HEXAGON

2023
Sustainability
Report

Part of the Annual Report

Sustainability report

Contents

Letter from the CSO

Together towards a sustainable future

I am proud to conclude 2023 as another very strong year for Hexagon from a sustainability perspective. Perhaps most notably, the internal momentum that has been built over the past several years resulted in us confidently setting new ambitious goals related to our carbon footprint.

More specifically, we committed to increasing the ratio of renewable energy in our operations to 100% by 2027, to reduce our Scope 1 and 2 emissions 95% by 2030 and to reduce our Scope 3 emissions 25% by the same deadline, all using 2022 as the base year. The long-term target to achieve a CO_2 reduction across the full supply chain aligned with net-zero by 2050 remains, of course. Our targets and commitments to set a net-zero target approved by the Science-Based Targets initiative (SBTi) have also been recognised as aligned with the requirements of the UN Global Compact Forward Faster initiative, a global platform for ambitious corporate action guiding companies. We are encouraging more companies to join us to drive progress across all 17 sustainable development goals (SDGs) towards a sustainable future.

Value chain commitment

As the majority of Hexagon's carbon footprint can be found within our supply chain, we have also committed to ensure that our major suppliers have CO_2 reduction plans, further expanding our journey towards a greener future outside of our internal

operations. 2023 was also the year where we successfully reached the goal of conducting sustainability audits of our key suppliers in what we define as risk areas, aiming to ensure that the products and components we source are produced in accordance with Hexagon's strict environmental and human rights standards. I am glad to present our key achievements and improvement areas in more detail in this sustainability report.

Having sustainability included in the core of Hexagon's strategy, environmental, social, and governance (ESG) topics are also considered during our acquisitions to ensure Hexagon's long-term success. As part of the due diligence process, target companies are assessed on their ESG practices, evaluating factors such as compliance with regulations, environmental impact, labour practices and corporate governance standards. Sustainability is also used to identify potential synergies and unlock value creation opportunities, ultimately contributing to Hexagon's overall success and sustainability impact.

Our greatest opportunity

From a holistic perspective, the area where we can have the greatest sustainability impact remains within the use of Hexagon technology by our customers. As entire

industries are reshaping their business models and processes into becoming more efficient and productive, our broad portfolio of software and hardware solutions is put to the test to generate sustainable value across the world. Hexagon's core portfolio is dedicated to this very purpose, as our design and engineering, production software and metrology solutions increase efficiency throughout the lifecycles of manufactured products. Ultimately we are reducing resource inputs, emissions and waste for customers in automotive, aerospace, construction, manufacturing, agriculture and mining, among other industries. Another example is Hexagon's geospatial technology, which is used to monitor and analyse changes to our planet, providing real-time data on deforestation, flooding, wildfires, melting glaciers and other effects of changing climate for authorities, city planners and research institutes all over the world.

This also means that the increased need for technology that supports sustainability directly translates to an increased need for Hexagon's solutions, which is why we consider sustainability as our greatest growth opportunity. Strengthening our performance on the sustainability side will feed directly into a stronger performance on the business side and vice versa, and our success in business is tightly linked to our contribution to sustainability.

Simply put, Hexagon's sustainability strategy is to empower and create a positive ESG impact either through our solutions and partnerships, or through our value chain and people as visualised in the picture. Our goals and expectations are deliberately set high, and whether you are a valued shareholder, customer or employee, we look forward to sharing our journey and progress with you.

Ben Maslen
Chief Strategy Officer
Hexagon

Sustainability strategy

Change we empower

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

Change we create

Improving sustainability across our value chain
- Division specific net-zero roadmap
- Resource efficiency improvements
- Sustainable procurement program

Driving sustainability through our culture and our people
- Inclusive- and performance-driven culture
- Social responsibility through education and partnerships

Hexagon's key stakeholders and related sustainability issues

Managing sustainability opportunities and risks are key elements in all successful business models, irrespective of what industry or region a company operates in. Hexagon is committed to understanding the sustainability issues of its key stakeholders – society, employees, customers, investors and regulators – as they are transforming the business landscape. Only through a continuous dialogue can Hexagon meet and surpass their needs. Hexagon navigates the transformative environment by taking a proactive approach to sustainability, ensuring it acts in an ethical, socially and environmentally responsible way to all its key stakeholders.

1. Society

Stable, well-functioning and prospering societies are a critical prerequisite for Hexagon to be able to operate and do business. Only by adopting sustainable processes and proactively contributing to the health and safety of present and future generations can it ensure a long-term sustainable business landscape with prospects for growth. Clean energy supply, access to fresh water and air, strong infrastructure systems and safe constructions are sustainability issues that Hexagon actively can address through its solutions and market presence. In order to contribute to healthy societies in a focused manner, Hexagon has developed a wide range of sustainable solutions for cities and nations, aiming to ensure that governments, industry and citizens can work together to build safe and vibrant communities that support the highest quality of life and sustainable economic vitality.

2. Employees

Attracting, hiring, developing and retaining the best employees in the industry is key to Hexagon's success. The company employs more than 24,000 people globally, many of whom are highly skilled engineers and software developers. With a focused approach to competence development, anti-discrimination, diversity, employee engagement and health and safety, Hexagon can remain competitive with its peers long term, regardless of where it operates.

3. Customers and suppliers

Hexagon's customers and suppliers in all industries have a growing need for sustainable solutions that lower emissions, reduce waste and spillage, increase safety and efficiency, protect data privacy and secure high standards in their supply chain. By actively incorporating the customers' sustainability issues into its product development and processes, Hexagon can protect and secure new business opportunities while contributing to a more sustainable business landscape.

4. Investors

In order to confidently evaluate and assess the ESG-related risks and opportunities in its portfolio, the investor community expects a high degree of transparency and clarity in all areas related to sustainability from their portfolio companies. By meeting and surpassing the investors' requirements, Hexagon can ensure long-term viable funding and prospects for growth.

5. Regulators

Regulators in all countries need to ensure the companies operating under their legislation follow all applicable laws, with strict requirements on anti-corruption, responsible supply chain management, accountability, human rights, labour management and export control. With strong internal processes and policies for management of compliance and business ethics, together with a high degree of transparency and close collaboration with authorities in the regions it conducts business, Hexagon can be a role model in building sustainable business processes and be compliant with all commercial laws and ethical guiding principles.

Double materiality analysis

In 2023, Hexagon initiated its first double materiality assessment to determine material topics and to be compliant with the Corporate Sustainability Reporting Directive (CSRD) standards. The double materiality assessment 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.

Materiality assessment methodology

The assessment consisted of three stages including:

- Due diligence preparation to identify potentially material topics, utilising the European Sustainability Rerporting Standards (ESRS) and topics defined in the CSRD, also including a review of Sustainability Accounting Standards Board (SASB) sectors and peer disclosures for a comprehensive analysis.

- Survey, workshop and interview assessment of sustainability impact 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.

- Defining the key material opportunities and risks for Hexagon, prioritising efforts based on assessment outcome and following relevant ESRS standards for transparent disclosure.

Hexagon's issue pool of material topics

Financial impact on Hexagon

Opportunity   ▲ Risk   **Impact on environment and society**
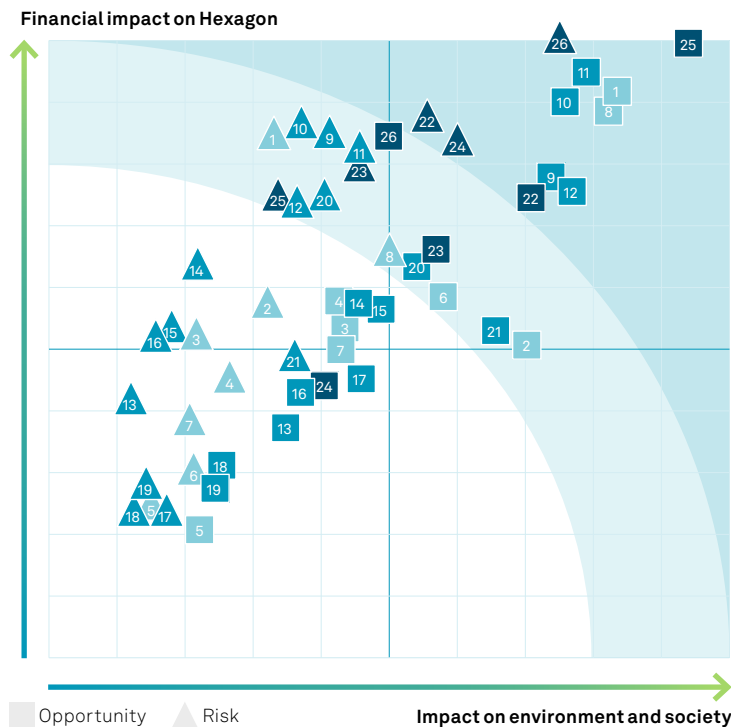
Environmental

1. Adaptation, mitigation, energy
2. Air, water, soil, other
3. Withdrawals, discharges
4. Loss of biodiversity
5. Loss of species
6. Ecosystem degradation
7. Dependency on ecosystem
8. Inflows, outflows, waste

Social

9. Working conditions
10. Talent attraction
11. Future of work
12. Equal treatment/opportunities
13. Other (e.g. child labor)
14. Occupational safety
15. Employee opportunities
16. Other (e.g. forced labor)
17. Economic/social/cultural rights
18. Civil and political rights
19. Rights of indigenous peoples
20. Information-related impacts
21. Safety-related impacts

Governance

22. Culture, supplier mgmt., data protection
23. Bribery/gifts, lobbying, whistleblower
24. Dual use, export controls
25. Industry 4.0, innovation/digitalisation
26. Cyber- and data-related topics

Materiality assessment issue pool

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

A topic is considered as material if it is likely to affect Hexagon's future cash flow, or if it has a significant impact on people or the environment.

Materiality assessment results:

Sustainability a key business opportunity

The key material topics identified through the double materiality assessment were climate change, own workforce, workers in the value chain, and business conduct. 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 as opportunities by its stakeholders. Hexagon provides solutions that address the main environmental and social challenges that companies and nations face today. Furthermore, Hexagon recognise 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 adaption and mitigation, digitalisation and more, are not positioned as threats or risks but rather an opening for increased profitability and

Environmental

Climate change (ESRS E1)

Adaption, mitigation, energy

Social

Own workforce (ESRS S1)

Working conditions

Talent attraction

Future of work

Equal treatment and opportunities

Workers in the value chain (ESRS S2)

Governance

Business conduct (ESRS G1)

Culture, supplier management, data protection

Improper use of goods (ESRS G1)

Dual use, export controls

Business responsiveness (ESRS G1)

Industry 4.0, innovation, digitalisation

Cyber security

Cyber and data-related topics

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' Sustainability Development Goals (SDGs) and are the starting point for Hexagon's sustainability strategy. The description of topics, their impact materiality and the financial materiality table can be found in the ESG notes of this report.

Sustainability reporting standards

Hexagon's ESG reporting covers its own operations and value chain, and its goals are aligned to the company strategy objectives to generate value and lower risks.

Several reporting standards form the basis of the reporting. The climate targets go above and beyond the Paris Agreement goals and are submitted to the Science Based Targets initiative (SBTi) for verification. The sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and United Nations' Global Compact, and also take into account the SASB and CSRD reporting framework.

Hexagon is a signatory of the United Nations Global Compact (UNGC) which means that the company supports and actively promotes its ten principles on the environment, labour practices, human rights and anti-corruption in our operations and in relation to external stakeholders. This also means that Hexagon seeks to conduct business in a responsible and ethical manner and 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). For an overview of the ESG-related reporting, please see page 84, Sustainability Key Performance Indicators.

