

Transparency Act Statement 2023

1 Introduction and background

The Norwegian Transparency Act was entered into force on 1 July 2022. The act places stricter requirements on companies' transparency and work with basic human rights¹ and decent working conditions², also called social sustainability. In addition to focusing on internal processes, the Transparency Act requires companies to be observant of the same topics in the supply chain³ and by business partners⁴, and requires companies to comply with the OECD Guidelines for Multinational Enterprises. Moreover, the act calls for public availability of information regarding how businesses deal with any negative consequences relating to basic human rights and decent working conditions. This statement constitutes Hexagon Group's fulfillment of its obligations under the Transparency Act for financial year 2023.

¹ Basic or fundamental human rights is meant to refer to the internationally recognized human rights that follow from, among other things, the UN Convention on Economic, Social and Cultural Rights from 1966, the UN Convention on Civil and Political Rights from 1966 and the ILO's core conventions on fundamental rights and principles in working life.

² Decent working conditions is meant to refer to work that safeguard basic human rights in addition to health, environment and safety in the workplace, and that provides a living wage.

³ Supply chain is meant to refer to anyone in the chain of suppliers and subcontractors who supply or produce goods, services or other input factors that are included in a company's provision of services or production of goods from the raw material stage to the finished product.

⁴ Business partner is meant to refer to anyone who supplies goods or services directly to the business, but who is not part of the supply chain.

1.1 Contact details

Any questions related to this Transparency Act Statement from the Hexagon Group, can be directed to:

Ashley Remillard,
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legal@hexagongroup.com

1.2 Reporting requirements

Hexagon Composites ASA is the Norwegian parent company in the Hexagon Group and headquartered in Ålesund, Norway. We are listed on Oslo Børs under the ticker HEX. This Transparency Act Statement covers the whole of the Hexagon Group as consolidated at the end of 2023 with its international operations.

The following key numbers are relevant for the assessment of reporting requirements:

| Amounts in NOK million | 2023 | 2022 |
|------------------------|-------|-------|
| Sales revenues | 5 186 | 4 303 |
| Total assets | 6 428 | 7 904 |
| Number of employees | 1 149 | 1 181 |

Historical sales revenues and numbers of employees for the Group have been re-presented due to the classification of Hexagon Purus as discontinued operations following the deconsolidation effective as of 29 June 2023.

The Hexagon Group, with its parent company and subsidiaries, is well above the threshold values for being obliged to report under the Transparency Act §2 and §3.

2 About Hexagon Group

Hexagon is a world leader in composite cylinder technology, enabling the safe delivery of clean energy. From our headquarters in Ålesund, Norway, we manage international offices, production sites, and engineering hubs in 23 locations across Europe, Asia and the Americas.

Hexagon Group has a global management team headed by CEO & President Jon Erik Engeset (<https://hexagongroup.com/management>). The Board of Directors is chaired by Knut Flakk (<https://hexagongroup.com/board-of-directors>).

2.1 Organization and business areas

Hexagon is comprised of three business areas, all related to the provision of alternative energy solutions. All three business areas are 100% owned by Hexagon Composites ASA. Hexagon Purus ASA was deconsolidated from Hexagon Group as from 29 June 2023. Hexagon Purus will be releasing its own Transparency Act Statement in 2023.

