2024 Sustainability Report

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About the 2024 Sustainability Report

This is Hexagon's eighth sustainability report, covering the 2024 fiscal year. The report has been prepared in line with the EU directive on mandatory annual disclosures of non-financial information. The report highlights Hexagon's company-wide sustainability performance and approach to managing key sustainability issues.

HEXAGON

2024 sustainability highlights

Environment

Hexagon's reduction targets for near-term and net-zero greenhouse gas emissions have been approved by the Science Based Targets initiative (SBTi).

Avoided Emissions Framework implemented for key product lines, avoiding 39 million tCO_2e historical avoided emissions for customers.

Launched Green Cubes, enabling accurate forest assessments on a large scale.

↓ **8 percentage points**
reduction
in Scope 1 and 2 emissions.

↓ **2 percentage points**
reduction
Scope 3 emissions.

↑ **3 percentage points**
increase
of renewable energy in operations.

↓ **6.5 percentage points**
decrease
of combustion cars in company car fleet.

Social

↑ **1 percentage point**
increase
in under-represented gender in leadership positions.

Company-wide training held in:

- Cyber security
- Code of Business Conduct and Ethics
- Diversity, Equity & Inclusion
- Artificial Intelligence

Participated in the UN Global Compact's Target Gender Equality Accelerator program.

Governance

Established guiding principles for Artificial Intelligence.

Implemented new supply chain management platform.

Increased transparency initiatives through external ESG reporting platforms and achieved ratings upgrades with CDP, MSCI, Ecovadis and CSA.

Hexagon's science-based targets for carbon emissions reductions

OVERALL NET-ZERO TARGET:

Reach net-zero greenhouse gas emissions across the value chain by 2050.

↓ **2050**

NEAR-TERM TARGETS:

Reduce absolute Scope 1 and 2 GHG emissions by 95% by 2030 from a 2022 base year.

↓ **95%**

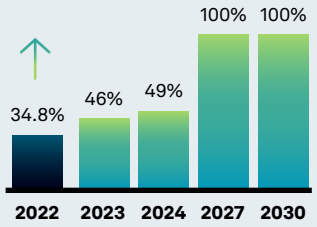
Reduce Scope 3 GHG emissions by 51.6% per EUR value added by 2030 from a 2022 base year.

↓ **51.6%**

50% of suppliers by spend covering purchased goods and services will have science-based targets by 2028.

↑ **50%**

Increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027 and continue active annual sourcing of 100% renewable electricity through 2030.



LONG-TERM TARGETS:

Maintain a minimum of 95% absolute Scope 1 and 2 GHG emissions from 2030 through 2050 from a 2022 base year.

↓ **≥95%**

Reduce Scope 3 GHG emissions by 97% per EUR value added by 2050 from a 2022 base year.

↓ **97%**

Letter from the CSO – Ben Maslen

Maintaining momentum

Looking back at 2024, I am proud of the achievements and milestones that we have reached at Hexagon in all key areas of our sustainability strategy. Perhaps most notably, we had our long- and short-term reduction goals for carbon emissions approved by the Science-Based Targets initiative in August. In practice, this means that our roadmap and emissions reduction targets are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement, tested and verified by an independent organisation. But setting ambitious and credible targets is one thing; the real test comes when faced with making the operational changes necessary to reach these goals. Also in this regard, we are maintaining strong momentum in terms of carbon reductions. Compared to 2023, key highlights include an 8 percentage points reduction in overall Scope 1 and 2 emissions, an increased renewable energy ratio by 3 percentage points, an uptick in electric and hybrid vehicles in the company car fleet by 6.5 percentage points, and the launch of a Supplier Engagement Programme aiming to ensure suppliers align with our decarbonisation journey. It is gratifying to see our sustainability efforts are recognised by external partners, reflected in major ESG rating upgrades by MSCI, EcoVadis, S&P, and others. I'm happy to present more information on the carbon roadmap and sustainability programmes later on in this sustainability report.

Macro perspective: mitigate and adapt

When it comes to addressing sustainability challenges, the world's businesses and societies are running on two parallel tracks: mitigation and adaptation. For the mitigation track, the main focus is to try to mitigate and slow down the negative effects and trends we are observing in many areas of the globe, such as global warming, extreme weather events, scarcity of critical minerals, biodiversity loss, water scarcity, and food insecurity. The adaptation track revolves more around adapting to these same trends and finding ways to cope with them.

From a business perspective, Hexagon is in the very midst of both tracks. Our technology helps entire industries to mitigate their impact on the environment and ecosystems by significantly reducing their carbon emissions, lowering material input and waste, and increasing energy outputs. One great example is how we helped a customer manufacturing electric scooters to reduce its annual scrap count by 93 percent by implementing a camera-based metrology solution that calculates bending correction data and feeds it back to the bending machines in real-time. Another example comes from India and China, where Hexagon's gearbox design for wind turbines has enabled the installation of 16.6 GW of wind power in both countries from 2011 to 2023, delivering clean energy to the regions daily. A third example is from a region in Scotland that leveraged Hexagon's geospatial platform to calculate the most effective locations for electric vehicle charging stations. Between

"We remain confident in our conviction that Hexagon's tools and solutions are becoming increasingly relevant in a world trying to mitigate and adapt to sustainability challenges, and in the long term we consider sustainability as a significant growth opportunity."

2019 and 2024, the growth rate of supplied charging energy outperformed the UK's annual electric vehicle growth rate by 60 percentage points. These are three isolated examples showcasing the sustainability benefits Hexagon's solutions bring to its customers and the world. We present them in more detail in the Avoided Emissions Framework chapter in this report, and we look forward to conducting more of these quantitative analyses of our products across the world.

For the adaptation track, we see how Hexagon's solutions are becoming increasingly used to help cities and infrastructure predict and act on environmental change before they happen, such as preparing local communities for rising sea levels with the help of simulations in digital twins, or by installing automatic alarm systems for landslides and avalanches. We also see an increased need for 911 dispatch solutions where all emergency services in a city or region need to be able to work together through one single platform, allowing them to better react to any event or crisis involving multiple teams. Hexagon is the leading provider of both hardware and software used for these exact needs.

We remain confident in our conviction that Hexagon's tools and solutions are becoming increasingly relevant in a world trying to mitigate and adapt to sustainability challenges, and in the long term, we consider sustainability a significant growth opportunity. Whether a valued shareholder, customer, or employee, we thank you for your continued trust in Hexagon.

Ben Maslen
Chief Strategy Officer

Sustainability strategy

Hexagon's sustainability strategy is built on two pillars: empowering customers and other stakeholders with the solutions and platforms to create a positive ESG impact, and creating the impact through its value chain and people.

Empowering change
The company empowers customers across manufacturing, construction, government, transportation, automotive, and utilities to leverage cutting-edge technology to solve existing challenges, improving outcomes while minimising environmental impact. Solutions such as design and engineering software, production software, and metrology tools enhance efficiency throughout the lifecycle of manufactured products, reducing resource consumption, emissions, and waste across industries. Hexagon's geospatial technology is instrumental in monitoring and analysing environmental shifts, providing real-time data on deforestation, flooding, wildfires, glacial melting, and other climate-related impacts. This critical information aids authorities, urban planners, and research organisations worldwide in addressing and mitigating these challenges while keeping workers and societies safe. Additionally, Hexagon's investments in green tech start-ups accelerate the transition to a sustainable future.

Creating change
Hexagon creates its positive sustainability outcomes by setting ambitious carbon reduction targets that address energy consumption and transportation methods, leading to facility and operational improvements worldwide. The company also upholds rigorous ESG criteria in its sourcing and supplier contracts. Additionally, Hexagon fosters sustainability by cultivating an inclusive culture that encourages innovation and supports employee retention.

Empowering change

Enabling sustainability through our solutions

- Sustainability criteria in product innovation
- Innovations to optimise efficiency, productivity, quality and safety at scale

Empowering other stakeholders to accelerate change

- Engaging with industry-specific platforms
- Distribution Partners Programme
- Accelerating green-tech with R-evolution

Creating change

Improving sustainability across our value chain

- Division-specific net-zero roadmap
- Resource efficiency improvements
- Sustainable procurement programme

Driving sustainability through culture and people

- Inclusive and performance-driven culture
- Social responsibility through education and partnerships

Hexagon's goals and commitments

Focus areas	Commitment	Goals	2024 impact	Supported sustainable development goals (SDGs)
Environment **Driving change across entire value chain to generate positive environmental impact**	• Monitoring and reporting regularly on environmental performance across entire organisation. • Reducing greenhouse gas emissions in operations and supply chain, and undertake initiatives to promote greater environmental responsibility. • Supporting a precautionary approach to environmental challenges. • Increasing energy efficiency, reducing waste and hazardous waste in all facilities and implementing processes for sustainable resource management. • Reducing the stress of water and air quality from own operations and supply chain. • Integrating sustainability considerations into product development, design and production processes. • Leveraging technology innovation, investment and venture capital to profitably grow and accelerate green-tech business opportunities.	• Reduce absolute Scope 1 and 2 GHG emissions 95% by 2030 from a 2022 base year. • Increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027. • Reduce Scope 3 GHG emissions 51.6% per EUR value added by 2030 from a 2022 base year. • 50% of suppliers by spend covering purchased goods and services will have science-based targets by 2028.	• Increased share of purchased or produced renewable electricity out of total electricity to 49%, compared to 46% in 2023. • Implemented Avoided Emissions Framework for key product lines. • Reduced overall electricity consumption with 9% compared to 2023. • Increased the share of electric vehicles in the total vehicle fleet to 13% compared to 8% in 2023. • Mitigated 11,200 tCO_2e related to travel by purchasing Sustainable Aviation Fuel (SAF).	
Social **Driving sustainability through people and culture**	• Ensuring health and safety for employees. Upholding the freedom of association and the effective recognition of the right to collective bargaining. • Eliminating any form of forced or compulsory labour, child labour and discrimination. • Creating a culture of sustainability among employees through recurring training. Being an attractive employer and recruiting the most talented and professional employees. • Respecting human rights throughout operations and the value chain as described in the Universal Declaration of Human Rights from the UN and the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO).	• Achieve at least 30% women in leadership positions by 2025.	• Increased the number of women in leading positions to 24% compared to 23% in 2023. • Engaged more than 90% of employees in equity and inclusion training.	
Governance **Setting high standards of labour conditions and adherence to Hexagon's Code of Business Conduct and Ethics**	• Ensuring strict adherence to Hexagon's Code of Business Conduct and Ethics for employees and suppliers. • Working against corruption in all forms, including extortion and bribery. • Supporting and respecting the protection of internationally proclaimed human rights.	• Audit key suppliers in high-risk areas every three years.	• 406 executives certified in Hexagon's Ethics & Compliance System. • Implemented Supply Chain Management System across all divisions. • Engaged more than 90% of employees in compliance training.	

Hexagon's solutions driving sustainable impact

Empowering smart technologies

Hexagon's primary contribution to a sustainable future is through its solutions. By leveraging its broad product portfolio and competencies, Hexagon generates sustainable value in almost all industries and regions in the world. There is not a business, an industry or geographic region that is unaffected by the struggle to tackle the environmental and social challenges of the 21st century. This is why Hexagon's technologies and capabilities are becoming increasingly relevant in creating sustainable business practices that, in turn, do good for society and the planet at large.

Every day, Hexagon solutions are shaping entire industries to become more connected and autonomous. Unique combinations of sensors and software are leveraging automation, Artificial Intelligence (AI) and other technologies to put data to work in ways that enable more efficient processes and improved decision-making. The result is fewer inputs, less waste, reduced emissions, increased safety and better preparedness – making entire industries more sustainable.

Hexagon is composed of five business divisions:

- **Manufacturing Intelligence**
- **Asset Lifecycle Intelligence**
- **Geosystems**
- **Autonomous Solutions**
- **Safety, Infrastructure & Geospatial**

All five divisions help solve some of the most urgent challenges of our lifetimes. By unleashing data to do its greatest work – boosting efficiency, productivity, quality and safety – Hexagon is making smarter use of the Earth's resources and enabling sustainable development.

Sustainability through

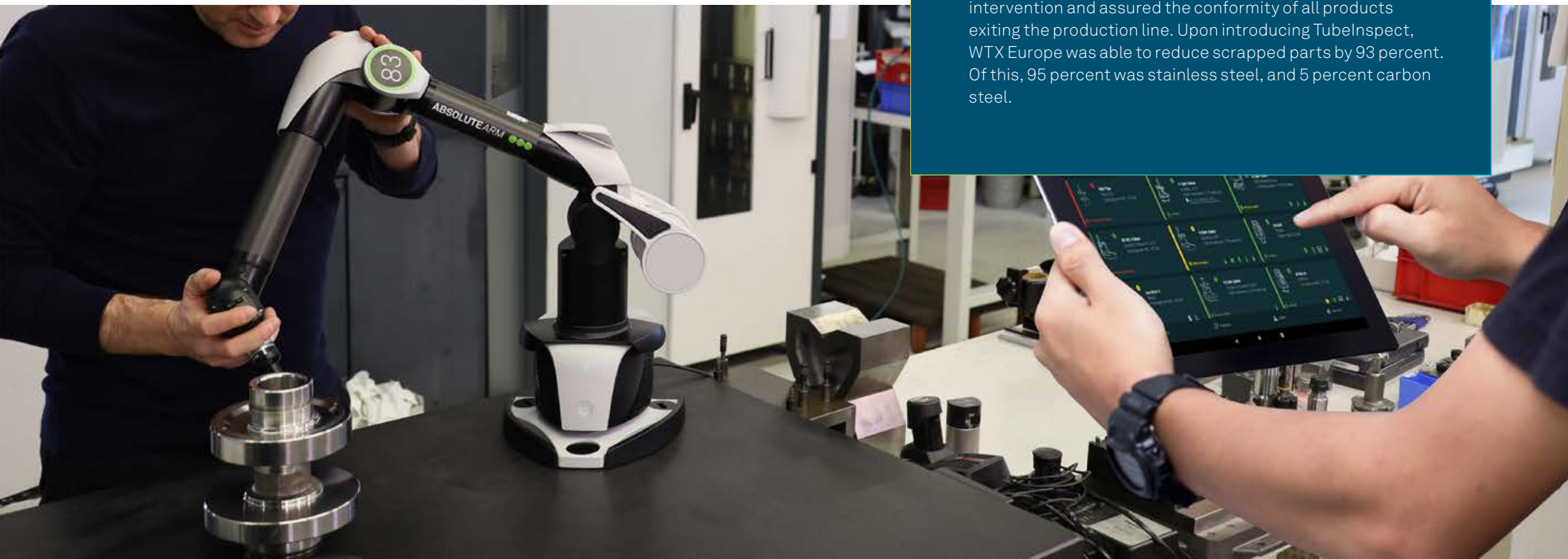
Manufacturing Intelligence

The Manufacturing Intelligence division offers metrology tools, 3D scanners, simulation software and computer-aided engineering capabilities that help manufacturers and asset managers to optimise designs before physically creating a product, identifying opportunities to reduce the quantity of material used, generate less waste and lower energy consumption.

Reducing scrap in manufacturing

WTX Europe, a leading player in the automotive supply industry known for its high-quality components and innovative manufacturing, faced the common challenge of high scrap rates in the production of tubular chassis for an electric scooter provider. The tube bending process is complex and often inefficient due to issues related to material variability, tube dimensions, tool wear and temperature changes, leading to high scrap production and significant energy consumption.

By adopting TubeInspect, a Hexagon inspection technology operated by a manufacturing robot, together with software enabling the bending machine to autocorrect, WTX significantly reduced the need for consistent human intervention and assured the conformity of all products exiting the production line. Upon introducing TubeInspect, WTX Europe was able to reduce scrapped parts by 93 percent. Of this, 95 percent was stainless steel, and 5 percent carbon steel.



Sustainability through

Asset Lifecycle Intelligence

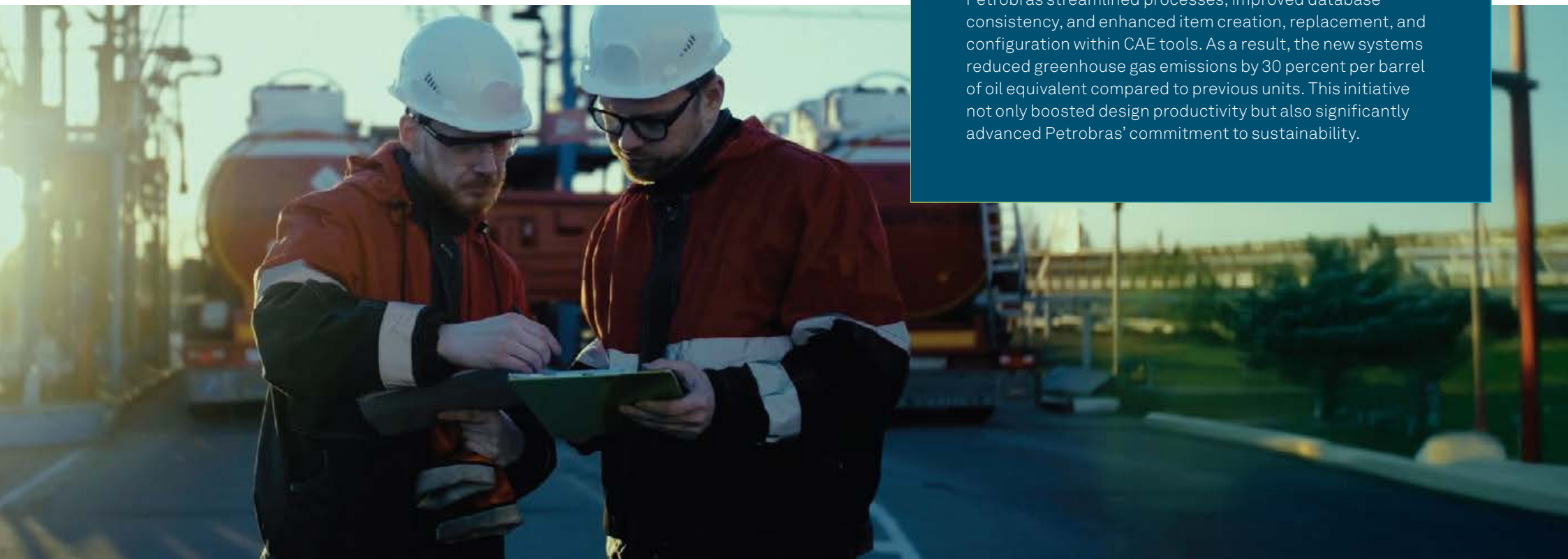
The Asset Lifecycle Intelligence division helps clients design, construct, and operate more profitable, safe, and sustainable industrial facilities. It empowers customers to unlock data, accelerate industrial project modernisation and digital maturity, increase productivity, and move the sustainability needle.

By transforming complex data into actionable insights, we enable better decision-making throughout industrial operations, improving safety, quality, and efficiency, which advances both economic and environmental sustainability.

Powering sustainable offshore production

Petrobras, a multinational oil, gas, and energy company based in Brazil, is the world's largest Floating Production Storage and Offloading (FPSO) operator. The company faced the challenge of increasing sustainability and efficiency across its operations, which include production units with a daily capacity of 225,000 barrels of oil and the compression of 10 million cubic metres of gas. In a large-scale project, Petrobras implemented Hexagon's digital engineering solutions to design a centralised electric energy generation system for its production units.

By leveraging automation and advanced design tools, Petrobras streamlined processes, improved database consistency, and enhanced item creation, replacement, and configuration within CAE tools. As a result, the new systems reduced greenhouse gas emissions by 30 percent per barrel of oil equivalent compared to previous units. This initiative not only boosted design productivity but also significantly advanced Petrobras' commitment to sustainability.



Sustainability through

Geosystems

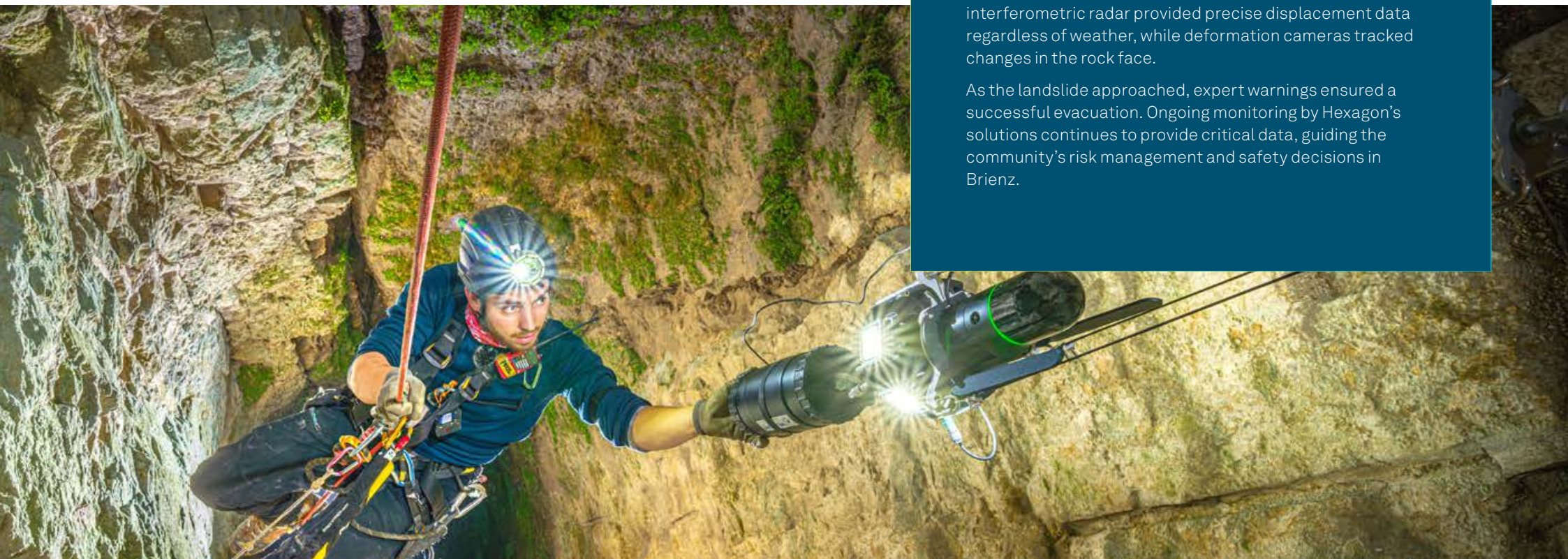
The Geosystems division offers reality capture, measuring and positioning solutions that enable enhanced productivity, accuracy and safety, and drive more sustainable practices across multiple industries. Collecting precise environmental data supports resource management, decision-making processes and construction efficiency with reduced waste and lower carbon emissions, and also saves lives by monitoring and predicting environmental change.

Precision monitoring helped evacuate Swiss village ahead of imminent landslides

In 2023, a significant landslide threatened the Swiss alpine village of Brienz, with over 1.3 million cubic metres of rock and earth cascading near the village. Thanks to Hexagon's advanced monitoring technologies, including precision sensors, radar, and imaging systems, authorities issued timely warnings and evacuated residents, ensuring their safety.

Hexagon's automated real-time data collection enabled geological experts to monitor accelerating slope movements and assess risks effectively. Ground-based interferometric radar provided precise displacement data regardless of weather, while deformation cameras tracked changes in the rock face.

As the landslide approached, expert warnings ensured a successful evacuation. Ongoing monitoring by Hexagon's solutions continues to provide critical data, guiding the community's risk management and safety decisions in Brienz.



Sustainability through

Autonomous Solutions

The Autonomous Solutions division offers precise and intelligent positioning and location intelligence technology that enables safe and secure operations on land, sea, and air, as autonomous vehicles, planes, tractors, vessels, and offshore platforms can be operated with lower risk of incidents, saving lives and avoiding environmental disasters.

The first digital mine in the Middle East

To meet the growing demand for critical minerals needed for batteries, renewable energy, and housing, mine processing sites must be built faster while maintaining safety and efficiency. Historically, building a site could take up to 20 years — time the world cannot afford.

Ma'aden, the largest mining and metals company in the Middle East, partnered with Hexagon to create the region's first digital mine. Hexagon's technology digitises every step of a gold mine in Saudi Arabia, from ore processing to decision-making on where to mine next, ensuring fleet safety, fuel efficiency, and energy savings.

Over five years, Hexagon's solutions have enabled:

- 20% reduction in carbon emissions across operations.
- 4–8% reduction in operational costs.
- 12–15% reduction in time and schedule delays.

Hexagon's technologies allow the mining industry to scale sustainably and efficiently, meeting global resource demands.