Hexagon's goals and commitments

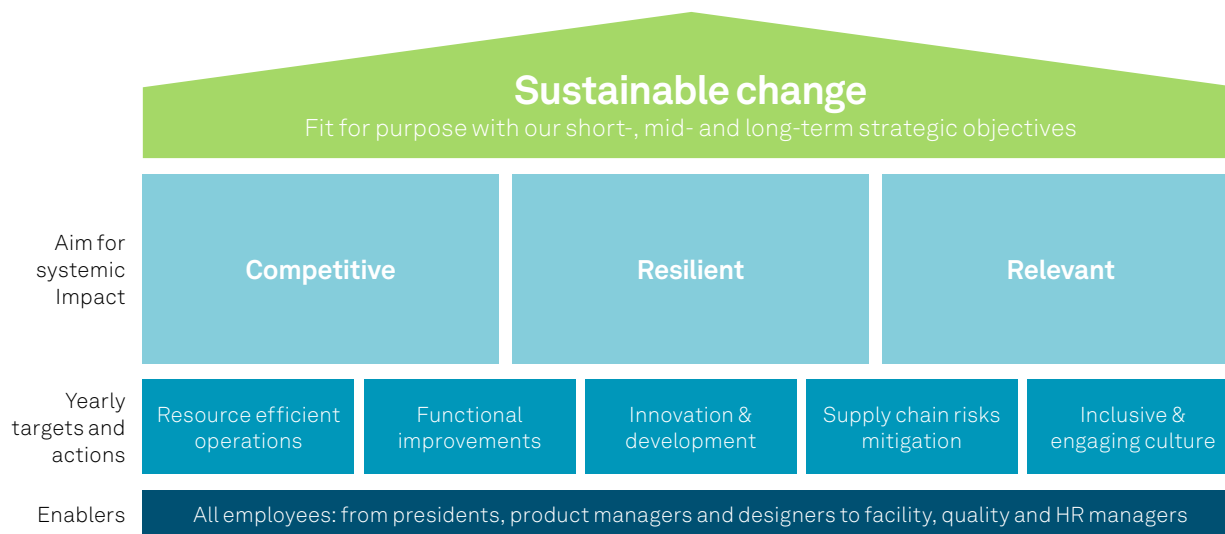| Focus areas	Commitment	Goals	2023 impact	Supported sustainable development goals (SDGs)
Environment **Driving change across entire value chain to generate positive environmental impact**	• Encouraging the development and diffusion of environmentally friendly technologies. • Monitoring and report regularly 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 .	• Absolute target: Reduce absolute Scope 1 and Scope 2 GHG emissions 95% by 2030 from a 2022 base year. • Intensity target: Reduce Scope 3 GHG emissions 25% per unit of revenue by 2030 from a 2022 base year. • To increase annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027. • Reach net-zero GHG emissions across the value chain by 2050. • Reduce scope 3 GHG emissions 97% per unit of revenue by 2050 from a 2022 base year.	• Increased share of purchased or produced renewable electricity out of total electricity to 46%, compared to 42% in 2022. • Introduced eco-criteria in product design process. • Increased total renewable energy produced by 35% compared to 2022. • Doubled the share of electric vehicles of total vehicle fleet to 8% compared to 4% in 2022.	SDG 3, 6, 7, 9, 11, 12, 13, 17
Social **Driving sustainability through people and culture**	• Ensuring health and safety for our 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 trainings. • Being an attractive employer and recruiting the most talented and professional employees.	• Achieve at least 30% women in leading positions by 2025.	• Increased the number of women in leading positions to 24% compared to 23% in 2022. • Increased Diversity & Inclusion Score from employee survey to 84% compared to 83% in 2022.	SDG 5, 8, 10
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.	• 50% of Hexagon suppliers by spend covering purchased goods, will have science-based targets by 2028. • 80% of Hexagon suppliers by spend covering purchased goods, will have science-based targets by 2030.	• 411 executives certified in Hexagon's Ethics & Compliance System. • Achieved the target of auditing 100% of key suppliers in high risk countries with onsite or self-assessment audit questionnaires. • Engaged more than 15,000 employees through ESG trainings.	SDG 8, 12, 16

ESG framework

At Hexagon, the sustainability program and associated ESG goals, initiatives and reports are tightly linked to Hexagon's business strategy. By driving sustainable change across its operations, supply chain, product innovation and merger and acquisitions (M&A) activities, Hexagon will increase its competitiveness and financial performance short-, mid- and long-term.

To ensure that sustainability activities support and align with the strategic objectives, Hexagon has defined an ESG Framework that guides and drives its agenda. The overall goal to drive sustainable change is supported by initiatives that should aim to provide real, systemic impact through increasing Hexagon's competitiveness, resilience

and relevance for customers, employees, authorities, investors and other stakeholders.

All yearly targets and actions should support more resource efficient operations, drive functional improvements of specific tasks or business areas, steer towards stronger and more innovative development processes, mitigate supply chain risks or strengthen an inclusive and engaging culture among the employees.

The enablers of the ESG framework are the employees, and to ensure long-term commitment of the initiatives across the organisation, the activities and actions are implemented at local level with proper tools and resources for effective sharing of best practices across divisions and regions.

Sustainable core competences

Hexagon's five core technologies solve some of the most urgent challenges of our lifetime. 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.
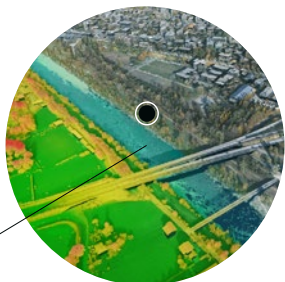
Reality capture

Sustainability value proposition:

– Reality capture enables enhanced productivity, accuracy and safety, and drives more sustainable practices across multiple industries. Collecting precise environmental data supports resource management, decision-making processes and construction efficiency with less waste and emissions.
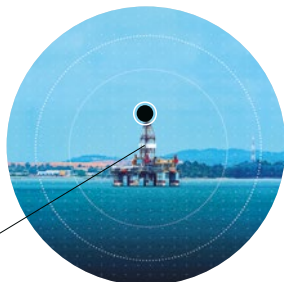
Positioning

Sustainability value proposition:

– Precise and intelligent positioning technology enables safe and secure operations on land, sea and air as autonomous vehicles, planes, tractors, vessels and off-shore platforms can be operated with lower risk for incidents, saving lives and avoiding environmental disasters.

Autonomous technologies

Sustainability value proposition:

– Sensors and software utilise data to enable autonomy and drive the shift to autonomous vehicles and manufacturing processes resulting in better fuel efficiency, safer operations, smarter construction and agriculture.
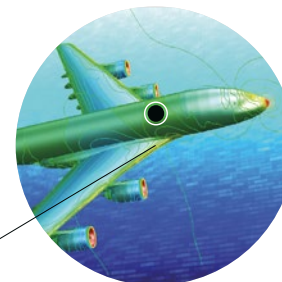
Design and simulation

Sustainability value proposition:

– Simulations and computer aided engineering 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.

Location intelligence

Sustainability value proposition:

– Identifying the most efficient transportation routes, promoting public transportation and encouraging the use of electric vehicles is essential in building sustainable societies, and location intelligence solutions are key for enabling this shift.

ESG customer highlights

Ziton

Customer background

Offshore service provider of wind farms, specialising in major component exchanges on wind turbines such as blades, gearboxes, transformers and generators.

Customer challenge

Positioning service platforms in the North Sea very close to the turbine structures and establish platform legs on the seabed floor with submetre accuracy to avoid obstacles such as power cables or large debris, while also avoiding collision with the structure.

How Hexagon is helping

Ziton deployed Hexagon's positioning, navigation and timing (PNT) solutions, which use inputs from several sensors to control the output of the platform thrusters and maintain the safety of crews and structures.

Jacto

Customer background

Brazilian-based Jacto manufactures a wide range of spraying, fertiliser spreading, planting, harvesting and pruning agriculture equipment, always with an eye on driving efficiency through technology.

Customer challenge

Increase accuracy of its autonomous tractors and trailers to increase output and reduce the use of spraying products.

How Hexagon is helping

Jacto incorporated advanced GNSS receivers and antennas from Hexagon, with reliable 2.5cm year-over-year accuracy, and intelligent obstacle control management systems. The accuracy allows for autonomous driving, greater deposit and less drift in spraying products, delivering a more environmentally sound distribution and product savings, while taking the driver out of harm's way.
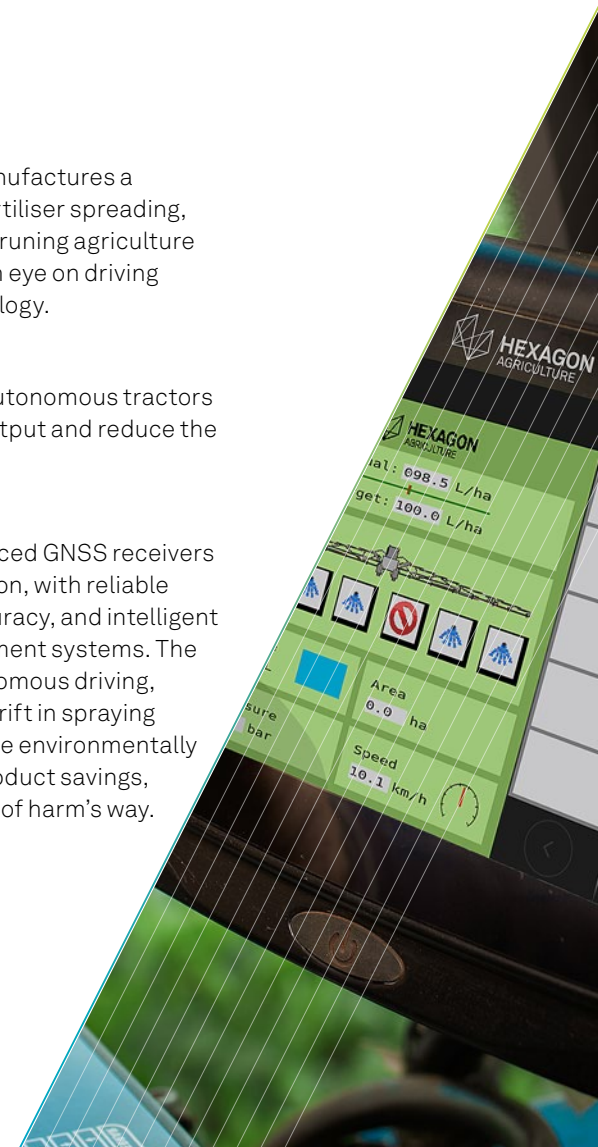
Victoria Department of Transportation

Customer background
Victoria's Department of Transport and Planning (DTP) is responsible for planning, building, operating and maintaining the transport and planning system in Victoria, Australia.

Customer challenge
To analyse root causes of accidents in the city by examining contributing factors such as crash locations, vehicle types, weather conditions and driver behavior.

How Hexagon is helping
The department implemented a 3D digital reality solution from Hexagon for integrating crash data into a map for visual analysis of accidents, contributing factors and patterns, resulting in reduced crash analysis time and costs by limiting manual inspections and provided data to create safer roadways.

TRAGSATEC

Customer background
TRAGSATEC is an environmental protection entity owned by the state and based in Madrid.

Customer challenge
TRAGSATEC had to figure out what the top contributing factors were to the region's land and water decline and propose a plan of action. It also needed to address the impact of global warming in Spain, including recurring droughts, extreme weather and desertification.

How Hexagon is helping
TRAGSATEC decided to use an all-in-one solution for geospatial data management to autonomously connect, manage and publish the data needed to map the region. They also used a situational awareness solution to visualise and analyse the data in a public digital twin. Once the data was visualised, the team ran simulations in the digital twin to understand how floods and other events would impact river dynamics, terrain and the Menor Sea. As a result, areas of concern could be identified and mitigation measures implemented to improve the health of the local environment and population.
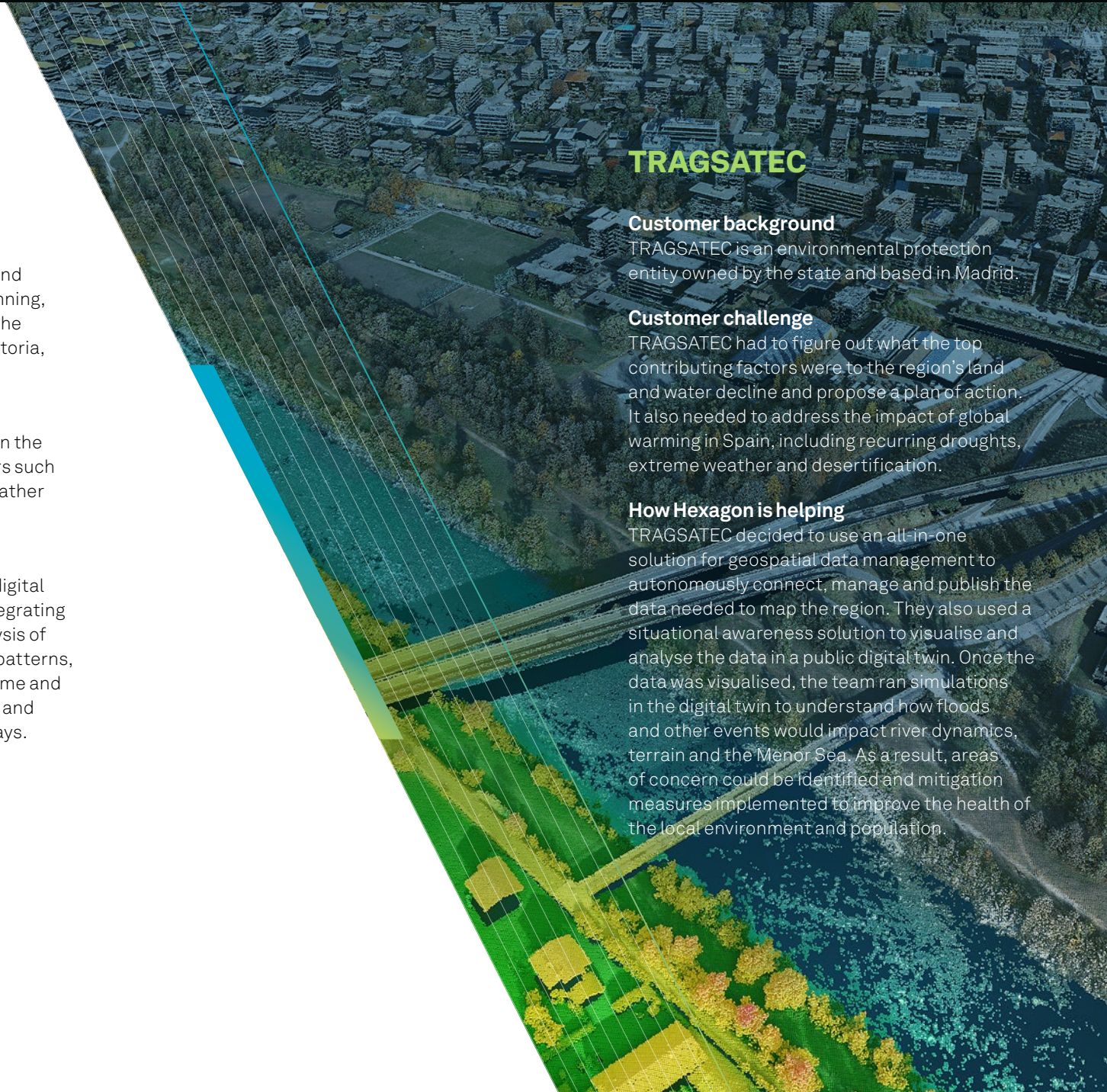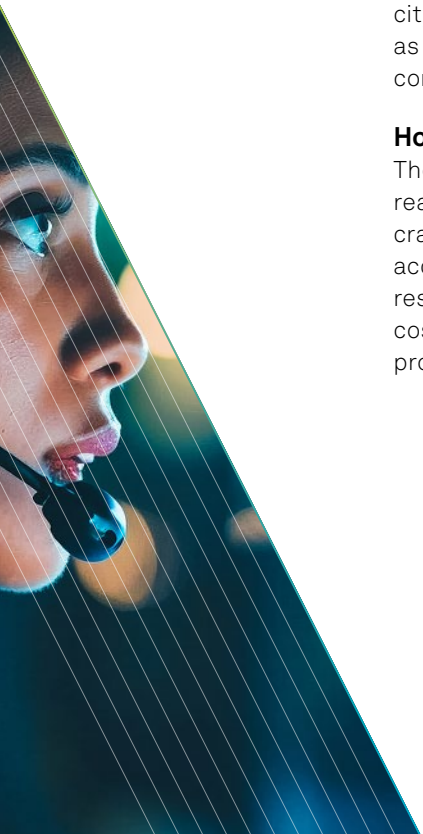
Quantifying avoided emissions