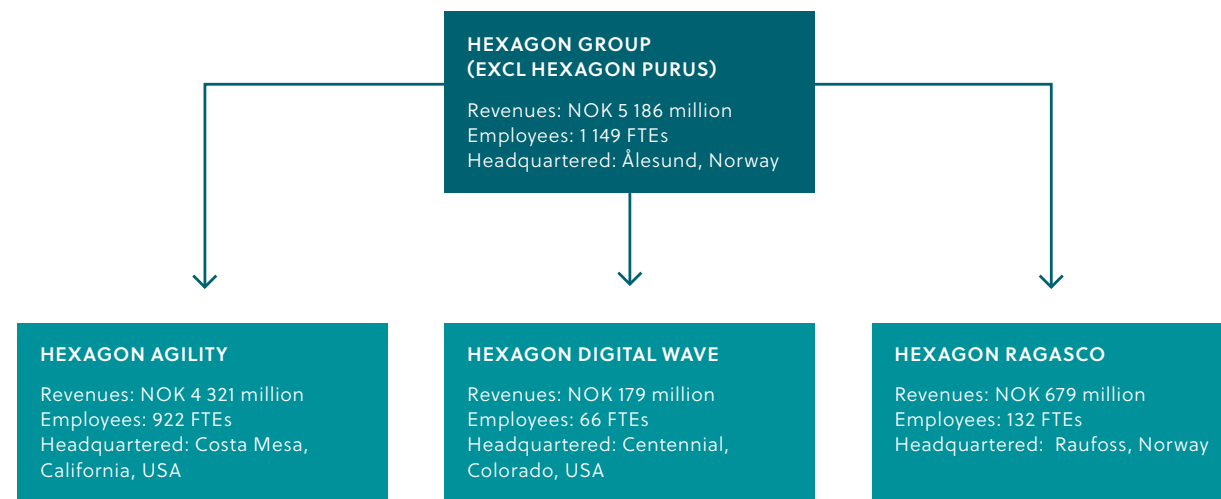
2.1.1 Hexagon Agility

Hexagon Agility has three major business segments or units. The first is Commercial Vehicles, which delivers high-pressure biogas and natural gas cylinders as part of complete fuel systems for

medium and heavy-duty vehicles. The Mobile Pipeline business provides solutions for industry, while the Field Service business provides services, maintenance and sustainable lifetime solutions. Hexagon Agility is a global leader of (renewable) natural gas fuel systems and delivery solutions for the mobility market.

Hexagon Agility offers a wide range of clean fuel solutions for commercial vehicles and gaseous energy transportation. The use of Type 4 composite cylinders enables the lightest and longest-range alternative in the industry. All our solutions are available for immediate deployment. With more than 70,000 commercial vehicles deployed, logging billions of miles, our solutions are driving global decarbonization.

Access to clean energy is vital to reduce carbon emissions. Our gas distribution solutions have the largest transport capacity worldwide and enable the safe transport of CNG, RNG, hydrogen or other industrial gases by truck, marine vessel, or rail - allowing users lacking pipeline infrastructure to reduce energy costs and greenhouse gas emissions quickly and efficiently.



Our solutions are fit for several purposes, from energy-intensive operations, industrial gas users, and producers of RNG, to fleet operators seeking to accelerate the deployment of alternatively fueled vehicles.

Hexagon Agility, with its 922 employees, has presence with offices and production sites in the USA, Canada, Norway, Germany and Latin America, as well as global customer support.

2.1.2 Hexagon Digital Wave

Hexagon Digital Wave is the global leader in innovative cylinder testing and monitoring technology, offering solutions that reduce down-time and inspection costs, while improving inspection accuracy.

With applications worldwide, Hexagon Digital Wave serves government entities, academic institutes, and private clients in the compressed gas and pressure vessel industries.

Digital Wave is located in Centennial, Colorado with 66 employees.

2.1.3 Hexagon Ragasco

Hexagon Ragasco is the world's leading manufacturer of light-weight composite LPG cylinders for domestic, leisure and industrial applications, with more than 20 million units in use worldwide. Introduced in the year 2000, Hexagon Ragasco's composite cylinder has been a game changer in the LPG industry. Over the 20 years since the start, our LPG cylinders have been sold to nearly 100 countries worldwide. Our LPG cylinders offer significant advantages to LPG marketers and end-users alike.

Our high-volume highly automated production facility is located in Raufoss, Norway and is the most advanced of its kind worldwide. Hexagon Ragasco has presence with sales hubs in Oslo, in addition to Chile, Singapore, and Heath, Ohio, USA, as well as a dormant sales representation in Russia. Hexagon Ragasco has in total 132 employees, with the majority located in Raufoss.

