

Important milestones 2023

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Our commitments

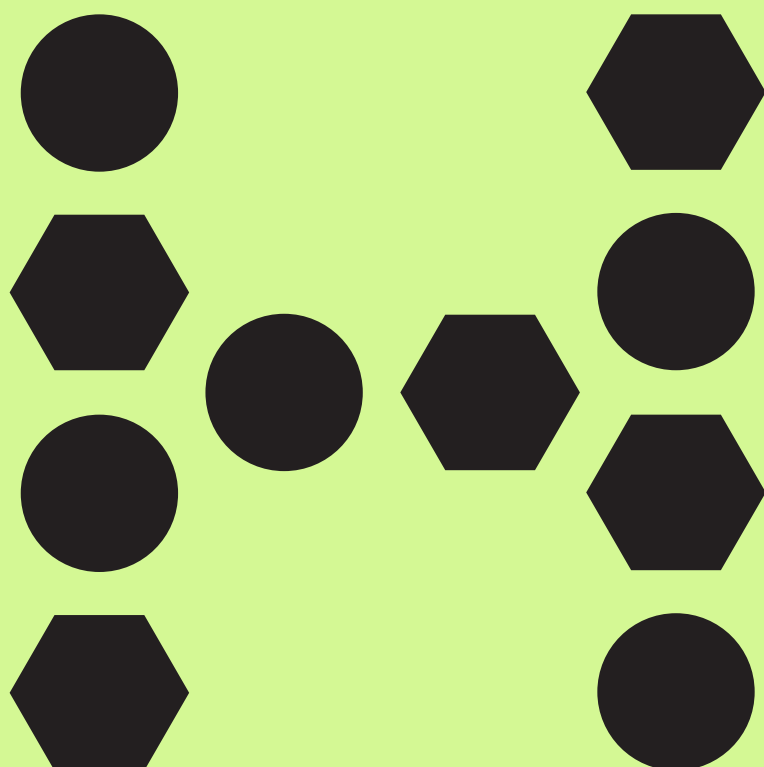
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# Sustainability Report



### **About the Sustainability Report**

This is the Group's sixth Sustainability Report in accordance with the requirements of the Swedish Annual Accounts Act, ch. 6, §12. The Sustainability Report relates to the 2023 financial year and is on pages 36-63.

The Sustainability Report encompasses the Parent Company Hexatronic Group AB and its subsidiaries. Companies acquired or formed during 2023 and companies with less than six employees are excluded in the key metrics.



# Sustainability Report 2023

Read more about Hexatronic's sustainability journey in our Roadmap 2030 on our website: [group.hexatronic.com/en/sustainability](https://group.hexatronic.com/en/sustainability)

As we reflect on the past year, we are proud to share our commitment to sustainability and the significant progress we have made. In 2023, we took bold steps by linking executive pay to our sustainability targets and committing to set science based targets.

The strategic move to link executive pay to our sustainability targets not only reinforces our dedication to responsible business practices, but also ensures that our leadership team is actively invested in achieving our sustainability objectives.

In addition to executive pay alignment, we are thrilled to have joined the Science Based Targets initiative (SBTi) and committed to setting ambitious targets to reduce our greenhouse gas emissions in line with the latest climate science. The targets are rooted in rigorous scientific analysis and provide a clear roadmap for reducing our greenhouse gas emissions, conserving resources and contributing to a more resilient future.

