Sustainability statement

General information

ESRS 2 General disclosures

In this chapter

GENERAL INFORMATION

Basis for preparation

ESRS 2 BP-1 General basis for preparation of the sustainability statement

This sustainability statement covers the period from 1 January to 31 December 2024. The report has been prepared on a consolidated basis with our 2024 financial statement, and is prepared and presented in accordance with the Norwegian Accounting Act (section 2-3). Data from discontinued operations, Hexagon Ragasco, are included for the period 1 January 2024 to 31 May 2024 when they were part of Hexagon's operations reflected in this statement, unless specified otherwise.

The report includes Hexagon's own operations as well as our upstream and downstream value chains. Detailed information on how Hexagon's policies, actions, targets, and metrics apply to our value chain are provided in the sections related to the topical standards.

No information related to intellectual property, know-how, or innovation results has been excluded from this sustainability statement.

ESRS 2 BP-2 Disclosures in relation to specific circumstances

Changes in the preparation or presentation of sustainability information

In previous years, our sustainability reports were prepared in accordance with the Global Reporting Initiative (GRI) standards. 2024 marks a significant transition as we align our reporting with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) for the first time. In response to these new requirements, we have restructured our sustainability reporting framework. These changes include:

- Implementing the ESRS sustainability statement structure and disclosure requirement, incorporating description of material impacts, risks, opportunities, policies, actions, metrics, and targets.
- Adopting the ESRS approach for our Double Materiality Assessment (DMA) process.

Time horizon

In preparing the sustainability statement, Hexagon has defined the following time intervals in accordance with ESRS2 AR 6.4:

- Short-term: Less than 1 year
- Medium-term: 1 to 5 years
- Long-term: More than 5 years

Value chain estimation

When preparing this report and collecting data for metrics, we have primarily used primary data. However, in some cases, such as Scope 3, estimations and industry averages have been utilized. The calculation basis for sustainability metrics is described in the accompanying notes for each metrics. This includes whether the metrics are directly measured or estimated using sources such as third-party data or sector averages. Detailed information on key estimates and assumptions are presented with the respective quantitative ESG data tables in E1-5, E1-6, E5-4 and E5-5.

We have made a reasonable effort to collect and estimate the data, even when utilizing indirect sources, to ensure a comprehensive view of the impacts across our value chain. Despite some limitations, we consider the accuracy of our metrics to be reliable. Going forward, we aim to minimize the use of estimations, average data, and spend-based methods, while increasing the reliance on supplier-specific data. In the first year of reporting under ESRS, we have omitted voluntary data points and applied the transitional provisions outlined in ESRS Appendix C for phasing-in disclosures.

Disclosures stemming from other legislation or other sustainability reporting standards

The report contains information in accordance with the Norwegian Transparency Act. These disclosures are clearly indicated throughout the report. The report is also Hexagon's annual communication on progress to the UN Global Compact.

GENERAL INFORMATION

Sustainability governance

ESRS 2 – GOV-1 The role of the administrative management and supervisory bodies

Hexagon's ESG organization is an integrated part of the Company's central functions and operational organization. The highest decision-making responsibility for sustainability is with the company's Board of Directors (Board). Hexagon's sustainability statement is reviewed and approved as an integrated part of the annual report by the Board of Directors.

ESG organization

The Board of Directors

The Board is composed of seven individuals with strong international experience and expertise from various global industrial companies. The Board members have both the capacity and diversity to enable independent evaluations of the Group's operations in the common interests of all shareholders and to ensure its effectiveness as a governing body. The composition of the board ensures that it can operate independently of any special interests. Five of the shareholder-elected Board members, or 71% are independent of the Company's executive personnel, material business contacts and the Company's major shareholders. The Board of Directors currently has 43% female representation while the two sub-committees: Audit & Sustainability Committee has 100% and the Remuneration Committee has 67% female representation, respectively. The Board does not include any executive members.

Representation of employees or other workers

Hexagon Composites ASA has less than 30 employees. According to the Norwegian Limited Liability Companies Act, the employees may not require formal representation in the Company's Board of Directors. However, the administration is represented by the CEO, CFO and COO in all board meetings and these executives are responsible for representing the Company's employees including all consolidated entities and other workers as part of their group wide positions and responsibilities.

Hexagon's ESG organization

Our ESG organization is supported by the Executive Team and the CEO. The highest decision-making responsibility for sustainability is with the company's Board of Directors and sustainability is included in the board's annual strategy process, half year reporting, as well as the quarterly reporting to the Board's Audit & Sustainability Committee (A&S Committee). The A&S Committee is mandated by the Board to maintain regular oversight of impacts, risks and opportunities, development of annual ESG performance indicators as well as tracking of progress towards key targets. The A&S Committee also reviewed and supported the Administration's approach and assessment of impacts, risks and financial materiality of the sustainability matters.

In the third quarter 2024, Hexagon re-organized its ESG organization and established an ESG Steering Committee led by the CFO. The ESG Steering Committee consists of five senior members from Finance, Operations, Engineering and ESG. The Committee has a mandate on behalf of the Executive Team to make decisions related to sustainability management, budget and strategy execution, including resource needs and alignment with business strategy and priorities, and overseeing setting targets related to material impacts, risks and opportunities. The Committee also functions as a steering group for larger sustainability projects, reviews progress towards ESG targets quarterly, and functions as oversight body towards achieving the Company's Science Based Targets and Net zero. The Committee is reporting to the Executive Team in the regular executive meetings.

The team made significant progress in further establishing and driving our ESG initiatives in 2024. The leaders of Hexagon's Environmental, Social and Governance efforts established concrete action plans and targets for the work and priorities within their areas including milestones throughout the year.

Hexagon's VP ESG & Corporate Compliance and "Environmental" Officer, leads the sustainability governance and reporting efforts, including the Environmental reporting, manages ESG ratings as well as the strategy to drive the company's CO_2 reduction efforts and roadmap to net zero.

Hexagon's SVP HR and "Social" Officer, leads our social criteria strategy, setting targets and goals to drive the company's relationships with employees, potential employees and the communities where we operate.

Hexagon's Chief Legal Officer and "Governance" Officer, oversees the company's legal and regulatory matters, including compliance with applicable laws and internal policies, and works with management and staff to identify and manage regulatory risk.

The net zero impact project coordinator is the Sustainability lead in the largest business area, working in close cooperation with the various project owners. The main owner of the projects is the COO and progress is being reported bi-monthly to the ESG Steering Committee.

In Hexagon, the above mentioned roles are all highly cross functional leadership roles that partner with the business units to improve Hexagon's ESG efforts and drive innovative solutions that support our material topics and net zero commitment. The production sites have dedicated resources and cross functional teams, including the Environmental team (E-team) which support the development of the relevant strategies and targets and implement them in local operations. The E-team is driving several of the environmental initiatives and projects to support Hexagon's near term and net zero emission reduction targets, as well as ensuring best practices sharing across sites and driving our sustainability culture.

Hexagon have dedicated controls and procedures in place to manage the impacts, risks, and opportunities. These include ESG risk assessments with related mitigation plans, and various monitoring activities as described in our Internal Control Protocol. The ESG team works integrated in the Finance team and the VP ESG is working closely with the Company's main functions to ensure that these controls are integrated. In addition, the key functions: HR, Procurement, Engineering and Operations are reporting to the COO who also is a member of the ESG Steering Committee and supports the oversight of integrating controls and procedures which is still ongoing work across the Company.

During 2024, the Board received formal training on the scope and implications of the new CSRD reporting requirements, and one member of the A&S Committee attended an external training targeted at Board members responsibilities. Several of Hexagon's Finance team members have completed comprehensive training in the CSRD/ESRS reporting requirements. In addition, the Chair of the A&S Committee is overall responsible for the integrated sustainability reporting in a large stock listed company and is a strong resource within sustainability for the rest of the Board.The Executive Team (ET) has a wide range of expertise relevant to assessing material impacts, risks and opportunities; including from

automotive manufacturing, operations and engineering, Finance, M&A, commercial, and environmental law and government affairs side. Further, the ET is relying on the ESG Steering Committee and its Projects & Execution Team, including the E-Team, and Compliance & Reporting sub-teams which comprise global and regional resources from different locations. These teams have strong experience within various engineering disciplines, quality management, operations, health & safety, HR, sustainability, finance, ESG reporting and compliance. Hexagon has also worked with reputable consultants for various ESG topics over the last few years who provide access to expert competence when needed.

ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the business's administrative, management and supervisory bodies

The A&S Committee and Executive Team is informed quarterly by the VP ESG about material Impacts, Risks and Opportunities, the implementation of due diligence, and the results and effectiveness of related policies, actions, metrics, and targets. These presentations are reviewed during scheduled meetings, ensuring comprehensive oversight and informed decision-making. The full Board are presented with a summary from the A&S Committees quarterly review, as well as an annual presentation of relevant ESG topics according to the Board's annual plan.

Impacts, risks, and opportunities are integrated into the business strategy discussions, major transactions, and risk management processes. The consideration of various sustainability matters such as health & safety, working conditions, GHG reduction commitments or programs, and environmental risks are part of our due diligence process when assessing investment opportunities including prospective acquisitions. These considerations involve analyses that assess trade-offs associated with various impacts, risks, and opportunities to make informed decisions aligned with sustainability objectives.

During 2024, the main IROs addressed by governance bodies were related to climate risk, energy usage, GHG reductions and targets, lobbying, health and safety, human rights due diligence,workforce development and training.

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

Hexagon's Guidelines for remuneration of the executive management is prepared by the Board of Directors in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. It is required by Norwegian law for the guidelines to be considered and approved by the General Meeting upon any material changes and at least every fourth year. The Company's Guidelines for remuneration of the executive management were approved by the General Meeting in April 2024 and are available on Hexagon's website. The Board of Directors is currently not part of the Company's Guidelines for remuneration. However, from 2025, the Board's guidelines for remuneration to executive personnel will also include the Board due to an amendment to the Norwegian Public Limited Companies Act Section 6-16a implemented in 2024.

The components and total package of remuneration strive to support Hexagons' competitiveness as an employer in all locations, and especially in the US. Remuneration for Executives has been designed to comply with established local practice and mandatory rules in the jurisdiction of their employment, taking into account, to the extent possible, the overall purpose of the remuneration policy.

Elements of Executive remuneration in Hexagon

Remuneration includes all benefits a person receives by virtue of their position as an Executive in Hexagon. This includes, in principle:

a. fixed salary,
b. bonuses,
c. allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company,
d. pension schemes, early retirement schemes and
e. all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

In 2024 Bonuses, or variable cash salary for Executives was based on a set of predetermined and measurable performance criteria, reflecting the key drivers for pursuing Hexagon's business strategy, long-term interests, and sustainable business practices. The performance criteria consisted of performance indicators both for Hexagon's and business areas' overall and for individuals' performance. In 2024, variable cash salaries were based 50%-70% on financial parameters related to EBITDA, and 30%-50% on operational and ESG-related parameters. See the 2024 Remuneration report for further details. Sustainability-related performance metrics are included in the Guidelines for remuneration under the description of variable cash salary,i.e., cash bonuses: Performance indicators may include financial and non-financial performance parameters. Non-financial parameters may include a range of strategic objectives including ESG targets. For further details, see Guidelines for remuneration of executive management 2024 on Hexagon's website. Climate related considerations were in 2024 not factored into the remuneration of executive management, but will be considered for 2025.

GENERAL INFORMATION

Core elements of Due Diligence

ESRS2 GOV-4 Statement on due diligence

The table shows a mapping of how Hexagon incorporates the core elements of due diligence and identifies where they are presented in this Sustainability Statement.

CORE ELEMENTS OF DUE DILIGENCE		PARAGRAPHS IN THE SUSTAINABILITY STATEMENT		Does the disclosure relate to people and/or the environment?
a)	Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	7	People and environment
		ESRS 2 GOV-3	7	People and environment
		ESRS 2 GOV-3; E1	7	Environment
		ESRS 2 SBM-3	16	People and environment
		ESRS 2 SBM-3; E1	30	Environment
		ESRS 2 SBM-3; S1	71	People
		ESRS 2 SBM-3; S2	82	People
b)	Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	7	People and environment
		ESRS 2 SBM-2	13	People and environment
		ESRS 2 IRO-1	16	People and environment
		ESRS 2 MDR-P; E1-2	33	Environment
		ESRS 2 MDR-P; E5-1	45	Environment
		ESRS 2 MDR-P; S1-1	72	People
		ESRS 2 MDR-P; S2-1	82	People
		ESRS 2 MDR-P; G1-1	88	People and environment
		S1-2	73	People
		S2-2	83	People
c)	Identifying and assessing adverse impacts	ESRS 2 IRO-1	16	People and environment
		ESRS 2 SBM-3	16	People and environment
		ESRS 2 SBM-3; E1	30	Environment
		ESRS 2 SBM-3; S1	71	People
		ESRS 2 SMB-3; S2	82	People
d)	Taking actions to address those adverse impacts	ESRS 2 MDR-A; E1-3	33	Environment
		ESRS 2 MDR-A; E5-2	46	Environment
		ESRS 2 MDR-A; S1-4	74	People
		ESRS 2 MDR-A; S2-4	85	People
		G1	88	People and environment
e)	Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-T;E1-4	36	Environment
		ESRS 2 MDR-T;E5-3	46	Environment
		ESRS 2 MDR-T;S1-5	77	People
		ESRS 2 MDR-T;S2-5	86	People
		ESRS 2 MDR-M: G1-5	90	People and environment
		ESRS 2 MDR-M: E1-5, E1-6	38 40	Environment
		ESRS 2 MDR-M: E5-5	48	Environment
		ESRS 2 MDR-M; S1-6	77	People
		ESRS 2 MDR-M; S1-8	77	People
		ESRS 2 MDR-M; S1-9	79	People
		ESRS 2 MDR-M; S1-14	80	People
		ESRS 2 MDR-M; S1-16	79	People
		ESRS 2 MDR-M; S1-17	81	People

Sustainability risk management

GOV-5 Risk management and internal controls over sustainability reporting

The possibility of inaccuracies in Hexagon's sustainability reporting might result from human errors or incomplete data. To address and mitigate these risks, Hexagon has implemented various processes as part of its internal controls over sustainability reporting.

To ensure comprehensive risk management, a detailed risk assessment for all key processes is conducted annually. This assessment includes the identification, analysis, and evaluation of potential risks that could impact the reliability of company's ESG data. The results are documented and reported internally to the ESG Steering Committee and to the A&S Committee at least once a year, detailing identified risks, their potential impact, likelihood, and the mitigation strategy. Beyond the annual review, continuous monitoring and reporting mechanisms are in place to identify and address emerging risks promptly.

Internal assessments and reviews play a crucial role in maintaining the integrity of ESG data, ensuring that all ESG claims and communications are accurate and reliable. Hexagon conducts internal audit of the numerical data in the sustainability statement at least once a year. The process controls include evaluating and mitigating risks associated with ESG fraud, such as greenwashing.

Regular data reconciliation is implemented to ensure data accuracy and completeness. If any errors are identified, these are reported and corrected promptly.

GENERAL INFORMATION

Strategy, business model and value chain

ESRS 2 SBM-1 Strategy, business model and value chain

Sustainability for Hexagon means generating positive social and environmental impact and business value through our products and solutions, while at the same time ensuring that sustainability considerations are embedded throughout our products, operations and ways of working.

Our commitment to sustainability is reflected in our sharpened strategic focus on high-pressure industrial gases and alternative fuels, positioning us as key enablers of the decarbonization of transportation through this decade and beyond.

Strategic Shift: The sale of Hexagon Ragasco

In 2024, Hexagon Composites sold Hexagon Ragasco, our business unit dedicated to producing LPG cylinders for domestic and leisure applications. In divesting Hexagon Ragasco, we have streamlined our operations and are now better positioned to concentrate on our core strengths, manufacturing high-pressure composite tanks and fuel systems for transportation.

Business model

The production of high-pressure Type 4 composite cylinders is at the core of what we do. But we have evolved over three decades from a cylinder manufacturer into a full integrator of alternative fuel and gas distribution solutions.

Our portfolio of companies offers the full spectrum of alternative fuel mobility solutions, including high-pressure tanks and fuel systems for renewable and compressed natural gas (RNG and CNG), liquid and bio-liquid natural gas (LNG and bio-LNG), as well as hydrogen and battery electric. These solutions enable customers to make the switch to alternative fuels within two market segments: commercial vehicles and gas distribution.

Commercial vehicles

Hexagon is one of the leading global providers of alternative fuel solutions for commercial vehicles. Our expertise is key to integrating energy storage and fuel systems into medium and heavy-duty trucks, transit, refuse, aerospace and maritime vehicles. We work with our customers and partners, global leading OEMs, dealers and fleet owners, to support and enable their adoption of low-carbon transportation solutions. Our solutions are engineered for high performance, durability, and uncompromised safety, making us an attractive supplier to fleets looking to displace diesel vehicles in their decarbonization efforts.

Gas distribution

Hexagon's high-pressure gas distribution solutions are essential to alternative fuel supply chains. Our composite gas distribution solutions have the largest transport capacity for compressed gases worldwide- enabling the safe transport of various gases to users lacking pipeline infrastructure. This capability is vital for bringing alternative fuels to the pipeline or directly to end customers across industries. Hexagon's gas distribution business generated NOK 2 170 million in revenue in 2024. As the modules can be used for all types of gases, Hexagon estimates that more than 25% of the revenues from this business were from transportation of non-fossil gases.

Strategic focus and future outlook

As we move forward, Hexagon Composites remains committed to driving the energy transition and supporting our customers in their journey towards sustainability. Our strategic focus on high-pressure industrial gases and alternative fuels positions us well to capitalize on the growing demand for clean energy solutions.

Our solutions largely leverage Type 4 composite technology. While our solutions represent a sustainable alternative, with a proven lifetime of 20+ years, we acknowledge that one of the main challenges ahead is that there are currently no sustainable end-of-life handling solutions for composite cylinders. Hexagon is actively working on developing improved recycling applications and we believe that, through global efforts and partnerships, new recycling methods can be commercialized worldwide within the next decade.

We recognize the importance of our position as an industry leader and are working with stakeholders across and beyond our industry to ensure the safety, sustainability and success of our products and operations. We will continue to invest in research and development to enhance our product offerings and explore new opportunities in emerging markets.

Headquartered in Norway, Hexagon has 1 033 employees in 10 locations across Europe and North America. The total revenue in 2024 was NOK 4 877 million.

Our goal is to be at the forefront of the energy transition, providing innovative solutions that support our customers' decarbonization targets. At the end of December 2024, our solutions are in operation in over 100 000 commercial vehicles and 2 000 gas distribution modules.

NORTH AMERICA

830

EUROPE & REST OF WORLD

203

Value chain

UPSTREAM

SUPPLY CHAIN FOOTPRINT

We depend on raw materials and the energy required to turn them into components for our products and solutions. These processes account for most of our upstream environmental and social impact.

OWN OPERATIONS

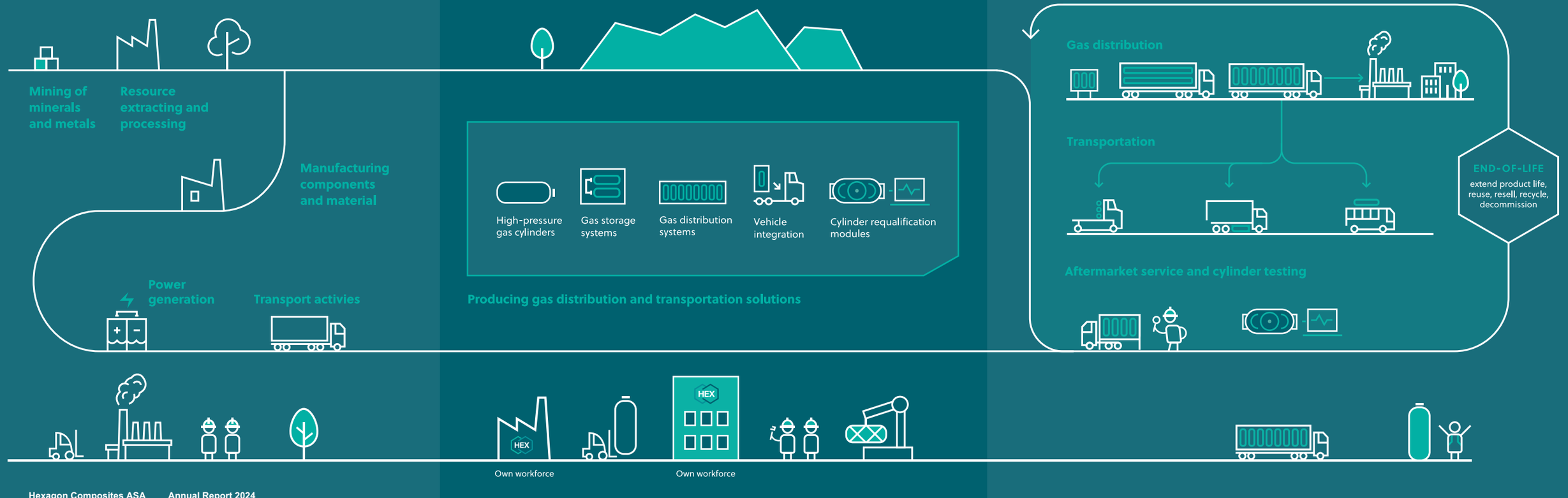
HEXAGON MANUFACTURING SITES

By using the capabilities of our people and machinery, we transform purchased goods and raw materials into products and solutions for alternative fuels. Energy used to produce our products and solutions, generates emissions from our manufacturing sites.

DOWNSTREAM

ALTERNATIVE FUEL SOLUTIONS

Our alternative fuel technologies help customers cost-effectively reduce emissions. We always strive to ensure responsible handling for our products at the end of their service life.



GENERAL INFORMATION

Interests and views of stakeholders

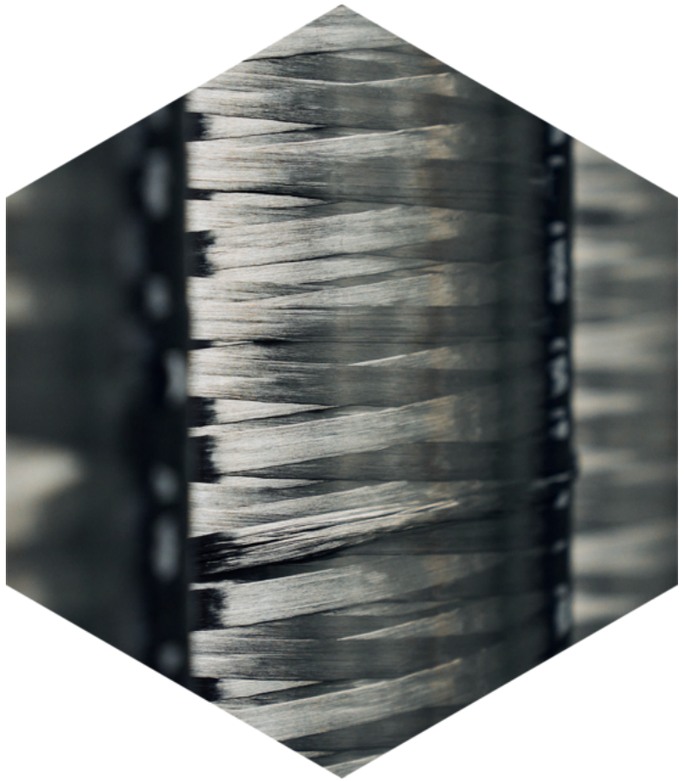
ESRS 2 SBM-2 Interests and views of stakeholders

Our stakeholders are integral to Hexagon Composites' sustainability journey. Engaging with them transparently and effectively is essential to achieving our sustainability goals and our mission of driving energy transformation.

Stakeholder engagement

Engagement with key stakeholder groups is undertaken by our ESG Steering Committee, Executive Team, HR team, Sales team, Finance team, and employees across our business. We ensure that the views and interests of affected stakeholders regarding our sustainability-related impacts are regularly communicated to our ESG Steering Committee half-yearly through committee meetings.

