



Introduction:

This Annual Report (“**Report**”) is made on behalf of Hexagon AB’s subsidiaries (“**Hexagon**”) subject to Section 11(1) of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act. This Report describes Hexagon’s efforts during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of Hexagon’s production of goods in Canada or elsewhere or of goods imported in Canada by Hexagon.

This Report is in compliance with [Hexagon’s Code of Business Conduct and Ethics](#) (“**Code**”) and [Hexagon Supplier Code of Conduct](#) (“**Supplier Code**”), which apply to all personnel employed by or engaged to provide services on Hexagon’s behalf.

This Report should be read along with [Hexagon’s Anti-Human Trafficking Policy](#) and cannot be applied in isolation.

Hexagon’s Business Operations and Supply Chains:

Hexagon AB is a multinational company incorporated in Sweden, with headquarters located in Stockholm, Sweden. Operating through subsidiaries located in over 50 countries, Hexagon provides information technologies that drive productivity across geospatial and industrial enterprise applications for a range of industries.

Hexagon’s solutions integrate geospatial and industrial sensors, software, three-dimensional (3D) mapping, five-dimensional visualisation and analysis, domain knowledge and customer workflows into intelligent information ecosystems that deliver actionable information. Hexagon’s solutions are used in a broad range of industries, including agriculture, metals and mining, oil and gas, automotive, chemical, power, shipbuilding, construction, safety, defense and aerospace, surveying, medical devices and pharmaceutical.

Hexagon engages a wide range of suppliers to support its diverse offerings of technological solutions, including third- party software component providers, finished product component manufacturers and distributors, developers, systems integrators and vendors that support its operations.

Hexagon Compliance Programme and Policies:

Hexagon’s state of the art Ethics & Compliance System documents Hexagon’s commitment to preventing and reducing the risk of forced labour or child labour in its business and supply chains. This commitment is supported in [the Code](#) that prohibits forced, involuntary and child labour; requires the accurate and timely payment of wages and salaries; and requires Hexagon to respect the right to freedom of association and collective bargaining, including the right to form and join trade unions and other worker organisations, without harassment or interference.

The Code applies to Hexagon AB and its subsidiaries and joint ventures over which Hexagon AB exercises management control and all personnel employed by or engaged to provide services on Hexagon’s behalf. Failure to comply with the Code may result in civil and criminal liability as well as disciplinary action, up to and including termination of employment.

Compliance with applicable principles set forth in the Code is a mandatory qualifying condition for Hexagon to enter a business relationship with applicable Hexagon suppliers. Hexagon’s [Supplier Code](#) was created and introduced in 2019 to reinforce such principles to its supply chain. The Supplier Code is currently available in 17 languages on Hexagon’s external website.



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Among other principles, the Supplier Code requires applicable suppliers to comply with legally mandated work hours for its employees; provide compensation and benefits on time and in accordance with applicable laws and industry standards; avoid human trafficking or use of forced, involuntary or child labour; prohibit employee harassment or abuse; and respect employee rights to freedom of association and collective bargaining.

In 2021, procedures were implemented to contractually obligate applicable Hexagon suppliers to comply with the principles set forth in the Supplier Code. In 2023, the procedures have been reviewed and updated in line with the improvement of international standards. The relevant Hexagon Policies can be found here: <https://hexagon.com/legal/compliance>.

- Anti-Human Trafficking Policy
- Conflict Minerals Policy
- Diversity, Equity and Inclusion Policy
- Environmental Policy
- Modern Slavery Act Statement
- Fighting Against Forced Labour and Child Labour in Supply Chains Act Annual Report
- Unfair Discrimination and Harassment Policy

Due Diligence, Risk Assessment and Management:

Hexagon selects suppliers based on an assessment of the overall competitiveness of the offering. This assessment includes several factors in addition to financial aspects, such as competency, technology, process, management, logistics, leadership and investments in continuous improvements. Although the competitiveness of the company's offer is the most decisive factor, our aim is to give particular preference to suppliers that are in the forefront of environmental focus and work and that live up to the goals and values expressed in the United Nations Global Compact's ten principles in the areas of human rights, labour rights, environment and anti-corruption.

Hexagon's global compliance procedures require Hexagon to perform due diligence prior to engaging applicable suppliers. The nature and scope of the due diligence is dependent on identified risk factors, such as the supplier's country of origin. Additionally, Hexagon is required to perform restricted party screening on all suppliers to avoid transactions with prohibited end-users.

The Supplier Code requires applicable suppliers to have adequate management systems and controls in place, commensurate with the size and nature of their business, to ensure compliance with its terms. To the extent applicable, suppliers are required to ensure their own suppliers agree to adhere to standards comparable to those set forth in the Supplier Code.

Hexagon reserves the right to verify compliance with the Supplier Code using mechanisms including, but not limited to, self-assessments, surveys, site-visits or audits. If a supplier fails to comply with the Supplier Code, Hexagon will engage with the supplier and take appropriate corrective action. In the event of significant or recurring breaches, without corrective actions and remedy, or lack of cooperation, Hexagon reserves the right to reduce or terminate business with a supplier.

Performance Indicators:

Hexagon will monitor the effectiveness of measures we are taking to prevent and reduce the risk of forced labour or child labour within our business and supply chain through regular review of the above-referenced policies and by the number of reports, if any, received from employees, suppliers, the public, or law enforcement agencies to indicate that forced labour and child labour practices have been identified. No remediation measures have been taken as no instances of forced labour or child labour have been identified in Hexagon's supply chain.



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Training:

Every Hexagon manager is required to ensure their employees are fully aware of the Code and to take steps to monitor compliance with Hexagon's Ethics & Compliance System. Hexagon provides annual reminders to its employees about the Code and Hexagon's Ethics & Compliance System and provides periodic on-line and in-person training on the Code and on specific compliance programme requirements as needed.

The Supplier Code requires suppliers to ensure their personnel, and those of their suppliers, are adequately trained on its requirements.

Further Steps:

We continue to monitor improvement and consider further steps we can take to ensure that there is no forced labour or child labour in our business or supply chains.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this Report and are given adequate and regular training on it and the issue of forced labour and child labour in supply chains.

Any party, including personnel, vendors, suppliers, partners, and others with whom Hexagon conducts business, may report credible information regarding a violation or suspected violation of this Policy to Hexagon's compliance team via [Hexagon's Ethics & Compliance Reporting System](#), or misconduct can be reported via email at compliance@hexagon.com or directly via telephone, text or email to [Hexagon's Chief Compliance Officer](#).

Hexagon prohibits any retaliation against persons reporting a potential or actual violation in good faith. The integrity of the reporting process is taken very seriously, and as such, your identity as the individual reporting the suspected violation will, wherever possible, not be revealed to local-level personnel. Personnel who fail to report actual or suspected breaches of this Policy may be deemed to be in violation of this Policy.