for better lives, higher productivity and increased employee efficiency by assuming the leading role in the Croatian economy. By doing this, we actively and practically promote a knowledge-based society and sustainable development of society at large.

Key stakeholders

Ericsson Nikola Tesla's operations focus on all key stakeholders; shareholders, customers, suppliers, employees, the trade union, business organizations and associations, central and local governments, and the community. By means of two-way partnerships, Ericsson Nikola Tesla not only makes a responsible impact on its future operations, realization of its objectives and the achievement of desired positions, but also greatly contributes to the further development of its partners, community prosperity and better lives.

Key stakeholders	Our way of working
Customers	Professionalism in customer relations Provision of total ICT solutions Partnership Proactive approach/constant adjustment to customer needs Innovativeness and knowledge management in order to promote customer success Regular monitoring of customer satisfaction
Employees	Attractive jobs in ICT Lifelong learning and training Equal development and work opportunities for all employees Performance-based salary system Motivating working environment Modern workplaces
Suppliers and partners	Building lasting relationships Dialogue and exchange of expertise – application of modern work methods Regular external quality assessment of suppliers, partners and contractors
Shareholders	Timely and objective information on all company activities and business results Application of Corporate governance principles
Trade union	Partner relationship Counseling and participatory decision making Support for TU work which involves safeguarding the interests of its members
Community	Dialogue, consultation, exchange of knowledge and financial support
Central and local government	Exchange of ideas Counseling on legislation and procedures Promoting environment conducive to business development

Areas of social responsibility

Ericsson is a leader in social responsibility. The Corporation has recently been proclaimed an “environmental leader” among almost 3000 companies from all over the world because of its practice of corporate social responsibility and its management system. According to the index of ethical investment (*Ethical Investment Research Services – EIRIS and FTSE4GOOD*), Ericsson is the 5th worldwide leader in environment protection. Ericsson has proved its leading role in promoting corporate social responsibility by becoming one of the “best in class” companies in the field of climate change protection (*Carbon Disclosure Project – CDP*). It should be mentioned here that in 2007 the Corporation started a *Millennium Villages Project* with the Earth Institute, as part of its *Response Program* – a program dedicated to people in distress caused by war, accidents, natural catastrophes, poverty, etc. The aim of the project is to ensure mobile communications for 400,000 people in 10 African countries and in that way improve the living conditions of poverty-stricken people. *International Shareholder Services – ISS* has recently conducted a survey on 50 leading companies listed on the Stockholm Stock Exchange and proclaimed Ericsson as the leading corporation in the field of corporate governance.

As part of the Ericsson group, active in 175 countries around the world, Ericsson Nikola Tesla participates equally with other members of this powerful global family in creating new communications trends throughout the world and sets an example of a socially responsible company in Croatia and numerous markets where it achieves business results. In the corporate organization, Ericsson Nikola Tesla acts within the Ericsson Market Unit Central Europe (MUCE).

Ericsson Nikola Tesla reports on its environmental, economic and social impact in line with the *Global Report Initiative – GRI*, which represents the leading global framework for reporting on sustainable and responsible company operations.

Areas in which the Company demonstrates its social responsibility are:

- Economic sustainability
- Social corporate responsibility as an integral part of business strategy
- Working environments
- Market relations
- Environment protection
- Community relations

Economic sustainability

Company contribution to economic prosperity

Ericsson Nikola Tesla has been successfully conducting business for almost six decades and its results place it among the top companies in the Croatian economy. In the last decade, ETK was one of the most successful companies in Croatia, while in the last few years it has been placed on the list of the largest Croatian exporters and has been the largest exporter of knowledge. ETK is present in dozens of countries across all continents through the responsibilities it has taken on and its corporate projects.

Since economic sustainability is not a phenomenon confined only to the Company itself, the contribution of Ericsson Nikola Tesla to economic prosperity can be viewed from the perspectives of direct and indirect impact. The direct impact is measured by the traditional financial indicators shown in the financial part of this report. Indicators of added value from operations, which is distributed among all stakeholders, including employees, shareholders and the community, indicate that the added value yielded by the Company in 2007 amounted to MHRK 581.3.

Ericsson Nikola Tesla - added value from operations	2007 (KHRK)
Sales income	1,781,486
Other operating income	23,858
Financial income	92,771
Total income	1,898,115
Procurement costs and other operating costs	-1,233,147
Depreciation and amortization	-83,622
Added value	581,346
Distributed among:	
– Employees	380,570
– State (income tax)	744
– Financial institutions	237
– Shareholders	199,795
	581,346

Along with its financial responsibility, Ericsson Nikola Tesla is also highly aware of its responsibility to develop the community within which it operates.