Sustainability through

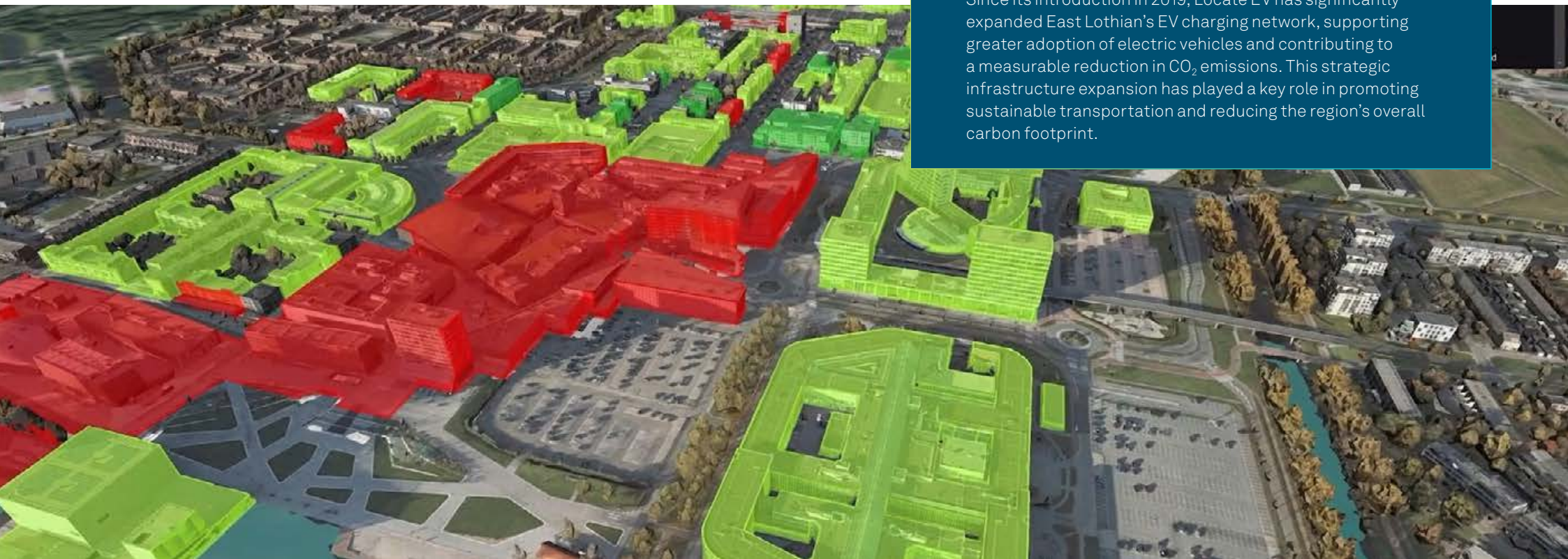
Safety, Infrastructure & Geospatial

The Safety, Infrastructure & Geospatial division improves the resilience and sustainability of the world's critical services and infrastructure. Its technologies transform complex data about people, places, and assets into meaningful information and capabilities for better, faster decision-making in public safety, utilities, defence, transportation, and government.

Enabling the electric vehicle transition

With the rise of EV adoption, East Lothian in Scotland faced a challenge in efficiently planning and deploying its charging infrastructure. To address this need, the region approached Hexagon's partner Geospatial Insight (GSI) to introduce Locate EV — a location-based intelligence tool built on top of Hexagon's M.App Enterprise, designed to optimise charge point placement.

By leveraging Hexagon's advanced analytics on driveway availability, footway widths, and potential catchment areas for off-street charging hubs, charge point operators were able to rapidly identify and prioritise deployment sites. Since its introduction in 2019, Locate EV has significantly expanded East Lothian's EV charging network, supporting greater adoption of electric vehicles and contributing to a measurable reduction in CO_2 emissions. This strategic infrastructure expansion has played a key role in promoting sustainable transportation and reducing the region's overall carbon footprint.



R-evolution: Accelerating sustainability through Hexagon technology and venture capital

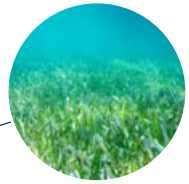
For more information on R-evolution, please visit r-evolution.com

R-evolution, Hexagon's green tech business subsidiary, made significant progress in 2024 with Hexagon technology in action. From new desalination plants south of Dubai to rainforest conservation in Costa Rica, R-evolution is uniquely positioned to combine Hexagon's digital reality solutions and new business models to save the planet.

Green Cubes

R-evolution launched Green Cubes in January 2024 to protect the planet's most critical biodiversity hotspots through sponsorship of cubic metres of rainforest. By leveraging Hexagon and partner technology, R-evolution creates a full digital twin of nature, providing transparency to rainforest biodiversity at an unprecedented level.

In July 2024, Green Cubes extended the offering with Digital Reality, transforming the way we Measure, Report and Validate (MRV) environmental projects in the extraction industry.



Ocean

Highest accuracy seabed classification delivered for a total of 3,300 km² in The Bahamas, enabling the Bahamian government to protect and monetise this environment via blue carbon credits.

Moving from 360-degree cameras deployed on sharks, Hexagon has developed a solution that combines bathymetric LiDAR and multi-spectral imaging solutions for mapping tropical seagrass meadows, publishing the methodology as part of a scientific paper released in September 2024.

Desalination

Water scarcity is creating a huge demand for fresh water. R-evolution invested in Desolenator to expand the Hexagon portfolio for clean water production with a digital desalination offering.

The first plant, located in Al Ain, UAE, was commissioned in July 2024 and is currently producing 25 m³ of distilled water and 500 kWh of greenhouse cooling daily, using Hexagon's Smart Digital Reality powered by Hexagon EAM, OxBlue, and BLK2GO, now exploring CADWorx and BricsCAD for the design phase.

Solar

In 2024, R-evolution generated over 30,501 MWh of energy from two 16.4 MWp solar PV parks near Málaga in Spain, which is enough power for 8,800 households on an annual basis.

R-evolution has continued to use Hexagon technology for asset optimisation, including the OxBlue Camera for visual asset monitoring and EAM for asset performance management of the site, including device and work order management.

Green Cubes: Monitoring and reporting biodiversity assets through digital twins

Along with climate change and pollution, the continuing decline of biodiversity is one of the three major global crises. As recognition of biodiversity's critical role in economies and societies expands, so does the demand for businesses to reduce their environmental impact and adopt nature-positive business models. In this context, the need to 'make nature visible' through the collection, evaluation, and reporting of reliable biodiversity data is becoming essential.

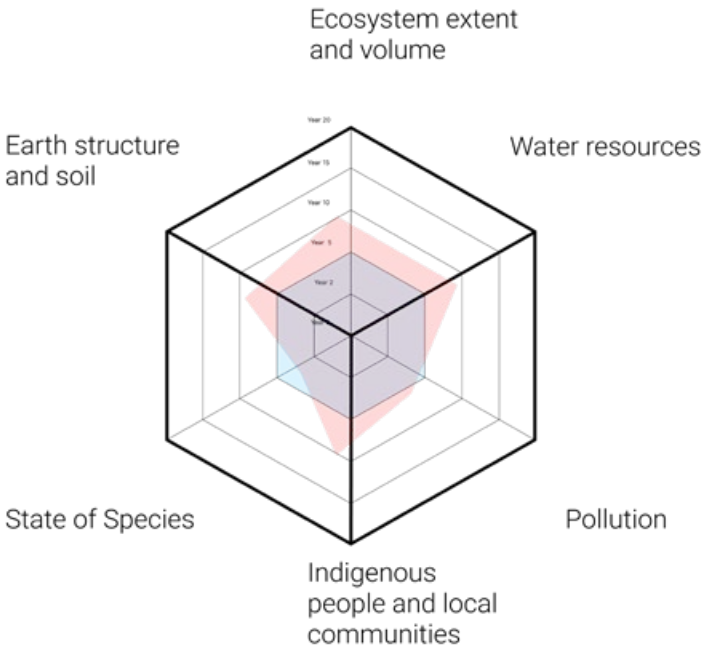
Hexagon's green tech subsidiary R-evolution is collaborating with KPMG Sweden to assess how digital twins can be used to monitor and report biodiversity assets. R-evolution has developed a digital twin solution specifically tailored for biodiversity called Green Cubes Digital Reality. Green Cubes is a processing and AI SaaS platform that combine information collected through technologies such as satellite imagery, LiDAR instruments, audio and camera traps, soil sampling, ground penetrating radars, and pollution sensors for a cubic metre. This digital twin of a cubic metre can, among other things, be used to compare the differences between two locations over time and across a wide range of values such as forest height and profile, flora and fauna richness and abundance, soil quality and biodiversity. Monitoring of biodiversity assets can help companies comply with emerging disclosure requirements and transition to strategic, nature-positive action by assessing, managing, and disclosing nature-related risks and opportunities. Understanding such metrics is becoming increasingly important for companies as frameworks such as the European Union's Corporate Sustainability Reporting Directive (CSRD), the Taskforce on Nature-related Financial Disclosures (TNFD), and the Global Reporting Initiative's new GRI 101: Biodiversity 2024 standard expect corporations to report against multiple quantitative data points.

In the collaboration with KPMG, the "Making Nature Visible Report" was released in October 2024, using the extraction sector as a case study to demonstrate how digital twins can be applied to biodiversity monitoring and reporting. As one of the top five industries with the greatest impact on biodiversity, mining accounts for 40 percent of activity in regions experiencing a decline in ecological health. However, mining is also crucial to the energy transition, with projections indicating that 6.5 billion tonnes of end-use materials will be needed between 2022 and 2050 to support this shift.

The report found that digital twin solutions such as Green Cubes Digital Reality can have multiple use cases, including:

- Enhanced data collection and analysis to support environmental impact assessments,
- Licensing applications and mine rehabilitation activities,
- The generation of reliable data to be reported as part of corporate sustainability disclosures,
- The use of real-time information and predictive modelling to better integrate biodiversity into a company's strategy and business model.

Hexagon is keen to continue exploring opportunities on how its products and solutions can benefit sustainability in all industries.



ESG integrated at all management levels across Hexagon

Hexagon recognises that integrating Environmental, Social, and Governance (ESG) principles at all management levels is essential for driving sustainable value. By embedding ESG considerations into decision-making processes, Hexagon improves operational efficiency and strengthens its commitment to responsible business practices. This approach enables Hexagon to proactively identify and mitigate risks associated with environmental impact and social responsibility.

Overview of ESG governance at Hexagon

- The Board of Directors has the ultimate responsibility for Hexagon's sustainability strategy and ESG governance. The Board is composed of Directors with expertise in sustainability and is informed about relevant sustainability topics at all meetings, at least on a quarterly basis. The Board approves major changes to Hexagon's sustainability framework, including updates to ESG targets.
- The Hexagon Audit Committee serves as the guiding body for sustainability-related business at Hexagon.
- Hexagon's Chief Strategy Officer (CSO) holds operational responsibility for sustainability, under the oversight of the Board of Directors.
- At the divisional level, all relevant sustainability-related topics are reported and reviewed in the Quarterly Business Review (QBR) for all Hexagon divisions. These topics include updates on progress towards ESG targets, ensuring accountability across Executive Leadership Teams.

Sustainability Management

Hexagon is committed to following established corporate governance principles that guide its sustainability management. The company integrates ESG topics throughout the organisation, engaging all divisions and operational functions. This approach ensures that ESG criteria are included in all functions, enabling the right teams to tackle specific sustainability issues effectively. By embedding these principles across the organisation, Hexagon can better address relevant sustainability challenges and drive positive change. The governance of sustainability is distributed as follows:

The Board of Directors has the ultimate responsibility for Hexagon's sustainability strategy and ESG governance. The Board of Directors is informed on relevant sustainability topics in all meetings and approves major changes to Hexagon's sustainability framework, including updates to ESG targets.

The Audit Committee assesses risks and opportunities of strategic importance related to sustainability. It adopts appropriate measures to ensure company-wide implementation of the sustainability framework. The Audit Committee also oversees Hexagon's ESG management and internal controls.

The ESG Steering Committee is formed by representatives from each of the divisions and key corporate functions. Its main purpose is to discuss topics of company-wide materiality. After prioritising needs, the key initiatives and investments are proposed to the Executive Leadership Team.

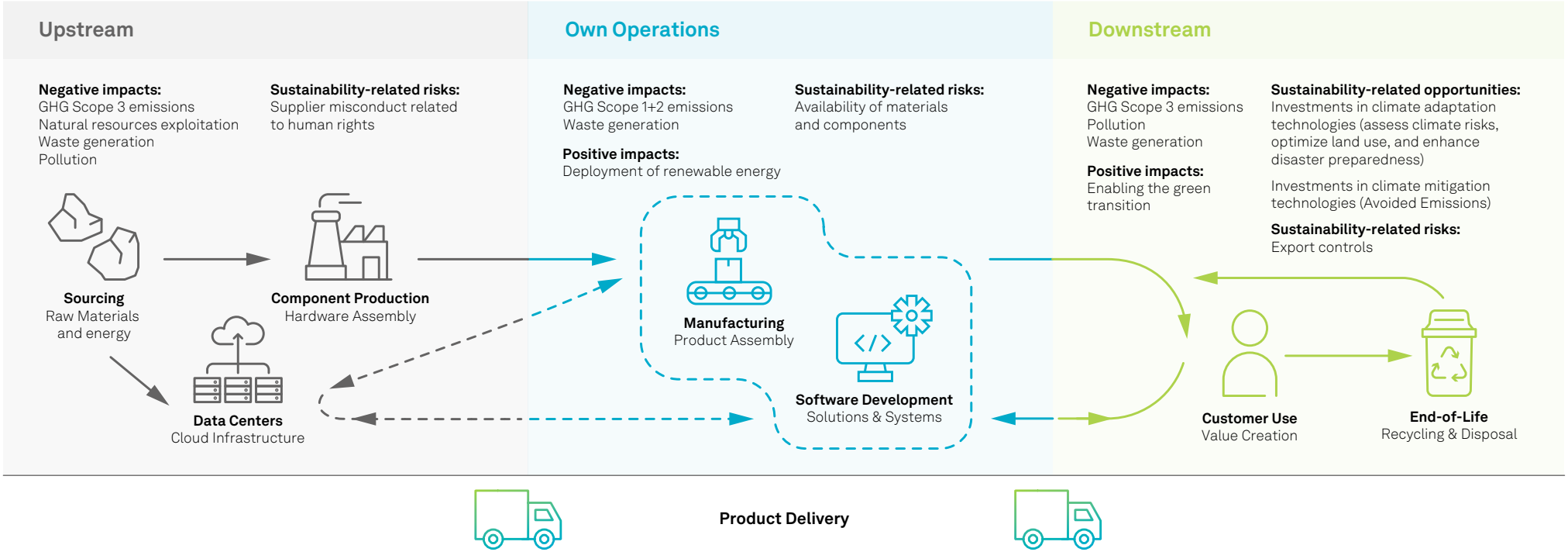
The CSO oversees Hexagon's sustainability topics. The CSO is a member of the Hexagon Executive Leadership team and is invited to the Audit Committee for all sustainability meetings. The approval process for major investments and capital expenditures, acquisitions, and/or divestitures includes sustainability considerations in the assessment. The CSO is also responsible for Hexagon's Sustainability Department.

The Head of Sustainability leads the Hexagon Sustainability Department. The Head of Sustainability reports to the CSO on Hexagon's sustainability topics, including the ESG strategy. The Head of Sustainability is part of the Quarterly Business Review and regularly informs the Hexagon Executive Leadership Team on sustainability matters. During each Quarterly Business Review, the divisions' progress against CO_2 reduction targets is discussed.

The Sustainability Department of Hexagon is responsible for defining the group's sustainability strategy, including the specific targets. The department closely monitors developments concerning sustainability by engaging with relevant stakeholders, investors and analysts, customers, non-governmental organisations, and policymakers. Material topics are determined through a double materiality analysis, which considers the social and environmental as well as financial impacts of the material issues, taking an outside-in and inside-out perspective of relevant opportunities and risks.

All existing and new ESG programmes are supported by the Sustainability Department of Hexagon AB. This includes designing the structure and processes, and developing the tools and training needed to address overarching sustainability topics for Hexagon's businesses. The implementation of the net-zero roadmap lies with the department, which also governs the purchase of credits related to renewables and carbon reduction.

Hexagon's value chain



Upstream operations
Hexagon's key upstream operations related to its hardware business primarily involve component suppliers and manufacturers. These stakeholders supply specialised parts and materials, such as semiconductors, batteries, and circuit boards, which are integral to Hexagon's technology. Additionally, these suppliers source raw materials such as metals, plastics, and minerals for the components provided. The components are stored by third-party logistics providers and transported by shipping companies or freight carriers, depending on the location. Other important upstream stakeholders include utility companies and energy partners who supply electricity to the facilities producing these components. For Hexagon's software business, key upstream stakeholders consist primarily of cloud infrastructure providers, data centre operators, and energy providers.

Own operations
Hexagon's own operations focus on hardware component assembly and software development. At the assembly sites, advanced machinery is used to construct the components into the final Hexagon technology solutions. Key stakeholders in this process include facility leasing partners, energy providers, and vehicle fleet leasing partners. Additionally, fuel and logistics providers play a role in transporting employees and technology. Hexagon's operations also generate waste, including landfill, organic, plastic, electronic, and hazardous waste. Recycling companies and transportation providers are crucial to managing this waste efficiently and supporting daily operations.

Downstream operations
Downstream operations play a pivotal role in Hexagon's value chain, as the use of Hexagon's technology drives improvements across almost all industries. By reducing resource consumption, carbon emissions, and waste in production, and by increasing the efficiency of batteries and renewable energy solutions, Hexagon's products help enhance environmental sustainability. Furthermore, Hexagon's safety solutions contribute to reducing workplace injuries globally. Once the products reach the end of their life cycle, they generate waste due to the metals and materials contained within them. Recycling is essential at this stage to minimise environmental impact and avoid climate stress and pollution; thus, Hexagon repairs and refurbishes the products to extend their lifetime. Logistics providers ensure the timely delivery of technology to customers and are vital to Hexagon's downstream operations.

Stakeholder mapping

Stakeholder group	Stakeholder type	Profile description	Method of engagement	Purpose of engagement	How Hexagon is using their input?
Upstream Stakeholders	**Suppliers**	Providers of raw materials, technology components, and software necessary for Hexagon's products and solutions. Role: Ensure ethical sourcing, compliance with sustainability requirements, and adherence to human rights and environmental standards in the supply chain.	• Supplier programme. • Collection of data on conflict minerals/sourcing. • Integration of ESG-related topics in the Supplier Code of Conduct, onsite audits, and ESG Self-Assessments.	• To ensure ethical sourcing, enhance sustainability in the supply chain, and foster collaborative growth aligned with ESG principles.	• Strengthen ethical sourcing by collaborating on sustainability frameworks (e.g., supplier codes of conduct). • Identify supply chain risks related to compliance, labour rights, and environmental impact to enhance sustainable procurement policies. • Improve transparency and traceability in sourcing, ensuring alignment with global ESG standards and customer expectations. • Support suppliers with training and resources to meet sustainability goals. • Recognise high-performing suppliers excelling in ESG practices.
	Technology and R&D Partners	Institutions or companies providing research, innovation (including open co-creation), and technological solutions. Role: Collaborate on the innovation and development of sustainability-driven products.	• Best practice exchange. • Collaborative working groups to set standards. • Technical function groups and guidance committees.	• To co-develop innovative solutions, enhance product offerings, and drive sustainability through advanced technologies.	• Cooperate to design pioneering, sustainability-focused solutions that address complex challenges. • Refine product offerings to enhance the efficiency, usability, and environmental impact of Hexagon's technologies. • Partner on projects to tackle industry-wide sustainability priorities and inspire new approaches. • Strengthen market leadership to maintain Hexagon's position as a trailblazer in technological and ESG advancements.
	Regulators and Policy Makers	Entities setting frameworks that shape the operational environment (e.g., CSRD, ESRS, and environmental standards). Role: Guide the upstream activities through compliance requirements and legislation.	• Seminars and events. • Materiality assessment. • Function groups and guidance committees.	• To ensure compliance with laws and standards, align with emerging regulations, and proactively address sustainability matters.	• Align ESG practices with CSRD, ESRS, and TCFD to ensure compliance and address regulatory gaps. • Monitor evolving policies to proactively adjust strategies and mitigate non-compliance risks. • Enhance sustainability reporting by incorporating regulatory guidance for accuracy, transparency, and stakeholder trust. • Integrate ESG risks into enterprise risk management, strengthening resilience to climate, human rights, and governance challenges. • Adapt business strategies to meet future regulatory changes, ensuring long-term sustainability and operational stability.
Own Operations	**Employees**	All employees, including management and the workforce in various divisions, are impacted by policies on DEI, well-being, career development, and sustainability-driven goals. Role: Requires fair working conditions, equal opportunities, and clarity on Hexagon's sustainability priorities and business goals.	• Employee survey. • Employee representatives (including Work Councils) • Collection of H&S data. • Employee councils (DEI). • Compliance and ethics channel (whistleblower).	• To ensure fair working conditions, foster well-being, enhance employee development, increase employee retention, attract the best talent, and align workforce efforts with sustainability goals.	• Enhance inclusion, employee belonging, and well-being initiatives based on employee feedback and engagement. • Improve ESG communication to help employees connect sustainability with business success and innovation. • Align ESG with performance metrics to reinforce employees' contributions to sustainability goals. • Leverage employee insights for innovation in areas like waste reduction, energy efficiency, and sustainable product development. • Strengthen employee impact by demonstrating how their actions contribute to Hexagon's overall ESG achievements.
	Executive Leadership / Board of Directors	Decision-making bodies are responsible for corporate strategy, risk management, and long-term sustainability objectives. Role: Shape the company's ESG vision, oversee compliance, and ensure the integration of sustainability into core business strategies.	• ESG topics in Board of Directors, Audit Committee and Executive Leadership meetings. • Quarterly divisional business performance reviews. • Business strategy workshops. • Meetings & employee events.	• To integrate sustainability into strategic decision-making and ensure alignment with regulatory standards. • To benefit from product, industry, and market-level insights for the long-term development of future solutions, which will be good for the whole enterprise.	• Shape corporate strategy by integrating ESG into governance, resource allocation, and decision-making. • Ensure regulatory compliance with CSRD, ESRS, and TCFD while preparing for future policy changes. • Align ESG with business priorities to drive growth, risk mitigation, and competitive advantage. • Enhance governance structures by embedding sustainability metrics into leadership accountability frameworks. • Cascade ESG principles across all levels to embed a culture of sustainability within the organisation. • Refine sustainability reporting based on leadership insights to ensure transparency, investor alignment, and a compelling ESG narrative.
	Shareholders/ Investors	Financial stakeholders provide capital and expect proper risk management, ESG disclosures, and long-term value creation. Role: Influence corporate sustainability priorities by integrating ESG factors into investment decisions.	• Double Materiality Assessment. • Regular Hexagon-specific meetings and exchanges. • Seminars and events.	• To provide transparency on ESG performance and manage risks tied to financial and sustainability goals.	• Strengthen relationships by aligning Hexagon's ESG strategy with investor feedback. • Ensure ongoing dialogue to meet evolving investor priorities and enhance the company's reputation. • Refine ESG disclosures to comply with global standards (CSRD, ESRS, GRI, TCFD). • Provide clear, transparent data on ESG performance to meet investor expectations. • Incorporate shareholder insights into sustainability strategies that balance financial growth and long-term value. • Integrate ESG risks and opportunities into risk management to enhance profitability and market potential. • Promote sustainable investment products, such as green bonds, to attract impact-focused investors.