2.1.4 Hexagon Purus

Hexagon Purus is a leading global provider of technology needed for zero emission mobility. Hexagon Purus is accelerating the energy

transition by providing Type 4 high-pressure composite cylinders and systems for the storage and transportation of compressed hydrogen, as well as complete vehicle systems and battery packs for fuel cell and battery electric vehicles.

2.1.5 Corporate functions

Hexagon's corporate functions add up to 29 employees located in Norway (Ålesund and Oslo) and in the USA (Lincoln, NE, Costa Mesa, CA and remote work).

2.2 Internal policies and guidelines

According to the Transparency Act, the business is obliged to embed accountability for basic human rights and decent working conditions in the company's guidelines.¹

In general terms, Hexagon fulfils its corporate responsibilities by developing and running its operations profitably and in a manner that conforms with fundamental ethical values and respect for individual people, society and the environment as a whole. 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.

Hexagon respects internationally recognised human rights as set out in the International Bill of Human Rights and the ILO Core Conventions. Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights and is consolidated in our Policy on Human Rights and Working Conditions. We have policies that state a clear prohibition against child labour and forced labour, discrimination and outline our respect for the right to collective bargaining.

The following guidelines are particularly relevant for the purpose:

- Hexagon Code of Conduct
- Environment, Health and Safety Policy
- Policy on Human Rights and Working Conditions
- Diversity and Inclusion Policy
- Supplier Code of Conduct
- Supplier Management Policy
- Anti-Corruption Policy and Guidelines
- Whistleblowing Policy

All policies and guidelines can be found on www.hexagongroup.com. The policies apply to all branches of our organisation.

The policies have been approved by the Hexagon Composites' Board of Directors and/or our corporate management team and our Governance steering committee, as appropriate. We communicate the policies internally and externally and update them regularly as needed.

Within Hexagon, human rights and decent working conditions are the responsibility of the "Governance-Team", a team headed by our legal group and with representatives from all business areas. The Governance Team is responsible for governance-based policies. We perform periodic group-wide risk assessments that consider relevant human rights risks. The risk assessments are presented to the Hexagon Composites' Board of Directors, and where any high-risk areas are identified, relevant action items are accordingly established to mitigate the risk.

2.3 Extracts from internal policies

The Hexagon Policy on Human Rights and Working Conditions applies to all:

- Hexagon employees worldwide

¹ The Transparency Act, §4, subsection 1, letter a.

- Suppliers and participants within our supply chain
- Anyone doing business for or with Hexagon and others acting on Hexagon's behalf
- All locations where Hexagon conducts business.

2.3.1 Child labour or forced labour

Hexagon does not tolerate the use of child labour or forced or involuntary labour of any kind from any partner, supplier or third party at any level of its supply chain. Hexagon does not engage in or tolerate human trafficking or any form of physical or mental coercion, including threatened restrictions on movement, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage or any other kind of exploitation or abuse.

2.3.2 Working hours and leave

Hexagon follows all applicable laws regarding working hours and overtime pay and conducts operations in ways that limit overtime to levels that ensure humane and productive working conditions. Hexagon complies with all requirements relating to paid time off, annual leave, sick leave or parental leave, as required by applicable laws.

2.3.3 Wages and benefits

Hexagon pays all of its employees and workers at least the minimum legal wage. Hexagon provides its employees with benefits that comply with applicable laws and any applicable collective bargaining agreements. Information provided to workers and employees regarding wages and benefits is in a form that is easily understandable. Hexagon strives to adopt and promote wage progression structures that enable and promote career advancement.

2.3.4 Freedom of association and collective bargaining

Hexagon respects workers' rights relating to freedom of association, collective bargaining, and peaceful assembly across its supply chain. In cases where local laws restrict the right to freedom of association and collective bargaining, Hexagon allows alternative forms of worker representation, association and bargaining, provided, however, that such alternatives comply with the requirements of the covenants and conventions listed above.

2.3.5 Grievance System

Hexagon ensures that workers 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 whistle-blower channel is managed by an independent third party, and available in four languages through Hexagon's internal channels and the company's website.