Scientific and research activities

The R&D Center that operates within Ericsson Nikola Tesla is one of Ericsson's largest R&D Centers.

Some of the most significant research projects in 2007 are:

- Alongside the usual research projects which are in cooperation with the Faculty of Electrical Engineering and Computing, at the University of Zagreb, and the Faculty of Electrical Engineering, Mechanical Engineering and Naval Architecture (FESB), at the University of Split, the company applied for and successfully passed the review for its own new three-year scientific project, *New Architectures and Protocols in Convergent Telecommunications Networks* approved and co-financed by the Croatian Ministry of Science, Education and Sports
- Successfully implementing the project entitled: *Middleware Platform for Empowering the Cognitively Disabled and Elderly – MPOWER*, co-financed by the European Commission within the FP6 Program. The project has received very positive international reviews for the work done thus far
- Partnership in the European consortium of science and industry organizations within the framework of FP7, first invitations for bids in the ICT domain: *Quality Impacts Prediction for Evolving Service-oriented Software*
- Participation in an EU Tempus Project with the objective to build program engineering competence centers in Croatia – the *KISEK* Project
- In cooperation with the Electronics, Microelectronics, Computer and Intelligent Systems Institute of the Faculty of Electrical Engineering and Computing, at the University of Zagreb, we have successfully completed our participation in the technological poly-project called *CRO-GRID* within the Mediator domain
- Several highly significant research prototypes have been completed.

Benefits of modern communications technologies

Employing young professionals

Ericsson Nikola Tesla is recognized as one of the best Croatian employers because it ensures good working conditions for its employees, encourages them to develop their careers and provides competitive earnings in comparison to other Croatian companies. With the aim of also ensuring quality staff for the future, the Company organized a scholarship competition in late 2007 offering 24 scholarships to regular students who are attending their final years of study at the Faculty of Electrical Engineering and Computing, at the University of Zagreb, and the Faculty of Electrical Engineering, Mechanical Engineering and Naval Architecture (FESB), at the University of Split. By awarding scholarships to students, Ericsson Nikola Tesla, as a socially responsible company, contributes to the creation of a knowledge-based society in Croatia.

Financing central and local government

The Company and its employees pay taxes and contributions into central and local government budgets thus financing the work and development of socially significant activities, such as those in science, education, healthcare and infrastructure development.

Active Role in the community

- **Promoting the implementation of the latest information and communications technology** as a precondition of economic development and the development of society at large.
- **Business chain standardization** in which all participants follow the same procedures. This methodology builds trust among all participants in the business process and creates preconditions for rational and efficient operations of all parties involved.
- **Sharing knowledge** about new technologies, business models, international standards and modern work methodology.
- **Fostering dialogue and consultancy** to help shape and bring about positive changes and initiatives in society.

Communication is a fundamental human right and need, and the development of new technologies makes communication more and more accessible, as well as an increasingly important part of everybody's life.

Ericsson Nikola Tesla shares the Corporation's vision, "*communication accessible to all*", and the conviction that job creation and sustainable development of business at the local level is the established stronghold of economic prosperity and has a much greater impact on citizens' lives than donations and sponsorships. Through well thought out operational planning, and operational excellence in every segment, the Company provides its employees and the Croatian economy with the possibility to actively participate in the global IT society. By using modern communications and fulfilling the human desire to exchange information, ideas and emotions with others we simultaneously fulfill the basic needs for intimacy, increased comfort, control over one's own time and environment protection.

It is estimated that the current number of 3 billion mobile users worldwide will reach 4.5 billion in 2010, and within just a few years' time, 85% of the global population will have access to mobile communications. Since visual elements have been introduced into telecommunications, contact is becoming less dependent on sound transfer, which creates a whole range of new possibilities, ranging from medical services in situations that require urgent reaction, efficiency and reliability and which literally save lives to innovative ways of distance learning and advertising.

Broadband access, both in fixed and mobile telephony, introduces new added value into our daily lives by increasing the quality of life and making communication less dependent on time and space. Virtual human interaction is on the rise, and is replacing business trips to remote destinations, being just as effective but also saving time, energy and reducing pollutant emissions.

