

ESG<sup>1</sup> / CSR<sup>2</sup>

# ADDENDUM

## THE BIG PICTURE

Building a society  
we want to live in.

Axon is a mission-driven company whose overarching goal is to **protect life**. Our vision is a world where bullets are obsolete, where social conflict is dramatically reduced, and where everyone has access to a fair and effective justice system.

### Everyone deserves to get home safely.

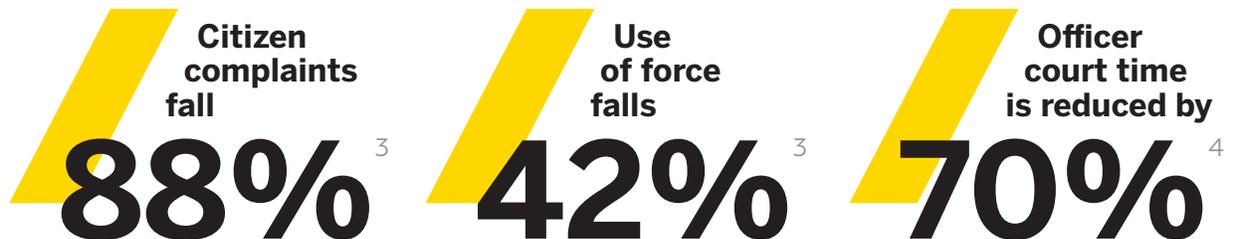
We are in the business of de-escalation—helping officers to respond effectively, and safely, in service of protecting life. Axon is the inventor of and the exclusive maker of TASER<sup>®</sup> devices, which are the safest and most effective less-lethal force option used in law enforcement today. In 2019, Axon launched virtual-reality based empathy training for law enforcement to better equip officers with the tools to de-escalate situations involving people suffering from mental health issues, crises or psychotic episodes.

Thanks to TASER devices, **225,085 lives have been saved from potential death or serious bodily injury**.

These represent instances when lethal force might have been justified, and the less-lethal TASER device was deployed instead.

Axon is also a leading provider of body cameras for US law enforcement, providing more **transparency** and **accountability** to communities than ever before. We also invest heavily in AI, especially in areas such as redaction, which preserves the **right to freedom of information** for the community, while also protecting the **right to privacy** of individuals in body camera videos.

## WHEN BODY CAMERAS ARE DEPLOYED



<sup>1</sup> Environmental, Social & Governance <sup>2</sup> Corporate Social Responsibility <sup>3</sup> Mesa On-Officer Body Camera Field Study (2014)  
<sup>4</sup> Queensland Police Domestic Violence Case Study (2017)

Axon is proud to be developing products that address some of society's most entrenched problems. As a leading technology company for law enforcement, we believe we have the obligation to do so in a responsible way — one that **promotes transparency**, with **built in mechanisms for accountability**. Thus, we have assembled an **Axon AI and Policing Technology Ethics Board** that provides expert guidance to Axon on the development of its AI products and services, paying particular attention to its impact on communities. This **diverse board** includes leaders in the industry as well as some of the nation's most well-known thought leaders and legal scholars regarding policing, police reform, technology, racial equity and civil liberties. Read about them, here: [www.axon.com/axon-ai-and-policing-technology-ethics](http://www.axon.com/axon-ai-and-policing-technology-ethics)



In June 2019, Axon made national news when we said we would not put facial recognition on our body cameras at this time because the technology is not reliable enough for widespread use.

And in October 2019, Axon again made headlines when we announced we would launch the industry's first AI-powered Automated License Plate Recognition (ALPR) system built from the ground up using an **ethical design and privacy-centric framework**.

**“ We have not, and will not ever sell public safety data. We believe the data is owned by public safety agencies and the communities they serve, and should not be resold to private entities whose interests may not be aligned with the public good.”** – Axon CEO and founder Rick Smith

Also in 2019, Smith published **The End of Killing**, a book meant to provide thought leadership on how to build a safer society. Smith's critical and creative thinking about solving challenges represents Axon's mission and **raison d'être**.

Continued Robust  
Shareholder

# ENGAGEMENT

Maintaining strong relationships with shareholders, as well as exhibiting good corporate governance, is a priority for Axon’s management and Board of Directors. Axon strives to be as helpful as possible to its shareholders—regularly discussing our financial and operating performance, helping investors to understand the products we are developing and our customer segment, discussing the competitive landscape, and seeking feedback on executive compensation matters. We value shareholder feedback tremendously and strive to align employee interests with that of shareholders, and all stakeholders.