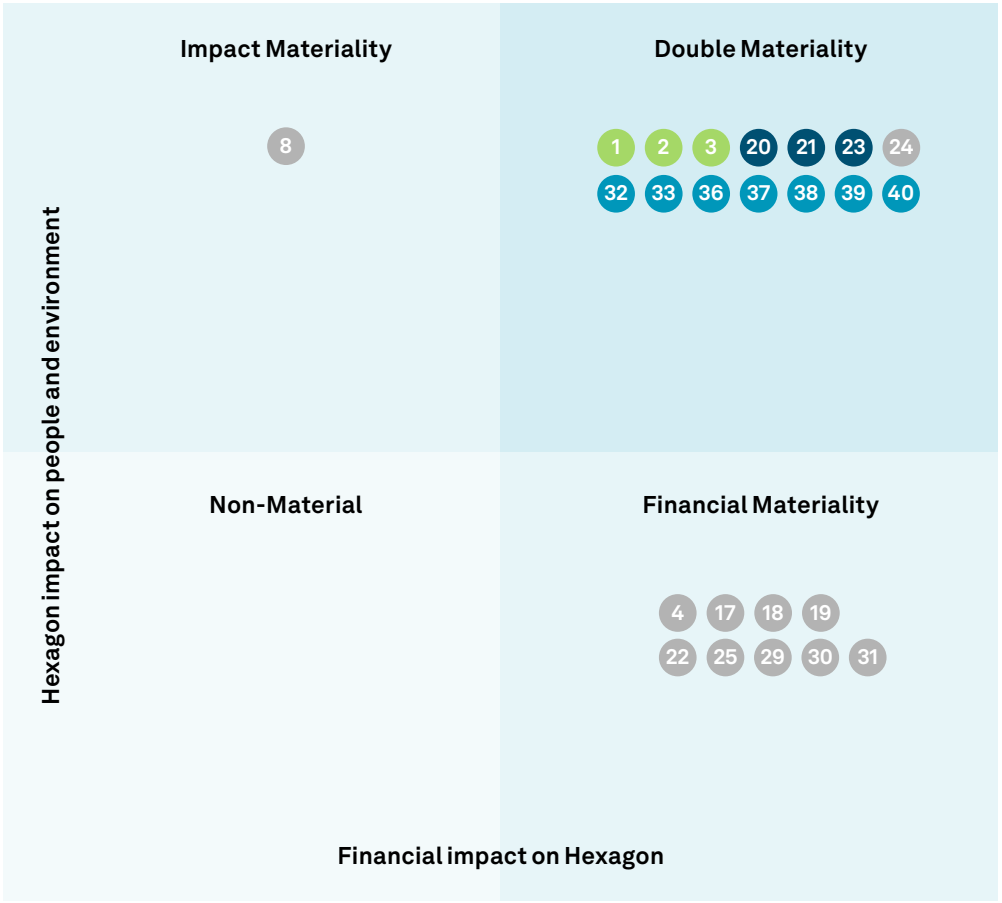
Stakeholder mapping cont. →

Stakeholder mapping cont.

Stakeholder group	Stakeholder type	Profile description	Method of engagement	Purpose of engagement	How Hexagon is using their input?
Downstream Stakeholders	**Customers**	Organisations or individuals purchasing Hexagon's solutions are influenced by their industries' challenges, the need to remain efficient and profitable, the requirements to improve sustainability performance, ethical practices, and product innovation. Role: Drive demand for sustainable solutions and influence ESG-related product development.	• Double Materiality Assessment • Industry-specific customer events • Customer engagement programmes and User Group meetings • Avoided Emissions Framework	• To meet their expectations for innovative, sustainable solutions and enhance customer satisfaction. • To support them in solving their challenges with regard to ESG performance.	• Identify customer needs for sustainable solutions and tailor products to help achieve ESG goals such as dematerialisation, energy efficiency, and carbon reduction. • Develop solutions addressing environmental and societal challenges in alignment with customer values and market demands. • Leverage customer input to explore new applications in renewable energy, biodiversity monitoring, and the circular economy. • Highlight the environmental and societal impact of Hexagon's solutions in messaging to align with customer sustainability priorities. • Create case studies and success stories that resonate with current and potential clients. • Collaborate with customers to co-develop and refine solutions, improving features and expanding Hexagon's innovation pipeline.
	End-Users	Individuals or entities utilising Hexagon's products and services in their daily operations. Role: Expect safe, high-quality, and ethically sourced solutions that deliver high value with minimal environmental impact.	• Double Materiality Assessment • Industry-specific customer events • Customer engagement programmes and User Group meetings • Avoided Emissions Framework	• To ensure solutions meet their needs, enhance their ability to address sustainability challenges, and improve the user experience.	• Ensure Hexagon's products deliver meaningful environmental and operational benefits. • Make technologies more accessible, efficient, and aligned with real-world applications. • Tailor product offerings based on users' experiences to better support end-user goals and sustainability challenges. • Build trust by demonstrating how their input shapes Hexagon's innovations and amplifies positive outcomes.
	Local Communities	Communities directly or indirectly affected by Hexagon's operations, resource use, and environmental footprint. Role: Benefit from sustainable business practices, community engagement initiatives, and biodiversity protection.	• Surveys • Community-based events, feedback forums	• To contribute positively to societal well-being, bring more value to the local communities where we operate, and address local environmental and social concerns.	• Design community-focused initiatives that support education, skill development, and local economic growth, ensuring Hexagon's projects support societal well-being. • Address environmental challenges by minimising operational impacts and supporting projects such as biodiversity conservation and pollution reduction. • Monitor and measure impact by assessing the effectiveness of initiatives, using KPIs to track progress and ensure meaningful benefits to communities.
	Nature	Ecosystems, biodiversity, and natural resources impacted by Hexagon's operations, along with the broader environmental landscape that benefits from the company's products and solutions. Role: Enhance ecosystem monitoring, support biodiversity conservation, and promote sustainability through advanced environmental management solutions.	• Collaboration with environmental NGOs, governmental bodies, and academic institutions • Integration of nature-related metrics into Hexagon's product features, such as real-time ecosystem data and predictive analytics	• To ensure Hexagon's products support the management of natural resources and biodiversity, advancing global sustainability goals and ecosystem preservation.	• Refine and enhance nature-focused products to improve ecosystem management capabilities. • Integrate feedback into feature development, enabling more effective monitoring of natural habitats. • Use insights to align product innovations with environmental impact goals and regulatory requirements. • Support organisations in achieving sustainability targets through advanced data solutions for nature management.

Double Materiality Assessment

Hexagon's double materiality assessment (DMA) considers the social and environmental, as well as financial, impacts of the material issues, taking an outside-in and inside-out perspective of relevant impacts, risks, and opportunities (IROs).



Environmental

1. Adaptation to Climate Change
2. Climate Change Mitigation
3. Energy
4. Air Pollution
5. Pollution of Water
6. Pollution of Soil
7. Pollution of Living Organisms and Food Resources
8. Substances of Concern
9. Substances of Very High Concern
10. Microplastics
11. Water
12. Marine Resources
13. Direct Impact Drivers of Biodiversity Loss
14. Impact on Species
15. Impact on the Range and State of Ecosystems
16. Impact on Ecosystem Services
17. Resource Impact, Including Resource Use
18. Resource Impacts Related to Products and Services
19. Waste

Social

20. Own Workforce: Working Conditions
21. Own Workforce: Equal Treatment and Opportunities for All
22. Own Workforce: Other Work-Related Rights
23. Value Chain: Working Conditions
24. Value Chain: Equal Treatment and Opportunities for All
25. Value Chain: Other Work-Related Rights
26. Economic, Social, and Cultural Rights
27. Civil and Political Rights
28. Indigenous Peoples' Rights
29. Impact of Information on Consumers or End-Users
30. Personal Safety of Consumers or End-Users
31. Social Inclusion of Consumers or End-Users

Governance

32. Corporate Culture
33. Whistleblower Protection
34. Animal Welfare
35. Political Engagement
36. Supplier Relationships, Including Payment Practices
37. Corruption and Bribery
38. Improper use of goods: Dual use, export controls
39. Business Responsiveness: Industry 4.0, innovation/digitalisation
40. Cyber security: Cyber- and data-related topics

Materiality assessment methodology

The double materiality assessment consisted of three stages, including:

- Due diligence preparation to identify potentially material topics, utilising the European Sustainability Reporting Standards (ESRS) and topics defined in the CSRD, as well as including a review of Sustainability Accounting Standards Board (SASB) sectors and peer disclosures for a comprehensive analysis.
- Surveys, workshops, and interviews assessing the financial and sustainability impacts on the company, people, and environment, considering both risks and opportunities. The assessment involved internal and external stakeholders, including shareholders, employees, suppliers, customers, subject matter experts, investors, and community groups. The broad range of stakeholders ensured expertise and a relevant mix of experiences on financial and sustainability topics.
- Defining the key material impacts (positive and negative), along with opportunities and risks for Hexagon, prioritising efforts based on assessment outcomes and adhering to relevant ESRS standards for transparent disclosure.

Hexagon strengthened the previous year's DMA by further refining the identification of sustainability matters most material to its business and value chain. This process was consolidated upon gaining feedback from each company division, ensuring alignment with their specific material topics.

Materiality assessment issue pool

The issue pool of potential material topics is mapped in the matrix, defined under ESG. Each topic is consolidated based on its financial materiality for Hexagon and its impact on the environment and society.

A topic was considered material if it was likely to affect Hexagon's future cash flow, or if it had a significant impact on people or the environment. During 2024, the assessment of the topics' financial or environmental impact included a review of their actual and potential positive or negative effects over a short, medium and long term, as well as their potential remediability. To determine the severity of an impact, its likelihood and magnitude were evaluated, ranging from low to high. The respective inputs generated a threshold value used to determine the key material topics. If only one perspective—impact or financial materiality—was identified, the matter was considered relevant but not material for the group, with disclosures limited to the applicable perspective in line with materiality assessment outcomes.

The stakeholder engagement process included a review of the engagement methods, the stakeholders' respective importance, and their alignment with engagement objectives conducted by all Hexagon divisions.

Following this, Hexagon applied the CSRD and the specific requirements of the ESRS and evaluated Impact, Risk, and Opportunity (IRO) considerations, assessing the likelihood, magnitude, and irremediability of identified matters.

Materiality assessment results

The key material topics identified through the double materiality assessment were:

- Climate change (ESRS E1)
- Own workforce (ESRS S1)
- Workers in the value chain (ESRS S2)
- Business conduct (ESRS G1)

Each material topic is also associated with related material sub-topics, as shown in the table. The majority of the issues defined as highly material for Hexagon are primarily considered opportunities by its stakeholders. Hexagon provides solutions that address the main environmental and social challenges that companies and nations face today. Furthermore, Hexagon recognises that some of the topics that scored lower and therefore have been deemed non-material, such as circular economy, biodiversity, and land use, are relevant for Hexagon's future product portfolio. Embracing these topics as opportunities is necessary to ensure a more forward-thinking approach to developing future solutions.

The broad portfolio suite aiming to solve customers' challenges related to productivity, energy efficiency, data protection, climate change adaptation and mitigation, digitalisation, and more, is not positioned as threats or risks but rather as an opening for increased profitability and stronger financial performance. By investing in bringing new tools, solutions, and technologies that better meet the sustainability needs of its customers, Hexagon can continue strengthening its position as an enabler of a sustainable future.

The key material risk areas for Hexagon are within the fields of cyber security, export controls, supplier management, and data protection, highlighting the need for continuous improvement and investments in strong compliance and governance processes. Hexagon's material topics are clearly linked to the United Nations' Sustainable Development Goals (SDGs) and are the starting point for Hexagon's sustainability strategy.

Following the double materiality assessment, Hexagon is focusing on enhancing positive impacts and improving efficiency while minimising negative effects on the world as part of its business strategy. This approach ensures that the company addresses the expectations of its stakeholders while aligning its operations with the sustainability ambitions

Environmental

Climate change (ESRS E1)
Adaptation to Climate Change
Climate Change Mitigation
Energy

Social

Own workforce (ESRS S1)
Working Conditions
Equal Treatment and Opportunities for All

Workers in the value chain (ESRS S2)
Working Conditions

Governance

Business conduct (ESRS G1)
Corporate Culture
Whistleblower Protection
Supplier Relationships
Corruption and bribery
Improper use of goods
Business responsiveness
Cybersecurity

Impact, risk and opportunities

Sub-Topic	IRO name	IRO type	Description	Time Horizon				Business Model & Value Chain Impacted		
				S	M	L	Irremediable character	Upstream	Own Operations	Downstream
Environment										
E1 Climate Change										
Adaptation to Climate Change	Advanced Technologies enhancing climate adaptation	Positive Impact	Hexagon's advanced technologies enhance climate adaptation and disaster resilience: Geospatial solutions provide real-time environmental insights for risk assessment and infrastructure planning; intelligent positioning technology improves emergency response efficiency, while simulations and digital twins strengthen infrastructure resilience against extreme weather.	●	●	●	●	Suppliers and technology providers.	R&D and product teams.	Governments, businesses, and emergency services.
	Extreme weather events and regulatory changes increasing financial risk	Financial Risk	Extreme weather and supply chain disruptions increase costs and impact order fulfilment. Stricter regulations and climate-related financial losses may reduce demand and raise compliance expenses.	●	●	●		Suppliers, contract manufacturers, and logistics providers.	Production sites, infrastructure, and supply chain management.	Clients in key sectors.
	Growing demand for climate adaptation solutions	Financial Opportunity	Hexagon's technologies support climate risk assessment, resilient infrastructure, and sustainable urban planning. Rising demand and public-private partnerships drive growth in climate adaptation solutions.	●	●	●		Suppliers, technology providers, research partners.	R&D, product development, corporate strategy.	
Climate Change Mitigation	Solutions enhancing efficiency	Positive Impact	Hexagon's solutions enhance materials and energy efficiency, lowering emissions in the industries it serves. Location intelligence improves efficiency in day-to-day operations, optimises public transit and supports EV adoption, while simulations drive material and energy-efficient product design. Reality capture and digital modelling improve construction precision, reducing waste, energy use, and emissions.	●	●	●			Manufacturing, data processing, energy use, and product development.	Clients in various sectors for low-emission design.
	Greenhouse gas emissions from transport, production and use phase	Negative Impact	Some components of hardware production rely on raw materials like rare earth metals, which have an environmental impact during extraction and processing. Furthermore, shipping and transportation of products contribute to Scope 3 emissions, challenging climate mitigation efforts. Onsite needs for fuels and power, as well as business travel, further increase carbon footprints. During the use phase of products, both hardware and AI-powered simulations require energy consumption, increasing electricity demand and carbon emissions.	●	●	●	●	Raw material extraction and refinement.	Employee commuting and corporate travel.	Shipping and transportation.
	Stricter regulations and cost pressure for manufacturing	Financial Risk	Manufacturing processes require materials and energy, and manufacturing sites are facing stricter regulations and cost pressures. Tougher global carbon policies may require emission reductions and operational changes. Hexagon is working to improve energy and material efficiency and to transition to renewable energy and higher recycling in the value chain.		●	●		Regulatory pressures on suppliers for emissions reduction.	Manufacturing emissions and compliance requirements.	Market shifts and customer demands for low-carbon solutions.
	Advancing green tech and AI for emission reduction	Financial Opportunity	Improved quality during the process, digital twins, and AI-powered simulation tools help industries reduce emissions. Advanced technology supports green manufacturing, renewable energy, carbon capture, and optimised logistics. Clean tech adoption and autonomous solutions drive efficiency and lower carbon footprints.	●	●	●			Development and internal use of AI, simulation, and optimisation tools.	Solutions for clients for emissions reduction.

Sub-Topic	IRO name	IRO type	Description	Time Horizon				Business Model & Value Chain Impacted		
				S	M	L	Irremediable character	Upstream	Own Operations	Downstream
Energy	Advanced technologies enhancing energy efficiency	Positive Impact	Reality capture improves renewable projects through precise monitoring and resource mapping. Digital twin technology and simulations enhance efficiency in manufacturing, construction, and infrastructure. Intelligent sensors reduce energy consumption in industrial processes and smart cities, while AI-driven autonomous solutions minimise fuel use in offshore and maritime operations.	●	●	●			Internal utilisation of Hegaxon's tools for energy efficiency.	Solutions for clients for energy use reduction.
	Energy-intensive manufacturing process and use-phase	Negative Impact	Hexagon's software solutions require significant computing power, leading to high electricity use in data centres, cloud storage, and edge computing infrastructure. GNSS receivers, LiDAR scanners, high-precision sensors, metrology tools, and autonomous system components require energy-intensive manufacturing processes, contributing to the company's overall carbon footprint.	●	●	●		Energy use in supplier and contract manufacturer production processes.	In-house manufacturing and assembly. Energy consumption from Hexagon's internal data processing and IT infrastructure.	
	Increased energy costs	Financial Risk	Rising electricity demand from AI, cloud computing, and manufacturing increases exposure to energy costs and carbon taxes. Stricter regulations and higher overall energy demand may increase power costs. Delayed adoption of energy-efficient solutions could impact profitability and competitiveness.	●	●	●		Energy efficiency regulations affecting suppliers.	High energy consumption, regulatory compliance costs, and operational inefficiencies.	Market risks from slow sustainability adoption affecting competitiveness.
	Digital solutions enhancing energy efficiency and sustainability	Financial Opportunity	Reality capture, geospatial intelligence, and digital twins enhance construction, manufacturing, and renewable energy projects, driving high energy efficiency demand from developers. Intelligent positioning and EV integration optimise logistics for low-carbon mobility. IoT and digital twin solutions help industries cut energy use, reduce waste, and improve sustainability.	●	●	●				Clients in renewables, transportation, and industrial sectors.
Social										
S1 Own Workforce										
Working Conditions	Enhancing working conditions and employee well-being	Positive Impact	Hexagon drives best practices in working conditions and workforce inclusivity, creating a positive impact in its communities. Fair hiring practices eliminate unconscious bias while ensuring stable careers, skill development, and growth opportunities. Interactive sessions with external experts promote inclusivity and cultural awareness, while competitive salaries, flexible work, and strong health and safety standards enhance well-being and engagement.	●	●	●			Own workforce.	
	Workforce sustainability risks impacting costs and compliance	Financial Risk	Hexagon may encounter financial risks related to workforce sustainability, including talent shortages, rising recruitment costs, and compliance with evolving labour laws. Investments in AI upskilling and an inclusive work culture are essential to mitigate legal and reputational risks. Failure to adapt could reduce employer attractiveness, increase salary costs, and impact productivity. Gaps in human rights due diligence may lead to regulatory penalties and investor concerns.		●	●			Own workforce.	
Equal Treatment and Opportunities for All	Promoting fair pay, career growth, and workplace diversity	Positive Impact	Equality initiatives, non-discrimination policies, and fair pay policies ensure equal compensation. Hexagon encourages training programmes to support career growth and lifelong learning. Hexagon's inclusive employment policies facilitate the integration of persons with specific personal needs, while diversity initiatives foster innovation and a respectful workplace culture.	●	●	●			Own workforce.	
	Challenges in pay equity, career progression, and workplace inclusion	Negative Impact	Gender pay gaps and career progression disparities may persist despite equality commitments. Unequal access to training and workplace accessibility gaps can limit opportunities for some employees. Harassment, discrimination, and lack of diversity in leadership require ongoing efforts to ensure inclusivity and fair representation.	●	●	●	●		Own workforce.	

Sub-Topic	IRO name	IRO type	Description	Time Horizon				Business Model & Value Chain Impacted		
				S	M	L	Irremediable character	Upstream	Own Operations	Downstream
S2 Workers in the Value Chain										
Working Conditions	Labour rights risks in the value chain	Potential Negative Impact	Hexagon operates in 93 risk areas where child labour, forced labour, inadequate housing, and poor sanitary conditions may persist. Weak enforcement of labour rights among sub-tier suppliers increases the risks of exploitation and poor working conditions. Limited access to grievance mechanisms and privacy protections may prevent workers from reporting violations, requiring stronger oversight and due diligence.	●	●	●		Suppliers and contract manufacturers.	Compliance and procurement teams.	Investors, governments, and clients.
Equal Treatment and Opportunities for All	Advancing fair labour practices and supplier diversity	Positive Impact	Hexagon promotes fair labour practices in its value chain by enforcing non-discrimination, fair wages, and equal opportunities through its Supplier Code of Conduct. Regular audits, due diligence, and capacity-building initiatives support supplier compliance with global labour standards, fostering workplace inclusivity. By encouraging supplier diversity and inclusive hiring, Hexagon strengthens social sustainability and equitable opportunities across its supply chain.	●	●	●		Suppliers and contract manufacturers in high-risk areas.	Compliance and procurement teams.	Commercial operations and clients.
	Barriers to fair labour and supplier diversity	Negative Impact	Sourcing from 93 high-risk areas presents challenges related to proper review against discrimination, unfair wages, and gender inequality. Weak enforcement of non-discrimination policies among sub-tier suppliers may limit equal opportunities. Limited supplier diversity programmes and grievance mechanisms in some regions can affect workforce equity and worker protections.	●	●	●		Suppliers and contract manufacturers operating in high-risk areas.	Compliance and corporate governance teams.	Commercial operations and clients impacted by inequalities.
Other Work-Related Rights[1]	Labour rights and human rights due diligence gaps in the supply chain	Negative Impact	Having suppliers and sub-suppliers that operate in regions with limited supply chain transparency increases the risk of labour rights violations, including child and forced labour. Gaps in human rights due diligence make it challenging to fully assess working and living conditions in sub-tier suppliers. Inadequate housing, sanitation, and water access in some supplier facilities remain unverified due to limited oversight. Hexagon has therefore prioritised the mapping of its supply chain with regards to Conflict Minerals to address the risk associated with human rights abuses in the supply chain of electronic components used.	●	●	●	●	Suppliers and contract manufacturers in high-risk areas.	Compliance and procurement teams.	Commercial operations and clients.
	Human rights due diligence gaps posing legal and reputational risks	Financial Risk	Gaps in human rights due diligence may result in non-compliance with labour laws, leading to legal, financial, and reputational risks. Limited oversight of housing, sanitation, and worker conditions in supplier facilities could expose Hexagon to human rights controversies. Weak data protection and monitoring may lead to privacy violations, regulatory challenges, and investor concerns.	●	●	●		Suppliers and contract manufacturers.	Compliance and procurement teams managing human rights due diligence.	Investors, governments, and clients.

Sub-Topic	IRO name	IRO type	Description	Time Horizon				Business Model & Value Chain Impacted		
				S	M	L	Irremediable character	Upstream	Own Operations	Downstream
Governance										
G1 Business conduct										
Corporate Culture	Fostering ethical governance and inclusive corporate culture	Positive Impact	Hexagon upholds strong ethical governance through anti-corruption policies, regulatory compliance, and transparent reporting. DEI commitments promote equal opportunities and inclusive leadership, fostering a fair and ethical workplace. A culture of open communication, sustainability, and continuous ethical training strengthens corporate integrity and responsible business practices.	●	●	●		Suppliers and procurement teams.	Corporate functions, HR, compliance, legal, leadership, and training teams.	
	Ethical and compliance challenges in a global workforce	Negative Impact	Ensuring consistent compliance across global operations is complex, increasing the risk of ethical and regulatory gaps. Third-party suppliers may pose risks of unethical labour practices, corruption, or non-compliance. Remote work and diverse cultural landscapes can challenge DEI enforcement and corporate ethics engagement, while rapid technological innovation requires ongoing assessment of AI, data privacy, and ethical automation.	●	●	●		Suppliers, contract manufacturers, and procurement teams.	Corporate functions, HR, compliance, R&D, and leadership.	Clients using Hexagon's AI and automation technologies, requiring ethical oversight.
	Financial and reputational risks from governance gaps	Financial Risk	Weak governance and corporate culture inconsistencies may lead to reputational damage, regulatory scrutiny, and reduced stakeholder trust. Failure to enforce ethical practices, anti-corruption measures, and DEI commitments could result in legal penalties and financial liabilities. Long-term risks include investor concerns, talent retention challenges, and operational disruptions.	●	●	●		Suppliers and contract manufacturers.	Compliance and procurement teams.	Commercial operations and clients.
Whistleblower Protection	Strengthening transparency and whistleblower protection	Positive Impact	Hexagon ensures secure, anonymous reporting channels to protect whistleblowers from retaliation. A culture of transparency and compliance reinforces zero tolerance for corruption and unethical behaviour. Regular training, independent investigations, and adherence to global whistleblower laws strengthen accountability and corporate integrity.	●	●	●			Corporate functions, HR, compliance, legal teams, and leadership.	
Supplier Relationships, Including Payment Practices	Enhancing ethical supplier relationships and responsible sourcing	Positive Impact	Hexagon enforces high labour and ethical standards, ensuring fair wages, safe working conditions, and human rights protections. Transparent payment practices strengthen supplier relationships, while responsible sourcing and ESG training promote sustainability. Regular audits and due diligence mitigate risks, ensuring compliance with ethical and regulatory standards.	●	●	●		Suppliers, contract manufacturers, and procurement teams.		
	Strengthening anti-corruption compliance and ethical business conduct	Positive Impact	Hexagon enforces strict anti-corruption policies, ensuring compliance with global regulations like the UK Bribery Act and US FCPA. Regular training for employees and suppliers promotes ethical business conduct, while due diligence and a Supplier Code of Conduct uphold transparency. Whistleblower protections and strong compliance frameworks enhance trust, strengthening Hexagon's market position and business relationships.	●	●	●		Suppliers and procurement teams ensuring ethical compliance.	Corporate governance, HR, compliance, and legal teams.	Clients, investors, and government partners.
Corruption and Bribery: (a) Prevention and Detection (b) Incidents	Exposure to corruption-related legal and financial liabilities	Negative Impact	Corruption risks persist in global supply chains and third-party relationships despite strict policies. Varying regulations across jurisdictions create enforcement challenges, and failure to prevent misconduct could damage Hexagon's reputation. Regulatory investigations and legal non-compliance may lead to financial penalties, operational disruptions, and restricted market access.	●	●	●		Third-party suppliers, intermediaries, and joint ventures posing corruption risks in global supply chains.	Corporate governance, compliance, and legal teams managing.	Clients and investors.
	Financial and legal risks from third-party corruption	Financial Risk	Third-party corruption risks require continuous due diligence, supplier audits, and strict policy enforcement. Failure to prevent misconduct could result in legal sanctions, reputational damage, and loss of business partnerships. Strong compliance measures and clear incident management protocols help mitigate these risks, ensuring accountability and ethical business practices.	●	●	●		Suppliers, intermediaries, and third parties.	Corporate governance, compliance, and legal teams.	Clients, investors, and government partners affected by legal, reputational, and business risks.

