

AXENTIA

Sustainability report 2023

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Company at a Glance

Description of company business model and services

Axentia is a leading provider of real-time information systems, comprehensive low-power displays and associated cloud-based system solutions tailored for the public transport sector. Our mission is to revolutionize public transportation by delivering innovative, top-quality products that enhance simplicity and appeal. Headquartered in Linköping, the company employs 59 employees and has a revenue of 336 million SEK during FY2023. From the outset, innovation and product development have been integral to Axentia's DNA and house our own software and hardware R&D departments, along with production facilities for our displays. Close collaboration with our clients to tailor solutions to their specific requirements has resulted in a diverse product range and a flexible approach to partnerships. This centralized setup ensures streamlined decision-making and fosters a culture of rapid innovation.

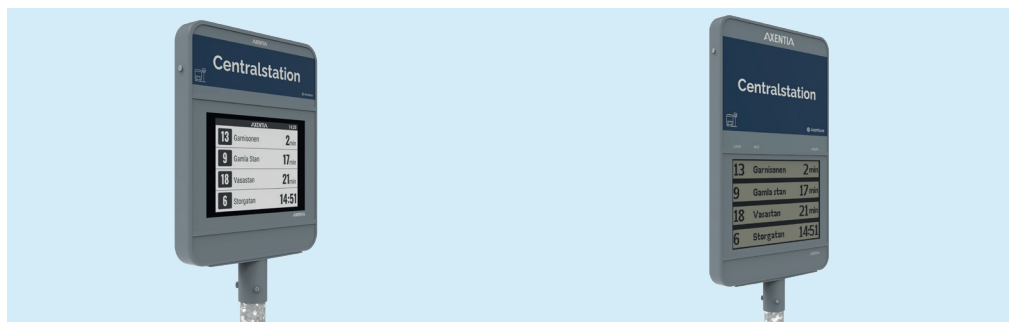


13" iBus E-paper display in Tuscany, Italy

Photo by: Giulia Piermartiri

Our products

Our iBus Display portfolio is specifically engineered for the demanding conditions of public transportation and encompasses four different display techniques, two of which are battery-powered and two network-connected.



iBus E-paper display

iBus LCD display

Battery powered displays

Our most energy-efficient displays, powered by batteries, are designed to minimize power consumption and reduce climate impact. These include the iBus E-paper and iBus LCD displays, which can operate for up to 5 years between battery changes. They do not require external power sources or continuous maintenance, and provide real-time updates with minimal latency using 4G/5G LTE. Since no external cabling is needed, these battery-driven displays can be installed in locations with limited or no access to the fixed power grid or sunlight. For the battery-powered displays it is possible to integrate a solar panel, creating a hybrid display that further extends the operational time up to 10 years.

iBus E-paper Displays

iBus E-paper displays feature high-resolution, customizable screens with enhanced readability due to their high contrast and front lighting. They are typically positioned for easy viewing by passengers. Additionally, a version with interactive buttons is available for accessing detailed information such as timetables and maps.

iBus LCD Displays

Our iBus LCD displays use transreflective technology, enhancing readability by utilizing sunlight for contrast during the day and which automatically activates a backlight in low-light conditions. This ensures clear visibility in various lighting environments.



iBus RGB-LED display

iBus TFT display

Network-Connected Displays

We also offer network-connected displays in our portfolio, featuring low power consumption and optimized design for readability.

iBus RGB-LED Displays

The iBus RGB-LED displays are designed for robustness and excellent readability in all lighting conditions. They are available in a variety of sizes, resolutions and configurations, offering flexibility to meet diverse needs.

iBus TFT Displays

iBus TFT displays can be powered by streetlight electricity or shelter lighting, eliminating the need for active cooling. These displays come with light sensors that automatically adjust the backlighting to ensure optimal visibility in any lighting condition. Their lightweight and compact design allows for flexible placement, and touch-enabled versions positioned at eye level facilitate easy passenger interaction.

