

STATEMENT OF COMPLIANCE WITH THE MODERN SLAVERY ACT

Fiscal Year Ending 31 December 2019

This Statement of Compliance with the Modern Slavery Act (“Statement”) is made on behalf of Hexagon AB and its group of companies (“Hexagon”) pursuant to Section 54(1) of the Modern Slavery Act 2015. This Statement describes Hexagon’s efforts during the financial year ending 31 December 2019 to address the issues of modern slavery in Hexagon’s business and supply chain.

Hexagon’s Business Operations and Supply Chains

Hexagon 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 modern slavery in its business and supply chains. This commitment is supported in [Hexagon’s Code of Business Conduct and Ethics](#) (“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 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.

Hexagon Supplier Code of Conduct: 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 of Conduct (“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.

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.

During 2020, procedures will be implemented to contractually obligate applicable Hexagon suppliers to comply with the principles set forth in the Supplier Code.

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

Employees and suppliers who witness or suspect violations of the Code, laws or other regulations are encouraged and required to report their concerns to Hexagon's compliance team via email at compliance@hexagon.com or directly to Hexagon's General Counsel and Chief Compliance Officer.

Hexagon will monitor the effectiveness of measures we are taking to prevent modern slavery within our business and supply chain by the number of reports, if any, received from employees, suppliers, the public, or law enforcement agencies to indicate that modern slavery practices have been identified.

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.