2007 was the crucial year for the penetration of mobile broadband into the widest circles of users by expanding 3G and HSPA. In early 2008, 174 HSPA networks were being used in 76 countries worldwide, the majority of which function at a speed of 3.6 Mbps or faster. HSPA is part of the natural evolution of GSM/WCDMA technology used in over 86% of the world's mobile networks. The world

entered 2008 with 180 million WCDMA users (including HSPA) and 6.5 million new users every month.

This is why television, as the most widespread form of multimedia, is no longer exclusively watched in the traditional manner, without the possibility of interaction, and is becoming increasingly adjustable to individual user preferences with the participation of viewers themselves. Therefore, based on palm computers developed by Ericsson Mobile Platforms, Ericsson has launched LTE (Long-Term Evolution – next generation standard for mobile networks) end-to-end calls. LTE represents a new level of user experience with upload bandwidths of 50 Mbps and download bandwidths of as much as 100 Mbps. This provides flawless performance of demanding applications like mobile video contents, blogs, advanced games, multimedia telephony and professional services. LTE is compliant with existing mobile systems and offers operators scalable development and cost efficiency.

At the same time, IPTV platforms are being perfected, especially in the IPTV services quality control segment. New equipment and solutions are further advancing IPTV, which is already a well-established multimedia functionality in our market.

Furthermore, the music industry keeps developing new marketing and distribution models which are drawing the attention of telecommunications operators and other suppliers while those models change consumer behavior. User experience is enriched by telecommunications services that offer new possibilities in this entertainment segment. For the time being, Ericsson is the only provider of total solutions for different business models and various contents, including videos, games, hosting or white label music solutions throughout all the continents of the world.

Fast changes are taking place in the LBS (Location Based Services) segment as well. Highly precise location information obtained through the use of GPS (Global Positioning System) functions provides precise positioning. For instance, based on Ericsson platforms, a security device has been developed which provides exact positioning and movement monitoring of users in dangerous or emergency situations. A switch of this small device, suited for every purse or

pocket, with which the user activates positioning, may also be used to trigger a siren to prevent criminal activity.

Ericsson, along with other leading ICT players worldwide, shares a vision of total mobility and complete unified communications based on solution-enabled software upgrades. This approach strengthens the convergence of business communications by means of desktop computers, mobile devices and a range of business applications. In this way, business users can use their mobile devices at any time as an expanded part of their own corporate communications network, practicing an efficient shift towards unified mobile communications.

Ericsson has developed total solutions and system integrations within city networks of so-called “digital cities”. Such networks initially provide a link between buildings of city administration, hospitals, city halls, schools and universities. In this way, citizens get a more easily accessible public infrastructure and fast cutting edge broadband services that affect the development of many innovative services of the next generation. Some of the services that Ericsson has been developing are the electronic market for local entrepreneurs, geo-information systems (GIS) for the areas of environmental protection and emergencies, intelligent transport networks and a health care program. The solution includes an integrated alarm system for emergencies, city teleworking center and distance-learning courses for unemployed people. Once again, Ericsson has proven its role as the leading company in integrating and creating pioneering plans in all aspects of life.

In its operations, Ericsson Nikola Tesla has been promoting not only profit generation, but also corporate social responsibility that includes economic sustainability, improved working environments and market relations, as well as a positive impact on the community. In that respect, the Company has paid a great deal of attention to developing environmentally friendly and energy saving products that enhance the businesses of numerous companies and improve the lives of people who use them.

Corporate social responsibility as an integral part of business strategy

Ericsson Nikola Tesla has a clear business development strategy, while principles of socially responsible conduct are integrated into all segments of company operations and relations with all its stakeholders. Ericsson Nikola Tesla is a signatory to the Ericsson Code of Business Ethics as well as the Code of Business Ethics published by the Croatian Chamber of Economy, which is yet another confirmation of its dedication to ethics in business.

Ericsson Nikola Tesla's objective is:

- To be the preferred partner in Croatia and in export markets in the field of ICT
- To be the best employer in Croatia, attracting and retaining people of its choice
- To achieve long-term growth with optimized cash flow
- To be the preferred partner in research and development, in total solutions and services within the Ericsson Group
- To be a socially responsible company which contributes to the development of society and betterment of human lives through its successful operations.

Total quality management

Keeping in line with corporate guidelines, the Company systematically promotes Total Quality Management (TQM), or rather the achievement of business excellence.