Governance structure

Axentia Technologies AB (herein “Axentia”) is a subsidiary of Axentia Group Holding AB, and is majority-owned by Adelis Portfolio Holding II AB, which holds 56,4% of the shares. The remaining shares are held by the founder, management, and key personnel. Other significant shareholders, each owning more than 10%, include Dixon Invest AB and Efcuria AB. From July 2024 Axentia Group AB (publ) has a bond issued on Nasdaq Stockholm.

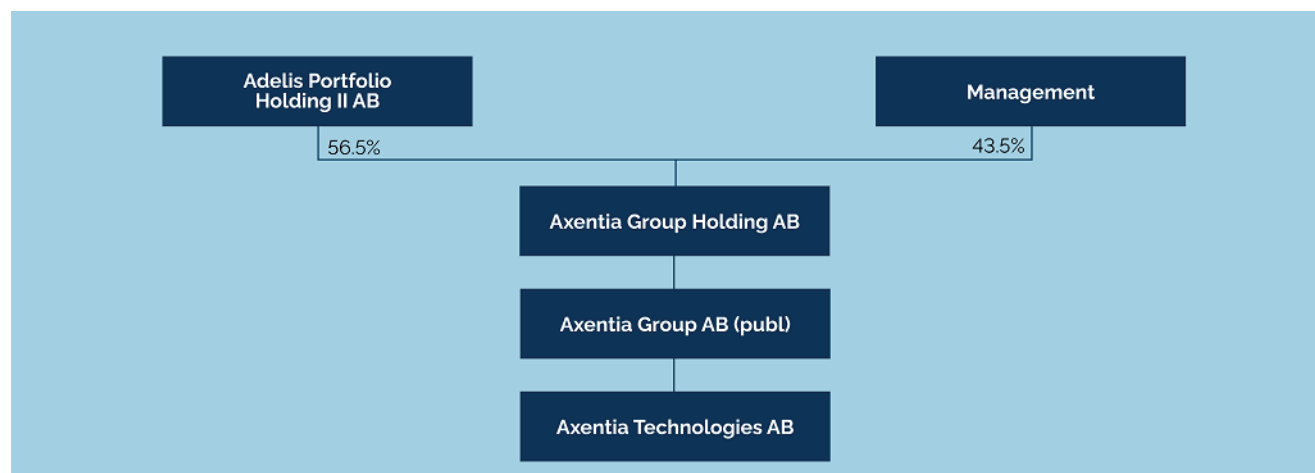
At Axentia, sustainability is integral to our business strategy. Our Board of Directors holds the overall responsibility for governing and overseeing our sustainability initiatives and strategic direction. The Board further holds the final decision on sustainability and approves the ambitions and performance by approving the sustainability statement. The Board is composed of six members, comprised of managers at Axentia, including the CEO and CTO, who contribute with technical expertise about our products. Additionally, the Board includes members from Adelis Equity Partners as well as external board members who bring expertise in public transportation, investments, and extensive experience in leadership and board memberships. This diverse composition ensures robust governance and strategic guidance, aligning Axentia’s

operations with sustainable practices and market needs.

The Board delegates the operational responsibility of sustainability to the management team including the CEO, CTO, CFO, Head of Business Management, Sustainability & Quality Manager, Head of Sales & Marketing, Head of Product Management, and Head of Product Sourcing. For each material sustainability topic (reflecting our impact, risks and opportunities), a member of Axentia’s management team is assigned responsibility for defining its scope, ambitions and targets as well as communicating and seeking approval of these from the Board. The management team are further responsible for implementing and evaluating performance according to the defined ambitions and targets.

Risk identification, management and internal control

Axentia conducts an annual corporate risk analysis with involvement from the management and the board of directors. This process fosters better understanding and alignment among the leadership and the board regarding the current risks and their implications for the operations. As Axentia strives to continue to increase market shares, it is important to carry out risk analyses and work proactively in order to increase the possibilities of reaching our strategic goals. Processes for internal control related to sustainability risks and performance are currently being updated, with the aim to be streamlined in similar processes as the financial performance.



