



2023

# Sustainability report

"Acting sustainably means creating long-term stakeholder value through the implementation of a business strategy that focuses on people, planet, and prosperity."

2023

## The year in brief

- ▶ Progress within human rights due diligence, including mapping of salient human rights risk areas
- ▶ Greenhouse gas emissions targets submitted to the Science Based Targets initiative
- ▶ Improved capabilities for customers to manage energy consumption in Axis products
- ▶ Increased share of cameras with renewable carbon-based plastic
- ▶ Increased share of BFR/CFR free cameras
- ▶ Enhanced anti-corruption awareness, including training for employees with over 90 percent completion rate

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# This is **Axis**

Innovation is in our very DNA. Since Axis was founded in Lund, Sweden in 1984, we have pushed the boundaries of network technology.

After launching the world's first network camera in 1996, we have continued to lead the way in products and services for intercoms, audio systems, video surveillance technology, access control, and data-driven analytics. As an organization, we have grown close to 5,000 employees, with a presence in 50 countries, over 30 Axis Experience Centers across the globe, and are co-operative with partners all over the world.

We remain proudly committed in our approach to our long-terms goals of continual growth, our strong stance towards social, ethical, and sustainable responsibility, and in continuing to develop mutually successful partnerships with partners, customers, and suppliers. All with a view towards exploring new technological possibilities as we innovate together for a smarter, safer world.

**Innovating** for a smarter,  
safer world.



**Axis in  
one minute**

**4,710**

employees (Dec 31, 2023)

in more than

**50**

countries

Total sales 2023

**1.6\*** B USD

\*SEK 17.4 B, EUR 1.5 B

Video surveillance,  
audio, intercom,  
access control, training,  
service, and support

Founded and HQ  
in Sweden

THIS IS AXIS

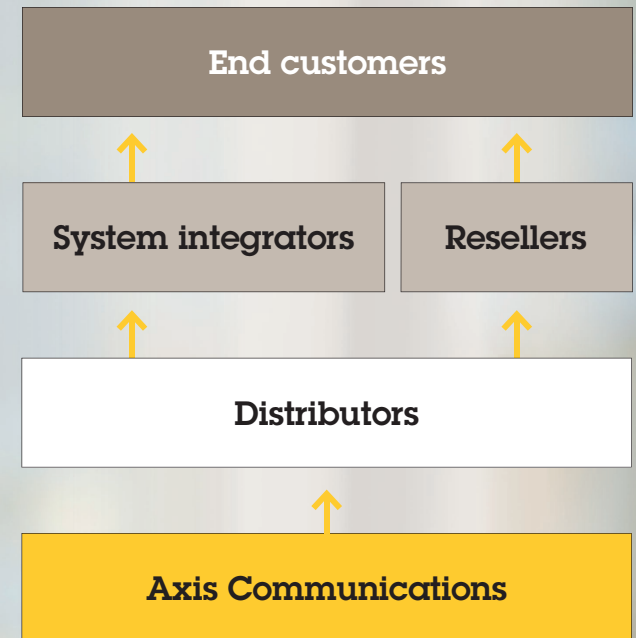
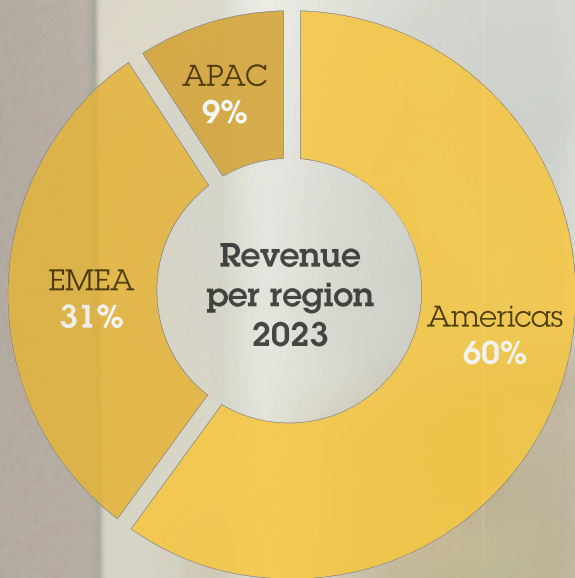


## Go-to-market model

Our go-to-market model is made successful through the long-term close collaboration with our partners. We operate across three large geographical regions, Americas, EMEA (Europe, Middle East, and Africa) and APAC (Asia Pacific), and continually work hard to build and maintain strong local ties with our partners to develop a global market presence.

Axis products and solutions are initially sold through distributors within those regions, then through our network of resellers and system integrators, and ultimately, end customers. This strategy is built on trust, shared knowledge, and collaboration as we seek to expand our products and solutions offerings into new areas.

Our sustained growth is made possible through strengthening our existing ties with those we work closely with, while also expanding into new geographical areas, making technological advancements, and continuing our tradition of innovation.



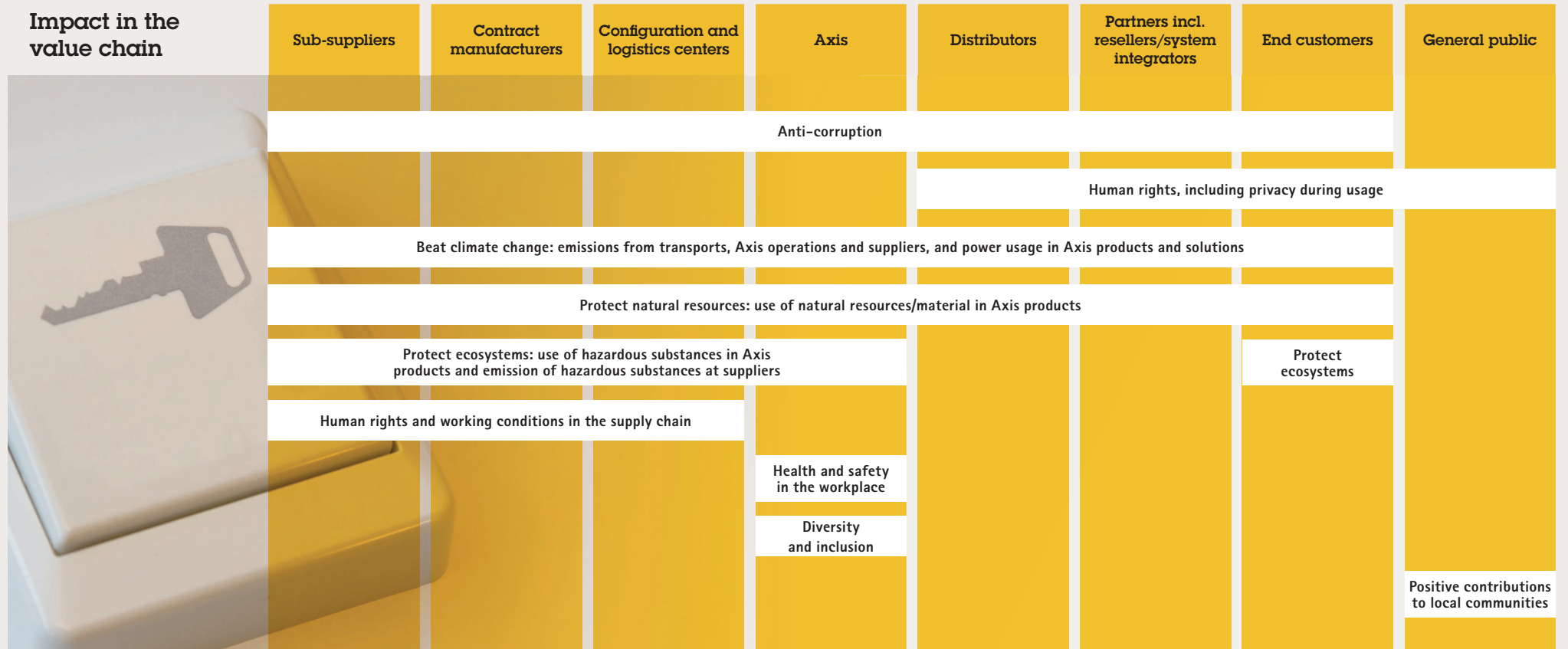


# Responsibility along the value chain

Our success lies in the strength of our value chain. As such we work hard to maintain and ensure the positive economic, environmental, and social impact of our products, services, and solutions. We are also always looking for ways to minimize and reduce any negative impacts and risks along the value chain. We take pride in the long-term relationships we develop with our partners.

Built on the foundations of openness, loyalty, trust, and continual dialogue, we work together to ensure our products, services, and solutions are used responsibly and sustainably, from manufacturing to decommission. We work equally closely with our suppliers. Our Axis Supplier Code of Conduct encourages alignment across a range of conditions, for which regular audits are carried out.

Together, we share knowledge, create value, and promote change, in pursuit of a more sustainable future. The model below describes the impact along the value chain from our material sustainability areas.



# Our dedication to sustainability is as strong as ever.

When looking back at 2023, it is hard not to get caught up in the increasing geopolitical tensions and global challenges. As a global company with colleagues, partners, customers, and friends all over the world, this development is a cause for concern. It however strengthens us in our conviction to innovate for a smarter, safer world.

To highlight areas of optimism for Axis, our dedication to sustainability is as strong as ever. Our innovative mindset means we are always looking for new and smarter ways to minimize negative impact on people and the environment, while we at the same time innovate for increased safety and security around the globe. In 2023, we strengthened our ambitions relating to human rights along our value chain, as well as we continued our work within the environment area in line with our commitment to the Science Based Targets initiative.

Our increased focus on human rights is a natural development considering we are a growing technology company operating with an indirect sales model. There is a risk, while rare, that our products and solutions are used for purposes we never intended, for instance to violate privacy.

**For us, it is always about taking that next step forward.**

Misuse of our technology is something we have always stood firmly against, and our stance has been accentuated during 2023 as we have analyzed the most prominent human rights risk areas in our value chain. We take responsibility for providing clarity in customer communications as to the intentions for which our products should be used. It is our hope and intention to prevent any misappropriation of Axis products.

We have always placed emphasis on growth across all aspects of our organization. It is a great source of pride for us that Axis is a company that people not only seek to join, but also one in which people wish to stay, develop in, and contribute towards.

We set out ambitious growth targets for 2023, and while extensive channel stocking effects, after supply recovery, have meant we have fallen short of initial targets, we still had robust growth and solid profitability, and our ambitious long-term plans still move firmly ahead. In 2023 we grew by 500 employees net, taking our total to more than 4,700. We have also opened several new offices and Axis Experience Centers worldwide.

One thing that has given me cause for optimism and confidence is how my colleagues across the globe have worked with enthusiasm and passion throughout the year. It says a lot about the Axis culture, about the belief in our mission, vision, and goals, and the certainty of the long-term aims we are guided by.

Staying true to our values, working together within Axis and with our partners and customers is the best way to ensure we remain on the right track to not only meet our ambitions, but to go beyond them and push for new heights. For us, it is always about taking that next step forward. Not just for Axis, but for the industry and the safer, smarter world we strive for.



A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long horizontal stroke.

Ray Mauritsson  
President and CEO, Axis Communications



# Materiality and risks

## Materiality assessment

Our materiality assessment is central to defining our reporting content, and the issues we focus on. In developing the assessment, we use double materiality, drawing on several different inputs as part of our horizon-scanning and trend analysis to understand potential sustainability issues. We then engage with our key stakeholders – employees, distributors and partners, end customers, suppliers, owners, and the wider society – to determine issues of importance to them. Our stakeholder dialogue is continuous in the form of employee surveys, workshops, trade shows, social media, training, and audits. We also obtain valuable inputs through our membership of multiple organizations, including Säkerhetsbranschen (the Security Association of Sweden), the Security Industry Association (SIA) in the USA, ASIS International, the Security Institute in the UK, and others.

Stakeholder input is discussed and assessed, together with our impact on a variety of sustainability issues, and their overall importance for Axis, by a cross-functional sustainability team, and presented to Group Management and the Audit Committee. The materiality analysis is conducted and validated each year in accordance with Global Reporting Initiative (GRI) Standards.