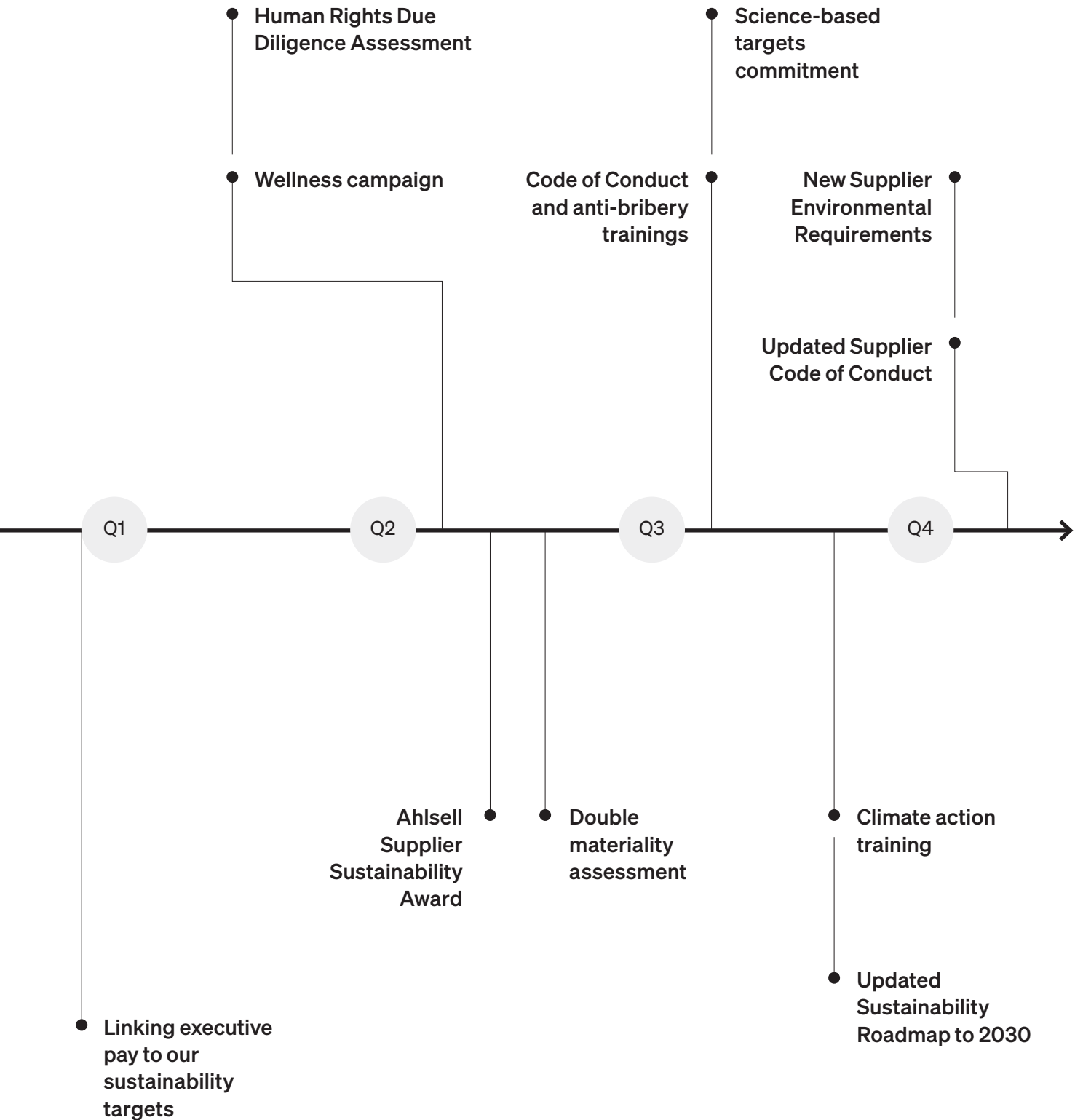
During the year we also completed a double materiality assessment, which is an important step as we prepare for the implementation of the EU Corporate Sustainability Reporting Directive (CSRD).

Together, we are driving digitalization forward to connect people, businesses and societies globally. Improved connectivity can reduce the impact on the planet and enable a just transition.

Pernilla Eriksson, Head of Sustainability, Hexatronic Group

We strive to share new perspectives and reform the way we do things. We are dedicated to collaborating closely within the Group, with business partners, and through membership organizations and other invested parties to implement impactful strategies and actions, enabling us to decrease emissions throughout our value chain. Engagement and understanding are essential to bring about change, and change is at the heart of sustainability.

# Important milestones 2023



# Our commitments

When we work together, we make progress. We are proud and active members of several national, European and global sustainability organizations.