Sustainability strategy

Connection between sustainability and business model

Public transport plays a vital role in people's daily lives, and Axentia's sustainability efforts are focused on developing products and services that encourage its use. Our solutions enhance the accessibility and accuracy of public transport information, making it easier for individuals to rely on public transportation. Whether in urban or rural areas, having up-to-date information at one's fingertips ensures that travel plans go smoothly, thereby supporting a shift away from private vehicle use. This shift not only reduces environmental impact and alleviates infrastructure strain but also fosters long-term sustainability.

Public transportation is essential in transitioning towards a low-carbon future and is a critical component in achieving global climate reduction targets. To meet the goals of the Paris Agreement, which aims to keep global warming below 2 degrees Celsius and ideally limit it to 1,5 degrees Celsius, society must significantly reduce fossil fuel consumption. As urbanization continues to increase, with more than half of the world's population now living in cities, developing and expanding public transportation systems becomes even more crucial for building sustainable societies.

Sustainability approach

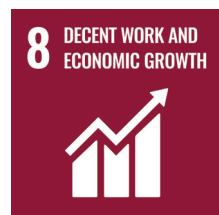
Axentia promotes sustainable practices by producing energy-efficient displays with long lifespans and high quality. Simultaneously, we strive to inspire our customers to practice sustainability, maintain their displays with care and encourage our customers to prioritize maintenance and repairs to prolong their lifetime even further. Many display parts can be reused and upgraded with the latest technology, ensuring an extended lifespan and minimizing resource dependency and waste.

Aligned with Agenda 2030 and its principles on human rights, working environment, environment, and anti-corruption, we actively contribute to the

UN Sustainable Development Goals. We also regularly follow the experiences and expectations of both our customers and employees, ensuring that we take appropriate action based on the feedback received. Three central components of Axentia's sustainability efforts comprise:

- Ecological sustainability
- Being an attractive employer
- Responsible business

Upholding good business practices is essential in all our relationships. In addition, continuous improvement is fundamental to our operations, utilizing effective management systems throughout the organization. Our products and services are designed to meet standards for functionality, cost-effectiveness, safety, environmental impact, and innovation.



Double materiality analysis

During 2024 Axentia will conduct a comprehensive materiality analysis following the methodology of the European Sustainability Reporting Standards (ESRS) which involves a structured approach that aligns with regulatory expectations while addressing strategic impact areas. The process includes defining a scope by mapping our value chain, identifying relevant internal and external stakeholders and subsequently conducting stakeholder dialogues to ensure that their perspectives are adequately considered. The double materiality analysis will consider two key dimensions: financial materiality and impact materiality. Financial materiality focuses on issues that could significantly impact the company's financial performance and/or operations such as regulatory changes, customer demands or shifts in market dynamics. Simultaneously, the impact materiality involves evaluating the company's impact on broader sustainability factors, such as carbon emissions, and labour practices. The ESRS framework provides specific criteria and indicators that must be considered when assessing these impacts, ensuring that the analysis is comprehensive and aligned with European standards.

Quality and Environmental Management System

Axentia has developed a Quality and Environmental Management System (QEMS) certified according to the ISO 9001:2015 and ISO 14001:2015 standards. This system helps document and improve practices to meet the needs and expectations of customers, stakeholders, and other interested parties. During the coming year, we will update our sustainability strategy, based on the result from the double materiality analysis analysis, which will include revising current sustainability objectives, KPIs, and action plans, and integrating them into the management system for implementation and annual monitoring.



5 rows iBus LCD display, Brussels, Belgium

Sustainability Policies

Employee Handbook

The employee handbook is a vital resource that outlines the policies, procedures, and guidelines that govern your employment at the company. It provides detailed information about your rights and responsibilities as an employee, company values and culture, workplace policies, and expectations for professional conduct.

Code of Conduct

At Axentia, our Code of Conduct sets the standards for behaviour across all levels of the company, promoting integrity, accountability, and respect. It outlines compliance principles in line with regulations, often exceeding these requirements to uphold high ethical standards. Our Code is inspired by global frameworks like the UN Global Compact and helps mitigate ethical risks, guiding our employees to make responsible decisions. During the onboarding, all new employees are introduced to the Code of Conduct. We regularly review and update the Code to ensure it remains effective, reflecting our dedication to continuous improvement and building trust with our stakeholders.