### Material sustainability topics for Axis and correlating GRI Standards

Axis material topic	Correlating GRI Standards topics
Human rights and working conditions in the supply chain	Supplier social assessment
Anti-corruption	Anti-corruption
Health and safety in the workplace	Occupational health and safety
Diversity and inclusion	Diversity and equal opportunity Non-discrimination
Positive contributions to local communities	Local communities
Power usage in Axis products and solutions	Energy
Emissions from transports, Axis operations and suppliers	Energy Emissions Supplier environmental assessment
Use of natural resources/materials in Axis products	Materials
Use of hazardous substances in Axis products	Customer health and safety
Emissions of hazardous substances by suppliers	Supplier environmental assessment
Human rights, including privacy during usage	General Disclosures



## Risk management

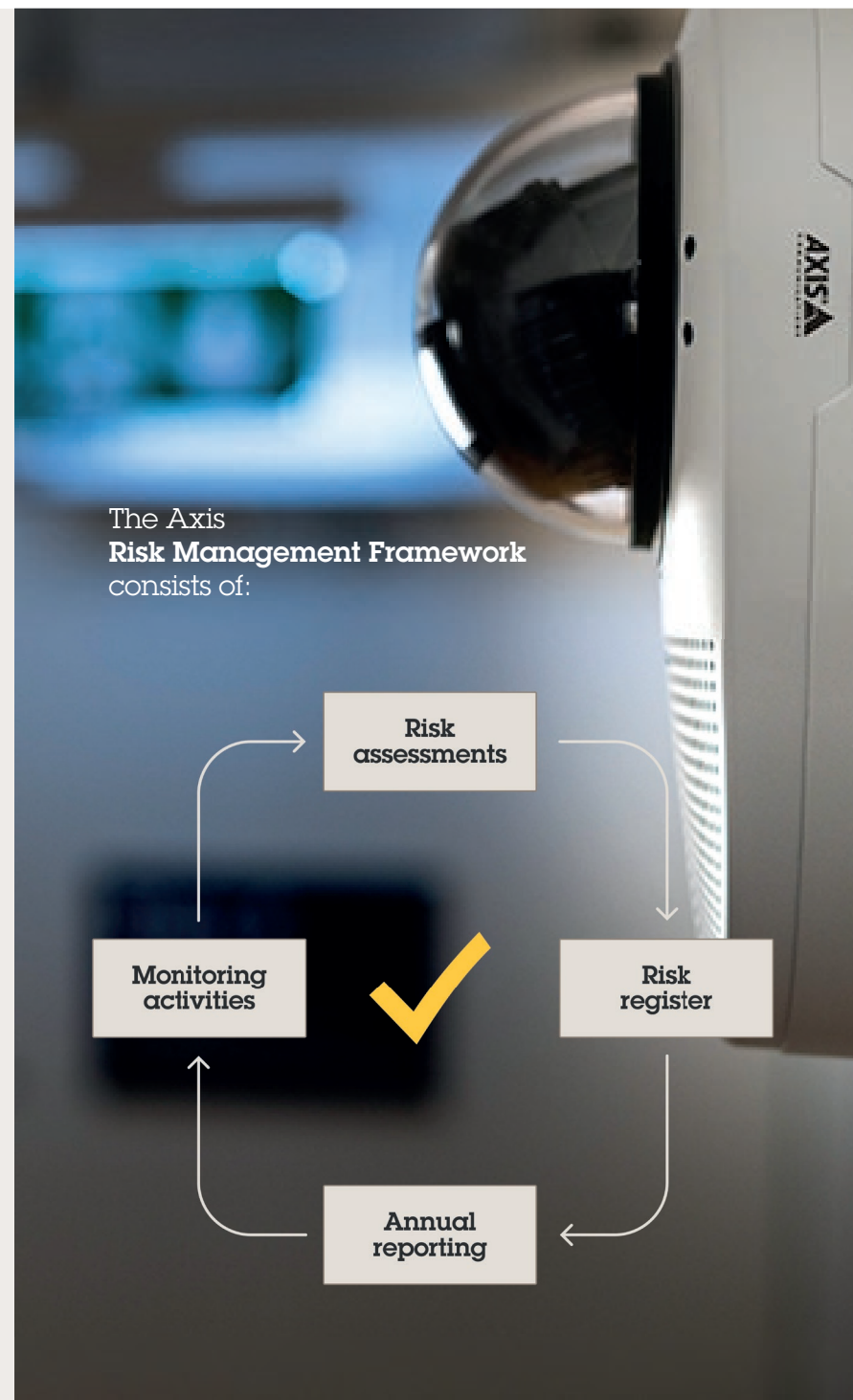
As a global organization with operations, sales, and business partners all over the world, Axis is exposed to many different risks from business, sustainability, and responsibility perspectives. Our risk management aims to increase corporate resilience, improve strategic decision making, decrease the likelihood of adverse events, and improve our capabilities to manage them if they do occur. The Corporate Governance department manages the Risk Management Framework.

Risk assessments are at the heart of our Risk Management Framework. Axis applies a qualitative and quantitative approach based on face-to-face interviews and human analysis. Corporate Governance conducts interviews with the Axis Management Team at least twice a year. Other interviews are performed to enhance our understanding of the various risks we are already exposed to, and to continuously identify new risks.

The company's risk register is a living document, which only contains the highest over-arching risks that can significantly impact the company. All the risks are owned by the Axis Management Team, and consequently, they bear the responsibility for ensuring that appropriate mitigating actions are in place. More specific, detailed risks are managed by respective function and reported to Corporate Governance. We are striving for a convergence between the top-down and bottom-up approaches over time.

Every year, Corporate Governance presents the results and findings to the Axis Management Team. In addition, annual reports are made and presented to the Audit Committee and the Board of Directors. We are also aligned with the Canon Group's Risk Management Framework, and report directly to Canon twice a year. Monitoring activities, which is a method to ensure risk mitigation effectiveness, are performed by Internal Audit or by the relevant function. We continuously develop our risk management framework. We achieve this through our Risk Forum, where representatives from the different functions meet quarterly to align best practices. In addition, we aim to educate all parts of the organization about the importance of risk management.

Going forward, we will strive to better understand the sustainability risks the company faces, as well as our potential impact, both positive and negative, on the environment, and on society as a whole. This work commenced during the fall 2023, where a sustainability project team conducted a more thorough double materiality assessment to prepare for CSRD (the EU Corporate Sustainability Reporting Directive). Work is ongoing to integrate ESG risks into the company's risk management framework.



The Axis **Risk Management Framework** consists of:





# Axis overall approach to sustainability

To us, being an industry leader goes beyond our products, solutions, and services. We want to be seen as a role model that contributes and inspires change across the wider society. By working closely with stakeholders and decision-makers, we try to influence and raise industry standards regarding sustainability.

Through devising and implementing a strong, long-term business strategy that focuses on the key areas of people, planet, and prosperity, we aim to create sound business practices that are central to the future of Axis, to people, and to the environment.

We are in it for the long run. Our business model is based on close partnerships which are built on mutual trust. We set high ethical standards, and handle all relationships transparently, and with care. We also strive to contribute to the many local communities where we are present. Together we act responsibly to raise standards and ensure a sustainable approach across the entire value chain and beyond.



**Innovating**  
for a smarter,  
safer world



**WE SUPPORT**



## **UN Global Compact and the sustainable development goals**

Axis signed the UN Global Compact 2007, and our strategies and operations are aligned with these universal principles on human rights, labor, environment, and anti-corruption. We also support the 17 Global Sustainable Development Goals (SDGs) of the UN 2030 Agenda, which act as a blueprint for peace and prosperity for people and the planet.

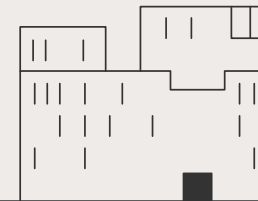


# Our sustainable approach is based on four cornerstones:

**Protect our planet**

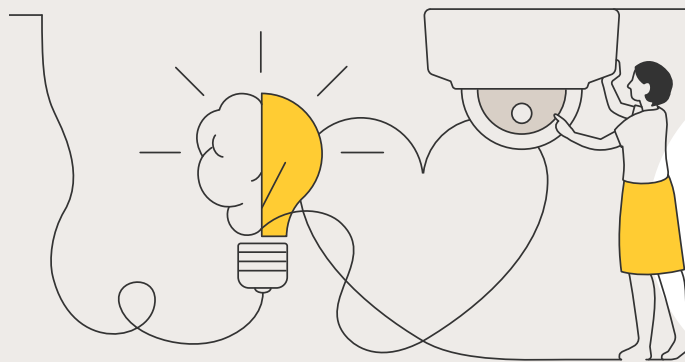


**Respect people**



**Be trustworthy**

**Innovate responsibly**



# Respect people

We aim to create a positive social impact and protect human rights along the whole value chain. To be transparent and handle our relationships in a responsible way is key to the way we operate. We understand that inclusion, diversity, and equity are imperative to drive business growth and innovation. But more than that, we believe everyone has the right to be who they are, to feel that they belong, and to know that their health and well-being matter. This is reflected in our core values and in the way we work together within Axis and with all our business partners.

## Human Rights

Human rights should be universally respected. At Axis, to support this, we are committed to the Axis Group Code of Conduct, signed by the Axis Group Management Team. We are also guided by the principles set out in the UN Global Compact Agreement and the UN Guiding Principles on Business and Human Rights.

Axis has a responsibility to avoid causing or contributing to any negative impact on human rights through our own activities. We also seek to ensure all our operations, products, services, or solutions used by our partners are not being used to infringe upon any human rights. We aim to address and resolve any issues as and when they arise.

The Group Management Team is the owner of the Axis Group Code of Conduct and the Human Resource department is responsible for its implementation. This document is openly available on our website.

Working to protect and ensure human rights is a continuously evolving and improving ambition. We ensure that as actions are completed, learnings are incorporated, and used as the foundation for taking the next step forward. By integrating human rights into dialogue with, and training of, suppliers and business partners we can seek to set a high standard across the value chain.

The Axis risk management framework does not account for human rights risks. Instead, these risks have been managed separately via a human rights due diligence group at Axis. Given the complexity of our value chain, we have chosen to divide the responsibility for mitigating adverse impact on people between upstream (our supply chain), own and downstream (our sales channel of distributors, partners and end customers) operations. During 2024, human rights risks will be incorporated into the overarching risk management framework.





## OUR SUSTAINABLE APPROACH

Even though human rights has always been a main priority for Axis, 2023 resulted in several steps forward.

In 2023, we started a project relating to the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the UN Guiding Principles on Business and Human Rights (UNGP), with the aim to set out a comprehensive human rights due diligence framework for Axis. One of the first steps was to identify general areas where the risk of adverse human rights impacts is the most significant and prioritize these for human rights due diligence. Axis salient human rights issues are those human rights at risk of the most severe negative impact through our activities and business relationships – along our entire value chain.

We have identified eight salient human rights issue areas (see illustration to the right), where each area encompasses a range of specific human rights impacts that we should focus on. The work to identify our salient human rights was carried out by a cross-functional team at Axis in cooperation with an external consultant. The work also included gathering information from external stakeholders.

After identifying our salient human rights, we performed an analysis to identify the gaps we have in relation to the UNGP and the CSDDD. The identified gaps will guide us in our next step, which is to develop a roadmap for our overall human rights due diligence. This will start in 2024.





### **Health and safety**

Health and safety are essential in any workplace. By seeking to create an environment and culture that promotes welfare and wellbeing, we can look to avoid the most preventable accidents, incidents, injuries and illnesses. While in some cases these are not always avoidable, we seek to ensure that the frameworks for avoidance, reporting, and learning are in place.

### **Diversity and inclusion**

Diversity is essentially linked to the fundamental human right to equality, and non-discrimination is about recognizing, respecting, and valuing people's differences, which is an integral in Axis culture and operations.

### **Labor conditions in the supply chain**

The obligation to respect human rights extends beyond company boundaries. Company operations and activities impact workers throughout the value chain. Labor conditions and challenges differ between countries and suppliers, and given the nature of today's supply chains, there may be a risk that our operations and activities are linked or contributing to these challenges. Our commitment to respect human rights is embedded into the supply chain management through the Axis Supplier Code of Conduct, which is based on the Axis Group Code of Conduct, the UN Global

Compact, and the Responsible Business Alliance Code of Conduct. This document is shared with suppliers, and they are required to sign and adhere to it.

### **Reducing environmental impact**

A safe, clean, healthy, and sustainable environment is imperative, not only to sustain the planet, but as a fundamental human right. Adequately managing and reducing the environmental impacts of a company's operations and value chains is fundamental to ensuring environmental human rights are not infringed (more on page 22).

### **Remediation and access to a grievance mechanism**

Everyone has the right to remedy when their rights have been violated. Axis Whistleblower program that can be used to report concerns, including those relating to human rights. However, the reporting system is dedicated to internal use, and we currently have no other anonymized system in place to enable the reporting and remediation of adverse human rights impact, except cases related to Axis employees. We consider the open dialogue we have with external parties such as suppliers, customers, and partners an important channel for catching any ongoing issues.

### Responsible supply chain

#### Supplier management

Axis has a global supplier base that manufactures and assembles our products. Contract manufacturers are engaged for printed circuit board assembly, product assembly and testing. We also have strategically selected component suppliers for commodities such as casting of chassis, camera lenses, and critical electronic components. All products pass through one of our configuration and logistics centers (CLCs).

In 2023 we had 452 suppliers. Of that number, five are contract manufacturers located in Mexico, Thailand, Taiwan, and Poland. From a sustainability perspective, 163 are considered critical suppliers, and of that number, approximately 98 percent are located in Asia. During the year, we started collaborating with 16 new suppliers.

Axis can influence the working conditions of its suppliers and their environmental impact. As such, we also have a responsibility to help ensure that manufacturing is performed in a responsible way. We do not tolerate any form of discrimination, forced labor or child labor. We have identified several high-risk countries, mainly in Asia, with increased risk of forced labor and extensive working hours, and we continue to enforce our requirements and educate our suppliers.

In our supply chain we have identified the following salient human rights risks: forced labor in the value chain, sourcing of raw materials,

workers working extensive hours, workers in the value chain not being paid the living wages, recruitment fees in the value chain, and lack of proper e-waste management. Following the human rights due diligence project described on page 12, we have identified the gaps between current ways of working to where we want to be for each human rights impact area, and we have defined activities to close the gaps as part of our human rights due diligence roadmap.

While selecting the new suppliers we follow the onboarding process where screening of suppliers against requirements as per Axis Supplier Code of Conduct is part of it. Suppliers are expected to have an environmental management system and occupational health and safety management system in place, and to adhere to international standards on human rights and labor rights.

The onboarding of suppliers starts with signing the Axis Supplier Code of Conduct (or submission of their own code of conduct, if it is aligned with ours). The supplier is also required to complete a self-evaluation questionnaire that contains, among other things, information about working conditions (e.g. working hours, employee health and safety, and forced labor). The questionnaire is then reviewed by the Environment & Supply Chain Sustainability function at Axis.

The screening of new suppliers can be done on- or offsite. In 2023, we screened 14 new suppliers.

Based on our risk assessment, we focus on critical suppliers while planning our audits. Our ambition is to audit existing sustainability critical suppliers at least once every three years, or when required. 28 existing suppliers were reaudited in 2023. Suppliers must have controls in place for their environmental impact, energy and water consumption, emissions, and management of both chemicals and waste. They also must ensure a safe and healthy working environment, have processes and management for ensuring decent labor conditions, and for preventing and mitigating human rights risks.

If a company is found to be non-compliant with the Axis Supplier Code of Conduct, including human rights related issues, a root cause analysis and corrective action plan are requested, and the implementation is followed up through online and/or onsite meetings. We work with the suppliers to determine appropriate remediations.