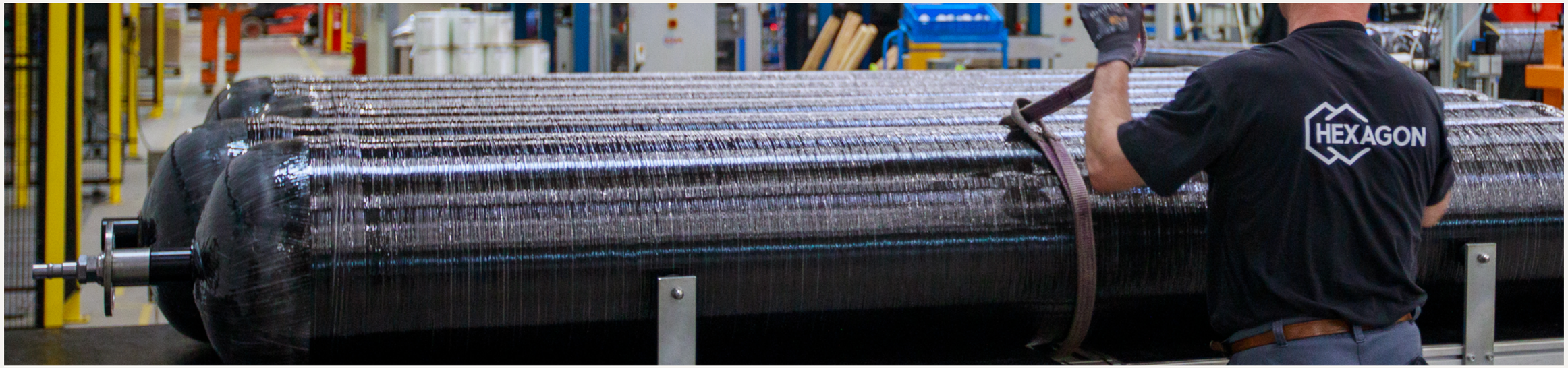
We prioritize fostering open dialogue and building trust to ensure that our actions align with the expectations and needs of our diverse stakeholder groups. This engagement not only informs our strategic direction but also strengthens our business model, ensuring that we remain responsive and adaptive to the evolving alternative fuels landscape that we operate in.



The table below summarizes how we engage with our key stakeholders, the purpose and key topics of those engagements and their outcomes. The insights gained from these engagements inform our due diligence processes and double materiality assessment. The interests and views of our stakeholders are integrated into the DMA, detailed in the IRO-1 subchapter.
Engagement with the stakeholders ensured the continuity of the strategy in 2024.

Stakeholder	Purpose	Key Topics	Engagement	Outcome
Employees and potential employees	To cultivate a healthy and committed workforce, and empower our people and their expertise	• Workforce development • Occupational health and safety • Work-life balance • Diversity and inclusion • Local community relations	• Townhalls • Strategy updates • Employee feedback and engagement surveys • Workplace social media and intranet • Community volunteer events • Celebrations for milestones and achievements (for example: safety, quality, production) • Training and skills development • Grievance system	• Launch of Talent Development Cycle program • Internal policy updates • Refreshed well-being initiatives • Views informed strategic priorities and must-win-battles
Customers	To enhance product quality, service efficiency, and practices that ensure customer needs and long-term satisfaction	• Product quality • Service efficiency • Sustainability practices • Low carbon technology solutions • Product lifetime • Responsible procurement • Human rights in our supply chain	• Emails and meetings • Site visits • Conferences and industry events • Websites • Reports and presentations • Press releases • Customer satisfaction surveys and scorecards	• Product/service improvements • Joint projects on product innovation and lifecycle assessments • Advising and delivering alternative fuel solutions
Owners, analysts, investors and financial community	To provide transparent and timely information on financial performance and sustainability practices, ensuring informed investment decisions and fostering trust	• Financial performance • EU taxonomy • External ESG ratings • Responsible procurement • Anti-corruption and integrity • Corporate Governance and compliance • Risk management	• Financial presentations & stock exchange releases • Annual General Meeting • Sustainability and annual report • Meetings, conferences, and roadshows • Website	• Expanded multiples and share price appreciation • Successful and oversubscribed capital raise • Enhanced reporting practices to align with CSRD 2024 requirements • Responses to investor queries

Stakeholder	Purpose	Key Topics	Engagement	Outcome
Partners and suppliers	To share best practice, ensure responsible procurement, and uphold integrity and human rights in our supply chain	• Responsible procurement • Human rights in our supply chain • Anti-corruption and integrity • Sustainability sourcing	• Supplier questionnaires • Quarterly Business Reviews (QBRs) with top suppliers • Supplier visits and audits • Workshops • Meetings and industry events	• Expanded supplier sustainability program with more rigorous assessments • Ecovadis sustainability scorecards • Monthly supplier performance scorecards • ESG workshops with partners and suppliers • Adherence to Hexagon Composites' business conduct standards
National/ international regulators, NGOs and governments	To ensure regulatory compliance, promote environmental and safety standards, and foster collaboration for sustainable development	• Regulatory compliance • Environmental impact • Safety standards • Responsible procurement • Anti-corruption and integrity • Human rights in our supply chain • Local community relations • Technology-neutral laws and regulations	• Partnerships • Conferences • Community and industry events • Public forums • Direct consultations • Industry initiatives • Committees and industry advisory boards • Legislators, policy makers and regulators	• Ensuring compliance with regulation in the markets in which we operate • Developing industry standards on safety • Improved transparency in reporting • Traction with policy makers and stakeholders about advantages of vehicles running on CO_2 neutral fuels • Issuance of stakeholder report describing methodologies for vehicles running exclusively on CO_2 neutral fuels



GENERAL INFORMATION

Material assessment process

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In 2024, Hexagon completed a double Materiality Assessment (DMA) to align with the ESRS. The process involved engaging a wide range of stakeholders, including employees, suppliers, and customers, to identify Hexagon's key sustainability impacts, financial risks and opportunities.

Engagement methods included interviews, workshops, an employee survey and additional research. The identified material impacts, risks, and opportunities from the assessment are detailed alongside the topical ESRS E1 Climate change, E5 Circular Economy, S1 Own workforce, S2 Workers in the value chain, and G1 Business conduct within this sustainability statement. Due to methodological updates and alignment with CSRD requirements, the material topics identified differ from past reports and are not fully comparable.

Climate change risks and opportunities

In addition to Double Materiality Assessment a Physical Climate Risk Assessment was conducted in 2023. Physical climate risks can greatly impact businesses, communities, and individuals, including financial losses, reduced competitiveness, and increased vulnerability. Consequently, they are crucial factors to consider in decision-making and risk management, especially in relation to climate change. The Climate risk assessment process involved four key stages:

1. Hazard screening: Initial screening to eliminate certain hazards from further detailed analysis.
2. Climate risk assessment: Evaluating the exposure of Hexagon's operations to climate-related natural hazards.
3. Vulnerability assessment: Analyzing the potential consequences of identified exposures.
4. Adaptive actions: Managing material risks.

The analysis focused on Hexagon's production and manufacturing sites in Europe and North America, specifically examining physical climate risks. In the first phase, several climate-related natural hazards were identified as the greatest threats to Hexagon's sites, including extreme precipitation and flash flooding; water stress and drought, and extreme heat. The second stage of the analysis highlighted two specific hazards at Hexagon's US sites: tornados in Lincoln and extreme wind in Salisbury. Hazards were identified through surveys, desktop research, and workshops, considering high emission scenarios. Although Hexagon's Physical Climate Risk Assessment did not initially include the value chain, we have evaluated the climate risk of our main carbon fiber supplier using supplier specific data. Our medium-term objective is to enhance the climate risk assessment and extend it to encompass the entire value chain.

Over the next reporting year, we will enhance our processes while assessing the resilience of our business model and evaluating the financial effects of our material risks and opportunities.

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Introduction

The identification and assessment of impacts, risks and opportunities (IROs) are critical components of Hexagon's sustainability strategy. By understanding and addressing these impacts, risks, and opportunities, the company can enhance its sustainability performance and ensure long-term resilience.

Since its previously reported materiality assessment in 2021, Hexagon has undertaken a comprehensive Double Materiality Assessment (DMA) for the first time, aligned with the European Sustainability Reporting Standards (ESRS). This assessment, conducted from August 2023 to February 2024, was designed to identify and evaluate the actual and potential impacts, risks, and opportunities (IROs) associated with its operations and value chain. By adopting the ESRS framework, Hexagon aims to ensure it effectively address both its sustainability impacts and the financial risks and opportunities arising from its activities. The assessment encompassed the geographical areas of our operations, upstream and downstream value chain. While our upstream value chain is primarily located in Europe, North and South America, and the Middle East, our downstream value chain extends to additional countries in Asia.

Identification process

The identification of IROs was guided by the sustainability matters outlined in ESRS 1. IROs were characterized by their nature (positive or negative), their status (actual or potential), and their positioning within either own operations or business relationships (upstream or downstream). The process involved a detailed examination of Hexagon's value chain, which includes:

- Upstream Value Chain: Raw materials, Tier 2/3 suppliers, Tier 1 suppliers.
- Own Operations: Manufacturing, development, and operation.
- Downstream Value Chain: Sales, distribution, decommissioning, and end-of-life.

Characteristics of Impacts, Risks and Opportunities (IROs)

IROs were characterized based on their nature (positive/negative) and their status (actual/potential). Additionally, a time horizon was assigned to each IRO to indicate when its effects might manifest:

- Short-term: Less than 1 year.
- Medium-term: 1 to 5 years.
- Long-term: More than 5 years.

Assessment methodology

The assessment of IROs was conducted using a dual approach:

1. Impact Materiality: Evaluating the severity of Hexagon Composites' impact on people and nature, considering factors such as scale, scope, irremediability, and likelihood.
2. Financial Materiality: Assessing the financial implications of identified risks and opportunities, focusing on the financial magnitude and likelihood of these risks materializing.

The DMA process identified several key IROs across Hexagon's value chain. These IROs were assessed for their materiality based on the following criteria:

- Scale: The gravity of the impact.
- Scope: The extent and geographical reach of the impact.
- Irremediability: The potential for reversing the impact.

- Likelihood: The probability of the impact occurring.

Identified IROs were considered material if they scored above the established materiality thresholds, applicable to either impact, or financial materiality. If the IRO scored above the threshold, the related sustainability matter was considered material. The materiality thresholds were based on Hexagon's enterprise risks management system and aligned with the ESRS guidelines giving precedence to severity over likelihood and lowering the materiality threshold for impacts connected to human rights.

Materiality determination

IROs were deemed material if they had significant impact or financial implications. The materiality thresholds were established based on Hexagon's enterprise risk management system, with adjustments made for human rights-related impacts in line with ESRS guidelines.

The financial risks from the DMA are integrated into the overall risk management framework, and regular DMA updates will continue to enhance Hexagon's risk management process.

Internal controls and documentation

All assessments and findings were documented in an IRO Workbook, which was quality-assured by third-party experts and approved by Hexagon. The contents of the workbook were transferred to a digital solution for ongoing monitoring and audit purposes.

1. Mobilization
2. Initial Materiality Assessment
3. Calibration of Internal Assessment
4. Stakeholder Engagement
5. Executive Sign-off
6. Finalization and Documentation

The DMA process included the following steps

1. Mobilization

The initial step focused on preparing the groundwork for the DMA. Key activities included identification and onboarding of internal experts, calibration of IRO workbook and an employee survey.

2. Initial materiality assessment

The purpose of the second step was to develop and calibrate a long list of sustainability matters, identify IROs for assessment, and complete an initial assessment. Key activities included developing and calibrating a sector-agnostic long list of ESRS sustainability matters and initial assessment by internal experts.

During this process, connections between impacts and dependencies, as well as the risks and opportunities arising from them, were carefully considered. This ensured that the comprehensive list accurately reflects the organization's sustainability context and potential material topics.

3. Calibration of internal assessment

The third step involved reviewing the initial assessment results and making necessary adjustments. Key activities included workshops with internal experts and updates and adjustments.

4. Stakeholder engagement

The purpose of this step was to consult with and get independent input from impacted parties and users of the information. Key activities included stakeholder Identification, stakeholder engagement activities, and validation of findings. The following activities were performed:

- Survey sent to 219 employees to assess ESRS1 S1 – Own workforce.
- Interviews with two suppliers (European and American) and one North American based customer were conducted, essentially to assess ESRS1 E5 (Resource use and circular economy) and S2 (Workers in the value chain).
- Two Board members who also are part of the Audit & Sustainability Committee were interviewed.
- Additional researched on human rights issues in the supply chain in China was conducted.
- Findings from the physical climate risk assessment were incorporated.

5. Executive sign-off

The findings and the process of the DMA were presented to Hexagon Composites' Executive Team. Executive sign-off ensured that the Executive Team was informed and approved the findings.

6. Finalization and documentation

The final step involved completing the project and handing over the documentation to Hexagon Composites. Key activities included documentation and the digital solution that will ensure and support the ongoing monitoring and auditing process.

Process for identifying climate related physical risks

Climate related physical risks

In the second half of 2023, Hexagon performed a physical climate risk assessment for all its manufacturing sites in Europe and North America, including climate-related natural hazard vulnerabilities**.** The climate hazards were identified through surveys, desktop research and workshops with internal staff from EHS, operations, engineering, sustainability and maintenance, considering high emission scenarios. The assessment evaluated the exposure of Hexagon's assets and activities to identify hazards, creating gross physical risks.

The exposure to climate-related natural hazards was evaluated for present-day conditions and 2030 and 2050 under two IPCC-aligned climate change scenarios, SSP1-2.6 and SSP3-7.0. The scope of the assessment was hazards potentially impacting Hexagon's direct activities. Hexagon's upstream or downstream supply chain risks have not yet been assessed. Using the calibrated medium-term (i.e., 2030) annual exposure probabilities accumulated over 10 years and the assigned financial impact, two physical climate risks, tornado and extreme wind were found to be material under current and mid-term conditions at two different sites in the US. We did not identified assets or business activities that are incompatible with a transition to a climate-neutral economy.

The future evolution of these hazards towards 2050 in the high-warming SSP3-7.0 scenario are as follows:

- Tornado activity is expected to increase, so this risk will become more material between 2025 and 2050.
- Extreme wind in the southeastern USA is expected to remain unchanged.

For the two sites with material risks, the EU Taxonomy requires the development of a climate adaptation plan to reduce the identified risks. Hexagon already has established procedures and health and safety related plans in place to reduce the risks and is expecting to complete plans and implement them during 2025.

The climate scenarios used are consistent with widely recognized climate-related assumptions, providing a structured basis for assessing potential impacts, risks and opportunities, even though they are not directly reflected in the financial statements.

Climate related transition risks

The primary transition risk is the possibility of the market bypassing low-carbon solutions, such as RNG, in favour of zero-emission technologies like hydrogen and battery-electric systems. This "market leapfrog" could lead to lost opportunities and decreased revenue. Further analysis, including climate scenarios of transition risk will be undertaken in 2025.

As part of the Physical Climate Risk Assessment, a GHG screening was conducted to identify emission sources across our supply chain and operations. This analysis was late refined in our Double Materiality Assessment. A description of each GHG emission category can be found in section E1-6.

Effective management of IROs is essential to the overall management process. The Audit & Sustainability Committee is informed quarterly on material impacts, risks, and opportunities. Furthermore, the double materiality assessment is reviewed annually, with findings presented to and approved by the Executive Team as well as discussed and presented to the Audit & Sustainability Committee and presented to the full Board of Directors.

Material impacts, risks and opportunities

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The identified material impacts, risks, and opportunities from the assessment are detailed alongside the topical ESRS E1 Climate change, E5 Circular Economy, S1 Own workforce, S2 Workers in the value chain, and G1 Business conduct within this sustainability statement.

The following table describes the identified material impacts, risks and opportunities and their interaction with strategy and business model across our value chain

E1 Climate change		Value chain direction	Value chain position	Time horizon
Climate change adaptation Tornados and extreme winds. Lincoln, NE is one of the most tornado-prone areas of the USA. A direct hit from a major tornado is a catastrophic event. Extreme wind, particularly from tropical cyclones in the Eastern US, is a regularly occurring natural hazard.	**Potential physical risk**	Own activities	Operations	Long-term
Climate change mitigation Growing market demand for alternative fuel solutions Due to Hexagon's offering of alternative fuel solutions, there is a possibly increasing market demand for its products from clients that want to decrease their emissions, which can lead to higher revenue.	**Potential opportunity**	Downstream	Sales	Medium-term
Market leapfrog over low-carbon solutions Hexagon provides low-carbon transition solutions, bu there is a risk that the market leaps over these solutions and acquire zero-emission solutions. This could lead to lost opportunities and have a negative financial effect.	**Potential transition risk**	Downstream	Sales	Long-term
Direct CO_2 Emissions (Scope 1) Hexagon has an actual direct impact on the environment through direct CO_2 emissions (scope 1) from use of fossil fuels in own operations which contributes to climate change and thus have a negative effect on the environment.	**Actual negative impact**	Own activities	All own activities	Short-term

		Value chain direction	Value chain position	Time horizon
E1 Climate change				
Climate change adaptation				
Indirect CO_2 emissions (Scope 2)				
Hexagon has an actual direct impact on the environment through indirect CO_2 emissions (scope 2) from purchased or acquired electricity, steam, heat and cooling in its own operations. This subject to the type of energy used (fossil or renewable), where fossil contributes to climate change and thus have a negative effect on the environment.	**Actual negative impact**	Own activities	All own activities	Short-term
Indirect CO_2 emissions upstream and downstream activities (Scope 3)				
Hexagon has an actual indirect impact on the environment through CO_2 emissions in the supply chain and use of sold products, as well as business travel. This accounts for 96% of the company's total CO_2 emissions (2022). The majority is linked to upstream purchased goods and services including raw materials such as carbon fiber. It also includes emissions related to transportation. The emissions contribute to climate change and thus have a negative effect on the environment .	**Actual negative impact**	Upstream	Tier 1 suppliers	Short-term
Climate emission reduction				
Hexagon produces cylinders for CNG/RNG that allows clients to replace fossil fuel with non/low-carbon fuels. This could therefore reduce the emission with clients, and Hexagon Composites thus have an indirect positive impact on climate change mitigation.	**Potential positive impact**	Downstream	Sales	Short-term
Energy				
Energy consumption				
Hexagon has an actual impact on the environment directly through its energy consumption. The majority of energy consumption is directly linked to the company's operations and manufacturing activities. Energy consumption is considered to have a negative impact on the environment as energy production and consumption can cause air pollution, water pollution and stress, thermal pollution, and solid waste disposal. This ultimately contributes to global warming and climate change.	**Actual negative impact**	Own activities	Operations	Short-term

E5 Circular economy

		Value chain direction	Value chain position	Time horizon
Resource inflows, including resource use				
Raw material in products Hexagon has a direct and actual impact on circular economy through the raw materials used in products. The majority (90,4% in 2022) where non-renewable materials including: carbon fiber, glass fiber, plastics, aluminum and stainless steel and binding materials.	**Actual negative impact**	Upstream	Raw materials	Short-term
Use of helium Hexagon has a direct impact on the environment through its use of helium, which is a non-renewable gas, in testing of cylinders. It contributes to helium scarcity, which is predicted in the long term (complete depletion by 2090).	**Actual negative impact**	Own activities	Operations	Long-term
Resource outflows				
Product life extension Hexagon Digital Wave has a potential positive impact on the environment as it requalifies cylinders using Modal Acoustic Emission (MAE), which allows it to extend the cylinders' life. With extended life, Hexagon Digital Wave can directly reduce the annual waste or pollution from the disposal of cylinders.	**Potential positive impact**	Downstream	End-of-life	Long-term
Material recyclability Hexagon has a potential negative impact on the environment directly through possible significant waste caused at the end of life of products. Due to limited recycling options for composite materials which are used in manufacturing, Hexagon is not able to accurately predict the recyclability of its products at the end of their life, resulting in waste.	**Potential negative impact**	Downstream	End-of-life	Long-term
Reduced material consumption The recycling of casins or racks reduce waste and the use of virgin material needed for new racks. It has a direct positive impact on the circular economy and its resource outflows.	**Actual positive impact**	Downstream	Distribution	Medium-term

		Value chain direction	Value chain position	Time horizon
E5 Circular economy				
Waste				
Direct hazardous waste generation Hexagon has a direct and actual impact on the natural environment through generation of hazardous waste in its operations, which can contribute to climate change through emissions, and further pollution of soil and water. Hazardous waste has been identified using Hexagon's own assessment and EPD-norge approved EPD for its cylinder, and includes paint, varnish, glue, spray cans, toner cartridges, split oil, oilfilter and absorbent, and e-waste such as bulbs and fluorescent tubes, batteries, and EL cables.	**Actual negative impact**	Own activities	Manu-facturing	Medium-term
Direct non-hazardous waste generation Hexagon has a direct, actual impact on the environment through generation of non-hazardous waste in its operations. This includes scrap produced during production, distributions and testing, such as carbon fiber, cardboard, paper, plastic, wood, metal, glass, and food waste, and all waste not classified by the Article 57 of Regulation (EC) 1907/2006 (REACH).	**Potential negative impact**	Own activities	Operations	Short-term
Indirect hazardous waste generation Hexagon has an indirect and actual impact on the natural environment through hazardous waste generation that occurs in its upstream and downstream activities. Those can cause pollution to air, soil and water, as well as inflict harm on biodiversity.	**Actual negative impact**	Upstream	Entire upstream supply chain	Medium-term

		Value chain direction	Value chain position	Time horizon
S1 Own workforce				
Equal treatment and opportunities for all				
Diversity in own operations Hexagon has an actual and direct impact on its own workforce related to diversity and non-discrimination in its own operations. Lack of diversity (age, race, nationality, gender identity, sexual orientation, religion, political belief, etc.) in the workplace can increase the risk of discrimination and may lead to failure to receive a variety of inputs and opinions in company decisions overall.	**Potential negative impact**	Own activities	All own activities	Short-term
Pay distribution in own operations Hexagon has an actual and direct impact on its own workforce related to ensuring equal pay for equal work. Receiving less pay for equal work is a form of discrimination that negatively impacts people, traditionally women.	**Potential negative impact**	Own activities	All own activities	Short-term
Workforce training in own operations Hexagon has an actual and direct impact on its own workforce related to training and skills development in its own operations. Receiving insufficient training (both initial training and upskilling) can result in workers not performing their job sufficiently while also increasing the likelihood of a related health and safety incident.	**Actual negative impact**	Own activities	All own activities	Short-term
Workplace harassment in own operations Hexagon has an actual and direct impact on its own workforce related to workplace harassment in its own operations. Being subject to harassment in the workplace (verbal, physical, sexual) may directly or indirectly impact the overall wellbeing and safety of the worker	**Potential negative impact**	Own activities	All own activities	Short-term

		Value chain direction	Value chain position	Time horizon
S1 Own workforce				
Other work related rights				
Privacy of own workers' information Hexagon has an actual and direct impact on its own workforce related to ensuring privacy of workers' information in its operations. The failure to protect the sensitive information of employees (e.g. addresses, personal identification numbers, etc) resulting in a breach of the employee's right to privacy	**Potential negative impact**	Own activities	All own activities	Short-term
Working conditions				
Freedom of association and collective bargaining in own operations Hexagon has an actual and direct impact on its own workforce related to ensuring full freedom of association and collective bargaining in its own operations. Even if workers formally are allowed to freely associate, they can still face a range of practical barriers (including discrimination, informal restrictions and intimidation). Infringing on employees' right to freely associate can lead to worsened working conditions and employment security.	**Potential negative impact**	Own activities	All own activities	Short-term
Excessive working hours in own operations Hexagon has an actual and direct impact on its own workforce related to excessive working hours in its own operations. Excessive working hours can result in negative impacts on the workforce through increased health and safety risks, higher stress levels, increased risk of burn out etc.	**Potential negative impact**	Own activities	All own activities	Short-term
Health and safety in own operations Hexagon has a direct and actual impact on its own workforce related to health and safety in all stages of manufacturing processes and operational activities (complex machinery and industrial processes, rapidly moving equipment, heat, caustic chemicals, and pressurized gas which can cause potential negative impact on people and society if not managed well).	**Actual negative impact**	Own activities	All own activities	Short-term

		Value chain direction	Value chain position	Time horizon
S2 Workers in the value chain				
Other work related rights				
Child labor in the supply chain Hexagon has a potential indirect impact on child labor through its value chain as some raw minerals identified to child labor abuses in certain jurisdictions. For example aluminum and nickel in Indonesia, fibre glass in China.	**Potential negative impact**	Upstream	Entire upstream value chain	Short-term
Forced labor in the supply chain Hexagon has a potential indirect impact on forced labor through its value chain, as some raw minerals are linked to forced labor abuses and economic exploitation in certain jurisdictions. For example, For example aluminum and nickel in Indonesia, fibre glass in China.	**Potential negative impact**	Upstream	Entire upstream value chain	Short-term
Working conditions				
Inadequate wages in the supply chain Hexagon has a potential indirect impact on their mineral value chain. Workers in the upstream supply chain, specifically mining, receive low pay and are exposed to dangerous work. Such workers live in geographical locations where their income is below living wage.	**Potential negative impact**	Upstream	Entire upstream value chain	Short-term
Use of temporary contracts in the supply chain (Social protections) Hexagon potentially indirectly impacts workers in the value chain related to using temporary contracts. Some suppliers within the manufacturing stages of the supply chain may have temporary workers and contractors, which may lead to the risk of losing their jobs and lack of other work benefits and security.	**Potential negative impact**	Upstream	Entire upstream value chain	Short-term

		Value chain direction	Value chain position	Time horizon
G1 Business conduct				
Political engagement and lobbying activities Diluted regulations rules and control Hexagon has a potential indirect impact on its market condition for the use of renewable and non-renewable gas through political engagement and lobbying activities. Hexagon holds memberships with the following industry organisations: NGVAmerica, WLPGA, Europe Liquid Gas Europe, European Biogas Association and uses government relations advisors in Europe	**Potential negative impact**	Own activities	Entire value chain	Medium-term

Environmental information

In this chapter

Environmental Information

E1 Climate change

E1-1

Transition plan for climate change mitigation

Hexagon's provides alternative fuel systems and solutions to commercial vehicles and gas distribution companies around the world. Trucking is considered a hard-to-abate sector, responsible for 5% of the world's greenhouse gas emissions, equivalent to emissions from both aviation and shipping. The essence of Hexagon's business model is to enable fleet owners and transportation companies to make the switch from diesel to low-carbon solutions. From point of deployment our solutions have a mitigating impact on CO_2 emissions, benefiting both the environment and people.