Whistleblowing policy

Axentia is committed to high standards of ethical business conduct. In line with this, our whistleblowing policy provides instructions and information to enable reporting of suspected abuses. The company's investigation committee consists of Head of HR, Financial Manager and Managing Director.

Social media policy

The social media policy regulates how employees are expected to act when using social media and AI tools. During the onboarding, all new employees are introduced to the social media policy. We regularly review and update the social media policy to ensure it remains up to date.



32" iBus E-paper display, Brescia, Italy

with courtesy of Brescia Trasporti

Environmental performance

Climate change

Climate change provides dual implications for Axentia. Being part of the IT and technology sector, we face similar challenges as the broader sector including long and complex supply chains, as well as dependency on physical materials and components such as batteries, circuit boards and other materials sourced, manufactured, and transported from Asia consequently leading to greenhouse gas emissions. Climate change increases the risk of disruptions in the supply chain due to more frequent and severe weather events such as storms, floods, or droughts. These events can impact the availability of raw materials and components, delay production, and increase logistics costs, affecting overall business continuity and operational efficiency.

From an opportunity perspective, the shift towards sustainable public transportation increases the market need for advanced energy-efficient digital displays that contribute to improved passenger experiences, ultimately providing growth opportunities for Axentia. Further, as governments implement stricter emissions standards and promote greener public transportation solutions, there is a growing opportunity to supply carbon-reduced display technologies that comply with new regulations. While climate change on a macro level impacts the IT and technology sector as a whole, it is evident that Axentia's products are necessary to enable the green transition within public transportation.



13" iBus E-paper display with 4 buttons. Londonderry, Northern Ireland

Climate action

Our products are designed to withstand environmental changes to enhance durability, minimize environmental impact, and mitigate business risks linked to climate change. The majority of our iBus Display portfolio is battery-operated, sometimes with the addition of a solar panel, ensuring low power consumption and reduced climate impact. Additionally, the displays are designed to withstand various weather conditions, making them adapted to climate change.

Axentia has implemented a framework for collecting and calculating greenhouse gas emissions data. In 2023, our total emissions amounted to 8378 metric tons of CO₂ equivalent (tCO₂e) across all scopes. To mitigate our carbon footprint, we have committed to renewable energy. Currently, 100% of the electricity used in our facilities is sourced from renewable energy.

Gross greenhouse gas emissions (tCO ₂ e)	2023
Scope 1 Mobile and stationary combustion	9
Scope 2 Energy consumption (market-based)	25
Scope 3 Upstream and downstream indirect emissions	8344
Scope 3:1 Purchased goods and services	7891
Scope 3:2 Capital goods	37
Scope 3:3 Fuel- and energy-related activities	31
Scope 3:4 Upstream transportation and distribution	285
Scope 3:6 Business travel	99
Total	8378

Our total energy consumption, encompassing fuel, electricity, and heating, stands at 467 MegaWatt-hours (MWh). Of this total, 63% is derived from renewable sources. The majority of our emissions are categorized under Scope 3, highlighting the significance of our supply chain and indirect activities in our overall carbon footprint. To address this, Axentia will actively take steps to minimize our impact, such as partnering with a distribution company committed to achieving carbon neutrality by 2040 and working with circularity principles during the design, manufacturing and maintenance of our products.

Energy consumption disaggregated by source	Unit (MWh)	Share (%)
	Total	
Fuel (diesel)	34	37%
Purchased electricity, heating, steam	139	
Total fossil sources	174	
Biofuel	0	63%
Electricity, heat and steam	293	
Total renewable sources	293	
Total	467	100%

Energy consumption from fuel have been calculated converting litres of diesel to MWh.

Circular economy

Axentia's displays, like IT products in general, are dependent on critical materials in e.g., LED screens, batteries, circuitry, and other electronic components. The materials provide functionalities that are essential for the durability, performance, and efficiency of the displays under various environmental conditions encountered in public transportation settings. To mitigate resource scarcity, Axentia's products are developed through eco-design principles with the purpose of reducing the volume of materials and promoting the longevity of product lifecycles.