Among the significant non-conformities we found during 2023, we have identified extensive working hours, insufficient practices towards freely chosen employment and insufficient requirements and contractual agreements towards recruitment agencies.

Beside the audits we also use active best practice sharing to ensure suppliers understand and live up to the behaviors and business practices we expect.



#### UK MODERN SLAVERY ACT

Axis has operations in the UK, and we are thus subject to the UK Modern Slavery Act. We work actively to counteract all forms of modern slavery, child labor, forced labor, and trafficking in our business, and we impose demands on our suppliers that none of this must occur in their operations. Our suppliers are also expected to forbid any occurrence of modern slavery, child labor, forced labor, or trafficking in their operations. For more information regarding how Axis works with these challenges, see [www.axis.com](http://www.axis.com)



## OUR SUSTAINABLE APPROACH

### Conflict minerals

Sourcing of raw materials is one of our salient human rights impact areas. Axis uses materials containing tantalum, tin, gold, and tungsten (conflict minerals), as well as other minerals that we determine to be high-risk, based on the due diligence guidelines established by the Organization for Economic Co-operation and Development (OECD). We follow recommendations and guidelines from the Responsible Business Alliance and the Global e-Sustainability Initiative regarding taking social responsibility. We do not accept, tolerate, or engage in any sourcing activities which may finance conflicts, or involve any form of violation of human rights or compulsory labor. This is clearly stated in our conflict mineral policy and integrated into our Axis Supplier Code of Conduct.

We have a well-documented process for ensuring that the minerals used by our suppliers and subcontractors are conflict-free. All Axis first- and second-tier suppliers have signed our Supplier Code of Conduct, which obliges them to have a process in place for documenting the supply chain.

Suppliers must report where all minerals have been sourced and account for how they ensure that their components and products only contain conflict-free minerals. This involves identifying all

smelters in the supply chain which provide gold, tantalum, tin, cobalt, and tungsten. Suppliers must also have policies and due diligence practices in place for traceability, follow-up, and control. We perform yearly conflict minerals surveys.

We evaluate the suppliers based on the risk of purchased components. Monitoring of suppliers also includes those that previously declared that they do not use conflict minerals, since there could be changes over time in how they purchase such materials.

If a significant risk is found in the supply chain, we request our business partners to switch to a supply chain with a lower risk, and we will fulfill our responsible mineral procurement. Axis will appropriately disclose information regarding these efforts to customers and stakeholders. During 2023 we identified five suppliers listing the use of the same high-risk smelter. Since these suppliers' report on a company level, we are currently investigating if the smelter in question is related to parts manufactured for Axis. If this is the case suppliers will be asked to present a time-bound phase-out plan of the smelter. We will continue to actively monitor the supplier base to ensure that no high-risk smelters enter our supply chain.

## OUR SUSTAINABLE APPROACH

### Our people

Axis is a growing company. In 2023 we grew by a net of 500 employees. This is up from the 248 new net employees in 2022. This increase in net employees has meant a change in our gender distribution numbers. The distribution is 29 percent female to 71 percent male, however with new employees that distribution is currently 31 percent female to 69 percent male. In regard to new managers hires, that distribution sits at 21 percent female to 79 percent male. This is a slight decrease of the share of women from 2022.

Workplace safety plays a vital role at Axis. In 2023, the number of reported workplace accidents dropped to 13, from 22 in 2022. Illness related absences have also decreased from 4 percent in 2022, down to 3.6 percent in 2023. Employee turnover has also decreased to 6.4 percent, down from 10.5 percent in 2022.

Accidents and lost workdays	2023
Workplace accidents	13, of which 0 fatal accidents
Absence due to illness, in Sweden, %	3.6
Number of accidents resulting in lost workdays	2
Number of lost workdays	33

### Policies and governance

At Axis we are driven by our core values, phrased as *Always open, Act as one* and *Think big*. We have a strong focus on ethics and responsibility, and the expectations of our employees are detailed in the Axis group-wide Code of Conduct.

The Axis Code of Conduct applies to everyone who works for Axis worldwide and to anyone representing Axis in any way. Our employees are also covered by additional HR group policies. These cover Group Compensation and Benefits, the Working Environment, Learning and Development, Internal Recruitment, Harassment, Diversity, and Travel. We also adopt several local policies in situations where they offer greater benefits or protections offered by Axis.

Our CEO is ultimately responsible for the work environment, but has delegated the responsibility to managers, who carry out the work together with HR. In USA, action plans for the work environment efforts are followed up by the executive management team. In Sweden, the HR function, together with the safety representatives, prepares a report each year, which is then sent to the CEO.

All Axis employees in Sweden and 61 percent of the total number of employees worldwide are covered by collective agreements. All employees can freely join trade unions or choose to refrain from doing so, in accordance with our Code of Conduct and local legislation and practices applicable to each specific country.



Employees	2023	2022	2021
Number of employees*	4,710	4,210	3,946
Proportion women/men, %	29/71	29/71	28/72
Managers gender distribution, women/men, %	31/69	33/67	31/69
Group Management	2 women, 7 men**	2 women, 7 men	1 woman, 8 men
Board of Directors	3 women, 7 men	3 women, 7 men	3 women, 7 men
Employee turnover, %	6.4	10.5	11.1
Absence due to illness, in Sweden, %	3.6	4.0	3.2
Average age	41	41	41

\*Employees = permanent employees and employees for a fixed term of at least six months. Permanent employees are expressed as head counts as of December 31. Substitutes (those filling in for employees who are on parental leave or a leave of absence) are not included. Only temporary employees in Sweden are included in the statistics. Summer workers, hourly-paid employees and substitutes are not included. Workers (not employed by Axis) These account for a small proportion of the overall workforce and consist of consultants, primarily within research and development. We have managerial responsibility for consultants working on site at the company and as such, Axis is also responsible for their work environment. Employer responsibility, including insurances and occupational health services, lies with the employment agency that has engaged their services

\*\*The composition of the management team was adjusted in 2024 to include 2 women and 6 men.

## OUR SUSTAINABLE APPROACH

### Occupational Health and Management System

At Axis, we work proactively to prevent risks, and continuously conduct risk assessments to maintain a good work environment without risk of accidents or illness. In Sweden, all managers are required to conduct a risk assessment when changes are made to the business. A more wide-ranging follow-up is also carried out each year.

The routines and systems in place are based on national laws and regulations. In Sweden, the occupational health and safety management system also covers consultants who have been contracted by the company and have their workplace at Axis.

In Sweden, work-related incidents and accidents are reported to HR, and an internal report is issued, along with an action plan. The safety representatives receive information about all incidents and accidents, and these are discussed and followed up by the health and safety committees. In addition, a report is issued at the end of each year, summarizing all the incidents and accidents that have occurred. Annual safety inspections are also performed. In other regions, incidents are dealt with in accordance with national laws and regulations.

### Safety Representatives

Axis has four health and safety committees, two in Sweden (which hold quarterly meetings), one

in Canada (held quarterly) and one in the USA (held monthly), all responsible for overall issues having to do with the work environment. They are comprised of representatives from HR, Facilities, and Configuration and Logistics centers (CLCs).

### Health and Safety Committees

Worker training on health and safety varies from country to country, according to the prevailing laws and regulations. There are trainings on first aid, CPR, ergonomics, fire safety, and other safety issues. The HR function arranges internal work environment trainings for all managers in Sweden.

### Diversity, inclusion and equality

Diversity includes gender, age, nationality, background, culture, skills, and other attributes. An inclusive, positive work climate, promoting diversity and equality, drives employee engagement, and helps us attract and retain the right people.

We recognize the importance of having an equal, diverse, and inclusive workplace when striving for innovation. It is also an essential element in the promotion of creativity. By continuously working towards improving and championing diversity we are better placed to achieve our long-term strategy goals and future growth plans.

It is generally recognized that companies with greater diversity are more successful, which offers a strong business value, alongside the equally

important human value that diversity promotes. For Axis, diversity and inclusion has always been an important focus area and 2023 was no different.

To best achieve that, initiatives are driven at a regional level. This allows the regions to best make use of local knowledge in addressing diversity and equality. In line with that, information, statistics, and activities done are collected and reported back to Axis HQ in Lund.







Our overall aim is to improve diversity year over year. While this is an aim we wish to improve on, our recruitment is purely competency based. By taking an unbiased approach to recruitment we can ensure the right individual for each role. As security and technology are predominantly male-dominated industries, the recruitment base for Axis, especially for certain engineering roles, is largely male. To ensure we work toward a greater balance, we look to inspire women to pursue a career in the STEM (Science, Technology, Engineering and Mathematics) field. We run initiatives to inspire women at universities, as well as offering support to initiatives, such as Pink Programming. We also focus on employee retention and offering opportunities for growth and career development internally.

Last year Axis was an official sponsor of Lund Pride (LundaPride) for the first time. To coincide with this, Axis ran a series of internal short films regarding Pride featuring members of the LGBTQ+ community. This helped to raise awareness, educate, and inform.

As stated in our Code of Conduct, we do not tolerate discrimination or harassment of any kind. This includes, but is not limited to, discrimination or harassment based on gender, sexual orientation, ethnicity, national origin, religious beliefs, age, marital status, disability, or any other form of unlawful discrimination. We have several initiatives in place for counteracting discrimination and harassment throughout the company. All reported cases must be handled promptly, and in accordance with our processes and policies. Seven cases of discrimination and harassment were reported during 2023 and were handled through due process and routine.

## Selected regional initiatives 2023

### APAC

*R U OK?:* This campaign aimed to raise awareness about mental health, and to inspire everyone to connect meaningfully with people around them. The message was that you don't need to be an expert to reach out, just a good friend and a great listener, and people were encouraged to start a conversation with those who may be struggling – a conversation that could change a life.

### EMEA

In 2023 we introduced gender-neutral paid parental leave programs for the EMEA and Oceania regions. Allowing new parents, regardless of gender, to take paid leave to spend time with their new family members has been an important step in ensuring a more equal and supportive environment for Axis employees during such an important time.

### Americas

*Security LeadHER:* In 2023, the first ever Security LeadHER conference was held. The collaboration between the Security Forum of the Security Industry Association (SIA) and the American Society for Industrial Security (ASIS), was sponsored by Axis. By sponsoring events like this, we actively look to build and drive industry-wide change in the field of diversity.



## OUR SUSTAINABLE APPROACH

### Employee health and safety

At Axis, we work hard to ensure our employees are provided with the highest standards of health, safety, and wellbeing available.

With offices in over 50 countries and employees from even more, we constantly monitor global situations to aid in our security and safety evaluations. Our employee travel policy states that when traveling to high-risk areas, management approval is required. Axis employees are also provided with security in these instances.

A strong work-life balance is something we have always valued at Axis, and it is essential that we continue to find new ways to ensure a sound environment for physical and mental health. In 2023 we took greater steps to raise awareness of the support network Axis provides.

### Employee engagement is key

The views and feelings of our employees are vital in shaping the ways we seek to improve as an organization. We conduct regular employee surveys globally to measure engagement and

gather thoughts and feedback on teamwork, engagement, leadership, and the workplace. The surveys are anonymous and are used to guide the way we improve the overall employee experience.

In the autumn of 2023, an employee survey was conducted through Brilliant in Sweden, with 90 percent response rate. Across all the indexes covered in the survey there were strong improvements, with the exception of the Team Efficiency index, which stayed at the same level as 2022, and the Organizational and Social Work environment index, which saw a small decrease against last year's level.

All our results are above or on the tech benchmark with the outstanding Employer Net Promoter score (eNPS) of 60, with more than 67% of the employees are promoters. That means they are answering the survey saying they would recommend Axis to a friend or acquaintance.

Many Axis offices carried out the Great Place to Work employee survey during 2023.







### Positive contribution to local communities

Being active in, and making positive contributions to, the local communities in which we operate are an important part of our sustainability strategy. We contribute to society and promote positive development, both locally and regionally, through engagement in education initiatives, sponsorship, and volunteering activities.

## Selected regional initiatives

### APAC

During 2023, different parts of the organization participated in different charity initiatives, including donating cell phones to survivors of domestic violence and donating workbooks and creating hampers for the Food bank. This year we also donated women's work clothes to *Fitted to Work* which is a charity that supports women.

### EMEA

Axis Middle Europe region in EMEA offers a CSR day to all employees. One example this was used for was when we supported care of a biotope protection area in Munich, Germany.

The Axis team got into the Christmas spirit by participating in the *Santa Shoebox Project*, an annual campaign to provide essential items and treats to children in South Africa and Namibia. The team packed 100 personalised shoeboxes with essential toiletries, clothing, stationery, toys, and sweets, all to help spread some cheer this holiday season.

Supporting the *Mandela Day Initiative*, Axis and partners packed ready-made meals to feed children. This was hosted at the Axis office in Johannesburg, South Africa, for the rise against hunger. The team packed about 600 meals.

### Americas

Once per year, the entire Americas organization participates in a community initiative called *Annual Axis Community Day*.

### Sweden

For every new employee in Sweden a tree is planted through *Vi-skogen*. Axis is also contributing to a number of initiatives, including sports and business, in the Lund region through different kinds of sponsorships.





# Protect our planet

We aim to be a market leader and set the industry benchmark when it comes to sustainability best practices. We balance our ambition to continually innovate with minimizing the environmental impact across the entire value chain. We are driven by our desire to exceed upcoming regulation enactments, as well as the commitment and passion of our employees, partners, and end-customers.

Our work in this area is guided by Axis Environmental Policy and Environmental and Supply Chain Sustainability strategy. It considers the environmental impact throughout our whole value chain, from product manufacturing, lifecycle maintenance, energy consumption, repair and replace, and transport and logistics.

Environmental sustainability is also an input to the product roadmap, our three-year plan for product development. We aim to provide up-to-date training for our employees worldwide to

raise awareness and knowledge of our efforts towards greater sustainability. We also look to provide up-to-date training about environmental performance and green design for employees working within R&D.