A key benefit of Hexagon's core portfolio solutions is greater efficiency in processes for construction, manufacturing, product design and more. The efficiency is achieved through reduced material input, lower consumption of utilities and increased labour productivity. A common result of the increased efficiency is lower carbon emissions, a desired outcome for almost any company aiming to reduce its environmental impact.

To assess its impact on enhancing customer sustainability, Hexagon conducted a pilot project in 2023 utilising the BLK360 reality capture solution. The findings clearly showcased how Hexagon's solutions enabled customers to automate their workflows, consequently boosting productivity and diminishing both costs and the environmental footprint. Specifically, in the pilot customer scenario, the BLK360 enabled the automation of modular gypsum board production, which cut measuring time around 50% and reduced emissions from both the installation process and workforce commuting. The material waste decreased from 10 to 0 tonnes, while total material requirement was reduced around 1 tonne, measuring process time was halved from 2.70 to 1.35 minutes, and labour hours required were cut from 18 to just 4 hours. This resulted in savings of 827 $kgCO_2$-eq for an area of 1,479 m^2 functional unit, as per avoided emissions guidance from > World Resources Institute. In 2024 and beyond, Hexagon aims to scale this approach to empower more customers to adopt sustainable practices and drive positive environmental impact across more industries.
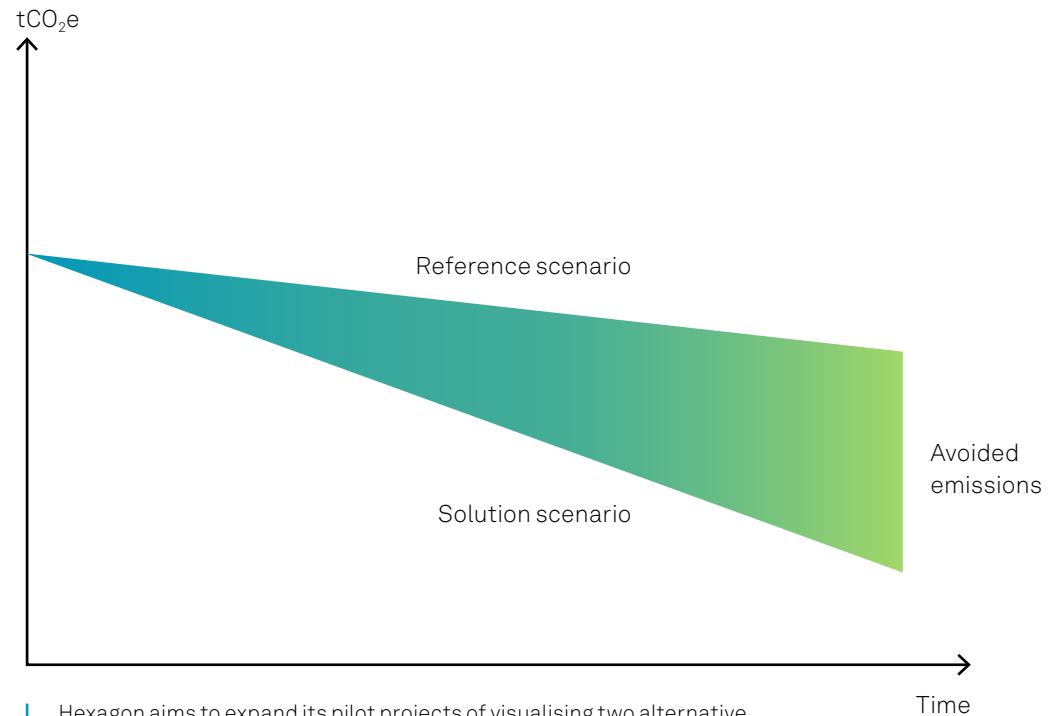
Hexagon aims to expand its pilot projects of visualising two alternative scenarios for its product use in specific workflows: one reference case for the status quo, and one scenario with Hexagon's solution applied. The difference between the scenarios will showcase the avoided carbon emissions in the specific project, helping customers understand the environmental impact.

R-evolution: Applying technology innovation and venture capital to accelerate green-tech businesses

One of Hexagon's most prominent initiatives to support sustainable change is R-evolution, a business arm running profit-driven investments in green-tech initiatives. R-evolution accelerates the world's sustainable transformation by applying Hexagon's technologies to business opportunities that benefit the environment and society. Its key initiatives include renewable energy, blue carbon ocean projects, desalination and biodiversity conservation. During 2023, R-evolution made a significant business impact through its sustainability contributions.

Digitalising desalination

A strategic technical partnership with Desolenator, a Dutch start-up that provides the world's first solar thermal desalination process to produce high-quality desalinated water with zero harm to the planet. The solar approach, including modular technology, eliminates the high-energy reliance issues involved in traditional methods. Unlike reverse osmosis, Desolenator's patented solution uses zero harmful chemicals, zero membranes and zero energy intermittency.

R-evolution is contributing to the optimisation of Desolenator's process by providing the desalination digital twin for monitoring and asset performance management, powered by Hexagon's Smart Digital Reality solutions.

By 2040, all communities on the planet should have affordable, sustainable and reachable access to fresh water. With a pioneering approach, Desolenator and R-evolution are tackling the fresh-water scarcity challenge with sustainability, efficiency and innovation in mind, increasing access to water for communities in need today and in the future.

Promoting biodiversity conservation

R-evolution partnered with La Gamba Tropenstation, part of the University of Vienna's Department for Botanic and Biodiversity studies, to join Green Cubes, the forest initiative to accelerate biodiversity conservation of rainforests worldwide, starting from La Gamba, Costa Rica. The Green Cubes concept is redefining the relationship between technology, science and local communities, by ensuring that rainforest conservation has higher value than alternative practices. Conservation is realised by implementing the Green Cubes Methodology in the rainforest, a technology- and science-driven approach that monitors development over time, identifying volume, measured with airborne LiDAR earth observation for detecting significant changes within the forest complexity with multispectral and in-situ LiDAR and biodiversity indication provided by soil DNA analysis, camera traps and passive acoustic sensors.

As a result, Green Cubes offers committed enterprises an opportunity to promote biodiversity conservation through an annual sponsorship model – to meet the requirements for ESG engagement and differentiate through proactive contributions to biodiversity conservation.

Green Cubes is a response to the urgent need to preserve the biodiversity of our planet.

Solar farm energy storage

The battery technology company Hagal AS and R-evolution teamed up in a new collaboration where R-evolution provides Hagal with access to the 16.44 MWp Archidona solar park in Spain, showcasing Hagal's battery technology in a real-world, operational setting. A Hagal battery has been installed at the Archidona solar site which will serve as a platform for future partnerships and commercial arrangements. The partnership capitalises on Hagal's technology in extending the lifespan of new and used battery cells, in tandem with R-evolution's expertise in harnessing data analytics to maximize the profitability of solar power and deploying technological solutions that actively reduce CO_2 emissions. The outcome is an accelerated transition towards renewable energy and more sustainable battery technology.

The partnership with Hagal is a key milestone in the continuous development of the renewable blueprint that digitalises solar energy production and more.

> *For more information on R-evolution collaborations and partnerships, please visit r-evolution.com.*
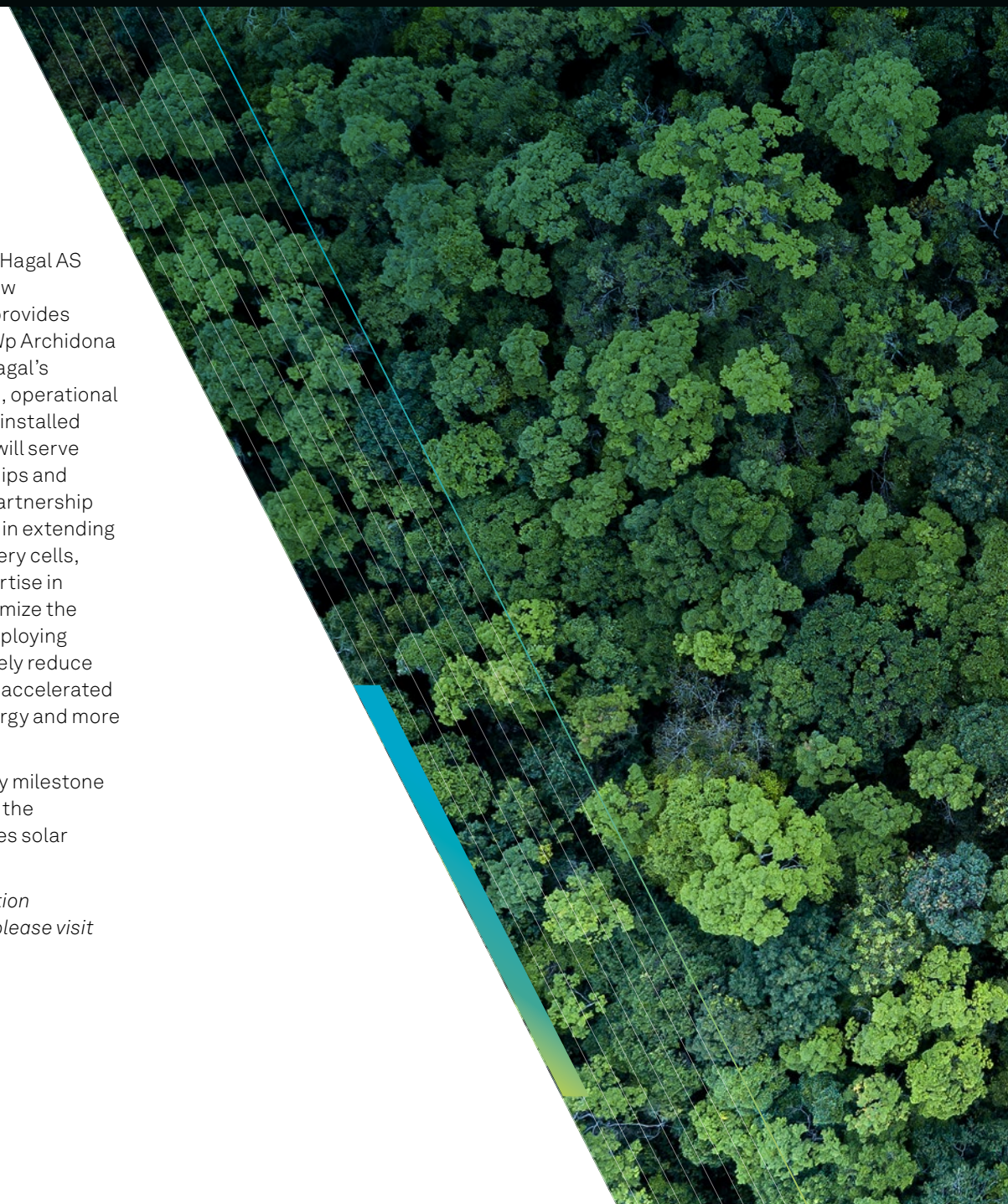
Enabling a change with our stakeholders

As a global company, Hexagon has the ability and responsibility to give back to society. Hexagon supports and actively engages with the communities where it operates through philanthropic activities and charitable organisations as well as business collaborations to support technology innovation. Local initiatives range from donating technologies to non-profits, training and supporting environmental research, partnering with universities to develop future talent, and sponsorship of community events.