Sub-Topic	IRO name	IRO type	Description	Time Horizon				Business Model & Value Chain Impacted		
				S	M	L	Irremediable character	Upstream	Own Operations	Downstream
Business conduct and Responsiveness										
Improper use of goods: Dual use, export controls[2]	Ethical and security concerns in dual-use technology and export controls	Negative Impact	Hexagon's high-tech solutions, including geospatial intelligence and automation, may be misused for military or surveillance purposes, raising ethical and security concerns. Weak enforcement of export controls or regulatory gaps could lead to unauthorised use, potentially contributing to geopolitical tensions or human rights violations. Additionally, advanced technologies used in infrastructure or resource extraction could inadvertently cause environmental degradation or displacement of local communities.	●	●	●	●	Suppliers and procurement teams.	Legal, compliance, and risk management teams.	Customers, distributors, and government agencies.
	Regulatory and financial exposure from export controls and dual use compliance	Financial Risk	Non-compliance with export controls and dual-use regulations could result in trade restrictions, legal sanctions, and financial penalties. Unauthorised use of Hexagon's technology in restricted sectors may lead to reputational damage and loss of business partnerships. Geopolitical tensions and shifting trade policies could impact market access, delay shipments, and raise compliance costs.	●	●	●		Suppliers and procurement teams.	Legal, compliance, and risk management teams.	Customers, distributors, and government agencies.
Business responsiveness: Industry 4.0, innovation/ digitalisation[3]	Driving innovation and sustainability through digitalisation	Positive Impact	"AI-driven analytics, automation, and IoT solutions enhance business agility, supporting sustainability, precision manufacturing, and infrastructure resilience. Through collaborative innovation with customers, Hexagon raises industry standards, ensuring digital solutions contribute positively to economic and environmental progress.	●	●	●		Technology providers, R&D partners, and suppliers.	R&D, product development, and corporate strategy teams.	Clients, industrial partners, and government agencies.
	Revenue opportunities from Industry 4.0 and digital transformation	Financial Opportunity	Hexagon's advancements in Industry 4.0, AI, and digitalisation create financial opportunities by enhancing operational efficiency, reducing costs, and optimising resource use for clients. The integration of predictive analytics and digital twin simulations strengthens business agility, driving demand across manufacturing, infrastructure, and industrial sectors.	●	●	●		Technology providers, R&D partners, and suppliers.	R&D, corporate strategy, and product development teams.	Clients, industrial partners, and government agencies.
Cybersecurity: Cyber- and data-related topics[4]	Enhancing cybersecurity, data protection, and digital trust	Positive Impact	Hexagon embeds data protection and resilience into its digital solutions, safeguarding customers, employees, and supply chains. Workforce-wide cybersecurity training minimises vulnerabilities, ensuring secure data handling. Continuous security enhancements strengthen digital trust, privacy, and regulatory compliance.	●	●	●		IT infrastructure providers, cybersecurity vendors, and data protection service providers.	Corporate IT, cybersecurity teams, and compliance departments.	Customers, partners, and regulatory bodies benefiting from secure digital solutions, privacy protection, and compliance with cybersecurity regulations.
	Financial exposure from cyber threats and regulatory compliance	Financial Risk	Cyberattacks, ransomware, or data breaches could lead to financial losses, legal liabilities, and reputational damage. IT system disruptions may impact production, supply chains, and customer service, resulting in revenue loss and contract risks. Compliance with cybersecurity regulations requires ongoing investments in IT security infrastructure.	●	●	●		IT infrastructure providers, cybersecurity vendors, and data protection service providers.	Corporate IT, cybersecurity teams, and compliance departments.	Customers, partners, and regulatory bodies.

1 *Other Work-Related Rights: (a) Child Labour; (b) Forced Labour; (c) Adequate Housing Conditions; (d) Privacy; (f) Water and Sanitary Conditions.*

2 ***Improper Use of Goods: Dual Use, Export Controls***
Hexagon operates in high-tech industries where certain product could be classified as dual-use—they can be used for both civilian and military applications or to created negative socioeconomic or environmental impact. To prevent unauthorized or unethical use, Hexagon enforces strict export controls, trade compliance policies, and due diligence processes that comply with international regulations, including EU and US export control laws.

3 ***Business Responsiveness: Industry 4.0, Innovation & Digitalisation***
Hexagon drives Industry 4.0 by integrating AI, IoT, automation, and data-driven technologies into multiple sectors. Collaborating with clients, research institutions, and industry leaders, Hexagon ensures continuous innovation for sustainable industrial progress.

4 ***Cybersecurity: Cyber- and Data-Related Topics***
Hexagon prioritises cybersecurity to maintain trust, ensure continuity, and comply with regulations like GDPR and ISO 27001. Its approach includes data protection through encryption, threat prevention via risk management and testing, and workforce training. Robust response plans and policies ensure business resilience and regulatory compliance.

Environment

Solutions driving ESG progress

Committed to advancing the UN Sustainable Development Goals and the Paris Agreement 2030 Agenda for Sustainable Development, Hexagon acknowledges its responsibility for addressing environmental challenges both within its own operations and throughout the entire value chain. As a signatory to the United Nations Global Compact (UNGC), Hexagon endorses and actively promotes its ten principles related to environmental stewardship, both in its own practices and with external partners. This commitment reflects Hexagon's dedication to conducting business responsibly and ethically while supporting the UN SDGs. The expectations and commitments are outlined in Hexagon's Environmental Policy.

Hexagon's sustainability targets and roadmap

	2022	2023	2024	2025	2027	2030
Employees	19,562 employees conducted **diversity training**	All employees **trained in cyber security and anti-harassment**	18,421 employees trained in **equity and inclusion**	**30%** women in leadership positions		
Energy	**35%** renewable electricity	**~35,000 MWh** renewable energy produced	**49.2%** renewable electricity	**20%** reduction in power consumption	**100%** renewable electricity	
Company vehicles	**-5.3%** combustion vehicles in car fleet	**Guidance of green vehicles** in car fleet	**-6.5%** combustion vehicles in car fleet compared with 2023			**90%** electric vehicles in car fleet
Nature			**Waste management programme** in manufacturing sites	**Water management programme** for sites in high-risk areas	**Biodiversity action plan** implemented in major facilities	**Zero waste** to landfill ambition
Products		**Eco design trainings** in product innovation and development	**Quantified avoided emissions** of 20+ product use cases	**Avoided emissions framework** expanded to all product lines	**Doubled sale** of circular products	
Suppliers	**11 key suppliers** in high-risk countries audited	**100%** of key suppliers in high-risk countries audited	**Key suppliers** in high-risk areas audited every three years	**Human rights due diligence** hot spots in value chain	**20%** CO_2 reduction in logistics emissions	**>50%** of procurement spend covered by SBTi validated targets

Hexagon's path to net zero

To support its climate journey across the full value chain, Hexagon has set clear short- and long-term goals for its carbon emissions:

Overall Net-Zero Target:

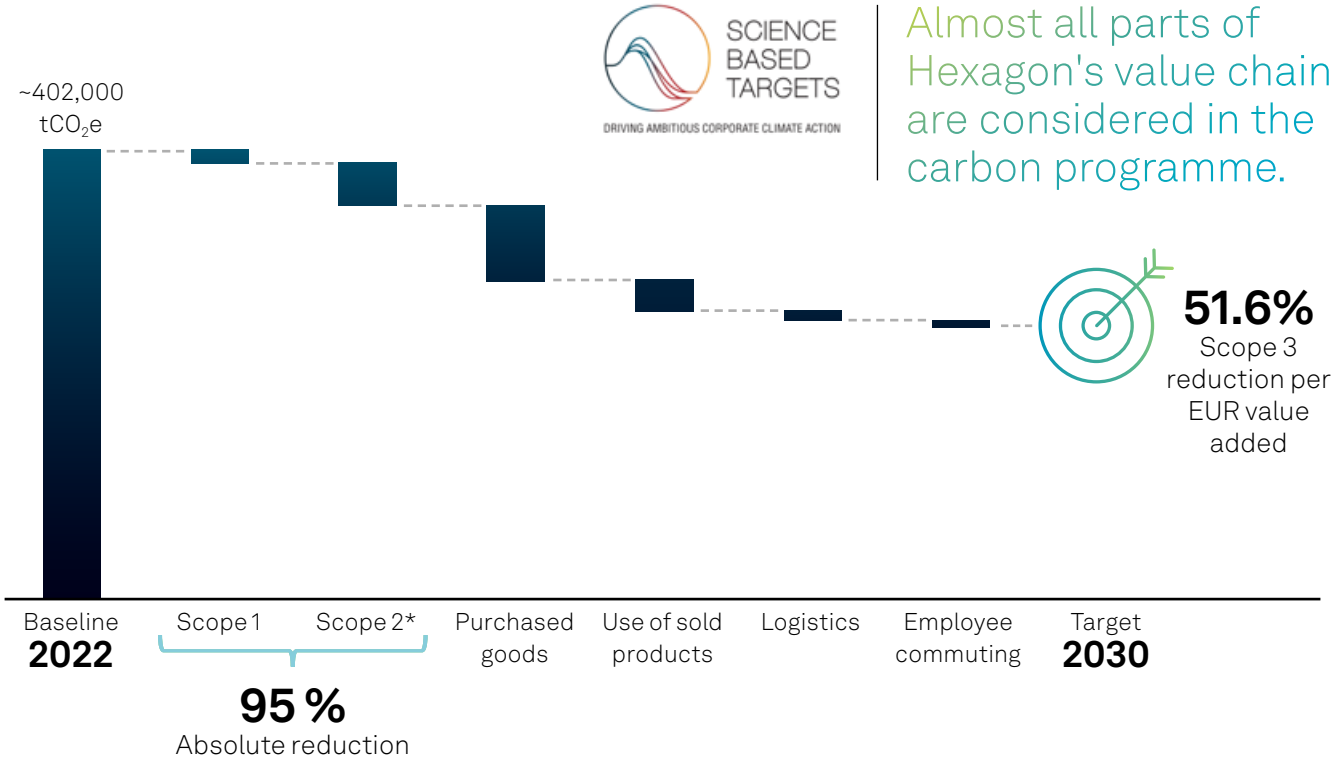
- Hexagon commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-Term Targets:

- Hexagon commits to reduce absolute Scope 1 and 2 GHG emissions by 95% by 2030 from a 2022 base year.
- Hexagon also commits to increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027 and to continue active annual sourcing of 100% renewable electricity through 2030.
- Hexagon further commits to reduce Scope 3 GHG emissions by 51.6% per EUR value added by 2030 from a 2022 base year.
- Hexagon finally commits that 50% of its suppliers by spend covering purchased goods and services will have science-based targets by 2028.

Long-Term Targets:

- Hexagon commits to maintain a minimum of 95% absolute Scope 1 and 2 GHG emissions from 2030 through 2050 from a 2022 base year.
- Hexagon commits to reduce Scope 3 GHG emissions by 97% per EUR value added by 2050 from a 2022 base year.



* Hexagon's Scope 2 targets refer to market-based emissions

CO_2 reduction levers

To reach the goal of reducing its Scope 1 and 2 GHG emissions by 95 percent by 2030, and its Scope 3 GHG emissions by 51.6 percent per EUR value added by the same date, Hexagon has identified its key reduction levers that it will focus on in order to reach the goal. The key enablers are purchased goods, logistics, business travel, purchased electricity, and vehicle fleet, where Hexagon will implement activities and change its processes in order to achieve long-term carbon reduction. To address the Scope 3 GHG emissions, Hexagon's supplier engagement programme and service providers will be critical in the progress plan, as well as enable and incentivise employees in new and more environmentally friendly ways of commuting and travelling at work, also including home office and remote working options.

Avoided Emissions Framework
–Enabling positive climate impact for customers

What are the climate benefits of Hexagon's portfolio?
Carbon emissions need to decrease rapidly to meet the goals of the Paris Agreement. Previous chapters have outlined Hexagon's ambitious goals to reduce its carbon footprint, validated by the Science Based Targets Initiative (SBTi).

Acknowledging the urgency of the climate crisis, Hexagon has started an initiative to quantify the carbon benefits of its solutions. Hexagon considers its impactful solutions a key responsibility, as they present a significant lever for decarbonisation.

This strategy goes beyond reducing environmental harm. It accelerates solutions that help customers reduce their emissions. Hexagon's customers' reduced emissions are Hexagon's avoided emissions.

Avoided emissions are determined by comparing a solution scenario with a reference scenario; see Figure 1.

Hexagon prioritises the initiative because:

- It contributes to Hexagon's social licence to operate by demonstrating the positive impact of Hexagon's solutions.
- It enables investors to build impactful portfolios.
- It highlights areas for investment and future growth.

Hexagon aims to report growing avoided emissions every year. Therefore, quantifying and reporting avoided emissions becomes a vast opportunity to reshape Hexagon's portfolio.

Process and progress
In 2024, Hexagon started scanning its portfolio for solutions with a distinct mechanism to avoid emissions. The solutions have been prioritised according to their financial impact and estimated avoided emissions; see Figure 2. For every prioritised solution, customers have been selected and contacted.

Together with customers, Hexagon has quantified avoided emissions for numerous solutions[1], spanning six industries and 12 countries[2].

Checking eligibility
Hexagon's quantification of avoided emissions complies with the Guidance on Avoided Emissions, which the World Business Council for Sustainable Development (WBCSD) published in March 2023. It defines three compulsory eligibility gates for reporting:

- **Gate 1: Climate action credibility**
  Hexagon has a solid climate strategy, SBTi-validated carbon reduction targets, site-specific roadmaps and regular reporting.
- **Gate 2: Climate science alignment**
  The solution must have mitigation potential, not contribute to fossil fuel exploitation, and be compatible with the Paris Agreement. To pass this gate, Hexagon proves that each solution has mitigation potential according to the EU taxonomy and the Intergovernmental Panel on Climate Change's (IPCC) Annual Report 6.
- **Gate 3: Contribution legitimacy**
  The solution needs to directly and significantly contribute to avoiding emissions.

1) HxGN InService, M.App Enterprise, Metrology, RADAN, TubeInspect, Virtual Test Drive, wind turbine gearbox design
2) Austria, Canada, China, France, Germany, India, Italy, Japan, Switzerland, The Netherlands, the United States, and the United Kingdom

Figure 1 – Avoided emissions

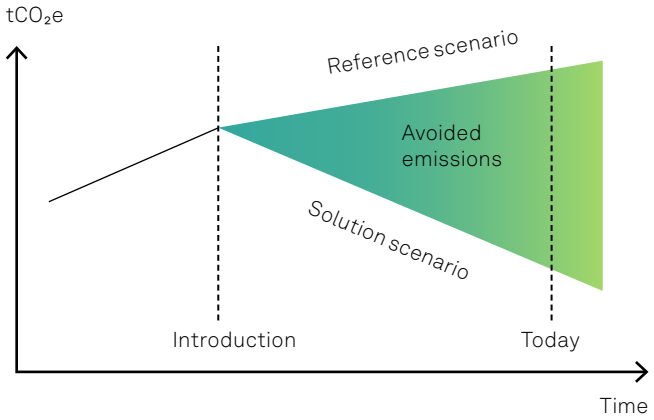
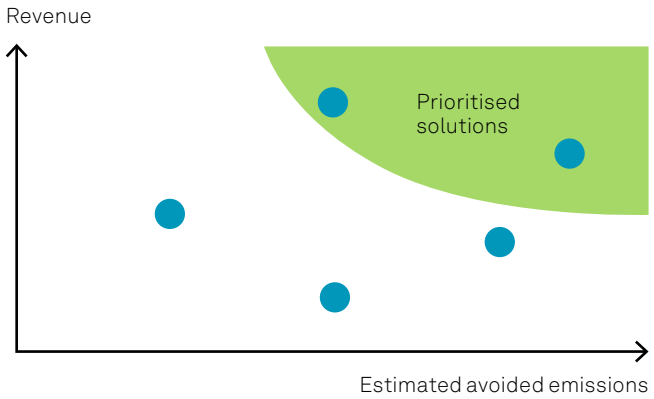


Figure 2 – Prioritising solutions



Reporting on selected customer use cases only

Case studies have shown that avoided emissions may differ considerably between customers, even if the solution and its use case are comparable. Therefore, avoiding scaling to a product level ensures a high level of specificity. Representing a fraction of customers, the reported avoided emissions are a lower bound of actual avoided emissions. Historical avoided emissions refer to emissions avoided up to and including year 2023.

Hexagon only reports on conducted case studies without scaling the results. Therefore, the reported avoided emissions are a lower bound of actual avoided emissions.

Solution developer vs. key component

Most solutions require multiple stakeholders to deliver avoided emissions. Following the WBCSD guidance, Hexagon will not perform quantitative allocation in those cases. Instead, Hexagon differentiates between:

- Use cases in which Hexagon is solely responsible for the solution ("solution developer") and
- Use cases in which Hexagon supplies an essential part of the solution ("key component").

In 2023, almost all of Hexagon's reported avoided emissions come from providing key components.

Hexagon will not report on use cases in which it supplies a generic component, since this would also violate eligibility gate 3: contribution legitimacy.

Outlook

In 2025, Hexagon will finalise establishing its avoided emissions reporting:

- Comprehensively analyse the portfolio to identify solutions with a distinct mechanism to avoid emissions.
- Conduct further customer case studies on the identified products and projects.
- Set up a framework for reporting.

Throughout the coming months and years, Hexagon will continue leveraging its initial results to strategically shape Hexagon's future portfolio scale decarbonisation in the industries Hexagon serves.

39 $MtCO_2e$ Historical avoided emissions ("key components")

17 $MtCO_2e$ Avoided emissions in 2023 ("key components")

Accelerating renewables

Based on the solutions quantified so far, the most impactful project is Hexagon's gearbox design for wind turbines, representing 99.97 percent of avoided emissions in 2023. Between 2011 and 2023, the gearbox design was used to install 16.6 GW of wind power in China and India. The avoided emissions have been calculated relative to a scenario in which the electricity grid would have supplied the generated energy.

For the Austrian city of Klagenfurt, Hexagon created a digital twin that enabled feasibility and economic analyses of rooftop solar panels. Since its introduction in 2021, the solar power growth rate has been 50 percentage points. above the Austrian average.

In East Lothian, Scotland, a Hexagon partner has leveraged Hexagon's geospatial platform, M.App Enterprise, to calculate the most effective locations for electric vehicle charging stations. Between 2019 and 2023, the growth rate of supplied charging energy outperformed the UK's annual electric vehicle growth rate by 60 percentage points.

Reducing scrap in manufacturing

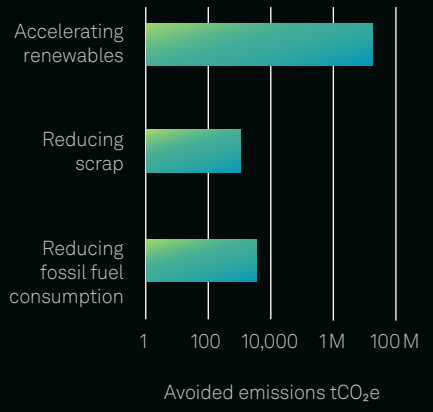
Hexagon's CAD/CAM software RADAN helps reduce material input for metal sheet laser cutting applications. Compared with the competitor solution two Hexagon customers have used before, RADAN reduced material input by 15 percent and 18.8 percent, respectively, avoiding a combined 950 tCO_2e in 2023.

Manufacturing electric scooters requires tube bending. Introducing TubeInspect, a French Hexagon customer, reduced its annual scrap count by 93 percent. TubeInspect is a camera-based metrology solution that can calculate bending correction data and feed it back to the bending machines in real time.

Reducing fossil fuel consumption

HxGN InService is an integrated outage management system that helps prevent and quickly resolve outages. Hexagon has conducted case studies with five North American customers. Looking at the System Average Interuption Duration Index (SAIDI), an important reliability metric, their outage performance is between 26 percent and 69 percent better than the province/country average. Fewer outrage hours reduce the need to run fossil-fuel-powered generators. Conservative assumptions predict 2,300 tCO_2e avoided emissions in 2023.

2023 avoided emissions per mechanism



CO_2 reduction roadmap yearly milestones

To ensure the journey towards net-zero in the full value chain by 2050 is on track, Hexagon's sustainability goals are broken down with milestones for Scope 1, 2, 3, and avoided emissions for the years 2025, 2027, 2030, and 2050. The initiatives include training for all employees in CO_2 emissions reduction activities, a programme for expanding the use of renewable energy at all facilities and offices, criteria for product development, supplier requirements, and reduction targets for downstream and upstream logistics-related carbon emissions. Hexagon will present its progress regularly in upcoming sustainability reports to increase transparency and maintain its momentum in realising its sustainability strategy.

	Scope 1	Scope 2	Scope 3		Avoided emissions
	Direct emissions	**Electricity**	**Upstream**	**Downstream**	**Customers' use**
2025	All employees completed training on CO_2	>50% energy from renewables	Eco-design criteria in product innovation and development	Distribution partners programme	Avoided emissions guidance in place
2027	At least 50% reduction in Scope 1	100% energy from renewables	20% reduction in logistics emissions	20% reduction in logistics emissions Double sales of circular products	Goal set for CO_2 avoidance through products Credits through R-evolution
2030	At least 90% reduction in Scope 1		>50% procurement spend covered by SBTi validated targets		
2050	Net–zero in value chain				

Climate mitigation measures

1. Facility improvement programmes

Hexagon facilities have initiated an improvement programme aimed at enhancing their resource efficiency to reduce their environmental impact. Many facilities reduced their power consumption in 2024 compared to 2023, despite an increase in production. At the same time, Hexagon increased its total installed capacity for renewable energy production through photovoltaic energy and managed to increase the renewable energy produced to approximately 31,490 MWh (12 percent CAGR compared to 2022). To ensure the reduction of its Scope 2 emissions, Hexagon entered into a green power purchase agreement (PPA) for its major facilities. Furthermore, Hexagon covers the demand for renewable electricity in areas where direct access to renewable energy sources is not feasible through the purchase of RECs in order to stimulate investment in renewable energy projects.

Hexagon has also obtained ISO 14001 certifications for the majority of its production sites. On these, as well as on other sites, environmental management is approached systematically and with a focus on continuous improvement.

- Progress highlights from 2023 to 2024 include:
  - Reduced Scope 1 emissions by 10%.
  - Reduced Scope 2 emissions by 7%.
  - Reduced total electricity consumption by 9%.

2. Minimising carbon emissions from cloud storage

A significant part of Hexagon's business is software-related, meaning that a large share of the company's total carbon emissions is related to the operations of cloud computing and storage at its providers and internal servers. To reduce its cloud waste, which refers to the unnecessary consumption of cloud resources leading to higher costs without providing significant benefits or value, Hexagon initiated a project with one of its major cloud providers. The purpose is to map and decrease its unnecessary emissions through purchasing server capacity hosted with green energy and to more efficiently utilise the available server computing and storage resources.

- Progress highlights from 2024 include:
  - A decrease of 576.19 metric tonnes CO_2e due to renewable energy purchases and cloud efficiencies compared to on-premises equivalent workloads. Since its implementation, Hexagon tracks its related cloud emissions on a monthly basis.

3. Transition of company car fleet

Hexagon has around 2,640 company vehicles, which account for approximately 67 percent of the company's Scope 1 carbon emissions. These emissions are largely derived from traditional petrol and diesel vehicles, contributing to environmental degradation and climate change. To address this issue, Hexagon is committed to transitioning its fleet to electric vehicles (EVs), aiming to significantly reduce its carbon footprint. By adopting EVs, Hexagon will not only decrease greenhouse gas emissions but also lower operational costs associated with fuel consumption and maintenance. The company is exploring partnerships with electric vehicle manufacturers and charging infrastructure providers to ensure a smooth transition.