Our environmental strategy is designed to focus on three key areas: beat climate change, protect natural resources, and protect ecosystems.



## Beat climate change

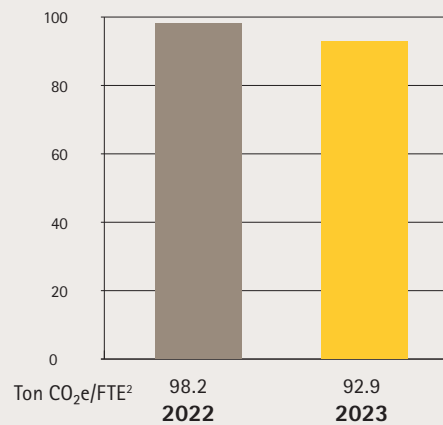
A key feature of being a sustainable and responsible company is to actively work on reducing our effect on the climate. We collaborate with suppliers, distributors, and partners to minimize the impact of our own operations along the entire value chain, and throughout the lifecycle of our products and solutions.

In 2023, Axis overall, Axis Communications AB and 2N\*, GHG emissions are 502,944 ton CO<sub>2</sub>e comparing to 483,957 ton CO<sub>2</sub>e in 2022.

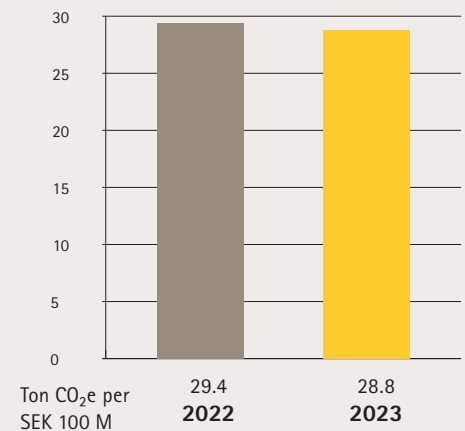
Axis has a strong commitment to reducing our greenhouse gas (GHG) emissions. To this end Axis Communications AB have set near-term science-based targets to help us meet the goals of the Paris Agreement and seek to limit global warming to 1.5°C above pre-industrial levels. To claim that the targets are science-based, the targets must be approved and validated by the Science Based Target initiative (SBTi). Axis science-based targets were validated and approved by SBTi March 25, 2024.

*\*Covering scope 1, 2 and part of scope 3, inbound and outbound transports and business travel*

**Ton CO<sub>2</sub>e per employee**



**Ton CO<sub>2</sub>e per sales**



## OUR SUSTAINABLE APPROACH

**GOAL** | Axis Communications AB commits to reduce absolute scope 1 and 2 GHG emissions 42 percent by 2030 from a 2022 base year.

To set science-based targets, Axis has performed a company-wide inventory of the GHG footprint connected to our activities, in line with the GHG Protocol. The GHG emissions are divided into three scopes: scope 1, scope 2, and scope 3.

Each year, we monitor, report, and analyze our GHG emissions, which are then reported to Axis Environment Council. This provides insight into which activities generate the most emissions, and what to focus on to reduce our overall GHG footprint.

Since Axis committed to set science-based targets 2022, the method for calculating scope 3 was revised to include all categories as per the GHG Protocol. In doing so, new targets were developed to replace the previous GHG emission reduction targets from 2016–2022. Going forward, Axis will only report on progress connected to our science-based targets set with the base year 2022.

### Scope 1 and scope 2

Scope 1 encompasses direct GHG emissions from sources owned or controlled by Axis, including on-site combustion of fuel, use of refrigerants, production processes, or company owned vehicles. Scope 2 are indirect GHG emissions (not owned or controlled by Axis) from the generation of

purchased or externally supplied electricity consumed. Scope 2 also includes heating and cooling.

Axis has committed to reduce absolute scope 1 and 2 GHG emissions by 42 percent by 2030 from a 2022 base year. Scope 1 and scope 2 emissions account for less than 1 percent of our total GHG emissions.

Emissions for scope 1 during 2023 amounts to 678 ton CO<sub>2</sub>e. Emissions for scope 2 during 2023 amounts to 1,724 ton CO<sub>2</sub>e.

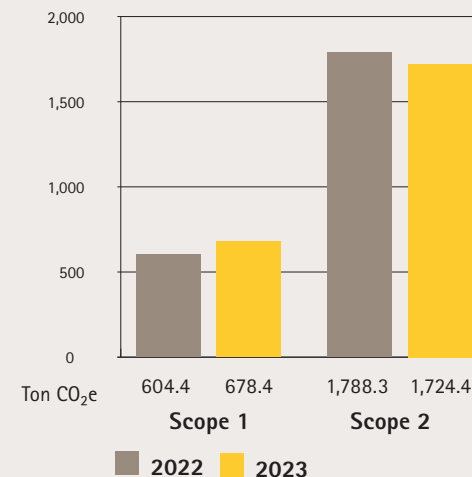
We use renewable energy at our head office and CLC in Lund, and premises in Linköping, Sweden, as well as at some of our sales offices around the world. We also strive to optimize energy consumption at our premises.

To further reduce emissions for scope 1 and scope 2 across 2023, we have delegated ownership to our Head regions and set clear GHG emission targets that will contribute positively towards overall GHG emission reduction targets. This implies that our offices need to transition towards fossil free energy sources. One way of doing this is to obtain Renewable Energy Certificates (REC). This is a type of Energy Attribute Certificate (EAC)

that represents the environmental attributes of the generation of a one-megawatt hour (MWh) of energy produced by renewable sources.

A result of our efforts during 2023 is that one of our head regions has now engaged in REC schemes. As scope 1 and scope 2 also cover vehicle emissions, we have also sought to phase out diesel and petrol vehicles and replace them with hybrid and electric vehicles.

### Ton CO<sub>2</sub>e per scope 1 and scope 2



## OUR SUSTAINABLE APPROACH

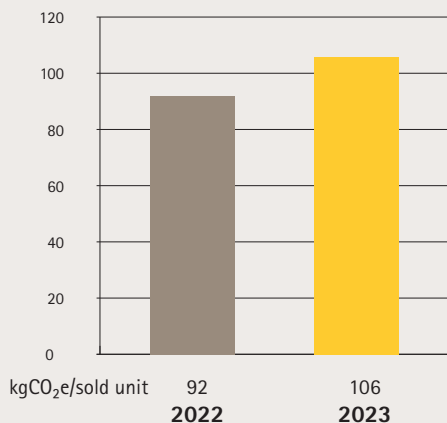
### Scope 3

Scope 3 encompasses all other indirect GHG emissions sources, not accounted for in scope 2. The scope is extensive, covering 15 different categories of emission sources throughout the value chain (cradle-to-grave). Of the 15 categories, 9 is applicable for Axis and our type of business. The 9 categories and their emissions (2022-2023) are listed in the table on this page.

Scope 3 accounts for approximately 99 percent of our total GHG emissions. 2023 scope 3 amounted to 499,379 ton CO<sub>2</sub>e. Categories 1, 4 and 11 account for 94 percent of these emissions, hence these are categories Axis has chosen to focus our efforts on. The three categories are described in detail in the sections below.

Axis commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and use of sold products 51.6 percent per sold unit by 2030 from a 2022 base year.

### Emissions per sold unit



During 2023 our emissions per sold unit increased, as we sold fewer but heavier products with higher energy consumption. The focused work on reducing the extended scope 3 emissions had not started in 2023, as the focus laid on taking inventory of our value chain emissions and submitting our science-based targets for validation. Since then, multiple initiatives have been instigated, see below under each category heading.

### Purchased goods and services

This category includes emissions connected to Axis purchased goods and services for material production and product manufacturing during the reporting year. All materials, parts and products are produced by outsourced companies.

Other purchased goods and services for operational functions within Axis HQ are also included in the scope 3 inventory. This includes furniture, IT hardware, and cleaning services to mention a few. However, these emissions are not included in our reduction target since it is the emissions connected to the production and manufacturing of our products where we can make the biggest difference in changing activities.

To reduce GHG emissions from this category our manufacturing partners need to transition to fossil-free energy sources.

We work closely with contract manufacturers and logistics centers on how they can reduce the use of fossil energy. When it comes to the goal of 100 percent fossil-free energy in manufacturing and logistics centers by 2030, 56 percent of these supply chain partners have taken adequate action and are on track to meet the goal. Three of our manufacturing sites use more than 50 percent renewable energy for our production.

Moving forward we need to engage with component suppliers in transitioning to fossil free energy. Choice of materials used in our products also has an impact on emissions in this category. Therefore, we need to increase the use of recycled metals and renewable carbon-based plastics. Read more about this and our targets under sections (Protect natural resources).

When it comes to materials used in the packaging of our products, we have a strong focus on reducing the amount of plastic used. In our efforts to replace plastic with recycled or renewable materials, we are pushing the boundaries of our traditional fiber-based materials, such as paper and corrugated cardboard, but also evaluating new innovations, such as fiber-based foam.

We continually evaluate the ways in which we can optimize product packaging and reduce the amount of plastic we use. Though plastics make up only a fraction of the overall packaging we have

**GOAL** | Axis Communications AB commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and use of sold products 51,6 percent per sold unit by 2030 from a 2022 base year.

**GOAL** | 100 percent fossil free energy in manufacturing and logistics centers by 2030.

mapped out how much we use for our product packaging, to give us a better understanding of where and how we can reduce and replace. Our aim is that by 2025 we will have replaced all our packaging with recycled or renewable materials.

Scope 3	Base-year (2022)*	Most recent year (2023)*
Purchased goods and services	128,412	125,770
Fuel- and energyrelated activities (not included in scope 1 or scope 2)	763	811
Upstream transportation and distribution	30,103	27,872
Waste generated in operations	9	9
Business travel	3,151	6,144
Employee commuting	4,480	4,879
Downstream transportation and distribution	2,445	2,368
Use of sold products	310,894	331,461
End-of-life treatment of sold products	61	65

\*GHG emissions Ton CO<sub>2</sub>e



## OUR SUSTAINABLE APPROACH

### Upstream transportation and distribution

This category relates to transportation and distribution between Axis 1st and 2nd tier suppliers and our own operations, and from Axis own operations to Axis distributors, for vehicles not owned or operated by the reporting company. Additionally, the category includes third-party transportation and distribution purchased by Axis 2023 i.e., inbound and outbound logistics, and third-party transportation and distribution between Axis own facilities. All distribution is outsourced apart from CLC1 in Lund. CLC1 is not included in this category, but in scope 1 and 2.

Our aim is that manufacturing and configuration of the products at various CLCs should occur as close to each market as possible. This ensures good flexibility and short transport lead times and offers advantages from an environmental and cost perspective. We continuously investigate ways to further improve in this area.

During spring 2023 Axis started a project to establish a GHG reduction plan for emissions connected to upstream transportation. The project includes all upstream transport in the Axis value chain, i.e. inbound from component supplier to contract manufacturers, transports from contract manufacturers to CLCs, and finally to distributors.

The scope of the project was to map, identify and collect necessary data and information, simulate scenarios, and evaluate their emissions reduction impact. Based on the results of the different scenarios an action plan will be developed. The result of the project shall be finalized and handed over to involved stakeholders during spring 2024.

### Use of sold products

This category includes emissions from the use of Axis products sold in the reporting year. Axis accounts for direct use-phase emissions of the

sold products, including the total lifetime expected emissions across the product portfolio.

We are constantly looking for new ways in which we can reduce the energy usage of our products and solutions. During 2023, we mapped all technologies and features we use that contribute to reducing an installation's power consumption, to better coordinate these initiatives going forward. One such technology is the power meter, which is included in many of our high-end products and provides the possibility to monitor the power consumption of a camera. This makes it possible to optimize the settings of a camera from an energy perspective. During 2023 the amount of cameras with built-in power meter increased significantly.

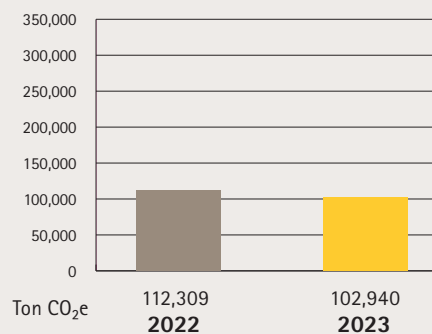
Another new power saving technology is the possibility to manually control the heater in the web interface for some camera models, and that we added an optional power mode where the heaters can be deactivated depending on your temperature zone.

To coordinate and drive the power reduction activities in R&D, manage gaps, and facilitate broad adoption in the product portfolio we have appointed a Power Reduction Program Manager, which will collaborate closely with R&D, Product Management, Operations and Sales.

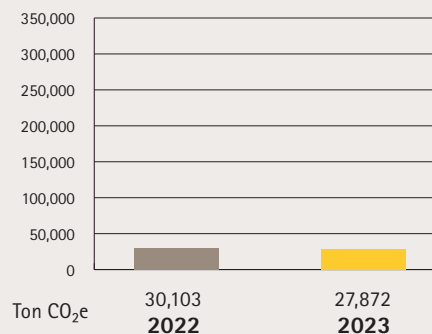
A priority of ours is to design power supplies with minimal losses in the form of heat or electrical noise. This extends to both internal product power supplies, and external supplies which may be used to deliver diverse power over ethernet products. Our unique technologies Lightfinder and Zipstream, which save both energy during usage and bandwidth, such as the new Zipstream Storage Profile, which greatly reduces the storage space needed on external servers. This is one example of our innovation in this area.

