

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.

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 following 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 2023, large, listed companies are obliged to report on alignment to the climate change mitigation and climate change adaptation objectives and eligibility for the remaining four 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, e.g., level of CO₂ emissions for the climate change mitigation environmental objective.
- 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, e.g., from the production process or by the product.
- 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 Ragasco and Hexagon Agility under the environmental objective "Climate Change mitigation". For 2023 reporting, taxonomy-eligibility and alignment are not mandatory for Hexagon Digital Wave's activities that fall under the environmental objective "Transition to a circular economy". Due to the deconsolidation of Hexagon Purus on 29 June 2023 and the subsequent presentation of Hexagon Purus as discontinued operations, the

following report does not cover Hexagon Purus' economic activities. Hence, Hexagon Group does not include associates and/or joint ventures into the EU Taxonomy KPIs.

Eligible economic activities in the Hexagon Group

As a world-leading composite cylinder technology developer and manufacturer, and with our purpose of "Driving Energy Transformation", we enable the safe delivery of clean energy in gaseous form to homes and industries, and we decarbonize transportation. The majority of Hexagon's activities are related to the production of composite cylinders. To date we have delivered more than 600 000 high pressure composite cylinders, more than 70 000 fuel systems and more than 20+ million LPG cylinders.

Over the last three years we have worked diligently to assess our products and services in view of the EU Taxonomy;

In 2021, Hexagon made a focused effort to interpret the EU Taxonomy criteria and apply it to its operations – identifying and assessing the eligibility of each of its activities. All our products and services were found to be potentially sustainable under the EU Taxonomy.

In 2022, Hexagon continued its efforts on interpreting the EU Taxonomy and performed a technical screening of all our products and services within Hexagon Agility, Hexagon Ragasco and Hexagon Digital Wave. The screening concluded that Hexagon is well positioned to meet all the relevant technical screening criteria and become environmentally sustainable, however some gaps were identified.

In 2023, Hexagon worked diligently to close the gaps and performed necessary screenings and assessments.

All our products and services in Hexagon Ragasco and Hexagon Agility are deemed eligible under the climate change mitigation objective and all our products and services in Hexagon Digital Wave are deemed eligible under the transition to a circular economy objective. Although it is not mandatory to report eligibility and alignment against the transition to a circular economy objective, we have nevertheless included Hexagon Digital Wave's financial metrics within the Group KPIs. The products and services in this business area are, however, well positioned to meet the alignment criteria in 2024.

The following sections provide an overview of our products and services and how they fit into the economic activities in the EU Taxonomy.

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), Fontana (California, US), Raufoss (Norway) 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 CO₂ 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 enables 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 per cent less than steel tubes, our composite solutions enable customers to deliver more gas and reduce transports 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.

Composite cylinders for cooking, heating and leisure – CCM 3.6. Manufacture of other low carbon technologies

Hexagon Ragasco is the leading manufacturer of composite LPG cylinders worldwide with an industry-leading safety record, certifications in close to 100 countries and millions of cylinders sold worldwide. Our cylinders are designed as the modern alternative to steel cylinders for a variety of applications, both industrial and for home-users or leisure activities. The cylinders' advanced construction with polymeric and composite materials combines uncompromising safety, quality, design and innovation.

Hexagon has assessed Hexagon Ragasco's LPG cylinders 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.

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

Hexagon Digital Wave's product offering consists of MAE testing services and UE machines. MAE 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. Our 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 product and 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.

Due to the requirements for substantial contribution for CE 4.1. Provision of IT/OT data-driven solutions are yet to become effective and endorsed by the EU, it is not mandatory to report on alignment for this activity in 2023. We have therefore considered our MAE and UE business as "not aligned" for 2023, although our products and services are well positioned to meet the alignment criteria in 2024.

