



Summary of Human Rights Risk Assessment

March 2023

Introduction: Hexagon provides solutions across the clean fuel spectrum. This includes high-pressure cylinders and fuel storage systems for compressed natural gas (CNG), renewable natural gas (RNG), propane and hydrogen as well as battery electric systems. The human rights risk assessment that Hexagon performed encompassed all business areas, including Hexagon Ragasco, Hexagon Digital Wave, Hexagon Purus and Hexagon Agility, and the supply chain of each business area.

Purpose: Perform human rights risk assessment, taking into account the entire value chain.

- Focus on adverse impacts on fundamental human rights and decent working conditions throughout the value chain
- What is important is the risk to people, not the company

Background Concepts

Saliency human rights are:

- Those human rights at risk of the most severe negative impact within a company's operations and value chain
- Not fixed and will change as a company manages its human rights issues, and should therefore be reviewed on a regular basis
- Human rights that a company prioritizes acting on

Severity is measured by:

- (1) Scale – how serious the impact would be;
- (2) Scope – how many people would be impacted and
- (3) Remediability – how would it be to correct.

Likelihood is measured by: how likely the impact is to occur.

List of potential adverse impacts on human rights: Based on relevant resources, including those provided by Hexagon consultants, Hexagon identified the following list of salient risks on human rights.

- Child labor or forced or involuntary labor
- Human trafficking or any form of physical or mental coercion
- Legal working hours, overtime pay, and leave
- Legal wages and benefits
- Freedom of association and collective bargaining

Summary of Due Diligence Activities

- Identified geographic regions for each key raw material; identified geographic regions for sub-suppliers where there was reason to believe sub-supplier locations could be high risk for human rights violations.
- Using reputable human rights indices (transparency.org; freedom house (rule of law; discrimination); economist democracy index; global rights index; Position Green), identified suppliers located in geographic regions where a likelihood exists of a possible adverse human rights impact (bolded areas identified as high risk).
- Multiple workshops were held involving key procurement personnel from all business areas.

Raw Material	Country of Origin
Carbon Fiber	US, Japan, South Korea, France
Resin	US, UK, Spain, Norway, Switzerland
Plastic	US, Canada, Sweden, Germany, Netherlands
Aluminum	Indonesia , US, Norway
Fiberglass	Norway, China and Bahrain
Steel	US, Switzerland, Spain
Flow Components / Valves	India , Italy, US, Mexico , Germany
Paint	US, Sweden, Italy
Wire Electrical	US, UK,
Copper	Sweden, Italy, US
Batteries (Nickel)	Japan, Hong Kong Other sources: Indonesia, Philippines, Russia
Batteries (Cobalt)	Japan, Hong Kong Other sources: Republic of Congo, Russia , Australia
Batteries (Lithium)	Japan, Hong Kong Other sources: Australia, Chile, China
Batteries (Rare Earth)	Japan, Hong Kong Other sources: China, Malaysia, Myanmar

- Performed search of identified suppliers in high-risk regions using publicly available resources (e.g., Institute for Human Rights and Business, company websites, etc.) and Dow Jones search platform.
- When publicly available resources did not appear sufficient (e.g., company did not appear to have a robust human rights program), contacted suppliers to ask for affirmative confirmation in writing via email of compliance with our Supplier Code of Conduct.
- Performed saliency assessment based on due diligence results.
 - Potential human rights impact category assessed the country; severity and likelihood addressed the particular suppliers within that region.
- Developed recommended action items for suppliers (e.g., perform audits, etc.) as necessary.
- Team will perform periodic (e.g., annual) follow-ups.

Raw Materials Saliency Assessment						
Raw Material	Country of Origin	At Risk Stakeholder	Potential Risk of Human Rights Impacts	Severity Assessment	Likelihood Assessment	Overall Assessment ¹ and Action Items
Carbon Fiber	US, Japan, South Korea, France	None identified	Low	1	1	1
Resin	US, UK, Spain, Norway, Switzerland	None identified	Low	1	1	1
Plastic	US, Canada, Sweden, Germany, Netherlands	None identified	Low	1	1	1
Aluminum	Indonesia, US, Norway	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	5	2	4
Fiberglass	Norway, China and Bahrain (future possibility)	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	4	1	2
Steel	US, Switzerland, Spain	None identified	Low	1	1	1

¹ Scaled between 1 and 10 with 1 being low risk and 10 being high risk. Includes action items, if any. Each item evaluated based on separate independent judgement.

Raw Material	Country of Origin	At Risk Stakeholder	Potential Risk of Human Rights Impacts	Severity Assessment	Likelihood Assessment	Overall Assessment ² and Action Items
Flow Components / Valves	India, Italy, US, Mexico, Germany	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	5	2	3
Paint	US, Sweden, Italy	None identified	Low	1	1	1
Wire Electrical	US, UK,	None identified	Low	1	1	1
Copper	Sweden, Italy, US	None identified	Low	1	1	1
Batteries (Nickel)	Japan, Hong Kong Other sources: Indonesia, Philippines, Russia	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	4	2	3
Batteries (Cobalt)	Japan, Hong Kong Other sources: Republic of Congo, Russia, Australia	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	High	6	3	4

² Scaled between 1 and 10 with 1 being low risk and 10 being high risk. Includes action items, if any. Each item evaluated based on separate independent judgement.

Raw Material	Country of Origin	At Risk Stakeholder	Potential Risk of Human Rights Impacts	Severity Assessment	Likelihood Assessment	Overall Assessment ³ and Action Items
Batteries (Lithium)	Japan, Hong Kong Other sources: Australia, Chile, China	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	4	2	3
Batteries (Rare Earth)	Japan, Hong Kong Other sources: China, Malaysia, Myanmar	Factory / Production Workers Migrant / Temp Workers Women Children Minorities Local Communities	Medium	4	2	3

³ Scaled between 1 and 10 with 1 being low risk and 10 being high risk. Includes action items, if any. Each item evaluated based on separate independent judgement.