Hexagon recognizes the fact that materials used in our solutions are negatively impacting our own greenhouse gas emissions and our products' end-of-life. We engage with our suppliers to find ways of improving our footprint without compromising the safety of our solutions. We acknowledge that the emissions must be reduced throughout the value chain to further strengthen our business model and limit the negative impact on the environment. Hexagon is currently running R&D projects aimed at finding new ways to recycle composite materials to reduce the potential negative impact on environment at end-of-life.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

		Value chain direction	Value chain position	Time horizon
Climate change mitigation				
Growing market demand for alternative fuel solutions	Potential opportunity	Downstream	Sales	Medium-term
Market leapfrog over low-carbon solutions	Potential transition risk	Downstream	Sales	Long-term
Direct CO_2 Emissions (Scope 1)	Actual negative impact	Own activities	All own activities	Short-term
Climate change adaptation				
Tornados and extreme winds	Potential physical risk	Own activities	Operations	Long-term
Indirect CO_2 emissions (Scope 2)	Actual negative impact	Own activities	All own activities	Short-term
activities (Scope 3)	Actual negative impact	Upstream	Tier 1 suppliers	Short-term
Climate emission reduction	Potential positive impact	Downstream	Sales	Short-term
Energy				
Energy consumption	Actual negative impact	Own activities	Operations	Short-term

In line with its vision of Clean Air Everywhere and the 1.5-degree trajectory, Hexagon has defined science base emission reduction targets for scope 1, 2 and 3, and committed to net zero by 2050 as approved by the executive management and Board of Directors in 2022. Our CO_2 emission reduction targets were validated by the Science-Based Target initiative in July 2024. See E1-4 for details about our targets. For 2024, Hexagon did not have a transition plan in place, we are however targeting the development of a full transition plan for climate change mitigation during 2025, including calculation of opex, capex and other financial resources required to implement the plan.

The main levers and actions planned to support and drive progress for our targets are further outlined in E1-3 and include:

Climate change adaptation actions

Various energy efficiency improvement projects have been planned at our production sites for 2025 to reduce energy consumption and GHG emissions to further adapt the production facilities and operations to climate change. In addition, we continue purchasing of RECs at our Kassel, Germany and Lincoln, US sites.

Climate change mitigation actions

For scope 1 and 2, Hexagon has established a detailed roadmap with related action plans until 2033 which includes the following categories of decarbonization levers: Energy efficiency and use of renewables.

Scope 3

Reducing our scope 3 emissions requires a close collaboration with our key suppliers, and we continue using the sustainability evaluation platform EcoVadis to support structured evaluations and follow up of our upstream suppliers.

Hexagon's opportunities to reducing own greenhouse gas emissions lie largely in the development of our products, both in manufacturing and in the disposal of our cylinders at end-of-life. The main share of our carbon emissions is generated in scope 3 activities, mainly through key raw materials and other purchased goods and services that are used in the manufacturing of our products.

For 2025, Hexagon has planned further work on achieving external verification of the lifecycle assessment for its Mobile Pipeline product, with an objective of being able to demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative available on the market. If achieved, this activity would be aligned with the criteria established in Commission Delegated Regulation 2021/2139.

Hexagon is not excluded from Paris-aligned benchmarks.

Climate change impacts

The materiality assessment outlined in ESRS IRO-2 identified the following material climate change mitigation impacts, further details are available under ESRS2 SBM-3:

Direct CO_2 emissions, emissions from own operations (Scope 1)

Hexagon's use of fossil fuels in own operations of manufacturing and assembly have a direct actual negative impact on the environment through direct CO_2 emissions (scope 1) of 2 337 tons of CO_2eq during 2024.

Indirect CO_2 emissions (scope 2)

Hexagon has an actual negative direct impact on the environment through indirect CO_2 emissions (scope 2) from purchased or acquired electricity, steam, heat and cooling in its own operations. In 2024, the market-based CO_2 emissions from scope 2 totaled 1 863 tons CO_2eq.

Indirect CO_2 emissions upstream and downstream activities (scope 3)

Hexagon has an actual indirect negative impact on the environment through CO_2 emissions in its upstream value chain and downstream value chain of gross 269 490 tons CO_2eq. Purchased goods and services in our upstream value chain were the main contributors with 186 016 tons CO_2eq. The second-largest contributor was emissions from equity investments, primarily driven by our investments in Hexagon Purus and Worthington SES, which totaled 49 968 tons CO_2eq, while use of sold products in our downstream value chain totaled 15 558 tons CO_2eq in 2024.

Energy consumption

Hexagon has an actual negative impact on the environment directly through its energy consumption related to own offices, operations and manufacturing activities.

We are mitigating our material climate change impacts by following our road map and action plans to reduce scope 1 and 2 emissions from own operations, as well as establishing a detailed scope 3 road map and action plans in 2025, see E1-3 for descriptions of our decarbonization levers and actions.

Compressed natural gas/Renewable natural gas fuel systems for commercial vehicles allow customers to replace fossil fuel with lower- or negative-carbon fuels [1]

Hexagon produces cylinders and fuel systems for CNG/RNG vehicles that enable clients to replace fossil fuel with lower- or negative-carbon fuels. This would reduce the customers' CO_2 emission, and Hexagon thus have a potential indirect positive impact on climate change mitigation.

Climate change risks and opportunities

Hexagon Composites has identified both risks and opportunities associated with climate change. The primary opportunity lies in its core value proposition of providing low-carbon emission solutions, which may experience increasing market demand from clients seeking to reduce their emissions. This growing demand has the potential to drive higher revenue for the company.

The identified risks include both physical and transition risks, which could significantly impact Hexagon's operations and strategy. **Physical risks** are linked to extreme weather events, such as

1 Decarbonizing the road ahead with RNG

tornadoes and strong winds, that pose a risk to two of the manufacturing facilities in North America. Meanwhile, the primary **transition risk** is the possibility of the market bypassing low-carbon solutions, such as RNG, in favor of zero-emission technologies like hydrogen and battery-electric systems. This "market leapfrog" could lead to lost opportunities and decreased revenue.

Resilience of Strategy and Business Model

Although a formal resilience plan to counteract the mentioned risks is not yet in place, Hexagon has allocated resources to evaluate facility vulnerabilities and identify the necessary infrastructure upgrades to mitigate physical risks. This is further informed by a physical climate risk assessment that was conducted following the EU Taxonomy Do No Significant Harm criteria. To address transition risks, Hexagon is prioritizing political influence and lobbying activities and initiatives promoting parity among technologies, including renewable natural gas [2]. Hexagon engages in activities intended to influence policies and regulations that will have a significant impact on Hexagon's business. These efforts allow Hexagon to promote policies that further Hexagon's purpose, mission and vision. For further details, see G1 - Political influence and lobbying activities.

In 2025, Hexagon plans to conduct a comprehensive resilience analysis to address the identified risks, covering its own operations, upstream suppliers, and downstream value chain. This analysis will include all material physical and transition risks without exclusions. It will align with scenarios used in the previously done physical climate risk assessment, incorporating assumptions on macroeconomic trends, energy transitions, and technological advancements across short-, medium-, and long-term horizons. The anticipated outcomes of this analysis include enhanced risk management, improved climate change adaptation, and strengthened alignment with global net-zero goals.

2 Renewable Natural Gas | US EPA

Impact, risk and opportunity management

E1-2

Policies related to climate change mitigation and adaptation

Hexagon's Environmental, Health and Safety (EHS) Policy defines our approach to providing a safe and healthy environment for its employees, contractors, visitors, and anyone who may be affected by our business operations and protecting the environment by managing the business in an environmentally sensitive and responsible manner. The EHS policy outlines Hexagon's responsibilities and expectations regarding environment, health and safety, and guides us in evaluation of material impacts and potential risks and opportunities related to environmental topics. Our material impacts, risks and opportunities related to climate change are listed under E1-1.

All of Hexagon's production facilities in North America and Germany are certified according to the Environmental Management system ISO 14001. Environmental Management System ensures local alignment with Hexagon Composites strategic objectives, compliance with applicable laws and regulations, drives continual improvement and enables a systematic approach to our work with environmental and climate related topics at all our production sites. Hexagon performs regular internal and external audits to maintain the certification.

The EHS policy is not specifically referring to climate change mitigation or climate change adaptation. However, Hexagon has committed to net zero by 2050 through our science-based emission reductions targets for scope 1, 2 and 3 (see E1-4 for details), and Hexagon's management commitments include the following:

- Sustain a Zero Impact Environmental Culture and realize our vision of Clean Air Everywhere, through innovative products and responsible business practices, from sourcing to end-of-life management, to protect the environment and prevent pollution
- Advance a Zero Impact Sustainable Energy Culture, by making efficient design, operational and procurement choices to reduce energy consumption and carbon emissions.
- Drive a Zero Waste Operations Culture to create an ongoing competitive advantage as a world-class manufacturer.

As part of the EHS Policy, Hexagon will strive to use renewable energy in our operations and ensure energy efficiency in line with the 50001 Energy Management ISO certification standard to which our three US production facilities were certified in 2024. In addition, Hexagon's Supplier Code of Conduct covers Environmental Performance and Resource Efficiency and Energy Consumption, where Hexagon expects its suppliers to actively seek to reduce their environmental footprint as well as ensure efficient and optimized use and consumption of natural resources, with particular focus on implementing conservation and recycling practices in its production and maintenance processes. This policy spans across our own operations and the upstream value chain.

The EHS Policy applies to all employees and is available to all employees on the company's intranet and to external stakeholders on Hexagon's website. The ESG Steering Committee is overall responsible for the EHS Policy, including an annual review which is communicated to the Executive Team and the Audit & Sustainability Committee. The local management teams are responsible for implementing and following up the Policy at Hexagon's sites.

E1-3

Actions and resources in relation to climate change policies

In 2023 and 2024, a physical climate risk and vulnerability assessment was performed for all of Hexagon's production sites (for further details, see ESRS 2, IRO-1). The assessment found that two of the manufacturing sites in the US were exposed to physical climate risk being extreme wind and tornados. To reduce this risk, climate adaptation plans are being developed for the respective sites and will be implemented within five years in line with the compliance requirements in the EU Taxonomy regulation.

Climate change adaptation actions

For 2024, Hexagon had several energy efficiency improvements planned as part of the ISO 50001 certification process to reduce energy consumption and greenhouse gas emissions, and to further adapt the operations to climate change. Many projects are also planned for 2025, including: Cure oven temperature specification, LED lighting installation, compressed air leak identification and repair, energy metering system implementation, manufacturing process throughput and energy performance improvements, purchase of energy-efficient HVAC and office equipment, and an HVAC automation system.

In addition, Hexagon has been purchasing renewable energy certificates (RECs) at our Kassel and Lincoln sites since 2023 and will continue to do so in 2025. We continue to investigate options for long-term REC purchase or alternative sourcing of renewable energy

for all our sites, including installation or sourcing of renewable electricity and renewable natural gas as it becomes available.

Climate change mitigation actions

By 2033, Hexagon has committed to reducing 54.6% of absolute scope 1 and 2 greenhouse gas emissions and 61% of Scope 3 GHG emissions per cubic meter of container volume sold, and reduce absolute scope 3 GHG emissions from use of sold products for sold fossil fuels by 54.6% from base year 2022. See E1-4 for a complete description of our science-based emission reduction targets.

Hexagon has developed a detailed roadmap with related action plans until 2033 for its scope 1 & 2 emission reduction efforts. The roadmap employs a diverse decarbonization approach to mitigate climate change and these strategies underpin our current and future actions and plans to reduce our carbon footprint. A detailed roadmap for reducing scope 3 emissions in line with our science based 2033 targets will be created in 2025. Roadmaps to meet our 2050 net zero commitments for scope 1, 2 & 3 will also be established in 2025. For 2025, separate capex and opex budgets have been allocated to fund the emission reduction projects.

The following decarbonization levers represent Hexagon's efforts during 2024 as well as planned future actions to address scope 1 & 2 emissions reductions to achieve our 2033 science-based targets and support our management commitment in our EHS policy of sustaining a Zero Impact Environmental Culture to protect the environment and prevent pollution:

Energy efficiency and use of renewables

Hexagon is planning a variety of efforts across its operations, including energy efficiency and transitioning to low- or zero-carbon fuels. To maintain the ISO 50001 Energy Management certifications obtained at our US production sites in 2024, we have set annual targets to track and reduce energy use by at least 2% of each production site's 2022 energy use each year with planned 2025 projects to achieve an estimated 274 metric tons of CO_2eq reduction annually. We are evaluating how to best phase out our use of fossil fuel-based energy inputs, including replacing all propane-powered forklifts at US production sites with electric forklifts by 2033 and replacing all propane-burning ovens at our Kassel, Germany site with electric ovens by 2050.

Transport fuel switching is another one of our levers for scope 1 and 2 emissions reduction. In 2025, we will begin to replace our FleetCare service trucks with CNG-powered vehicles with a target to replace four service trucks by year end, which is estimated to contribute to emission reductions of 56 tons of CO_2eq annually. As far as renewable energy sourcing, the RECs purchased at Kassel and Lincoln result in an estimated total reduction of about 4,600 tons of CO_2eq annually. In 2024, budgeting, a vendor search, and impact analysis for a potential solar system at our Salisbury, US site was initiated, with evaluation ongoing in 2025. We are also establishing dialogue with and expecting our energy providers to achieve their planned energy source decarbonization.

Product Eco-design

Hexagon considers the environmental aspects of its products during the research and development (R&D) stage of product development. In 2024, we continue to integrate Eco Design principles for new products into Advanced Product Quality Planning (APQP) which are part of our management system. The principles cover potential impacts on materials, energy consumption and waste, and are also part of our project manager training and the project approval template that is mandatory for all new projects. In 2024, we completed a Life Cycle Assessments (LCA) for our highest running product, the "27x81" type 4 cylinder and the ProCab 175 system that uses it. The LCAs will support our quantifications and design evaluation choices based on GHG impact analysis of the various materials and components included, to ensure we are designing with both as little material as possible, and the most sustainable produced materials available. By applying these principles, we began a project to significantly improve carbon fiber efficiency in our design in 2024. In 2025, these improvements will be incorporated in production and are estimated to reduce more than 1 300 tons of CO_2 equivalent annually. In 2025, we will continue to research opportunities to reduce the GHG footprint of other key materials identified in LCA.

World Class Manufacturing (WCM) and waste reduction initiatives

Our WCM program continues to drive improvement to our production processes at all sites to reduce scrap towards our long-term goal of zero waste to landfill. The waste audits at all US production sites established in 2024 will continue annually, generating plans for further waste reduction and improvement to our waste handling practices, as well as for how to work with our supply chain on more eco-friendly packaging materials. As part of our waste reduction initiatives in 2024, our Kassel site replaced liner tube packaging with a reusable steel option for an estimated impact of 60 tons of CO_2 equivalents reduced annually in addition to transport emissions savings. Plastic wrap for paint, plastic tape, and

plastic manifold shipping materials were all eliminated from our Salisbury site in 2024 for a combined estimated 0.6 tons of CO_2 equivalents annually. In 2025, we will continue to implement recycling for key materials. We are also developing returnable packaging for our 27 x 81 cylinder for use in shipping between our Salisbury and Lincoln sites in the US with data being recorded and metrics further developed in 2025.

The following decarbonization levers represents Hexagon's efforts during 2024 as well as planned future actions to address scope 3 emissions reductions:

Supply chain decarbonization

Scope 3 is Hexagon's largest GHG emission category, and the company is depending on a close and long-term collaboration with suppliers to achieve the targeted scope 3 emissions reduction. This dependence may lead to challenges in achieving scope 3 reduction targets according to plan as these emissions are indirect and require significant efforts from Hexagon's suppliers.

In 2025, we will continue our work using the upstream supply chain sustainability evaluation platform EcoVadis in dialogue with our upstream suppliers, to evaluate their sustainability program maturity. We will continue the dialogue and follow ups of our suppliers' improvement areas, carbon metrics and setting specific corrective actions and targets to further develop the maturity of their sustainability programs. We will further be collecting GHG data from larger suppliers, focusing on direct material suppliers.

We continue to partner with carbon fiber suppliers to drive emissions reductions for our most significant raw material (~36% of total scope 3 emissions) and further formalize collaborations on common sustainability projects such as reviewing the viability of bio-based feedstock inputs, supporting conversion to green energy for the carbonization process, and identifying new technical solutions that enable more efficient, less consumption-based results. To enhance our partnerships and drive execution of these projects in support of our stated targets we have established formal quarterly meetings with several key suppliers.

The expected GHG emission reductions will be included in the detailed scope 3 roadmap and estimation model being developed in 2025. This roadmap will also include near- and long-term action plans to achieve our science-based emission reduction targets for 2033 and net zero by 2050.

To impact our downstream supply chain, we developed a total system lifecycle guide in 2024 for publication in 2025 that outlines proper end-of-life handling for our products and encourages recycling and repurposing where feasible. The lifecycle guide will be presented to customers and partners, and be available on our website.

Capital Expenditure (CapEx) and Operational Expenditure (OpEx)

In 2024, we committed and invested in specific sustainability projects to support our near-term science-based emission reduction targets. Approximately NOK 8.6 million were classified towards CapEx directly contributing to the achievement of our sustainability targets, while the main portion of opex have been working hours within engineering and operations which were classified as salary costs in 2024. This includes investments in Energy efficiency and use of renewables, product eco-design and WCM and waste reduction initiatives.

We continue to partner with carbon fiber suppliers to drive emissions reductions for our most significant raw material.

For 2025, we have budgeted capex of approximately NOK 33.5 million related to the action plans supporting our scope 1 & 2 emission reductions at the various sites across Hexagon. As the main part of the opex is related to working hours on projects described under decarbonization levers, it is currently challenging to accurately report on opex.

Reconciliation with KPIs and Regulatory Requirements

The amounts allocated for CapEx in 2024 were consistent with our sustainability KPIs.

Resource Allocation and Implementation Dependency

The successful implementation of these actions is contingent upon the sustained availability and strategic allocation of resources in Hexagon, including financial investments, technological innovation, as well as collaboration with our partners and suppliers. We are committed to the transparent management of these resources to optimize our impact on climate change mitigation and adaptation.

Performance, targets & metrics

E1-4

Targets related to climate change mitigation and adaptation

As part of our net zero roadmap and in line with the 1.5-degree trajectory, Hexagon is committed to reduce its direct emissions by 2033, and work with partners and suppliers to be net zero across our value chain by 2050. We submitted our first science-based targets in December 2023 and received validation by the Science Based Targets initiative (SBTi) in July 2024. Our commitment includes our material impacts which are direct and indirect CO_2 emissions in own operations (Scope 1 and 2), as well as indirect CO_2 emissions (scope 3) upstream and downstream. Scope 3 covers all categories in the GHG Protocol, except from categories 8, 9, 10, 13 and 14 which were assessed together with external sustainability consultants and deemed not applicable to Hexagon. For further details on accounting principles for our GHG emissions, refer to E1-6.

Hexagon's climate targets

The climate targets have been defined based on externally available guidance such as relevant manuals from the GHG protocol and SBTi and best practices based on external consultants' experiences. The targets are overseen by the ESG Steering Committee and owned by the relevant functions such as Procurement, Engineering, Operations and their local teams at the production sites. The process of setting the climate targets involved internal resources and external sustainability consultants, no other external stakeholders were involved in setting the targets. Hexagon acknowledges that various factors might influence the achievement of our climate targets, such as continued and successful collaboration with key suppliers, regulatory frameworks, availability of renewable energy, and technological advancements. Significant changes in demand or sales volumes, may also impact the emission reductions.

Near-term targets

By 2033, Hexagon commits to reducing 54.6% of absolute scope 1 and 2 greenhouse gas emissions and 61% of Scope 3 GHG emissions per cubic meter of container volume sold (intensity target), and reduce absolute scope 3 GHG emissions from use of sold products for sold fossil fuels by 54.6% from base year 2022. The scope 2 target is market based, all targets are gross targets, and we are covering the full scope 1 and 2. The baseline value is 11 817 tons CO_2eq for scope 1 and 2, and 210 448 tons CO_2eq for scope 3. Hexagon is considering the baseline year to be representative for the business with the exception of scope 3, category 15 - Equity Investments, where the size of such investments have increased significantly in 2024. The baseline will be updated in 2025 based on significant changes within the Group, and going forward at a minimum every five years.

Long-term targets

By 2050, Hexagon commits to reducing 90% of absolute scope 1 and 2 greenhouse gas emissions, and 97% of Scope 3 GHG emissions per cubic meter of container volume sold and reduce absolute scope 3 GHG emissions from use of sold products for sold fossil fuels by 90% from base year 2022. The scope 2 target is market based. These science-based emission reduction targets are supporting our management commitments to sustain a Zero Impact Environmental Culture, advance a Zero Impact Sustainable Energy Culture and drive a Zero Waste Operations Culture, as described in our EHS policy and outlined in E1-2, and will be achieved through our decarbonization levers, mentioned in E1-3, and other initiatives to be developed with our transition plan. To ensure consistency, our reduction targets are set using the same boundaries as our GHG inventory (detailed in E1-6), following the GHG Protocol and operation control approach.

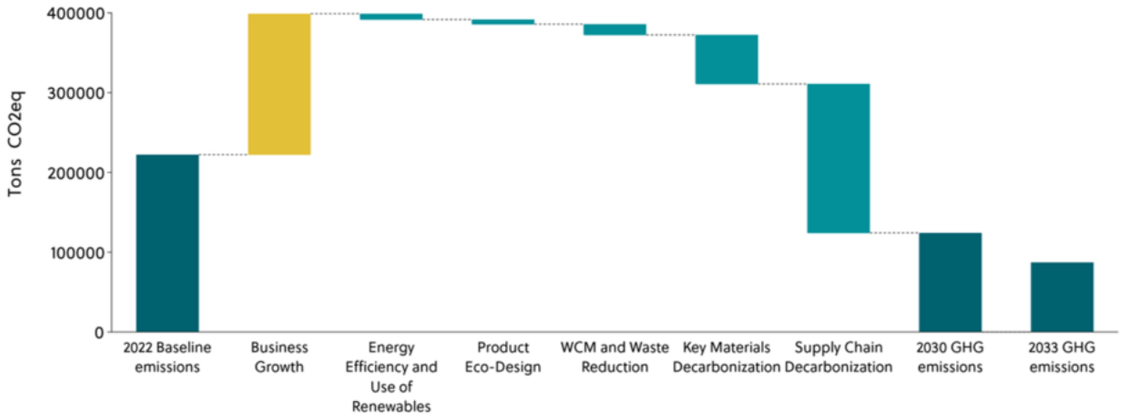
Performance

In 2024, Hexagon's scope 1 and 2 emissions accounted for 2% of our total GHG emissions, with purchased electricity and stationary combustion being the largest categories. Hexagon targeted an overall reduction of 5% for its scope 1 and 2 emissions in 2024 and achieved a reduction of 37% from 2023 (scope 1 + scope 2 market based). For 2025 and going forward, the energy management projects described under E1-3 are targeted to contribute with a reduction of 2% annually at our US production facilities.

Hexagon's scope 1 and 2 emissions are estimated continually as utility use numbers at each of our locations globally are entered into the PowerApp reporting system and converted to emissions using appropriate emission factors (for E1-6 Accounting policies, see page 43). The annual emissions are formally calculated at each year end in our GHG accounting process (reference E1-6) and input to an Excel model of past and projected future emissions for performance evaluation. A linear baseline of -5% emissions each year until 2033 and -2.1% each year from 2033-2050 is compared against to ensure progress is continuing at an acceptable pace.The climate change actions described under E1-3 have related emission reduction targets attached to measure and track the effectiveness of these actions. The measurable targets set for 2025 to support our near- and long-term climate targets will be assessed at half year and year end to measure the effectiveness to help meet our EHS policy objectives. In 2025, we will create roadmaps for scope 1, 2 and 3 emissions to model actions and plans toward 2050 to be able to meet our net-zero SBTi targets.

