



Supply Chain Management Policy

Revised December 2023

Introduction

Consistent with our core values, integrity and drive, we expect the products and services of our suppliers to meet the same high quality, safety and sustainability requirements that we demand from ourselves. Hexagon purchases goods and services from a wide variety of suppliers, ranging from large international organizations to local and regional suppliers worldwide. We expect good management from our suppliers throughout the value chain. This Supply Chain Management Policy sets forth Hexagon's approach to supply chain management.

Management approach

Our supply chain management approach starts at the very top of our organization, with our Board of Directors. The Board maintains oversight of critical supply chain decisions and has the authority to review and approve key supplier relationships. At the next level, managerial oversight of the supplier selection process within each of the Business Areas ensures a consistent approach to supplier selection throughout the Hexagon Group.

Values-driven approach

Hexagon's approach to supply chain management builds on the solid foundation of responsible business principles and sustainable behavior as outlined in our [Code of Conduct](#). Our Code of Conduct provides guidance and insight into how to act in accordance with our governing principles, including our vision, purpose and values. Hexagon believes that acting with integrity and in compliance with internal policies and external laws and regulations is essential to building long-lasting partnerships with our suppliers.

Hexagon recognizes that suppliers play a critical role in maintaining our customers' trust and ensuring the highest degree of quality in our products. The high standards we expect from ourselves are likewise expected from our suppliers. All of Hexagon's suppliers are required to comply with [Hexagon's Supplier Code of Conduct](#), which is also reflected in our Supplier Terms and Conditions. Hexagon monitors compliance with its Supplier Code of Conduct, requiring evidence of compliance and providing audits as necessary to ensure that its supplier standards are being met.



Our audit and qualification protocols include an evaluation of sustainability issues as they pertain to the environment, human rights, health, safety, and security. Suppliers identified as critical to our operations undergo routine audits to ensure compliance. Supplier audits are intended to be a verification of how effectively the supplier has met the requirements in the Supplier Code of Conduct, Hexagon's quality management system (QMS) standards, and specifications and to identify opportunities for continuous improvement. Supplier audits will be performed by Hexagon according to business needs, quality performance and the criticality of the processes performed. Corrective actions shall be executed in a timely manner and evaluated by both Hexagon and the supplier for effectiveness. Review of audit results shall be part of the supplier's management review process.

Sustainability

Developing, producing and delivering products and services in a responsible and sustainable manner is critical to our core vision of Clean Air Everywhere. Hexagon subscribes to the "do no harm" rule, whereby we are duty-bound to prevent, reduce and control the risk of environmental harm caused by our company. Our suppliers play an integral part in our sustainability journey; we will never succeed without our partners and suppliers making sustainability a top priority.

Suppliers are required to complete self-assessments, questionnaires, or scorecards to demonstrate their sustainability initiatives and goals. Each supplier is evaluated based on certain criteria that reflect the sustainability targets and priorities of Hexagon. Hexagon may perform on-site evaluations, full or limited audits of various scopes, remote evaluations (supplier performance reviews or business evaluations), technical assessments or product evaluations to understand and assess Supplier's approach to sustainability, among other key performance indicators. Understanding the carbon footprint of our suppliers, learning about suppliers' efforts to reduce energy consumption and waste, and obtaining data from our suppliers regarding emissions is an important step in achieving our sustainability goals. To that end, Hexagon is committed to reporting any changes in structure, errors or omissions in Hexagon's reported emissions above a threshold of 5%. Similarly, Hexagon commits to using a pulse emission strategy to report all emissions associated with capital expenditures in the year that the asset(s) is/are placed in service. These commitments will support Hexagon's consistent reporting of emissions figures.



Social Responsibility and Supplier Selection

Hexagon strives to empower its employees and business partners around the world to improve their lives and meet their full potential. This effort includes promoting [diversity and inclusion](#), [respecting human rights](#), [protecting against corruption](#) and ensuring our core values of integrity and drive are upheld throughout the entire value chain. As part of the procurement process, Suppliers are required to provide information regarding these topics for Hexagon to evaluate; Hexagon considers the breadth and robustness of these programs when making procurement selection decisions.

Hexagon performs periodic due diligence assessments of its key suppliers to identify and evaluate whether risks to human rights, diversity and inclusion, or corruption exist and if so, what actions must be taken to address and mitigate such risks. Hexagon monitors compliance of its Suppliers with Hexagon's policies relating to these topics. Hexagon engages with non-compliant suppliers and, for example, may provide training on critical issues such as labor rights or develop a path to achieving compliance over time. Hexagon considers itself a partner with its suppliers, and seeks to enable and assist companies in achieving compliance with Hexagon's high standards.

Grievance System

Hexagon ensures that suppliers have an effective mechanism to report grievances in order to facilitate open communication between Hexagon and its supply chain. The whistleblower channel is managed by an independent third party, and available in four languages through Hexagon's internal channels and the [Company's website](#).