

A close-up photograph of a person's hands holding a smartphone over a market stall. The stall is filled with green avocados. The background is blurred, showing other people and market activity. The text 'Sustainability and responsible business update' is overlaid in large white font on the left side of the image.

Sustainability and responsible business update

Environmental, social and governance

June 18, 2024

Welcome

Lena Häggblom
Investor Relations





Ericsson's Ethics and Compliance Program update

Becky Rohr

Chief Compliance Officer and Head of Investigations

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Chief Compliance Officer and Head of Investigations



- Joined Ericsson in 2022 as Head of Corporate & Government Investigations
- Appointed Chief Compliance Officer on March 5 2024, in addition to her role as Head of Investigations
- Previously Vice President, Anti-Corruption and Global Trade, Ethics & Compliance Office at Hewlett Packard Enterprise
- Has held senior leadership positions with the U.S. department of Justice
- Juris Doctor degree from U.C.L.A School of Law
- Based in Washington, DC

Conclusion of the Monitorship



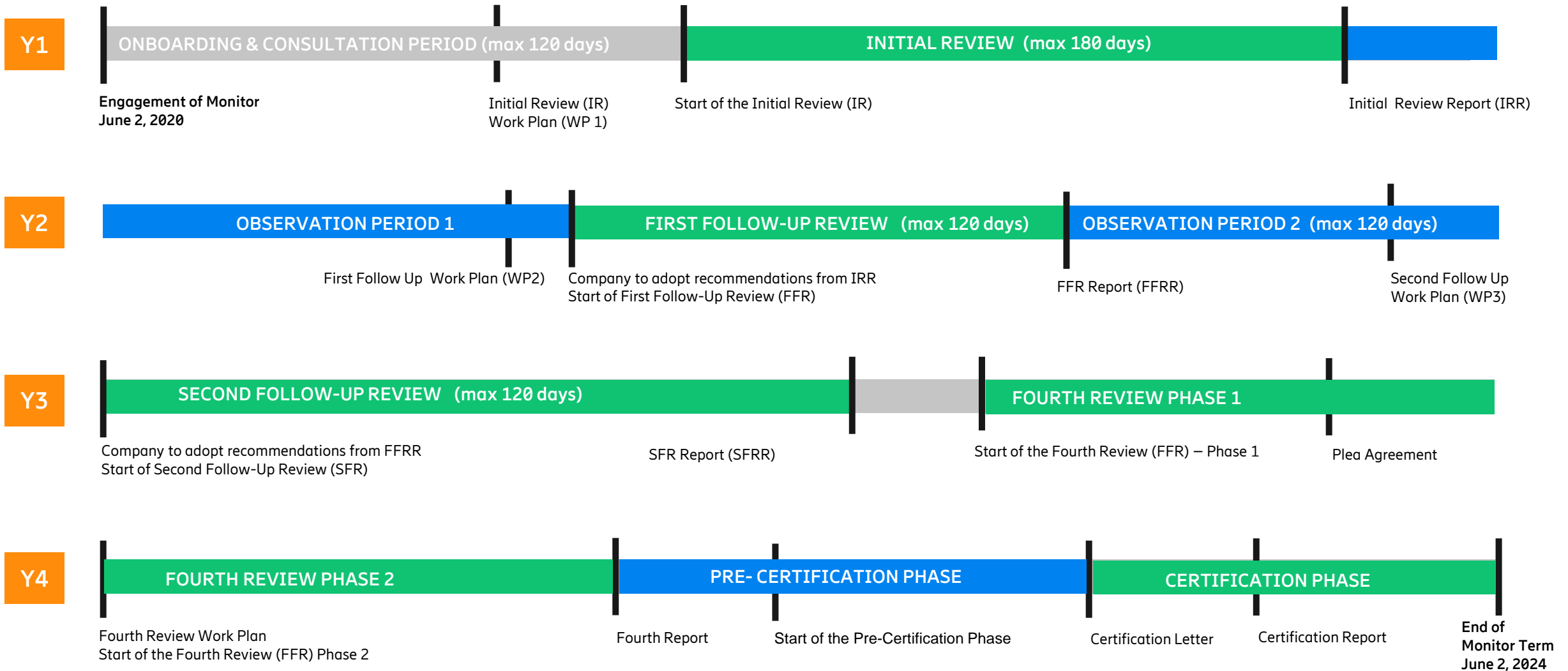
“This is an important milestone in our journey to improve our organization. Over the past four years we have implemented important compliance requirements and processes. Our commitment to integrity is rock solid and we have no tolerance for corruption, fraud or other misconduct.” – Börje Ekholm, President and CEO of Ericsson

Ericsson announces conclusion of Monitorship

- Ericsson's Monitorship and Plea Agreement concluded on June 2
- Follows upon certification of Ericsson's anti-corruption compliance program by independent Monitor in March 2024
- Continuing to cooperate fully with DOJ and SEC investigations on historical conduct

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Timeline of the Monitorship



The journey towards a best-in-class E&C Program and a culture of integrity

Starting point

- Recruited experienced professionals into the compliance organization
- Promoted Speak Up culture and reporting
- Awareness and training for high-risk positions
- E&C steering documents enhanced
- Risk assessments initiated
- Anti-Bribery and Corruption (ABC) controls

Ongoing Improvements

- Resourced and empowered Ethics & Compliance (E&C) organization
- Managers and gatekeepers at all levels accountable to lead with integrity
- Business leaders are equipped with information and support to make risk-based decisions with confidence
- Integrated compliance processes and controls
- Robust testing framework to self-identify potential E&C Program deficiencies, run root-causes analysis and ensure swift remediation