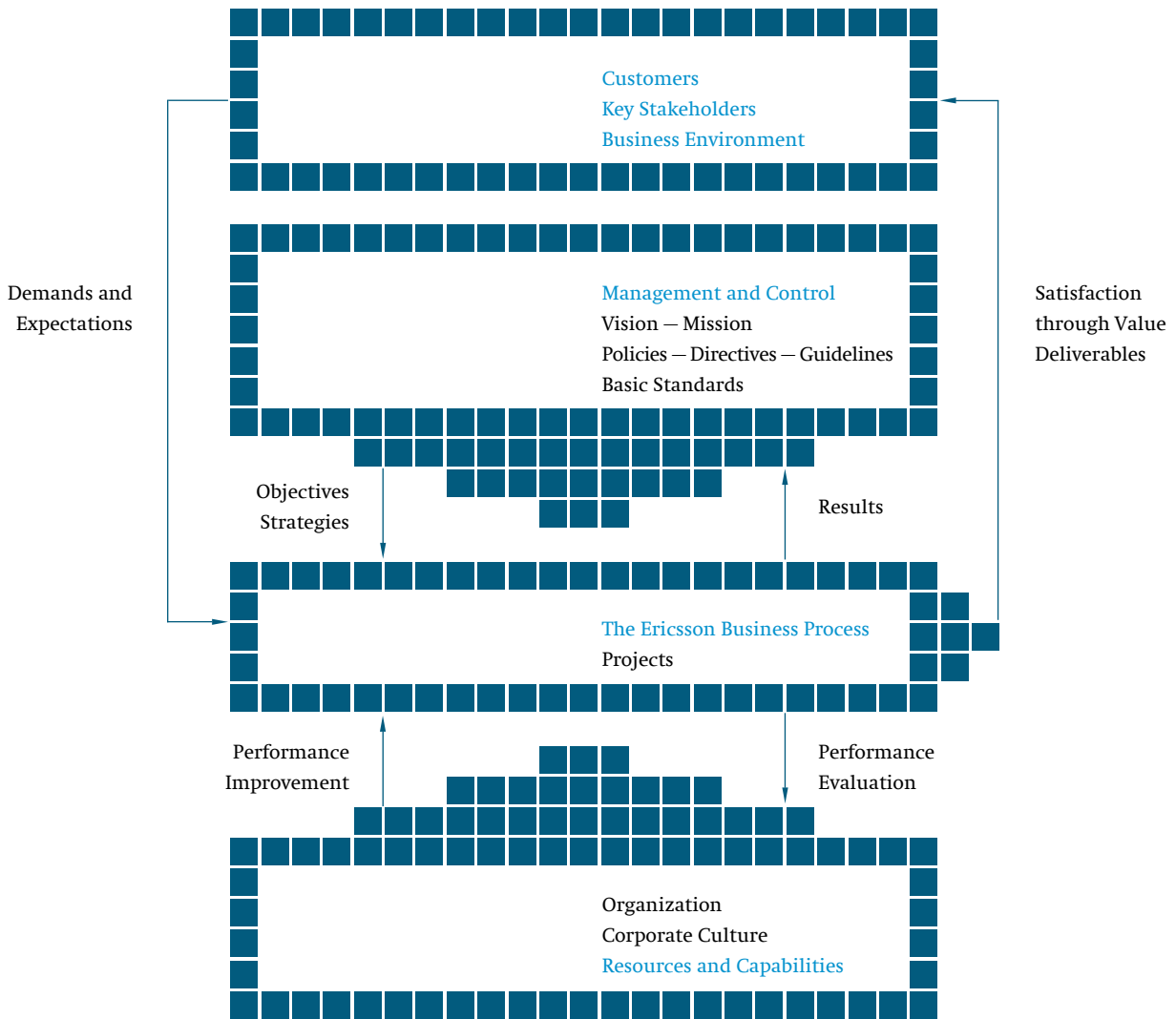
The quality of administrative, operational and supporting processes is constantly being assessed, while achieved levels and trends are monitored by using a Balanced Score Card.

In 2003, the European Foundation for Quality Management from Brussels awarded the Company with the Recognized for Excellence Certificate, which is the first, and still the only, European certificate in second-level excellence awarded to a Croatian company.

An effective and certified quality management system ISO 9001:2000 is integrated with all environment, health and safety management systems. All three systems are part of the company management system, which is aligned with corporate regulations.