GHG emissions targets and decarbonization levers

The decarbonization levers are described in detail under E1-3. The total quantitative contribution to 2030 emission levers are estimated to be 274 770 tonnes CO_2eq. the split of the contributions from the various decarbonization levers are illustrated and summarized in further detail in the illustration and table below.



Emission reduction targets

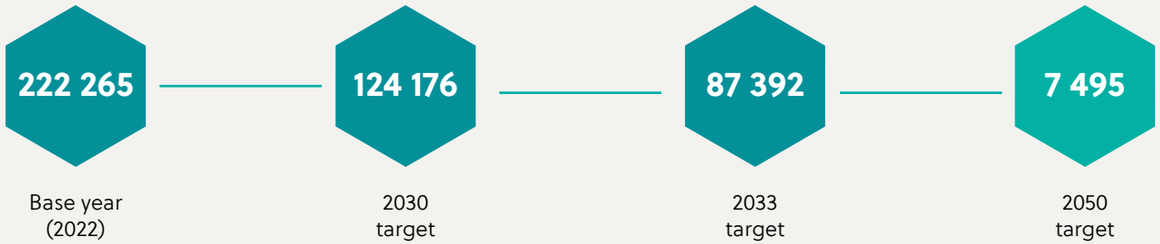
	Base year 2022	2030	2033	2050
Scope 1 & 2 (absolute value, market based)	11 817	7 126	5 365	1 182
Scope 1 & 2 (%)		40 %	55 %	90 %
Scope 3 (intensity* reduction target)	4.1	2.3	1.6	0.1
Scope 3 (intensity reduction target %)		44 %	61 %	97 %
Scope 3 (associated absolute value)	210 448	117 086	82 075	6 313
Scope 3 (associated absolute value %)		44 %	61 %	97 %

Source: based on Science based targets

*The intensity metric is a calculated ratio of total Scope 3 emissions divided by the 1000 liters (1 m3) of water volume contained by all of the cylinders sold in the year.

Decarbonization Lever	Contribution to 2030 Emissions Reduction (%)	Contribution to 2030 Emissions Reduction (tCO_2eq)
Energy Efficiency and Use of Renewables	(3)%	(7 224)
Product Eco-Design	(2)%	(5 886)
WCM and Waste Reduction	(5)%	(13 377)
Key Materials Decarbonization	(22)%	(61 536)
Supply Chain Decarbonization	(68)%	(186 747)

GHG emissions (tCO_2eq)



E1-5

Energy consumption and mix

Hexagon uses electricity, natural gas, propane, and remote heat in our operations. Diesel and gasoline are also used to power company cars. We are working to reduce the emissions associated with our energy use through energy efficiency projects and sourcing renewable energy. At our Kassel and Lincoln sites, we purchase RECs for all electricity used. Renewables are also included in the electricity mixes at all our sites. Our accounting policy detail the assumptions, methodology and data sources used to tabulate our energy consumption and mix.

	Unit	Hexagon Composites 2024[1]	Hexagon Ragasco 2024
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	343	32
Fuel consumption from natural gas	MWh	126 809	48
Fuel consumption from other fossil sources	MWh	0	0
Consumption of purchased or aquired electricity, heat, steam, and cooling from fossil sources	MWh	33 348	0
Total fossil energy consumption	MWh	**160 500**	80
Share of fossil sources in total energy consumption	%	**54 %**	— %
Consumption from nuclear sources	MWh	**18 662**	0
Share of consumption from nuclear sources in total energy consumption	%	6 %	— %
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc)	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	119 228	43 030
The consumption of self-generated non-fuel renewable energy	MWh	0	0
Total renewable energy consumption	MWh	119 228	43 030
Share of renewable sources in total energy consumption	%	40 %	100 %
Total energy consumption	MWh	**298 390**	**43 111**

[1] Excluding Hexagon Ragasco

* Hexagon's all activities are classified under high climate impact sectors.

Energy intensity per net revenue

	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/NOK million)	61.18

* See the financial statement (page ##) for revenue details.
* Hexagon's all activities are classified under high climate impact sectors.

Disclosure Requirement	Accounting Policy
Energy consumption and mix	**Energy consumption data is sourced from provider invoices monthly.** Some estimates are included in the data from December of 2024 as some invoices arrived after the data was compiled. In these cases, the previous month's use was used as preliminary data. **E1-5_02 Fuel consumption from crude oil and petroleum products** Hexagon's fuel consumption from crude oil and petroleum products includes diesel and gasoline used to power fleet vehicles. Diesel use data at our Norway sites is sourced from diesel provider invoices. North American fuel consumption is estimated based on the annual mileage and average fuel economy of each vehicle. **E1-5_03 Fuel consumption from natural gas** Natural gas is used for building heating and/or ovens. Propane, which is used to power forklifts and/or ovens, was also included in this category. Fuel consumption from natural gas is based on natural gas and propane provider monthly invoices at each site. **E1-5_05 Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (market-based)** Our purchased electricity includes a percentage of fossil-derived electricity in the electricity mix, the compositions of which were obtained from each provider. Electricity use is based on provider invoices. **E1-5_06 Total energy consumption from fossil sources** The total energy consumption from fossil sources was calculated as the sum of fuel consumption from crude oil and petroleum products, fuel consumption from natural gas, and consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources.

Disclosure Requirement	Accounting Policy
	E1-5_07 Total energy consumption from nuclear sources Hexagon has no direct nuclear sources of energy, but purchased electricity at some of our sites includes a percentage of nuclear-derived electricity in the electricity mix, the compositions of which were obtained from each provider. Electricity use is based on electric provider invoices. **E1-5_09 Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (market-based)** Purchased electricity at each of Hexagon's sites includes a percentage of renewably derived electricity in the electricity mix, the compositions of which were obtained from each provider. Renewable energy certificates (RECs) were purchased for electricity at Kassel and Lincoln in 2024. Electricity use is based on invoices from the electric company at each site. **E1-5_11 Total energy consumption from renewable sources** The total energy consumption from renewable sources is equal to the consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources. **E1-5_12 Percentage of renewable sources in total energy consumption** The percentage of renewable sources in total energy consumption was calculated by dividing the total renewable energy consumption by the total energy consumption and converting to a percentage. **E1-5_13 Total energy consumption related to own operations** The total energy consumption related to own operations was calculated as the sum of the total fossil energy consumption, consumption from nuclear sources, and total renewable energy consumption.

Scope 1 emissions decreased by

4%

Absolute Scope 2 location-based emissions decreased by

26%

Market-based Scope 2 emissions decreased by

58%

This significant reduction was driven by the full-year purchase of renewable energy certificates (RECs) in 2024

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

The methodologies, key assumptions, and emission factors used to calculate or measure our GHG emissions are outlined in the Accounting Policies on page 43.

Scope 1 and Scope 2 emissions

Our absolute Scope 1 emissions decreased by 4% to 2 637 tons CO_2eq. Our absolute Scope 2 location-based emissions decreased by 26% to 5 701 tons CO_2eq, while our market-based Scope 2 emissions decreased by 58% to 1 863 tons CO_2eq. This significant reduction was driven by the full-year purchase of renewable energy certificates (RECs) in 2024 at our Lincoln and Kassel sites. Additionally, lower activity levels contributed to the decrease, as Hexagon Agility's operations in Norway were relocated to Germany and integrated into the Kassel plant.

Scope 3

Scope 3 emissions account for approximately 98% of Hexagon's total emissions. The use of carbon fiber in our products remains the most significant contributor to our Scope 3 footprint. In 2024, emissions from carbon fiber remained at the same level than the previous year, totaling 96 499 tons CO_2eq.

Our total Scope 3 emissions increased by 21% compared to the previous year, primarily due to additional reporting categories in our Scope 3 GHG accounting in 2024, and more complete category 15 data. The four categories added were Employee commuting, Use of sold products, End of life treatment of sold products and Investments, totaling 25 934 tons CO_2eq. Hexagon Purus and Worthington SES were the main contributors to Category 15 - Equity Investments emissions. Enhanced reporting processes and the inclusion of Scope 3 emissions within this category - totaling 43 171 tons CO_2eq, led to an increase in total Scope 3 emissions while improving completeness and transparency.

Data collection

Hexagon has established a robust data collection process, providing a comprehensive view of our carbon footprint and enabling us to implement targeted emission reduction strategies. Hexagon's GHG accounting is based on data collected from internal systems and external carbon accounting software. As we currently use the spend-based method for certain calculations, we acknowledge the risk of inaccuracy and are actively working to enhance the precision of our GHG accounting.

Following the deconsolidation of Hexagon Ragasco from June 2024, our 2024 sustainability statement includes Hexagon Ragasco's contributions only for the first five months of the year.

Hexagon Composites GHG Emissions

	Retrospective				Milestones and target years			
	Base year 2022	2023	2024 (N)	%N / N-1	2030	2033	2050	Annual % Target / base year
Scope 1 GHG Emissions continuing operations								
Gross Scope 1 GHG emissions (tCO_2eq)	3 465	2 665	2 637	(1)%	2 089	1 573		5 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0							
Scope 2 GHG Emissions continuing operations								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	6 694	7 657	5 701	(26)%	4 036	3 039		5 %
Gross market-based Scope 2 GHG emissions (tCO_2eq)	8 352	4 445	1 863	(58)%	5 036	3 792		5 %
Significant scope 3 GHG emissions continuing operations								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	210 448	213 903	269 490	21 %				
1 Purchased goods and services			186 016					
2 Capital goods			6 536					
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)			1 936					
4 Upstream transportation and distribution			6 028					
5 Waste generated in operations			754					
6 Business traveling			1 577					
7 Employee commuting			1 043					
8 Upstream leased assets			N/A					
9 Downstream transportation			N/A					
10 Processing of sold products			N/A					
11 Use of sold products			15 558					5 %
12 End-of-life treatment of sold products			74					
13 Downstream leased asset			N/A					
14 Franchises			N/A					
15 Investments			49 968					
Total GHG emissions continuing operations								
Total GHG emissions (location-based) (tCO_2e)	220 607	224 221	**274 849**					
Total GHG emissions (market-based) (tCO_2e)	222 265		271 012					
Total GHG emissions discontinuing operations[1]								
Total GHG emissions (location-based) (tCO_2e)	36 203	31 143	15 381					
Total GHG emissions (market-based) (tCO_2e)			17 384					

[1] Hexagon Ragasco

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/NOK million)	56
Total GHG emissions (market-based) per net revenue (tCO_2eq/NOK million)	56

Quantitative Reconciliation (NOK million)	2024
Net revenue used to calculate GHG intensity	4 877
Net revenue (other)	0
Total net revenue (in financial statements)	4 877

* See the financial statement (page ##) for revenue details

Quantitative Reconciliation	
Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	N/A
Percentage of contractual instruments, Scope 2 GHG emissions	17 %
Disclosure of types of contractual instruments, Scope 2 GHG emissions	Renewable Energy Certificates (RECs)
Percentage of market-based Scope 2 GHG emissions linked to purchased electricity bundled with instruments	53%
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	100%
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	—%
Biogenic emissions of CO_2 from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	N/A
Percentage of GHG Scope 3 calculated using primary data	54%
Biogenic emissions of CO_2 from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions	N/A

Accounting policies

The table below outlines the accounting principles for Hexagon's E1 metrics and data points. Hexagon follows the principles and provisions of the GHG Protocol Corporate Accounting and Reporting Standards and our GHG accounting follows the operation control approach. Scope 3 emissions are also reported based on the GHG Protocol. The emission factors used in calculating Scope 1-3 emissions are sourced from Hexagon's carbon accounting software (DEFRA, AIB, IEA, KfW, Norsk Fjernvarme, Exiobase, EU & DK Input Output Database, NTMCalc.Advanced) except where supplier- or investment-specific factors have been available.

Disclosure Requirement

Scopes 1, 2 and 3 and total GHG emissions

Accounting Policy

Direct GHG emission (scope 1)

Scope 1 emissions cover direct GHG emissions from stationary combustion. Data is collected monthly through an internal data platform.

Indirect GHG emission (scope 2)

Scope 2 emissions cover indirect GHG emissions from the generation of power and heat purchased and consumed by Hexagon. Data is measured in kWh and recorded through an internal data platform. Scope 2 emissions are calculated by multiplying the purchased power volumes by country-specific emission factors, considering any available data on renewable electricity. Location-based emissions are calculated using average emission factors for each country.

Indirect GHG emissions (scope 3)

Hexagon screens its total Scope 3 GHG emissions across the 15 categories outlined in the GHG Protocol. Hexagon has identified 10 significant categories for Scope 3 emissions, applying the following calculation methods:

Category 1

- Supplier-specific method: Applied for the largest raw-material group (carbon fiber), where a supplier-specific emission factor is available.
- Average-data method: Applied to other main raw material groups where purchased volumes are available. Emissions are calculated by multiplying the quantity (kg) of goods by industry-average emission factors.
- Spend-based method: For all other purchased goods and services, emissions are calculated by multiplying the economic value by relevant secondary emission factors.

Category 2

Spend-based method: Emissions are calculated by multiplying the economic value of purchased goods by relevant secondary emission factors.

Category 3

Average-data method: Emissions are calculated by applying country-specific emission factors to collected energy consumption data (kWh).

Category 4

Spend-based method: Emissions are calculated by multiplying the economic value of the transportation per transportation type by relevant category-specific emission factors.

Category 5

Waste-type-specific method: Emissions are calculated based on collected weight data in the global EHS data platform. Weight of waste type and treatment method were multiplied by waste treatment-specific emission factors.

Category 6

Spend-based method: Emissions are calculated by multiplying the economic value of the business travel by type by relevant category-specific emission factors.

Category 7

Distance-based method: Available statistics are used to estimate distances traveled and mode of transport.

Category 11

Direct use-phase emissions: Annual permeation emissions are calculated based on the total volumes (l) sold and expected lifespan.

Category 12

Waste-type specific method. Average emission factors for waste disposal and treatment are applied. Total mass of sold products and packaging is sourced from the ERP system, while estimations are used for waste disposal and treatment types.

Category 15

- Investment-specific method: The method is used when Scope 1, 2 and 3 emissions data is available from the investee company.
- Average-data method: When Scope 1 and 2 emission data is unavailable, revenue data from the investee company and the sector-specific emission factors are used for emission calculations.

E1-7

GHG removals and GHG mitigation projects financed through carbon credits

Hexagon has a net-zero commitment by 2050, but we do not currently use carbon credits, offsets, or external compensation mechanisms to meet our targets. Our decarbonization strategy is focused on emissions reductions across scope 1, 2, and 3 through several projects and initiatives within energy efficiency and use of renewables, product eco-design, world-class manufacturing and waste reduction initiatives, and supply chain decarbonization. We will continue to evaluate the role of carbon removals and offset mechanisms as part of our long-term net-zero roadmap, particularly for addressing residual Scope 3 emissions where direct reductions may not be technically feasible.

E1-8

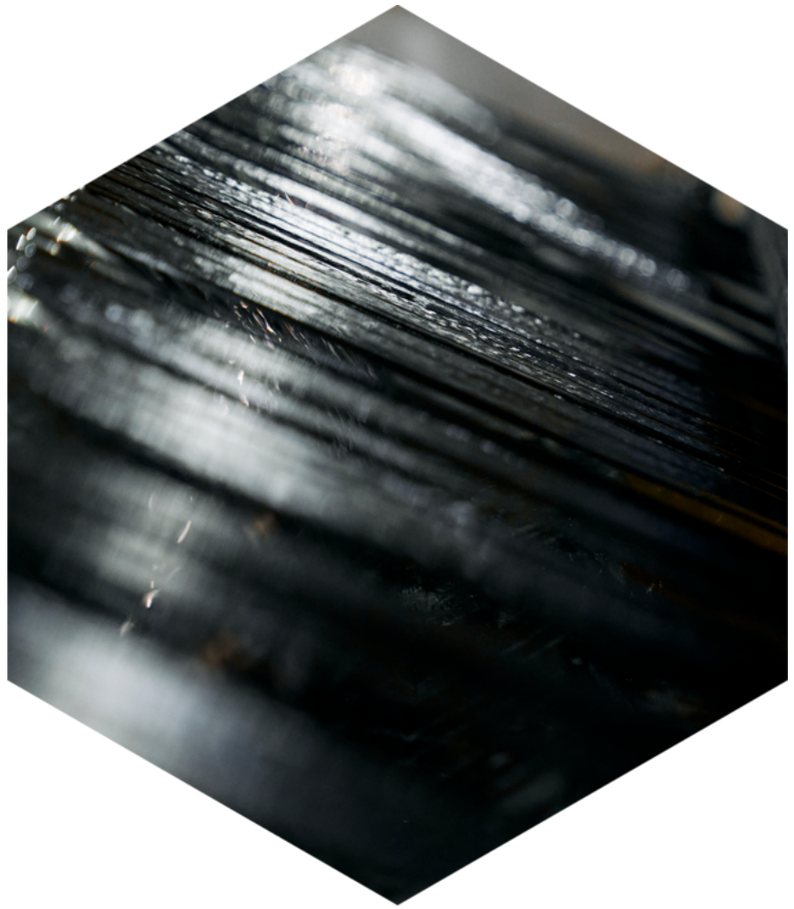
Internal carbon pricing

Hexagon does not currently apply any internal carbon pricing; this is something that may be considered in the future.

E1-9

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Hexagon is using the phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9.



ENVIRONMENTAL INFORMATION

E5 – Resource use and circular economy

Hexagon's manufacturing processes involve substances and materials that can potentially cause harm to the environment if not handled properly. It is essential for us to understand how our own consumption affects the planet and focus on what we can do to minimize our impact.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

		Value chain direction	Value chain position	Time horizon
Resource inflows, including resource use				
Raw material in products	Actual negative impact	Upstream	Raw materials	Short-term
Use of helium	Actual negative impact	Own activities	Operations	Long-term
Resource outflows				
Product life extension	Potential positive impact	Downstream	End-of-life	Long-term
Material recyclability	Potential negative impact	Downstream	End-of-life	Long-term
Reduced material consumption	Actual positive impact	Downstream	Distribution	Medium-term
Waste				
Direct hazardous waste generation	Actual negative impact	Own activities	Manufacturing	Medium-term
Direct non-hazardous waste generation	Potential negative impact	Own activities	Operations	Short-term
Indirect hazardous waste generation	Actual negative impact	Upstream	Entire upstream supply chain	Medium-term

Impact, risk and opportunity management

E5-1

Policies related to resource use and circular economy

Hexagon has two policies relating to resource use and circular economy.

Our Environmental, Health and Safety (EHS) policy contains management commitments, tools, procedures, and management and employee responsibilities relevant to maintaining employee and environmental health and safety. Hexagon's management commitments describe the vision, purpose, core values, and obligations of the company leadership team. The commitments guide the overall function of the company and include sustaining a culture of zero impact on the environment through responsible resource and energy use and striving for zero waste in operations.

The EHS policy requires that we make efficient design, operational and procurement choices to minimize the environmental impact of the business. Hexagon's management is responsible for implementing programs to reduce waste, promote circularity, and source renewable energy. Part of the promotion of circularity includes substituting secondary input materials for use in our products and packaging, and operations where feasible. All employees are expected to support these commitments by reducing, reusing and recycling materials, promoting renewable energy use, and conserving resources.

Hexagon also has a policy to cover activity throughout our supply chain. Our Supplier Code of Conduct sets forth expectations for our suppliers regarding environmental performance, resource efficiency, and energy consumption. We require our suppliers to actively seek to reduce their environmental footprints through resource efficiency and improved circularity including recycling in production and maintenance processes. Hexagon also expects our suppliers to be able to report to us ESG data including progress on their transition to renewable energy, efforts to reduce waste, sustainability policies, and product environmental footprint data if available.

Performance, metrics & targets

E5-2

Actions and resources in relation to resource use and circular economy

Hexagon is undertaking a variety of actions to embody the resource use and circularity principles in our EHS policy.

Environmental-Team (E-Team)

In January 2024, the E-Team (Environmental Team) was re-established as a cross-site, cross-functional group to drive environmental initiatives within the company. The team meets monthly to report progress on initiatives, share best practices and knowledge, and set annual targets. Each team member is responsible for establishing and executing projects with a positive environmental impact on their site or within their department. These projects mainly fall within the categories of energy efficiency and use of renewables, WCM and waste reduction, product eco-design, and supply chain decarbonization.

Projects from 2024 related to resource use and circular economy included reduction of plastic packaging, a compressed air audit, and reduced ceiling fan use at Salisbury, US, and achieved ISO 50001 energy management certification at US production sites. Proposed 2025 E-Team projects relevant to these outcomes include Research and Development initiatives to reduce the material needed in our products, recycling of key materials, and initiatives at each ISO 50001-certified site to achieve energy efficiency upgrades required to maintain certification.

Waste

We achieved ISO 14001 certification at our Kassel site in 2024, which means all Hexagon production sites now have a certified environmental management system with which to drive improvements to our waste programs. In 2024, Hexagon Agility performed its first round of annual waste audits at our US production sites. Hexagon Digital Wave created its first site waste map and will also perform a waste audit in 2025. Action plans from these audits will generate ideas for waste handling and efficient material use toward our long-term goal of zero waste to landfill.

Engineering

Life cycle assessments (LCAs) are a key part of Hexagon's strategy to minimize resource use.

In 2024, Hexagon Digital Wave obtained an LCA on their UE-29 cylinder testing machine and Hexagon Agility obtained a cradle-to-grave LCA over the highest-running ProCab 175 fuel system with a corresponding Environmental Product Declaration (EPD) pending verification. The ProCab LCA is to be used as a basis for expanded in-house LCA work across all product lines. In 2025, completion of a full cradle-to-grave LCA on the Titan 450 product is planned, as well as product redesign work in Digital Wave for the UE-29 system. Principles of eco-design (as outlined in section E1-3) will be incorporated into Hexagon Agility's processes in 2025, allowing proposed design changes to be evaluated through LCAs for their impact on total product lifecycle emissions before implementation.

Upstream and downstream supply chain

To promote circularity and conservation of resources upstream in our supply chain, we began using business sustainability ratings platform EcoVadis in 2024 to evaluate our suppliers' sustainability program maturity. We will continue to collaborate with our suppliers in 2025, setting ratings targets and assigning them corrective actions to improve their sustainability practices. To impact our downstream supply chain, we developed a total system lifecycle guide in 2024 for publication in 2025 that outlines proper end-of-life handling for our products and encourages recycling and repurposing where feasible.

E5-3

Targets related to resource use and circular economy

Hexagon has set several voluntary targets for 2025 to guide our actions and use of resources in pursuance of our policies. The targets cover the major areas of emphasis for Hexagon including energy efficiency and use reduction, zero-waste, green engineering, corporate reporting, and supply chain sustainability. Our 2024 resource management targets included auditing our waste streams, certifying our Kassel site to ISO 14001, continuing established recycling processes, implementing carbon fiber recycling at Kassel, and expanding our life cycle assessment work, all of which were completed or are in progress. We will use the targets set for 2025 to assess the effectiveness of our policies.

Target: Create road maps to 2033 and 2050

Waste hierarchy layer: Reduce

In 2025, we will build on our current plans to reduce our scope 1, 2, and 3 emissions to reach our science-based emission reduction targets for 2033 and net zero by 2050. Our goal is to create two comprehensive roadmaps by year end 2025 - one for scope 1 and 2 emissions and one for scope 3 emissions. Our roadmaps will detail specific actions and their associated emissions reductions, including energy efficiency projects, adoption of renewable energy, and fuel

switching for scope 1 and scope 2, and supplier partnerships, freight optimization, and engineering initiatives to reduce raw materials required for our products for scope 3, on a timeline to help us achieve our goals.

Target: Complete annual waste audits

Waste hierarchy layer: Reduce, re-use, recycle

In 2025, we will continue the annual waste audit initiative started in 2024 for our production sites. We will also implement a scoring system to track improvements year over year as the program continues. Each site will implement waste management initiatives which may include reductions of single-use material, improvement of waste sorting, and ideas to improve the circularity of our processes.

Target: Green engineering to understand and reduce the carbon footprint of our products

Waste hierarchy layer: Reduce

We will continue our life cycle analysis (LCA) work in 2025 with the goal of completing a cradle-to-grave LCA on our Mobile Pipeline product by the end of the year. We will also be incorporating LCAs into our processes to enable circular and eco-design for responsible resource use. In addition, we have three product-specific engineering goals to reduce the amount of raw material required by the end of the year in 2025:

- Improve carbon fiber efficiency for our 27 x 81 and Maximus tanks by 4%.
- Decrease the material required to build our generation 4.1 and 5 ProCab systems by 18 and 22 kg (40 and 50 lbs) respectively.
- Launch the Mobile Pipeline Titan 510 product, which uses 5% less carbon fiber and resin in each of its cylinders compared to the previous model.