### Ton CO<sub>2</sub>e per scope 3 target category

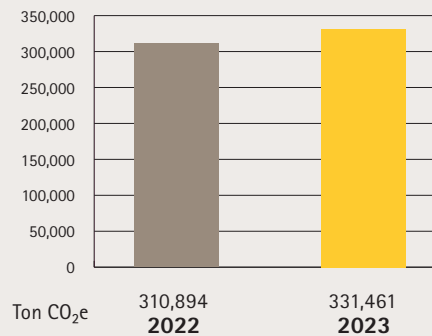
#### Purchased goods and services



#### Upstream transportation and distribution



#### Use of sold products



## OUR SUSTAINABLE APPROACH



AXIS M4327-P contains 73 percent recycled plastic content.

### Protect natural resources

Axis has defined a circular strategy going forward as defined in 2022, based on three principles: keep products and materials in use, design out waste and pollution, and regenerate natural systems. This means extending product lifetime by having high product quality, a world-wide network of repair centers and long-term software support, as well as avoiding scrap from production, preventing waste ending up in landfills and increasing the use of recycled and renewable materials.

We strive to achieve a responsible use of natural resources along the entire value chain. This includes promoting the use of recycled materials and responsible water consumption. We also endeavor to reduce the number of product parts, select low-weight components, minimize material waste, optimize packaging, and improve both energy consumption and efficiency in our own operations and our products.

### Minimizing impact throughout the lifecycle

Green design, a concept that focuses on minimizing environmental impact throughout the entire product lifecycle, is an ongoing priority for Axis. Alongside increasing customer awareness, pressure from non-governmental organizations (NGOs), the introduction of new legislative frameworks, and industry-sponsored initiatives that advocate stricter guidelines for manufacturers, are driving significant change.

### Renewable carbon-based plastics

We have continued to increase the number of products we manufacture with renewable carbon-based plastics. These are plastics made from biobased, recycled, or carbon capture plastics.

**GOAL** | Our stated target is more than 20 percent renewable carbon-based plastic of all plastic content in all Axis designed products launched in 2024.

Our stated target is more than 20 percent renewable carbon-based plastic of all plastic content in all Axis designed products launched in 2024. Sixteen products launched in 2023 had more than 20 percent renewable carbon-based plastic.

In 2023, we focused on increasing the use of renewable carbon-based plastics within Axis. This meant improving the methodology for mapping renewable carbon plastic content within products, as well as setting up training for the Axis R&D organization to encourage greater use of renewable materials. During 2023, renewable carbon-based content share of the total plastic consumption stands for 11 percent. We increased our portfolio of products containing renewable carbon-based plastics. 71 percent of all cameras launched in 2023 contain recycled and/or bio-based and/or carbon capture-based plastics. Shifting to the use of renewable carbon-based materials is an important step towards reducing our dependency on fossil fuel-based materials. To mention some of launched products, AXIS M4327-P contains 73 percent recycled plastic content and AXIS Q1805-LE contain 65 percent bio-based plastic.

## OUR SUSTAINABLE APPROACH

### Protect ecosystems

We want to protect ecosystems and are constantly striving to eliminate the use of hazardous substances, which may harm ecosystems or people, in our products. We have implemented systematic procedures for product development, selection, and origin of materials, components, and packaging to ensure that these meet quality and functionality, as well as our sustainability requirements.

Effecting the right material choices, as well as making assembly and disassembly easier, will extend the product lifecycle, and simplify repair, reuse, and recycling. Materials that are used in our products must meet both quality and functional requirements, while minimizing environmental impact. Our products should not contain any substances that are harmful to people or the environment. Evolving legislation requires us to be proactive while monitoring and phasing out substances of concern.

Alongside the existing EU directives (covered below), we have been phasing out PVC (polyvinyl chloride), BFR (brominated flame retardants) and CFR (chlorinated flame retardants), as well as new substances categories, such as Per- and polyfluoroalkyl substances (PFAS).

However, phasing out hazardous materials is not a single step process. As a starting point, Axis pinpoints where hazardous materials can be found in products. This requires both strong cooperation with suppliers and a robust system for mapping the status of every component, material, and product.

Once hazardous materials have been identified within products, Axis works with current suppliers or finds new partners to source alternative options. This can take time, and some materials are more challenging to replace than others. It's an ongoing process, as there is a constant stream of innovative new products which require compliance screening.

### Lowering the use of substances of concern in Axis products

Axis meets the demands in the EU's directive on the restriction of certain hazardous substances in electrical and electronic equipment (the RoHS Directive), and the requirements in the EU's directive on the collection and recycling of electrical and electronic equipment (WEEE). We also meet the requirements in the EU Waste Framework Directive and in the EU's regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which aims to

control or eliminate dangerous substances. Axis products contain various materials, such as aluminum, zinc, steel, stainless steel, polycarbonate/acrylonitrile butadiene styrene, polycarbonate, polyamide, polymethylmethacrylate, polyurethane, silicone, thermoplastic elastomer, and rubber.





## OUR SUSTAINABLE APPROACH

We have a list of banned and restricted substances, including both substances that are already regulated by law, and substances that aren't restricted yet, but will likely be so in future. The list includes plasticizers, BFRs and CFRs. It is important for us to not just wait for new legislation, but rather be one step ahead. This proactivity is a competitive advantage, ensuring we are ready for upcoming legal regulations, creating a more robust business, and enabling us to offer customers products that are free from hazardous substances.

We monitor our progress annually. Greensoft is a software solution and part of our HPDP-process that makes it possible for us to collect and validate data relating to product content more systematically. This means we get a better overview of the content in various materials, an important step in the process of increasing the use of materials that have a lower environmental impact.

### BFR/CFR and PVC

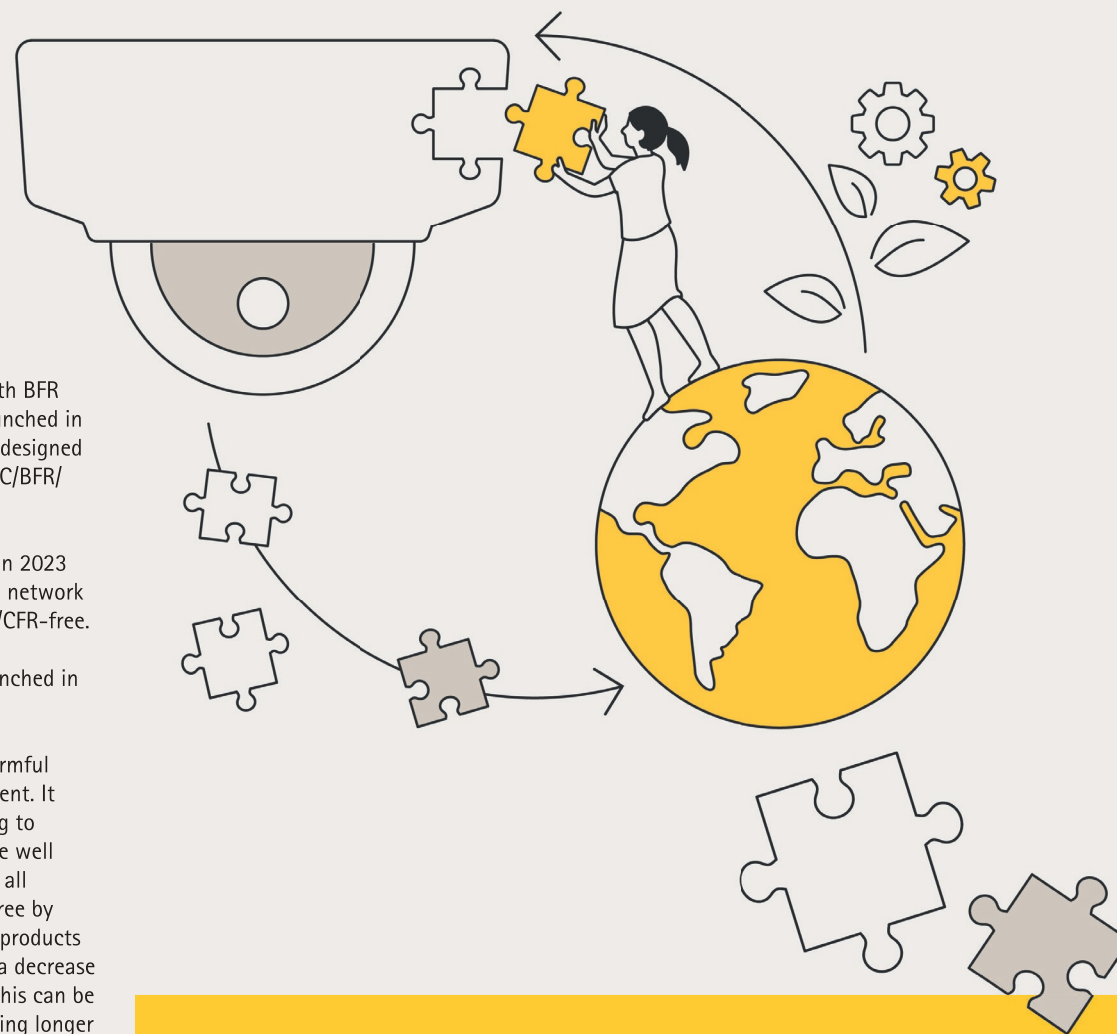
The development of cameras that are free of hazardous brominated flame retardants (BFR and CFR), without compromising fire safety, was a key milestone on our goal to minimize and, eventually, avoid the use of hazardous substances.

We have ambitious targets to reduce both BFR and CFR. The goal is that all cameras launched in 2024, will be BFR/CFR-free, and all Axis designed products launched in 2025 should be PVC/BFR/CFR-free.

83 percent of indoor cameras launched in 2023 were BFR/CFR-free and 74 percent of all network cameras we launched in 2023 were BFR/CFR-free.

76 percent of the PCBA's in cameras launched in 2023 were BFR/CFR-free.

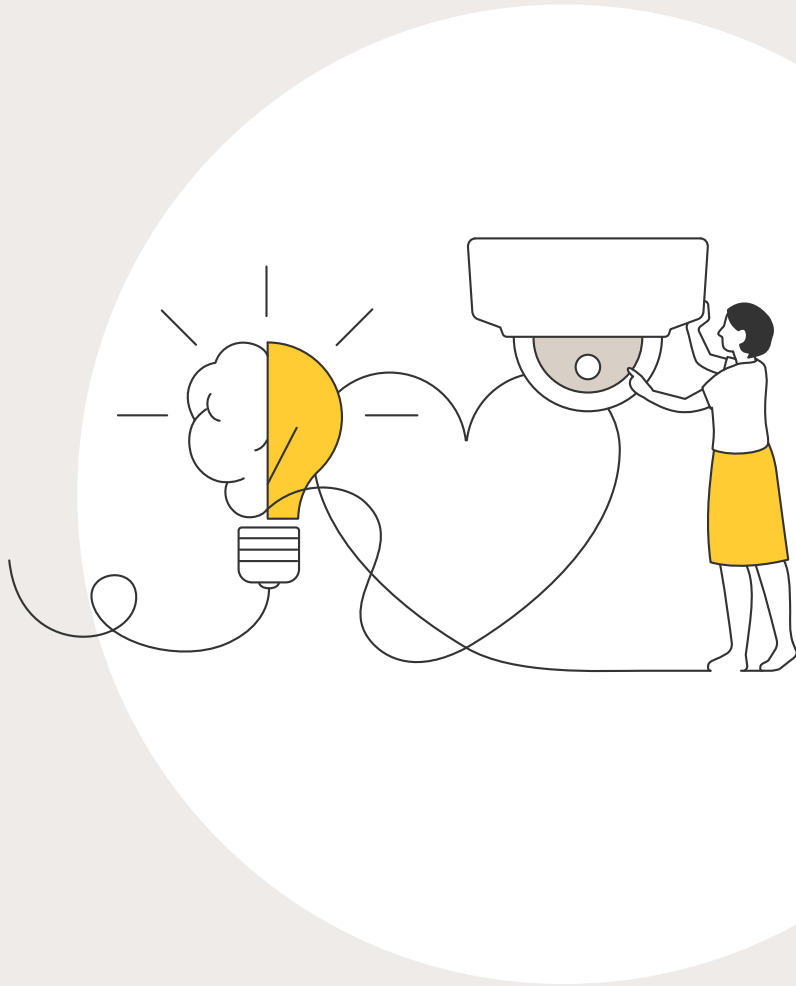
PVC can emit toxic substances and is harmful to both human health and the environment. It is also difficult to recycle. We are striving to phase out PVC from our products and are well on track. The goal is that 100 percent of all launched Axis products should be PVC-free by 2025. Approximately 85 percent of Axis products launched in 2023 were PVC free. This is a decrease from the 90 percent of 2022. However, this can be attributed to a new camera series requiring longer cables, of which PVC is an element.



**GOAL** | 100 percent PVC/BFR/CFR free Axis-designed products launched in 2025.

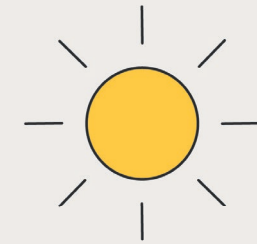
**GOAL** | 100 percent BFR/CFR free network cameras launched in 2024.

# Innovate responsibly



We believe it's possible to develop and adopt new technologies, deliver high-quality products and solutions, and strengthen people's rights at the same time. We acknowledge the ethical dilemmas inherent in many situations where our technologies and humans meet. We strive to improve the trustworthiness of digital technologies, work hard to ensure correct use of our products to safeguard individuals' privacy, and deliver the highest level of cybersecurity.

As technology becomes more advanced and ever-present, trustworthiness in products and providers becomes more essential. We have always strived to achieve and maintain the strongest levels of trustworthiness. We are aware of the delicate balance between technology and an individual's rights, and the ethical dilemmas that can be posed.



## Human rights and technology

### Human rights, ethics, and privacy

We always aim to encourage and contribute to discussions around the ethics and usage of technology. As technology advances, these discussions have increased in scope and seriousness. At our core, we believe in technology as a tool to ensure, protect, and strengthen human rights, but we know how that same technology can be misused in a way that does not align with our expectations. As such, we have taken steps to handle ethical issues in a more structured and formal way.