2.3.6 Equal opportunities / Diversity and inclusion

Hexagon shall

- Promote and build a diverse workforce
- Foster a culture of inclusion by respecting the dignity of all people from all backgrounds
- Embrace the benefits of diversity and inclusion so that employees use their unique experiences to create a better and more equitable work environment
- Identify and address systemic barriers that could hinder employees from reaching their full potential
- Conduct our business in accordance with the International Labour Organization (ILO)

Convention on Discrimination and other internationally recognized standards

- Develop diversity and inclusion training programs
- Define and develop data to measure, track and promote continuous diversity and inclusion improvements
- Encourage all employees to support all Hexagon diversity and inclusion initiatives and goals

2.3.7 Health and safety

Hexagon is dedicated to prioritizing environment, health and safety by developing and maintaining tools and procedures that equal or exceed industry best practices. To ensure that we meet this objective, Hexagon will strive to:

- Develop policies, programs, and procedures to ensure compliance with applicable laws and regulations and drive continuous performance improvement.
- Ensure that employees are properly trained and provided with appropriate safety and emergency equipment.
- Ensure that all work activities are done safely by taking action to eliminate unsafe acts and conditions that endanger our employees' health, safety, or the environment.

3 Targets and progression

According to the Transparency Act, the business is obliged to implement suitable measures to stop, prevent or limit negative consequences based on the company's priorities and assessments made, in addition to monitor the implementation and results of the measures taken.¹

Hexagon works continuously to assess the risk in its own activities and the use of suppliers and partners. We implement measures to reach the goals we have set ourselves. In 2022 and 2023, the major area in focus has been to have all relevant policies in place, to structure the process of reporting and monitoring risk, in addition to accomplishing the first human rights due diligence. The policies are published on www.hexagongroup.com and the relevant reports released in 2023 as part of Hexagon's annual reporting.

3.1 Targets for the next year

While we had no specific human rights concerns raised in 2022 and 2023, we continue to work towards improving our policies and practices to actively mitigate any potential human rights risks we may identify. If any adverse human rights impacts are identified in our own operations or across our business relationships, we remain committed to transparently communicating these impacts, working to provide appropriate remedies to affected stakeholders, and updating our current policies and procedures to avoid future negative impacts.

The next year, we will initiate a process to develop tools for a due diligence process related to tier two suppliers and beyond as deemed necessary. In addition, we will proceed by extending our due diligence processes to include all business areas of the group.

¹ The Transparency Act, §4, subsection 1, letter c. and d.

4 Due Diligence Assessments

According to the Transparency Act, the business is obliged to survey and assess actual and potential negative consequences for basic human rights and decent working conditions that the business has either caused or contributed to, or that are directly linked to the business, products or services through supply chains or business partners.¹

Hexagon has released an annual sustainability report since 2019. For this purpose, we have been working on developing our methodology to also evaluate risks in our supply chain. In the preparation for CSRD² coming into force from the 2024-reporting, we are also further developing systems and solutions to collect and analyse information related to our sourcing.

4.1 Due diligence of supply chain and partners, methodology

Hexagon's business relationships are governed by the Supplier Code of Conduct. The Code is available at Hexagon's website (<https://hexagongroup.com/sustainability/esg-resources>).

Due diligence responsibilities are placed throughout our operational structure, with

ultimate responsibility for human rights due diligence seated in the Governance Team, but with additional human rights due diligence responsibilities placed within each business area.

The Supplier Code of Conduct includes specific provisions related to human rights and working conditions, working hours and leave, wages and benefits, non-discrimination, fair treatment, and the absence of child and forced labour. The Supplier Code of Conduct is explicitly included in contractual terms and conditions with our business partners. We reserve the right to require suppliers to provide evidence of compliance and, should adverse human rights impacts be identified, and if no other mitigative measures succeed, Hexagon maintains the ability to immediately terminate the business relationship and is committed to notifying relevant authorities of the violation and being involved with necessary remediation processes.