- Progress highlights from 2024 includes:
  - Successfully increased the amount of electric vehicles by 6.5% compared to previous year.

4. Supplier Engagement Programme

A material portion of Hexagon's Scope 3 carbon footprint arises from its supply chain, making it a critical area for reducing greenhouse gas emissions. Recognising the significant impact of supplier operations on overall emissions, Hexagon launched a comprehensive Supplier Engagement Programme in 2024 and stipulated an ambitious goal for its suppliers, aiming for 50 percent of its key suppliers establish and commit to emissions reduction targets aligned with the Paris Agreement by 2028. By engaging suppliers in this initiative, Hexagon seeks to foster a collaborative approach towards sustainability. The programme will provide resources and guidance for suppliers to set meaningful and achievable carbon reduction targets, ultimately enhancing their environmental performance. Furthermore, Hexagon has been investing in Sustainable Aviation Fuel (SAF) to partially mitigate the CO_2 emissions associated with its business travel. In 2024, Hexagon mitigated 11,200 tCO_2 by purchasing SAF.

5. ESG criteria in the design process

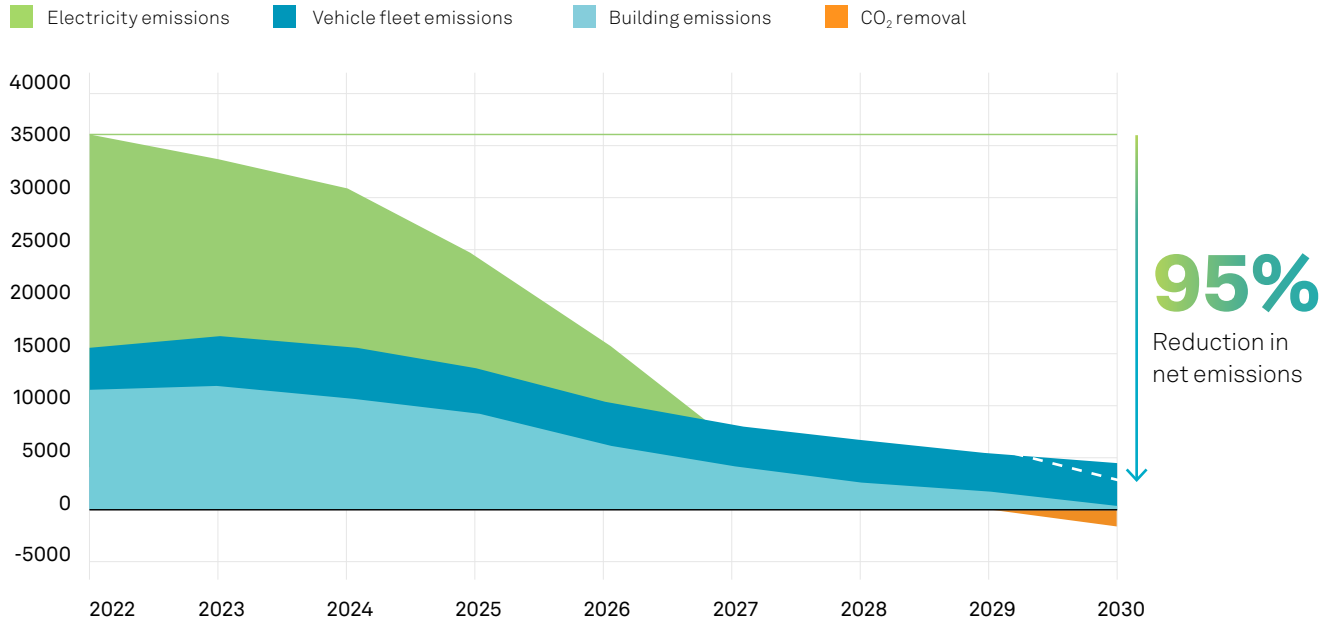
When developing new products, a robust design phase is critical to ensure that sustainability considerations encompass all products throughout their life cycles. New solutions are leveraged through Hexagon's Innovation Process (HIP), a process that drives the efficiency and effectiveness of products (hardware, software or services) through continuous development and improvement. In addition to quality and cost management, ESG criteria have been implemented in the process to increase transparency and enable product development teams to consider the environmental impact of the alternatives while they prototype a new or upgraded solution. The process includes conducting lifecycle assessments

(LCAs) of targeted products, assessment of improvement potentials, and assessment of these alternatives during product development. The LCAs include assessing the materials' water usage, land usage, and effects on climate change together with logistics, manufacturing, usage and end-of-life scenarios. The ambition is to also include data on the components from suppliers to understand the full cradle-to-gate environmental impact of each product to support decision-making and drive sales.

6. Extending product life-cycles

To extend the life cycles of products and to minimise unnecessary waste, Hexagon has a programme in place for its used equipment at the hardware divisions. At the Certified Pre-Owned Equipment Centre (CPEC) at the Geosystems division, all used Total Stations, GPS, HDS, and construction tool equipment is checked by Hexagon's technical service team and then fully serviced to provide the same level of reliability as a new product. It is then brought back to more than 120 countries through refurbished second-hand product sales, significantly extending product life usage and avoids unnecessary sourcing and production of new components. The core principles at the CPEC are to reduce, reuse, and recycle to drive the circularity of products and components. Its goal is to make sustainable tools readily available globally, facilitating a wider impact on environmental conservation. The quality refurbishments are conducted by Hexagon experts to guarantee that the tools undergo top-quality refurbishment and repairs, backed by a professional warranty. The CPEC's commitment to environmental and social responsibility goes beyond business and strives to foster a positive environmental and societal impact. At the Manufacturing Intelligence division, over 100 Hexagon service centres are strategically distributed throughout the world to guarantee customers fast and efficient repairs for their coordinating measuring machines, supporting a culture among its customers where updating and renovating equipment is encouraged to extend its life cycle.

Scope 1 and 2 reduction roadmap



100% renewable energy program
Investments in onsite renewable energy at 7 sites in the coming 3 years. Estimated adoption of the Global Energy Attribute Certificate (EAC) framework to cover 40 percent of the renewable power needs.

Facility optimisation
Upgrading energy-inefficient sites, assuming a 5 percent y-o-y improvement despite business growth.

Green vehicle framework
Right-sizing fleet size according to local and business requirements. Switching the remaining vehicle fleet to electric or full hybrid latest by the end of 2030.

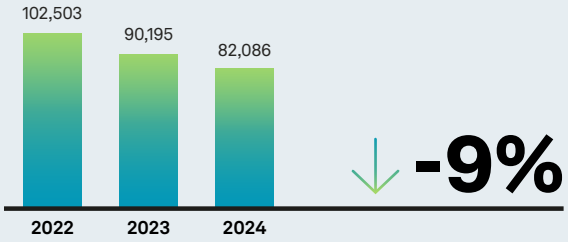
Carbon sequestration
Carbon removals will be used for the share of emissions that are difficult to abate (onsite combustion heaters).

Carbon emissions — highlights and progress

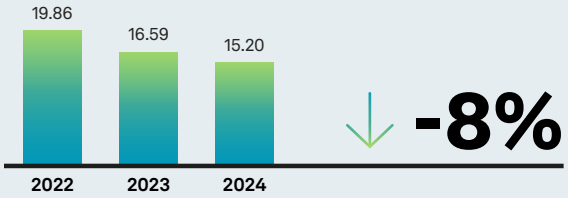
In 2024, Hexagon continued its efforts to reduce carbon emissions and improve energy efficiency across its operations. Compared to its 2022 baseline, Hexagon has made measurable progress in key areas. This section provides an overview of the performance, highlighting the reductions achieved and the ongoing work towards long-term sustainability goals.

CONSUMPTION

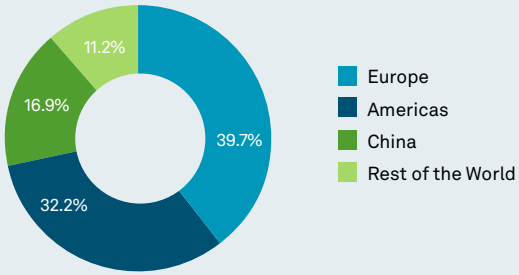
Electricity consumption (MWh)



Power consumption/net sales ('000)

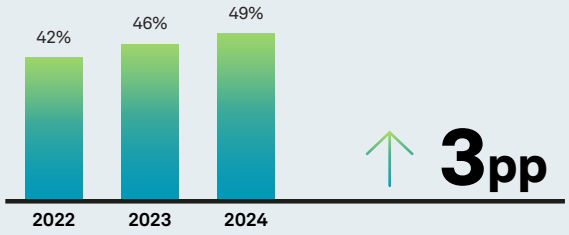


Energy consumption by region

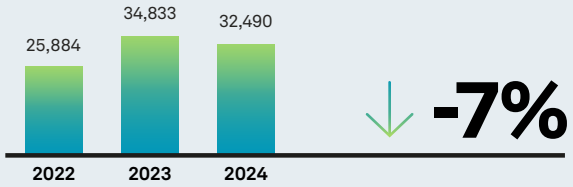


RENEWABLE ELECTRICITY

Share of renewable electricity in total electricity consumption

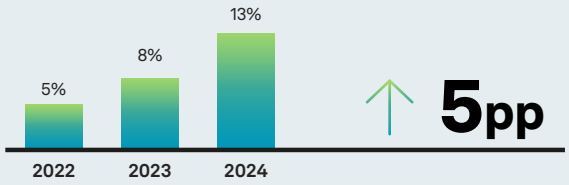


Renewable electricity produced (MWh)



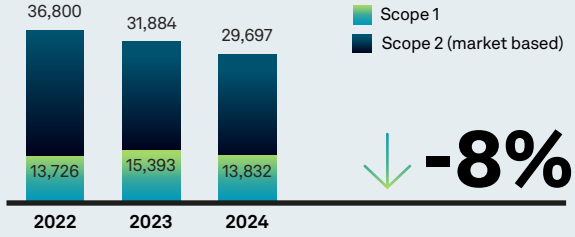
ELECTRIC VEHICLES

Electric vehicles share of company car fleet

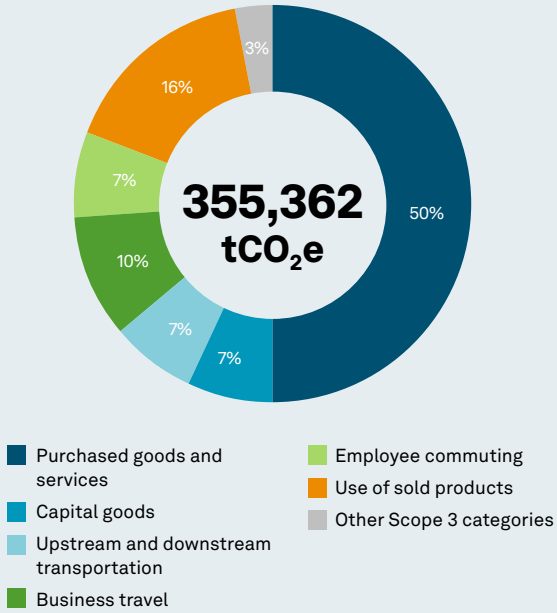


SCOPE 1, 2 AND 3

Scope 1 and Scope 2 emissions (tonne of CO_2e)



Scope 3 by category



Environmental Key Performance Indicators

Environmental Key Performance Indicators (KPIs)	Unit	FY 2024	FY 2023	FY 2022	YoY change
Total Energy consumed	MWh	104,706	111,236	120,694	-6%
Energy intensity ratio	MWh / MEUR	19.4	20.5	23.4	-5%
Total GHG emissions (Scope 1)	tCO_2	13,832	15,393	13,726	-10%
Total electricity consumption*	MWh	82,086	90,195	102,503	-9%
Electricity consumption from grid*	MWh	56,137	68,371	69,374	-18%
Renewable electricity produced and consumed on-site	MWh	1,676	1,608	1,264	4%
Renewable electricity produced	MWh	32,490	34,833	25,884	-7%
Green electricity and REC consumed	MWh	16,227	18,280	11,726	-11%
Share of renewable electricity out of total consumption	%	49	46	42	3 pp.
Total Indirect GHG emissions (Scope 2, market-based)*	tCO_2	29,131	31,710	36,800	-8%
Total Indirect GHG emissions (Scope 2, location-based)*	tCO_2	29,375	33,239	38,306	-12%
Total Scope 3 emissions	tCO_2	355,362	362,351	350,816	-2%
GHG emissions intensity ratio Scope 1	tCO_2 / MEUR	2.6	2.8	2.7	-10%
GHG emissions intensity ratio Scope 2 (market-based)	tCO_2 / MEUR	5.5	5.9	7.1	-6%
GHG emissions intensity ratio Scope 2 (market-based)	$kgCO_2$/MWh	361.8	353.5	353.5	2%
GHG emissions intensity ratio Scope 3	tCO_2 / MEUR	65.8	66.7	68.0	-1%
Total hazardous waste generated	MT	41	159.5	265	-74%
Total waste recycled	MT	1,288	1,690.6	1,473	-24%
Total recycled input materials used	MT	128	159.6	-	-20%
Water consumption	m^3	253,529	240,640.1	221,672	5%

* Restatement of 2023 data following the revision of power consumption, see more on sustainability related notes page 118.

Full GRI and SASB reporting table can be found on page 121 - 128.

EU Taxonomy report

This is Hexagon's fourth EU Taxonomy report. Hexagon deems its Taxonomy eligible revenue for 2024 to be approximately 6.06 percent of its total turnover. While being an enabler of sustainability, the significant majority of Hexagon's business activities are currently not clearly defined in the description to the economic activities within the EU Taxonomy and therefore will not be eligible. Hexagon applied the precautionary principle to determine applicable eligible activities and excluded activities not matching precisely with the definitions in the EU Taxonomy, its Delegated Act, and supporting NACE code classifications.

Hexagon used the EU Delegated Acts information to determine its eligible activities. Of the total 2024 revenue, 6.06 percent is eligible and 0.02 percent is aligned with the criteria defined in the EU Taxonomy. Hexagon has interpreted its relevance in the EU Taxonomy into the following sections under Climate Change Mitigation, Circular economy, and Water:

- Electricity generation using solar photovoltaic technology (CCM 4.1)
- Data-driven solutions for GHG emissions reductions (CCM 8.2)
- Provision of IT/OT data-driven solutions (CE 4.1)
- Manufacture, installation, and associated services for leakage control technologies enabling leakage reduction (WTR 1.1)
- Repair, refurbishment, and remanufacturing (CE 5.1)

Following a review and second opinion from EU Taxonomy experts, the eligible activities reported for 2023 were restated,and the two activities reported under "Emergency Services" and "Conservation, including restoration, of habitats[1], ecosystems[2], and species" were removed. For the reporting year 2024, the eligible economic activity "Electricity generation using solar photovoltaic technology" is associated with the Archidona solar park Hexagon acquired during 2021.

The eligible economic activity "Data-driven solutions for GHG emissions reductions" is associated with isolated activities related to Hexagon's applied solutions for eMobility and wind farm engineering services, as well as the optimiser feature for the MineOperate solution.

The eligible economic activity "Provision of IT/OT data-driven solutions" is associated with solutions related to Hexagon's solutions suite at Intergraph Smart Construction, iConstruct, EAM, SDx, PAS and Jovix.

The eligible economic activity "Manufacture, installation and associated services for leakage control technologies enabling leakage reduction" is associated with the HxGN NetWorks solutions suite.

The eligible economic activity "Repair, refurbishment and remanufacturing of electronic and optical products" are associated with Hexagon's Certified Pre-Owned Equipment Centre.

Alignment:
The activity CCM 4.1 Electricity generation using solar photovoltaic technology (the Archidona solar park) fulfils the EU Taxonomy criteria for alignment as it has a substantial contribution to climate mitigation, meets the criteria for DNSH in regards of climate change adaptation and biodiversity set forth in Appendices A and D. It also meets the criteria for circular economy as it uses equipment and components of high durability and recyclability that are easy to dismantle and refurbish. It also meets the criteria of the Minimum Safeguards as it has established processes and policies for due diligence of Human Rights, Corruption, Taxation and Fair Competition based on the EU Guiding Principles. In addition Hexagon did not have any conviction in court on any of these topics.

The remaining eligible activities are not considered aligned as they do not meet the technical screening criteria set forth in the Delegated Acts (2021) 2800 and (2023) 2486. While the activities may support at least one of the environmental goals and do no significant harm to the other environmental goals, there is currently not enough data available to fully comply with all technical screening criteria set forth in the Delegated Acts (2021) 2800 and (2023) 2486.

Nuclear and fossil gas-related activities

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Turnover

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
Economic activities (1)	Code (2)	Turnover (3) MEUR	Proportion of Turnover, year 2024 (4) %	Climate Change Mitigation (5), Y; N; N/EL	Climate Change Adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular Economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	1.10	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.05%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1.10**	**0.02%**	**0.02%**	-	-	-	-	-	-	-	-	-	-	-	-	**0.05%**		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Provision of IT/OT data-driven solutions	CE 4.1.	265.15	4.91%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4.69%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	5.47	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.12%		
Repair, refurbishment and remanufacturing	CE 5.1.	6.61	0.12%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.10%		
Manufacture, installation and associated services for leakage control	WTR 1.1.	48.90	0.91%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.25%		
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**326.13**	**6.04%**	**0.10%**	**-**	**0.91%**	**-**	**5.03%**	**-**								**5.16%**		
A. Turnover of Taxonomy eligible activities (A1+A2)		**327.22**	**6.06%**	**0.12%**	**-**	**0.91%**	**-**	**5.03%**	**-**								**5.21%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		5,073.88	93.94%																
TOTAL		5,401.10	100%																

Total turnover corresponds to net sales in the consolidated income statement in the Hexagon 2024 Annual Report. The turnover KPI represents the proportion of the turnover derived from products or services that are taxonomy-eligible and taxonomy-aligned. The taxonomy-eligible activities were screened for associated turnover. Turnover is derived from the sale of products and the provision of services after deducting sales rebates, and value-added tax, and other taxes directly linked to turnover. Hexagon's revenue streams stem from the sales of information technology solutions in which hardware and software are integrated, as well as services, licences, and other assignments. Revenue from agreements with customers is reported in the income statement as net sales.

CapEx

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
Economic activities (1)	Code (2)	CapEx (3) MEUR	Proportion of CapEx, year2024 (4) %	Climate Change Mitigation (5), Y; N; N/EL	Climate Change Adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular Economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	0.00	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.01%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**%**	**%**	**%**	**%**	**%**	-	-	-	-	-	-	-	**0.01%**		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Provision of IT/OT data-driven solutions	CE 4.1.	26.32	3.87%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3.21%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.00%		
Manufacture, installation and associated services for leakage control	WTR 1.1.	5.51	0.81%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.28%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**31.84**	**4.68%**	**0,00%**	**-**	**0.81%**	**-**	**3.87%**	**-**								**3.49%**		
A. CapEx of Taxonomy eligible activities (A1+A2)		**31.84**	**4.68%**	**0,00%**	**-**	**0.81%**	**-**	**3.87%**	**-**								**3.50%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		649.06	95.32%																
TOTAL		680.90	100%																

CapEx is defined as investments in intangible assets excluding goodwill and tangible assets such as property, machinery, and other equipment, together with the IFRS 16 right-of-use assets. The total CapEx amount can be found in the Hexagon 2024 Annual Report in notes 14-16. The CapEx KPI represents the proportion of the capital expenditure of an activity that is taxonomy-eligible and taxonomy-aligned. The taxonomy-eligible activities were screened for associated CapEx using cost types. The taxonomy-aligned CapEx investments mainly consist of intangible assets. Own measures and purchased output from suppliers' economic activities have not been screened for eligibility in 2024.

OpEx

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
Economic activities (1)	Code (2)	OpEx (3) MEUR	Proportion of OpEx, year 2024 (4) %	Climate Change Mitigation (5), Y; N; N/EL	Climate Change Adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular Economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Provision of IT/OT data-driven solutions	CCM 4.1.	0.30	0.07%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.07%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.30**	**0.07%**	**0.07%**	**%**	**%**	**%**	**%**	**%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.07%**		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Provision of IT/OT data-driven solutions	CE 4.1.	37.99	8.44%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								7.97%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	2.45	0.54%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.95%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.17%		
Manufacture, installation and associated services for leakage control	WTR 1.1.	2.92	0.65%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.61%		
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**43.36**	**9.63%**	**0.54%**	**-**	**0.65%**	**-**	**8.44%**	**-**								**9.70%**		
A. OpEx of Taxonomy eligible activities (A1+A2)		**43.67**	**9.70%**	**0.61%**	**-**	**0.65%**	**-**	**8.44%**	**-**								**9.77%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		406.61	90.30%																
TOTAL		450.28	100%																

OpEx is defined as direct expenditures relating to the day-to-day servicing of assets of the property, plant, and equipment that are necessary to ensure the continued and effective use of such assets (e.g., research and development, building renovation measures, short-term lease, maintenance, and repair). The OpEx KPI represents the proportion of the operating expenditure of an activity that is taxonomy-eligible and taxonomy aligned. The taxonomy-eligible activities were screened for associated OpEx using cost types. Own measures and purchased output from suppliers' economic activities have not been screened for eligibility in 2024.

The allocation of the turnover for eligible activities was prepared by using product accounts. CapEx and OpEx were allocated by using cost types. All activities were isolated when allocating turnover, CapEx and OpEx to avoid double counting.

Social

An inclusive workforce imperative for innovation

Hexagon is committed to being a diverse workplace that mirrors the international nature of the business – with employees, customers, and suppliers working across the world in more than 50 countries. With an approach focused on competence development, diversity and inclusion, employee engagement, and health and safety, Hexagon is able to increase its innovativeness and remain competitive with its peers, regardless of where it operates.

As a global organisation, Hexagon celebrates the differences among its employees and strives to build a working environment where diverse values and perspectives are actively harnessed in order to create the best solutions for an equally diverse customer base. In promoting equity and inclusion, Hexagon also ensures access to a greater range of talent. The Hexagon Code of Business Conduct and Ethics ("the Code") helps govern issues such as fair employment, diversity, discrimination, harassment and health and safety. All businesses within the company are obliged to adopt and implement the Code to ensure a uniform approach to these issues. All employees and contractors undergo mandatory training in the Code to ensure it is adopted broadly throughout the organisation, which is repeated regularly to ensure adherence. In 2024, emphasis was placed on the Conflict of Interest topic, and 24,154 employees were trained on this subject.

24,154

employees were trained on the Conflict of Interest topic in 2024

Community engagement and volunteering

To support and maintain a strong and inclusive culture, Hexagon implemented several initiatives in 2024, reaching internal employees and global industry associations. One example is the Care Program, a global effort to foster greater engagement and teamwork within the company, encouraging employees and managers to participate together in local community involvement and charitable activities. The Care Program is currently implemented in three divisions and enables employees to support charitable organisations by providing one day of paid time off per year to engage in volunteer activities, thereby supporting local communities while also strengthening an ethical and socially engaged culture. Another example is the Femme Like You initiative, a network that creates a community of professionals sharing best practices for fostering a healthy business culture across all regions and industries.

Equity and inclusion — from recruitment to senior management trainings

Building an inclusive workforce is a long-term commitment that requires a dedicated approach to diversity throughout the employment cycle – from recruitment to senior management training. Hexagon is committed to ensuring equity and inclusive behaviour across four career stages: recruitment, early career, career development, and senior management. In recruitment, Hexagon uses inclusive hiring practices and gender-neutral university recruiting. For early career development, all employees undergo Diversity & Inclusion training, which defines the rights, expectations, and obligations of all colleagues. In 2024, the completion rate for DEI training was 76 percent For career development, Hexagon offers mentoring, training, awareness campaigns, workshops, women's leadership forums, and networks for underrepresented employees to foster a more diverse and inclusive culture. An example is the Hexagon women's network, Femme Like You, designed to promote equity, diversity, and create events for employees to discuss challenges, pitch ideas, and share best practices. Additionally, all senior management are provided with a toolkit to help them lead by example.

Hexagon strives to be an inclusive workplace across all levels of management. At year-end 2024, the Hexagon Board of Directors comprises 4 women and 5 men, while executive management consists of 2 women and 13 men. Gender distribution in leading positions, including divisional management and their direct reports, was 24 percent women and 76 percent men in 2024. The goal is to reach 30 percent female managers by 2025, and Hexagon is currently implementing a set of initiatives for recruiting, retaining, and developing female leaders to meet this goal.