### Human rights risks related to our products

Axis aim is that none of our products or solutions should contribute to the violation of human rights or personal privacy, and we strive to ensure that our products and solutions are always used in an ethical way. Our export compliance program ensures that we comply with all applicable rules on special export restrictions, sanctions, and embargoes.

We develop and manufacture a variety of products and solutions that support the protection of people and property, as well as process optimization, business efficiency, and information access. Our products may be deployed with third party software integrations, like facial recognition, or used for data analytics, such as people counting and demographic information analysis. Their uses include surveillance of people, objects, and environmental conditions.

The end use impacts of our products and solutions are vast, varied, and influenced by the interaction of many known and unknown variables. It is important that we understand potential human impacts and our relationship with them, and our leverage to address them. This area is also covered by our ongoing project preparing us for the upcoming EU directive on Corporate Sustainability Due Diligence.

Privacy and freedom of expression has also been identified as one of the Axis salient human rights risk areas described on page 13 and will be a focus area in our human rights due diligence road-map. In 2023, we carried out a human rights due diligence pilot project in the Benelux market, with the purpose to, in a formal and structured way identify, analyze and manage sales projects that could pose human rights risks. No such risks were identified in this pilot project. We plan for similar projects in the Middle East and in Canada in 2024. The purpose of these projects is to equip the global organization with better processes and tools when it comes to human rights due diligence in our sales channel.







## Cybersecurity

As technology advances and the world becomes increasingly more connected, the need for greater cybersecurity is essential. Any device connected to the network is at risk of a potential cybersecurity attack. We strive to apply cybersecurity best practices in policies, processes, and technologies from development to decommissioning.

The governing document for Axis internal systems is the Axis Information Security Policy. To stipulate how we respond to software security issues, the governing document is the Axis Vulnerability Management Policy. Our software development is guided by the Axis Security Development Model (ASDM), which makes security a central focus.

Our organizational cybersecurity protection focuses on protecting data assets and computer resources and managing risks over a longer time. Axis Information Security Management System (ISMS) complies with ISO/IEC 27001:2022 to ensure a systematic and risk-based approach to information security.

We continually inform and train our employees on cybersecurity and customer privacy. Information security awareness is an important part of the employee onboarding process. Furthermore, all employees are required to take part in regular information security awareness training. We also collaborate with partners, and stipulate requirements on the security efforts of suppliers.

Axis has a carefully designed, comprehensive security strategy aimed at minimizing critical vulnerabilities of software, hardware, and information, and GDPR management requirements have been implemented.



# Be trustworthy

Trust is an integral part of any business. Our business model is built on long-term, resilient relationships that we nourish. Transparency, reliability, and openness are all values we live by, and are an integral aspect of why we have been able to operate so successfully and build lasting partnerships over the years.

## A business based on partnerships

Our vision of a smarter, safer world guides everything we do at Axis. For us, innovation has always been about how we can add smarter and safer dimensions to society. To drive positive change, we trust in each other's initiatives and imagination, share knowledge, and build close relationships with our partners and end customers.

Our values are part of our DNA, and, like our ethical principles, they help us navigate in a complex world while growing and developing our business long term. Leaning on our ethical cornerstones and core values, our employees and

partners are trusted and supported to make the right decisions in the face of challenges that arise from the external environment, be they political, technological, social, or economic.

We know that being a reliable and credible business partner is essential, and that openness, and transparency are key factors for success. Being trustworthy and ethical are important factors in the buying decisions of our customers and in recruiting and retaining employees. We remain firm in our stance as being credible and ethical, as well as socially and environmentally sustainable.



### Sustainability assessment

#### Active knowledge sharing

We strongly believe that knowledge sharing is an effective way to build and facilitate the long-term relationships we strive for with our partners and end customers. This knowledge sharing and training of our partners is mainly done within the scope of Axis Communications Academy and the Axis Certification Program.

We provide our partners and customers with further opportunities for knowledge exchange, engagement, and hands-on experiences through our Axis Experience Centers. We have 33 Axis Experience Centers all over the world, with solid plans to open more in the coming years.

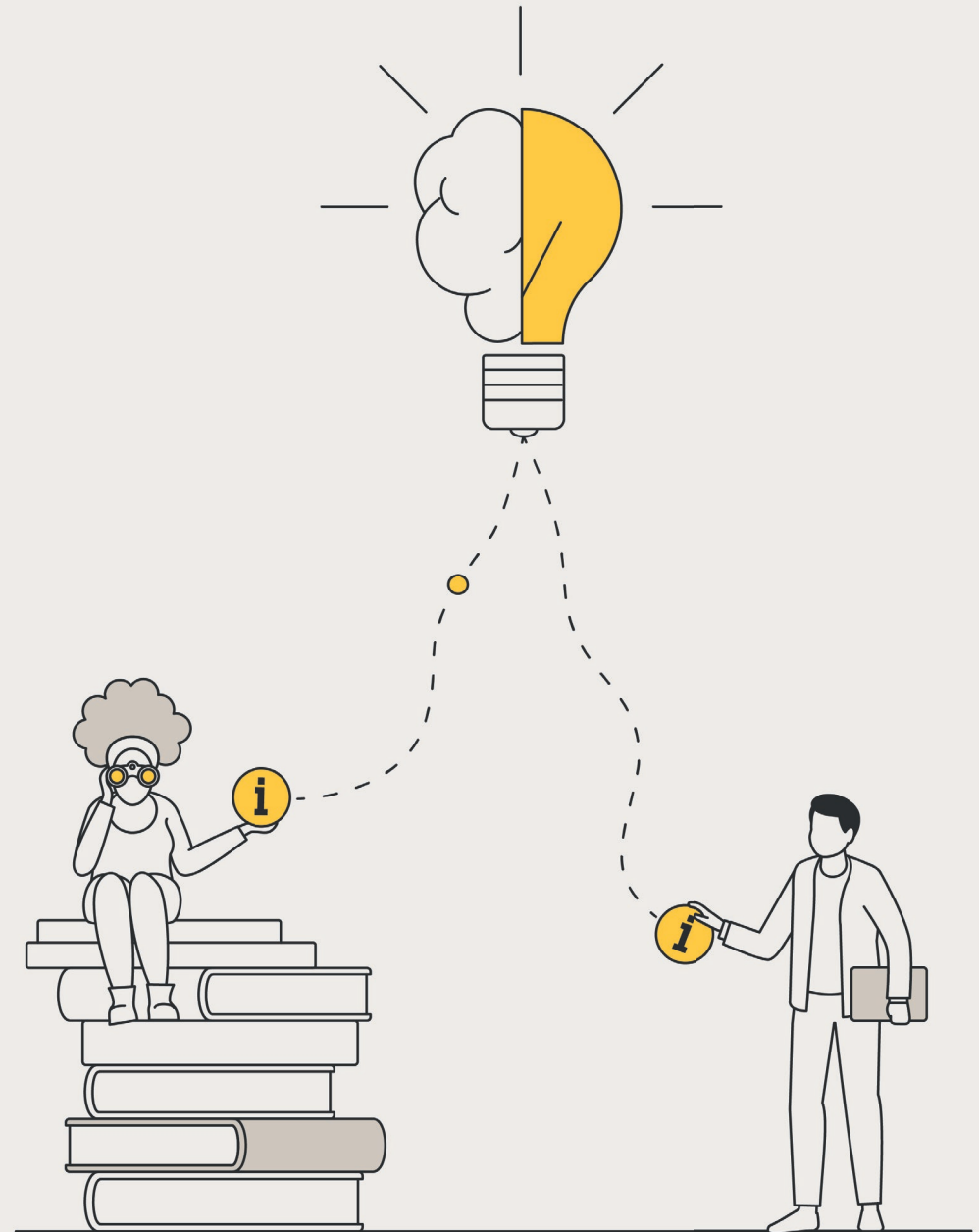
#### Focus on responsibility

Our ethical approach helps to ensure that our products are developed, manufactured, distributed, sold, and used in a responsible and sustainable way. We also apply a structured, focused approach for making risk assessments, engaging in dialogue, and raising awareness of good business ethics at all levels. This approach is carried out within our own organization, and with the suppliers, distributors, and partners from across our value chain. The over-arching aim is for all technology in our products and solutions to be used correctly and responsibly.

Corporate organizations are increasingly being evaluated on more than financial stability and performance. Stakeholders want to be sure their values align with organizations who are committed to improving the environment and society. In addition to reputational and financial costs, failure to perform well in ESG (Environmental, Social and Governance) areas can result in a loss of license to operate with stakeholders in our value chain.

In 2023-2024, EcoVadis, the world's leading provider of business sustainability ratings, performed an independent assessment of our corporate social responsibility credentials. Axis was positioned in the 79th percentile of all companies that have been evaluated. This is an endorsement of the Axis approach to ensuring a high standard in all ESG criteria, and it is better than the average score of other companies in our industry. The assessment gave Axis valuable and relevant information about which areas to focus on improving and independent data about our sustainability efforts.

Third party assessments, such as this rating from EcoVadis, can help companies appraise how they are performing against ESG metrics compared to their peers, and make improvements which result in lasting change.



## OUR SUSTAINABLE APPROACH



### Anti-corruption

Working towards a smarter, safer world is about more than just developing innovative products and solutions. It is about ensuring that we earn the trust of the communities we live in, and the people we work with.

Corruption is one of the largest threats against working towards achieving the UN's Sustainable Development Goals. It has a detrimental impact on societies, undermines equality, and distorts competition. We take a firm stance against corruption, and work systematically to prevent, detect, and mitigate the risk of corruption in our business. No cases of corruption were reported in 2023.

Our Anti-Corruption Compliance Program, managed by our Corporate Governance team, is risk based, to ensure that we focus on the most relevant risks. We work continuously with the identified risks, and our policies, awareness initiatives, training efforts, and other controls reflect this.

During 2023 we prioritized communication and training towards the Head Regions (Americas, EMEA and APAC). Corporate Governance and Global Sales initiated the pilot project "Quarterly dilemmas" to increase the frequency of trainings for our sales representatives and to support directors and their managers when they discuss business ethics with their teams. The project was launched at the Global Sales Summit and over the course of a year four dilemmas will be published. Each focusing on identified risk areas, such as visits to our AECs and conflicts of interest.

While we recognize that the most prominent anti-corruption risks are within sales and marketing; we strive to have a balance between upstream and downstream mitigating activities when designing our compliance program. At HQ Corporate Governance, together with an R&D Director held an inspirational session, "What Happens Behind Closed Doors", on conflicts of interest for the managers in

Sweden. In addition, the HR department arranged a Brown Bag Lunch (lecture) about corruption with one of the most prominent Swedish experts on the topic for all employees in Sweden. The increase in communication activities at HQ was to raise awareness about the upcoming mandatory anti-corruption awareness training.

2023 was also the year when the updated digital anti-corruption awareness training was launched and over 90 percent of our employees completed the training. This training, together with our mandatory onboarding training, provides a great foundation for building knowledge about what corruption is and how we prevent and detect it. However, to deepen the understanding in our teams, meeting face-to-face is invaluable. Axis took a big step in this direction by having on-site classroom workshops with the teams in Singapore and Hong Kong during the fall 2023.

To ensure that our top management have the latest information about the global corruption landscape and the risks to Axis, Corporate Governance has meetings with key members of the Axis Group Management Team twice a year. In addition, the Group Anti-Corruption Policy is reviewed and approved by the Axis AB Board of Directors every year. This process ensures that the policy reflects the most current and prominent risks to Axis and our people. The policy is also available to view in full on the website.

Our communication efforts are also part of our ambition to decrease the distance between the compliance experts and our workforce. We want to ensure that everyone feels comfortable reaching out and asking questions to our experts. Thus, we have a well-established email address for asking corruption related questions. Every year we receive various questions and can support people who encounter dilemmas in their daily work. The amount and content of the questions we receive facilitate the development of our policies, guidelines and other awareness activities.



## OUR SUSTAINABLE APPROACH

### Whistleblower

The long-term success of Axis is built on doing business in a fair and ethical way. Openness and transparency are essential parts of our culture. Ethical business conduct is another cornerstone of our culture, and we strive to ensure that our people feel safe raising concerns and that any concerns raised are followed-up with diligence, fairness and impartiality.

Our Group Whistleblower Policy has been approved by the Board to solidify proper oversight. The policy states what wrongdoings can be reported, e.g. violation of law and/or Group Policies, and clearly expresses that Axis has zero tolerance for retaliation.

The Corporate Governance team is responsible for managing the policy and the whistleblower related processes. This team is also designated to receive and follow-up on reports made through our whistleblower mechanisms. The team's independence is ensured through regular reports to a Board Representative. The Compliance Committee meets quarterly to review incoming

reports and ensures that remediating actions are carried out over time. Corporate Reporting is also made to the Audit Committee, as well as our owner Canon. Persons who raise a concern can use our whistleblower system or contact the Corporate Governance team directly. The system makes anonymous reporting possible, via web or telephone, in almost 50 languages.

All new Axis team members receive training on how and when to use the whistleblower mechanisms through the mandatory on-boarding anti-corruption training.

During 2023, eleven whistleblower reports were received. This is an increase compared to the six reports made during 2022. However, this was to be expected, as the Whistleblower System was introduced mid-year 2022, while it now has been available for the full year 2023.

### Legal compliance

No significant instances of non-compliance with laws and regulations were reported in 2023.





# Sustainability reporting and governance

## About the report

This sustainability report has been prepared in accordance with the GRI Standards. The sustainability report also constitutes the annual Axis Communication on Progress (COP), which is a key component of the company's commitment to the UN Global Compact's ten principles covering human rights, labor, the environment, and anti-corruption.

The report has been drawn up in accordance with GRI's ([Global Reporting Initiative, www.globalreporting.org](http://www.globalreporting.org)) reporting principles on stakeholder inclusiveness, sustainability context, materiality, and completeness, aimed at providing full understanding of the economic, environmental, and social impact Axis has had during the period.