As a participant in the Global Compact, we commit to follow the Ten Principles of the United Nations (UN) Global Compact and contribute to Agenda 2030. Each sustainability focus area with related goals and metrics is connected to the Sustainable Development Goals and

to the Ten Principles. These linkages are visualised in the table on pages 58-59.

We are committed to facilitate digitalization and drive sustainability in our field as a member of the FTTH Sustainability Committee, which compiles best practices in the deployment of fiber networks and drives climate action in the FTTH value chain.

## Our devotions

- The Ten Principles of the UN Global Compact
- The Sustainable Development Goals
- Science-based targets
- The Swedish Anti-Corruption Institute
- FTTH Sustainability Committee
- Europacable's Sustainability Committee
- Nasdaq ESG Transparency Partner since 2021



In 2023, Hexatronic Group received a rating of AA in the MSCI ESG Ratings assessment. \* MSCI ESG Ratings aim to measure a company's management of financially relevant environmental, social and governance (ESG) risks and opportunities. The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

# Our focus areas

Our three sustainability focus areas are Planet, People and Ethics. These areas form the basis of our 2030 Sustainability Roadmap. In order for us to succeed, we make sure that sustainability is an integrated part of our business, that our company culture leads the way,

that we engage and collaborate to find the best solutions and that we increase awareness through training, communication and sharing best practice.

Read more about our targets, activities and progress 2023 within each area on the following pages.



## Planet

We reduce our environmental impact and contribute to a circular economy for present and future generations.



## People

We create a working climate where everyone feels valued, has a sense of belonging, and is given opportunities to succeed and grow.



## Ethics

How we do business is just as important as the results we achieve.

**\*DISCLAIMER STATEMENT**

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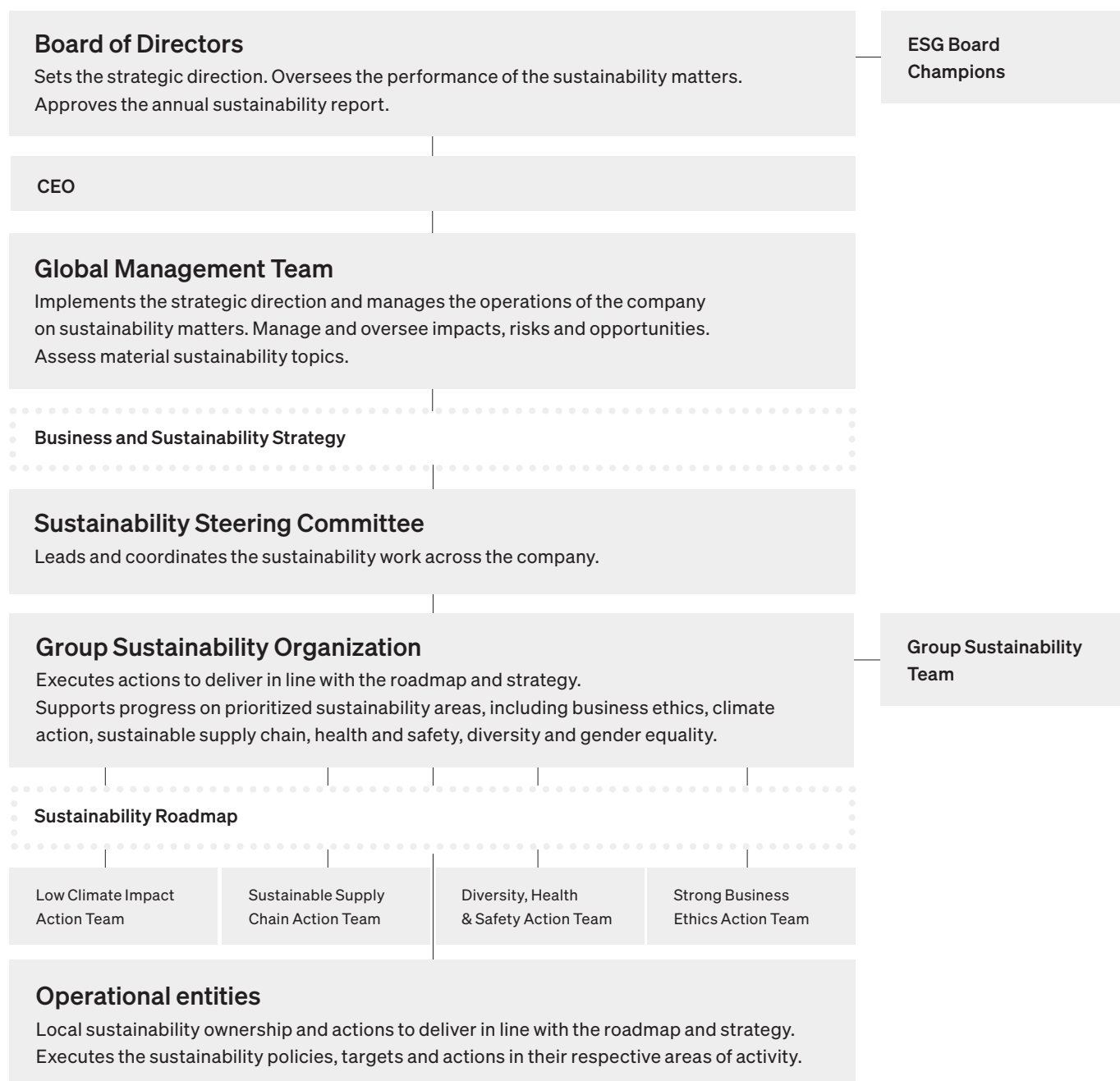
# Sustainability governance