Discrimination

Any kind of discrimination is completely unacceptable at Hexagon, whether it is exhibited internally or in relation to customer and supplier relations. Prohibiting discrimination is part of the Hexagon Code of Business Conduct and Ethics and the Unfair Discrimination and Harassment Policy. To ensure that discriminatory behaviour does not exist within the organisation, employees are trained on expectations and have several channels to report any discriminatory actions. The first avenue for reporting is through direct access to the HR leader within their division. If the issue cannot be handled at the divisional level, the HR Executive Vice President is approached. Alternatively, Hexagon's compliance team can be reached out directly or an issue can be reported through the anonymous third-party Ethics and Compliance reporting system. Employees who may be subject to unfair discrimination and/or harassment have the right to report it to Hexagon, and there are processes in place to ensure that the employee can do so without fear of victimisation or intimidation.

People — transparency builds trust

Hexagon is proud of its diverse workforce and strives to increase transparency in employee data to promote accountability and highlight areas for improvement related to representation and equality. Hexagon's employee report includes the representation of both women and men at different job levels globally. Hexagon's ambition is to further support initiatives that foster an inclusive culture, enhancing its competitiveness as an employer, where all employees have the same opportunities to grow and prosper.

Occupational health and safety

The safety of personnel in the workplace is a top priority for Hexagon. Hexagon aims to provide a workplace that is free of incidents and promotes a culture of hazard identification and awareness, near-misses and incident reporting, and self-accountability. Where appropriate, Hexagon supports a flexible workplace and the opportunity to work from home. Hexagon is responsible for maintaining a safe work environment by implementing all applicable health and safety rules and practices within each Hexagon entity. Employees are provided with appropriate training and safety equipment to perform their jobs securely. Each employee is personally responsible for working in a safe manner, following all health and safety policies and procedures, participating in safety training, and identifying and reporting any health and safety issues and hazards to management or the relevant internal stakeholders. In 2024, the number of work-related injuries was 65. In 2024, Hexagon reinforced its commitment to safety for customers and partners by focusing its training on Geospatial technology to enhance public safety and climate resilience. Experts were trained to monitor climate hazards, predict risks, and analyse spatial data to identify vulnerable areas for timely interventions. The training also covered disaster preparedness, sustainable development, and advancing climate research through the integration of spatial and socio-economic data. The participants learned to optimise emergency responses, improve disaster management, and support search and rescue operations with geospatial analytics, thereby extending Hexagon's safety commitment to its customers and partners.

Talent development

Upskilling employees in AI

In 2024, Hexagon launched its AI-enabled company programme, demonstrating a strong commitment to upskilling its workforce and integrating responsible and value-driven AI practices across its operations. By investing in continuous learning and development, Hexagon has trained over 50 percent of its global workforce on AI principles, generative AI models, and AI-enabled tools. The company has, in addition to a central knowledge page for the use of AI, fostered AI Circles, which serve as platforms for peer learning, best practices and knowledge exchange. Examples of AI Circles include coding and software development, marketing, and general usage of tools such as Microsoft Co-Pilots and Hexagon ChatGPT. These initiatives are designed to empower employees, diminish scepticism around AI, and promote a culture of innovation and collaboration.

Hexagon's strategic focus on AI is not just about enhancing internal productivity but also about leveraging technology to improve environmental, social, and governance (ESG) outcomes. For instance, in Klagenfurt, Austria, Hexagon's AI-driven geospatial analysis is helping the city identifying and increasing solar panel potential. By transforming data into actionable insights, Hexagon is enabling smarter urban planning, optimising solar energy potential, and supporting sustainable development. Through these efforts, Hexagon is not only advancing its technological capabilities but also reinforcing its commitment to the responsible use of AI and sustainable impact, positioning itself as a leader in the integration of AI for ESG improvements.

>50%

of the company's global workforce has been trained on AI principles, generative AI models, and AI-enabled tools

Trainings, collaborations with universities and research institutes

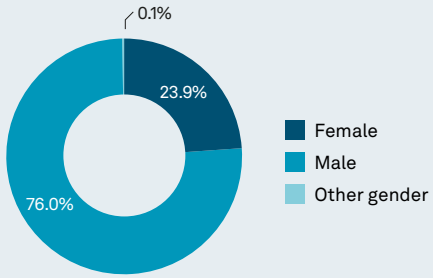
Hexagon is proud to partner with universities and higher education institutions to support future talent development through involvement in education programmes, advisory panels, and sponsored forums and events. Through collaboration with universities and colleges around the world, graduates will gain exposure to Hexagon's technologies and develop industry-ready skills using the company's solutions. One example from 2024 is the new partnership with the Southern California Institute of Architecture (SCI-Arc), established to help train the next generation of architects. The partnership will enable students and faculty at SCI-Arc to experiment with advanced, user-friendly laser-scanning hardware and software, providing hands-on experience with intuitive reality capture solutions that will shape the future of architecture, landscape architecture, urban planning and design, media-based art, and more.

Workforce metrics — highlights and progress

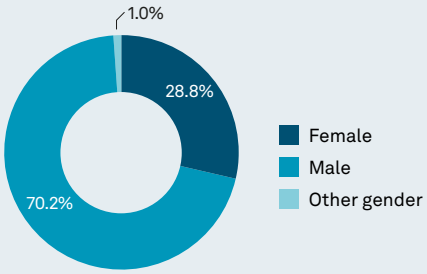
In 2024, Hexagon continued its commitment to fostering a diverse, inclusive, and dynamic workplace. This section highlights key workforce metrics. By tracking these indicators, Hexagon aims to drive innovation, promote equal opportunities, and enhance employee engagement across the organisation.

GENDER

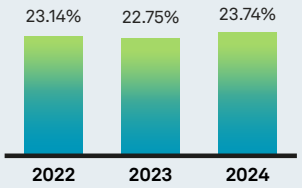
Employees by gender



New hires by gender

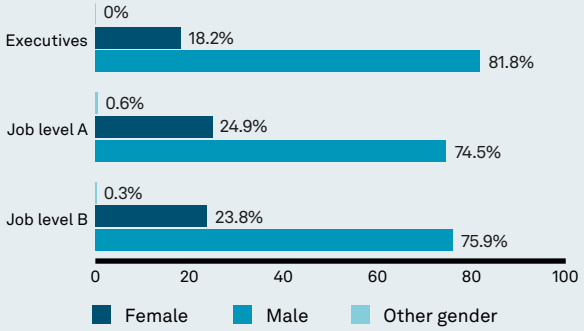


Share of female in leadership position

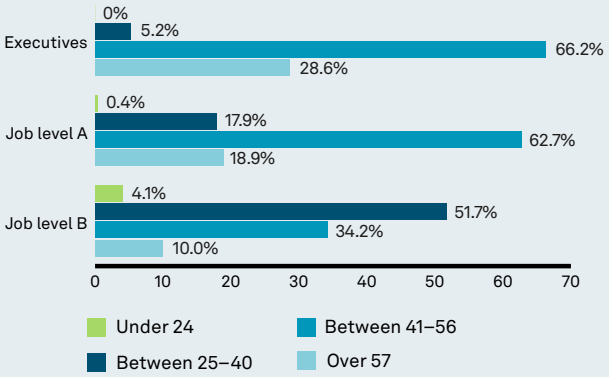


EMPLOYEE CATEGORY

Employee category by gender

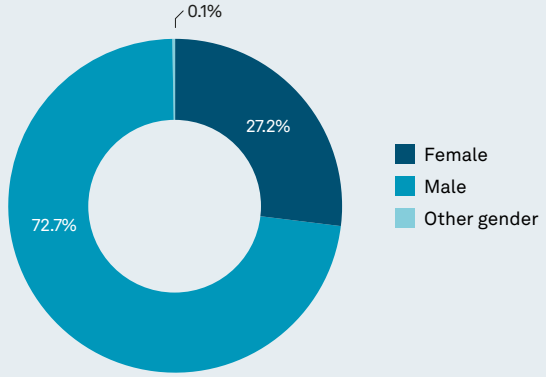


Employee category by age

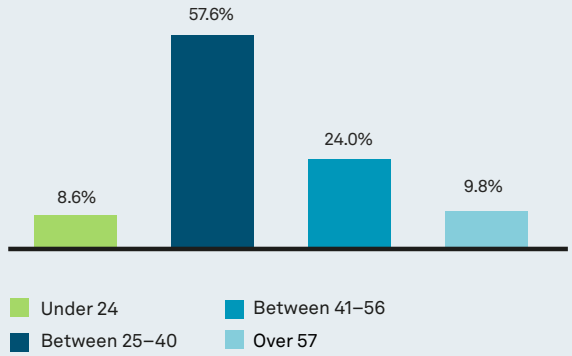


VOLUNTARY TURNOVER

Voluntary turnover by gender



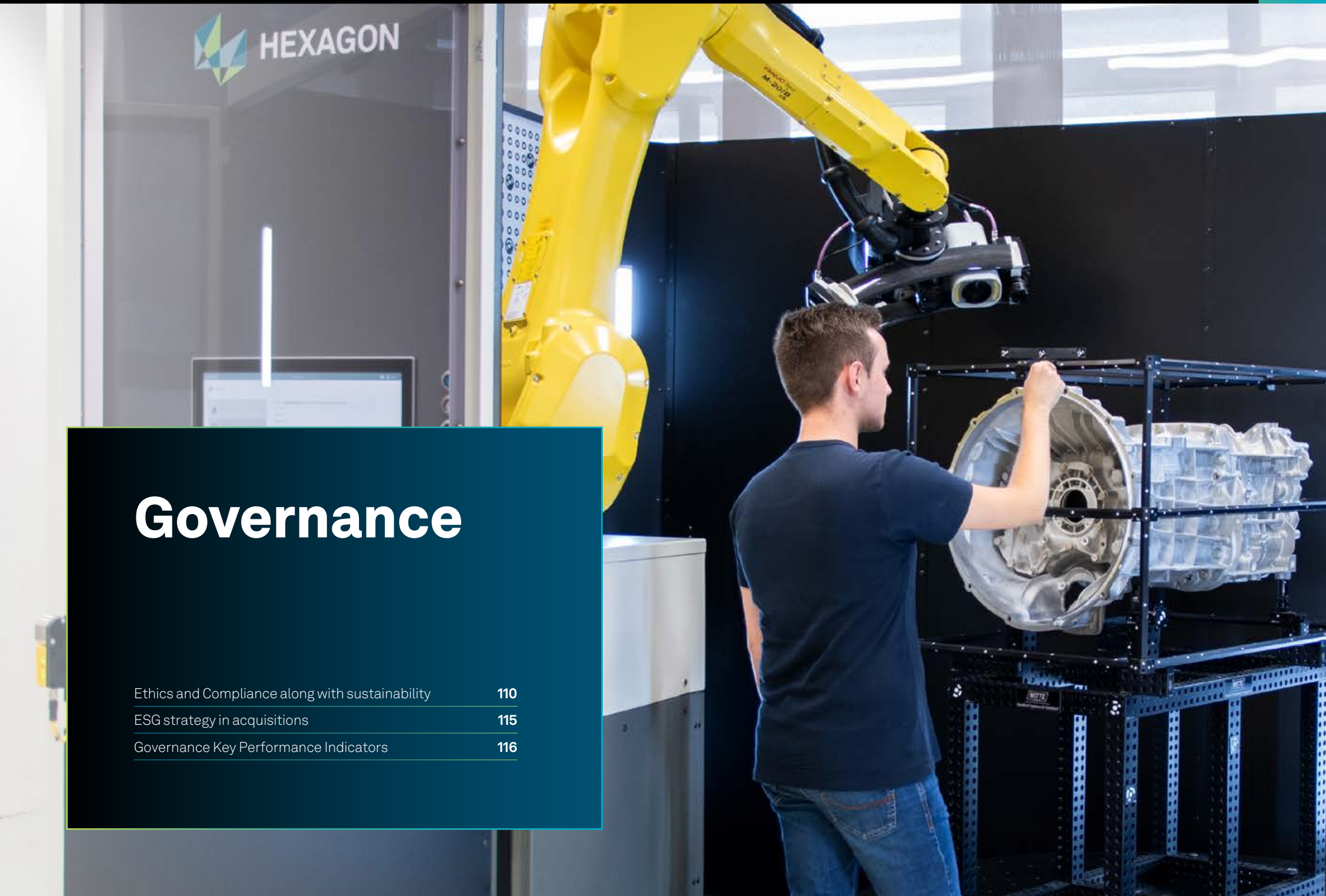
Voluntary turnover by age



Social Key Performance Indicators

Social Key Performance Indicators (KPIs)	Unit	FY 2024	FY 2023	FY 2022	YoY change
Total number of employees	No.	24,802	24,581	24,001	1%
Total working hours by all employees	hours	37,854,539	36,330,702	-	4%
Share of women within the Board of Directors	%	44.4	42.9	40.0	2 pp.
Share of women at top management level	%	23.7	22.7	23.1	1 pp.
Total share of women employed	%	23.9	23.6	23.7	0 pp.
Employees covered in Hexagon Share Programme	No.	1,956	1,753	-	12%
Number of recordable work related injuries	No.	65	31	-	110%
Lost time injury frequency rate (LTIFR)	No.	0.3	0.2	-	101%
Employees covered by H&S system	No.	17,047	17,134	-	-1%
Voluntary employee turnover rate, of total workforce	%	6.3	7.8	10.4	-1 pp.
Employees covered by collective bargaining agreements	%	18.2	22.5	-	-4 pp.
Share of ISO 14001 certified production sites	%	71.9	82.8	75.9	-11 pp.
Share of ISO 45001 certified production sites	%	7	6.9	6.9	0 pp.

Full GRI and SASB reporting table can be found on page 121 - 128.



Governance

Ethics and Compliance along with sustainability

Management of Ethics and Compliance

At Hexagon, Ethics and Compliance are centrally managed by Hexagon's Chief Compliance Officer through a global compliance organisation, established across the entire group and extended into each division or region. Hexagon's Chief Compliance Officer, along with the Compliance Team oversees Ethics and Compliance. The Group Compliance Officer, together with the Division or Regional Compliance Officers within each of Hexagon's divisions or regions, manages and implements the Ethics and Compliance Programme. Additionally, a Compliance Strategic Cabinet monitors legal developments in compliance and sets policies accordingly. To support day-to-day compliance routines, Hexagon has established a global team of compliance coordinators who are responsible for the administration of the Ethics & Compliance System.

The Hexagon Code of Business Conduct and Ethics (the "Code"), the Hexagon Supplier Code of Conduct (the "Supplier Code"), and the Hexagon Ethics and Compliance System Administration Manual (the "Administration Manual") form the framework of Hexagon's Ethics & Compliance System. The Compliance team, along with Hexagon's management, is responsible for implementing this fundamental framework.

The Code defines Hexagon's values and sets forth Hexagon's expectations and requirements with respect to activities performed on Hexagon's behalf. The Code is intended to serve as a central guide and reference for Hexagon personnel to support day-to-day decision-making. The Code also sets out Hexagon's Ethics and Compliance's programme in key areas of law applicable to Hexagon's activities, addressing among others anti-corruption, including government procurement, competition, trade covering export and customs, data protection, and human rights. All Hexagon personnel are required to comply with the Code and with the specific compliance policies established thereunder.

Hexagon continuously reviews and improves the Code and the Supplier Code to reflect evolving industry standards and changes to legislation. The Code reflects Hexagon's responsibility as a market leader to uphold the highest standards of ethics, integrity, and sustainability and reinforces Hexagon's commitment to act and behave professionally and beyond legal compliance. To this end, Hexagon trains employees regarding its expectations, utilises experts in multiple jurisdictions across different disciplines, and employs an in-house team of legal and compliance professionals to ensure that Hexagon's compliance and business ethics policies and practices remain at the forefront of industry practices.

The Administration Manual outlines the structure of the Ethics and Compliance System, specifying management roles and responsibilities in implementing the programme with strong support from the top.

Each Hexagon division or region must implement and/or communicate the Hexagon Compliance Programme set of documentation (such as policies, procedures and further guidance) and related minimum requirements. In compliance with applicable local laws, local management with the support of the Compliance Team, can define additional local work instructions.

Hexagon seeks to positively impact the environment by acting sustainably and addressing environmental challenges through its supply chain. Therefore, the Supplier Code is intended to communicate Hexagon's minimum requirements for the standards and business practices of Hexagon Suppliers. All Suppliers must comply with the Supplier Code as well as all applicable laws, regulations, and standards in every country in which they operate. Further, Suppliers are expected to conduct their business in an ethical and sustainable manner and to act with integrity. Risk assessments for corruption, bribery and anti-competitive practices are performed continuously across the organisation on yearly basis. Should any violations appear, a corrective action plan and appropriate follow-up initiatives are implemented to ensure that the issue will not be repeated.

Additionally, with the support of the Compliance Team, Hexagon managers are responsible for ensuring that employees are fully aware of the Code and take the necessary steps to promote and monitor compliance with the Ethics & Compliance Programme. Managers involved with Hexagon's supply chain are also responsible for implementing the Supplier Code.

Hexagon mandates that its senior leadership and management annually certify their adherence to Hexagon's Ethics & Compliance System. In 2024, 406 senior managers and executives completed the certification process.

Human Rights is an integral component of our Code, ensuring that the company upholds ethical standards in all aspects of its operations. Human Rights are also embedded within the Supplier Code, which reflects the commitment to responsible business practices throughout the supply chain. These codes have been widely communicated both internally to employees and externally to stakeholders. The framework is aligned with the OECD's 6 Pillars of Corporate Governance, ensuring adherence to internationally recognised guidelines for promoting ethical business practices and continuously improving its governance structures.

Supply chain management

Hexagon's compliance policies regarding supply chain management are set out in the Supplier Code and in various Compliance Programme manuals and procedures. Hexagon selects suppliers based on an assessment of the overall competitiveness of their offering and whether they uphold the goals and values expressed in the United Nations Global Compact's ten principles in the areas of human rights, labour rights, environmental impact, and anti-corruption. Compliance with the Supplier Code, or another agreed equivalent standard, is a mandatory qualifying condition for Hexagon to enter a business relationship with a supplier. In addition, third-party suppliers and subcontractors in Hexagon's global supply chain are contractually required to meet these obligations. The Hexagon policies related to supply chain management include requirements for:

1. Screening Hexagon suppliers against applicable sanctions lists
2. Conducting additional due diligence on suppliers that may be developing Hexagon business
3. Appropriate anti-corruption and other compliance provisions in supplier agreements
4. Prohibiting the acceptance of items of value or other benefits while knowing or suspecting that they are offered or provided with an expectation that a business advantage will be provided by Hexagon.

Supply chain due diligence

A key initiative during 2024 related to supplier due diligence was the deployment of a new supply chain management platform implemented across Hexagon. The new software solution drives sustainable supply chain compliance and impact across environmental, social and governance topics, ensuring traceability and transparency for risk assessments. In 2024, key suppliers of Hexagon were engaged to review compliance with Hexagon's Supplier Code, monitor performance and results, establish a safe line for grievance and remediation, and integrate human rights and environmental topics into all supplier relationships to prevent or mitigate adverse impacts.

Supplier Engagement Programs

Hexagon is committed to fostering strong, long-lasting relationships with its suppliers through various engagement programmes. These initiatives are designed to recognise and reward supplier performance, provide financial incentives, and offer training and capacity-building opportunities.

Suppliers who excel in risk management, cash flow, sustainable practices, and innovation receive special status and preferential treatment, such as being preferred suppliers in tenders. Moreover, Hexagon conducts Business Reviews and Long-Term Supply Agreements with key suppliers, recognising their performance based on scorecards and highlights for the quarter or year, depending on the category type.

Hexagon provides suppliers with online training covering the topics in its Supplier Code and CO_2 reporting. Onsite audits also serve as training for suppliers, where improvements in the quality of their production are assessed and key business processes reviewed. Its supplier sourcing and assessment team defines requirements and develops supplier-specific qualification plans to ensure Hexagon and the given supplier agree on the areas that need improvement.

Supplier audits

In 2024, Hexagon reviewed 31 of its key suppliers through supplier audits. The purpose of these audits was to ensure that the suppliers live up to the expectation on environmental stewardship of Hexagon and to prevent any forced labour, child labour or human trafficking within the value chain. Of the 31 audits of new and existing suppliers, 15 were of suppliers in risk areas. Risk areas were considered as areas defined by the United Nations Environment Programme Finance Initiative (UNEPFI) and Transparency International, considering both environmental and social risks. The total number of suppliers in risk areas is 80, and all have been audited in the past three years. During 2024, no major non-conformances were found in the audits. When existing suppliers fail to comply with Hexagon's compliance requirements, Hexagon engages with the supplier and conducts an impact assessment to understand the root cause. Appropriate follow-up actions consist of taking suitable actions to ensure that the issue will not be repeated. Should infringements be deemed significant and intentional, Hexagon will terminate the supplier contract and seek an alternative sourcing option. Key suppliers of manufacturing entities are evaluated through internal formal visits, reviews, and assessments to ensure that they strictly follow the Supplier Code. Third-party assessment is used in cases where an issue cannot be verified directly with the supplier.

Conflict Minerals Compliance

A small part of Hexagon's activities is affected by the regulation of conflict minerals, including the Dodd-Frank Act. Hexagon does not source conflict minerals directly, but some divisions are indirectly affected by regulations due to sourcing products and materials from suppliers and sub-suppliers. In such cases, Hexagon works in close collaboration with the suppliers and applies a rigorous process to collect all necessary data as proof of compliance. Hexagon maintains a Conflict Minerals Policy outlining the commitment and actions taken to avoid conflict minerals in its value chain. Hexagon's divisions implement processes to ensure compliance with this policy as applicable to each division's operations. For example, the Autonomous Solutions division requests current and new suppliers to complete a Conflict Mineral Report Template (CMRT) for all parties. The CMRT has been provided by the Responsible Minerals Initiative (RMI) and has been adopted by the industry. The CMRT file is constantly being revised by RMI with updated smelter information, and whenever a supplier response is received, the file automatically identifies suspected smelters. Hexagon, to the best of its knowledge, represents and certifies that it does not source or receive any minerals, materials, or products containing cassiterite (tin), coltan (tantalum), wolframite (tungsten), or gold (known as "3TG minerals") sourced from the Democratic Republic of Congo or adjoining countries.

Management of water-related risks in operations

Hexagon does not have a water-intensive business but assesses water-related risks at its main facilities using the World Resource Institute's Aqueduct global water risk tool. The company has mapped 101 locations, with fourteen in extremely high water stress and eleven in high stress. The tool also helps Hexagon prioritise water risk management by mapping seasonal water variability. A new operational water target mandates that sites in water-stressed areas implement water management systems and define mitigation actions. The company has assessed climate-related risks, including river and coastal floods, at its facilities. Risks are categorised by likelihood (low to very high) and assessed for financial impact on Hexagon's revenues. About 7 percent of revenues come from locations at significant flood risk, and 4 percent from high-risk areas. The two locations where this risk can materialise have developed contingency plans, with other facilities covering the production of these sites in the same region. Additional operating costs could be incurred due to changes in the supply chain, but this increase in costs is not expected to exceed 10 percent of the cost of goods sold for hardware produced in these facilities. Therefore, the anticipated effect on Hexagon's financial position is expected to be minimal.

Data privacy

Data protection is one of the core pillars of Hexagon's compliance programme and a key risk topic in Hexagon's materiality analysis. Employees, customers, and partners require assurance that their personal information will be handled and managed in a safe and responsible way. Hexagon is committed to ensuring all personal information is processed in accordance with global best practices, which is reflected in its Data Protection Compliance Programme (DPC Programme). The Group Privacy and Information Security Officer is responsible for managing and overseeing the implementation of the DPC Programme across Hexagon Divisions. Changes to the DPC Programme are reported to the Chief Compliance Officer and Audit Committee on a regular basis.

The DPC Programme is implemented through teams within each division, with responsibility for delivery managed by Divisional Privacy Officers. The principles of the European Union's General Data Protection Regulation (GDPR) are used as its baseline for the protection of all personal data, regardless of locality. GDPR is widely considered the "gold standard" of privacy law and provides a robust and reliable means to ensure personal information is adequately protected. Additions have been adopted since 2018 to encompass other jurisdictional laws as these have been enacted.