The sustainability report contains the economic, business ethics, environmental, and social topics that are most significant for Axis and the company's stakeholders, and where the impact is greatest. It also specifies the boundaries for these topics with a description of sustainability governance and at least one disclosure for each topic.

A comment is provided in the GRI content index for any information that has not been provided, or which is limited in scope, having to do with a material topic. In instances where there have been recalculations or changes in the reporting,

information on that is provided in the specific context or description for each topic. The sustainability report covers the 2023 fiscal year. Unless otherwise is stated, the scope is the entire Group, including wholly-owned subsidiaries. For a full list of all the companies included in the Group, please see [www.axis.com](http://www.axis.com).

Axis has produced sustainability reports annually, according to GRI's guidelines, since 2010, and intends to continue to publish its sustainability report annually. The date of the most recent sustainability report is May 22, 2024

The sustainability report is not externally audited. If you have comments or questions about the report, please contact:


Björn Hallerborn  
[sustainability@axis.com](mailto:sustainability@axis.com)  
 Phone: +46 46 272 18 00.

## Sustainability governance

The Board of Axis AB (the parent company in the Group) is the highest decision-making body; it approves the sustainability report, and can also suggest areas for improvement. The Axis Audit Committee receives regular updates on sustainability, and provides ongoing input to the sustainability reporting. The Management Team is accountable for sustainability in terms of including it in overall business strategy decision-making, and also for taking economic responsibility into consideration going forward.

To drive progress within the different areas of sustainability, we have three separate councils (Environment Council, Social Council and Business Ethics Council), with a management team member represented in each council. The councils suggest

strategies and goals to the Management Team for each area. To align our overall sustainability agenda across the borders of different areas, we have cross-functional teams for sync and specific projects, such as our sustainability reporting.



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## GRI content index

**Statement of use:** Axis Communications has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

**GRI 1 used:** GRI 1: Foundation 2021

**Applicable GRI Sector Standard(s):** N/A

GRI standard	Disclosure	Location	Requirement(s) omitted	Reason for omission
<b>GENERAL DISCLOSURES</b>				
GRI 2: General Disclosures 2021	2-1 Organizational details	3,41,45		
	2-2 Entities included in the organization's sustainability reporting	37		
	2-3 Reporting period, frequency and contact point	37		
	2-4 Restatements of information	37-40		
	2-5 External assurance	37		
	2-6 Activities, value chain and other business relationships	3,5		
	2-7 Employees	3,17		
	2-8 Workers who are not employees	17		
	2-9 Governance structure and composition	37,45-47		
	2-10 Nomination and selection of the highest governance body	45		
	2-11 Chair of the highest governance body	45		
	2-12 Role of the highest governance body in overseeing the management of impacts	7,8,37		
	2-13 Delegation of responsibility for managing impacts	37		
	2-14 Role of the highest governance body in sustainability reporting	7,37		
	2-15 Conflicts of interest	45-46		
	2-16 Communication of critical concerns	37,45		
	2-17 Collective knowledge of the highest governance body	37,45-46		
	2-18 Evaluation of the performance of the highest governance body	37,45		
	2-19 Remuneration policies	-	a-b	Information unavailable/incomplete
	2-20 Process to determine remuneration	-	a-b	Information unavailable/incomplete
	2-21 Annual total compensation ratio	-	a-c	Information unavailable/incomplete
	2-22 Statement on sustainable development strategy	6		
	2-23 Policy commitments	12-13,14-15,35		
	2-24 Embedding policy commitments	15,33,37		
	2-25 Processes to remediate negative impacts	7,8,13,36		
	2-26 Mechanisms for seeking advice and raising concerns	8,36		
	2-27 Compliance with laws and regulations	36		
	2-28 Membership associations	7,19		
	2-29 Approach to stakeholder engagement	7		
	2-30 Collective bargaining agreements	17		

## REPORTING AND GOVERNANCE

GRI standard	Disclosure	Location	Requirement(s) omitted	Reason for omission
<b>MATERIAL TOPICS</b>				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7		
	3-2 List of material topics	7		
<b>ANTI-CORRUPTION</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	8,35		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	35		
	205-3 Confirmed incidents of corruption and actions taken	35		
<b>MATERIALS</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	26,28-29		
GRI 301: Materials 2016	301-2 Recycled input materials used	28		
<b>ENERGY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	23-26		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	23-26		
	302-3 Energy intensity	23-26		
	302-4 Reduction of energy consumption	23-26		
<b>EMISSIONS</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	23-26		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24		
	305-2 Energy indirect (Scope 2) GHG emissions	24		
	305-3 Other indirect (Scope 3) GHG emissions	25-26		
	305-4 GHG emissions intensity	23-26		
	305-5 Reduction of GHG emissions	23-26		
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	15,25,27		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	15		
	308-2 Negative environmental impacts in the supply chain and actions taken	15		
<b>GRI 400 Social Standards Series</b>				
<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14,18,20		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	18,20		
	403-2 Hazard identification, risk assessment, and incident investigation	13,18,20,36		
	403-3 Occupational health services	18		
	403-4 Worker participation, consultation, and communication on occupational health and safety	18,20		
	403-5 Worker training on occupational health and safety	18		
	403-6 Promotion of worker health	19,20		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	15		
	403-9 Work-related injuries	17		



## REPORTING AND GOVERNANCE

GRI standard	Disclosure	Location	Requirement(s) omitted	Reason for omission
<b>MATERIAL TOPICS CONTINUED</b>				
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	14,18,19		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	17		
<b>NON-DISCRIMINATION</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	13-14,19		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	19		
<b>LOCAL COMMUNITIES</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	21		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	19,21		
<b>SUPPLIER SOCIAL ASSESSMENT</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	14-16		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	15,16		
	414-2 Negative social impacts in the supply chain and actions taken	13,15,16		
<b>CUSTOMER HEALTH AND SAFETY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	16,28-29,31-32,36		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-	a	Information unavailable/incomplete

## The UN Global Compact ten principles

<b>HUMAN RIGHTS</b>	
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2	make sure that they are not complicit in human rights abuses.
<b>LABOR</b>	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labor;
Principle 5	the effective abolition of child labor; and
Principle 6	the elimination of discrimination in respect of employment and occupation.
<b>ENVIRONMENTAL</b>	
Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
<b>ANTI-CORRUPTION</b>	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.



# Financial summary 2023

As a growth company, Axis is constantly aiming to add new talented people, sharing our vision and values, to be able to capture future growth opportunities. After a soft 2022 with relatively high staff turnover, conditions improved during 2023, resulting in twice as many new employees as in 2022. The number of net employees increased by 500 in 2023 and closed the year on 4,710.

The first quarter continued at the same strong pace as of the end of year 2022, with an ambition and expectation to further fulfil the needs from the customers, and to rebuild distributor's inventories after the previous challenging supply situation.

The second and the third quarters maintained solid growth and revenue but dropped slightly compared to the first quarter. In the aftermath of the recovery from the supply chain disturbances, there were still some issues causing a dampening on sales in the fourth quarter that must get back to normal for the sales channel to work smoothly again. With solid sales, a healthy gross margin and clever investments relating to operating expenses, 2023 closed on a strong operating margin of SEK 2.4 B, corresponding to 13.6 percent of sales.

The global macroeconomic situation with higher interest rates together with several serious geopolitical issues are likely to negatively affect the video surveillance industry. However, a long-term approach combined with a proven ability to continue to develop business operations, despite uncertain and challenging market conditions, put Axis in a relatively good position for 2024. Driven by market-leading innovations and a large global partner network, prospects for a successful year ahead look promising. Axis is well positioned with thousands of customers of different sizes and in different industries spread across the globe, creating a solid risk diversification.

*As the Axis Group is fully owned by Canon Inc., Axis does not file any separate consolidated annual report. The financial summary is compiled and consolidated based on IFRS accounting principles, and included in the sustainability report for information purposes. The annual reports for each Swedish legal entity are filed with the Swedish companies registration office (Bolagsverket). The financial information presented in this report is consolidated financial information for the entire Group, and has been approved by the Board of Axis AB.*

## Consolidated comprehensive income

SEK M	2023	2022
Net sales	17,396.1	15,911.5
Cost of goods and services sold	-8,544.5	-8,096.2
<b>Gross profit</b>	<b>8,851.6</b>	<b>7,815.3</b>
Other income and changes of value	235.1	70.6
Selling and marketing expenses	-3,095.3	-2,644.7
Administrative expenses	-700.4	-591.9
Research and development expenses	-2,928.6	-2,729.9
<b>Operating profit</b>	<b>2,362.4</b>	<b>1,919.5</b>
Financial items - net	69.0	18.4
<b>Profit before tax</b>	<b>2,431.4</b>	<b>1,937.9</b>
Income tax	-546.4	-413.5
<b>Net profit for the period</b>	<b>1,885.0</b>	<b>1,524.4</b>
<b>Other comprehensive income</b>		
Items that later could be transferred to the income statement		
Exchange differences	-30.4	100.4
<b>Other comprehensive income for the period, net after tax</b>	<b>-30.4</b>	<b>100.4</b>
<b>Total comprehensive income for the period</b>	<b>1,854.6</b>	<b>1,624.8</b>

## Consolidated balance sheet

SEK M	Dec 31, 2023	Dec 31, 2022
Non-current assets	5,736.7	3,950.1
Inventories	4,109.8	2,778.0
Trade receivables	627.5	1,438.4
Other receivables	1,026.6	1,029.9
Current investments	192.0	533.6
Cash and cash equivalents	1,494.2	2,731.8
<b>Total</b>	<b>13,186.7</b>	<b>12,461.7</b>
Equity	9,250.4	7,738.5
Non-current liabilities	1,250.0	1,240.4
Trade payables	1,094.0	1,722.0
Other current liabilities	1,592.3	1,760.8
<b>Total</b>	<b>13,186.7</b>	<b>12,461.7</b>

## Consolidated cash flow statement

SEK M	2023	2022
Cash flow from operating activities before change in working capital	3,870.5	2,435.2
Change in working capital	-1,742.0	-1,436.3
<b>Cash flow from operating activities</b>	<b>2,128.4</b>	<b>998.9</b>
Cash flow from investing activities	-3,163.3	-737.3
Cash flow from financing activities	-202.8	-929.1
<b>Cash flow for the period</b>	<b>-1,237.7</b>	<b>-667.5</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,731.8</b>	<b>3,399.3</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,494.2</b>	<b>2,731.8</b>



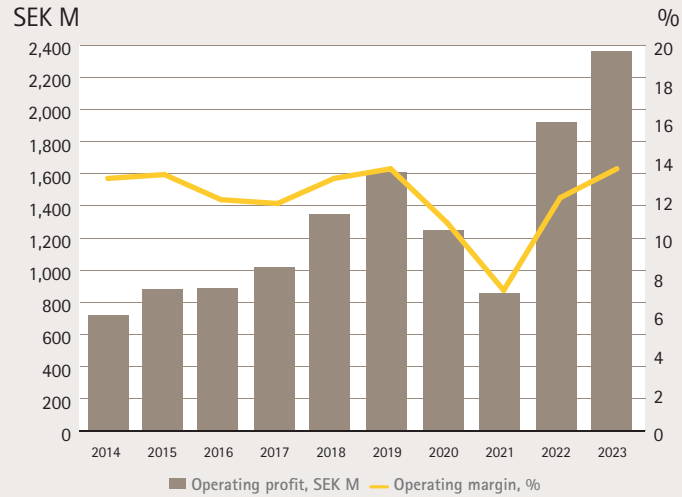
## FINANCIAL SUMMARY

### Multi-year summary

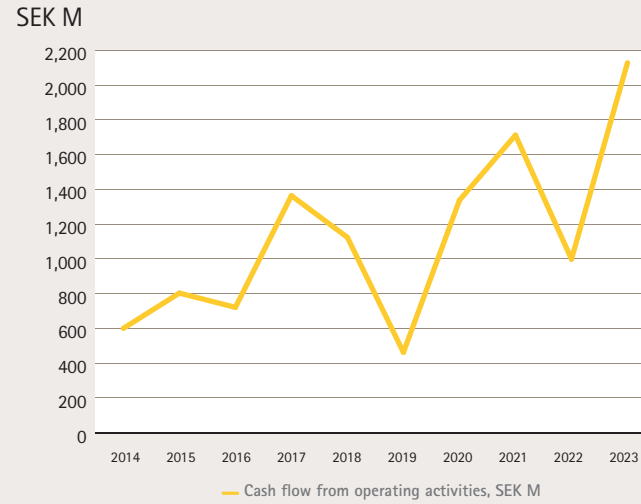
Income statement (SEK M)	2023	2022	2021	2020	2019
Net sales	17,396.1	15,911.5	11,699.0	11,563.6	11,805.9
Cost of goods and services sold	-8,544.5	-8,096.2	-5,946.9	-5,788.8	-5,729.1
<b>Gross profit</b>	<b>8,851.6</b>	<b>7,815.3</b>	<b>5,752.1</b>	<b>5,774.8</b>	<b>6,076.8</b>
Other income and changes in value	235.1	70.6	1.1	-97.1	-29.5
Selling and marketing expenses	-3,095.3	-2,644.7	-2,105.2	-1,796.9	-1,986.0
Administrative expenses	-700.4	-591.9	-464.1	-419.3	-410.4
Research and development expenses	-2,928.6	-2,729.9	-2,331.8	-2,213.1	-2,043.3
<b>Operating profit</b>	<b>2,362.4</b>	<b>1,919.5</b>	<b>852.2</b>	<b>1,248.4</b>	<b>1,607.6</b>
Net financial items	69.0	18.4	-12.8	-19.0	-22.6
<b>Profit after financial items</b>	<b>2,431.4</b>	<b>1,937.9</b>	<b>839.4</b>	<b>1,229.4</b>	<b>1,584.9</b>
Tax on net profit	-546.4	-413.5	-195.3	-283.0	-353.4
<b>Net profit for the period</b>	<b>1,885.0</b>	<b>1,524.4</b>	<b>644.0</b>	<b>946.5</b>	<b>1,231.6</b>
<b>Balance sheet (SEK M)</b>	<b>Dec 31, 2023</b>	<b>Dec 31, 2022</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>	<b>Dec 31, 2019</b>
Non-current assets	5,736.7	3,950.1	3,278.7	2,975.8	2,895.3
Inventories	4,109.8	2,778.0	1,592.7	1,610.4	1,778.7
Trade receivables	627.5	1,438.4	813.8	930.5	985.6
Other receivables	1,026.6	1,029.9	747.3	389.1	421.5
Current investments	192.0	533.6	169.9	0.0	0.0
Cash and cash equivalents*	1,494.2	2,731.8	3,399.3	2,783.6	1,909.5
<b>Total</b>	<b>13,186.7</b>	<b>12,461.7</b>	<b>10,001.7</b>	<b>8,689.4</b>	<b>7,990.6</b>
Equity	9,250.4	7,738.5	6,463.8	6,096.8	5,231.1
Non-current liabilities	1,250.0	1,240.4	939.7	941.8	949.8
Current liabilities	2,686.3	3,482.8	2,598.2	1,650.8	1,809.7
<b>Total</b>	<b>13,186.7</b>	<b>12,461.7</b>	<b>10,001.7</b>	<b>8,689.4</b>	<b>7,990.6</b>
<b>Cash flow statement (SEK M)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash flow from operating activities before change in working capital	3,870.5	2,435.2	1,146.1	1,152.2	1,713.4
Change in working capital	-1,742.0	-1,436.3	566.1	185.1	-1,251.2
Cash flow from operating activities	2,128.4	998.9	1,712.2	1,337.4	462.2
Cash flow from investing activities	-3,163.3	-737.3	-402.0	-408.2	-441.4
Cash flow from financing activities	-202.8	-929.1	-694.6	-55.0	-146.8
<b>Cash flow for the period</b>	<b>-1,237.7</b>	<b>-667.5</b>	<b>615.7</b>	<b>874.1</b>	<b>-126.0</b>
Cash and cash equivalents at the beginning of the period	2,731.8	3,399.3	2,783.6	1,909.5	2,035.5
Cash and cash equivalents at the end of the period*	1,494.2	2,731.8	3,399.3	2,783.6	1,909.5