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 Ragasco	4	Composite cylinders for cooking, heating and leisure	CCM 3.6. Manufacture of other low carbon technologies	Climate change mitigation
Hexagon Digital Wave	5	Modal Acoustic Emission (MAE) testing	CE 4.1. Provision of IT/OT data-driven solutions	Transition to a circular economy
	6	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 technologies 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 CO₂ emissions of less than half of the reference CO₂ 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 CO₂ emissions. Comparing the on-average negative CO₂ emissions from all natural gas vehicles, with CO₂ 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 CO₂ 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 CO₂ emissions are considered negative, and thus concluded that these vehicles also meet the substantial contribution criteria.

During 2023, Hexagon has performed an assessment of all DNSH criteria at all production sites

for fuel systems in the US and Europe. 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 were exposed to physical climate risk being extreme wind and tornados. To reduce this risk, climate adaptation plans will be developed for the respective sites and implemented within five years in line with the compliance requirements 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. In 2024, we will further work on reducing waste in line with our commitment to “Drive a zero-waste operations culture” and further improve product design and processes to reduce our net environmental impact.

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. The screening did not find our kind of manufacturing activities 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 2024. 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 for 2023, and these activities are thus not taxonomy-aligned in the 2023-reporting.

Composite cylinders for cooking, heating and leisure – CCM 3.6. Manufacture of other low carbon technologies

Hexagon Ragasco is the first gas cylinder producer worldwide to issue an environmental product declaration (EPD) including an LCA for its composite cylinders. Since there is no comparable product on the market, the comparison analysis as per the criteria cannot be performed.

Hexagon Ragasco has thus made a benchmark comparison of its composite cylinders with LPG steel cylinders. In this regard, composite cylinders are assessed to possess unique benefits which lead to emissions reductions, hereof:

- Weight: reduced product weight by approx. 50 per cent compared to traditional steel cylinders, resulting in reduced raw material consumption, reduced carbon emissions during transportation and reduced material for end-of-life handling.
- Materials: composite cylinders have prolonged lifetime in high humidity climates, eliminating the need for refurbishment as required for steel cylinders
- Durability: durable cylinders with a proven lifetime of 20 years.

Additionally, using hydropower-based electricity reduces emissions significantly in the production phase. Hexagon Ragasco’s LCA (ISO 14025) and EPD for its composite cylinders have been verified by the Norwegian research institute SINTEF. As such, the quantified life cycle GHG emissions are considered verified by an independent third party in line with the requirements for substantial contributions.

Hexagon Ragasco are also considered compliant will all DNSH criteria. For DNSH 2 (Climate change adaptation), a physical climate risk and

vulnerability assessment has been performed for Hexagon Ragasco's production site in Raufoss (Norway), where no significant climate risks were identified.

For DNSH 3 (Sustainable use and protection of water and marine resources), environmental degradation risk has been assessed to not represent a risk related to Hexagon Ragasco's production processes. The Norwegian Environment Agency (Miljødirektoratet) has assessed that Hexagon Ragasco does not need concessions related to water because it consumes an insignificant amount of water in their manufacturing processes, and it is in closed loops.

For DNSH 4 (Transition to a circular economy), the criteria are considered met because Hexagon Ragasco uses secondary raw materials in its manufacturing process and ensures the highest possible recycling of internal scrap material into new products. The company also works with suppliers for certain components that use recycled materials and uses spare parts to increase lifetime. The company's R&D projects aim at the further implementation of a circular economy by

improvement of product durability at the design level, damage detection technologies, increased lifetime, recycling for composite material and waste. The company is working also on improving traceability and has also set a target to achieve zero composites waste going to disposal within 2026.

For DNSH 5 (Pollution prevention and control), the criteria is considered met as REACH regulations are implemented into Norwegian laws that Hexagon Ragasco complies with.

For DNSH 6 (Protection and restoration of biodiversity and ecosystems), a screening has been performed to assess whether the production of composites cylinders for cooking and heating or composite cylinders for leisure are activities listed in Annex II to the EU Directive 2011/92/EU. The screening did not find this activity (or potentially similar activities) in the list of activities required to perform an EIA. Thus, a screening was performed which found that there was no need for an EIA¹. (Since the production is placed in Norway, the production in Raufoss is obliged to

follow national laws, including any requirements to perform an EIA.)