Within TQM, Risk Based Assessment has been introduced which acts preventively and indicates areas that need improving. It is important to emphasize the fact that the operations management system is constantly being improved, which is something that employees can get information on at the Company's intranet pages.

The ETK Management System – ETK MS describes roles and responsibilities, organization, processes and other characteristics vital for operational excellence



Out of

15000

employees

about

6000

work in the

research and

development

sector

Working environment

Our employees

Each ETK employee has a share in the final result.

Special attention is paid in the Company on planning HR development as well as attracting and retaining highly educated specialists who are able to execute complex tasks in the dynamic world of telecommunications. Ericsson Nikola Tesla employees are highly educated, competent people who take full responsibility, professionally follow the Company's strategic objectives and are able to create added value through innovativeness and knowledge.

2007 was the "Year of Recruiting"

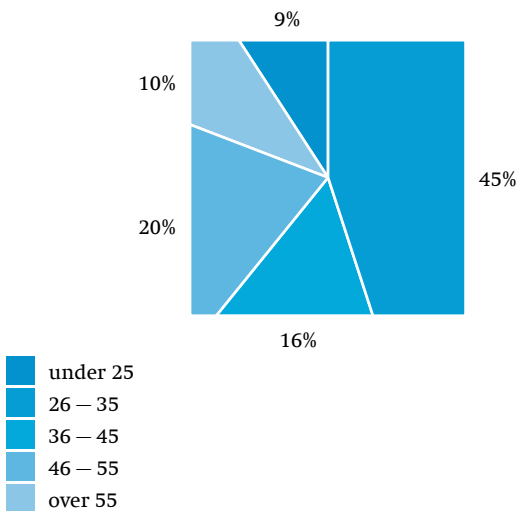
In 2007, the Company continued the trend of increasing the number of its employees. The number of employees was 7.7% higher than in the previous year. New employment has increased the number of young employees, so that now 24% of employees have two or less than two years of working experience.

Workforce turnover	2007	2006	2005	2004
Total workforce	1,468	1,363	1,281	1,094
Inflow	165	145	230	96
% increase of workflow	7.70%	6.40%	17.10%	7.30%

Employee structure in 2007:

- 1,468 employees as of December 31, 2007
- 85% college-educated experts, the majority of whom are electrical engineers
- 7.5% hold a master's degree or a doctorate
- 594 (40%) employees under the age of 32
- Average age: 39
- Average duration of service in the company is 12.5 years
- Gender ratio (male vs. female): 73% : 27%
- Average age of an ETK manager: 42
- 21% of managers are women

ETK employees (by age)*

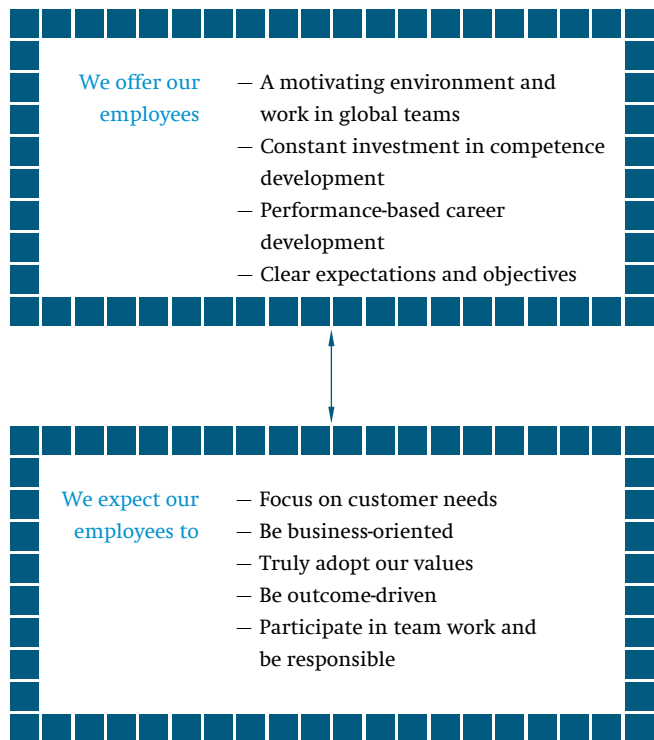


* as of December 31, 2007

Our way of working and the working environment

Fundamental principles we are governed by in doing business:

- Business ethics
- Equal opportunity and working conditions for all employees
- Equality and human rights protection



The Company has continuously worked on enhancing its working environment with the aim of increasing satisfaction and motivation among its employees through:

- Attractive jobs and the clear role every employee has in meeting common objectives
- Opportunities for life-long learning and development, equal working conditions and development opportunities for all employees
- Performance-based salary system accompanied by various motivating reward schemes
- Stimulating work environment, modern workplaces and all necessary work tools
- Flexible working hours, the possibility of working from home
- Continuous healthcare and high standards of employee health protection

- Support for young parents, organizing kindergarten accommodations close to the Company
- Recreational, sports and cultural activities

Technical expertise – a Company priority

Since the field of ICT in which we do business is very dynamic both in terms of technological advancement and market situations, the Company constantly sets forth new objectives, thus redefining the need for the development of staff competence.

The Company takes continuous care of its employees' training. In 2007 the Company continued conducting its competence development programs. The Company also continuously carries out training programs for managers, who have the demanding task of constantly motivating highly-educated employees to be as successful as possible in their work.

Programs for competence development of ETK management

- LCC Program – managerial skills development program
- Ericsson Nikola Tesla Assessment & Development Center

Competence development programs for all employees

HR and business competence development program – training in finance, communication and presentation skills, management, team work, change management, negotiation skills, conflict resolution, etc.

Marketing and sales program – training aimed at developing competences of employees dealing in marketing and sales.

Professional competence development program – training is selected on the basis of actual needs and target positions, and in some cases includes certification.

For a number of years the Company has encouraged its employees to enroll into postgraduate and MBA studies in technical fields or business management.

Foreign language classes for Company employees are organized on Company premises in cooperation with a foreign language school.

Necessary knowledge is acquired through internal training courses and/or in domestic and international training centers, through e-education and internal software tools for knowledge sharing, at seminars, conferences, workshops, by participating in international projects, through membership in professional associations and organizations, etc.

Monitoring of employee satisfaction

Employee satisfaction is monitored through the "Dialog" survey, which is regularly conducted once a year and represents an important tool for measuring Company dynamics and obtaining employee opinion on various topics. The survey is used for involving employees in the proposal and decision-making processes and in improvements being made in various segments of activity.

The "Dialog" survey, conducted within Ericsson Nikola Tesla at the end of 2007, had a high response rate (94.1%) and indicated high employee satisfaction.

Employee health protection

Systematic care of employee health is an important part of caring for Company employees. Regular medical check-ups, in-house surgery, informative lectures on health protection and prevention, recreational activities for various age groups and physical fitness levels, workshops on various topics (stress management, parenting, etc.) an ergonomic workplace and team building events are just some of the numerous activities that the Company organizes with the aim of keeping employees healthy.

Market relations

Ericsson Nikola Tesla builds relationships in the market environment, with suppliers, customers, consumers, shareholders or owners while respecting its competitors. In doing that, we follow our values – professionalism, perseverance and respect. In concrete terms, Ericsson requires all of its units, companies and employees, as well as other stakeholders with whom they have contractual relations (e.g. suppliers and their subcontractors) to act in line with the provisions of the Code of Conduct and the Code of Business Ethics.

The purpose of the **Code of Conduct** is to protect human rights, and promote fair recruitment conditions, responsible environment management and high ethical standards.

The **Code of Business Ethics** pertains to personal responsibilities within relations with employees, customers, suppliers, shareholders and all others with whom one communicates or does business with. With the Code of Business Ethics, the Company covers legal compliance, protection of confidentiality, protection and proper use of company assets, respectful communication and human rights protection, conflict of interest; truthful PR, environment protection and supported reporting of illegal or unethical behavior.

The Company continuously enhances its relations with different customers within the country and in the dozens of markets in which we operate. In other words, we adjust to the needs of our customers and offer innovative solutions for their business growth, thus fostering partnerships and building mutual trust. We review our methods of working with numerous customers every year through the *Customer Satisfaction Survey*. Although the results of the survey indicate that there is a high level of satisfaction among our customers, we always strive for improvement.

We build long-term relationships with our suppliers, and this involves dialogue, the exchange of knowledge and application of modern methods of working. We expect suppliers of products and services to adhere to standards of high quality and the provisions of the Code of Conduct and the Code of Business Ethics. Company assessors conduct an annual survey, which is prepared in line with applicable standards of external assessments, in order to assess the quality of major domestic suppliers. As the technological leader, Ericsson Nikola Tesla uses an e-purchase system that offers the

highest levels of professionalism, efficiency and collaboration. IT systems in the field of purchase have a range of advantages, out of which the most important to suppliers are: transparency, fact-based comparisons, and saving of time and money.