Making progress and moving forward on our sustainability journey is all about teamwork – from setting the strategic direction to monitoring local actions and setting targets. Key policies and an effective governance structure ensures that our sustainability activities are aligned.

**Group level policy documents:**

- Sustainability policy
- Code of Conduct – internal and suppliers
- Anti-corruption policy
- Diversity and Gender equality policy
- Whistleblower policy
- Tax policy
- Governing framework for IT and cyber security
- Sustainability Roadmap

The sustainability governance structure consists of the following bodies:



# Sustainability in our business model

Hexatronic's business model is centered around world-class connectivity solutions that create development opportunities for people and societies across the world. Together with our stakeholders, we are a part of a transition towards a more sustainable future.

With in-house product design, innovation and manufacturing, we can put extra emphasis on creating products with a low environmental impact. It is in our DNA to conserve resources and make high-quality, durable products with a long life-span. Examples include providing network solutions with higher packaging density and less material consumption. This positively influences the environmental impact throughout the entire product life cycle.

In Europe, the manufacturing sites run on renewable electricity, contributing to lowering our environmental footprint.

Purchase of raw materials and components represents our major carbon footprint, falling into the category Purchased goods and services in Scope 3. Therefore,

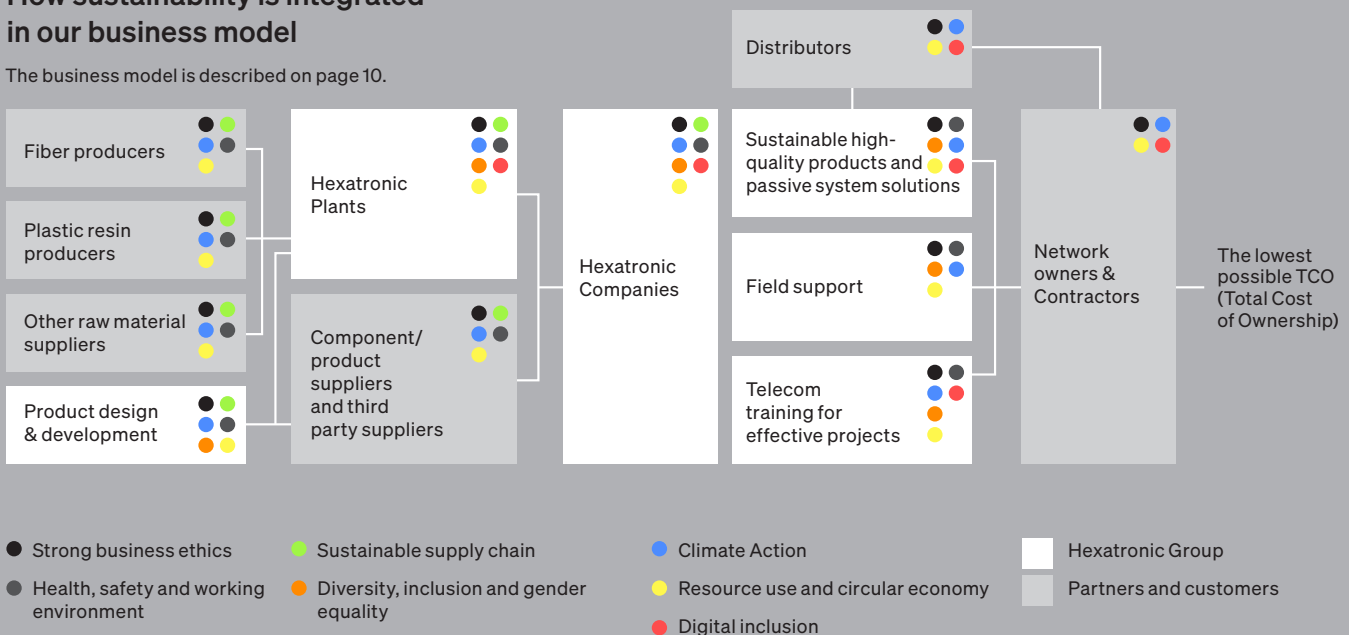
we make efforts to lower the environmental impact by developing products with a compact design and using less virgin material. As an example, Hexatronic Microduct Eco, a new line of microducts was launched during 2023 with a minimum of 51 percent quality controlled recycled or reused material.

During 2023, the Supplier Code of Conduct and Environmental Requirements were updated. The areas of disclosing environmental data, human rights and supplier management were especially enhanced, and we expect our suppliers to perform their own supplier due diligence.

In our operations, employee well-being, health and safety are highly prioritized areas. Another prioritized area is diversity and gender equality, as we believe a diverse workforce is crucial in creating the innovative climate required for long-term commercial success. Strong business ethics and climate action permeate our entire value chain. It is vital that our customers, investors, and other stakeholders feel trust in Hexatronic and know that we represent a high level of business ethics.