Conclusion

Substantial contribution criteria and DNSH criteria are all considered met and Hexagon Ragasco's activities are thus considered taxonomy-aligned when taking into account compliance with the minimum safeguard's requirements, see separate section.

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

Although the substantial contribution criteria for the economic activity under CE 4.1 Provision of IT/OT data-driven solutions are outlined (see also section on eligibility above), not all DNSH criteria for this economic activity were outlined and made effective for the 2023 reporting. As such, it is not mandatory to report on alignment for this activity in 2023, and Hexagon has on a voluntary basis presented the financial KPIs associated with Hexagon Digital Waves products and services as eligible but "not-aligned". Hexagon Digital

Waves products and services are however well positioned to meet the alignment criteria in 2024.

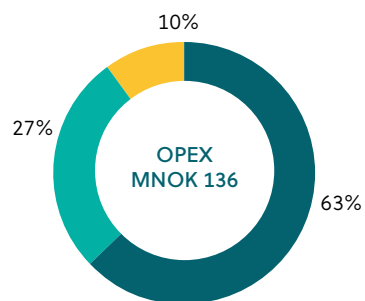
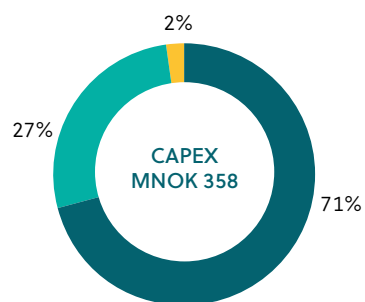
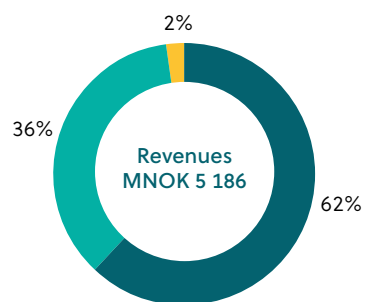
Meeting the "Minimum safeguards" criteria

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"².

Based on the criteria defined by this report, we define ourselves as aligned with the minimum safeguards. For a full overview of Hexagon's assessments, please refer to the document: Minimum safeguards reporting under the EU Taxonomy on our website.

¹ According to FAQ (ref. EU Taxonomy Navigator, FAQ published Oct, 23). "Therefore, there is no need for an EIA in every case. The requirement in the criteria is to go through the process to determine whether there is need for an EIA – "An Environmental Impact Assessment (EIA) or screening has been completed in accordance with Directive 2011/92/EU". If the screening has been done and the conclusion is that no EIA is needed, this part of the requirement is met."

² Report published by The EU platform on sustainable finance, October 2022



- Aligned
- Eligible, but not aligned
- Non-eligible

Key performance indicators

The EU Taxonomy defines sales revenues, capital expenditure and operating expenditure as the key performance indicators that must be reported on. The pie charts show the Group’s eligible and aligned KPIs for Revenues, CAPEX and OPEX for 2023. The tables required by the EU Taxonomy are included at the end of the section.

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 5 186 million for the fiscal year 2023. Of this total, NOK 5 101 million, or 98% of Group revenues, was attributed to taxonomy-eligible activities. Of the total taxonomy-eligible revenues, NOK 3 212 million, or 62%, meet the technical screening criteria for substantial contribution. Taking into account the DNSH and the minimum safeguards criteria, NOK 3 212 million, or 62%, of the Group’s total revenues was also considered taxonomy-aligned. Of this total, all of Hexagon Ragasco’s revenues, and 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.

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 2 536 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 2023. Revenues generated from Mobile Pipeline modules and Type 4 high-pressure cylinders amounted to NOK 1 727 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 2023. 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.