E5-4

Resource inflows

Hexagon's resource inflows are tracked using our company Enterprise Resource Planning (ERP) system. Because not all the line items are measured in terms of weight and manually estimating the weight would require many assumptions, it was determined that using a mass balance with the weight of sold products and waste outflows would result in more accurate values. The weight of Hexagon Agility's sold products in 2024 was provided by the production planning department and added to the total weight of waste produced in 2024, which was calculated as described in the section E5-5 – Resource outflows. An additional 3% weight was added to the total weight of sold products to account for the products and packaging of Hexagon Digital Wave. For Hexagon Ragasco, the average weight of sold products and the total number of products sold were provided by the Procurement & Logistics department. These numbers were multiplied to calculate the total weight of sold products. The total estimated weight of resource inflows in 2024 for Hexagon Composites and Hexagon Ragasco is shown in Table E5-4 31 (a-c).

The weight of recycled components was calculated based on the percentage of recycled content in Hexagon Agility's aluminum inputs provided by our supplier at an average of 48% recycled content. This was multiplied by the estimated quantity of aluminum used in 2024 to find the weight and percentage of recycled content in our products.

The estimated amount of aluminum was calculated by using the percentage of aluminum in a representative product in each of Hexagon Agility's three product lines and multiplying by the total number of each type of product line sold. It was assumed that all products within a product line have a similar quantity of each key material. No other components were considered to have recycled content.

No biological materials are used in the manufacture of our products.

E5-4 31 (a-c)	Unit	Hexagon Composites 2024[1]	Ragasco 2024
Total weight of products and technical and biological materials used during the reporting period	Metric tons	13 304	2 753
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	Metric tons	834	0
Percentage of biological materials (and biofuels used for non-energy purposes)	%	—%	—%
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	%	6%	—%

[1] Excluding Hexagon Ragasco

E5-5

Resource outflows

Our products

Hexagon Agility is a global provider of natural gas fuel systems for commercial vehicles and gas distribution systems. These systems allow the use of renewable natural gas (RNG)[1], which is a low- and at times negative-carbon fuel. We design our cylinders and fuel systems to be durable yet light weight, minimizing the amount of fuel needed to transport their weight and maximizing their lifespan. Similarly, Hexagon Ragasco manufactures lightweight composite LPG cylinders.

Hexagon Digital Wave offers innovative cylinder testing and monitoring technologies to inspect high-pressure cylinders to requalify them for further use, reducing down-time and inspection costs while improving inspection accuracy.

As shown in Table E5-5 36(a), Hexagon's product durability matches the industry average for each product group where the data is available. Our cylinders and the fuel systems they go in have an expected durability of 20 years according to the Natural Gas Vehicle (NGV) 2 industry standard for Type 4 cylinders, which requires cylinder lifespan to be specified between 10 and 25 years. Mobile Pipeline modules and their cylinders have an expected durability of 15 years in compliance with Hexagon's Department of Transportation special permit. However, the designs are capable of lasting longer than 15 years and service life may be extended through recertification testing. Hexagon Digital Wave's products have an estimated lifespan of 15 years. Because Digital Wave makes up most of the market in the product they make, no industry average data is available for comparison. Hexagon Ragasco's cylinders have proven durability of 22 years according to their EPD obtained in 2022.

Hexagon Agility's FleetCare department aids customers in refurbishing and repairing their products to extend their lifespan. Our certified pre-owned (CPO) program gives systems a second useful life. We are also developing a total lifecycle system guide for publication in 2025 to inform customers of their options at product end of life, from reuse to CPO to disposal.

When Hexagon's products reach the end of their life, recycling is the preferred next step for their recyclable components. The packaging used to transport these products to the customer is also recyclable depending on the product. Table E5-5 36(c) details the rates of recyclable content in Hexagon's products and packaging. All metals were assumed to be recyclable, as were carbon fiber, electronics, wood, and paper components. Resins and most plastics were not assumed to be recyclable. A representative cylinder, system, Mobile Pipeline unit, and Digital Wave system were selected to calculate rates of recyclability based on their bills of material, each component of which was assumed to be recyclable or not based on their composition. The weight of recyclable components was divided by the total material weight for each product. Currently, Hexagon Ragasco's LPG cylinders do not include recyclable content, but they are engaged in ongoing research projects focused on recycling key materials.

Our waste

Hexagon's hazardous and non-hazardous waste outflows are detailed in Table E5-5 37 (a-d). Direct measurement data sourced from our waste handling companies' monthly invoices is entered into a PowerApp database for Environmental, Health and Safety (EHS) data reporting monthly by EHS representatives at each site. The 2024 data was pulled from this report and further categorized and filtered by data type to fit the reporting requirements.

The materials present in Hexagon's waste are further broken down in Table E5-5 38. For the manufacturing industry, landfill waste and recycling are significant. Hexagon has a relatively large amount of landfill waste due to the resin used to manufacture Type 4 cylinders, which contaminate other materials and cannot be recycled even once cured. However, Hexagon strives to recycle all possible waste and continues to develop our waste handling program through waste audits.

[1] RNG: Life Cycle Analysis, Carbon Intensity and Carbon-Negativity

Waste generated

		Hexagon Composites[1]			Hexagon Ragasco		
	Unit	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total
a. Preparation for reuse	Metric tons	0	0	0	0	0	0
b. Recycling	Metric tons	1 437	29	1 466	106	0	106
c. Other recovery	Metric tons	0	0	0	0	0	0
A. Total diverted from disposal	**Metric tons**	**1 437**	**29**	**1 466**	**106**	**0**	**106**
d. Incineration	Metric tons	134	25	159	72	23	95
e. Landfill	Metric tons	1 248	0	1 248	4	0	4
f. Other disposal	Metric tons	0	16	16	0	0	0
B. Total directed to disposal	**Metric tons**	**1 382**	**41**	**1 423**	**76**	**23**	**99**
TOTAL WASTE (A. + B.)	**Metric tons**	**2 819**	**70**	**2 889**	**181**	**23**	**205**
Non-recycled waste[2]	Metric tons	1 382	41	1 423	76	23	99
% Non-recycled waste	%	49%	58%		42%	100%	

[1] Excluding Hexagon Ragasco [2] "Non-recycled waste" means any waste not recycled within the meaning of "recycling". "Recycling" means any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations

Waste stream breakdown

(Metric tons)	Hexagon Composites 2024[1]	Hexagon Ragasco 2024
Carbon Fiber Recycled	120	0
Cardboard Recycled	238	13
Electronic Waste Recycled	2	0
Food Waste Recycled	0	0
Hazardous Waste to Controlled Disposal	16	0
Hazardous Waste to Energy	25	23
Metal Recycled	221	15
Mixed Waste Recycled	11	2
Other Hazardous Waste Recycled	29	0
Paint Recycled	38	0
Paper Recycled	6	0
Plastic Recycled	200	62
Solid Waste To Energy	134	72
Solid Waste To Landfill	1 248	4
Wood Recycled	599	13
Total waste	**2 889**	**205**

[1] Excluding Hexagon Ragasco

E5-5 36 (c)

Rate of recyclable content	Hexagon Agility Cylinders	Hexagon Agility Systems	Hexagon Agility Mobile Pipeline	Hexagon Digital Wave	Hexagon Ragasco
Rate of recyclable content in products (%)	56%	78%	71%	98%	—%
Rate of recyclable content in packaging (%)	—%	100%	N/A	97%	100%

E5-5 36 (a)

Expected durability of the products	Hexagon (year)	Industry average (year)
Hexagon Agility Cylinders	20	20
Hexagon Agility Systems	20	20
Hexagon Agility Mobile Pipeline	15	15
Hexagon Digital Wave	15	N/A
Hexagon Ragasco	22	22

Our accounting principles for waste data are detailed in the table below.

Disclosure Requirement	Accounting Policy
Resource outflows	The data in this section is sourced from invoices from our various waste management companies. Some estimates are included in the data from Q4 of 2024 as some invoices arrived after the data was compiled. In these cases, the previous month's waste was used as preliminary data. E5-5_37b – Recycling Recycled waste includes wood, metal, plastic, carbon fiber, cardboard, plastic, paint, hazardous waste, mixed waste, electronic waste, and/or food waste. Recycling data is sourced from waste management company invoices. E5-5_37A – Total diverted from disposal Total diverted from disposal is equal to the recycling quantity. Hexagon has no preparation for reuse or other recovery. E5-5_37d – Incineration Incineration is the total quantity of waste to energy from our sites, data for which is sourced from waste management company invoices.

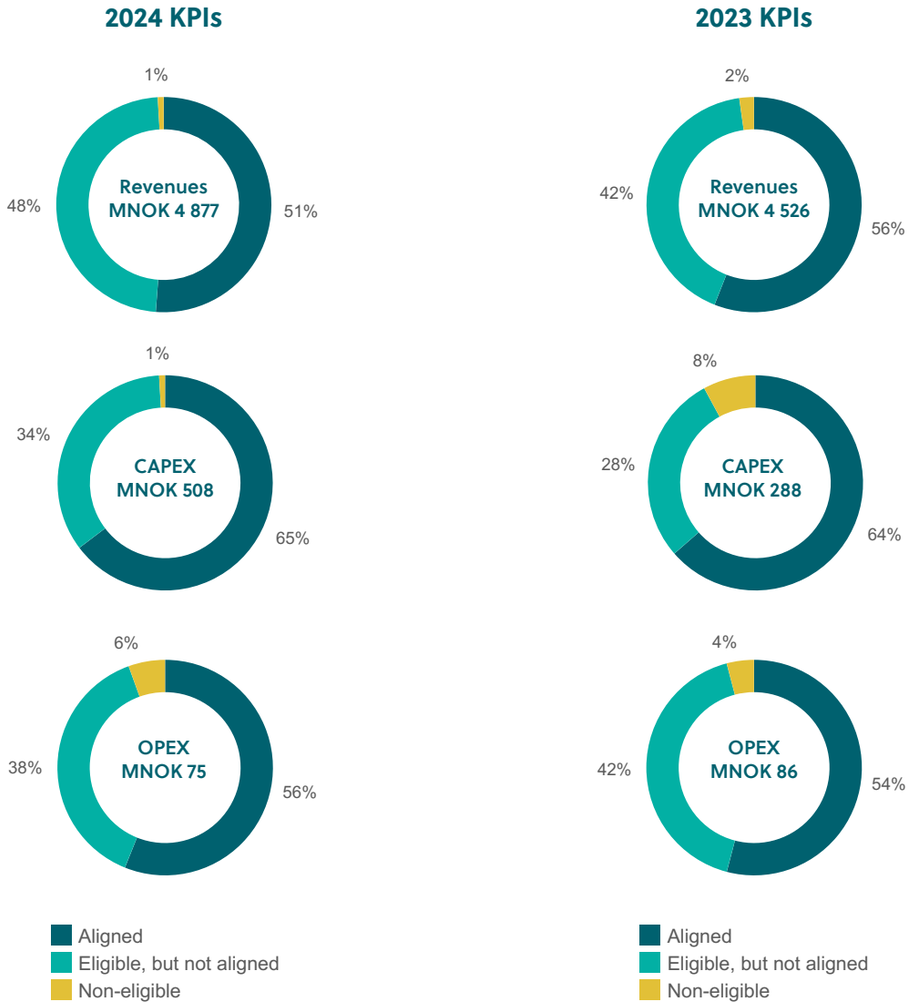
Disclosure Requirement	Accounting Policy
Resource outflows	E5-5_37e – Landfill Landfill waste is waste that cannot be recycled or converted to energy, data for which is sourced from waste management company invoices. E5-5_37f – Other disposal Other disposal is controlled disposal of hazardous waste at our sites, data for which is sourced from waste management company invoices. E5-5_37B – Total directed to disposal The total directed to disposal is equal to the sum of incineration, landfill, and other disposal categories. E5-5_37 – TOTAL WASTE Total waste is equal to the sum of total diverted from disposal and total directed to disposal. Non-recycled waste Non-recycled waste is equal to the total directed to disposal as Hexagon has no preparation for reuse or other recovery. % Non-recycled waste The % non-recycled waste is equal to non-recycled waste divided by the total waste and converted to a percentage.

Statement on EU Taxonomy for sustainable economic activities

Sustainable finance is critical for the transition into a low carbon economy and a more just society. The EU taxonomy established a classification system with criteria for which economic activities can be considered sustainable. It is considered an important tool to channel capital into sustainable economic activities.

The pie charts to the right show the eligible and aligned KPI's for Revenues, CAPEX and OPEX for 2024 and 2023 for the Group's continuing operations.

Further details can be found in the following sections. The KPIs required by the EU Taxonomy are included at the end of this report.



Background and objectives

As part of the European Green Deal, the European Union (EU) has placed the topics of climate protection, environment and sustainability at the heart of its political agenda in order to achieve climate neutrality by the year 2050. To this end, the EU Action Plan on financing sustainable growth was developed with the aim to reorient capital flows towards sustainable investment, to mainstream sustainability in risk management and to foster transparency and long-termism in financial and economic activity. The Action Plan comprises ten measures and centers around the EU taxonomy (Regulation (EU) 2020/852 and associated delegated acts).

The EU taxonomy is a classification system for sustainable economic activities. An economic activity is considered taxonomy-eligible if it is listed in the climate- or environmental delegated acts supplementing article 8 of the EU Taxonomy Regulation and further can potentially contribute to realizing at least one of the six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

As per year-end 2024, large, listed companies are obliged to report on alignment to all of the environmental objectives.

An activity is only considered environmentally sustainable, i.e., taxonomy-aligned, if it meets all three of the following conditions:

- The activity makes a substantial contribution to one of the environmental objectives by meeting the screening criteria defined for this economic activity.
- The activity meets the Do-No-Significant-Harm (DNSH) criteria defined for this economic activity. These are designed to prevent significant harm to one or more of the other environmental objectives.
- The Group carries out its activities in compliance with the minimum safeguards, which apply to all economic activities and relate primarily to human rights and social and labor standards.

A taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Regulation, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

The EU taxonomy regulation entered into force in Norway on 1 January 2023. Hexagon is required by the Sustainable Finance Act to report on taxonomy eligibility and alignment for Hexagon Agility under the environmental objective "Climate Change mitigation" and for Hexagon Digital Wave under the environmental objective "Transition to a circular economy". Due to the sale of Hexagon Ragasco in June 2024 and the subsequent presentation of Hexagon Ragasco as discontinued operations, the following report does not cover Hexagon Ragasco's economic activities. Last year's taxonomy-KPIs for the Group have consequently been re-presented to ensure comparability of the Group's continuing operations, concurrent with the re-presentation made in the Group's consolidated financial statements for 2024. As such, taxonomy-KPIs related to Hexagon Ragasco is not a part of the Group's KPIs and reporting for 2024, nor 2023.

Hexagon Group does not include associates and/or joint ventures in the EU Taxonomy KPIs.

Eligible economic activities in the Hexagon Group

As one of the leading composite cylinder technology developer and manufacturer, and with our purpose of "Driving Energy Transformation", we enable the safe delivery of clean energy and we decarbonize transportation.

The majority of Hexagon's activities are related to the production of composite cylinders. To date we have more than 2 000 Mobile Pipeline distribution modules in operation, and more than 100 000 commercial vehicles with our fuel systems installed.

All our products and services in Hexagon Agility were deemed eligible under the climate change mitigation objective, while only the activity "Fuel systems for commercial vehicles" were considered taxonomy-aligned, with additional assessments were needed for the activities "Mobile Pipeline distribution modules" and "Type 4 Composite cylinders". Furthermore, all our products and services in Hexagon Digital Wave were deemed eligible under the transition to a circular economy objective. Although it was not mandatory to report eligibility and alignment against the transition to a circular economy objective in 2023, we nevertheless included Hexagon Digital Wave's financial metrics within the Group KPIs.

In 2024, Hexagon continued its assessments especially focused on the substantial contribution criteria for the activities "Mobile Pipeline distribution modules" and "Type 4 Composite cylinders" within Hexagon Agility and a full alignment assessment within Hexagon Digital Wave. The assessment undertaken concluded

that the substantial contribution criteria for the activities "Mobile Pipeline distribution modules" and "Type 4 Composite cylinders" could not be deemed met in 2024 due to the fact that the required LCA (life cycle assessment) including 3rd party verification is still to be completed. Furthermore, Hexagon Digital Wave's activities could not be deemed aligned due to additional documentation needed to fulfill the substantial contribution criteria and the do-no-significant-harm criteria. Hexagon is targeting to finalize the LCA and documentation in 2025, and considers it achievable that all activities become aligned for the 2025-reporting.

Fuel system for commercial vehicles – CCM 3.3. Manufacture of low carbon technologies for transport

Hexagon Agility's fuel systems are installed on a variety of commercial vehicles, ranging from heavy- to medium duty trucks, refuse trucks and transit buses. The technical screening criteria under the economic activity "CCM 3.3. Manufacture of low carbon technologies for transport" refers largely to the end-products or the commercial vehicles themselves. As Hexagon Agility is a key supplier for the manufacturers of low carbon transport vehicles, Hexagon has considered its fuel systems to be eligible under this economic activity. Our technical screening assessment is thus based on the vehicles our systems are installed on and not the fuel system itself. Hexagon has four facilities for production and assembly of fuel systems, including Salisbury (North Carolina, US), Rialto (California, US), Lincoln (Nebraska, USA) and Kassel (Germany).

To make a substantial contribution to climate change mitigation within this economic activity, the heavy and medium duty vehicles our systems are installed on (i.e., vehicles of categories N2 and N3) needs to be zero-emission heavy-duty vehicles as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation. Furthermore, the transit buses our systems are installed on (i.e., vehicles designated as category M3) need to comply with the latest EURO VI standard, and where such a standard is not available – the direct CO_2 emissions of the vehicles need to be zero.

Mobile Pipeline distribution solutions and Type 4 composites cylinders – CCM 3.6. Manufacture of other low carbon technologies

Hexagon Agility's Mobile Pipeline distribution modules enable safe transport of renewable natural gas (RNG), compressed natural gas (CNG) as well as other gases. Our Mobile Pipeline modules are outfitted with our cutting-edge lightweight Type 4 composite cylinders certified for transport. With significantly more capacity and weighing 70% less than steel tubes, our composite solutions enable customers to deliver more gas and reduce transport resulting in low total cost of ownership.

Hexagon has assessed these distribution solutions to fall within the economic activity "CCM 3.6. Manufacture of other low carbon technologies", which is described as manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered specifically in other parts of the Taxonomy.

Hexagon Agility also sells its Type 4 high-pressure composite cylinders as a stand-alone product to external customers. The assessment for this activity is similar to the Mobile Pipeline distribution solutions.

To make a substantial contribution to climate change mitigation within this economic activity, the economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market.

Modal Acoustic Emission (MAE) testing – CE 4.1 Provision of IT/OT data-driven solutions

Hexagon Digital Wave's MAE testing services allow testing and qualifying composite cylinders using high-bandwidth stress waves. MAE testing works by placing transducers on the surface of a composite vessel, applying stress to the structure and recording any ultrasonic stress waves that propagate from the epicenter of a flaw, which are ultimately tested analyzed with Hexagon Digital Wave's proprietary software. Hexagon has assessed that Hexagon Digital Wave's MAE services fall within the economic activity "CE 4.1. Provision of IT/OT data-driven solutions" within the environmental objective "Transition to a circular economy". This economic activity covers a wide variety of software and information technology or operational technology systems for among other things – analyzing the operational performance and condition of a product or equipment. To make a substantial contribution to circular economy, and for remote monitoring and predictive maintenance systems, at least two of the following capabilities specified in points (a) to (d) need to be met in their full scope:

a alerting the user to abnormal sensor values, and assessing the status of the product, equipment, or infrastructure, detecting wear and tear or electrical issues, and drawing conclusions about the exact nature of

abnormal operating conditions by means of advanced analytical methods;

b predicting the expected remaining lifetime of a product, equipment, or infrastructure, and recommending measures to extend the remaining lifetime;

c predicting an upcoming product, equipment or infrastructure failure and recommending measures to prevent such failure;

d providing recommendations about the highest value next use cycle, such as reuse, recovering components through parts harvesting for remanufacture, or recycling, taking into consideration a combination of factors regarding the product's condition.

Ultrasonic Examination (UE) machines - CE 4.1 Provision of IT/OT data-driven solutions

Hexagon Digital Wave's UE test equipment makes it easy for operators to detect even the smallest defects in metallic cylinders without removing the valve or product. The UE machines produce an ultrasonic beam which scans the cylinder for defects and allows the operator to efficiently analyze whether there are structural integrity issues or not. Hexagon has assessed that Hexagon Digital Wave's UE machines fall within the economic activity "CE 4.1. Provision of IT/OT data-driven solutions" within the environmental objective "Transition to a circular economy". This economic activity covers "lifecycle performance management software supporting the monitoring and assessment of the circularity performance of products, equipment, or infrastructures during their lifecyle", for which is considered relevant to assess against for Hexagon Digital Wave's UE machines.

To make a substantial contribution to the economic activity for the said lifecycle performance management software, and for remote monitoring and predictive maintenance systems, at least one of the following capabilities specified in points (a) to (e) need to be met in its full scope:

a supporting the monitoring and assessment of the circularity performance of a product, equipment or infrastructure during its lifecycle over time;

b comparing circularity performance against original circularity design goals, analyzing deviations and their root causes;

c supporting the planning and documentation of measures required to prolong the useful life of the product, equipment or infrastructure, such as maintenance, retrofit, or other services;

d supporting the impact assessment of such measures on circularity performance;providing the user with data required to take decisions on the future use of the product, equipment, or infrastructure, such as retrofit, change of use, decommissioning and recycling,

e providing the user with data required to take decisions on the future use of the product, equipment, or infrastructure, such as retrofit, change of use, decommissioning and recycling.

Nuclear and fossil gas related activities

The undertaking carries out, funds or has exposures to:

Nuclear energy related activities		
1	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	Construction and safe operation of new nuclear installations to produce electricity 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	Safe operation of existing nuclear installations that produce electricity of process hear, 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	Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels:	No
5	Construction, refurbishment, and operation of combined heat/cool and poser generation facilities using fossil gaseous fuels:	No
6	Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Table 1 below shows a summary and overview of eligible products and services and their respective economic activities and environmental objectives.

Business area	#	Description of product / service	Taxonomy-eligible economic activity	Environmental objective
Hexagon Agility	1	Fuel system for commercial vehicles	CCM 3.3. Manufacture of low carbon technologies for transport	Climate change mitigation
	2	Mobile Pipeline distribution solutions	CCM 3.6. Manufacture of other low carbon technologies	Climate change mitigation
	3	Type 4 composite cylinders		
Hexagon Digital Wave	4	Modal Acoustic Emission (MAE) testing	CE 4.1. Provision of IT/OT data driven-solutions	Transition to a circular economy
	5	Ultrasonic Examination (UE) machines		

Table 1 - Overview of eligible products and services and respective economic activities

Meeting the alignment criteria for Substantial Contribution and Do-No-Significant-Harm (DNSH)

Fuel system for Commercial Vehicles - CCM 3.3. Manufacture of low carbon technologies for transport

Our fuel systems for commercial vehicles are found to meet the substantial contribution criteria for "3.3 Manufacture of low carbon technoolgies for transport" because the heavy- and medium duty commercial vehicles our fuel systems are installed on, are considered to meet the definition of "low-emission heavy-duty vehicles" as defined in Article 3, point (12) of that Regulation (EU) 2019/1242. "Low-emission heavy-duty vehicles" in the said regulation "means a heavy-duty vehicle, other than a zero-emission heavy-duty vehicle, with specific CO_2 emissions of less than half of the reference CO_2 emissions of all vehicles in the vehicle sub-group to which the heavy-duty vehicle belongs, as determined in accordance with point 2.3.3 of Annex I." As more than 90% of all heavy-and medium duty vehicles today run on diesel, the comparable reference vehicle sub-group is considered to be diesel-engine vehicles and their CO_2 emissions. Comparing the on-average negative CO_2 emissions from all natural gas vehicles, with CO_2 emissions from diesel vehicles, we have assessed all of our customers' natural gas vehicles to fit into the category of "low-emission heavy-duty vehicles". As such, our fuel systems are thus considered to make a substantial contribution and thus in accordance with the criteria.