Design and Material Selection

Axentia is committed to embracing circular economy principles in our products. Our displays are designed with modularity and long-term sustainability

in mind. All electronic components in our displays are designed and assembled in-house. This enables us to create highly specialized products without unnecessary parts, optimizing material and energy consumption. By minimizing redundant components, we not only reduce material usage but also enhance battery efficiency, extending the lifespan of each display.

In terms of material selection, we utilize stainless steel for its durability and superior corrosion protection, particularly in challenging climates. Additionally, stainless steel is highly recyclable as it can be recycled continuously without losing its quality or properties. This makes stainless steel a sustainable choice for many applications, as it helps reduce the need for new raw materials and decrease waste generation. Our primary stainless



steel supplier sources steel from sinks and dishwasher drums, providing us with steel that is 80% recycled.

Maintenance and Durability

Our displays feature a cable-free design, which simplifies both installation and on-going maintenance. This design requires no continuous maintenance, with battery replacements needed only approximately every five years.

Long-Term Use and Repairability

We prioritize longevity and ease of maintenance in our product designs. The modular construction of our displays allows for straightforward repairs, reducing downtime and costs, even in cases of damage or vandalism. Customers are encouraged to maintain and repair their

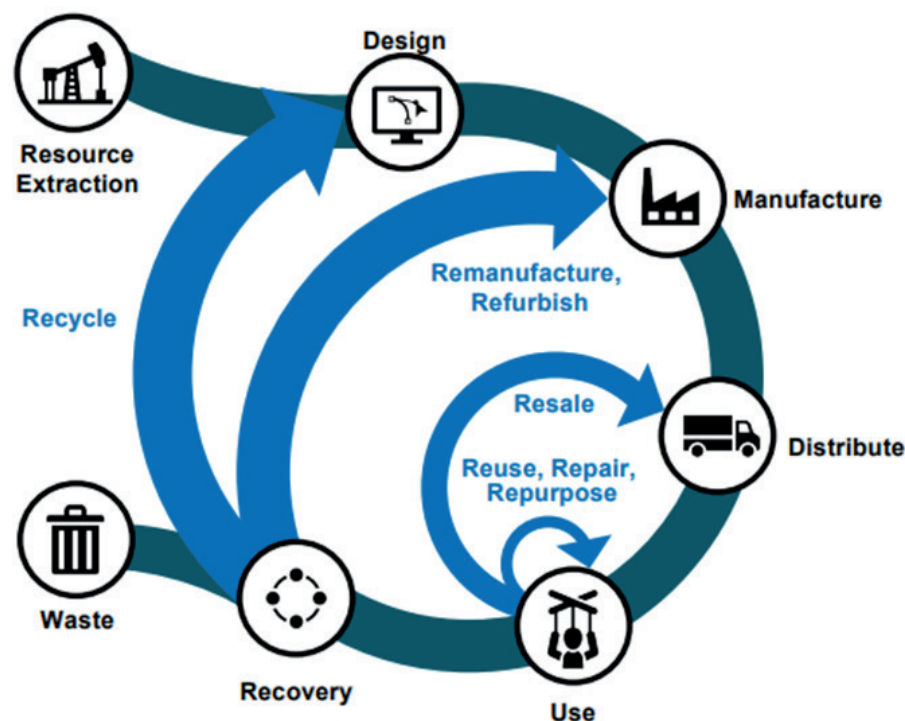
products to extend their product life, aligning with our aim to deliver lasting quality and functionality. Furthermore, we promote the reuse of existing casings when upgrading products, thereby minimizing material consumption and waste.

Interactive Use and Environmental Benefits

For interactive use, such as accessing detailed timetables and maps, we offer a version of the iBus E-paper display equipped with buttons. These displays help to reduce paper waste by eliminating the need for printed timetables, thereby cutting down on emissions from vehicles used to distribute and replace paper materials.

Reuse and Recycling

To maximize material reuse, we actively retrieve and repurpose components from outdated products. This includes facilitating the recycling of used batteries, ensuring they are returned for proper processing. By doing so, we support sustainable practices that contribute to the circular economy, focusing on reducing waste and promoting the continuous use of resources.