Within Hexagon Ragasco, revenues have been allocated to economic activity “3.6. Manufacture of other low carbon technologies”, which requires a formal and third-party verified life cycle assessment (LCA) to meet the technical screening requirements. Hexagon Ragasco is the first gas cylinder producer worldwide to issue an environmental product declaration (EPD) including an LCA for its composite cylinders. As a result of this, and the business’ compliance with all DNSH criteria, all of Hexagon Ragasco’s NOK 675 million eligible revenues are also considered taxonomy aligned.

Hexagon Digital Wave’s product offering has been allocated to the environmental objective “Transition to a circular economy”. As the regulations for technical screening and DNSH within this objective are yet to be finalized and become effective by the EU, alignment reporting for Hexagon Digital Wave is not required. Due to this, Hexagon Digital Wave’s key performance indicators are all presented as non-aligned. NOK 162 million of Hexagon Digital Wave’s revenues are however considered taxonomy eligible, which is viewed as a good foundation for future alignment for this business.

Revenues 2023

Economic activities	Environmental objective	Revenues		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned revenues	
		NOK million	% ¹⁾	NOK million	% ¹⁾	Y/N	Y/N	NOK million	% ¹⁾
A. TAXONOMY-ELIGIBLE ACTIVITIES		5 101	98%	3 212	62%	Y/N	Y	3 212	62%
Hexagon Agility	Climate change mitigation	4 263	82%	2 536	49%	Y	Y	2 536	49%
3.3. Manufacture of low carbon technologies for transport		2 536	49%	2 536	49%	Y	Y	2 536	49%
3.6. Manufacture of other low carbon technologies		1 727	33%	0	0%	Y	Y	0	0%
Hexagon Ragasco	Climate change mitigation	675	13%	675	13%	Y	Y	675	13%
3.6. Manufacture of other low carbon technologies		675	13%	675	13%	Y	Y	675	13%
Hexagon Digital Wave	Transition to a circular economy	162	3%	0	0%	N	Y	0	0%
4.1. Provision of IT/OT data-driven solutions		162	3%	0	0%	N	Y	0	0%
B. Taxonomy-non-eligible activities		86	2%						
TOTAL (A + B)		5 186	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 2023 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 2023, additions in the Hexagon Group as defined above amounted to:

- NOK 229 million from property, plant and equipment,
- NOK 24 million from intangible assets, and
- NOK 105 million from right-of-use assets.

Total capital expenditure to be included in accordance with the EU Taxonomy therefore amounted to NOK 358 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. Capital expenditure in non-operating and holding entities have all been considered non-eligible.

Taxonomy eligible capital expenditure amounted to NOK 349 million, representing 98 per cent of

the Group's total capital expenditure in 2023. Of this amount, Hexagon Agility's capital expenditure within its fuel systems business and all of Hexagon Ragasco's capital expenditure meet the substantial contribution criteria, totaling NOK 254 million, or 71 per cent. 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 criteria in 2023.

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 185 million, as well as Hexagon Ragasco's capital expenditure of NOK 69 million was deemed taxonomy-aligned. This represented 71 per cent of total capital expenditure and was

largely related to investments in property, plant and equipment.

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

Capital expenditure 2023

Economic activities	Environmental objective	Revenues		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned capital expenditure	
		NOK million	% ¹⁾	NOK million	% ¹⁾	Y/N	Y/N	NOK million	% ¹⁾
A. TAXONOMY-ELIGIBLE ACTIVITIES		349	98%	254	71%	Y/N	Y	254	71%
Hexagon Agility	Climate change mitigation	262	73%	185	52%	Y	Y	185	52%
3.3. Manufacture of low carbon technologies for transport		185	52%	185	52%	Y	Y	185	52%
3.6. Manufacture of other low carbon technologies		77	22%	0	0%	Y	Y	0	0%
Hexagon Ragasco	Climate change mitigation	69	19%	69	19%	Y	Y	69	19%
3.6. Manufacture of other low carbon technologies		69	19%	69	19%	Y	Y	69	19%
Hexagon Digital Wave	Transition to a circular economy	18	5%	0	0%	N	Y	0	0%
4.1. Provision of IT/OT data-driven solutions		18	5%	0	0%	N	Y	0	0%
B. Taxonomy-non-eligible activities		9	2%						
TOTAL (A + B)		358	100%						

¹⁾ All percentages relate to the Group's total capital expenditure.