Hexagon is committed to understanding and addressing human rights risks that exist throughout the value chain. Hexagon performs periodic due diligence assessments of its key suppliers

to identify and evaluate whether risks to human rights exist and if so, what actions must be taken to address and mitigate such risks. The due diligence methodology involves multiple steps to map human rights risks across the many countries in which Hexagon does business.

For procurement, Hexagon performs a mapping of key human rights and ESG risks in our supply chain together with other qualitative and quantitative assessments of suppliers. Hexagon Agility and Hexagon Ragasco are both utilizing questionnaires and scorecards to identify and recognize those suppliers who embody our ESG values. The questionnaires and scorecards are slightly different in the two business areas to ensure adaptation to the business activities.

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. Prior to engaging with a new business partner, Hexagon utilizes a supplier questionnaire and scorecard to identify overall supplier risk and decides whether additional due

diligence needs to be undertaken regarding any particularly relevant risk. Among other sustainability measures, this questionnaire looks at whether suppliers have an active human rights policy in place.

Using reputable human rights indices, Hexagon identifies suppliers located in geographic regions where a likelihood exists of a possible adverse human rights impact. Hexagon then 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.

In Hexagon Agility and Hexagon Ragasco, we have also started further direct engagements with high-impact suppliers to better understand their ESG risks and mitigating activities. This work will continue in 2024. Hexagon Agility will also implement the ESG supplier management

¹ The Transparency Act, §4, subsection 1, letter b.

² CSRD: Corporate Sustainability Report Directive

platform, EcoVadis. Hexagon Agility will utilize EcoVadis to develop both a minimum acceptable score and a corrective action plan for any contracted suppliers not meeting our minimum requirements.

4.1.1 Country risk assessment

The country risk assessment is based on the **ITUC Global Rights Index 2023**.¹ The ITUC Global Rights Index indicates a general country risk for workers by rating 149 countries on a scale from 1 to 5+ on the degree of respect for workers' rights. The ITUC documents violations of internationally recognised collective labour rights by governments and employers.

The Index gives a rating from 1 to 5+, with these interpretations:

- **Index=1: Sporadic violations of rights;** Collective labour rights are generally guaranteed. Workers can freely associate and defend their rights collectively with the government and/or companies and can improve their working conditions through collective bargaining. Violations against workers are not absent but do not occur on a regular basis.
- **Index=2: Repeated violations of rights;** Countries with a rating of 2 have slightly

weaker collective labour rights than those with the rating 1. Certain rights have come under repeated attacks by governments and/or companies and have undermined the struggle for better working conditions.

- **Index=3: Regular violations of rights;** Governments and/or companies are regularly interfering in collective labour rights or are failing to fully guarantee important aspects of these rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.
- **Index=4: Systematic violations of rights;** Workers in countries with the rating 4 have reported systematic violations. The government and/or companies are engaged in serious efforts to crush the collective voice of workers, putting fundamental rights under threat.
- **Index=5: No guarantee of rights;** Countries with the rating of 5 are the worst countries in the world to work in. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.

- **Index=5+: No guarantee of rights due to the breakdown of the rule of law;** Workers in countries with the rating 5+ have equally limited rights as countries with the rating 5. However, in countries with the rating 5+, this is linked to dysfunctional institutions as a result of internal conflict and/or military occupation. In such cases, the country is assigned the rating of 5+ by default.

4.1.2 Overview of suppliers and business partners

For the reporting in 2023, Hexagon limits the mapping to first-tier suppliers and collaboration partners. We are working continuously on improving and reporting within this area.

Hexagon has had relationships with more than

860 first-tier suppliers and collaboration partners in the reporting year. We are applying a risk-based approach, and therefore we categorize the suppliers using the ITUC Global Rights Index 2023 Index.