Sixth Sense programme – scaling startups
To leverage Hexagon solutions to solve sustainability challenges in all industries, Hexagon has launched an open innovation platform called Sixth Sense. The platform connects tomorrow's innovators with today's industry-leaders, and the programme is helping to scale the startups that are building transformative solutions to some of humanity's biggest challenges.

Once a year, ambitious scaling startups from the worlds of design, manufacturing and engineering are invited to apply to Sixth Sense and its intensive, innovate-on-the-job accelerator programme. Through its tailored coaching, workshops, and access to Hexagon's world-class expertise and network, Sixth Sense helps innovators to refine their cutting-edge technologies, forge powerful

partnerships, and take corporate innovation to the next level. Featuring startups tackling everything from sustainable manufacturing to virtual reality, the programme harnesses the power of these emerging technologies to accelerate progress towards a more autonomous, efficient, and sustainable future.

Global rainforest conservation
One initiative to support the climate is Hexagon's partnership with global rainforest conservation charity Cool Earth, offering vital funding and support across its projects. The eco-projects partnership brings together Hexagon measurement and digital reality technologies with the expertise of Cool Earth for rainforest conservation. The partnership aims to raise awareness about the importance of taking climate action by funding projects that improve understanding and address the needs of people that live in and protect carbon sink environments. As part of the initiative, Hexagon will provide vital funding to back people-powered conservation across the three largest rainforest biomes: the Amazon, Congo and New Guinea forests.

Partnerships
In 2023, Hexagon partnered with NVIDIA, AWS, Microsoft and Sony for delivering best-in-class technology

platforms. Among others, the partnerships aim to enable industrial digital twin solutions that unite reality capture, manufacturing twins, AI, simulation and visualisation to deliver real-time comparison to real-world models. Digital twins are considered as a key solution to optimise manufacturing processes and decrease associated scrap and waste, and to help improve productivity, quality, safety and profitability when used with any simulated solution. For more information, please see the Strategic Partnerships chapter on page 7 in this annual report.

Group community engagement and volunteering
One example of Hexagon's social projects is the Hexagon Cares group volunteer programme which encourages employees to support local charitable organisations by providing one day of paid time off per year to come together and participate in volunteer activities, supporting local communities while also strengthening an ethical and socially engaged culture. Another example is the Hackathon-event in India in 2023 where Hexagon invited university students, startups, companies and employees to solve sustainability-related challenges. A total of 163 teams qualified for the final event displaying innovative solutions for sustainable energy, manufacturing and green tech, laying the foundation for development of groundbreaking new products and innovations.

Hexagon's sustainability milestones and roadmap

Sustainability can only be achieved with a holistic approach.

	2022	2023	2024	2025	2027	2030
Employees	**19,562** Employees conducted diversity training	All employees **trained in cyber security and anti-harassment**	All employees trained in **inclusive behaviours**	**30%** women in leadership positions		
Energy	**35%** renewable electricity	**~35,000 MWh** renewable energy produced	**50%** renewable electricity	**20%** reduction in power consumption	**100%** renewable electricity	
Company vehicles	**-5.3%** fewer combustion vehicles in car fleet	**Guidance of green vehicles** in our car fleet	All employees completed **training on CO$_2$**			**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	**Avoided emissions framework** by product line	**Avoided emissions** standard in place for all solutions	**Double 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 3 years	**Human rights due diligence** across our value chain	**20%** CO$_2$ reduction in logistics emissions	**>80%** of procurement spend covered by SBTi validated targets

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 years 2025, 2027, 2030 and 2050. The initiatives include trainings 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 reductions 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; standard 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	CO$_2$ avoidance through our products > our Scope 1 & 2 emissions Credits through R-evolution
2030	At least 90% reduction in Scope 1		>80% procurement spend covered by SBTi validated targets		
	25% reduction in our full value chain ≫				
2050	Net–zero in our full value chain ≫				

Hexagon's CO_2 reduction levers

To reach the goal of reducing its carbon emissions by 25% across the full value chain by 2030, Hexagon has identified its key reduction levers that it will focus on in order to reach the goal.

Almost all parts of Hexagon's value chain are considered in the carbon programme[1]. In addition to a 95% reduction of its Scope 1 and 2 emissions, the key enablers are purchased goods, logistics, business travel and employee commuting where Hexagon will implement activities and change its processes in order to achieve long-term carbon reduction. This means that 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. By 2030, the carbon programme is estimated to achieve roughly 100,000 tonnes of annual carbon emission reductions.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

≈ 402,000 tCO$_2$

Almost all parts of Hexagon's value chain are considered in the carbon programme.

25% absolute reduction

| Baseline **2022** | Scope 1 | Scope 2 | Purchased goods | Logistics | Business travel | Employee commuting | Target **2030** |

95% Reduction in Scope 1 & Scope 2
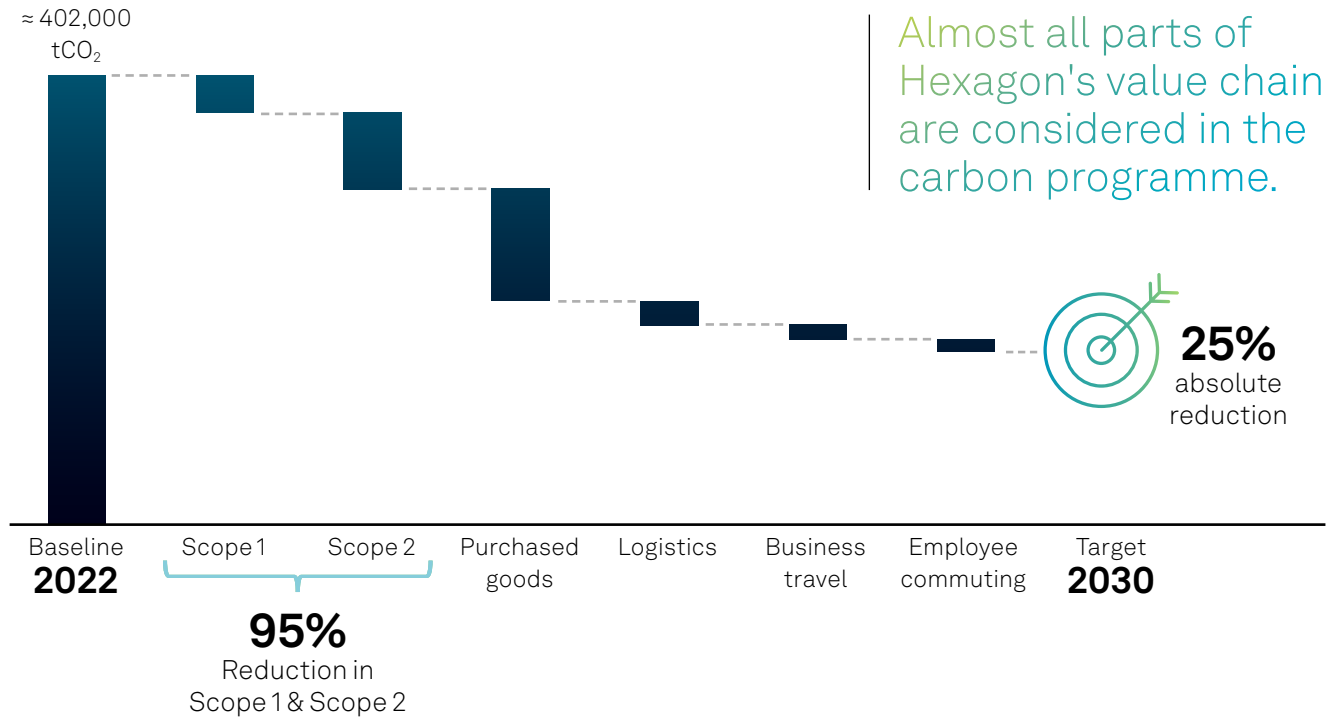
1) Hexagon calculates its corporate carbon footprint (Scope 1, 2, and 3) annually in line with the Greenhouse Gas Protocol and obtained a "limited" assurance from an independent third-party verifier on Scope 1 & 2 reported Greenhouse Gas (GHG) emissions

ESG governance

Environmental, social and governance (ESG and sustainability) topics

- The main responsibility for sustainability at Hexagon lies within the Chief Strategy Officer (CSO) with oversight from the Board of Directors and Executive Leadership Team accountability.
- The Hexagon Audit Committee is the guidance body for sustainability-related business at Hexagon.
- Relevant ESG topics are reported and reviewed in the Quarterly Business Review (QBR) for all Hexagon's divisions.

ESG accountability and governance encompasses the entire Hexagon organisation

Hexagon champions compliance with recognised principles of corporate governance, which are used as the foundation for sustainability management. Management of ESG topics is embedded across Hexagon's businesses, through the divisional units, operating functions and entities. This means that ESG criteria is included across the group functions to ensure the relevant sustainability topics are addressed by the teams that are best positioned to improve each given area.

In 2023, Hexagon significantly strengthened its sustainability organisation by introducing a clear organisational structure and responsibilities throughout the company. Each division has clearly allocated and mandated the responsibilities of sustainability.

Furthermore, sustainability has also been an integral part of the quarterly Business Reviews for all Divisions. The governance of sustainability is distributed as follows:

The Board of Directors (BoD) has the ultimate responsibility for Hexagon's sustainability strategy and ESG governance. The BoD is informed on relevant sustainability topics in all meetings, and it 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 on 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 QBR and regularly informs the Hexagon Executive Leadership team on sustainability matters.

The Sustainability department of Hexagon AB is responsible for defining the group's sustainability strategy, including the specific targets. The department closely monitors any developments concerning sustainability by engaging with investors and analysts, customers, nongovernmental organisations and policy makers. 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 trainings needed to address overarching sustainability topics for Hexagon's businesses. The implementation of the net-zero roadmap lies with the Sustainability department, and it also governs the purchase of credits related to renewables and carbon reduction.

In coordination with the Divisional Sustainability Council and the specific business functions, the Sustainability department supports the development and implementation framework of the related ESG initiatives. Responsibility for sustainability reporting and progress tracking is a key priority of the Divisional Sustainability responsible. All Divisional Sustainability Responsibles have a governance reporting line to their associated divisional President and a functional dotted reporting line to the Head of Sustainability. The Divisional Presidents are essentially responsible for the sustainability topics in their specific division. They are supported by their respective Divisional Sustainability Responsible to ensure progress and reach the goals.

ESG governance

	Board of Directors
Executive supervision	⌃ ⌄
	Audit Committee
Guidance & coordination	Sustainability Department ≪ ≫ ESG Steering Committee
Global implementation	Divisional Sustainability Councils
	Hexagon employees

ESG strategy in acquisitions

Ensuring sustainability as Hexagon grows

Acquisitions play a vital role in Hexagon's growth strategy. In this business model, a focus on sustainability is central to the company's overall sustainability management as Hexagon acquires and integrates new companies. For Hexagon, it is always a make or buy decision when evaluating the R&D roadmap and potential acquisition candidates that support Hexagon's growth strategy. In addition to filling gaps in the portfolio, Hexagon's acquisition strategy is focused on extracting synergies across its different businesses and positioning the company for future growth opportunities. Acquisition candidates are regularly monitored and evaluated on market position, customer reputation as well as growth and profitability potential.

Sustainability in the due diligence process

Hexagon considers many sustainability factors in an acquisition process as it enables the company to make better investment decisions, thereby unlocking the potential value of sustainability and reducing the harm resulting from any possible limitations. It also ensures a valuable foundation after the transaction has been completed.

In Hexagon's standard due diligence process, several sustainability elements are considered. These include a detailed review of the internal controls of the target company, quality business practices, human rights, environmental and employee matters, as well as compliance with ISO (International Organization for Standardization) standards, LEED (Leadership in Energy and Environmental Design) guidelines, anti-corruption regulations (FCPA, Foreign Corrupt Practices Act) and export controls. Hexagon also evaluates whether target companies are following a robust code of conduct and whether their own corporate sustainability programmes are effective.

The considerations and steps taken by Hexagon in a due diligence process are often project-specific. For example, when evaluating a manufacturing company, Hexagon evaluates whether the company takes measures to ensure responsible production and a sustainable supply chain. Overall, Hexagon seeks to obtain an understanding of the company's philosophy, how this has impacted operations and whether management can address potential issues in the right framework. This allows Hexagon to better determine the company's sustainability profile and its potential fit.

Hexagon also frequently uses external specialists, including counsels trained in intellectual property, employee benefits, anti-corruption, international trade, antitrust, labour and employment law and real estate. Having a cross-functional team supplemented by external experts allows Hexagon to appraise all key features of the target company, including its sustainability practices and suitability for integration into Hexagon as a whole.

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 of Business Conduct and Ethics, which is based on the UN Global Compact's ten principles on human rights, labour, environment and anti-corruption. The newly acquired company also implements the Hexagon Ethics and Compliance Programmes, covering topics including antitrust, anti-corruption, business ethics and export controls.

Hexagon also has an on-boarding checklist covering 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 multiple 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 recordkeeping. In all cases, employees entering the Hexagon Group via an acquisition are informed about Hexagon's Code of Business Conduct and Ethics and are expected to behave consistently according to the Code.

Hexagon's acquisition strategy is focused on extracting synergies across its different businesses and further increasing the group's exposure to software and recurring revenues.

