

Axis Modern Slavery Act

Transparency Statement 2017

Introduction

According to Section 54 of the UK Modern Slavery Act 2015, a company who operates in the UK is requested to publish a statement where it reports on its practices regarding understanding and preventing any kind of human trafficking and forced or slave labour in its own operation and in its supply chain. The Axis Group ("Axis") operates in the UK through its subsidiary Axis Communications (UK) Ltd. This statement sets out the steps and measures that Axis has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Axis has a zero tolerance approach to any form of modern slavery and we are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within our business or supply chain.

Our organization

Axis is the market leader in network video. We invented the world's first network camera back in 1996 and have been innovators in video surveillance ever since, increasing the security of millions of people worldwide and helping to meet the growing need for a smarter, safer world. We are headquartered in Lund, Sweden, but act globally in 50 countries via our own offices representatives and our products and services are sold and marketed through a well-developed collaboration with and network of distributors, system integrators and resellers. As of December 31, 2017, Axis had 2,865 employees.

Our Code of Conduct

Axis is committed to conducting business in an honest, fair and transparent way. In addition to being signatories of the UN Global Compact, Axis has its own Code of Conduct to ensure that all applicable rules are followed.

Axis Code of Conduct defines the values and guidelines upon which Axis conducts its business. All employees and the board shall comply with the Code of Conduct. The Code of Conduct is based on the UN Global Compact's ten principles, the UN Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The company management ensures that business is conducted in an ethical way and in accordance with the Code of Conduct and the company's policies are continually reviewed.

In addition to the Code of Conduct, Axis operates a whistleblowing policy so that all employees know that they can raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.

Risks

Axis considers the issues and risks covered by the UK Modern Slavery Act and even if we deem them to be non-existent within our own operations, we are well aware that the risks are considerably higher in our supply chains. Axis therefore undertakes extensive work in the selection of suppliers as well as following up supplier compliance with audits.

Our suppliers

Axis has a total of 296 suppliers, of which 44 are in China, 81 in the rest of Asia, 118 in Europe and 26 in Central and North America. Six of these are contract manufacturers, which are located in China, Korea, Mexico, Thailand as well as two in Poland. We are committed to ensure that modern forms of slavery and human trafficking is not present in our supply chains. We carefully select our suppliers for manufacturing and assembly of the company's products. The selection takes into account employee working conditions such as the right to sign collective agreements and freedom to join a trade union, business ethics and respect for human rights.

All new suppliers are initially evaluated, using a self-assessment questionnaire, before collaboration is initiated. The questionnaire contains, among other things, information about working conditions such as working hours, employee health and safety and compulsory/forced labor. Suppliers are also expected to sign and comply with Axis Supplier Code of Conduct, which is based on Axis Code of Conduct and the UN Global Compact's ten principles in the areas of human rights, labor, environment and anti-corrup-

tion. This includes requirements prohibiting any form of child or compulsory labor/forced and ensuring good working conditions. When signing the Supplier Code of Conduct, the supplier also declares to use reasonable efforts to promote compliance with Axis Supplier Code of Conduct among its suppliers.

Suppliers are classified based on risk level, taking into account the country in which the supplier conducts its business, credibility and previous evaluations (if such exists). For any new supplier identified as a high-risk supplier following the classification, on-sites audits are performed before the supplier is allowed to become an Axis approved supplier.

Audits of suppliers continue throughout the contract time. The supplier audits aim to follow up and ensure that suppliers meet the requirements in the Supplier Code of Conduct. Both first-tier suppliers and contract manufacturers are screened as well as second-tier component suppliers.

During the actual inspection, environmental and quality engineers from Axis visit the factory for one or two days. The audit covers the factory's environmental impact and employee working conditions. This includes working hours and routines, whether child labor or compulsory/forced labor occurs, noise levels and fire safety. If the supplier provides accommodation for its workers, these sites are also included in Axis audit. If it should become apparent that a supplier does not meet Axis requirements, the supplier will be phased out if it does not implement corrective actions.

Migrant workers in Malaysia have been specifically identified as a risk area concerning compulsory/forced labor. Axis has therefore given this area special focus by undertaking additional efforts, such as conducting more frequent supplier inspections/audits and organizing more training etc., to ensure that no violation of human rights occurs.

Training

All employees have to comply with Axis Code of Conduct and the corporate culture and values are important parts of the introduction program for new employees as well as in other training and employee programs.

Even our suppliers need to be trained. Axis trains suppliers locally in sustainability through its program Axis Supplier Academy. The training program aims to increase awareness and understanding of the requirements imposed by Axis and is particularly addressed towards the suppliers that are most critical from a sustainability perspective. The training relates to the requirements Axis imposes under the Supplier Code of Conduct.

During 2017, training was also held for our 25 inspectors who perform on-site audits at our suppliers.

Our performance indicators

We will know the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain if no reports are received from (a) the employees of Axis who work dedicatedly to uphold Axis core values and Code of Conduct, or (b) the public or law enforcement agencies to indicate that modern slavery practices have been identified. Further, the audits we conduct and on-premises visits at our suppliers, also serve as performance indicators in relation to our Code of Conduct.

Further information

Our 2017 annual and sustainability report contains further information on how we work to constantly improve sustainability aspects of our business and supply chain.

The report is available on www.axis.com.

Approval for this statement

This statement was approved by the Board of Directors of Axis Communications AB on March 26, 2018.

Ray Mauritsson
President, Axis Communications

March 26, 2018

About Axis Communications

Axis offers intelligent security solutions that enable a smarter, safer world. As the market leader in network video, Axis is driving the industry by continually launching innovative network products based on an open platform - delivering high value to customers through a global partner network. Axis has long-term relationships with partners and provides them with knowledge and ground-breaking network products in existing and new markets.

Axis has more than 2,700 dedicated employees in more than 50 countries around the world, supported by a global network of over 90,000 partners. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ Stockholm under the ticker AXIS.

For more information about Axis, please visit our website www.axis.com.