



ERICSSON

RESPONSIBLE BUSINESS UPDATE

Investor Community Presentation

AGENDA



-
1. Welcome

 2. Responsible Business

 3. Recent media reports & Ericsson perspective

 4. Ericsson Anticorruption program

 5. Key activities and progress

 6. Q&A

RESPONSIBLE BUSINESS



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Code of Business Ethics & Code of Conduct

Compliance

- Anti-corruption
- Anti-trust
- Trade compliance

OHS

Human Rights
& Sales
Compliance

Responsible
sourcing

99%

of our employees
acknowledge the
Code of Business
Ethics

RECENT REPORTS IN MEDIA



SEC

In March 2013, Ericsson received a voluntary request from US authorities to answer questions relating to Ericsson's operations.

The request relates to Ericsson's anti-corruption program and to the Foreign Corrupt Practices Act. Ericsson is [cooperating with authorities](#) and working to answer the questions raised.

RECENT REPORTS IN MEDIA

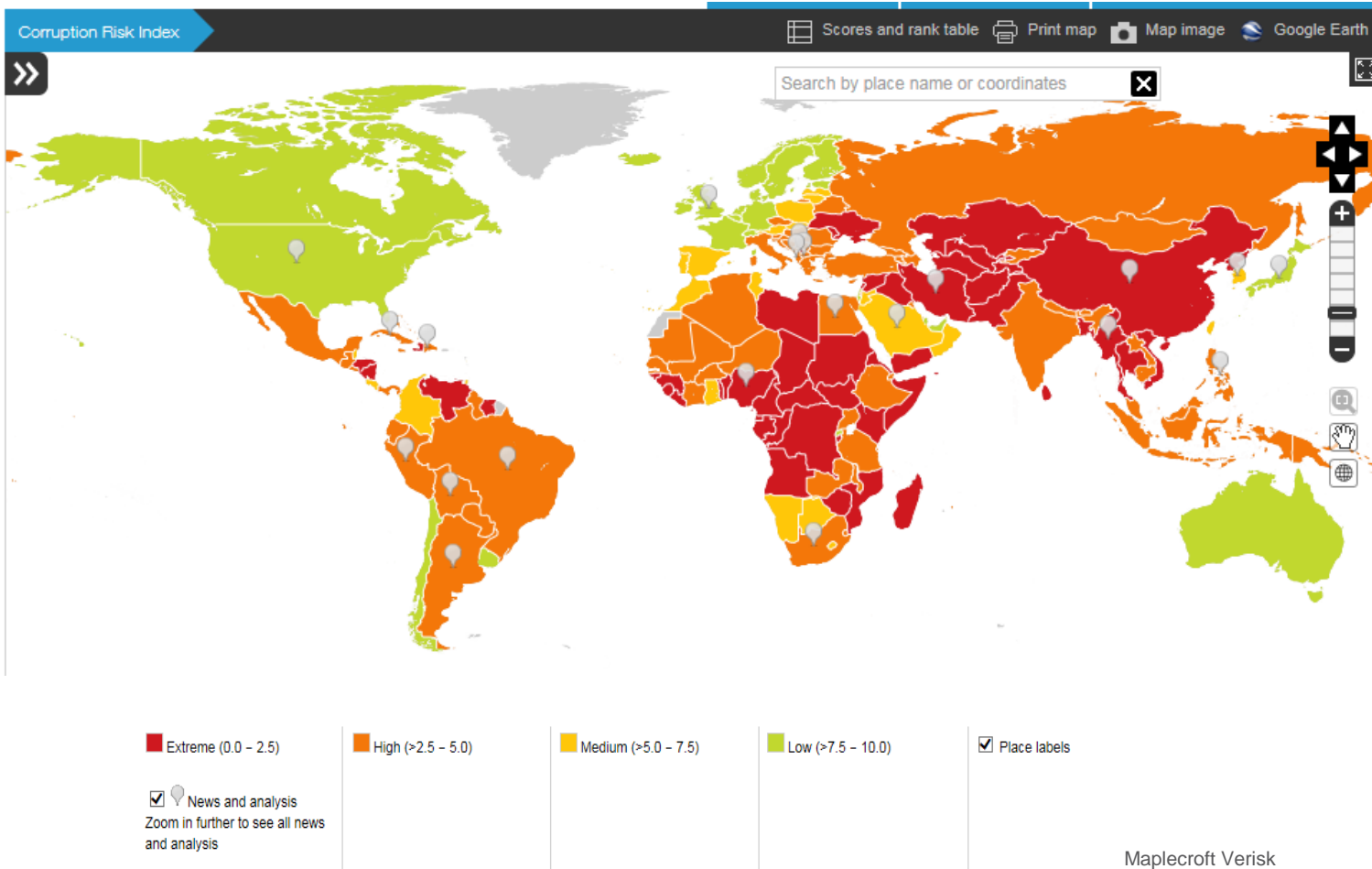


GREECE

Greek authorities are conducting ongoing investigations into arms deals in the country's defense sector, dating back to the late 1990s.

One investigation involves an agreement in which Ericsson Microwave Systems – which was sold by Ericsson in 2006 – delivered an airborne radar system to Greece. The contract was signed in 1999. Ericsson is following the case closely and will [cooperate with authorities as appropriate](#).

CORRUPTION RISK INDEX



According to the World Economic Forum, the cost of corruption equals more than 5% of global GDP (USD 2.6 trillion).

According to the World Bank, over USD 1 trillion is being paid in bribes each year

For all global companies a challenge. Key regions of concern are highlighted on the map

ANTI-CORRUPTION PROGRAM



- › Zero tolerance
- › Prevention and accountability
- › Training and awareness
- › Risk assessment
- › New screening tools for suppliers and other business partners
- › Ericsson Compliance Line
- › Incident Handling
- › Industry-wide Commitment

ANTI-CORRUPTION MILESTONES



Employee awareness and acknowledgement of CoBE on a continuous basis →



KEY POLICY DOCUMENTS



› The Code of Business Ethics

- The Code of Business Ethics is our guiding framework and tool for conducting business responsibly