Source: MBO transport de la région Morges Bière Cossonay SA
Double 13" iBus E-paper displays with 4 buttons and text-to-speech button, Morges, Switzerland

Chemicals and electronics regulations

Axentia utilizes electronics, electronic components, and batteries in its operations and is therefore obligated to follow the WEEE and RoHS directives. The usage and disposal of these items is consistently monitored and reported to the Swedish Environmental Protection Agency. We are also obligated to comply with REACH due to chemicals used in our operations, hence continuously staying updated to ensure we adhere to the applicable directives.

Social performance

Axentia is committed to fostering a safe, healthy, and collaborative workplace, and was rewarded the “Healthy Place to Work” in 2023 by OneLab, company in preventive occupational healthcare. To receive the award a company must have (1.) completed a health examination to identify and map health risks in the organisation and among employees. (2) Employees with a health risk have been helped by a medical team with measures for increased well-being and to avoid future health issues. (3) There is a plan for preventative health work both regarding

work environment and health issues in the organisation. We believe in integrating work environment considerations into every aspect of our operations and prioritize collective action, ensuring that employers, employees, and safety representatives collaborate closely to address workplace challenges. Additionally, we are committed to fostering professional growth for all employees, emphasizing skill development and the cultivation of a thriving work environment.



Health and safety

During the onboarding process, new employees receive introductions to our operations and tasks, including information about existing occupational health risks and how to minimize them. Newly hired managers will undergo occupational health and safety training covering systematic work environment management, relevant regulations, and our internal procedures. The CEO holds the ultimate responsibility for ensuring that managers receive adequate education, knowledge, and competence in occupational health and safety. The safety representative will receive the necessary training in occupational health and safety to fulfil their role, with the CEO being ultimately responsible for ensuring this. Additionally, our employees receive ongoing information about risks and deficiencies in the work environment and how to prevent illness and accidents.

Axentia's safety committee is composed of representatives from both the employer and the employees. The safety representative's task is to represent the employees in work environment issues, work for a satisfactory work environment, and to participate in safety inspections. The responsibilities include participating in planning any changes to work processes, work methods, work organizations, and assisting with work injury reports. Moreover, regular assessments are conducted to promptly identify and address risks in our physical, organizational, and social work environment. The committee meets every three months to agree on the major aspects of occupational health and safety work. Addressed issues include occupational health care, the use of hazardous materials or substances, occupational health and safety training, and rehabilitation. Incidents and accidents undergo investigation, with measures implemented to prevent recurrence.

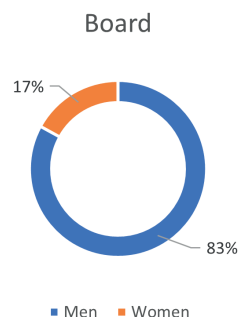
Social impact

Number of work-related injuries	0
Days lost due to injury (days)	0
Annual percent employee turnover (%)	3
Employee survey	Yes

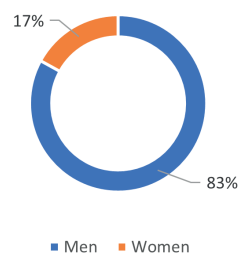
Equal treatment and opportunities for all

Axentia Group is committed to fostering a diverse and inclusive workplace. The gender distribution in 2023 was 25% women and 77% men among our employees, which is similar to the general IT and technology sector where men typically are overrepresented. Our current unadjusted gender pay gap stands at 3,17%. We recognize the importance of improving these metrics and are dedicated to implementing strategies that promote equality and diversity within our organization.

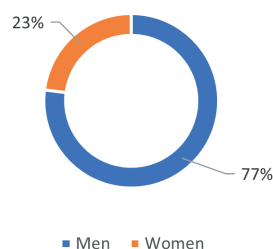
We strive for an open and inclusive work environment where all individuals are treated with equality and respect. Discrimination or harassment based on age, gender, religion, sexual orientation, disability, political views, or ethnicity will not be tolerated. We maintain a strict policy against victimization and harassment, and it is the responsibility of every employee to report any such behaviour in the workplace. We strongly encourage employees who experience or witness harassment or abuse to reach out to the safety representative, HR department, or work environment manager.