# FINANCIAL SUMMARY

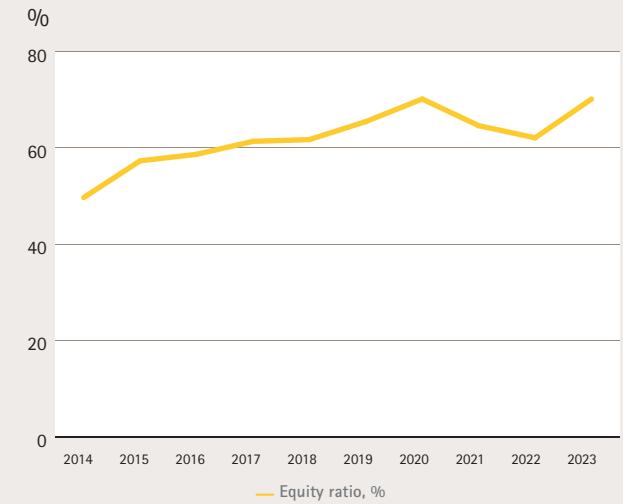
## Operating profit



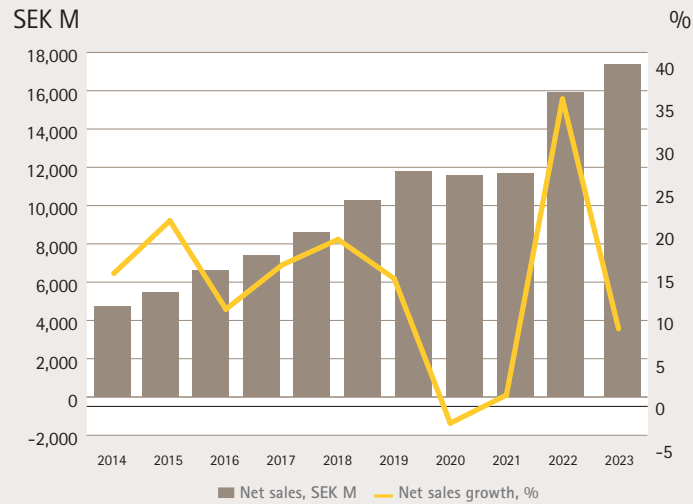
## Cash flow



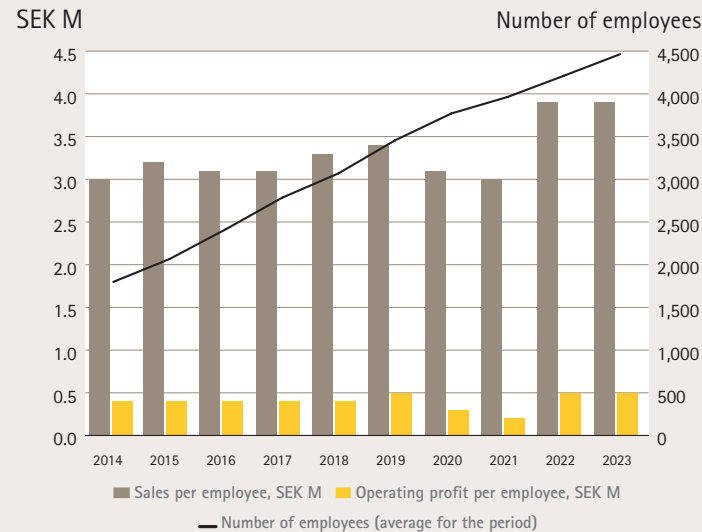
## Equity/Assets ratio



## Net sales



## Employees



# Corporate governance

Axis is a Swedish corporation with its registered office in Lund, Sweden. It is fully owned by Canon Inc., but operates as an independent company within the Canon Group.

Despite the delisting of Axis, and the fact that Canon Inc. holds 100 percent of the shares and votes in the company, Axis' corporate governance is based on the Swedish Corporate Governance Code. However, Axis deviates from the Swedish Corporate Governance Code in certain areas, due to its ownership structure.

## Annual General Meeting

The Annual General Meeting (AGM) is Axis highest decision-making body. At the AGM, resolutions are passed on important questions, such as the appropriation of the company's profit or loss; discharge from liability for the members of the Board of Directors and for the President; election of board members, Chairman of the Board and auditor; and possible amendments of the Articles of Association.

The Board of Directors evaluates its work annually, using a systematic and structured process, with the aim of improving its working methods and efficiency. The board also formally evaluates the work of the Chief Executive Officer once a year.

## Board of Directors

During the period between AGMs, Axis' Board of Directors constitutes the highest decision-making body in the company. The duties of the board are governed by the Swedish Companies Act, and by the Articles of Association.

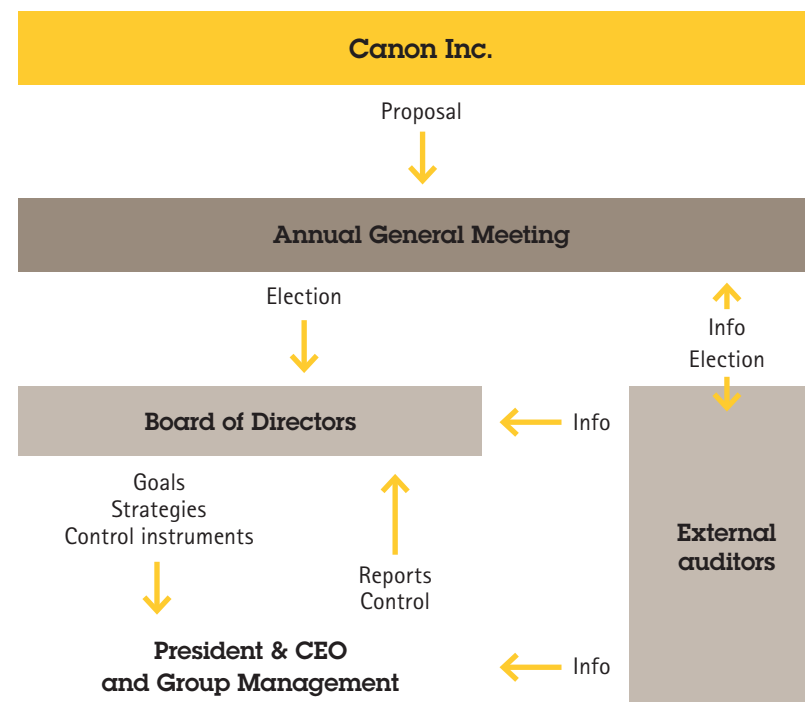
## President & CEO and Group Management

Axis Group Management consists of eight members, and is led by the President and CEO, Ray Mauritsson. The President and CEO manages the day-to-day work, and is responsible for keeping the board informed of the performance of the operations. He also ensures that business is conducted in accordance with the board's guidelines and instructions.

## Audit

Axis auditors are elected by the AGM. At the AGM in 2023, Deloitte was elected as auditor for the period until the end of the next AGM.

## Governance model





## Board of Directors



### Bert Nordberg

*Chairman of the Board*

**Member of the Board since:** 2021

**Board member of:** Sigma Connectivity AB (chairman), Essity AB and Saab Group AB

**Education:** Engineer, Business Studies at INSEAD

**Working experience:** Ericsson, Sony Mobile Communications, Digital Equipment Corporation



### Martin Gren

*Co-founder, Deputy chairman of the board*

**Member of the Board since:** 1984

**Board member of:** AB Grens specialisten (chairman), Eikos Aktiebolag, H. Lundén Holding Aktiebolag, Proact IT Group AB, LumenRadio AB

**Education:** Lund University, Honorary Doctor HC Lund University

**Working experience:** Co-founder and employee of Axis



### Marianne Brismar

*Senior Partner Intercept AB*

**Member of the Board since:** 2018

**Board memberships:** Fam. Knut Et Ragnvi Jacobssons Foundation (chairman), Derome, Green Carrier Holding, JOAB (chairman), Profilgruppen AB

**Education:** B.Sc. in Business Administration and Economics, B.Sc. in Pharmacy

**Working experience:** Roussel Nordiska, Atlet Group, Nissan Motor



### Håkan Kirstein

*Industrial Advisor*

**Member of the Board since:** 2015

**Board memberships:** Cherrystone AB

**Education:** M.Sc. in Economics

**Working experience:** Eltel Group, Niscayah Group, StatoilHydro Sweden



### Toshizo Tanaka

*Representative Director & Executive Vice President, Canon Inc., and Chief Financial Officer, Canon Inc.*

**Member of the Board since:** 2015

**Education:** Degree in Economics

**Working experience:** Various leading positions within the Canon Group

## Employee Representatives

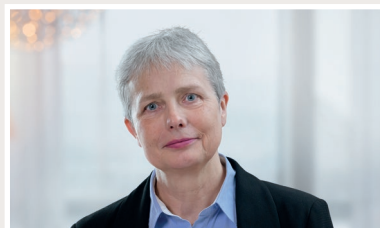


### Malte Lennerstedt

*Employee Representative*

**Member of the Board since:** 2017

**Employee at Axis since:** 2013



### Eva Frid

*Employee Representative (Deputy)*

**Member of the Board since:** 2017

**Employee at Axis since:** 2012



### Jasmine Eriksson

*Employee Representative*

**Member of the Board since:** 2023

**Employee at Axis since:** 2004



### Fredrik Andersson

*Employee Representative*

**Member of the Board since:** 2020

**Employee at Axis since:** 2012



### Mats Friberg

*Employee Representative (Deputy)*

**Member of the Board since:** 2015

**Employee at Axis since:** 2000

## Group Management



### Ray Mauritsson

*President & Chief Executive Officer*

**Employed by Axis since:** 1995

**Education:** M.Sc. in Engineering Physics, Executive MBA

**Previous employment:** TAC

**Board memberships:** Alfa Laval AB, LU Holding



### Jonas Hansson

*Chief Information Officer*

**Employed by Axis since:** 2000

**Education:** M.Sc. in Chemical Engineering, Degree in Journalism

**Previous employment:** Netch Technologies, Nationalencyklopedin



### Peter Lindström

*Executive Vice President, Sales & Marketing*

**Employed by Axis since:** 2003

**Education:** University Certificate in Electrical Engineering, Executive MBA, Lund University

**Previous employment:** Sony, BPE Broadcast Professional Europe, GoPoint, Gandalf Data



### Fredrik Nilsson

*Vice President, Americas*

**Employed by Axis since:** 1996

**Education:** M.Sc. in Electrical Engineering, studies in Economics

**Previous employment:** ABB

**Board memberships:** Micro Systemation AB, Swedish-American Chambers of Commerce



### Johan Paulsson

*Chief Technology Officer*

**Employed by Axis since:** 2008

**Education:** M.Sc. in Electrical Engineering

**Previous employment:** Ericsson, Anoto

**Board memberships:** GARO AB



### Fredrik Sjöstrand

*Vice President & Chief Financial Officer*

**Employed by Axis since:** 1998

**Education:** M.Sc. in Business Administration

**Previous employment:** E.ON, PwC



### Jeanette Skjelmose

*Vice President, Operations*

**Employed by Axis since:** 2022

**Education:** B.Sc. in Environmental Science, Degree in Business Economy and Quality

**Previous employment:** IKEA Range & Supply, IKEA Transport Global, IKEA Svenska Försäljnings AB

**Board memberships:** AB Blåkläder



### Malin K Svensson

*Chief People Officer*

**Employed by Axis since:** 2011

**Education:** B.Sc. in Human Resources Development and Labour Relations/ Employment Law

**Previous employment:** Trelleborg, Adecco, Scandlines

Corporate identity number 556241-1065

Axis AB

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