- It is acknowledged by all employees at the time of employment and repeatedly throughout the term of employment. It states our clear commitment for zero tolerance for corruption and bribery

› Code of Conduct

- It is based on Global Compact ten principles including anti-corruption. It is applicable throughout the company's operations as well as for suppliers

› Anti-Corruption Directive

- To ensure that Ericsson's Zero Tolerance policy against corruption is implemented throughout the organization

› Agent Policy

- In general use of agents has been phased out. An appointment of a sales agent is only allowed should this be a legal requirement or under other very special circumstances e.g. for security reasons.

› Donation/Sponsorship Policy and Directive

- Each donation/sponsorship is approved by a central committee according to sponsorship criteria

ANTI-CORRUPTION ACTIVITIES 2015



- › Strengthened Reporting Violations Establishing Ericsson Compliance Line
- › Re-acknowledgment of Code of Business Ethics 99% of active employees completed the acknowledgment
- › Anti-corruption training for employees Completed by more than 94,000 active employees
- › Selected an automated anti-corruption screening tool for suppliers and 3rd parties Pilot ongoing in our East Central Asia operations
- › 116 cases reported to the whistleblower system Of which 16% corruption/fraud related

MONITORING AND REVIEW



Monitoring and review

- Incidents reported according to Reporting Violations procedure/Ericsson Compliance Line
- Anti-corruption focus area for Corporate Audit
- Group Compliance Forum established 2013, driven by the Chief Compliance Officer and meetings several times month. Compliance forum mirrored on regional level.
- Audit Committee regularly informed of progress and program formally reviewed annually by the Audit Committee
- External assurance provider

CONTINUED FOCUS



Ongoing activities 2016-2017

- Screening tool under evaluation
- Corruption risk assessment more embedded in strategy process and more in-depth analysis planned with each region
- Compliance function being strengthened with addition of new regional resources
- Continued focus on awareness and training among employees
- Face-to-face training for key personnel
- Stakeholder engagement and outreach



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Q&A





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