This overview gives an impression of where we are actually sourcing from, including these countries' assumed risk as identified by the Global Rights (GRI) Index. Country risk using this index is an indication of risk. A high-risk score for a specific country, for instance like GRI index 4 for the USA, doesn't necessarily imply the corresponding risk for our specific supplier. This must be – and are – assessed individually. We are making selections of sourcing categories out of this total sourcing base where we consider the potential risk to be the highest. But with more than 50% of

| Global Right Index 2023 | Σ of Hexagon Group | | |
|--|----------------------------|-------------------|-----------------|
| | # of active suppliers 2023 | Spend 2023 (MNOK) | % of spend 2023 |
| 5+: No guarantee of rights due to the breakdown of the rule of law | N/A | N/A | N/A |
| 5: No guarantee of rights | < 10 | 354 | 13% |
| 4: Systematic violations of rights | > 370 | 1 096 | 41% |
| 3: Regular violations of rights | < 20 | 100 | 4% |
| 2: Repeated violations of rights | < 15 | 590 | 22% |
| 1: Sporadic violations of rights | > 450 | 515 | 19% |
| No score available | 5 | 2 | <1% |

¹ The GRI 2023 is published here: <https://www.globalrightsindex.org/en/2023>

our annual spend in countries where violation of rights is generally frequently observed, we need to focus on the implied risk in our business.

From the due diligence processes actually performed, we conclude there is a lower actual risk in our supply chain than what could have been the case from the general GRI Index.

4.1.3 Prioritized sourcing categories

The US Governmental Bureau of International Labour Affairs (ILAB) maintains a list of goods and their source countries which it has reason to believe are produced by child labour or forced labour in violation of international standards, as required under the Trafficking Victims Protection Reauthorization Act (TVPRA) of 2005 and subsequent reauthorizations. The List of Goods Produced by Child Labour or Forced Labour comprises 159 goods from 78 countries and areas, as of 28 September 2022. We are also using this approach as a reference for us to make a risk assessment of Hexagon sourcing categories.

Hexagon is sourcing a wide range of materials and services with the volume concentrated to North America, Europe and Asia. We have chosen to concentrate our assessment on human rights and decent working conditions to the sourcing categories being the most important in volume

and amount for the group, and with the assumed highest potential of risk.

The sourcing categories in focus are:

| | | Assumed risk of violating rights | |
|-----------------------------------|--------|---|---|
| | | Lower | Higher |
| Level of importance for the Group | Higher | <ul style="list-style-type: none"> • Carbon Fiber • Fiberglass • Plastics/HDPE • Resin • Wire electrical • Paint • Steel | <ul style="list-style-type: none"> • Aluminium • Flow components/valves |
| | Lower | | <ul style="list-style-type: none"> • Copper • Brass |

When making the risk assessment for different sourcing categories, this is a combination of the assumed risk related to the supplier, and the assumed risk related to the material or process as such. In general, based on our actual due diligence of suppliers, our suppliers' risk is lower than the assumed risk set forth above.

Our ambition for the periods to come will be to improve our due diligence processes related to tier two and beyond, with the intention to uncover any risks involved.

4.1.4 Stakeholders at risk

As part of our assessment, we are identifying which stakeholders may be exposed to breach of human rights and/or working conditions not being decent. We are assuming the stakeholder groups listed below to be the most relevant.

| | | Level of influence on rights violations | |
|--------------------------------------|--------|--|---|
| | | Lower | Higher |
| Level of interest in violated rights | Higher | <ul style="list-style-type: none"> • Children • Women • Minorities • Migrants • Temporary workers | <ul style="list-style-type: none"> • Factory / Production workers • Local communities |
| | Lower | | |

In our due diligence processes so far, our major focus has been on the potential risk of child labour and any kind of forced labour. This is not coming from an assumption that this is the most probable finding, but rather from the severe importance for each child and individual from any such violation of rights. No such cases are identified anywhere in our sourcing chain.

4.1.5 Saliency assessment

Hexagon has performed a saliency assessment to identify any relationships or issues which stands out as particularly important or noticeable. The assessment is based on the factors of likelihood and severity.

- Likelihood is measured by how likely the impact is to occur.
- Severity is measured by a combination of the dimensions
 - scale (how serious),
 - scope (how many impacted), and
 - remediability (ease of correction).