Furthermore, fuel systems that are delivered to transit buses (i.e., vehicles designated as categories M2 and M3) in Europe are all considered compliant with the latest EURO VI standard, and as such are considered to meet the substantial contribution criteria. For transit buses delivered to areas where the EURO VI standard is not applicable, the criterion for substantial contribution is "zero direct CO_2 emissions". For fuel systems delivered to the transit bus segment in these areas, Hexagon has used the same reasoning as for heavy-duty trucks above where CO_2 emissions are considered negative, and thus concluded that these vehicles also meet the substantial contribution criteria.

Hexagon has performed an assessment of all DNSH criteria at all production sites for fuel systems in the US and Europe, which will be further described in the following sections.

For DNSH 2 (Climate change adaptation), a physical climate risk and vulnerability assessment has been performed for all of Hexagon Agility's production sites. The assessment found that that two of Hexagon's manufacturing sites (Salisbury, North Carolina and Lincoln, Nebraska) were exposed to physical climate risk being extreme wind and tornados. To reduce this risk, climate adaptation plans are under development for the respective sites and will be implemented within 2028 - in line with the five year deadline requirement in the regulation.

For DNSH 3 (Sustainable use and protection of water and marine resources), water risk has been assessed through a screening without any identified risks due to insignificant use of water or the use of closed-loop water systems in the production lines.

For DNSH 4 (Transition to a circular economy), the criteria are considered met because Hexagon Agility uses secondary raw materials in its manufacturing process and ensures the highest possible recycling of internal scrap material into other products. The products are designed for high durability, recyclability, and policies are in place to prioritize recycling over disposal in the manufacturing process, and integrate Eco Design principles into Advanced Product Quality Planning for new products. To manifest this, a software-alike "environmental tracker" was established with 45 initiatives for 2024 and is being updated further in 2025.

For DNSH 5 (Pollution prevention and control), the criteria have been challenging to assess. As a manufacturer, Hexagon uses a wide range of substances in the production lines. No constituents that contain persistent pollutants, mercury and substances that deploy the ozone layer are being used and all manufacturing sites comply with national laws and regulations for handling substances, including the REACH directive for our European operations. As our operations in the US are not subject to the EU directives, we have performed a separate assessment of the use of substances regulated under the REACH directive. The assessment concluded that our relevant US operations comply with the directive, and as such – the DNSH criteria are considered met.

For DNSH 6 (Protection and restoration of biodiversity and ecosystems), Hexagon Agility has performed a screening to assess whether its activities/manufacturing sites are listed in Annex II to the EIA directive, and thus need to perform an EIA (Environmental Impact Assessment). The screening did not find our kind of manufacturing activites mentioned in the Annex, hence an EIA was not considered required.

Conclusion

The overall assessment concludes that "fuel systems for commercial vehicles" within the economic activity "CCM 3.3. Manufacture of low carbon technologies for transport", is taxonomy-aligned when taking into account compliance with the minimum safeguard's requirements, see separate section.

Mobile Pipeline distribution solutions and type 4 composites cylinders – CCM 3.6. Manufacture of other low carbon technologies

The substantial contribution criteria for CCM 3.6. "Manufacture of other low carbon technologies", requires a third-party verified life cycle assessment (LCA) for GHG emissions compared to the best performing alternative. Hexagon Agility is currently working on LCAs which will cover both its Mobile Pipeline distribution modules and its Type-4 composite cylinders. Until the LCAs are completed, we are not able to document the substantial contribution criteria, but we expect to complete the LCA work during 2025. Hexagon considers it highly likely that the LCAs once finalized will clearly demonstrate quantified life-cycle GHG emission savings.

For the DNSH criteria, separate assessments have been made for these activities and conclusions are concurrent with those for fuel systems for commercial vehicles elaborated in the previous section.

Conclusion

Substantial contribution cannot be demonstrated, and these activities are thus not yet considered taxonomy-aligned.

Modal Acoustic Emission (MAE) testing and Ultrasonic Examination (UE) machines – CE 4.1 Provision of IT/OT data-driven solutions

Our MAE services and software deploy IT/OT data-driven solutions through sensors, data collection and data repository (cloud). Transducers placed on equipment apply stress to the structure and record any ultrasonic stress waves that propagate from the equipment. Examining the data collected allows the software to produce predictive models. Any documentation that we have is very technical data that is reviewed by engineers to pass or fail a composite pressure cylinder used in Mobile Pipeline, Self-Contained Breathing Apparatus (SCBA), and alternative fuel systems.

Further, we have assessed that our MAE services have the potential to meet the following two capabilities listed as requirements in the substantial contribution criteria:
b. predicting the expected remaining lifetime of a product, equipment, or infrastructure, and recommending measures to extend the remaining lifetime;
c. predicting an upcoming product, equipment or infrastructure failure and recommending measures to prevent such failure

With respect to requirement b. - after MAE inspections, each composite tank is regulatorily

eligible for an additional 5 years of service life, at which point it goes through another MAE inspection. The MAE inspection validates the prediction of extended life through detecting and quantifying fibre fracture and delamination of the composite microstructure, and the requirement is therefore considered fulfilled. With respect to requirement c., - the predictability of future potential failures needs further assessments and documentation in 2025 until it can claimed to be fulfilled.

Due to the lack of documentation on the substantial contribution criteria, specifically related to letter c. mentioned above, Hexagon Digital Wave's MAE testing service is not yet considered taxonomy-aligned.

Conclusion

Substantial contribution cannot yet be demonstrated, and this activity is thus not yet considered taxonomy-aligned.

Ultrasonic Examination (UE) machines – CE 4.1 Provision of IT/OT data-driven solutions

Our UE machines monitor the circulatory performance of seamless metallic cylinders during their life cycle, prolonging the useful life of the product each time it is processed through our system and software. Tested assets that pass testing are approved for an additional 5 years in service, but should they fail they are condemned. Hexagon has assessed that these features of the UE machines collectively meet requirement a. ("supporting the monitoring and assessment of the circularity performance of a product, equipment or infrastructure during its lifecycle over time") in the substantial contribution criteria.

Hexagon has furthermore performed an assessment of all do-no-significant-harm (DNSH) criteria at its production site in Centennial (Colorada, US) its UE machines, which will be further described in the following sections

For DNSH 1 (Climate change mitigation), there are no criteria listed in the EU Taxonomy.

For DNSH 2 (Climate change adaptation), a physical climate risk and vulnerability assessment has been performed for Hexagon Digital Wave's site. For Digital Wave, no significant climate risks were identified.

For DNSH 3 (Sustainable use and protection of water and marine resources), water risk has been assessed through a screening without any identified risks due to insignificant use of water

For DNSH 5 (Pollution prevention and control), the criteria have been challenging to assess. To meet the requirements, the equipment used to operate the software meets the requirements laid down in Directive 2009/125/EC for servers and data storage products, and the equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU, except where the concentration values by weight in homogeneous materials do not exceed the maximum values listed in that Annex. These assessments and documentation requirements are yet to be completed and the criteria can therefore not be considered met for 2024.

For DNSH 6 (Protection and restoration of biodiversity and ecosystems), there are no criteria listed in the EU Taxonomy.

Conclusion

All DNSH criteria is not yet fully documented and completely assesses, and this activity is thus not yet taxonomy-aligned.

Meeting the "Minimum safeguards" criteria

For activities to be aligned with the EU Taxonomy, they must meet the minimum safeguards criteria. There is currently no legally binding definition of how to adhere with the minimum safeguards in relation to human rights and Labor Rights, bribery and anti-corruption, taxation and fair competition. As such, we have assessed our alignment on the report produced by the Platform on Sustainable Finance titled "Final Report on Minimum Safeguards" (Report Published by the EU Platform on sustainable finance, October 2022). Based on the criteria defined by this report, we define ourselves as aligned with the minimum safeguards. The sections below describe how this has been assessed.

At Hexagon, we recognize that sustainable business growth requires a strong commitment to ethical business conduct, human rights, and good governance. We respect human rights as set out in the International Bill of Human Rights and the ILO Core Conventions. In alignment with the EU Taxonomy's minimum safeguards, we integrate internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work.

We are committed to conducting thorough due diligence to assess, prevent, and mitigate potential adverse human rights impacts in our operations and supply chain. Our commitments are embedded in several key policies, including our Policy on Human Rights and Working Conditions, Code of Conduct, and Supplier Code of Conduct. These policies define our expectations for responsible business practices across our operations and supply chain.

Our approach is built on:

- Respect for Human Rights and labor rights – Ensuring fair treatment, safe working conditions, and equal opportunities.
- Zero Tolerance for Corruption and bribery – Upholding integrity in all business dealings and enforcing anti-bribery policies.
- Fair and Transparent Tax Practices – Meeting all tax obligations in an open and responsible manner.
- Commitment to Fair Competition – Promoting a level playing field and preventing anti-competitive behavior.

There have been no findings against Hexagon, or any specific concerns have been raised from stakeholders related to any of the four areas above in 2023 or 2024.

Key performance indicators

The EU Taxonomy defines sales revenues, capital expenditure and operating expenditure as the key performance indicators that must be reported on.

Revenues

The definition of turnover in the EU Taxonomy corresponds to total revenues as reported in the Group's IFRS consolidated financial statements, which amounted to NOK 4 877 million for the fiscal year 2024. Of this total, NOK 4 832 million, or 99% of Group revenues, was attributed to taxonomy-eligible activities. Of the total taxonomy-eligible revenues, NOK 2 570 million, or 53%, meet the technical screening criteria for substantial contribution. Taking into account the DNSH and the minimum safeguards criteria, NOK 2 499 million, or 51%, of the Group's total revenues was also considered taxonomy-aligned. Of this total, all of Hexagon Agility's revenues from its fuel systems business are included as aligned. In the table below, eligible and aligned revenues are presented for each of our operating segments. The figures are furthermore discussed and explained in the following.

The revenue KPI is built up on an entity-by-entity whereby each entity's revenue is linked to one activity in the EU Taxonomy. There is only one legal entity in the Group which has activities across more than one activity in the taxonomy. For this legal entity, revenues are allocated to the respective activity in the taxonomy is line with revenues generated, and such that the sum of revenues allocated to the taxonomy activities and non-eligible activities never exceeds the entities total revenues. Furthermore, each entity's group internal revenues (if any) is not included in the calculation build-up as these revenues are and will be eliminated for group purposes. As such, only external revenues (from a group perspective) is included in the revenue KPI build for each entity. This avoids double counting.

Within Hexagon Agility, revenues have been allocated to the two economic activities within the EU Taxonomy, "3.3. Manufacture of low carbon technologies for transport" and "3.6. Manufacture of other low carbon technologies", where activity 3.3. includes revenues associated with fuel systems for commercial vehicles and fleet care services, while 3.6. includes revenues associated with Mobile Pipeline distribution modules and sale of stand-alone type 4 high-pressure cylinders. Revenues of NOK 2 499 million generated from fuel systems for commercial vehicles contribute substantially to climate change mitigation as the fuel systems facilitate the usage of renewable natural gas (RNG) as fuel source for the vehicles being assessed in the screening criteria. Taking into account that all DNSH criteria and minimum safeguards were also met, revenues within this activity were considered taxonomy-aligned for 2024. Revenues generated from Mobile Pipeline modules and type 4 high-pressure cylinders amounted to NOK 2 162 million but did not meet the technical screening criteria, which requires a formal and documented life cycle assessments (LCA) verified by an independent third party. As a result, only Hexagon Agility's fuel system business was considered taxonomy-aligned in 2024. Hexagon is, however, confident that Hexagon Agility's Mobile Pipeline modules and Type 4 composite cylinders will become taxonomy-aligned once the formal requirements and procedures in the Taxonomy have been properly documented.

Hexagon Digital Wave's product offering has been allocated to the environmental objective "Transition to a circular economy". As none of Hexagon Digital Wave's products and services are considered taxonomy aligned for 2024, NOK 171 million is reported as taxonomy-eligible but not environmentally sustainable activities.

The tables below show eligible and aligned revenues for each of our operating segments and for each economic activity.

Revenues 2024

		Revenues		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned revenues	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**4 832**	**99 %**	**2 570**	**53 %**	**Y/N**	**Y**	**2 499**	**51 %**
Hexagon Agility	**Climate change mitigation**	**4 661**	**96 %**	**2 499**	**51 %**	**Y**	**Y**	**2 499**	**51 %**
3.3. Manufacture of low carbon technologies for transport		2 499	51 %	2 499	51 %	Y	Y	2 499	51 %
3.6. Manufacture of other low carbon technologies		2 162	44 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**171**	**3 %**	**71**	**1 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		171	3 %	71	1 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**45**	**1 %**						
TOTAL (A + B)		**4 877**	**100 %**						

[1] All percentages relate to the Group's total revenues

Revenues 2023 re-presented (excluding Hexagon Ragasco)

		Revenues		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned revenues	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**4 425**	**98 %**	**2 536**	**56 %**	**Y/N**	**Y**	**2 536**	**56 %**
Hexagon Agility	**Climate change mitigation**	**4 263**	**94 %**	**2 536**	**56 %**	**Y**	**Y**	**2 536**	**56 %**
3.3. Manufacture of low carbon technologies for transport		2 536	56 %	2 536	56 %	Y	Y	2 536	56 %
3.6. Manufacture of other low carbon technologies		1 727	38 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**162**	**4 %**	**0**	**0 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		162	4 %	0	0 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**101**	**2 %**						
TOTAL (A + B)		**4 526**	**100 %**						

[1] All percentages relate to the Group's total revenues

Capital expenditure

Capital expenditure for the purposes of the EU Taxonomy refers to the following items in the IFRS consolidated financial statements: additions to property, plant and equipment, additions to intangible assets and additions to lease right-of-use assets. These are reported in the notes to the consolidated financial statements in the notes on "Property, plant and equipment", "Intangible assets", and "Leases". Additions from business combinations, reported under note "Changes in the Group structure", are also included, if relevant. By contrast, additions to goodwill are not included in the calculation.

In the fiscal year 2024, additions in the Hexagon Group as defined above amounted to (2023 figures in parenthesis):

- NOK 237 (175) million from property, plant and equipment
- NOK 32 (22) million from intangible assets, and
- NOK 239 (91) million from right-of-use assets.

Total capital expenditure to be included in accordance with the EU Taxonomy therefore amounted to NOK 508 (288) million.

All capital expenditures within each operating entity of the Group have been allocated to the same economic activities as for revenues for each operating entity. For most operating entities, capital expenditures are related to one product/service offering and thus one specific economic activity. For those operating entities that deliver products/services covering two or more economic activities, the capital expenditure has been allocated pro rata in accordance with the revenue split within that entity, unless the capital expenditure could be directly attributed to a specific product and thus economic activity. This avoids double counting. Capital expenditure in non-operating and holding entities have all been considered non-eligible.

Taxonomy eligible capital expenditure amounted to NOK 504 million, representing 99% of the Group's total capital expenditure in 2024. Of this amount, Hexagon Agility's capital expenditure within its fuel systems business meets the substantial contribution criteria, totaling NOK 329 million, or 65%. For the same reasons as explained in the section on revenues above, capital expenditures within Hexagon Agility's Mobile Pipeline business and type 4 high-pressure cylinder business, and Hexagon Digital Wave did not meet the substantial contribution and all DNSH criteria in 2024.

Taking into account the DNSH criteria and the minimum safeguards criteria, and for the same reasons as for revenue alignment, Hexagon Agility's capital expenditure within its fuel system business of NOK 329 million was deemed taxonomy-aligned. This represented 65% of total capital expenditure and was largely related to investments in property, plant and equipment and right-of-use assets.

The tables below show eligible and aligned capital expenditure for each of our operating segments and for each economic activity.

Operating expenditure

The operating expenditure reported by us for the purposes of the EU Taxonomy comprises non-capitalized research and development costs, which can be taken from the note on "Intangible assets". We also include the expenditure for short-term leases recognized in our consolidated financial statements, which can be found in the note on "Leases", and expenditure for maintenance and repairs. For most operating entities, operating expenditures are related to one product/service offering and thus one specific economic activity. For those operating entities that deliver products/services covering two or more economic activities, the operating expenditure has been allocated pro rata in accordance with the revenue split within that entity, unless the operating expenditure could be directly attributed to a specific product and thus economic activity. This avoids double counting.

The allocation of operating expenditure to the economic activities followed the same logic as that described for capital expenditure. Due to somewhat higher operating expenditures compared to capital expenditures in non-operating and holding entities, the portion of eligible operating expenditures was 95% in 2024, for a total of NOK 71 million. NOK 43 million, or 57%, meet the substantial contribution criteria, and NOK 42 million, or 56%, are considered taxonomy aligned. The explanations for the results follow the same reasoning as for revenues and capital expenditures above, which is also depicted in the tables below.

Capital expenditure 2024

		Capital expenditures		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned capital expenditure	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**504**	**99 %**	**335**	**66 %**	**Y/N**	**Y**	**329**	**65 %**
Hexagon Agility	**Climate change mitigation**	**485**	**96 %**	**329**	**65 %**	**Y**	**Y**	**329**	**65 %**
3.3. Manufacture of low carbon technologies for transport		329	65 %	329	65 %	Y	Y	329	65 %
3.6. Manufacture of other low carbon technologies		157	31 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**18**	**4 %**	**6**	**1 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		18	4 %	6	1 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**5**	**1 %**						
TOTAL (A + B)		**508**	**100 %**						

[1] All percentages relate to the Group's total capital expenditure

Capital expenditure 2023 (represented excluding Hexagon Ragasco)

		Capital expenditures		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned capital expenditure	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**268**	**93 %**	**185**	**64 %**	**Y/N**	**Y**	**185**	**64 %**
Hexagon Agility	**Climate change mitigation**	**264**	**92 %**	**185**	**64 %**	**Y**	**Y**	**185**	**64 %**
3.3. Manufacture of low carbon technologies for transport		185	64 %	185	64 %	Y	Y	185	64 %
3.6. Manufacture of other low carbon technologies		79	27 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**4**	**1 %**	**0**	**0 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		4	1 %	0	0 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**20**	**7 %**						
TOTAL (A + B)		**288**	**100 %**						

[1] All percentages relate to the Group's total capital expenditure

Operating expenditure 2024

		Operating expenditure		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned operating expenditure	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**71**	**95 %**	**43**	**57 %**	**Y/N**	**Y**	**42**	**56 %**
Hexagon Agility	**Climate change mitigation**	**69**	**92 %**	**42**	**56 %**	**Y**	**Y**	**42**	**56 %**
3.3. Manufacture of low carbon technologies for transport		42	56 %	42	56 %	Y	Y	42	56 %
3.6. Manufacture of other low carbon technologies		27	36 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**2**	**3 %**	**1**	**1 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		2	3 %	1	1 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**4**	**5 %**						
TOTAL (A + B)		**75**	**100 %**						

[1] All percentages relate to the Group's total capital expenditure

Operating expenditure 2023 (represented excluding Hexagon Ragasco)

		Operating expenditure		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned operating expenditure	
Economic activities	Environmental objective	NOK million	%[1)]	NOK million	%[1)]	Y/N	Y/N	NOK million	%[1)]
A. TAXONOMY-ELIGIBLE ACTIVITIES		**82**	**96 %**	**46**	**54 %**	**Y/N**	**Y**	**46**	**54 %**
Hexagon Agility	**Climate change mitigation**	**79**	**93 %**	**46**	**54 %**	**Y**	**Y**	**46**	**54 %**
3.3. Manufacture of low carbon technologies for transport		46	54 %	46	54 %	Y	Y	46	54 %
3.6. Manufacture of other low carbon technologies		33	39 %	0	0 %	Y	Y	0	0 %
Hexagon Digital Wave	**Transition to a circular economy**	**3**	**3 %**	**0**	**0 %**	**N**	**Y**	**0**	**0 %**
4.1. Provision of IT/OT data-driven solutions		3	3 %	0	0 %	N	Y	0	0 %
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		**4**	**4 %**						
TOTAL (A + B)		**86**	**100 %**						

[1] All percentages relate to the Group's total capital expenditure

Tabular presentation of the KPIs in accordance with the EU Taxonomy

Proportion of turnover from products or services associated with Taxonomy- aligned economic activities - disclosure covering year 2024

Financial year N		2024		Substantial contribution criteria						DNSH criteria (Does No Significant Harm)(h)									
Economic activities (1)	Code (a) (2)	Turnover MNOK (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	2 499	51 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	56 %	E	
Manufacture of other low carbon technologies	CCM 3.6	-	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0 %	E	
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		**2 499**	**51 %**	**51 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	**56 %**		
Of which enabling		2 499	51 %	51 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	56 %	E	
Of which transitional		-	**0 %**							N/A	Y	Y	Y	Y	Y	Y	0 %		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	2 162	44 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								38 %		
Provision of IT/OT data-driven solutions	CE 4.1	171	3 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 333**	**48 %**	**44 %**	**0 %**	**0 %**	**0 %**	**3 %**	**0 %**								**42 %**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**4 832**	**99 %**	**96 %**	**0 %**	**0 %**	**0 %**	**3 %**	**0 %**								**98 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**45**	**1 %**																
TOTAL		**4 877**	**100 %**																

Proportion of turnover from products or services associated with Taxonomy- aligned economic activities - disclosure covering year 2023 (re-presented excluding Hexagon Ragasco)

Financial year N-1		2023		Substantial contribution criteria						DNSH criteria (Does No Significant Harm)(h)									
Economic activities (1)	Code (a) (2)	Turnover MNOK (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	2 536	56 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E	
Manufacture of other low carbon technologies	CCM 3.6	-	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E	
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		**2 536**	**56 %**	**56 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y			
Of which enabling		2 536	56 %	56 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y		E	
Of which transitional		-	**0 %**							N/A	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	1 727	38 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	162	4 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1 889**	**42 %**	**38 %**	**0 %**	**0 %**	**0 %**	**4 %**	**0 %**										
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**4 425**	**98 %**	**94 %**	**0 %**	**0 %**	**0 %**	**4 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**101**	**2 %**																
TOTAL		**4 526**	**100 %**																

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	CapEx MNOK (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	329	65 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	64 %	E	
Manufacture of other low carbon technologies	CCM 3.6	0	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0 %	E	
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**329**	**65 %**	**65 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	**64 %**		
Of which enabling		329	65 %	65 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	64 %	E	
Of which transitional		0	0 %							N/A	Y	Y	Y	Y	Y	Y	0 %		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	156	31 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27 %		
Provision of IT/OT data-driven solutions	CE 4.1	18	4 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**175**	**34 %**	**31 %**	**0 %**	**0 %**	**0 %**	**4 %**	**0 %**								**29 %**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**503**	**99 %**	**96 %**	**0 %**	**0 %**	**0 %**	**4 %**	**0 %**								**93 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**4**	**1 %**																
TOTAL		**508**	**100 %**																

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023 (re-presented excluding Hexagon Ragasco)

Financial year N-1		2023		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	CapEx MNOK (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	185	64 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E	
Manufacture of other low carbon technologies	CCM 3.6	0	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E	
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**185**	**64 %**	**64 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y			
Of which enabling		185	64 %	64 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0 %							N/A	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	79	27 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	4	1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**83**	**29 %**	**27 %**	**0 %**	**0 %**	**0 %**	**1 %**	**0 %**										
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**268**	**93 %**	**92 %**	**0 %**	**0 %**	**0 %**	**1 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**20**	**7 %**																
TOTAL		**288**	**100 %**																

Proportion of operating expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	OpEx MNOK (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	42	56 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	54 %		
Manufacture of other low carbon technologies	CCM 3.6	0	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0 %		
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**42**	**56 %**	**56 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	**54 %**		
Of which enabling		42	56 %	56 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y	54 %	E	
Of which transitional		0	0 %							N/A	Y	Y	Y	Y	Y	Y	0 %		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	27	36 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								39 %		
Provision of IT/OT data-driven solutions	CE 4.1	2	3 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**29**	**38 %**	**36 %**	**0 %**	**0 %**	**0 %**	**2 %**	**0 %**								**42 %**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**71**	**94 %**	**92 %**	**0 %**	**0 %**	**0 %**	**2 %**	**0 %**								**96 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**4**	**6 %**																
TOTAL		**75**	**100 %**																

Proportion of operating expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023 (re-presented excluding Hexagon Ragasco)

Financial year N-1		2023		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	OpEx MNOK (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	46	54 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y			
Manufacture of other low carbon technologies	CCM 3.6	0	0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y			
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1)		46	**54 %**	**54 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y			
Of which enabling		46	54 %	54 %	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	N/A	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0 %							N/A	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of other low carbon technologies	CCM 3.6	33	39 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	3	3 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**36**	**42 %**	**39 %**	**0 %**	**0 %**	**0 %**	**3 %**	**0 %**										
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**82**	**96 %**	**93 %**	**0 %**	**0 %**	**0 %**	**3 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**4**	**4 %**																
TOTAL		**86**	**100 %**																

Social information

In this chapter

SOCIAL INFORMATION

S1 Own workforce

Our employees' expertise, engagement and motivation are key to driving the energy transition forward.