Data privacy and cyber security

Data privacy

Data protection is one of the six 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 will be processed in accordance with global best practices and this is reflected in its Data Protection Compliance Programme (DPC Programme). The Group Privacy and Information Security Officer has responsibility 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 Regulations (GDPR) are used as its baseline for the protection of all personal data, regardless of locality. GDPR is widely considered as the 'gold standard' of privacy law and provides a robust and reliable means to ensure personal information is protected appropriately. Additions have been adopted since 2018 to encompass other jurisdictional laws as these have been enacted.

Following the introduction of updated standard contracual clauses (SCC) 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 committed changes to technology, processes and people.

All Hexagon employees are required to comply with data protection principles and receive training appropriate to their role. 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).

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 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 2023 and included 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. In 2023, 26,736 employees and subcontractors were trained in cyber security covering multiple relevant areas to decrease cyber security-related risks.

During 2023, 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 has complemented the replacement of its technology landscape with a major reorganisation of its security operation. This has enhanced both the ability to respond to internal requests for service as well as external threats and incidents. The global security organisation has been further augmented by the addition of an externally managed Security Operations Centre, monitoring all of Hexagon's corporate networks and resources to provide full 24/7 visibility of events.

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 interruption.

In 2023, 26,736 employees and subcontractors were trained in cyber security.

A responsible culture

A diverse 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 of its employees and strives to build a working environment where different 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 its access to a greater range of talent.

The Hexagon Code of Business Conduct and Ethics helps govern issues such as fair employment, diversity, discrimination, harassment, health and safety. All businesses in the company are obliged to adopt and implement the Code to ensure a uniform approach to the issues. All employees and contractors undergo mandatory training in the Code of Business Conduct and Ethics to ensure it is adopted broadly throughout the organisation, which is repeated regularly to ensure adherence. In 2023, 24,695 employees were trained in the Code of Business Conduct and Ethics.

During 2023, a global employee survey was conducted to capture the sentiment and evolvement areas among

Employees by gender, %, 2023

- Female, 24% (24)
- Male, 76% (76)
- Other, 0% (0)
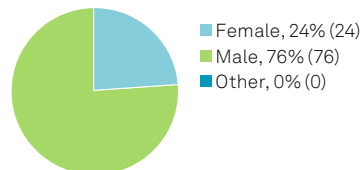
Hexagon's workforce. The engagement level was 73% - the same score as for 2022. Hexagon's 2023 engagement score was 2% higher than the score of general industry benchmark, and 6% higher than the score of the high-technology companies benchmark. However, it was 4% lower than the high performing companies benchmark, leaving further room for improvement. Using the findings of the report, Hexagon has implemented action plans for 50% of the employees participating in the survey in an effort to increase the engagement and retention rate. Areas representing the rest of the workforce are currently under assessment to determine the best approach to improve opportunities for engagement and further growth.

In 2023, the retention rate of Hexagon was 92%, compared to 89% in 2022. The diversity & inclusion index, covering 14 inclusion-related topics, was 84% which was 1% better compared to 2022, indicating that the culture- and inclusion- building activities across Hexagon are having a positive effect on the overall sentiment. Where appropriate, Hexagon supports a flexible workplace and

New hires by gender, %, 2023

- Female, 26.3%
- Male, 73.2%
- Other, 0.5%
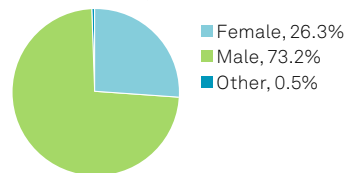
New hires by age, %

Newly hired - Gen Z	14.8%
Newly hired - Gen Y	62.5%
Newly hired - Gen X	19.0%
Newly hired - Boomers	3.7%

Involuntary attrition by gender, %, 2023

- Female, 25.9% (23)
- Male, 73.8% (77)
- Other, 0.3% (0)
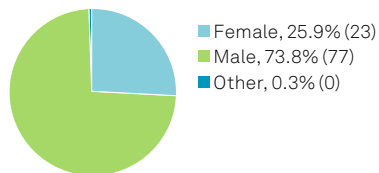
Involuntary attrition by age, %

Involuntary attrition - Gen Z	12.5%
Involuntary attrition - Gen Y	39.1%
Involuntary attrition - Gen X	31.1%
Involuntary attrition - Boomers	17.4%

Voluntary attrition by gender, %, 2023

- Female, 26% (24)
- Male, 73.8% (76)
- Other, 0.2% (0)
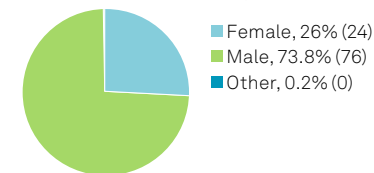
Voluntary attrition by age, %

Voluntary attrition - Gen Z	6.7%
Voluntary attrition - Gen Y	59.5%
Voluntary attrition - Gen X	23.0%
Voluntary attrition - Boomers	10.7%

the opportunity to work from home, as well as flexible working schedules to further support inclusion.

To further improve the general awareness of relevant ESG topics material for Hexagon, sustainability e-learning sessions were offered in 2023. Through this education programme, Hexagon successfully managed to engage 15,991 of employees in training sessions.

Diversity and inclusion — from recruitment to senior management trainings

Building a truly diverse workforce is a long-term commitment that requires a dedicated approach to diversity through the full employment cycle – from recruitment all the way to senior management trainings. Hexagon aims to ensure equity and inclusive behaviour through the four stages of a Hexagon career; recruitment, early career start, career development, senior

management. For the recruitment phase, Hexagon has adopted inclusive hiring practices for its job postings and talent pool pipeline, achieved through inclusive language and gender-neutral university recruiting activities. For the early career start phase, all Hexagon employees undergo the Diversity & Inclusion educational programme that define the rights, expectations and obligations of all colleagues. In 2023, the completion rate for the DEI trainings were 78% for all employees. For the career development phase, Hexagon has implemented mentoring programs, trainings, awareness campaigns, workshops, women's leadership forums and networks of under-represented employees to support and encourage a more diverse and inclusive culture and workforce. One example is the Hexagon women's network Femme Like You, a network designed to promote equity and diversity and create events where employees can discuss challenges,

pitch ideas and share best practices for building inclusive workplaces. Also, all senior management are provided with a manager toolkit workspace to provide the tools and knowledge necessary to lead by example.

Hexagon strives to be a diverse workplace across all levels of management. At year-end 2023, the Hexagon BoD consists of 3 women and 4 men while executive management consists of 1 woman and 12 men. Gender distribution in leading positions, including divisional management and their direct reports, was 24% women and 76% men in 2023. The goal is to reach 30% female managers by 2025, and Hexagon is currently implementing a set of initiatives for recruiting, retaining and developing female leaders to meet the goal by the deadline.

In promoting equity and inclusion, Hexagon also ensures its access to a greater range of talent.

Discrimination

Any kind of discrimination is completely unacceptable at Hexagon, no matter if 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 behaviour. 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 EVP is approached. The Compliance Officer also offers direct communication opportunities that are managed by the Corporate Legal Group, through the anonymous third-party whistleblowing system. Employees who may be subjected to unfair discrimination and/or harassment have the right to report it to Hexagon, and there are processes in place to ensure the employee may do so without fear of victimisation and intimidation. In 2023, 20,315 employees were trained in the anti-harassment course.

Our people — transparency builds trust

Hexagon is proud of its diverse workforce and strives to increase transparency in employee data to promote accountability and highlight improvement areas related to representation and equality. This is the first employee report including representation of both women and men at different job levels globally, and also of ethnic groups in the US following local legal guidelines. Hexagon's ambition is to further support initiatives that foster an inclusive culture that increases its competitiveness as an employer, where all employees have same opportunities to grow and prosper.

Employee category by age

Job level	Under 24	25-40	41-56	Over 57
Executives	0.0%	7.0%	71.9%	21.1%
Job level A	0.2%	18.7%	62.3%	18.9%
Job level B	4.2%	51.1%	34.4%	10.4%

Employee category by gender

Job level	Male	Female	Other gender
Executives	77.2%	22.8%	0.0%
Job level A	75.0%	24.6%	0.4%
Job level B	76.2%	23.6%	0.2%

US data — ethnicity

	2023	2022
Hispanic or Latino	6.9%	6.6%
White	71.2%	73.0%
Black or African American	5.0%	5.3%
Native Hawaiian or Pacific Islander	0.5%	0.2%
Asian	13.9%	12.4%
American Indian or Alaskan Native	0.4%	0.8%
Two or more races	2.2%	1.7%
Total	100.0%	100.0%

US data — ethnicity by gender

	2023		2022	
	Male	Female	Male	Female
Hispanic or Latino	4.7%	2.1%	4.8%	1.8%
White	52.5%	18.7%	54.8%	18.3%
Black or African American	3.1%	1.9%	3.2%	2.0%
Native Hawaiian or Pacific Islander	0.3%	0.1%	0.1%	0.0%
Asian	10.8%	3.1%	9.7%	2.7%
American Indian or Alaskan Native	0.3%	0.1%	0.6%	0.2%
Two or more races	1.7%	0.5%	1.3%	0.4%
Total	73.4%	26.5%	74.5%	25.4%

Environmentally and socially responsible operations

Hexagon is an enabler of a sustainable future, providing solutions that address the main environmental and social challenges that companies and nations face today. In order to work towards the UN Sustainable Development Goals and the 2030 Agenda for Sustainable Development, Hexagon takes accountability for the environmental challenges in its internal operations as well as in all steps of the value chain. Hexagon is a signatory of the United Nations Global Compact (UNGC), which means that the company supports and actively promotes its ten principles

on 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 support the UN SDGs.

In 2023, Hexagon stipulated the goal of achieving a 95% reduction of its Scope 1 and 2 carbon emissions by 2030. The goal will be primarily achieved by improving its energy efficiency, switching its electricity consumption to renewable by 2027 and by transitioning to a clean vehicle fleet. In 2023,

Annual emissions, %
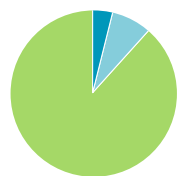
- Scope 1, 4%
- Scope 2 (market-based), 8%
- Scope 3, 88%

Scope 3 by category, %
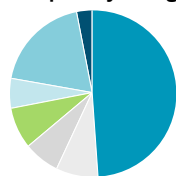
- Purchased goods and services, 49%
- Capital goods, 8%
- Upstream and downstream transportation, 7%
- Business travel, 8%
- Employee commuting, 7%
- Use of sold products, 18%
- Other Scope 3 categories, 3%

Scope 1 & Scope 2 market-based emissions, tonnes CO_2e

36,800   -6%   31,905
13,726   15,399
22   **23**
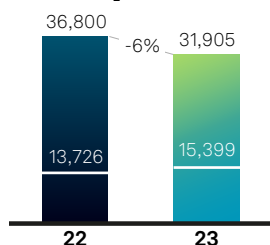
Share of renewable electricity in total energy consumption, %

42   4pp.   46
22   **23**

Renewable electricity produced, MWh

25,884   35%   34,833
22   **23**
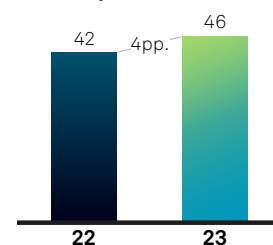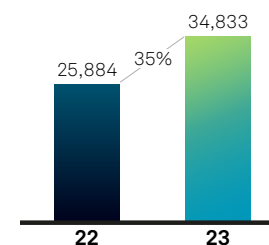
the renewable energy ratio in total energy consumption was 46%, and the target will be reached and secured by investing in solar panels at its sites and to purchase renewable energy certificates (RECs). The share of electric vehicles in the car fleet was 8% in 2023, and a company car policy will be adopted to ensure combustion engine vehicles will be phased out as the leasing contracts are renewed.

Highlight achievements in 2023 includes:
- Increased share of purchased or produced renewable electricity out of total electricity to 46%, compared to 42% in 2022.
- Increased purchase of renewable energy certificates by 60% compared to 2022.
- Increased total renewable energy produced by 35% compared to 2022.
- Doubled the share of electric vehicles in total vehicle fleet.

Facility improvement programme
Hexagon facilities have started an improvement programme seeking to boost their resource efficiency to reduce their impact on the environment. Many facilities reduced their power consumption in 2023 compared to 2022, despite an increase in production. At the same time, Hexagon increased its total installed capacity of renewable energy production with photovoltaic energy and managed to increase the renewable energy produced to ~34'800 MWh (35% increase compared to 2022).

To ensure 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 via 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. More information on Hexagon's environmental commitments can be found in the Hexagon Environmental Policy.