Following the introduction of updated standard contractual clauses (SCCs) by the European Union in 2021, Hexagon has been working to update all existing contracts and has revised its contracting procedures to implement the new SCCs in all new contracts. Under the SCCs, data transfers from an EU entity to a third country that does not provide adequate data protection can only be made after the appropriate risk assessment has been conducted. Hexagon has implemented a standard process to conduct a suitable data transfer impact assessment (DTIA) in line with the legislation. Hexagon recognises that the protection of personal information is not a point-in-time process and requires ongoing changes to technology, processes, and people.

All Hexagon employees are required to comply with data protection principles and receive training appropriate to their roles. Employees with higher levels of responsibility for the protection of personal data are provided with advanced training and offered the opportunity to become certified professionals through programmes provided by the International Association of Privacy Professionals (IAPP).

Information security risk assessments are conducted continuously across the organisation, at a minimum on an annual basis. In the event that risks or gaps are identified during these assessments, a corrective action plan is promptly developed, followed by targeted initiatives to mitigate and address the identified risks, ensuring that vulnerabilities are closed, and any potential threats are proactively managed.

Cyber security

Hexagon's Group Cyber Council was established in 2019 to provide oversight and governance over all information security matters. The Cyber Council is chaired by the Group Privacy and Information Security Officer and includes executive members representing all major areas of the Hexagon business, including Operations, Legal, Finance, and Product. The objectives of the Cyber Council are to ensure the protection of Hexagon's intellectual property, ensure the cyber resilience of its networks, and protect Hexagon's customers through its position in the supply chain. As a global leader in digital reality solutions, Hexagon understands the imperative of security within its products and services. The autonomous revolution relies on data as fuel, and the protection and integrity of this data is central to Hexagon's Innovation Process.

Hexagon continued to build and develop its employee awareness programme throughout 2024, including training on all key topics of security. All new employees receive a set of baseline training courses and are then included in the ongoing annual programme of events. Additionally, employees are frequently targeted by phishing simulations using a wide range of phish lures to both train and test employees on how to identify email-based threats. Phishing simulations are run in multiple languages to match real-world threats as closely as possible. During 2024, Hexagon continued the delivery of its cyber security strategy as defined in 2022. The replacement of legacy technology with market-leading solutions ensures that, its ability to detect and respond to threats supports business goals and objectives.

Standardisation of technology across the security spectrum ensures that as the threat landscape develops, Hexagon is optimised to defend and respond effectively and efficiently. Hexagon's growth strategy results in a significant M&A programme. During 2024, Hexagon added further risk management in support of the security strategy related to M&A. Early-stage risk assessments, more detailed due diligence, and post-signing changes ensure that the risk of compromise following an acquisition is managed to an acceptable level. Hexagon continues to back up its cyber capabilities with a comprehensive cyber insurance programme to transfer some of the residual risk. Hexagon works with leading cyber insurance brokers and a consortium of underwriters to ensure an appropriate level of cover is provided to protect against data losses and business continuity interruptions.

Artificial Intelligence trainings and governance

In 2024, Hexagon trained more than 50 percent of its employees on AI fundamentals, Generative AI, and AI Governance & Culture. The initiatives aim to ensure that employees understand and apply AI ethically and responsibly and to support the adoption of the guiding principles for Artificial Intelligence in the Hexagon Innovation Process (HIP). To further support the AI principles in product development and ensure the principles are adhered to, dedicated training sessions are held, and an AI-enabled company steering group oversees operational implementations.

Guiding principles for Artificial Intelligence (AI)

Hexagon realises that AI-driven technology offers both opportunities and risks. To ensure AI solutions generate value and avoid negative effects, Hexagon adheres to its AI guiding principles. Additionally, Hexagon follows the General Product Safety Regulation (GPSR) and the Product Liability Directive (PLD) set by the EU. The GPSR, effective from December 13, 2024, ensures only safe products are available in the EU market. The PLD, adopted on October 10, 2024, updates product liability to include digital products like software and AI. These regulations impose increased obligations and reporting requirements for businesses. By referencing these EU regulations, Hexagon emphasises the importance of adhering to legal standards and ensuring the safety and reliability of AI-driven solutions.

To ensure the AI-driven solutions generate value for customers and society at large and to avoid unexpected negative effects from the software development, Hexagon has defined its AI guiding principles that encompass its innovation and production of artificial intelligence software. The AI guiding principles list is a set of ethical guidelines and best practices that Hexagon follows to ensure the responsible development, deployment, and use of artificial intelligence. These principles are designed to promote transparency, fairness, and accountability in AI systems while safeguarding human rights, privacy, and societal well-being.

Hexagon AI guiding principles

- **Connect people to technology:** Keep humans central to decisions and technology.
- **Artificial intelligence for real-world outcomes:** Build on legacy of robust AI integration.
- **Engineer with integrity:** Uphold privacy and meet data governance standards.
- **Communicate with transparency:** Inform all parties when using AI and algorithms in development and daily practice.
- **Embed inclusivity:** Maintain diversity promotions and prevent discrimination.
- **Foster accountability:** Reinforce responsible inputs and outputs of AI integration.
- **Design mindfully:** Empower sustainable outcomes through product development.

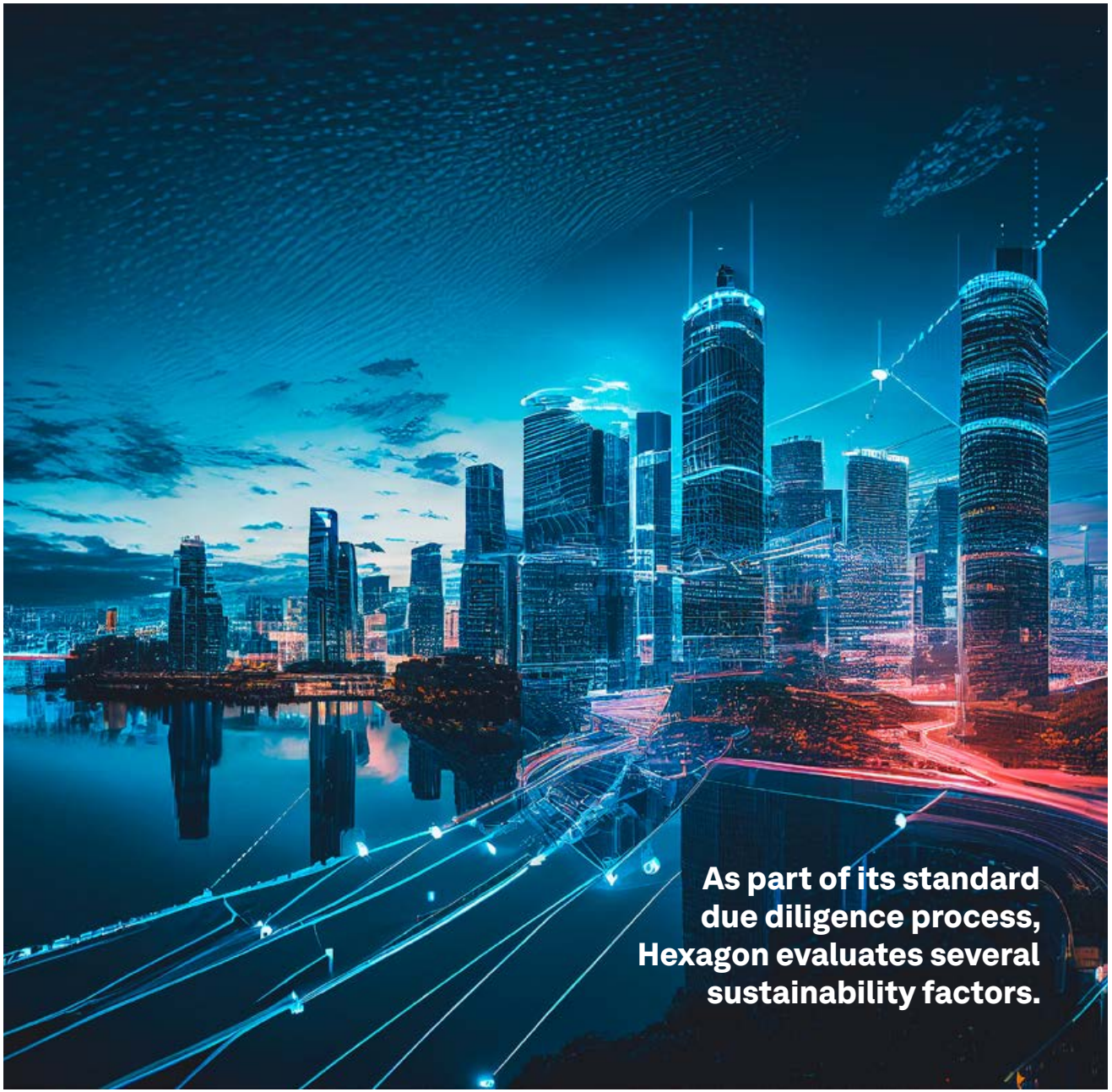
ESG strategy in acquisitions

Ensuring sustainability as Hexagon grows

Acquisitions are a key component of Hexagon's growth strategy. In this approach, sustainability is central to the company's broader sustainability management as Hexagon acquires and integrates new businesses. For Hexagon, the decision to make or buy is a critical consideration when assessing the R&D roadmap and potential acquisition targets that align with its growth objectives. Beyond addressing gaps in the portfolio, Hexagon's acquisition strategy emphasises leveraging synergies across its various operations and preparing the company for future growth opportunities. Acquisition targets are continuously monitored and evaluated based on their market position, customer reputation, and growth and profitability potential.

Sustainability considerations in the due diligence process

Hexagon takes a comprehensive approach to sustainability during the acquisition process, helping the company make informed investment decisions, unlocking the full potential of sustainability while minimising risks from any possible limitations. This approach also establishes a solid foundation after the transaction is complete. As part of its standard due diligence process, Hexagon evaluates several sustainability factors, including a thorough review of the target company's internal controls, business practices, human rights, environmental and employee issues, as well as compliance with ISO standards, LEED guidelines, anti-corruption regulations (such as the FCPA), and export controls. Hexagon also assesses whether the target company adheres to a strong code of conduct and whether its corporate sustainability programmes are effective. The due



diligence process is tailored to each project. For instance, when considering a manufacturing company, Hexagon examines whether the company takes steps to ensure responsible production and a sustainable supply chain. Ultimately, Hexagon aims to understand the company's values, how they have shaped operations, and whether management can address any potential challenges within the appropriate framework. This helps Hexagon assess the company's sustainability profile and its compatibility with Hexagon's overall objectives. Additionally, Hexagon often enlists external specialists in areas such as intellectual property, employee benefits, anti-corruption, international trade, antitrust, labour and employment law, and real estate. By combining a cross-functional internal team with these external experts, Hexagon is able to thoroughly evaluate all aspects of the target company, including its sustainability practices and its potential for integration into Hexagon.

> Hexagon's due diligence process covers employment, ethics and compliance, legal issues, insurance, intellectual property and information technology.

Integrating companies in Hexagon

After the closing of a transaction, where a company becomes legally owned and controlled by Hexagon, the acquired company is integrated into Hexagon's processes and methods. All companies in the Group are required to adopt and implement the Hexagon Code, which is based on the UN Global Compact's ten principles on human rights, labour, environment and anti-corruption. The allocated Division or Regional Compliance Officer is responsible to implement the Hexagon Ethics and Compliance Programme in the newly acquired company, according to the Post M&A Compliance process covering, among other, topics such as antitrust, anti-corruption, business ethics and export controls.

Hexagon's due diligence process covers employment, ethics and compliance, legal issues, insurance, intellectual property and information technology. The operational integration often includes regular in-house visits to the acquired company to assist with various onboarding tasks, including compliance training and financial accounting reviews.

Employment agreements are established between the target company and the acquiring entity, which set out policies regarding sick leave, equipment usage, travel policies and record-keeping. In all cases, employees entering the Hexagon Group through acquisitions are informed about Hexagon's Code and are expected to adhere to its principles at all times.

Governance Key Performance Indicators

Governance Key Performance Indicators (KPIs)	Unit	FY 2024	FY 2023	FY 2022	YoY change
Executives certified in Ethics & Compliance System	No.	406	411	230	-1%
Share of key suppliers in high-risk countries audited in past three years	%	100	100	19.6	0%
Employees engaged in ESG trainings	No.	24,154	15,991	-	51%

Full GRI and SASB reporting table can be found on page 121–128.

Sustainability reporting standards

Hexagon's ESG reporting covers its own operations and value chain, and its goals are aligned with the company's strategic objectives to generate value and lower risks. Several reporting standards form the basis of the reporting. The climate targets are aligned with the Paris Agreement goals and are verified by the Science Based Targets initiative (SBTi). The sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and the United Nations' Global Compact, and also takes into account the SASB and CSRD reporting frameworks.

Hexagon is a signatory of the United Nations Global Compact (UNGC), which means that the company supports and actively promotes its ten principles regarding the environment, labour practices, human rights, and anti-corruption in its operations and in relation to external stakeholders. This also means that Hexagon seeks to conduct business in a responsible and ethical manner and to support the UN Sustainable Development Goals (SDGs). To further increase transparency, Hexagon has also publicly submitted its climate impact data to the Carbon Disclosure Project (CDP).

Sustainability related notes

Reporting period and standards
Hexagon's sustainability performance content and data presented in this report on page 60 - 129 cover the Scope from 1 January 2024, to 31 December 2024. This report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI 2021). Furthermore, information from other standards and guidelines, such as the SASB standards for Technology, Communication, Software, and IT Services, has also been considered where appropriate.

Organisational Boundaries
Hexagon's organisational reporting boundaries cover all its divisions and subsidiaries. These are fully consolidated, following the control-based approach.

Operational Boundaries
Hexagon has completed a company-wide Scope 1 & 2 and Scope 3 emissions inventory that covers all its production sites and offices. To calculate the GHG emissions, Hexagon has followed the GHG Protocol Corporate Accounting and Reporting Standard – revised edition, the GHG Protocol Scope 2 Guidance, and GHG Protocol Scope Corporate Value Chain (Scope 3). The Scope 3 inventory covers the following categories: purchased goods, capital goods, fuel-and-energy-related activities, upstream transportation, waste generated, business travel, employee commuting, downstream transportation, use of sold products, and end-of-life treatment. The Scope 3 categories not mentioned are considered not relevant to the company based on Hexagon's business model. Hexagon is only emitting CO_2 in its Scope 1. All figures reported are based on CO_2e to account for the emissions from upstream and downstream activities.

Environmental data collection and reporting methodology
The data has been collected via Hexagon's ESG reporting system, developed and aligned with the financial reporting system during 2023 for ESG data gathering and calculation purposes.

In 2024, environmental data was collected from all manufacturing sites and all the facilities under operational control with more than 35 FTEs. In order to cover the full Scope of Hexagon's operations, values have been extrapolated for energy consumption, GHG emissions, water, and waste. The extrapolation was performed on an employee (FTE) basis for sites not covered in the reporting system.

Scope 1 and Scope 2
Scope 1 and Scope 2 emissions from energy consumption are calculated using energy data in kWh by energy source (natural gas, diesel, electricity by country, etc.). Scope 1 CO2 emissions are calculated using the emission factor for the corresponding type of fuel (source Defra 2023). Scope 2 CO2 emissions are calculated with the location-based and the market-based methodology in accordance with the GHG Protocol Scope 2 guidance. Location-based emissions are calculated using average country/region emission factor (source IEA and eGrid). Market-based emissions are calculated using residual mix electricity emission factor for European countries (source AIB) and the USA (source Green-e) and average country emission factors for all other countries (source IEA). To capture the CO_2 emissions from energy consumption for sites not covered (offices with few employees), Hexagon estimated the Scope 1 and 2 by associating CO_2 emissions per employee and extrapolating to the number of employees in the sites not covered.

Scope 1 direct CO_2 emissions include emissions from stationary combustion and vehicles of internal combustion engines in the company car fleet.

Scope 2 indirect CO_2 emissions include emissions from electricity in all facilities, purchased district heating and electric vehicles in the company car fleet. Note: Scope 2 restatements for 2023 were made for 5 sites related to amount of electricity from the grid.

Scope 3
Scope 3 emissions are calculated in line with the GHG Protocol for calculating Scope 3 emissions. All transport-related emissions from fuel use emissions are reported on a well-to-wheel basis. That includes the categories upstream & downstream transportation, business travel and employee commuting.

Purchased goods
These emissions are calculated for major purchased products using the average-data method and their associated cradle-to-gate emission factor. To capture 100% of emissions in this category we extrapolated to total spending on purchased goods.

Capital goods
These emissions are calculated using the average spend-based method for total spending on capital goods. The emissions are reported on a cradle-to-gate basis.

Fuel-and Energy-Related activities not included in Scope 1 or Scope 2
These emissions are calculated using energy consumption data in kWh by energy use (natural gas, diesel, electricity by county etc.) and the associated upstream emission factor (well-to-tank). For electricity, the CO_2 emissions are calculated using the average country upstream emission factor (source: IEA). For the fuels, the CO_2 emissions are calculated using the emission factor for the corresponding type of fuel (source: Defra). To capture the CO_2 emissions for sites not covered, we associated CO_2 emissions per employee and extrapolated to the number of employees in the sites not covered.

Upstream transportation
These emissions are calculated for major purchased products using the distance-based method. For calculating the CO_2 emissions, we applied the appropriate mass-distance emission factor for the mode of transport used (source: Defra). Air, marine, and road transport were the main modes of transport used for upstream transportation. To capture 100% of emissions in this category, we extrapolated to the total spend on purchased goods.

Waste generated in operations
These emissions are calculated using actual waste data in kg by type of waste (hazardous, non-hazardous, residual), type of treatment (landfill, recycle, incinerated) and the corresponding emission factor (source: Defra and Ecoinvent 3.8). To capture the CO_2 emissions from waste generated for sites not covered, we associated CO_2 emissions per employee and extrapolated them to the number of employees in the sites not covered.

Business Travel
Business travel emissions have been provided by the travel agency. The modes of transport that have been used for business purposes are airplanes, trains, buses, and rental cars. No hotel stay emissions have been included.

Employee commuting
Employee commuting emissions are calculated for major company sites (globally represented) that cover one third of employees using the average-data method. To capture the CO_2 emissions for sites not covered, we associated CO_2 emissions per employee and extrapolated to the number of employees at the sites not covered.

Downstream transportation
These emissions are calculated for major products sold using the distance-based method. For calculating the CO_2 emissions, the company applied the appropriate mass-distance emission factor for the mode of transport used (source: Defra). Air and road transport were the main modes of transport used for downstream transportation. To capture 100% of emissions in this category, Hexagon extrapolated to total revenues from sold products.

Use of sold products
These emissions are associated with the products sold by Hexagon during the year and aggregated over their lifetime. These emissions are related to the electricity consumption of products over their entire life. Hexagon calculated these emissions for major products using their technical characteristics (electricity consumption in kWh) and the main assumption was a 10-year lifetime (even though more of products have a lifetime more than 15 years). The emission factors applied was the average country electricity emission factor for the main markets where the products were sold as defined (source IEA). To capture the CO_2 emissions for the products that are not covered, Hexagon extrapolated based on the total revenues from sold products.

End of life treatment
Most hardware products have a lifetime longer than 15 years, so Hexagon can refurbish the products and resell them even after 10 years of use. When the products have reached the end of life, Hexagon seeks to recycle major components. The pieces that are not recycled are disposed of.

Social data collection
The methodology used for the social data includes the total headcount at the end of the reporting period 31 December 2024. By employees, Hexagon refers to everyone in an active employment relationship with the company, excluding interns.

As employee turnover, the company defines the ratio of voluntary and involuntary attrition during the year to the total number of employees at year-end. The Group Management category includes the leadership of the company. Executives include all the employees directly reporting to the leadership. Level A includes all the employees directly reporting to the Executives. Level B includes all the other employees of the company.

Restatement: In Hexagon's previous Sustainability Report, a figure regarding the share of women in leadership positions was reported. Following a review, Hexagon identified that this figure inadvertently included administrative assistants at local entities who were counted due to their reporting structure to senior executives. To ensure transparency and accuracy, Hexagon has revised the figure to reflect only those holding formal senior leadership roles.

Description of material topics

Topic	Description	Impact Materiality	Financial Materiality
Climate change (ESRS E1)	The biggest opportunity lies in the impact we can make through products. Hexagon is very well positioned to enable the shift towards a net-zero carbon economy in the industries we serve. To ensure an effective response to this opportunity, Hexagon is including ESG criteria in its innovation process.	We actively work with customers to offer efficiency gains in the processes they operate. In many cases, the gains come from energy-efficient solutions and from the reduction of materials across the processes they need to deliver. These efficiency gains, in several cases, reduce greenhouse gas emissions and support the transition to a low-carbon economy. Furthermore, to ensure Hexagon also contributes to mitigating climate change, Hexagon has joined the Business Ambition for 1.5°C. Hexagon has submitted to the SBTi (Science Based Targets initiative) near-term and long-term net-zero science-based targets for carbon emissions covering the full value chain.	Having a financially stable business that is able to continue to grow positively impacts Hexagon's long-term success, ensuring Hexagon's financial resilience as well as its reputation. This will enable us to further reinvest in operations and take advantage of opportunities. Achieving further growth in adapting to and mitigating climate change will further build customer confidence, motivate employees eager to contribute to a positive impact on the planet, and ensure a resilient growth strategy. Hexagon is incorporating climate transition risks (such as emissions trading and other regulatory developments) into its annual supplier risk management analysis.
Own workforce (ESRS S1)	Another opportunity we see is in ensuring an empowered workforce. To manage this topic, we have been promoting an inclusive workplace through the DEI (Diversity, Equity and Inclusion) Committee and divisional councils to cover all the countries where employees are located.	Hexagon believes that driving the best practices within its workforce in terms of working conditions and providing an inclusive workforce generates a positive impact in the communities where we operate. Hexagon delivers a positive impact through good hiring practices in order to eliminate any unconscious bias. In 2023, interactive sessions were held globally with external experts to address inclusivity in the workplace. Cultural awareness has also been highlighted as an opportunity for employes to thrive.	Hexagon understands that employees who feel engaged with their work are more productive, focused, and driven. More importantly, we are a company of innovation and we believe innovation happens when bright ideas come from diverse perspectives. In this regard, having the best workforce sets us in the right position to tackle society's challenges and ensures we have the best team in place to deliver sustainable business impact.
Workers in the value chain (ESRS S2)	This topic refers to Hexagon's commitment to comply with and promote internationally recognised standards and regulations that promote the fair treatment of people along the value chain. See more in the section "Operational risk management".	By ensuring that workers are treated fairly and by requiring safe and fair working conditions within suppliers, Hexagon promotes improvements in the quality of life and well-being of the workers from supply chain partners. Not respecting human rights and not providing a safe mechanism to raise concerns can potentially result in physical and economic harm to people and communities.	Respect for universal human rights and labour standards is a prerequisite for suppliers to do business with Hexagon, as described in Hexagon's Supplier Code of Conduct. By advocating high labour standards, Hexagon improves its reputation as a responsible business partner and fosters enhanced collaboration with suppliers. The impact of this topic depends on the financial impact the specific supplier could have for Hexagon. See more in the section "Responsible supply chain management".
Business conduct and Responsiveness	These topics include a wide variety of aspects such as improper use of goods, anti-corruption, business responsiveness, Industry 4.0 (with innovation and digitalisation), cyber security, data-related topics, and product quality and safety. See more in the section "Operational risk management".	Through Hexagon's compliance programme, which covers business response in the face of corruption and other inappropriate business behaviour, we can prevent negative socioeconomic and environmental impacts and raise standards in the industries we serve. Hexagon has a positive impact on data and cyber security by actively managing risks and increasing awareness. We recognise that there are risks resulting from cyber incidents that may affect users. Hexagon aims to minimise risk by raising awareness within the entire workforce and by providing safer digital solutions. Hexagon takes pride in its product quality and safety with a customer focus. Together with customers, Hexagon enables a positive impact on society and the environment with high quality and safety standards.	Failure to act with integrity and meet high ethical standards, values, and code of conduct could lead to adverse reputational impact, fines, and litigations. Reputational impacts could significantly hinder the ability to maintain revenues, as we could lose our customer base, while fines and legal proceedings may even hamper our ability to continue to operate in specific markets.