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.

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 90 per cent, for a total of NOK 122 million. NOK 86 million, or 63 per cent, meet the substantial contribution criteria, and NOK 86 million, or 63 per cent, 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 table below.

Operating expenditure 2023

Economic activities	Environmental objective	Operating expenditure		Compliance with substantial contribution criteria		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned operating expenditure	
		NOK million	% ¹⁾	NOK million	% ¹⁾	Y/N	Y/N	NOK million	% ¹⁾
A. TAXONOMY-ELIGIBLE ACTIVITIES		122	90%	86	63%	Y/N	Y	86	63%
Hexagon Agility	Climate change mitigation	79	59%	46	34%	Y	Y	46	34%
3.3. Manufacture of low carbon technologies for transport		46	34%	46	34%	Y	Y	46	34%
3.6. Manufacture of other low carbon technologies		33	25%	0	0%	Y	Y	0	0%
Hexagon Ragasco	Climate change mitigation	40	29%	40	29%	Y	Y	40	29%
3.6. Manufacture of other low carbon technologies		40	29%	40	29%	Y	Y	40	29%
Hexagon Digital Wave	Transition to a circular economy	3	2%	0	0%	N	Y	0	0%
4.1. Provision of IT/OT data-driven solutions		3	2%	0	0%	N	Y	0	0%
B. Taxonomy-non-eligible activities		14	10%						
TOTAL (A + B)		136	100%						

¹⁾ All percentages relate to the Group's total operating 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 2023

Financial year N	2023		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)(h)							Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	Turnover MNOK (3)w	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)		
Economic activities (1)																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmental sustainable activities (Taxonomy-aligned)																		
Manufacture of low carbon technologies for transport	CCM 3.3	2 536	49%	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	675	13%	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))		3 212	62%	62%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y		
<i>Of which enabling</i>		3 212	62%	62%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y		E
<i>Of which transitional</i>		-	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	33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Provision of IT/OT data-driven solutions	CE 4.1	162	3%	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	36%	33%	0%	0%	0%	3%	0%									
A. Turnover of Taxonomy eligible activities (A.1+A.2)		5 101	98%	95%	0%	0%	0%	3%	0%									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities		86	2%															
TOTAL		5 186	100%															

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year N	2023		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)(h)							Category (enabling activity or) (19)	Category (transitional activity) (20)	
	Code (a) (2)	Turnover MNOK (3)w	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (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)
Economic activities (1)																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	185	52%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	Y	E	
Manufacture of other low carbon technologies	CCM 3.6	69	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	Y	E	
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1))		254	71%	71%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	Y		
<i>Of which enabling</i>		254	71%	71%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	Y	E	
<i>Of which transitional</i>		-	0%							N/A	Y	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	77	21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	18	5%	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)		95	26%	21%	0%	0%	0%	5%	0%										
A. CapEx of Taxonomy eligible activities (A.1+A.2)		349	98%	93%	0%	0%	0%	5%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		9	2%																
TOTAL		358	100%																

Proportion of operating expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year N	2023		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)(h)							Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	Turnover MNOK (3)w	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)		
Economic activities (1)																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmental sustainable activities (Taxonomy-aligned)																		
Manufacture of low carbon technologies for transport	CCM 3.3	46	34%	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	40	29%	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))		86	63%	63%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y		
<i>Of which enabling</i>		86	63%	63%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y		E
<i>Of which transitional</i>		-	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	24%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Provision of IT/OT data-driven solutions	CE 4.1	3	2%	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	26%	24%	0%	0%	0%	2%	0%									
A. OpEx of Taxonomy eligible activities (A.1+A.2)		122	90%	88%	0%	0%	0%	2%	0%									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-non-eligible activities		14	10%															
TOTAL		136	100%															