Energy consumption by region, %

- ■ Europe, 36%
- ■ Americas, 32%
- ■ China, 23%
- ■ Rest of the world, 9%
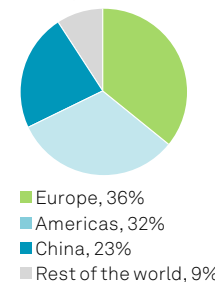
2023 outcome of facility improvement programme

Priorities	Reduce energy requirements	Increase renewable energy produced	Lower carbon intensity of energy purchased	Promote further renewables through REC
2023 impact	Offices reducing up to 20% energy needs	~34,800 MWh of renewable energy produced	18% reduction in Scope 2 intensity ratio (tCO$_2$ / MEUR sales)	~16,500 RECs purchased

Sustainability considerations in the design process

When developing new products, a robust design phase is critical to ensure that sustainability considerations are encompassing 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 were 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/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. To ensure that the HIP is properly leveraged across Hexagon, the company provided training to 42 of its key R&D engineers that are involved in the early-stage prototyping of hardware products. A dedicated employee is supporting the process to find environmental hotspots in hardware design and iterate improvement alternatives. As part of the Hexagon Innovation Process, each product group within Geosystems receives a recycling passport, which reviews materials used while it confirms that each product complies with the EU Directives on Waste Electrical and Electronic Equipment (WEEE 2012/19/EU) and Restriction of the use of certain hazardous substances (2011/65/EU). The recycling passport gives information on the product groups' reusability, recyclability, treatment, and waste disposal.

Ethical development of artificial intelligence (AI) software

Hexagon realises that development of AI-driven technology that optimises and enriches data to prepare organisations for machine learning and to empower autonomous operations is not only associated with opportunities but also with risks. 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 four key principles that encompass its innovation and production of artificial intelligence software:

1. Technology augments what people do — it does not replace them.
2. System data is owned by Hexagon's customers, adheres to local laws and respects citizens' right to privacy.
3. Algorithms and output are transparent, explainable and interpretable.
4. Actionable results facilitate fair and inclusive decision-making.

As Hexagon's innovation activities for artificial intelligence software adheres to the four principles, the company can certify that the use of its solutions will provide positive outcomes for its customers while also avoiding legal or commercial risks.

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 the 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 during 2023. 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. Preliminary results from 2023 indicate a decrease of 40.5 metric CO_2eq tonnes, of which 38.2 metric CO_2eq tonnes was saved due to renewable energy purchases and 2.3 metric CO_2eq tonnes were due to cloud efficiences compared to on-premises equivalent workloads. Since its implementation, Hexagon tracks its related cloud emissions on a monthly basis.The final effects and outcomes of the project will be presented in 2024.

Occupational health and safety

The safety of personnel in the workplace is a top priority for Hexagon. Ensuring that employees work in a safe and healthy environment is the key to any successful business. 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 2023, the number of work-related injuries was 31.

Certified Pre-Owned Equipment Center

To extend the lifecycles of products at Hexagon and to minimise unnecessary waste, the company has a programme in place for its used equipment at the largest hardware divisions. At the Certified Pre-Owned Equipment Center (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 is to reduce, reuse and recycle to drive 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 ensured by Hexagon experts to secure the tools undergo top-quality refurbishment and repairs, backed by professional warranty, saving resources and extending tool utility. The CPEC commitment to environmental and social responsibility goes beyond business and strives to fostering a positive environmental and societal impact through every tool it provides.

In 2023 alone, Hexagon refurbished and sold 8,006 units of used items, including total stations, GPS receivers, construction instruments and laser scanners.

In 2023, the CPEC successfully recycled 8,6 tonnes of materials. It also refurbished and sold 8,006 units of used items, including total stations, GPS receivers, construction instruments and laser scanners.

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 lifecycle.

Role model facilities for sustainable operations

Hongdao, China

Hexagon has expanded and improved one of its larger facilities in Hongdao, China, in order to develop a blueprint for how to build and manage its production sites across the region. The site, with more than 200 R&D engineers and 35,000m² manufacturing area, has been certified as carbon neutral since 2020 and produces renewable energy through local panels covering 80% of its total energy needs. It recovers and resuses rainwater to supply and improve the biodiversity in its green areas and diverts zero of its waste into landfill. It recycled more than 65% of the total waste generated in production in 2023.

Huntsville, US

The Huntsville site in the US, representing the largest office for Hexagon's Safety, Infrastructure & Geospatial and Asset Lifecycle Intelligence divisions, has committed to several green initiatives to help reduce carbon footprint. In 2023, it purchased renewable energy credits (RECs) covering 100% of its electricity consumption, transitioned the car fleet and vehicles used by facility and security teams to hybrid and electric vehicles, eliminated chemical treatments on its turf. It is also working to complete the first solar project by the end of 2024 and will be investigating the feasibility of a larger solar project to be implemented in the next three to five years.

Wetzlar, Germany

Located in Germany and part of Hexagon's global manufacturing network, the Wetzlar factory is a flagship in the company's commitment to sustainability. The site, with approximately 465 employees, stands in the forefront of Hexagon's sustainability initiatives and has set the ambitious goal of achieving carbon neutrality and self-sufficiency. A centerpiece of Wetzlar's sustainability efforts is the construction of a solar park, symbolising an important stride towards self-sufficiency. With the installation of photovoltaic panels boasting a capacity of 1.5 MWp and battery storage capabilities of 800 kWh, Wetzlar now operates as an independent entity for a substantial portion of the year, achieving a 60-70% annual carbon reduction. The facility has also implemented a series of initiatives to enhance energy efficiency and reduce carbon emissions, such as electric vehicle charging stations, catering to the rising demand for electric mobility, and transitioned to a 100% renewable energy contract for both electricity and gas consumption in 2020.

Looking ahead, the factory remains committed to furthering its sustainability objectives, with plans to complete the installation of photovoltaic cells, battery storage and heat pump systems ,and exploration into Bosch hydrogen fuel cell technology. The journey of Hexagon's Wetzlar factory serves as a testament to the company's ambitions within innovation, sustainability and corporate responsibility. Through pioneering initiatives and dedication, Wetzlar aspires to meaningful change within the industry and beyond.

Responsible supply chain management

Supplier requirements and audits

Hexagon's compliance policies regarding supply chain management are set out in the Supplier Code of Conduct and in various Compliance Programme manuals and procedures. Hexagon selects suppliers based on an assessment of the overall competitiveness of the offering and if they 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, environmental impact and anti-corruption. Compliance with the Supplier Code of Conduct, or other 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 list
2. conducting additional due diligence on suppliers that may be developing Hexagon business
3. appropriate anticorruption and other compliance provisions in supplier agreements
4. prohibiting acceptance of items of value or other benefits while knowing or suspecting that it is offered or provided with an expectation that a business advantage will be provided by Hexagon

In 2023, Hexagon successfully reached its target of conducting sustainability supplier audits on 100% of its key suppliers in risk areas. The purpose of the supplier audit target was to ensure that the suppliers live up to the expectation on environmental stewardship of Hexagon and to prevent any forced labor, child labour or human trafficking within the value chain. During the year, Hexagon performed approximately 116 audits of new and existing suppliers, of which 45 audits 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 which consider both environmental and social risks. The total number of suppliers in risk areas are 93, and all have been audited in the past three years. During 2023, 3 major non-conformances were found in the audits, none of which violated any local or international laws but where corrective measures are expected by Hexagon. All 3 major non-conformances cases were cases of suppliers who did not perform supplier due diligence in their own supply chain. All open non-conformances are expected to be solved in 2024.

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 a sourcing alternative. Key suppliers of manufacturing entities are evaluated through internal formal visits, reviews and evaluations to ensure that they strictly follow the Hexagon Supplier Code of Conduct. Third party assessment is used in cases where an issue cannot be

verified directly with the supplier. In 2023, 39 ESG supplier audits were conducted on-site, 73 were conducted through self-assessment questionnaires, and 4 were conducted through third-party auditors.

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 apply 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 is applicable to each division's operations. For example, the Autonomy & Positioning division requests current and new suppliers to complete a Conflict Mineral Report Template (CMRT) for all parts. The CMRT has been provided by 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 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") at all sourced from the Democratic Republic of Congo or adjoining countries.

Sustainability Key Performance Indicators

Sustainability Key Performance Indicators (KPIs)	Unit	FY 2023	FY 2022[1]	YoY change
Environment				
Total energy consumed	MWh	111,530	120,694	-8%
Energy intensity ratio	MWh/ MEUR sales	20.5	23.4	-12%
Total GHG emissions (Scope 1)	tCO_2	15,399	13,726	12%
Total electricity consumption	MWh	90,461	102,503	-12%
Electricity consumption from grid	MWh	68,542	69,374	-1%
Renewable electricity produced and consumed on-site	MWh	1,608	1,264	27%
Renewable electricity produced	MWh	34,833	25,884	35%
Green electricity and REC consumed	MWh	18,280	11,726	56%
Share of renewable electricity out of total consumption	%	46	42	4 pp
Total Indirect GHG emissions (Scope 2, market-based)	tCO_2	31,905	36,800	-14%
Total Indirect GHG emissions (Scope 2, location-based)	tCO_2	33,323	38,306	-13%
Total Scope 3 emissions	tCO_2	362,351	350,816	3%
GHG emissions intensity ratio Scope 1	tCO_2/ MEUR sales	2.8	2.7	7%
GHG emissions intensity ratio Scope 2 (market-based)	tCO_2/ MEUR sales	5.9	7.1	-18%
GHG emissions intensity ratio Scope 2 (market-based)	tCO_2/MWh	0.4	0.4	0%
GHG emissions intensity ratio Scope 3	tCO_2/ MEUR sales	66.7	68.0	-2%
Total hazardous waste generated	MT	160	265	-40%
Total waste recycled	MT	1,700	1,473	15%
Total recycled input materials used	MT	160	-	-
Water consumption	m^3	263,385	221,672	19%

Sustainability Key Performance Indicators (KPIs)	Unit	FY 2023	FY 2022	YoY change
Social				
Total number of employees	No.	24,581	24,001	2%
Total working hours by all employees	hours	36,329,666	-	-
Share of women within the Board of Directors	%	42.9	40.0	3 pp.
Share of women at top management level	%	18.4	17.5	1 pp.
Total share of women employed	%	23.6	23.7	0 pp.
Employees covered in Hexagon Share Programme	No.	1,753	-	-
Number of recordable work related injuries	No.	31	-	-
Lost time injury frequency rate (LTIFR)	No.	0.17	-	-
Employees covered by H&S system	No.	17,135	-	-
Voluntary employee turnover rate, of total workforce	%	7.8	11.0	-3 pp.
Employees covered by collective bargaining agreements	%	22.5	-	-
Share of ISO 14001 certified production sites	%	82.8	75.9	7 pp.
Share of ISO 45001 certified production sites	%	6.9	6.9	0 pp.
Governance				
Executives certified in Ethics & Compliance System	No.	411	230	79%
Share of key suppliers in high-risk countries audited	%	100	20	80 pp.
Employees engaged in ESG trainings	No.	15,991	NA	-

Full GRI and SASB reporting table can be found on page 133.

1) The environmental data for 2022 was restated to increase accuracy and year-over-year comparability

EU Taxonomy

This is the third EU Taxonomy report by Hexagon. Hexagon deems its Taxonomy eligible revenue for 2023 to be approximately 6.33 % of its total turnover. While being an enabler of sustainability, the significant majority of Hexagon's business activities are currently not defined in the EU Taxonomy and therefore will not be eligible with the screening criteria. Hexagon applied the precautionary principle to determine applicable eligible activities and excluded activities not clearly defined in the EU Taxonomy.

Total EU Taxonomy-related eligible revenue, OpEx and CapEx

	2023 MEUR	2022 MEUR	2023 % of total	2022 % of total
Total eligible revenue	344.02	57.93	6.33%	1.12%
Total eligible OpEx	50.06	12.26	12.47%	0.6%
Total eligible CapEx	36.50	16.71	4.45%	3.0%

Hexagon used the EU delegated acts information to determine its eligible activities. Of the total 2023 revenue, 6.33% is eligible and 0.05% is aligned with the criteria defined in EU Taxonomy. Hexagon has interpreted its relevance in the EU Taxonomy into the following sections under Climate change mitigation, Climate change adaptation, Circular Economy, Biodiversity and Water:

- Electricity generation using solar photovoltaic technology
- Infrastructure enabling road transport and public transport
- Data-driven solutions for GHG emissions reductions
- Provision of IT/OT data-driven solutions
- Emergency Services
- Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems
- Conservation, including restoration, of habitats[1], ecosystems[2] and species
- Repair, refurbishment and remanufacturing

The eligible economic activity "Electricity generation using solar photovoltaic technology" are associated with the Archidona solar park Hexagon acquired and operated during 2021.

The eligible economic activity "Infrastructure enabling road transport and public transport" are associated with isolated activities related to Hexagon's professional surveying and mapping services.

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

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

The eligible economic activity "Emergency services" are associated with isolated features related to Hexagon's OnCall solutions suite.

The eligible economic activity "Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems" are associated with the HxGN Networks solutions suite.

The eligible economic activity "Conservation, including restoration, of habitats[1], ecosystems[2] and species" are associated with iniatives to protect seagrass and salt marsh habitats.

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

Alignment:
The activity 4.1 Electricity generation using solar photovoltaic technology (the Archidona solar park) fulfils the EU Taxonomy criteria for alignment as it has substantial contribution to climate mitigation, meets the criteria for climate adaptation, biodiversity and circular economy set forth in Appendix A and D and also meets the criteria of the Minimum Safeguards set forth in the EU Taxonomy, as it has established processes and policies for due diligence of Human Rights, Corruption, Taxation and Fair Competition based on the EU Guiding Principles.

The remaining eligible activities are not considered aligned as they do not meet the technical screening criteria set forth in the Delegated Act (2021) 2800 and (2023)2486. While the activities support climate change adaptation, mitigation, circular economy, biodiversity and water 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 Act (2021) 2800 and (2023)2486.