From this basis a discretionary overall assessment is made to identify the risk. Action items are formulated as necessary to address any suppliers identified as at a high risk of human rights or working conditions violations. Hexagon will further develop the methodology of the saliency assessment and continue with these due

diligence efforts on a regular basis. Hexagon did not identify any suppliers with a high risk of human rights violations.

4.1.6 Business areas

The business areas in Hexagon are sourcing different categories of materials and performing slightly different due diligence processes of their suppliers. Hence, the assessment from a group perspective is separated into segments.

4.2 Due diligence in Hexagon Agility

4.2.1 Hexagon Agility's sourcing chain and business partners

In Hexagon Agility, there is a target of establishing and refining a preferred supplier program within Agility to measure our supply base across 10 specific metrics including ESG. The new supplier selection process will focus on compliance with our Supplier Code of Conduct.

In Hexagon Agility, we are working on introducing EcoVadis as a common solution. EcoVadis is a globally recognized assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. The plan is to establish a minimum EcoVadis score in advance of any new business awards, as well as developing both a minimum acceptable score and a corrective action plan for

| Hexagon Agility – Global Right Index 2023 | Country | Sourcing categories | # of active suppliers 2023 | % of spend 2023 |
|---|--------------------|---|----------------------------|-----------------|
| 5: No guarantee of rights | Colombia | | < 5 | < 1% |
| | China | Fiber glas | < 5 | < 1% |
| | Bahrain | Fiber glas | < 5 | < 1% |
| | South Korea | Carbon Fiber | < 5 | 14% |
| 4: Systematic violations of rights | USA | Widespread range of sourcing categories | 171 | 45% |
| | United Kingdom | | < 5 | < 1% |
| 3: Regular violations of rights | Canada | Widespread range of sourcing categories | 15 | < 5% |
| | Belgium | | < 5 | < 1% |
| | Poland | | < 5 | < 1% |
| 2: Repeated violations of rights | France | Carbon fiber | < 5 | 12% |
| | Switzerland | | < 5 | 1% |
| | The Netherlands | | < 5 | < 1% |
| | Czech Republic | | < 5 | < 1% |
| | New Zealand | | < 5 | 1% |
| | Japan | Carbon Fiber | < 5 | 10% |
| | Germany | | 323 | 9% |
| 1: Sporadic violations of rights | Austria | | < 5 | 1% |
| | Italy | | 5 | 2% |
| | Norway | Widespread range of sourcing categories | 20 | 2% |
| | Sweden | | < 5 | < 1% |
| | No score available | Luxembourg | | 5 |

any already contracted suppliers not meeting our minimum requirements.

4.2.2 Findings in Hexagon Agility

There are no findings of violations of human rights or decent working conditions within the supply chain of Hexagon Agility.

4.3 Due diligence in Hexagon Ragasco

4.3.1 Findings in Hexagon Ragasco

There are no findings of violations of human rights or decent working conditions within the supply chain of Hexagon Ragasco.

4.4 Due diligence in Hexagon Digital Wave

Hexagon Digital Wave is working on improving their assessment of suppliers and business partners. The operation and supply chain of Digital Wave is primarily in the US.

4.4.1 Findings in Hexagon Digital Wave

There are no findings of violations of human rights or decent working conditions within the supply chain of Digital Wave.

4.5 Due diligence of internal processes

Hexagon has ethical guidelines that lay the foundation for being a reliable supplier, responsible partner and having a good and safe working environment. Hexagon will create results where ethics, people and the environment are clear frameworks for the activity. We operate primarily our business in the United States, Canada, Germany and Norway and all operations are run in accordance with laws, regulations and good business practice in each of the relevant countries.