Applying corporate governance principles

Corporate governance is a term that describes the framework of operations and supervision of the Company. Its objective is to create long-term economic value for shareholders. Ericsson Nikola Tesla's Managing Director and Supervisory Board continuously support the observance of fundamental principles of corporate governance to ensure the protection of shareholders' rights and equality, business transparency and responsibility towards all stakeholders. Ericsson Nikola Tesla pays great attention to timely and objectively informing the community about its activities and business results and nurtures the positive image of the Company through a Code of Ethics.

The principles of corporate governance in Ericsson Nikola Tesla, which the Company adopted in April 2005, clearly define the rights and obligations of the Managing Director, Supervisory Board and shareholders (www.ericsson.hr/investors).

The role of the Company's Managing Director is regulated by the Croatian Company Act, the Charter of Ericsson Nikola Tesla and its internal bylaws. The Managing Director is obliged to perform his or her duty conscientiously, while looking after the best interests of the Company and its shareholders. The Supervisory Board appoints the Managing Director of Ericsson Nikola Tesla to a 5-year term with the possibility of re-election. The Managing Director is obliged to report financial and business results, strategy and operative planning to the Supervisory Board. The Managing Director is also obliged to report on his or her work at the Annual Shareholders' Meeting and to implement resolutions passed at the Annual Shareholders' Meeting. Financial compensation for the Managing Director depends on Company performance and is determined by the Supervisory Board.

The fundamental task of the Supervisory Board is to supervise the Managing Director's business conduct. While doing that, the Supervisory Board must uphold high ethical standards and look after the best interests of the Company and its shareholders. The Supervisory Board consists of five members elected to a four-year mandate with the possibility of re-election.

The Supervisory Board reports at the Annual Shareholders' Meeting on the supervision conducted, expresses its views of the Managing Director's proposals on profit allocation and makes proposals at the Annual Shareholders' Meeting on whom to appoint as the Company auditor.

During 2007, the Supervisory Board of Ericsson Nikola Tesla held five meetings to discuss financial performance, the Company's position in domestic and export markets, business plans and key projects, human resources and competence development for new areas, as well as trends in the ICT industry. Furthermore, the Supervisory Board discussed activities arising from the new responsibilities of the R&D Center as well as the Global Services Delivery Center (GSDC).

The Supervisory Board also reviewed and upheld the Company's Business Strategy for 2008-2010, as well as the focus areas for the successful implementation of the Strategy.

With the aim of efficiently executing its obligations towards supervising the Company's business conduct, including the development of annual financial statements, the Supervisory Board established an Audit Committee in June 2006.

In 2007, the Audit Committee held two meetings to oversee the audit of the interim and annual financial statements and to execute other assignments arising from the Audit Act. The Committee regularly informs the Supervisory Board on its conclusions and recommendations.

Company shareholders exercise their rights at the Annual Shareholders' Meeting. The Annual Shareholders' meeting makes decisions regarding profit allocation, Charter amendments and the election and mandate completion of the Supervisory Board members. Furthermore, the Annual Shareholders' Meeting appraises the work of the Managing Director and the Supervisory Board and decides on the matter of appointing independent auditors and other issues explicitly regulated by the law as well as Company bylaws.

Environment protection

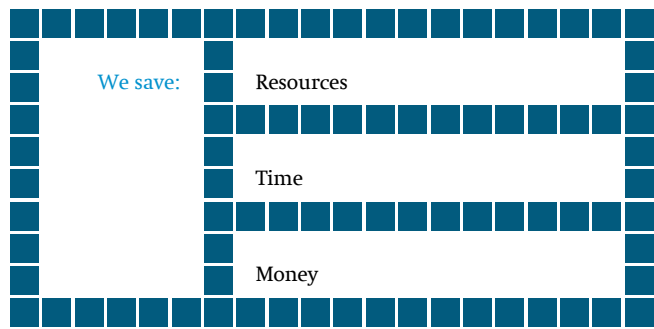
Environment management

All Company activities are aligned with international standards and domestic regulations on environment protection. Products and solutions which are the outcome of the work of Ericsson Nikola Tesla's or the Corporation's professionals are environment-friendly and energy-efficient and also enhance company operations and the lives of people who use them.