Definitions:
- The total turnover corresponds to Net sales in the consolidated income statement in the Hexagon 2023 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 sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover. Hexagon revenue streams stem from the sales of information technology solutions in which hardware and software are integrated as well as services, licenses and other assignments. Revenue from agreements with customers is reported in the income statement as Net sales.

- 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 2023 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 consists of intangible assets. Own measures and purchased output from suppliers' economic activities have not been screened for eligibility in 2023.

- 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 2023.

- 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.

Turnover

Economic activities (1)	Code(s) (2)	Absolute turnover (3), MEUR	Proportion of turnover (4), %	Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity and ecosystems (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and ecosystems (16), Y/N	Minimum safeguards (17), Y/N	Taxonomy-aligned proportion of turnover, year 2023 (18), %	Taxonomy-aligned proportion of turnover, year 2022 (19), %	Category (enabling activity/transitional activity) (20), %
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
Electricity generation using solar photovoltaic technology	4.1.	2.80	0.05	100%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.05	0.06	
Turnover of eligible Taxonomy-aligned activities (A.1)		2.80	0.05																
Of which Enabling																			
Of which Transitional																			
A.2 Eligible not Taxonomy-aligned activities																			
Provision of IT/OT data-driven solutions	4.1.	254.86	4.69																
Infrastructure enabling low-carbon road transport and public transport	6.1.5.	51.57	0.95																
Data-driven solutions for GHG emissions reductions	8.2.	6.49	0.12																
Conservation, including restoration, of habitats[1], ecosystems[2] and species	1.1.	1.86	0.03																
Emergency Services	3.1.	6.14	0.11																
Repair, refurbishment and remanufacturing	5.1.	5.23	0.10																
Manufacture, installation and associated services for leakage control	1.1.	15.08	0.28																
Turnover of eligible not Taxonomy-aligned activities (A.2)		341.22	6.28																
Total (A.1 + A.2)		344.02	6.33																
B. NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		5,091.18	93.67																
Total (A + B)		5,435.2	100.00																

CapEx

Economic activities (1)	Code(s) (2)	Absolute CapEx (3), MEUR	Proportion of CapEx (4), %	Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity and ecosystems (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and ecosystems (16), Y/N	Minimum safeguards (17), Y/N	Taxonomy-aligned proportion of CapEx, year 2023 (18), %	Taxonomy-aligned proportion of CapEx, year 2022 (19), %	Category (enabling activity/transitional activity) (20), %
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
Electricity generation using solar photovoltaic technology	4.1.	0.08	0.01	100%						-	Y	Y	Y	Y	Y	Y	0.01	2.34	
CapEx of eligible Taxonomy-aligned activities (A.1)		0.08	0.01																
Of which Enabling																			
Of which Transitional																			
A.2 Eligible not Taxonomy-aligned activities																			
Provision of IT/OT data-driven solutions	4.1.	26.29	3.21																
Infrastructure enabling low-carbon road transport and public transport	6.1.5.	6.73	0.82																
Data-driven solutions for GHG emissions reductions	8.2.	0.00	0.00																
Conservation, including restoration, of habitats[1], ecosystems[2] and species	1.1.	0.82	0.10																
Emergency Services	3.1.	0.29	0.03																
Repair, refurbishment and remanufacturing of electronic and optical products	5.1.	0.00	0.00																
Manufacture, installation and associated services for leakage control	1.1.	2.31	0.28																
CapEx of eligible not Taxonomy-aligned activities (A.2)		36.43	4.45																
Total (A.1 + A.2)		36.50	4.45																
B. NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		782.90	95.55																
Total (A + B)		819.40	100.00																

OpEx

Financial year 2023

Economic activities (1)	Code(s) (2)	Absolute OpEx (3), MEUR	Propor-tion of OpEx (4), %	Climate change mitiga-tion (5), %	Climate change adapta-tion (6), %	Water and marine resources (7), %	Circular econ-omy (8), %	Pol-lution (9), %	Biodiver-sity and ecosys-tems (10), %	Climate change mitiga-tion (11), Y/N	Climate change adapta-tion (12), Y/N	Water and marine resources (13), Y/N	Circular econ-omy (14), Y/N	Pol-lution (15), Y/N	Biodiver-sity and ecosys-tems (16), Y/N	Mini-mum safe-guards (17), Y/N	Taxono-my-aligned proportion of OpEx, year 2023 (18), %	Taxonomy-aligned proportion of OpEx, year 2022 (19), %	Category (enabling activity/ transitional activity) (20), %
				2023			**Substantial contribution criteria**					**DNSH criteria (Do No Significant Harm')**							
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
Electricity generation using solar pho-tovoltaic technology	4.1.	0.27	0.07	100%						-	Y	Y	Y	Y	Y	Y	0.07	0.003	
OpEx of eligible Taxonomy-aligned activities (A.1)		0.27	0.07																
Of which Enabling																			
Of which Transitional																			
A.2 Eligible not Taxonomy-aligned activities																			
Provision of IT/OT data-driven solutions	4.1.	31.98	7.97																
Infrastructure enabling low-carbon road transport and public transport	6.1.5.	8.89	2.21																
Data-driven solutions for GHG emis-sions reductions	8.2.	3.80	0.95																
Conservation, including restoration, of habitats[1], ecosystems[2] and species	1.1.	0.43	0.11																
Emergency Services	3.1.	1.56	0.39																
Repair, refurbishment and reman-ufacturing of electronic and optical products	5.1.	0.70	0.17																
Manufacture, installation and associ-ated services for leakage control	1.1.	2.44	0.61																
OpEx of eligible not Taxonomy-aligned activities (A.2)		49.79	12.41																
Total (A.1 + A.2)		50.06	12.47																
B. NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		351.24	87.53																
Total (A + B)		401.30	100.00																

Nuclear and fossil gas related activities

Row
_____

Nuclear energy related activities

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

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

Auditor's report on the statutory sustainability report

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

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 50-89 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm 26 March 2024

PricewaterhouseCoopers AB

Bo Karlsson   Helena Kaiser de Carolis
Authorised Public Accountant   *Authorised Public Accountant*

This is a literal translation of the Swedish original report

A limited assurance of Hexagon's GHG emissions (scope 1 and scope 2) for the year 2023 has also been performed. Full Auditors Limited Assurance Report on Hexagon's Greenhouse Gas Emissions can be found on page 129.

ESG related notes

Reporting period and standards
Hexagon's sustainability performance content and data presented in this report on page 50-89 covers the scope from January 1, 2023, to December 31, 2023. This report has been prepared in accordance with the GRI 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 have 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). 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 to the Financial reporting system during 2023 for ESG data gathering and calculation purposes.

In 2023, environmental data was collected from all manufacturing sites and all the facilities under our 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 employees (FTEs) basis for sites not covered in the reporting system. The 2022 environmental data for energy consumption, GHG emissions, water and waste has been restated to increase accuracy and year-over-year comparability.

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 CO_2 emissions are calculated using the emission factor for the corresponding type of fuel (source Defra 2023). Scope 2 CO_2 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 counties (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 low number of people in them), we estimated the Scope 1 and 2 by associating CO_2 emissions per employee and extrapolating to the number 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 our facilities, purchased district heating and electric vehicles in the company car fleet.

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

Capital goods
These emissions are calculated using the average spend-based method for our 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 course (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 employees in the sites not covered.

Upstream transportation
These emissions are calculated for our 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 our emissions in this category, we extrapolated to our 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 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 stays emissions have been included.

Employee commuting
Employee commuting emissions are calculated for our major company sites (globally represented) that cover one third of our 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 in the sites not covered.

Downstream transportation
These emissions are calculated for our major products sold 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 and road transport were the main modes of transport used for downstream trans-portation. To capture 100% of our emissions in this category, we extrapolated to our total revenues from sold products.

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

End of life treatment
Most hardware products have a lifetime longer than 15 years, so we can re-furbish the products and resale them even after 10 years of use. When the products have come to their end of life, we seek to recycle major components. The pieces that are not recy-cled are disposed.

Social data collection
The methodology used for the social data includes the total headcount at the end of the reporting period (31/12/2023). By employees, we refer to everyone in an active employment rela-tionship with our company, excluding interns.

As employee turnover we define the ratio of voluntary and invol-untary attritions during the year to the total number of employ-ees at the year-end. 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.

Description of material topics

Topic	Description	Impact Materiality	Financial Materiality
Climate change (ESRS E1)	Our biggest opportunity lies in the impact we can make through our 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 process they operate. In many cases the gains come from energy-efficient solutions and from reduction of materials across the processes they need to deliver. This 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 Target initiative) near-term and long-term net-zero science-based targets for carbon emissions covering our 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 and mitigating climate change will further build customer confidence, motivate employees eager to contribute to a positive impact in the planet and ensure a resilient growth strategy. Hexagon is incorporating climate transition risks (such as emissions trading and other regulatory developments) into our 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 inclusive workplace through DEI (Diversity Equity and Inclusion) Committee and divisional councils to cover all the countries our employees are located.	Hexagon believes driving the best practices within its workforce in terms of working conditions and providing an inclusive workforce generate a positive impact in the communities where we operate. Hexagon delivers a positive impact from good hiring practices to eliminate any unconscious bias. In 2023, interactive sessions were held globally with external experts to address inclusive workplace. Cultural awareness has been also highlighted as an opportunity to thrive for inclusivity.	In Hexagon we understand 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 a diverse view points. In this regards, 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 and promote internationally recognised standards and regulations that promote fair treatment of people along our 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 our 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 labor standards is a prerequisite for suppliers to do business with Hexagon, as described in Hexagon's Supplier Code of Conduct. By advocating high labor standards, Hexagon improves its reputation as a responsible business partner and foster enhanced collaboration with suppliers. The impact of this topic depends on financial impact the specific supplier could have for Hexagon. See more in the section "Responsible supply chain management".
Business conduct and Responsiveness	These topics includes 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 program, which covers business response in face of corruption and other inappropriate business behavior, 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 which may affect the users. Hexagon aims to minimise risky by raising awareness within our full workforce and by providing safer digital solutions. Hexagon takes pride in its product quality and safety with customer focus. Together with customers, Hexagon enables positive impact on the society and tne environment with high quality and safety standards.	Failure to act with integrity and meet our high ethical standards, values and code of conduct could lead to adverse reputational impact, fines and litigations. Reputational impacts could significantly hinder our ability to maintain revenues as we could lose 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 2023	FY 2022[1]	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 €		5 435,2	5 160,5	5%	GRI: 201-1
Economic value distributed	Million €		4 905,2		-	
Economic value retained	Million €		530,0		-	
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.		24,581	24,001		GRI: 2-7
Breakdown by gender						
Female	%		24	24	0%	
Male	%		76	76	0%	
Other gender	%			-	-	
Breakdown by type of contract and gender			0			
Full-time female	%		22	-	-	
Full-time male	%		74	-	-	
Full-time other gender	%		0	-	-	
Part-time female	%		2	-	-	
Part-time male	%		2	-	-	
Part-time other gender	%		-	-	-	
Total number of contractors	No.		2,689	-	-	GRI: 2-8
Governance						
Governance structure and committees	Qualitative	Section: Corporate Governance Report				GRI: 2-9
Diversity and composition of governance body:						
Male	No.		4	6	-33%	
Female	No.		3	4	-25%	
Other gender	No.		0	0	-	
Gen Z	No.		0	0	-	
Gen Y	No.		1	1	0%	
Gen X	No.		3	5	-40%	
Boomers	No.		3	4	-25%	
Executive members	No.		0	0	-	
Non-executive members	No.		7	10	-30%	
Independence	Yes		3	6	-50%	
Independence	No		4	4	0%	
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

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 2023	FY 2022[1]	Variance (+/-)	Standard
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	-	-	GRI: 2-27
Number of significant instances of non- compliance with laws and regulations for which non-monetary sanctions were incurred	No.	0	-	-	
Stakeholder Engagement					
Approach to stakeholder engagement	Qualitative	Section: Materiality analysis			GRI: 2-29
Employees covered by collective bargaining aggreements	%	22.5	-	-	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.	29	23	26%	
Sites with Environmental Management System					
ISO 14001 certified production sites	No.	24	22	9%	
Share of ISO 14001 certified production sites	%	83	76	6 pp.	
Area of manufacturing facilities	m^2	302,000	-	-	SASB: TC-HW-000.B
Percentage of production from owned facilities	%	24	-	-	SASB: TC-HW-000.C
Energy					
Total stationary combustion energy consumption	MWh	21,068.9	18,190.9	16%	GRI: 302-1 / SASB: TC-SI-130a.1
Natural gas	MWh	14,488.2	13,630.1	6%	GRI: 302-1
Crude oil	MWh	2,301.3	483.3	376%	
Diesel	MWh	75.2	644.8	-88%	
LPG	MWh	9.8	6.8	44%	
Estimated stationary combustion of sites not covered*	MWh	4,194.5	3,425.9	22%	