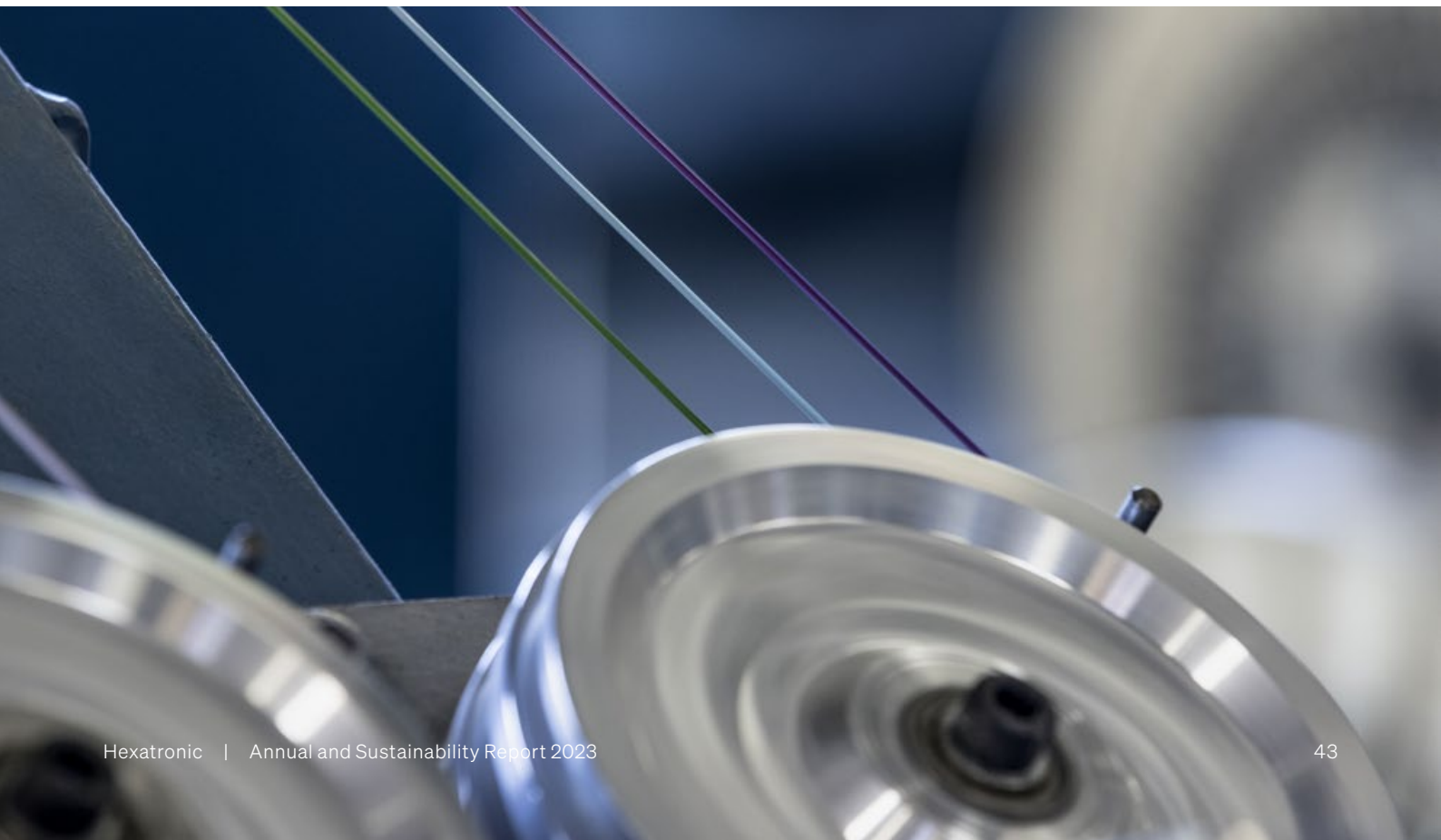
## How sustainability is integrated in our business model

The business model is described on page 10.



**Our solutions** contribute to building the digital infrastructure, which is an essential enabler for solving many of today's sustainability challenges. An example of this is when our solutions contribute to cleantech energy projects, such as wind farm projects. We are adopting measures that speed up the installation of fiber networks, resulting in significant cost savings and less energy consumption. Thereby, our customers can secure access to more end-users, thus contributing to a positive impact on societal development, and digital inclusion, while enabling solutions and clean technologies to mitigate climate change.

Our offering consists of high-quality solutions, qualified field support and training opportunities. It is based on our customers' main challenge: to manage efficient and successful projects that result in robust, future-proof and long-lasting networks.





# Double Materiality Assessment

Hexatronic Group has during 2023 completed a double materiality assessment, where relevant sustainability topics were identified. This assessment is an important step as we are preparing for the EU Corporate Sustainability Reporting Directive (CSRD). Our existing material topics were validated, and new topics were evaluated based on impact, opportunities and risks in the area of sustainability. The risks include environmental risks, risk of natural disasters, risk of disruptions in production and other business risks linked to the sustainability areas. Read more about these risks on pages 70-75.

## Process for deciding material topics:

- Stakeholder dialogue, including interviews, surveys, and recurring engagement. Our stakeholders include employees, customers, investors and owners, business partners, suppliers, society and industry organizations.
- Identification of sustainability topics, based on environmental, social, and governance issues related to business activities, products, services, and geographical presence across the value chain.
- Double materiality assessment, from both a financial (outside-in) perspective and an impact (inside-out) perspective.
- Strategic business planning, and integration of the material topics.
- Monitoring, including regular data collection and analysis, stakeholder feedback mechanisms, and periodic reviews of the double materiality assessment.