The Company has an Environment Management Policy and an Environment Management System Certificate in line with the ISO 14001 standard. We also fully contribute through active participation in various initiatives focused on environment protection. Company specialists actively participate in the process of aligning Croatian regulations with EU regulations. In addition, employees are continuously trained, motivated and made aware of the environment protection cause.

The Company works systematically on optimizing and reducing the consumption of all types of energy (water, electricity and steam).

The Company's scope of work and field of activity are environment-friendly. The work in the field of high technology and leadership in R&D as well as ICT were the main reasons to use e-applications in the business process. In this way, not only do we promote technology, which is undoubtedly necessary as a prerequisite for the competitiveness of all other economic sectors and entities, but also significantly enhance and accelerate business processes as well as save resources, time and money.



Community relations

Helping the community

In line with the strategic view of its social responsibility, Ericsson Nikola Tesla, directly or indirectly, affects the community. Having adopted a proactive attitude towards identifying needs, providing support, and developing community partnerships, the Company strives at harmonizing national and local programs with the best international practice. Since Ericsson Nikola Tesla is a company which in many ways represents the model of a successful company and a center of knowledge with numerous experts and professionals, the Company donation and sponsorship policy defines the tools and methods for recognizing and supporting the most socially beneficial projects.

With regard to our strategic outlook, priority is given to projects in which Company products, services, technology and the exchange of knowledge and information play active roles. Apart from that, the Company strives at not only financing projects, but also offering its resources, knowledge, skills and time to support social development of the community in which it operates. This is also a way in which Croatian citizens, especially young people can get more actively involved in modern communications and become citizens of the world as soon as possible.

By supporting education, preconditions are fulfilled for the application of modern technologies in the business world, which nowadays presents an imperative for every business entity. Ericsson Nikola Tesla implements projects that support higher education institutions that create prerequisites for successful operations in the future, because students of today may be Company employees tomorrow. This is why the Company has supported various projects over the last several years, both financially and by providing ICT equipment to Croatian universities and educational, cultural, humanitarian and sports-related associations as well as other types of organizations.

In 2007, the Company implemented valuable socially beneficial projects in the fields of education, health, culture, sports and humanitarian activities and dedicated millions of kunas to these causes.

Here is a selection of some of these projects:

- Sponsoring and participating in conferences such as MIPRO, CONTEL, SOFTCOM, INFOARENA, Microsoft WinDays, ESEC/FSE, ELMAR, the “Intensifying Cooperation Between the US and Croatia in the Field of ICT, Biotechnology and Pharmaceutical Industries” Conference, the International IT Olympics, the Project Management Conference, Scientific Advisory: Educating Engineers – the Bologna process – 3 years later, VIDI e-novation, Call Center Conference, etc.
- Donations: equipment for laboratories used for the “Electrical Engineering and ICT” course at the Faculty of Electrical Engineering and Computing, the Science Festival Association, ZAMISLI – the Association for the Promotion of Quality Education for Persons with Disabilities, Nada – the Association for Assistance to Women with Breast Cancer, the Association of Cerebral Palsy and Poliomyelitis Patients, ŠIŠMIŠ – the Association of Blind and Visually Impaired Students, Hinko Freund – the Croatian Association for Assistance to People who Stutter, the Croatian Down Syndrome Union, Krijesnica – the Association for Assistance to Children and Families Affected by Malignant Disease, the Ana Rukavina Foundation, equipment purchased for Vukovar General Hospital, the Autonomous House for Female Victims of Violence, Tvrđava Knin – the Association of Croatian Homeland War Defenders Treated for PTSD in the Šibenik-Knin County, the Rijeka Association for the Protection of Families, a humanitarian campaign for UN Day, etc.

Certificates

- Certificate ISO 14001:2004, Environment management systems within the corporate scheme of certification
- Certificate ISO 9001:2000 from Det Norske Veritas for marketing, sales and delivery of telecommunications products, solutions and services
- Certificate ISO 9001:2000 from SIQ for research and development in information and communications software technologies

Awards and Recognitions

- Gordana Kovačević, MSc, President of Ericsson Nikola Tesla, was voted **Entrepreneur of the Year** for 2007 by the viewers of **Kapital Network** business TV
- The **Ministry of Family, Homeland War Veterans and Intergenerational Solidarity** awarded Ericsson Nikola Tesla with the “**Family-Friendly Company**” award.

18/168

18 out of 168
registered
innovation
proposals in 2007
have already been
realized through
implementation
projects