Reporting name	Unit	FY 2023	FY 2022[1]	Variance (+/-)	Standard
Electricity Consumption					
Total Electricity Consumption	MWh	90,460.6	102,503.1	-12%	GRI: 302-1 / SASB: TC-SI-130a.1
Electricity consumption from grid	MWh	68,541.6	69,374.1	-1%	GRI: 302-1
of which purchased renewable electricity	MWh	16,672.0	10,462.1	59%	
Renewable electricity produced and consumed on-site	MWh	1,607.6	1,263.8	27%	
Estimated electricity of sites not covered*	MWh	20,311.5	31,865.2	-36%	
Green electricity and REC consumed	MWh	18,279.6	11,725.9	56%	
Renewable electricity produced	MWh	34,833.5	25,883.8	35%	
Share of purchased or produced renewable electricity out of total electricity consumption	%	46.2	42.2	4 pp.	GRI: 302-1 / SASB: TC-SI-130a.1
Greenhouse gas (GHG)					
Direct (Scope 1) GHG emissions	tCO_2	4,335.6	3,443.5	26%	GRI: 305-1
Natural gas	tCO_2	2,892.0	2,523.7	15%	
Crude oil	tCO_2	597.3	125.4	376%	
Diesel	tCO_2	18.9	163.3	-88%	
LPG	tCO_2	2.2	1.6	44%	
Estimated Scope 1 GHG emissions of sites not covered*	tCO_2	825.1	629.5	31%	
Indirect (Scope 2) GHG emissions from grid electricitiy (market-based)	tCO_2	31,732.3	36,799.6	-14%	GRI: 305-2
Indirect (Scope 2) GHG emissions from grid electricitiy (location-based)	tCO_2	33,323.2	38,306.4	-13%	
Company Cars					
GHG emissions from owned vehicles fleet (Scope 1)	tCO_2	11,063.1	10,282.9	7%	GRI: 305-1
GHG emissions from owned electric vehicles (Scope 2)	tCO_2	173.6	-	100%	GRI: 305-2
Electric Vehicles share of company car fleet	%	8.5	4.6	3 pp.	GRI: 302-1
Total Direct (Scope 1) GHG emissions	tCO_2	15,398.7	13,726.4	12%	GRI: 305-1
Total Indirect (Scope 2) GHG emissions (market-based)	tCO_2	31,905.9	36,799.6	-13%	GRI: 305-2
Total Indirect (Scope 2) GHG emissions (location-based)	tCO_2	33,496.8	38,306.4	-13%	
Direct and Indirect GHG emissions (Scope 1 + 2, market-based)	tCO_2	47,304.7	50,526.0	-6%	GRI: 305-1
Direct and Indirect GHG emissions (Scope 1 + 2, location-based)	tCO_2	48,895.5	52,032.8	-6%	
Scope 3					
Other relevant indirect (Scope 3) GHG emissions	tCO_2	362,351	350,816	3%	GRI: 305-3
Upstream	tCO_2	284,825	276,910	3%	
Purchased goods and Services	tCO_2	177,546	170,401	4%	
Capital goods	tCO_2	29,236	36,503	-20%	
Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2	9,598	12,362	-29%	
Upstream transportation	tCO_2	14,533	14,257	2%	
Waste generated in operations	tCO_2	566	798	-29%	
Business travel	tCO_2	29,064	22,054	32%	
Employee commuting	tCO_2	24,282	20,535	18%	
Downstream	tCO_2	77,526	73,907	5%	
Downstream transportation	tCO_2	11,267	10,515	7%	
Use of sold products	tCO_2	66,101	63,234	5%	
End-of-life treatment of sold products	tCO_2	158	158	0%	

Reporting name	Unit	FY 2023	FY 2022[1]	Variance (+/-)	Standard
Intensity Ratio's					
Revenues	MEUR	5,435.2	5,160.5	5%	GRI: 201-1
GHG intensity ratio Scope 1 & Scope 2 (market-based) per million EUR	tCO_2 / Mio €	8.7	9.8	-11%	GRI: 305-4
GHG intensity ratio Scope 1 per million EUR	tCO_2 / Mio €	2.8	2.7	7%	
GHG intensity ratio Scope 2 (market-based) per million EUR	tCO_2 / Mio €	5.9	7.1	-18%	
GHG intensity ratio Scope 2 (market-based) per electricity in MWh	tCO_2 / MWh	0.4	0.4	-2%	
GHG intensity ratio Scope 3 per million EUR	tCO_2 / Mio €	66.7	68.0	-2%	
Energy intensity ratio per million EUR	MWh / Mio €	20.5	23.4	-12%	GRI: 302-3
Waste					
Total waste generated	MT	2,754.6	2,505.9	10%	GRI: 306-3
Hazardous waste generated	MT	159.5	264.8	-40%	
Waste recycled	MT	1,699.6	1,472.5	15%	GRI: 306-4
Residual waste, recycled	MT	624.5	1,356.6	-54%	GRI: 306-3, 306-4
Hazardous waste, recycled	MT	110.5	116.0	-5%	
Non-hazardous waste, recycled	MT	964.5	-	-	
Residual waste, landfill	MT	178.0	637.0	-72%	GRI: 306-3, 306-5
Residual waste, incinerated	MT	235.7	247.6	-5%	
Hazardous waste, landfill	MT	46.5	0.8	5482%	
Hazardous waste, incinerated	MT	2.6	148.0	-98%	
Non-hazardous waste, landfill	MT	404.8	-	-	
Non-hazardous waste, incinerated	MT	187.6	-	-	
Water					
Water consumption	m^3	263,385.1	221,672.0	19%	GRI: 303-5 / TC-SI-130a.2
Rainwater & Runoff-water harvesting system available onsite	No. of sites	1	-	-	GRI: 303-1
Water recycling system available onsite	No. of sites	3	-	-	
Materials					
Weight of non-renewable materials that are used to produce and package our primary products	MT	13,111.9	-	-	GRI: 301-1
Weight of renewable materials that are used to produce and package our primary products	MT	2,215.8	-	-	
Weight of materials that are used to produce and package our primary products	MT	15,327.7	-	-	
Recycled input materials used	MT	159.6	-	-	GRI: 301-2
Share of recycled input materials used to manufacture the products	%	1.04	-	-	
Social Indicators					
Employee engagement level	%	73%	73%	0 pp.	SASB: TC-SI-330a.2
Voluntary turnover, of total workforce	%	8	11	-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.	926	-	-	GRI: 401-1
Male	No.	2,582	-	-	
Other gender	No.	17	-	-	
Gen Z	No.	521	-	-	
Gen Y	No.	2,200	-	-	
Gen X	No.	669	-	-	
Boomers	No.	129	-	-	

Reporting name	Unit	FY 2023	FY 2022[1]	Variance (+/-)	Standard
Involuntary attrition breakdown by gender and generation					
Female	No.	297	150	98%	
Male	No.	847	489	73%	
Other gender	No.	3	-	-	
Gen Z	No.	143	-	-	
Gen Y	No.	448	-	-	
Gen X	No.	356	-	-	
Boomers	No.	199	-	-	
Voluntary attrition breakdown by gender and generation					
Female	No.	470	604	-22%	
Male	No.	1,336	1,914	-30%	
Other gender	No.	4	-	-	
Gen Z	No.	122	-	-	
Gen Y	No.	1,077	-	-	
Gen X	No.	417	-	-	
Boomers	No.	194	-	-	
Turnover rate, of total workforce	%	13	13	0 pp.	
Parental Leave					
Female employees that were entitled to parental leave	No.	2,550	-	-	GRI: 401-3
Male employees that were entitled to parental leave	No.	6,871	-	-	
Female employees that took parental leave	No.	164	-	-	
Male employees that took parental leave	No.	330	-	-	
Occupational health and safety management system					
Occupational health and safety management system	Qualitative	Section: Occupational Health and Safety		-	GRI: 403-1
Employees who are covered by an occupational health and safety management system	No.	17,135	-	-	GRI: 403-8
ISO 45001 certified production sites	No.	2	2	0%	
Share of ISO 45001 certified production sites	%	6.9	6.9	0 pp.	
For all employees:					
Proportion of senior management hired from the local community	%	79.9	-	-	GRI: 202-2 / SASB: TC-SI-330a.1
Total hours worked by all employees	No.	36,329,666	-	-	GRI: 403-9
Fatal accidents	No.	0	-	-	
High consequence work-related injuries	No.	0	-	-	
Recordable work-related injuries	No.	31	-	-	
Fatalities accidents Rate	No.	0	-	-	
Rate of high consequence work-related injuries	No.	0	-	-	
Rate of recordable work-related injuries	No.	0.17	-	-	
For contractors:					
Total hours worked by all contractors	No.	2 257 827	-	-	
Fatal accidents	No.	0	-		
High consequence work-related injuries	No.	0	-		
Recordable work-related injuries	No.	1	-		
Fatalities accidents Rate	No.	0	-	-	
Rate of high consequence work-related injuries	No.	0	-	-	
Rate of recordable work-related injuries	No.	0,09	-	-	

Reporting name	Unit	FY 2023	FY 2022[1]	Variance (+/-)	Standard
Diversity of Employees by category					
Employees trained in Diversity, Equity & Inclusion	No.	10,791	19,562	-45%	
Share of women at top management level	%	18	18	1 pp.	GRI: 405-1 / SASB: TC-SI-330a.3
Share of women employed in relation to the whole organisation	%	24	24	0 pp.	GRI: 405-1
Group Management					
Male	%	92	92	0 pp.	
Female	%	8	8	0 pp.	
Other gender	%	0	0	0 pp.	
Gen Z	%	0	0	0 pp.	
Gen Y	%	8	8	0 pp.	
Gen X	%	69	69	0 pp.	
Boomers	%	23	23	0 pp.	
Executives					
Male	%	77	80	-3 pp.	
Female	%	23	20	2 pp.	
Other gender	%	0	0	0 pp.	
Gen Z	%	0	-	-	
Gen Y	%	7	-	-	
Gen X	%	72	-	-	
Boomers	%	21	-	-	
Job level A					
Male	%	75	75	0 pp.	
Female	%	25	25	0 pp.	
Other gender	%	0	0	-	
Gen Z	%	0	-	-	
Gen Y	%	19	-	-	
Gen X	%	62	-	-	
Boomers	%	19	-	-	
Job level B					
Male	%	76	76	0 pp.	
Female	%	24	24	0 pp.	
Other gender	%	0	0	-	
Gen Z	%	4	-	-	
Gen Y	%	51	-	-	
Gen X	%	34	-	-	
Boomers	%	10	-	-	
Governance Indicators					
Incidents of non-compliance with regulations concerning the health and safety impacts of products	No.	0	-	-	GRI: 416-2
Incidents of non-compliance with regulations concerning product information and labeling	No.	0	-	-	GRI: 417-2
Ethics & Compliance System, executives certified	No.	411	230	79%	
Whistleblower reports	No.	66	25	164%	
Solved whistleblower cases	No.	53	25	-	
Discrimination incidents	No.	0	0	-	GRI: 406-1

Reporting name	Unit	FY 2023	FY 2022[1]	Variance (+/-)	Standard
Employees and subcontractors trained in cyber security	No.	26,736	22,560	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 Labor and Forced or Compulsory Labor					
Operations and suppliers at significant risk for incidents of child labor	Qualitative	Section: Responsible supply chain management			GRI: 408-1
Operations and suppliers at significant risk for incidents of forced labor	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	-	GRI: 411-1
Anti-Corruption					
Operations assessed for risks related to corruption	No.	4	-	100%	GRI: 205-1
Employees that the company's anti-corruption policies and procedures have been communicated to	No.	22,525	-	100%	GRI: 205-2
Employees trained in Code of Business Conduct	No.	24,695	23,531	5%	GRI: 205-2
Number of confirmed incidents of corruption	No.	3	-	100%	GRI: 205-3
Public legal cases regarding corruption brought against the organisation or its employees	No.	0	-	-	GRI: 205-3
Procurement Practices					
Key direct procurement suppliers	No.	1,053	929	13%	
Key direct procurement suppliers in high risk countries	No.	93	51	82%	
Key direct procurement suppliers in medium risk countries	No.	5	5	0%	
Key direct procurement suppliers having approved or signed the Hexagon Supplier Code of Conduct	No.	903	802	13%	
Suppliers assessed for negative social impacts	No.	47	-	-	GRI: 414-2
Suppliers assessed for negative environmental impacts	No.	27	-	-	GRI: 308-2
Suppliers Audits					
ESG audits of key direct procurement suppliers	No.	116	80	45%	SASB: TC-HW-430a.1
ESG audits of key direct procurement suppliers in risk countries	No.	45	11	309%	
ESG audits of key direct procurement suppliers that were conducted on-site	No.	39	84	-54%	
ESG audits of key direct procurement suppliers that were self-assessed (SAQ)	No.	64	90	-29%	
Third-party ESG audits of key direct procurement suppliers	No.	4	7	-43%	
Unannounced ESG audits of key direct procurement suppliers	No.	0	0	-	
Number of major non-conformances found in audits of key direct procurement suppliers	No.	3	27	-89%	SASB: TC-HW-430a.2
Number of solved major non-conformances in audits of key direct procurement suppliers	No.	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.	257	149	72%	
Suppliers handling conflict minerals that have submitted a CMRT	No.	234	177	32%	
Eventual smelters or refineries reported by suppliers handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	No.	1 324	823	61%	
Eventual smelters reported by suppliers handling conflict minerals that are Conformant	No.	761	760	0%	
Non-compliant or non-conformant smelters reported by suppliers	No.	85	48	77%	