Long term goals

- Sustainable compliance program and controls embedded across the organization
- Strengthened corporate culture
- Data-driven decisions



Our Starting Point

(Underlying themes in the DPA and Monitor Report)

Our Current Situation

(Post Plea Agreement and Monitorship conclusion)



Complex and unclear initiatives, policies, and processes

The company is on a **simplification journey** where it has proactively developed compliance policies, processes, and tools to make them more intuitive, efficient, and sustainable

Lack of ownership of E&C reflected in passive engagement by senior and mid-level leaders

Strong tone and conduct at the top with clear messages and great examples set by top leaders. Leaders creating a true **'Speak up' culture** by facilitating open transparent conversations

Unclear roles, responsibilities, and accountability for E&C throughout the organization

BCT (Business Critical Transformation) and DAGs (Detailed Application Guides) enhanced **clarity on roles and responsibilities**. Business Leaders proactively engage in and support the implementation of compliance strategy

Insufficient data and related tools to support data driven decision and user-friendly ways of working

Clear emphasis on **digitalization and tool development**, enhancing process efficiency and effective monitoring

Silos and ineffective knowledge sharing in certain areas of the organization

The **collaboration among assurance functions** increased significantly – silos have been broken down, leading to open transparent communication

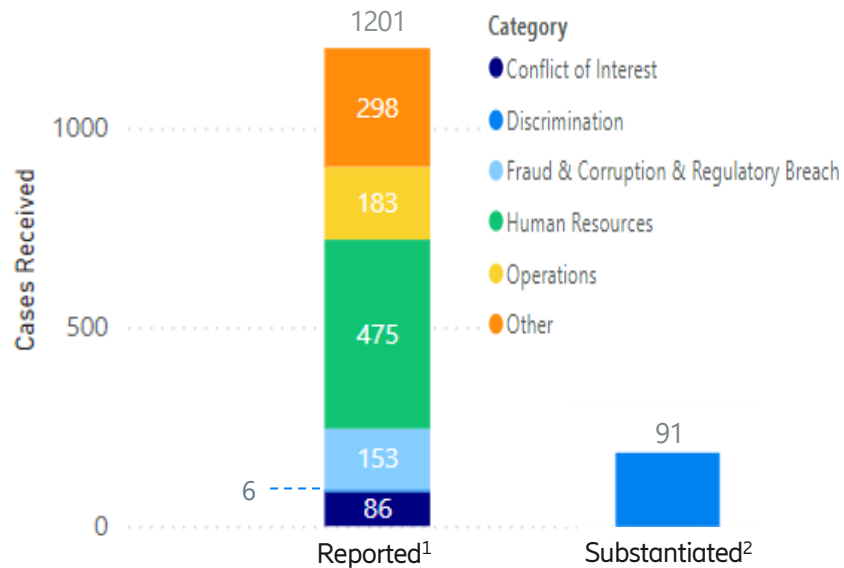
Structural impediments hinder speedy and effective compliance

Fostered **culture of risk-aware decision-making** by dismantling silos and actively combatting the "thinking in a box" mentality

Allegation Management and Investigation Statistics 2023

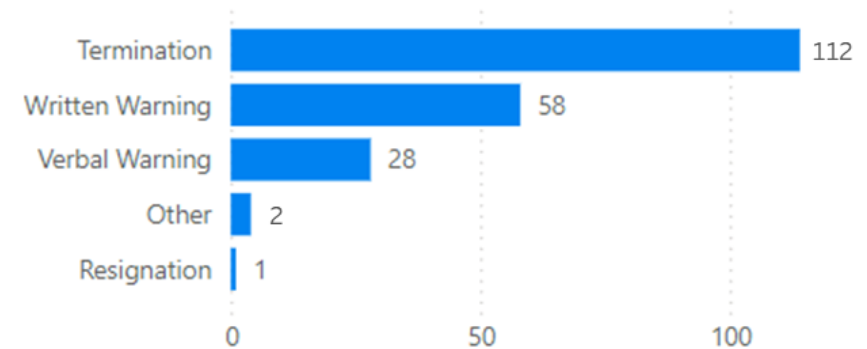


Reported and substantiated compliance concerns



- 1201 compliance concerns reported in 2023
- 125 cases referred for investigation
- Cases not investigated are referred to relevant units for attention or remediation when applicable
- At end of year, 78 investigations were ongoing

Corrective and disciplinary actions taken³



- 201 corrective and disciplinary actions taken in 2023
- 112 terminations and 58 written warnings
- 1 individual resigned as a result of confirmed misconduct

1) All reported cases received in 2023

2) Some cases concluded during 2023 were received in previous years

3) Each corrective action represents a unique individual, meaning the total of actions shown here cannot be directly compared to the number of substantiated cases



Our strategic priorities are the cornerstones of ensuring a sustainable E&C program



fit-for-purpose

Continuous improvement and adaption to changes in both our business and risk landscape



collaboration

Increase impact and reduce risks by acting as One Ericsson, collaborating across functions



trusted advisor

Compliance Office employees are recognized as subject matter experts with business acumen



accountability

Accountability is actively promoted and enabled by leaders, with employees at all levels integrating E&C in their decision making



simplification

E&C Steering documents, processes and messaging are designed to be suitable for end-users



digitalization

Tools are developed and leveraged to facilitate easy interaction, promote data driven decision making and improve productivity



Q&A