In 2019, Axon published four in-depth shareholder letters to outline management’s strategy and augment our quarterly filings with the SEC, and hosted four investor earnings conference calls and made the transcripts available on [investor.axon.com](https://investor.axon.com), so all shareholders can access the content without paying a fee, no matter how large or small their assets under management.



Axon actively maintains [investor.axon.com](https://investor.axon.com) with a calendar of events and easy access to all relevant documentation, and maintains special FAQ pages for topics about which investors might have questions.



In 2019, Axon hosted several investor events including the Axon Accelerate user conference in April, the Annual Meeting of Shareholders in May, and the International Association of Chiefs of Police Conference in October. Axon also participated in several investor conferences and, over the course of the year, hosted more than 300 one-on-one meetings or phone calls with shareholders.



In designing its 2019 executive and employee stock-based compensation plan, Axon engaged in dialogue with the analysts, portfolio managers, and corporate governance stewards at its largest shareholders, who each provided feedback that informed the ultimate design of the plan. For the employee version of the plan, the Board’s compensation committee gathered feedback from Axon’s largest shareholders and also applied careful consideration and judgment around issues shareholders cared about, ultimately adopting several shareholder friendly provisions in the plan, including an anti-dilution provision.

# DIVERSITY & INCLUSION

Efforts  
Continued  
& Expanded

In 2019, Axon welcomed **Caitlin Kalinowski**, the head of hardware at Oculus VR, to the Axon Board of Directors, bringing total board leadership to two women and six men.

Axon management also values open communication and transparency with employees—and holds four formal company-wide updates per year, as well as engages in a series of meetings known as Axon Connects, and AMAs (ask me anythings), which highlight a specific leader or area of the business and allow all employees to ask open-ended questions.



Axon recently expanded its adoption of inclusive building design principles, employing a firm to construct coverings on the open stair risers at the building headquarters. Axon's Seattle leadership also opened an additional private mother's room at the company's global software hub.

Axon recognizes mental health and well-being as a diversity issue, and promotes these concepts through a series of events, programs and classes throughout the year that are attended by Axon employees together.

/ Axon employees have created at least four affinity groups allowing employees to connect with other individuals sharing similar identities and interests, including Axon LGBT & Allies, Women at Axon, Veterans at Axon, and an Accessibility Group for differently-abled design considerations.

/ Axon is tracking to its goal of hosting two D&I employee training sessions, leveraging an external D&I specialist, plus kicked off bi-monthly teaching events leveraging D&I training materials.

/ Axon strives to be a fun place to work, and hosts a series of engaging events throughout the year designed to value the whole self of individual employees, foster a sense of well-being at work, and enhance employee leadership development. Many cross-functional Axon employees participate in an immersive team-building and leadership development program hiking the Grand Canyon. Axon once again hosted Axon Kids Day in 2019, allowing parents to bring their children to work and engage in activities including cookies with a cop, playing in Axon Fleet cars, and other fun events. The Seattle office was treated to a formal "snow day," which was a company-sponsored ski, snowboard and snow-shoeing trip.

## 2019 AWARDS & ACHIEVEMENTS

/ **Most Admired Companies**  
*Arizona Business Magazine*

/ **Best Workplaces in Washington**  
*Puget Sound Business Journal*

/ **Best Company Outlook**  
*Comparably.com*

Axon's family-friendly leave policies are industry-leading — including up to 20 weeks of maternity leave, and 10 weeks of paternity leave. Axon also offers unlimited paid time off, allowing employees to better manage their lives as well as their jobs. For more info, visit [global.axon.com/parental-leave-policy](https://global.axon.com/parental-leave-policy)

# ENHANCED REWARDS

Programs  
Continued  
& Expanded



**Our Aspire Awards recognize  
for employees performing  
outstanding work company wide**



**Employees who recruit new  
talent receive monetary  
awards through our enhanced  
referral program**



**The President's Club provides  
recognition for Axon's sales  
force for hitting & exceeding  
sales goals**



**Axon developed and is providing  
robust manager training  
company-wide**

# SUSTAINABILITY

Programs  
Continued  
& Expanded

- +** We have introduced a wire/spool recycling program for our TASER devices
- +** Axon has set a goal to reduce employee air travel and has deployed Zoom video conferencing company-wide
- +** In 2019, Axon provided re-usable water bottles to Scottsdale employees to reduce plastic use, following the Seattle offices's efforts to reduce plastic