S1-ESRS 2 – SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon has 1 033[1] employees worldwide. 97% are permanent employees, with the majority working in manufacturing roles.

Operating in a fast-paced, male-dominated manufacturing industry, the company's ability to keep employees safe, engaged and valued are critical to maintain healthy retention rates, attract new talents, improve diversity and secure long-term sustainable growth. With most employees operating on the production floor, the company recognizes that this group of employees is more exposed to potential negative impacts.

Hexagon business strategy positions us at the forefront of the energy transition, and we do not expect a reduction of our own emissions to have material impact on our workforce.

		Value chain direction	Value chain position	Time horizon
Equal treatment and opportunities for all				
Diversity in own operations	Potential negative impact	Own activities	All own activities	Short-term
Pay distribution in own operations	Potential negative impact	Own activities	All own activities	Short-term
Workforce training in own operations	Actual negative impact	Own activities	All own activities	Short-term
Workplace harassment in own operations	Potential negative impact	Own activities	All own activities	Short-term
Other work related rights				
Privacy of own workers' information	Potential negative impact	Own activities	All own activities	Short-term
Working conditions				
Freedom of association and collective bargaining in own operations	Potential negative impact	Own activities	All own activities	Short-term
Excessive working hours in own operations	Potential negative impact	Own activities	All own activities	Short-term
Health and safety in own operations	Actual negative impact	Own activities	All own activities	Short-term

Equal treatment and opportunities for all

Diversity in own operations

Hexagon Composites has an actual and direct impact on its own workforce related to diversity and non-discrimination in its own operations. Operating in a male-dominated industry, the lack of diversity in the workplace can increase the risk of discrimination and may lead to failure to receive a variety of inputs and opinions in company decisions overall.

Workforce training in own operations

The majority of our employees work on the production floor and several roles do not require previous experience. Lack of insufficient training, both initial training and upskilling will have an actual negative impact on especially production floor employees, resulting in workers not performing their job sufficiently, increasing the likelihood of a related health and safety incident and overall lack of engagement leading to turnover. Providing workforce training has had a positive impact on our employees, resulting in increased efficiency and steady retention rates.

Workforce harassment

Being subject to harassment in the workplace (verbal, physical, sexual) may directly or indirectly impact on the overall well-being and safety of the worker.

Working conditions

Health and safety in own operations Hexagon has a direct and actual impact on its own workforce related to health and safety in all stages of manufacturing processes and operational activities. Complex machinery and industrial processes, rapidly moving equipment, heat, caustic chemicals, and pressurized gas represent a risk and can cause potential negative impact on people and society if not managed well.

Impact, risk and opportunity management

S1-1

Policies related to own workforce

Health and Safety

Hexagon is committed to providing a safe and healthy environment for its employees, contractors and visitors, with a goal of zero injuries. Our commitments are summarized in our Environment, Health and Safety (EHS) policy.

The EHS policy applies to all employees and visitors. Safe work practices are an expectation of employment and part of employee onboarding. All employees are encouraged to actively report unsafe behavior, hazards or unsafe work practices to their EHS manager. The overall responsibility for health and safety resides with the Chief Operating Officer, however, day-to-day implementation, monitoring and follow-up is overseen by management at each site.

Human rights and working conditions

Hexagon does not tolerate the use of child labor, human trafficking, forced or involuntary labor or abusive working conditions of any kind.

Hexagon follows all applicable laws regarding working hours and wages in all geographies. Operations are conducted in ways that limit overtime to levels, complying with all requirements and applicable laws related to paid time off, annual leave, sick leave or parental leave. Hexagon strives to adopt and promote wage progression structures that enable and promote career advancement. Hexagon respects workers' rights relating to freedom of association and collective bargaining. If local laws restrict the right to freedom of association and collective bargaining, Hexagon allows alternative forms of worker representation, association and bargaining.

As outlined in our Policy for Human Rights and Working Conditions, the above mentioned applies to all employees and abides by the following internationally recognized human rights covenants and conventions: (i) United Nation's Universal Declaration of Human Rights; (ii) International Covenant on Economic, Social and Cultural Rights; (iii) International Covenant on Civil and Political Rights; (iv) International Labor Organization's core conventions; and (v) Organisation for Economic Co- operation and Development (OECD) Guidelines for Multinational Enterprises.

Diversity and Inclusion

Having employees of more than 30 nationalities, Hexagon values the diversity of its workforce and is committed to having a safe workplace with equal opportunities for all and zero tolerance for discrimination, bullying or harassment of any kind.

Hexagon's Diversity and Inclusion Policy outlines our commitment to treating all employees in a nondiscriminatory manner regarding race, gender, religion, sexual orientation, disability, wages, benefits and more. The policy is aligned with the International Labour Organization (ILO) Convention on Discrimination and other internationally recognized standards.

The policy applies to all employees and SVP Human Resources is responsible for the overall processes, with management teams at each site responsible for the day-to-day follow-up and implementation.

Privacy

Our Policy on Processing of Personal Data manages the privacy and processing of personal data in Hexagon. It outlines the company's commitment to collecting, processing, sharing, saving and utilizing personal data in a way that complies with GDPR and other applicable privacy laws in areas in which we operate. Robust security measures are in place to safeguard the security and integrity of all personal data and are monitored daily by our IT department.

The policy applies to Hexagon and its majority owned subsidiaries and applies to all personnel employed and working for all Hexagon legal entities, including suppliers and consultants.

Whistleblowing

Employees are encouraged to disclose information regarding dishonest, fraudulent or illegal behavior or activities via Hexagon's Whistleblowing channel without fear of retaliation as outlined in our Whistleblowing policy. Read more in the Governance chapter.

Code of Conduct

All policies referenced are summarized in Hexagon's Code of Conduct. The Code of Conduct serves as a compass, providing descriptions, guidance, and insight into how to act in accordance with our governing principles, including our vision, purpose and values.

Availability and responsibility

Governing policies are available on hexagongroup.com and applies to all employees. Local policies are available on the company's intranet page. Policies are communicated through various channels, such as onboarding sessions, town halls, emails and online training

sessions to both educate and test awareness. All online training is tracked. Implementation of all policies are monitored through employee engagement and feedback mechanisms, and regular reviews by management.

Hexagon Group's CEO has the responsibility of ensuring compliance within the Group. The management of this task is delegated to the Hexagon Group CFO, serving as Group Compliance Officer.

S1-2

Processes for engaging with own workforce and workers' representatives about impacts.

Hexagon's employees are essential for the company to achieve its sustainability goals and ambitions. We strive for an active dialogue with employees through day-to-day interaction and various internal forums and digital channels.

Our employees can give feedback on topics of interest by communicating with their managers on a day-to-day basis. Bi-monthly town halls are held at our largest sites, with the purpose of management informing and receiving feedback. Hexagon also uses analogue feedback boxes where employees can write their suggestions on improvements at their local site. In Germany, management meets with the workers councils on a weekly basis to cover employees' interests in health and safety, remuneration, working conditions, and potential organizational changes.

Through the Talent Development Cycle, see page 107, employees are given the opportunity to actively influence their own development and career path.

Hexagon conducts the Great Place to Work Survey® on a bi-annual basis. The survey enables employees to give anonymous feedback on areas such as diversity, equality, harassment and overall engagement and satisfaction with the company. Dedicated focus groups at each site are responsible for identifying areas of improvement and actionable steps. Several initiatives at the sites have been implemented throughout the year to improve communication, culture and retention.

Operating in a manufacturing environment, most employees are out on the production floor with limited flexibility to engage with management during the shifts. Therefore, it has become a tradition for management to host various social events to have the opportunity to engage directly with employees in a more informal manner.

Management brings feedback from employees into discussions and leadership decisions. The responsibility for workforce engagement lies with HR and management teams at each location and processes are overseen by the SVP Human Resources.

S1-3

Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees are encouraged to contact their line managers, local compliance officers and/ or human resources teams with any issue or concern, without fear of any retaliation. Analogue feedback boxes are also available at our sites for employees to raise improvements or concerns.

In Germany, the Workers Council is a well-established forum that advocates for employees' rights and interests and meet with management on a weekly basis. Hexagon's whistleblowing channel enables employees to report grievances or concerns, effectively and anonymously. The whistleblower channel is available to all employees and managed by an independent third party. It is available in four languages through Hexagon's internal channels and the company's website. In addition, there are Norwegian and German telephone numbers available for anyone wishing to submit their report orally. All reports submitted via the whistleblower channel are investigated promptly and objectively according to Hexagon's internal whistleblowing procedure. If concerns are raised, the organization sets a follow-up plan to remedy negative impact. Where occurred, the feedback from employees have been positive.

Hexagon protects whistleblowers, including respecting requests for anonymity, keeping individuals' identities confidential, and protecting whistleblowers' employment status. Retaliation is unacceptable in all locations where Hexagon operates and will be disciplined accordingly. Read more in our Governance chapter on page 88.

Our grievance system is considered a trusted channel amongst employees and available on the company's website and local intranets.

Performance, metrics and targets

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

Working Conditions

Health and safety

Hexagon is committed to achieving its overall goal of zero injuries and zero incidents. We are actively working with employees to both train and raise awareness of how we can all contribute to a safe workplace.

Health and safety training and awareness have been high on our agenda for the past years, and although the number of work-related injuries has declined over the years, they are not yet showing a satisfactory result.

In 2024, employees have received regular training on safety measures and routines, both virtual and in person. A 100-day safety campaign was run at one of our largest sites, resulting in zero recordable injuries in that period.

Due to a sudden negative trend at one of our facilities, a safety intervention was run to enforce importance and reduce any outside factors disturbing employees' attention to safety. During the safety intervention, the facility had three recordable injuries. Results are still not at an acceptable level and the facility continues with implementing mitigating improved measures and accountability.

Hexagon has recognized the lack of unified health and safety communication across our sites, leading to gaps in routines and safety cultures. As a response, new safety behavior procedures and communication campaigns were launched towards the end of 2024. The unified safety messaging is aimed at raising awareness of safety, fostering Hexagon's safety culture and making each employee, from production worker to manager, accountable for their own safety. The implementation work will continue in 2025, coupled with training and close monitoring of our safety performance.

Equal treatment and opportunities for all

Throughout 2024, we have rolled out the Talent Development Cycle across our largest facilities. The program structures: individual performance objectives, talent reviews, performance feedback, individual development plans, succession planning and strategic workforce planning. The purpose is to remove systemic barriers that could hinder employees from reaching their full potential and provide equal opportunities for all employees.

As part of the implementation, employees have been offered a series of online training courses, equipping them with tools and resources to be used in discussion with their manager. Through the introduction of the Talent Development Cycle, the management are better equipped to assess the organization's capabilities, gaps and potential during the year and reduce the risks of talent gaps that may arise from retirements, resignations, or unexpected departures.

To fully create growth opportunities and offer continuous support, Hexagon recognizes the need for improved education material and resources. In addition, we see the need for a Learning Management System to better track the development and effectiveness of our actions. This, in combination with further roll-out of the Talent Development Cycle, will be key priorities in 2025.

Training and skills development

Hexagon is committed to the continuous development of its workforce, and based on employee feedback, we have invested more time in the onboarding and training of production workers. This has also proven to be an effective measure in improving employee retention at our manufacturing sites.

Throughout 2024, a selected set of training courses were offered on a regular basis with the aim of engaging, enhancing leadership skills and improving technical job skills:

- **Drive**, our leadership accelerator course, has been held for existing and potential managers in the US and Germany.
- **Think Twice!** – our unconscious bias training has been held at several locations, to raise awareness of how our unconscious biases influence our decision-making processes
  Rolled out a 360-feedback program to our Hexagon Digital Wave leadership team with the purpose of identifying strengths and pinpointing areas for improvement to provide valuable insights into leadership performance and communication.
- Technical training was offered on a regular basis to all our production staff. This is considered an important measure to increase engagement and skill level amongst our production staff, and the increase in training is a result of employee feedback. At our largest sites comprehensive training initiatives were implemented, including monthly leadership and safety training, production-related courses, and partnerships with local colleges for workforce development. This has effectively boosted employee engagement and confidence, demonstrating our commitment to their growth and enhancing operational performance

English language courses

Lincoln, Nebraska is also the home of many migrants in the US, and our current workforce is made up of 15 different languages, many with limited English skills. To overcome language barriers, Hexagon entered a partnership with Lincoln Literacy in 2024 to offer English language courses to its workforce. The courses are free and conducted as paid hours for the employees during the day. This has proven to better integrate workers in the local community and at work. 38 employees completed the course in 2024, and the plan is to expand with an additional 40 employees in 2025.

Our Talent Development Cycle removes systemic barriers that hinder employees from reaching their full potential and ensures equal opportunities for all.

The Lincoln site has also implemented a standardized training process across its operations to enhance workforce development and skill consistency. This approach includes a structured training methodology and tracking system, enabling us to monitor employee progress and training effectiveness.

Diversity in own operations

Operating in a male dominated industry, retaining and attracting female candidates are important to Hexagon.

In 2023, we implemented a more systematic way to have a more diversified and inclusive application pool in Lincoln, our largest site in North America:

- Digital tools were implemented to ensure recruitment ads held an inclusive language and layout, contributing to reducing any potential barriers toward gender, age and mindset.
- Direct dialogue and collaboration with female students in engineering at the University of Lincoln.

The work continued, and in 2024 we saw 27% females amongst our applicants, up from 22% in 2023. Progress is monitored regularly through our own system.

The HR teams at each location, in close cooperation with management teams, are responsible for implementing actions in our workforce. Actions and processes are overseen by the SVP Human Resources.

S1-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

2024 was a year with several organizational changes and investments in increased capacity, both in terms of new locations and machinery. Despite changes, our retention rates remained steady at 79%, with a turnover of 19%. 100% of our workforce is covered by Hexagon's Health & Safety Management System.

In 2024, Hexagon had 25 recordable work-related accidents, up from 24 in 2023. There were 0 fatalities due to work-related injuries and work-related ill health in the year. Lost time incidents ended at 9, up from 7 in 2023. Our health and safety numbers are not at an acceptable level. The company remains committed to our vision of zero injuries and fatalities and aims to reduce the number of recordable incidents by at least 20% in 2025 and will increase internal efforts to further build a safety culture and make each employee accountable for working safely.

Total percentage of women ended at 21%, up from 20% in 2023. Female managers remained steady at 21%. We remain committed to our long-term target of 25% females by 2030.

Training, courses and development initiatives will continue in 2025, and to better monitor the effectiveness of our actions, Hexagon targets to structure and document its training and development processes throughout the year.

Our workforce is not directly engaged in setting our targets; however, management is responsible for ensuring input given through internal feedback mechanisms are represented when targets are set. Performance updates are communicated at town halls to keep everyone informed and aligned.

S1-6, S1-7

Characteristics of the company's employees
Characteristics of non-employees in the undertaking's own workforce

Hexagon is headquartered in Ålesund, Norway, with 1033[1] employees across North America and Europe.

In 2024, strategic operational steps resulted in a reduced workforce in Europe. One site in Norway closed and moved production to Germany, leading to termination of 20 employees.

In June 2024, Hexagon Ragasco, also located in Norway, was sold to Worthington Enterprises, reducing our workforce by approximately 140 employees. At year end, 80% of our workforce was based in North America.

In 2024, our employee turnover rate was 19% and 194 employees left the company during the year. The numbers include the closing of Hexagon Agility's facility in Norway.

Due to the nature of Hexagon's operations, non-employees make up approximately <5% of our workforce. To manage seasonal demands at our production facilities, we use temporary employment agencies. We currently do not track the diversity or number of non-employees on a regular basis but will establish this for reporting in 2025.

S1-8

Freedom of association and collective bargaining on own operations

Hexagon respects employees' rights to freedom of association and collective bargaining across all its operations.

In our German operations, 98% of our employees legally fall under the jurisdiction of the workers council. The council has legal rights to consult on workplace matters, and collaborates with management on decisions affecting staff, ensuring compliance with labor laws, helping to avoid work accidents, implementing workers council agreements, and promoting fair treatment in the workplace. As the company is not unionized, we follow industry standards when it comes to wages and working conditions.

While union presence is limited in the U.S. due to cultural and legal factors, we ensure compliance with national labor laws and industry standards and provide alternative forums of worker representation that align with international covenants and our code of conduct.

Our operations in Norway represent less than 10% of the total , workforce and are not subject to disclosure, however, the company comply with Norwegian collective bargaining and labor laws, supporting employees' rights to unionize and engage in social dialogue.

Metrics

S1-6 Characteristics of the undertakings employees

See tables for further details about our workforce. For the most representative figure in the financial statements, please see page ##.

Number of employees

Gender	Number of Employees (headcount)
Male	819
Female	214
Not Reported	0
Total Employees	**1 033**

*Per 31.12.2024

Employees per country

Country	Number of Employees (headcount)
Norway	21
Germany	178
USA	803
Canada	27
Other	4
Total Employees	**1 033**

*Per 31.12.2024

Number of employees (FTE)

	Male	Female	Total
Number of employees (FTE)	814	205	1 019
Number of permanent employees (FTE)	803	202	1 005
Number of temporary employees (FTE)	11	3	14
Number of non-guaranteed hours employees (FTE)	0	0	0

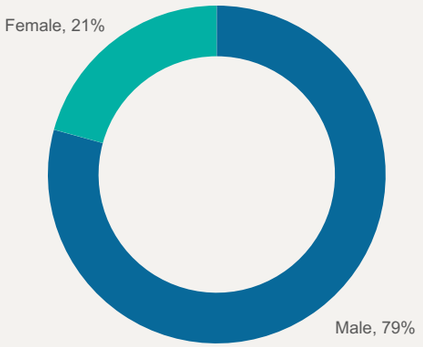
Full-Time Equivalents (FTE) is calculated by dividing the total hours worked by the standard full-time hours.Per 31.12.2024

Employee turnover

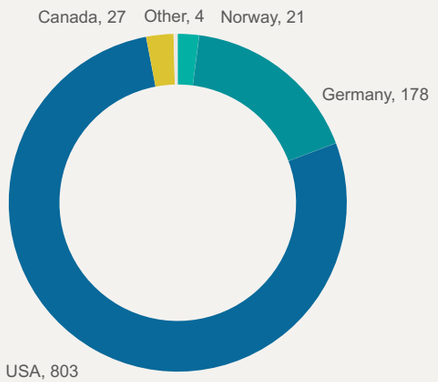
	Unit	2024
Number of employees who have left undertaking	Number	194
Percentage of employee turnover	%	19 %

Per 31.12.2024. The turnover rate is calculated by dividing the number of employees who have left the company by the average number of employees during 2024.

Gender distribution



Employees per country



S1-9, S1-16

Diversity

Data Point	Unit	2024
Board of Directors	Number	7
Gender with lowest representations (female)	%	43 %
Executive management	Number	6
Gender with lowest representations (female)	%	17 %
Headquarters (Norway)	Number	17
Gender with lowest representations (female)	%	47 %
Managers	Number	157
Gender with lowest representations (female)	%	21 %
All employees	Number	1 033
Gender with lowest representations (female)	%	21 %
Gender pay gap		
Gender pay gap, average	%	9 %
Annual total remuneration ratio		
Remuneration ratio	%	5.8x

Numbers are per 31.1.2.2024, and present headcount.
[1]The annual total remuneration ratio: Annual compensation of the all members of the Executive Team of Hexagon Composites ASA vs mean employee compensation. For detailed overview, see Remuneration report 2024.

Age distribution

Data Point	Unit	2024
<30	Number	186
30-50	Number	563
>50	Number	284

*Per 31.12.2024

100%

of our workforce is covered by Hexagon's Health & Safety Management System.

S1-14

Health & safety

Indicator	Unit	Ragasco until 1 June 2024*	HEX Full Year 2024	Target 2025
Fatalities	Number	0	0	0
Recordable work-related accidents1	Number	0	25	20
High-consequense injuries	Number	0	0	0
Rate of recordable WRI	Number	0	13	
Rate of high-consequence WRI	Number	0	0	0
Lost Time Incidents	Number	0	9	5
Lost Time Incidents Frequency3	Number	0	1	
Working hours5	Hours	91 520	1 942 950	NA

[1] Recordable work-related incidents: A work related incident is recorded as an WRI if it results in one of the following; death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid,work-related ill health, loss of consciousness, significant injury or illness diagnosed by a physician or other licensed health care professional
[2] Per 1,000,000 hours

S1-17

Incidents, complaints and severe human rights

During 2024, a total of two cases were reported, both were related to discrimination and harassment. Both were substantiated.

The incidents were investigated and processed according to Hexagon's whistleblowing procedures and policy. Remediation plans were taken to address these, and company policies against discrimination and harassment were reinforced and communicated to the workforce by email and in group meetings.

There were no severe human rights incidents in the period, and therefore no fines, penalties and compensation were paid to remedy this.

Incidents

	2024
Severe human rights incidents	0
Discrimination incl. harassment	2
Other incidents*	0
Total	2

*Other incidents through Hexagon's Whistleblowing channel

Fines, penalties and compensation for damages

(NOK 1 000)	2024
Amount	0

SOCIAL INFORMATION

S2 Workers in the value chain

S2-ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon believes that clean air is a right, not a privilege. Our core mission is to drive energy transformation through the delivery of clean vehicle solutions. Our core values – integrity and drive – support this mission and ensure accountability for our actions. Hexagon recognizes the obligations we have towards our people, investors, customers, suppliers, and the community. Our suppliers, contractors, sub-suppliers, subcontractors, consultants and business partners (Suppliers) play a critical role in maintaining our customers' trust and ensuring the highest degree of quality in our products.

Aligned with our commitment to sustainability and responsible business practices, our double materiality assessment encompasses workers throughout the entire value chain, from upstream to downstream activities. As part of this commitment, Hexagon is dedicated to identifying and mitigating human rights risks throughout its value chain.

		Value chain direction	Value chain position	Time horizon
Other work related rights				
Child labour in the supply chain	Potential negative impact	Upstream	Entire upstream value chain	Short-term
Forced labour in the supply chain	Potential negative impact	Upstream	Entire upstream value chain	Short-term
Working conditions				
Inadequate wages in the supply chain	Potential negative impact	Upstream	Entire upstream value chain	Short-term
Use of temporary contracts in the supply chain (Social protections)	Potential negative impact	Upstream	Entire upstream value chain	Short-term

Our upstream activities, which involve workers in areas such as mining, raw materials sourcing, shipping, production and transportation, are based in various countries predominantly in Europe, North America and Asia. Our downstream activities, involving workers in areas such as sales, customer engagement, and product usage, mainly occur in geographic areas across Europe, North and South America, and the Middle East.

In addition to conducting the Double Materiality Assessment, Hexagon reviewed the comprehensive due diligence analysis in 2024. The assessments are conducted to determine the presence of any impacts, risks and opportunities and to formulate appropriate mitigation actions. Both the multi-step due diligence process and the double materiality assessment map impacts, risks and opportunities across the diverse regions where Hexagon operates. The thorough analysis identified four material negative impacts: child labor, forced labor, inadequate wages and use of temporary contracts in the supply chain. The impacts are systemic and not connected to any specific incident. The company's due diligence process did not identify any high-risk geographies or commodities or any specific concerns regarding human rights.

Impact, risk and opportunity management

S2-1

Policies related to value chain workers

Hexagon believes that trust and respect are essential to building long-lasting partnerships with our customers and business partners. Our Supplier Code of Conduct (Code) sets forth the requirements and expectations that our Suppliers (including suppliers, contractors, sub-suppliers, subcontractors, consultants and business partners) must abide by when doing business with Hexagon. Suppliers must uphold the highest standards of integrity, act in compliance with all applicable laws, including the Code, and operate honestly and equitably in all business relationships. Failure to comply with the Code could result in Hexagon terminating its relationship with Suppliers. If Suppliers become aware of any violation of the Code

within their business organization or applicable supply chain, Suppliers must promptly notify Hexagon and ensure adequate remedial measures are taken to address the noncompliance. Hexagon reserves the right to audit Suppliers to verify compliance with the Code.

The Code further addresses potential risks related to labor practices, human rights, health and safety, the environment, use of temporary contracts (employment security), and bribery and corruption in the supply chain. The Code covers Hexagon's entire supply chain and is aligned with the following human rights covenants and conventions: (i) United Nation's Universal Declaration of Human Rights; (ii) International Covenant on Economic, Social and Cultural Rights; (iii) International Covenant on Civil and Political Rights; and (iv) International Labor Organization's core conventions.

Under the Code, Suppliers must comply with international human rights standards and national laws regarding child and forced labor, working hours, wages and benefits (inadequate wages, use of temporary contracts in the supply chain, etc.), and non-discrimination. Compliance with the Code is integrated into all purchase agreements (e.g., long term agreements, purchase orders, etc.) with suppliers. All new suppliers must commit to the Code as a pre-requisite for transacting with Hexagon.

