PRESS RELEASE
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ERICSSON

Ericsson USA 5G Smart Factory recognized as 'Global Lighthouse' by the World Economic Forum

- Ericsson USA 5G Smart Factory in Lewisville, Texas, identified as a Fourth Industrial Revolution (4IR) pioneer
- Integrated environmental systems designed to reduce energy consumption by 24 percent and indoor water usage by 75 percent. The factory runs on 100 percent renewable electricity
- Through agile ways of working and robust Industrial IoT architecture, the 5G Smart Factory team developed 25 use cases in one year to be deployed at scale within 12 months

Ericsson's (NASDAQ: ERIC) USA 5G Smart Factory in Lewisville, Texas, has been recognized by the World Economic Forum as a global front runner in the Fourth Industrial Revolution (4IR). The Forum has awarded the site with its prestigious "*Global Lighthouse" designation in recognition of Ericsson's deployment of next-generation technology at the site and its subsequent impact – including an impressive 2.2 times improved output per employee when compared to a similar site without the automation and 4IR improvements.

The site is the first Ericsson factory to receive this recognition by-the Forum for adoption of 4IR technologies at scale with demonstrated benefits to date. Since commencing operations in early 2020, the USA 5G Smart Factory team has developed 25 different use cases, to be deployed at scale in less than 12 months.

When compared to a similar site without its automation and 4IR improvements, the 5G automated factory with connected robots has delivered 120 percent improved output per employee and 65 percent reduction in manual material handling.

Integrated environmental systems have been designed to reduce energy consumption by 24 percent, indoor water usage by 75 percent when compared to a similar building and the factory is powered by 100 percent renewable electricity. Ericsson is also pursuing **LEED Gold and LEED Zero Carbon certifications for the smart factory, which will make it the first Ericsson factory globally to achieve this distinction.

Fredrik Jejdling, Executive Vice President and Head of Networks, Ericsson, says: "Running fully automated factories using the latest technologies is part of our strategy for a more resilient and sustainable global supply chain. It shows our commitment to continue working close to our customers, ultimately enabling us to reduce emissions. This World Economic Forum designation

highlights the transformative impact of 5G technology in general – and on our factories in particular – to benefit business and society at large."

Francisco Betti, Head of Shaping the Advanced Manufacturing and Production, World Economic Forum, says: "This is a time of unparalleled industry transformation. The future belongs to those companies willing to embrace disruption and capture new opportunities. Today's disruptions, despite their challenges, are a powerful invitation to re-envision growth. The lighthouses are illuminating the future of manufacturing and the future of the industry."

Ericsson has invested in the next generation of supply chains to create a customized, sustainable, and end-to-end connected supply chain across the globe. In the US, Ericsson has invested more than USD 100million in its first 5G Smart Factory. The factory primarily serves Ericsson 5G customers in North America.

Ericsson is also fast-tracking next-generation smart manufacturing through a modular and flexible production setup in its factories in Estonia, China, and Brazil. This will ensure close working with customers through Ericsson's European, Asian and American operations.

Ericsson supports the 1.5 C° ambition set up by the Paris Agreement. To achieve this, the world needs to halve global emissions by 2030 and reach net-zero emissions before 2050. Digital technologies such as 5G and IoT deployed across a range of industries, such as manufacturing, can help reduce global carbon emissions by up to 15 percent by 2030.

*Global Lighthouse

Emitting powerful light that pierces fog and darkness, lighthouses are key to maritime navigation. The World Economic Forum identifies top-performing factories and explores insights from these "lighthouses"- of the world's most advanced sites implementing technologies of the Fourth Industrial Revolution. The lighthouses are the factories that have taken Fourth Industrial Revolution technology from pilots to integration at scale, thus realizing significant financial and operational benefits.

**LEED, Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world.

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