We have assessed all of our operational sites and have determined that no salient human rights

| Hexagon Ragasco – Global Right Index 2023 | Country | Sourcing categories | # of active suppliers 2023 | % of spend 2023 |
|---|-----------------|--|----------------------------|-----------------|
| 5: No guarantee of rights | Bahrain | Fiber glas | < 5 | 1% |
| | China | Resin | < 5 | 7% |
| | India | | < 5 | 2% |
| 4: Systematic violations of rights | United Kingdom | | < 5 | 2% |
| | Hungary | | < 5 | <1% |
| 3: Regular violations of rights | Belgium | | < 5 | 2% |
| 2: Repeated violations of rights | France | | < 5 | <1% |
| | Spain | | < 5 | 15% |
| | The Netherlands | Valves, other | < 5 | 1% |
| 1: Sporadic violations of rights | Germany | Carbon Fiber, Resin, Plastics, Fiber glas, other | < 10 | 17% |
| | Italy | Valves, other | < 5 | 23% |
| | Norway | Wide range of sourcing categories | < 15 | 9% |
| | Denmark | | < 5 | 1% |
| | Sweden | HDPE, Plastics, other | < 10 | 19% |

| Hexagon Digital Wave – Global Right Index 2023 | Country | Sourcing categories | # of active suppliers 2023 | % of spend 2023 |
|--|---------|-----------------------------------|----------------------------|-----------------|
| 4: Systematic violations of rights | USA | Wide range of sourcing categories | 188 | 99% |
| 1: Sporadic violations of rights | Germany | | < 5 | 1% |

risks exist, and we have concluded that our operational sites provide well above decent working conditions for our workforce.

4.5.1 Methodology for internal due diligence assessment

There are periodic review processes within Hexagon where we focus on health, safety and environmental issues in addition to the

traditional financial focus. We strive to report on KPIs related to ESG matters and to put these matters on top of our review agenda.

4.5.2 Findings from the internal due diligence process

There are no identification of violations of human rights or decent working conditions within the operations of Hexagon entities.

5 Measures to stop, prevent or mitigate negative consequences

5.1 Planned measures

According to the Transparency Act, the business is obliged to implement suitable measures to stop, prevent or limit negative consequences based on the company's priorities and assessments.¹

We are planning to improve our total overview of sourcing in our value chain. This will extend our insight to what we are actually sourcing, where we are sourcing it from, with an easier access to information.

We are implementing a new software tool in Hexagon Agility giving a better availability of sourcing information and risk classification of this based on generally accepted indices.

We will revise our supplier due diligence questionnaires to cover all dimensions of our policies and with a higher level of commitment from the individual supplier.

We will consider if any new sourcing categories should be part of the due diligence process. In

particular, we will investigate if any sourcing items of less importance to Hexagon (volume/value), can have a high risk of adverse human rights and working conditions.

We will include the Digital Wave business area with more detailed information in the Transparency Act Statement from 2024.

We will initiate a process where we consider how to dive deeper into our sourcing chain going behind tier one suppliers.

5.2 Communication with stakeholders and vulnerable groups

According to the Transparency Act, the business is obliged to communicate with affected stakeholders and rights holders about how negative consequences have been handled.²

Hexagon endeavours to work with impacted stakeholders and communities to ensure human rights impacts are mitigated. During the assessment made for 2023 and for the time being, we

have not identified any vulnerable groups within our value chain where a separate stakeholder dialogue would be useful or appropriate.

5.3 Remediation or indemnification

According to the Transparency Act, the business is obliged to ensure or cooperate with the intention of remediation or indemnification where this is required.³

Hexagon is prepared to cease doing business with any supplier where a risk of a human rights violation is identified. Should a situation occur where we identify breach of basic human rights or decent working conditions, we will first initiate a process with the supplier in question to improve, remedy or compensate the situation. If this does not lead to the necessary common understanding and measures, we are prepared to and will have the contractual basis to terminate the contract.

There are no issues or situations identified where any such action is required.

Oslo, 20 March 2024

The Board of Directors
Hexagon Composites ASA

¹ The Transparency Act, §4, subsection 1, letter c.

² The Transparency Act §4, subsection 1, letter e.

³ The Transparency Act §4, subsection 1, letter f.