We have in several policies pertaining to our commitment to upholding workers' rights, including our Environment, Health and Safety Policy; Diversity and Inclusion Policy, Whistleblowing Policy, Policy on Human Rights and Working Conditions; Supplier Management Policy; and Anti-Corruption Policy and Guidelines. These are available on our website. In addition, we have a Trade Control Policy (internal); and Internal whistleblowing procedures that are not publicly available.

The Chief Operations Officer who is part of the company's Executive Team, is the most senior-level executive accountable for compliance with the Code.

S2-2

Processes for engaging with value chain workers about impacts

Hexagon engages with DM Suppliers through a third-party platform called EcoVadis. This platform rates the DM Suppliers' sustainability performance and provides tools to help DM Suppliers and Hexagon manage their sustainability risk and compliance. EcoVadis rates a company's sustainability performance based on 21 indicators across four main themes: environment, labor and human rights, ethics, and sustainable procurement. The EcoVadis platform helps Hexagon manage value chain risk and compliance, meet our corporate sustainability goals, and drive impact at scale by guiding the sustainability performance improvement of our company and our value chain. The EcoVadis platform further allows Hexagon to understand risks in the value chain relating to child labor, forced labor, inadequate wages, and use of temporary contracts in the supply chain.

In 2024, Hexagon implemented a screening process for all DM Suppliers through a third-party search engine managed by Dow Jones (Dow Jones Risk & Compliance: Data & Risk Management). This is a modular web-based tool that allows us to conduct due diligence on potential customers, suppliers & connected parties, to ensure there are no red flags relating to anti-money laundering and counter-terrorism financing, sanctions, governance, anti-bribery and corruption and international trade compliance. The Dow Jones screening tool will also flag adverse media relating to child labor, forced labor, inadequate wages, and use of temporary contracts in the supply chain.

Our engagement strategy, including utilization of the EcoVadis and Dow Jones tools, unfolds at various stages of the supply chain process, beginning with the selection of suppliers and extending through regular reviews of working practices and conditions. This structured engagement allows us to maintain consistent oversight of our Suppliers. We further perform annual due diligence to understand human rights risks in our value chain, including relating to child labor, forced labor, inadequate wages, and use of temporary contracts in the supply chain. As part of this due diligence, we assess and categorize all suppliers according to risk area using reputable human rights indices, and perform individual follow-ups based on these evaluations. Hexagon evaluates each supplier, obtaining sufficient information and/or documentation to ensure that the supplier (and sub-suppliers, as necessary) has taken adequate measures to identify, address and remedy any adverse human rights impacts. Hexagon performs a saliency assessment based on likelihood and severity and formulates action items as necessary to address any suppliers identified as at high risk of human rights violations.

Hexagon is committed to ensuring that its suppliers comply with the internationally recognized human rights covenants and conventions set forth above, including the United Nation's charters and the International Labor Organization's core conventions.

The Chief Operations Officer oversees this engagement strategy in close collaboration with the VP Supply Chain and his team. They bear the operational responsibility to ensure that the insights and feedback obtained through our engagements meaningfully influence our policies and practices.

To measure the effectiveness of our engagement, we perform annual due diligence reviews, assessing the working conditions throughout our value chain and ensuring compliance with our core requirements. This evaluation process includes examining the tangible impacts on the lives of the workers and the overall sustainability of our supply chain.

Indices and due diligence serve as credible proxies for understanding and evaluating the perspectives of workers in the value chain, while the EcoVadis platform enables direct engagement with suppliers.

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

We have in place an operational Whistleblowing Channel through which an individual or group can raise concerns, complaints, and doubts transparently and safely. The channel is publicly available in four languages on our website and administered through a third party, PWC, in order to protect the anonymity of respondents.

When a grievance is received, we follow our internal whistleblowing procedure; conduct a due diligence to collect facts about the case, determine whether the grievance has merit and clarify if Hexagon or

our suppliers are involved. Where merit is established, we will seek to remedy adverse impacts where possible.

The closing timeline of a grievance will depend on each case. Irrespective of whether a complaint is accepted or not, a response to the stakeholder must according to the internal whistleblowing procedure be promptly provided in an understandable and transparent way within seven (7) days. Hexagon ensures that records and evidence are kept confidentially and securely.

Further details regarding Hexagon's whistleblowing system are available under G1.

Performance, metrics & targets

S2-4

Taking action to prevent potential negative impacts on value chain workers, and managing effectiveness of those actions.

Supply chain traceability is the foundation for achieving our core values – integrity and drive. Hexagon's actions to remediate negative impacts are primarily guided by the results of the DMA, which highlight key aspects the company fucuses on. Since 2023, our focus has been on building a full geographical picture of our supply chain, which we have succeeded in doing. We have further focused on understanding particular negative impacts, including relating to child labor, forced labor, inadequate wages, and use of temporary contracts in the supply chain. We currently have comprehensive visibility on our supply chain. However, the further upstream in the supply chain we go, the more difficult the information is to obtain. Hexagon's focus now is to understand the social and environmental impacts and improve the reliability of information along the full supply chain. All actions will holistically address the negative impacts on workers throughout the value chain. Actions for specific impacts will be evaluated and determined as needs arise.

Improving supply chain traceability

In 2024, we started utilizing the Dow Jones Risk Center search engine, which offers companies a suite of modules and tools that allow for country and supplier-specific risk analysis. In addition, EcoVadis helps us manage impacts in our value chain and ensure compliance. In 2023, our human rights due diligence analysis only assessed our direct suppliers. In 2024, our human rights due diligence analysis went further down the value chain, assessing indirect suppliers and raw material sourcing generally. These efforts enabled us to better perform supply chain mapping and product-specific global supply chain tracing. The long-term goal is to reach full traceability on all of our products.

In connection with our goal of reaching full traceability of our products, we intend, among other things, to build and grow our sustainable procurement organization, capabilities and resources, and continue to enhance and deepen our approach to sustainability due diligence, utilize and improve existing processes and initiatives to further advance our sustainable value chain approach, and leveraging external regulatory pressures to raise the priority of sustainable and responsible business conduct with our business partners.

In terms of specific steps, within the human rights area, including relating to child labor, forced labor, inadequate wages, and use of temporary contracts in the supply chain, we perform an annual comprehensive due diligence analysis of our value chain, including a saliency assessment and value chain mapping. Hexagon published and implemented its updated Policy on Human Rights and Working Conditions in 2022, and continued in 2023 and 2024 to work to ensure that our high standards are met and respected across our organization. While we had no specific concerns related to human rights in 2023 or 2024, we are continuing our work to better understand our impact on human rights both in our own operations and supply chain, conducting our human rights due diligence in accordance with the Norwegian Transparency Act and OECD Guidelines for Multinational Enterprises. We remain committed to continuous improvement across our own operations and throughout our business relationships within this area. As part of our human rights due diligence, we assessed and categorized all suppliers according to risk area using reputable human rights indices, and performed individual follow-ups based on these evaluations. Through this process, we have an opportunity to identify actions and responses to any such negative impacts if any were identified.

In 2024, we:

- Conducted four training sessions relating to supplier conduct and expectations
- Implemented the Dow Jones screening process
- Performed due diligence for direct and indirect suppliers
- Implemented a third-party platform, EcoVadis, to assess suppliers' sustainability maturity

To track and assess the effectiveness of our actions, we review EcoVadis scorecards to measure supplier performance and closely monitor the number of suppliers identified as high risk during due diligence. These allow us to identify areas of improvement and take

corrective actions to mitigate any negative impacts on value chain workers.

In the event of a negative impact, we believe that engaging with suppliers is crucial. By actively collecting feedback from affected parties and incorporating their insights into the corrective actions, we ensure that remedies are effectively implemented.

The target date for further actions is 2025, with long-term actions and their horizons are still being assessed.

Training and awareness

Hexagon is committed to ensuring the effective communication and implementation of its policy among its value chain workers and suppliers in high-risk areas. This includes regular training sessions for employees involved in procurement and supply chain management as well as addressing follow-up with the Code in meetings with suppliers. We welcome questions or comments from our suppliers related to the Supplier Code of Conduct and see this dialogue as a way to ensure understanding of our compliance requirements.

In autumn 2024, four online training programs were organized with approximately 345 participants in each training session. The main objective of the training was to give an understanding of our overall expectations of suppliers.

Online training programs are supplemented with comprehensive communication materials, such as handbooks and online resources, to serve as accessible references for all relevant personnel. These have been translated into three different languages, including all regions where Hexagon maintains production facilities. One of the primary goals of the training is to communicate how Hexagon mitigates potential negative impacts on workers in the value chain by enforcing our overarching expectations for suppliers.

S2-5

Targets related to managing material negative impacts and advancing positive impacts

Hexagon is strongly committed to ensuring the people, workers, and communities that support our entire supply chain are treated with dignity and respect. To Hexagon, the protection of human rights across our operations and value chain is a moral and business priority. To support these principles and with targets grounded in Policy on Human Rights, Hexagon aims to validate that all of our key global DM Suppliers utilize the EcoVadis platform and are screened using the Dow Jones search engine.

In 2025, we will be implementing a preferred direct materials (DM) Supplier program to reward DM Suppliers that have robust ESG measures in place, as measured via a balanced scorecard. Hexagon plans to engage with DM Suppliers to understand the depth of their current ESG policies and procedures. While compliance with the Supplier Code of Conduct is a pre-requisite (a threshold requirement), we recognize that some DM Suppliers may not be very sophisticated, and Hexagon wants to partner with them to ensure they develop robust internal procedures to prevent against any Code of Conduct violations. Hexagon also intends to perform periodic audits, including site visits and evaluations of our Suppliers' facilities, and quarterly business reviews with our top 20 suppliers.

Information to achieve this target will be gathered through our supplier audit process, and therefore relies on all key DM Suppliers being audited by the end of 2025. In 2025, we will also focus on establishing both short- and long-term targets to effectively manage the material impacts in the value chain.

Our short-term targets for engaging with our suppliers:

- Achieve 90% of direct spending with scorecard by the end of 2025.
- Ensure 100% of new suppliers receive sustainability rating provided by a third-party.
- 80% of suppliers achieve a minimum score of 45/100 in third party-rating.
- 100% of suppliers achieve a minimum score of 25/100 in third party-rating.

Our short-term targets for the human rights area:

- Continue our work to better understand our impact on human rights both in our own operations and supply chain, and continuously improve internal processes
- Conduct human rights due diligence in accordance with the Norwegian Transparency Act and OECD Guidelines for Multinational Enterprises.

Governance information

In this chapter

GOVERNANCE INFORMATION

G1 Business conduct

ESRS 2 IRO-1

Hexagon is committed to conducting our business with integrity throughout our value chain and ensuring compliance with all applicable laws and regulations.

We believe our team members play an essential role in maintaining our customers' trust and ensuring the highest degree of quality in our products. We seek to embed a strong compliance culture through regular training and education. Hexagon believes that trust and respect are essential to building long-lasting relationships within our organization. Team members must uphold the highest standards of integrity, act in compliance with all applicable laws, and operate honestly and equitably in all business relationships.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment identified political influence and lobbying activities as material impact related to business conduct for Hexagon. Hexagon does not engage directly in lobbying activities but often engages in activities intended to influence policies and regulations that will have a significant impact on our business. These efforts allow Hexagon to promote policies that further Hexagon's purpose, mission and vision. Hexagon believes that clean air is a right not a privilege; that technology is no longer the barrier in enabling clean energy for all; and that change is urgent. Hexagon's political influence activities support the fulfillment of these goals, as we strive to promote parity among technologies, including renewable natural gas. Misuse of political influence could lead to fines and penalties, as well as reputational damage that could undermine our business relationships with customers and suppliers. This risk exists in many highly regulated industries and is considered systemic to the industry in sophisticated jurisdictions.

Political engagement and lobbying activities		Value chain direction	Value chain position	Time horizon
Diluted regulations rules and control	Potential negative impact	Own activities	Entire value chain	Medium-term

Impact, risk and opportunity management

G1-1

Business conduct policies and corporate culture

Our approach to business conduct and corporate culture is anchored by our Code of Conduct and supporting Governance policies, which set the standard for how we conduct business and outline our expectations for suppliers and business partners. In addition to the Code of Conduct, these Governance policies include the Environment, Health and Safety Policy, Diversity and Inclusion Policy, Supplier Code of Conduct, Supplier Management Policy, Product Safety Policy, Whistleblowing Policy, Policy on Human Rights and Working Conditions and Anti-Corruption Policy. The Anti-Corruption Policy is consistent with the United Nations Convention against Corruption.

Promoting a culture of integrity

At Hexagon, we foster an organizational culture based on integrity and high ethical standards. All Hexagon employees, contractors, suppliers and business partners must comply with applicable laws and regulations in the relevant jurisdictions in which Hexagon operates or does business.

The Hexagon Group CEO has the responsibility for ensuring compliance within the Group. The management of this task is delegated to the Hexagon Group CFO ("Compliance Officer"). The Compliance Officer is the ultimate point of contact to register any issues around compliance or potential compliance breaches, real or suspected. The Compliance Officer ensures that all policies, including the Anti-Corruption Policy, are established, communicated and understood within the Group. The Compliance Officer evaluates the adequacy and effectiveness of the Governance policies and oversees the implementation of any mitigating actions. The Compliance Officer also monitors adherence to the Code of

Conduct, ensures training is held on the Governance policies, and any reports raised through the whistleblowing system.

The Governance policies have been approved by the Hexagon Composites' Board of Directors and/or our Executive Team and our Governance Team, as appropriate. Hexagon communicates the policies internally and externally and updates them regularly, at a minimum every two years, or as needed.

Hexagon has identified political influence and lobbying activities as a material topic. To prevent misuse of political influence or lobbying activities, Hexagon has enacted its Anti-Corruption Policy, which clearly describes prohibited behavior and activities. Hexagon also holds training on its policies to ensure Company personnel are aware of these requirements.

Code of Conduct

Hexagon's Code of Conduct sets out ethical guidelines for how we conduct our business. It affirms our commitment to upholding and protecting human rights, promoting diversity and our zero tolerance for bribery and corruption. Specifically, the Code of Conduct includes our responsibility to:

- ensure the people, workers, and communities that support our entire supply chain are treated with dignity and respect
- ensure equal opportunities for all, and foster a culture of inclusion
- provide a safe and healthy environment for Hexagon's employees, contractors, visitors, and anyone who may be affected by our business operations, and to protecting the environment by managing the business in an environmentally sensitive and responsible manner
- conduct our business in an economically, socially, and environmentally responsible manner – safeguarding life, continually working to reduce and eliminate our carbon footprint, and promoting biodiversity in the ecosystems in which we operate
- protect of all aspects of the environment, including animal welfare, soil quality, deforestation, and noise emissions

Whistleblowing

Hexagon ensures that workers and other stakeholders have an effective mechanism to report grievances to facilitate open communication between management and workers. Hexagon also ensures through the Supplier Code of Conduct and Supplier Management Policy that suppliers have an effective mechanism to report grievances 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. In addition, there are Norwegian and German telephone numbers available for anyone wishing to submit their report orally. All reports submitted via the whistleblower channel are investigated promptly and objectively in accordance with Hexagon's internal procedure for whistleblower incidents. Employees are encouraged to contact their line managers, local compliance officers and/or human resources teams with any issue or concern, without fear of any retaliation. All whistleblower reports will be handled in a fair, objective and transparent manner. All steps in the handling of whistleblowing reports will be logged, documented and stored safely in order to secure and fulfil the principles regarding confidentiality and privacy.

Any incident raised through the whistleblower- or other channels are reported under S1-17.

Performance, metrics & targets

In 2024, no concerns were raised through the whistleblower system. Three incidents were reported directly to management at two different sites within the categories discrimination and harassment . The incidents were investigated and processed according to Hexagon's whistleblowing procedures and policy.

Training & awareness

Training and awareness activities are essential for fostering a culture of integrity and creating a common understanding of what is expected from our employees.

The Code of conduct, Whistleblowing policy and other compliance training sessions are mandatory for all new employees as part of their onboarding process.

We also periodically roll out mandatory training for existing employees, to refresh their knowledge on different topics in the Code of Conduct. In 2024, we held training on the Supplier Code of Conduct, Supplier Management Policy, and Policy on Human Rights and Working Conditions.

G1-5

Political influence and lobbying activities

In 2024, Hexagon was involved in various activities relating to rules and regulations that could have significant impacts on our business. In the United States, Hexagon promoted the extension of the Alternative Fuels Tax Credit, which is an extension of a USD 0.50 per gallon tax credit for alternative fuels. Hexagon also supported the Renewable Natural Gas Incentive Act of 2023, which would establish a USD 1.00 per gallon tax credit for renewable natural gas. These bills reduce the cost of natural gas adoption and provide fleets with additional financial incentives to bring parity to the natural gas industry. Our efforts regarding these bills were primarily in coordination with the Transport Project, our federal trade association that advocates on behalf of the natural gas transportation sector. In California, we supported changes to the Advanced Clean Truck rule and Advanced Clean Fleet Regulation that would give credit to natural gas in achieving emission reduction goals. We also supported continued implementation of the Low Carbon Fuel Standard, and the inclusion of renewable natural gas in that fuel standard program. These efforts were primarily led by the California Renewable Transportation Alliance, our trade association in California.

In Europe, we worked to include favorable treatment of carbon neutral fuels in the CO_2 emission regulation for heavy duty vehicles. We also sought to introduce a methodology for registering vehicles running exclusively on carbon neutral fuels within the scope of the regulation. These efforts were supported by our European political consultant, NOVE. Hexagon will continue to promote policies that utilize a life cycle (well to wheel) approach, as compared to a tailpipe only approach. This will allow broader adoption of vehicles running on renewable natural gas, which will positively influence our core business areas. Activities involving political influence are primarily managed and supervised by Hexagon's legal department, with the Chief Legal Officer having primary oversight responsibilities

Hexagon did not make any direct political contributions in 2024. Hexagon's indirect political contributions included involvement in trade associations both in the United States and Europe, as well as consultancy support by NOVE in Europe. Hexagon is registered in the EU Transparency Register, with registration number TR ID 056319643095. Aggregated amounts of our political contributions and lobbying activities are shown in the table below.

(NOK 1 000)	2024
Political contributions	0
Contributions to trade associations and government relations advisors	3 963

Appendix

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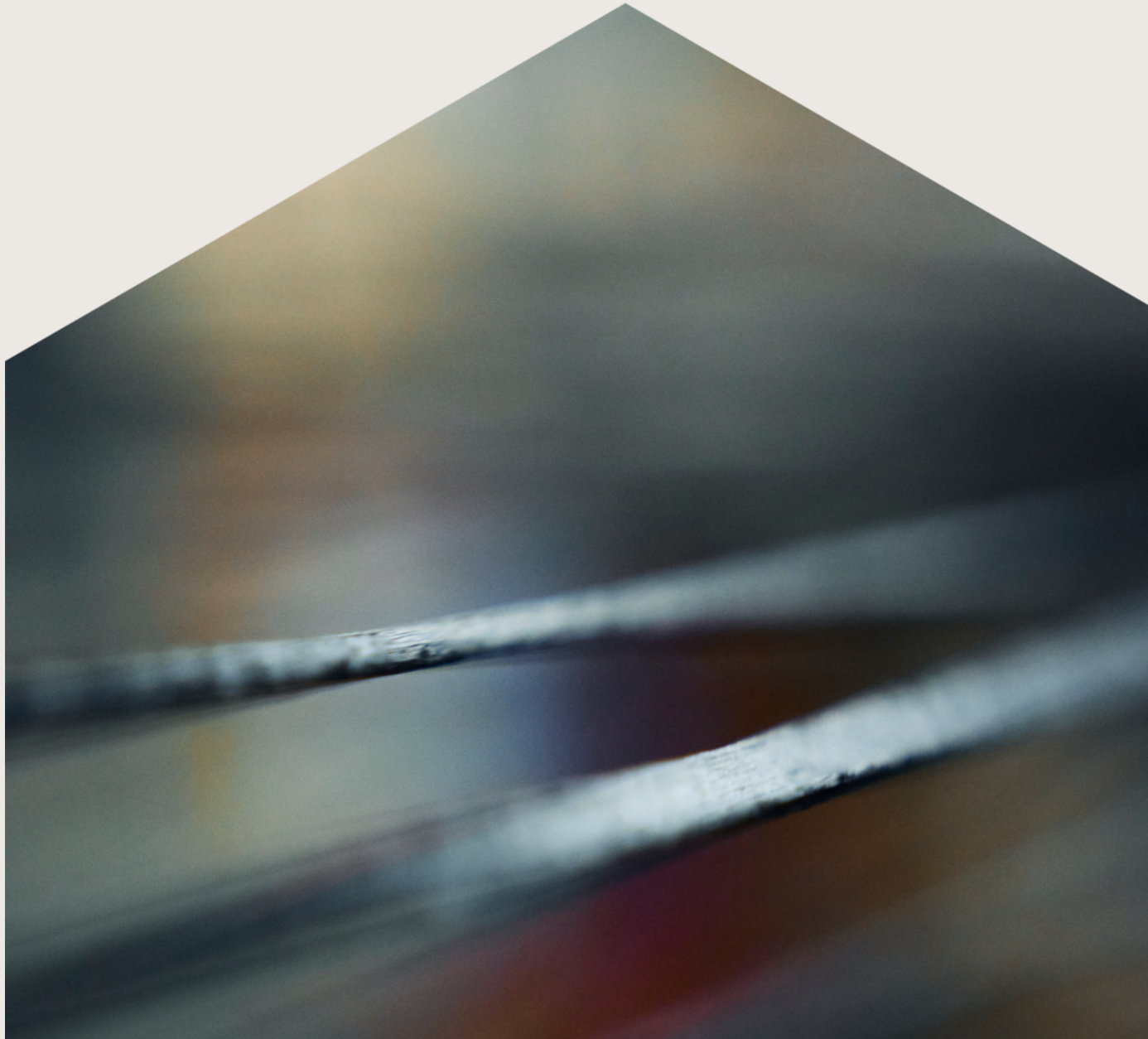
List of data points that derive from other EU legislation



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IRO-2 List of data points that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Material	4
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	4
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	8
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013;Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material	10
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Phased-in, not disclosed in 2024	

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449aRegulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	30
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449aRegulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	36
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	38
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	38
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	38
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	40
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	40

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in, not disclosed in 2024	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)ESRS E1-9Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in, not disclosed in 2024	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in, not disclosed in 2024	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in, not disclosed in 2024	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not Material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	48
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Material	48
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	72
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	72

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS S1-1 rocesses and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	72
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	73
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	80
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Phased-in, not disclosed in 2024	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	79
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	79
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	81
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	81
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	82
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	82
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	82

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	82
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	82
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	85
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EUClimate Law (26) reference	Material/Not material	Page
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material	

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Statsautoriserte revisorer
Ernst & Young AS

Langelandsvegen 1, DaaeGården
6010 Ålesund

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting of Hexagon Composites ASA

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Hexagon Composites ASA (the "Company"), included in Sustainability Statement of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in disclosure ESRS 2 IRO-1 *Material assessment process* and
- compliance of the disclosures in subsection *Statement on EU Taxonomy for sustainable economic activities* within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

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Responsibilities for the Sustainability Statement

The Board of Directors and the Chief Executive Officer (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in disclosure ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- , or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in subsection *Statement on EU Taxonomy for sustainable economic activities* within the environmental section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group's. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in disclosure ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in disclosure ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement];
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Ålesund, 27 March 2025

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The assurance report is signed electronically

Ivar-André Norvik

State Authorised Public Accountant (Norway) - Sustainability Auditor

Statement from the Board of Directors and the Chief Executive Officer

We confirm to the best of our knowledge that:

- the financial statements for the Group and Parent Company for 2024 have been prepared in accordance with applicable accounting standards, and that the information provided in the financial statements gives a true and fair view of the Group's and Parent Company's assets, liabilities, financial position, and financial performance as a whole, and
- the Board of Directors' Report gives a true and fair overview of the Group's and Parent Company's development, profit, and financial position, together with a description of the principal risks and uncertainties that they face, and
- the Board of Directors' Report, where required, is prepared in accordance with the standards for sustainability reporting established pursuant to paragraph 2-6 of the Norwegian Accounting Act, and in accordance with the rules established pursuant to Article 8 (4) of the Taxonomy Regulation.

Omaha (USA), 26 March 2025
The Board of Directors of Hexagon Composites ASA

Knut Flakk
Chair

Kristine Landmark
Deputy chair

Takayuki Tsunashima
Board member

Liv Astri Hovem
Board member

Eva Sagemo
Board member

Sam Gabbita
Board member

Joachim Magnusson
Board member

Philipp Schramm
Chief Executive Officer