GRI and SASB reporting table

Reporting name	Unit		FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
General Disclosures								
Organisational details	Qualitative	Section: About this report						GRI: 2-1
Entities included in the organisation's sustainability reporting	Qualitative	Section: ESG Reporting Methodology						GRI: 2-2
Reporting period, frequency and contact point	Qualitative	Section: ESG Reporting Methodology						GRI: 2-3
Restatements of information	Qualitative	Section: ESG Reporting Methodology						GRI: 2-4
External assurance	Qualitative	Section: Auditor's report on the corporate governance statement						GRI: 2-5
Economic Performance								
Direct economic value generated (revenues)	Million €		5,401.1	5,435.2	5,160.5	-1%	5%	GRI: 201-1
Economic value distributed	Million €		4,721.6	4,905.2		-4%	-	
Economic value retained	Million €		679.5	530.0	5,160.5	28%	-	
Financial implications and other risks and opportunities due to climate change		Section: Operational Risk Management						GRI: 201-2
Defined benefit plan obligations and other retirement plans		Section: Financial Report / Pension provisions						GRI: 201-3
Activities and Workers								
Activities, value chain and other business relationships	Qualitative	Section: Business overview						GRI: 2-6
Total number of employees	No.		24,802	24,581	24,001	1%	2%	
Breakdown by gender								
Female	%		24	24	24	0 pp.	-1 pp.	
Male	%		76	76	76	-1 pp.	-1 pp.	
Other gender	%		0	0	-	0 pp.	0 pp.	
Breakdown by type of contract and gender						0 pp.	0 pp.	
Full-time female	%		22	22	-	-1 pp.	21 pp.	
Full-time male	%		72	74	-	-3 pp.	74 pp.	
Full-time other gender	%		0	0	-	0 pp.	0 pp.	
Part-time female	%		2	2	-	0 pp.	1 pp.	
Part-time male	%		3	2	-	1 pp.	1 pp.	
Part-time other gender	%		0	-	-	0 pp.	0 pp.	
Total number of contractors	No.		1,527	2,694	0	-43%	-	GRI: 2-8
Governance								
Governance structure and committees	Qualitative	Section: Corporate Governance Report						GRI: 2-9
Diversity and composition of governance body:								
Male	No.		5	4	6	25%	-33%	
Female	No.		4	3	4	33%	-25%	
Other gender	No.		0	0	0	-	-	
Gen Z	No.		0	0	0	-	-	
Gen Y	No.		1	1	1	0%	0%	
Gen X	No.		4	3	5	33%	-40%	
Boomers	No.		4	3	4	33%	-25%	
Executive members	No.		0	0	0	-	-	
Non-executive members	No.		9	7	10	29%	-30%	
Independence	Yes		6	3	6	100%	-50%	
Independence	No		3	4	4	-25%	0%	

1) The 2022 environmental data for energy consumption, GHG emissions, water and waste has been restated to increase accuracy and year-over-year comparability.

Reporting name	Unit		FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Nomination and selection of the highest governance body	Qualitative	Section: Corporate Governance Report					-	GRI: 2-10
Chair of the highest governance body	Qualitative	Section: Corporate Governance Report					-	GRI: 2-11
Role of the highest governance body in overseeing the management of impacts	Qualitative	Section: ESG Governance					-	GRI: 2-12
Delegation of responsibility for managing impacts	Qualitative	Section: ESG Governance					-	GRI: 2-13
Role of the highest governance body in sustainability reporting	Qualitative	Section: ESG Governance					-	GRI: 2-14
Conflicts of interest	Qualitative	Section: Commitment to Ethics and Compliance					-	GRI: 2-15
Communication of critical concerns	Qualitative	Section: ESG Governance					-	GRI: 2-16
Collective knowledge of the highest governance body	Qualitative	Section: ESG Governance					-	GRI: 2-17
Evaluation of the performance of the highest governance body	Qualitative	Section: Corporate Governance Report					-	GRI: 2-18
Remuneration policies	Qualitative	Section: Corporate Governance Report					-	GRI: 2-19
Process to determine remuneration	Qualitative	Section: Corporate Governance Report					-	GRI: 2-20
Strategy, Policies and Practices								
Sustainable development strategy	Qualitative	Section: Sustainability strategy					-	GRI: 2-22
Policy commitments	Qualitative	Section: ESG Governance					-	GRI: 2-23
Embedding policy commitments	Qualitative	Section: ESG Governance					-	GRI: 2-24
Processes to remediate negative impacts	Qualitative	Section: Commitment to Ethics and Compliance					-	GRI: 2-25
Mechanisms for seeking advice and raising concerns	Qualitative	Section: Commitment to Ethics and Compliance					-	GRI: 2-26
Number of significant instances of non-compliance with laws and regulations for which fines were incurred	No.		0	0	0	-	-	GRI: 2-27
Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	No.		0	0	0	-	-	
Membership associations						-	-	GRI: 2-28
Stakeholder Engagement								
Approach to stakeholder engagement	Qualitative	Section: Materiality analysis						GRI: 2-29
Employees covered by collective bargaining agreements	%		18.2	22.5	0	-5 pp.	-	GRI: 2-30
Material Topics								
Process to determine material topics	Qualitative	Section: Double materiality analysis					-	GRI: 3-1
List of material topics	Qualitative	Section: Materiality assessment results					-	GRI: 3-2
Management of material topics	Qualitative	Section: Sustainability Roadmap					-	GRI: 3-3
Environmental Indicators								
Number of manufacturing sites	No.		32	29	23	10%	26%	
Sites with Environmental Management System								
ISO 14001 certified production sites	No.		23	24	22	-4%	9%	
Share of ISO 14001 certified production sites	%		72	83	76	-11 pp.	6 pp.	
Area of manufacturing facilities	m^2		285,259	302,000	-	-6%	-	SASB: TC-HW-000.B
Percentage of facilities that are production sites	%		23	24	-	-1 pp.	-	SASB: TC-HW-000.C

Reporting name	Unit	FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Energy							
Total stationary combustion energy consumption	MWh	22,620.0	21,041.1	18,190.9	8%	16%	GRI: 302-1 / SASB: TC-SI-130a.1
Natural gas	MWh	17,541.5	14,488.2	13,630.1	21%	6%	GRI: 302-1
Crude oil	MWh	523.1	2,301.3	483.3	-77%	376%	
Diesel	MWh	142.4	75.2	644.8	89%	-88%	
LPG	MWh	9.8	9.8	6.8	0%	44%	
Estimated stationary combustion of sites not covered	MWh	4,403.2	4,166.7	3,425.9	6%	22%	
Electricity Consumption							
Total Electricity Consumption	MWh	82,085.7	90,194.9	102,503.1	-9%	-12%	GRI: 302-1 / SASB: TC-SI-130a.1
Electricity consumption from grid	MWh	56,137.2	68,371.0	69,374.1	-18%	-1%	GRI: 302-1
of which purchased renewable electricity	MWh	14,551.1	16,672.0	10,462.1	-13%	59%	
Renewable electricity produced and consumed on-site	MWh	1,675.7	1,607.6	1,263.8	4%	27%	
Estimated electricity of sites not covered	MWh	24,272.8	20,216.3	31,865.2	20%	-37%	
Green electricity and REC consumed	MWh	16,226.8	18,279.6	11,725.9	-11%	56%	
Renewable electricity produced	MWh	32,490.1	34,833.5	25,883.8	-7%	35%	
Share of purchased or produced renewable electricity out of total electricity consumption	%	49.2	46.2	42.2	3 pp.	3 pp.	GRI: 302-1 / SASB: TC-SI-130a.1
Greenhouse Gas (GHG)							
Direct (Scope 1) GHG emissions	tCO_2	4,545.9	4,329.7	3,443.5	5%	26%	GRI: 305-1
Natural gas	tCO_2	3,506.1	2,892.0	2,523.7	21%	15%	
Crude oil	tCO_2	135.8	597.3	125.4	-77%	376%	
Diesel	tCO_2	35.9	18.9	163.3	89%	-88%	
LPG	tCO_2	2.2	2.2	1.6	0%	44%	
Estimated Scope 1 GHG emissions of sites not covered*	tCO_2	866.0	819.1	629.5	6%	30%	
Indirect (Scope 2) GHG emissions from grid electricitiy (market-based)	tCO_2	29,131.2	31,710.3	36,799.6	-8%	-14%	GRI: 305-2
Indirect (Scope 2) GHG emissions from grid electricitiy (location-based)	tCO_2	29,375.3	33,239.1	38,306.4	-12%	-13%	
Scope 1 & Scope 2							
GHG emissions from owned vehicles fleet (Scope 1)	tCO_2	9,286.4	11,063.1	10,282.9	-16%	7%	GRI: 305-1
GHG emissions from owned electric vehicles (Scope 2)	tCO_2	566.3	173.6	-	226%	100%	GRI: 305-2
Electric Vehicles share of company car fleet	%	13.4	8.5	4.6	4 pp.	3 pp.	GRI: 302-1
Total Direct (Scope 1) GHG emissions	tCO_2	13,832.3	15,392.8	13,726.4	-10%	11%	GRI: 305-1
Total Indirect (Scope 2) GHG emissions (market-based)	tCO_2	29,697.5	31,883.8	36,799.6	-7%	-15%	GRI: 305-2
Total Indirect (Scope 2) GHG emissions (location-based)	tCO_2	29,941.5	33,412.7	38,306.4	-10%	-15%	
Direct and Indirect GHG emissions (Scope 1 + 2, market-based)	tCO_2	43,529.8	47,276.6	50,526.0	-8%	-7%	GRI: 305-1
Direct and Indirect GHG emissions (Scope 1 + 2, location-based)	tCO_2	43,773.9	48,805.5	52,032.8	-10%	-7%	
Scope 3							
Other relevant indirect (Scope 3) GHG emissions	tCO_2	355,362	362,351	350,816	-2%	3%	GRI: 305-3
Upstream	tCO_2	287,127	284,825	276,910	1%	3%	
Purchased goods and services	tCO_2	177,628	177,546	170,401	0%	4%	
Capital goods	tCO_2	23,028	29,236	36,503	-21%	-20%	

Reporting name	Unit	FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2	9,009	9,598	12,362	-6%	-29%	
Upstream transportation	tCO_2	14,539	14,533	14,257	0%	2%	
Waste generated in operations	tCO_2	821	566	798	45%	-29%	
Business travel	tCO_2	36,535	29,064	22,054	26%	32%	
Employee commuting	tCO_2	25,567	24,282	20,535	5%	18%	
Downstream	tCO_2	68,106	77,526	73,907	-12%	5%	
Downstream transportation	tCO_2	10,158	11,267	10,515	-10%	7%	
Use of sold products	tCO_2	57,782	66,101	63,234	-13%	5%	
End-of-life treatment of sold products	tCO_2	165	158	158	5%	0%	
Intensity Ratio's							
Revenues	MEUR	5,401.1	5,435.2	5,160.5	-1%	5%	GRI: 201-1
GHG intensity ratio Scope 1 & Scope 2 (market-based) per million EUR	tCO_2 / Mio €	8.1	8.7	9.8	-7%	-11%	GRI: 305-4
GHG intensity ratio Scope 1 per million EUR	tCO_2 / Mio €	2.6	2.8	2.7	-10%	6%	
GHG intensity ratio Scope 2 (market-based) per million EUR	tCO_2 / Mio €	5.5	5.9	7.1	-6%	-18%	
GHG intensity ratio Scope 2 (market-based) per electricity in MWh	$kgCO_2$ / MWh	361.8	353.5	359.0	2%	-2%	
GHG intensity ratio Scope 3 per million EUR	tCO_2 / Mio €	65.8	66.7	68.0	-1%	-2%	
Energy intensity ratio per million EUR	MWh / Mio €	19.4	20.5	23.4	-5%	-12%	GRI: 302-3
Waste							
Total waste generated	MT	2,817.3	2,696.3	2,505.9	0,0	8%	GRI: 306-3
Hazardous waste generated	MT	41.3	159.5	264.8	-74%	-40%	
Waste recycled	MT	1,287.9	1,690.6	1,472.5	-24%	15%	GRI: 306-4
Residual waste, recycled	MT	841.0	625.2	1,356.6	35%	-54%	GRI: 306-3, 306-4
Hazardous waste, recycled	MT	10.4	110.5	116.0	-91%	-5%	
Non-hazardous waste, recycled	MT	436.5	954.9	-	-54%	-	
Residual waste, landfill	MT	534.6	178.5	637.0	199%	-72%	GRI: 306-3, 306-5
Residual waste, incinerated	MT	423.7	235.8	247.6	80%	-5%	
Hazardous waste, landfill	MT	26.9	46.5	0.8	-42%	5,482%	
Hazardous waste, incinerated	MT	4.0	2.6	148.0	54%	-98%	
Non-hazardous waste, landfill	MT	241.1	354.4	-	-32%	-	
Non-hazardous waste, incinerated	MT	299.1	187.9	-	59%	-	
Water							
Water consumption	m^3	253,528.6	240,640.1	221,672.0	5%	9%	GRI: 303-5 / TC-SI-130a.2
Rainwater & Runoff-water harvesting system available onsite	No. of sites	1	1	-	0%	-	GRI: 303-1
Water recycling system available onsite	No. of sites	4	3	-	33%	-	
Materials							
Weight of non-renewable materials that are used to produce and package our primary products	MT	12,639.4	13,111.9	-	-4%	-	GRI: 301-1
Weight of renewable materials that are used to produce and package our primary products	MT	2,626.7	2,215.8	-	19%	-	

Reporting name	Unit		FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Weight of materials that are used to produce and package our primary products	MT		15,266.1	15,327.7	-	0%	-	
Recycled input materials used	MT		128.0	159.6	-	-20%	-	GRI: 301-2
Share of recycled input materials used to manufacture the products	%		0.84	1.04	-	-0,19	-	
Social Indicators								
Employee engagement level	%		73	73	73	0 pp.	0 pp.	SASB: TC-SI-330a.2
Voluntary turnover, of total workforce	%		6.3	7.8	10.4	-2 pp.	-3 pp.	
Benefits provided to full- time employees		Section: Employee benefits					-	GRI: 401-2
New Employee Hires and Employee Turnover								
Newly hired by gender and generation								
Female	No.		808	928	-	-13%	-	GRI: 401-1
Male	No.		1,971	2,584	-	-24%	-	
Other gender	No.		30	13	-	131%	-	
Gen Z	No.		496	521	-	-5%	-	
Gen Y	No.		1,492	2,202	-	-32%	-	
Gen X	No.		613	672	-	-9%	-	
Boomers	No.		93	129	-	-28%	-	
Involuntary attrition breakdown by gender and generation						-		
Female	No.		302	297	150	2%	98%	
Male	No.		992	848	489	17%	73%	
Other gender	No.		4	3	-	33%	-	
Gen Z	No.		111	143	-	-22%	-	
Gen Y	No.		608	449	-	35%	-	
Gen X	No.		370	356	-	4%	-	
Boomers	No.		207	199	-	4%	-	
Voluntary attrition breakdown by gender and generation						-		
Female	No.		407	470	604	-13%	-22%	
Male	No.		1,087	1,336	1,914	-19%	-30%	
Other gender	No.		2	4	-	-50%	-	
Gen Z	No.		128	122	-	5%	-	
Gen Y	No.		862	1,077	-	-20%	-	
Gen X	No.		359	418	-	-14%	-	
Boomers	No.		147	193	-	-24%	-	
Turnover rate, of total workforce	%		12	13	13	-1 pp.	-1 pp.	
Parental Leave								
Female employees that were entitled to parental leave	No.		4,235	2,553	-	66%	-	GRI: 401-3
Male employees that were entitled to parental leave	No.		14,270	6,872	-	108%	-	
Female employees that took parental leave	No.		169	165	-	2%	-	
Male employees that took parental leave	No.		286	330	-	-13%	-	
Occupational health and safety management system								
Occupational health and safety management system	Qualitative	Section: Occupational Health and Safety					-	GRI: 403-1
Hazard identification, risk assessment and incident investigation								GRI: 403-2

Reporting name	Unit	FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Occupational Health Services							**GRI: 403-3**
Worker participation, consultation and communication on occupational health and safety							GRI: 403-4
Worker training on occupational health and safety							GRI: 403-5
Promotion of work health							GRI: 403-6
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships							GRI: 403-7
Employees who are covered by an occupational health and safety management system	No.	17,047.0	17,134	-	-1%	-	GRI: 403-8
ISO 45001 certified production sites	No.	2	2	2	0%	0%	
Share of ISO 45001 certified production sites	%	6.9	6.9	6.9	0 pp.	0 pp.	
For all employees:							
Proportion of senior management hired from the local community	%	51.0	79.9	-	-29 pp.	79 pp.	GRI: 202-2 / SASB: TC-SI-330a.1
Total hours worked by all employees	No.	37,854,539	36,330,702	-	4%	-	GRI: 403-9
Fatal accidents	No.	0	-	-	-	-	
High consequence work-related injuries	No.	0	-	-	-	-	
Recordable work-related injuries	No.	65	31	-	110%	-	
Fatalities accidents rate	No.	0	-	-	-	-	
Rate of high consequence work-related injuries	No.	0	-	-	-	-	
Rate of recordable work-related injuries	No.	0.34	0.17	-	101%	-	
For contractors:							
Total hours worked by all contractors	No.	2,026,301	2,278,962	-	-11%	-	
Fatal accidents	No.	0	0	-	-		
High consequence work-related injuries	No.	0	0	-	-		
Recordable work-related injuries	No.	-	1	-	-100%	-	
Fatalities accidents Rate	No.	0	0	-	-	-	
Rate of high consequence work-related injuries	No.	0	0	-	-	-	
Rate of recordable work-related injuries	No.	-	0.09	-	-100%	-	
Diversity of Employees by Category							
Employees trained in Diversity, Equity & Inclusion	No.	18,421	10,791	19,562	71%	-45%	
Share of women at top management level	%	23.7	22.7	23.1	0 pp.	1 pp.	GRI: 405-1 / SASB: TC-SI-330a.3
Share of women employed in relation to the whole organisation	%	23.9	23.6	23.7	0 pp.	0 pp.	GRI: 405-1
Group Management							
Male	%	87	92	92	-6 pp.	0 pp.	
Female	%	13	8	8	5 pp.	0 pp.	
Other gender	%	0	0	0	0 pp.	0 pp.	
Gen Z	%	0	0	0	0 pp.	0 pp.	
Gen Y	%	7	8	8	-2 pp.	0 pp.	
Gen X	%	73	69	69	4 pp.	0 pp.	
Boomers	%	20	23	23	-4 pp.	0 pp.	
Executives							
Male	%	82	80	80	1 pp.	0 pp.	
Female	%	18	20	20	-2 pp.	-1 pp.	

Reporting name	Unit		FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Other gender	%		0	0	0	0 pp.	0 pp.	
Gen Z	%		0	0	-	0 pp.	-	
Gen Y	%		5	5	-	-1 pp.	-	
Gen X	%		66	73	-	-7 pp.	-	
Boomers	%		29	21	-	7 pp.	-	
Job level A								
Male	%		75	76	76	-2 pp.	0 pp.	
Female	%		25	23	24	1 pp.	-1 pp.	
Other gender	%		1	0	0	0 pp.	0 pp.	
Gen Z	%		0	0	-	0 pp.	-	
Gen Y	%		18	19	-	-1 pp.	-	
Gen X	%		63	63	-	0 pp.	-	
Boomers	%		19	18	-	0 pp.	-	
Job level B + Job level C								
Male	%		76	76	76	-1 pp.	-1 pp.	
Female	%		24	24	24	0 pp.	-1 pp.	
Other gender	%		0	0	0	0 pp.	0 pp.	
Gen Z	%		4	4	-	-1 pp.	-	
Gen Y	%		52	51	-	0 pp.	-	
Gen X	%		34	34	-	-1 pp.	-	
Boomers	%		10	10	-	-1 pp.	-	
Governance Indicators								
Incidents of non-compliance with regulations concerning the health and safety impacts of products	No.		0	0	-	-	-	GRI: 416-2
Incidents of non-compliance with regulations concerning product information and labeling	No.		2	0	-	-	-	GRI: 417-2
Ethics & Compliance System, executives certified	No.		406	411	230	-1%	79%	
Whistleblower reports	No.		81	66	25	23%	164%	
Solved whistleblower cases	No.		73	53	25	38%	112%	
Discrimination incidents	No.		3	0	0	-	-	GRI: 406-1
Employees trained in cyber security	No.		21,990	26,736	22,560	-18%	19%	
Policies and practices relating to targeted advertising and user privacy	Qualitative	Section: Data privacy and Cyber Security						SASB: TC-SI-220a.1
Approach to identifying and addressing data security risks	Qualitative	Section: Operational risk management						SASB: TC-SI-230a.2
Business continuity risks related to disruptions of operations	Qualitative	Section: Operational risk management						SASB: TC-SI-550a.2
Child Labour and Forced or Compulsory Labour								
Operations and suppliers at significant risk for incidents of child labour	Qualitative	Section: Responsible supply chain management						GRI: 408-1
Operations and suppliers at significant risk for incidents of forced labour	Qualitative	Section: Responsible supply chain management						GRI: 409-1
Rights of Indigenous Peoples								
Number of incidents of violations involving the rights of indigenous peoples	No.		0	0	0	-	-	GRI: 411-1

Reporting name	Unit		FY 2024	FY 2023	FY 2022	Variance 2 (+/-)	Variance (+/-)	Standard
Anti-Corruption								
Operations assessed for risks related to corruption	No.		18	4	0	350%	100%	GRI: 205-1
Employees that the company's anti-corruption policies and procedures have been communicated to	No.		23,654	22,525	0	5%	100%	GRI: 205-2
Employees trained in Code of Business Conduct	No.		24,154	24,695	23,531	-2%	5%	GRI: 205-2
Number of confirmed incidents of corruption	No.		0	3	0	-100%	100%	GRI: 205-3
Public legal cases regarding corruption brought against the organisation or its employees	No.		0	0	0	-	-	GRI: 205-3
Procurement Practices								
Key direct procurement suppliers	No.		1,085	1,053	929	3%	13%	
Key direct procurement suppliers in high risk countries	No.		80	93	51	-14%	82%	
Key direct procurement suppliers in medium risk countries	No.		-	5	5	-100%	0%	
Key direct procurement suppliers having approved or signed the Hexagon Supplier Code of Conduct	No.		231	903	802	-74%	13%	
Suppliers assessed for negative social impacts	No.		130	47	-	177%	-	GRI: 414-2
Suppliers assessed for negative environmental impacts	No.		118.00	27	-	337%	-	GRI: 308-2
Supplier Audits								
ESG audits of key direct procurement suppliers	No.		31	116	80	-73%	45%	SASB: TC-HW-430a.1
ESG audits of key direct procurement suppliers in risk countries	No.		15	45	11	-67%	309%	
ESG audits of key direct procurement suppliers that were conducted on-site	No.		17	39	84	-56%	-54%	
ESG audits of key direct procurement suppliers that were self-assessed (SAQ)	No.		2	64	90	-97%	-29%	
Third-party ESG audits of key direct procurement suppliers	No.		-	4	7	-100%	-43%	
Unannounced ESG audits of key direct procurement suppliers	No.		0	0	0	-	-	
Number of major non-conformances found in audits of key direct procurement suppliers	No.		-	3	27	-100%	-89%	SASB: TC-HW-430a.2
Number of solved major non-conformances in audits of key direct procurement suppliers	No.		0	0	26	-	-100%	SASB: TC-HW-430a.2
Conflict Minerals								
Management of risks associated with the use of critical materials	Qualitative	Section: Responsible supply chain management						SASB: TC-HW-440a.1
Suppliers possibly handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	No.		478	257	149	86%	72%	
Suppliers handling conflict minerals that have submitted a CMRT	No.		282	234	177	21%	32%	
Eventual smelters or refineries reported by suppliers handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	No.		955	1,324	823	-28%	61%	
Eventual smelters reported by suppliers handling conflict minerals that are conformant	No.		568	761	760	-25%	0%	
Non-compliant or non-conformant smelters reported by suppliers	No.		372	85	48	338%	77%	

Auditor's Limited Assurance Report on Hexagon AB's Green-house Gas Emissions and statement on the Statutory Sustainability Report

Unoficial translation

To the general meeting of Hexagon AB (publ), corporate identity number 556190-4771

Introduction
We have been engaged by the Board and Group Management of Hexagon AB (publ) to undertake a limited assurance of Hexagon AB (publ) greenhouse gas (GHG) emissions (scope 1 and scope 2) for the year 2024, as disclosed on page 98 in the Annual Report 2024, more specifically in the diagram "Environmental Key Performance Indicators". The statutory sustainability report is defined on page 118.

Responsibilities of the Board and Group Management
The Board of Directors and Group Management are responsible for the preparation of the GHG emissions data, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in the older version that applied before 1 July 2024. The criteria are described on page 118 of the Sustainability Report, and consists of the Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard which are applicable to the GHG emissions data, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish reporting of GHG emissions data that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the reported GHG emissions based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the GHG emission data and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Hexagon AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the GHG emission data.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the GHG emissions data (as specified above) is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm 27 March 2025

PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Auditor in charge

Helena Kaiser de Carolis
Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.