Management (C-suite)



All employees



46" iBus TFT display, county of Skåne, Sweden

Supply chain management

The purchase department at Axentia ensures that environmental, social and sustainability considerations are integrated into the purchase decision. This involves selecting suppliers who adhere to sustainable practices, such as reducing carbon emissions, using eco-friendly materials (as far as possible), minimizing waste, and using green electricity. Additionally, the purchase department prioritizes suppliers who demonstrate fair labor practices, respect human rights, and contribute positively to their local communities. By evaluating the environmental impact and social responsibility of potential-and current suppliers, the purchasing unit aims to support ethical business practices and promote long-term sustainability.

In pursuit of a sustainable value chain, Axentia evaluates and monitors our suppliers, who provide material, components, sub-assemblies for the final product and services. By assessing

suppliers' capabilities, financial stability and sustainability, business can minimize risks, reduce costs and maintain high quality materials and services. Regular evaluation fosters strong and transparent relationships, better communication and collaboration.

In cases of any non-conformances our employees are mandated to report it. In such instances, Axentia maintains a well-established relationship and communication with the stakeholders, enabling Axentia to effectively demand appropriate actions.

Quality management

Verification of purchased products is carried out through end-user inspection upon delivery. Any inaccurately supplied, damaged, or non-compliant products or services are documented in a non-conformance report and addressed accordingly. To ensure high quality products and good service we measure and in-

terpret customer perception to assess if Axentia meets customer requirements. This covers obtaining feedback from various sources, including product returns, customer complaints, and surveys. Responsibilities include top management ensuring customer requirements are met, the Quality Manager addressing root causes of complaints, and Sales and Marketing Manager collecting satisfaction data. Customer feedback is analyzed, trends identified, and findings reported to management. Additionally, sales and market data analysis is conducted to understand customer behavior. The Service and Support Manager coordinates product returns and warranty claims, categorizing and analyzing return data. The Quality Manager reviews customer feedback and complaints, presenting summaries and analysis at management meetings. All documentation is managed in accordance with procedures.



Business conduct

Axentia is dedicated to upholding exemplary ethical standards in our operations and has established a whistleblowing policy to facilitate the reporting of any misconduct. Misconduct encompasses various breaches such as legal violations, bribery, discrimination, and actions contrary to the company's core values. Individuals including employees, contractors, customers, and suppliers are encouraged to report any misconduct they encounter. Reports are treated with confidentiality and are handled by authorized personnel within the organization. Detailed descriptions of misconduct are encouraged to ensure investigation. An investigative team comprising HR, CFO, and CEO assesses reports independently and recommends appropriate actions. Investigations are conducted discreetly, with follow-up actions communicated to reporters. After investigations, necessary measures are implemented, taking into account company policies, regulations, and fairness. Reports are retained for a reasonable duration necessary for investigation and follow-up, generally not exceeding two years post-conclusion.

Cyber security

Cybersecurity is an ongoing focus for Axentia. Risks are continuously assessed to identify, prioritize, and mitigate potential threats. Axentia has developed a comprehensive set of IT security policies that outline how security is implemented within the organization. These policies encompass various aspects, including data encryption, acceptable use, logging, server security, employee IT guidelines, and incident response planning. The implementation of these policies establishes a robust and secure framework for cybersecurity at Axentia.

Anti-corruption

Axentia's Code of Conduct includes a mandatory section focused on anti-corruption policies. Axentia and our employees are forbidden from exchanging gifts or benefits to gain business advantages or influence decision-makers. Likewise, employees must avoid accepting gifts that could compromise their impartiality. Limited exceptions for minor gifts may be allowed, provided they adhere to company policies. Furthermore, Axentia strictly prohibits involvement in any form of money laundering, including acceptance, facilitation, or support of such activities.



iBus RGB-LED display, Malmö, Sweden

AXENTIA

Keeping society in motion

axentia.se