The topics covered environmental, social, and governance (ESG) issues that are related to the organization's business activities, products, services, and geographical presence across the value chain. Relevant sustainability impacts, risks and opportunities were

identified through collection of data across multiple sources. These sources included internal information, external reports, stakeholder dialogues, benchmarks, trends, surveys, expert opinions and sustainability topics covered in topical European Sustainability Reporting Standards (ESRS). When assessing each topic, aspects such as specific activities, business relationships, geographies and different time horizons (short-term, medium-term, or long-term) were considered.

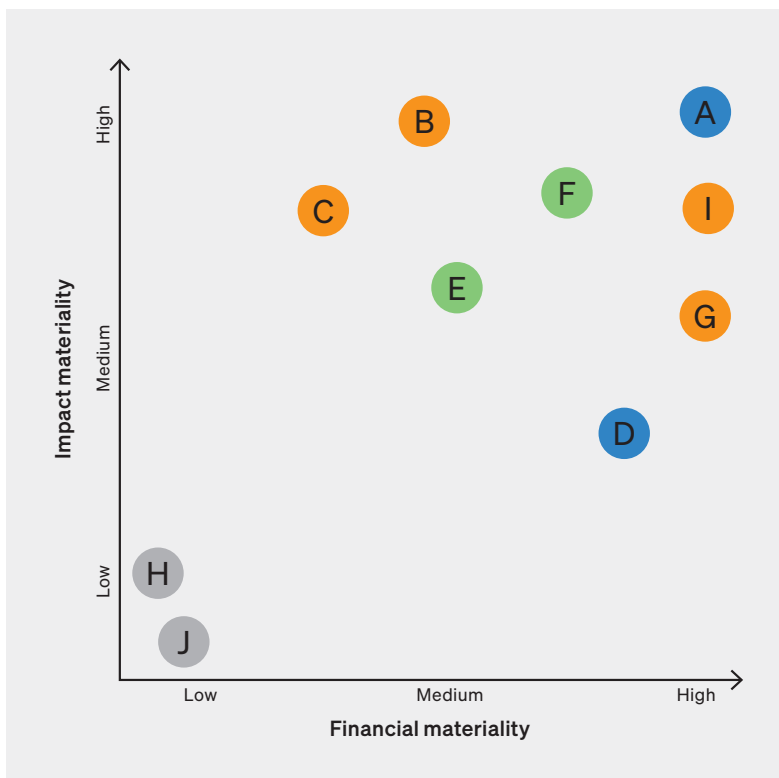
Hexatronic Group Management Team together with the Head of Sustainability assessed impact and financial materiality, in order to determine the material actual and potential impacts, risks and opportunities. The impact assessment included judgement of severity and likelihood for potential and actual negative and positive impacts on people and the environment, from an inside-out perspective. Thresholds for impact materiality were decided, and input from the human rights due diligence assessment, including our salient human rights risks, was included. In the Financial materiality assessment, sustainability risks and opportunities were assessed based on their likelihood of occurrence and the potential magnitude of their financial effects in the short-, medium-, and long-term. Thresholds for likelihood and magnitude were decided and input from the risk management process was included. The result from the double materiality assessment can be seen on the next page, with the outcome from the impact materiality assessment on the y-axis and the outcome from the financial assessment on the x-axis.

The material topics are the most significant sustainability areas for our business and form the basis of our priorities in our Sustainability Roadmap.

The evolution of material issues will be monitored in a dynamic way to ensure that they remain relevant and reflect the changing context and stakeholder expectations.



## Result Double Materiality Assessment



- A. Business ethics
- B. Health, safety and working environment
- C. Diversity, inclusion and gender equality
- D. Supply chain management
- E. Climate change
- F. Resource use and circular economy
- G. Cyber security
- H. Biodiversity
- I. Digital inclusion
- J. Water use

- Material topics covered in section Planet on page 46.
- Material topics covered in section People on page 52.
- Material topics covered in section Ethics on page 54.
- Non-material topics

# Planet

We are committed to reduce greenhouse gas emissions in line with the latest climate science and the Paris Agreement’s goal of limiting global warming to 1.5°C above pre-industrial levels. During 2023, we joined the Science Based Targets initiative and committed to set near-term science-based emissions reduction targets.

## Our product life cycles

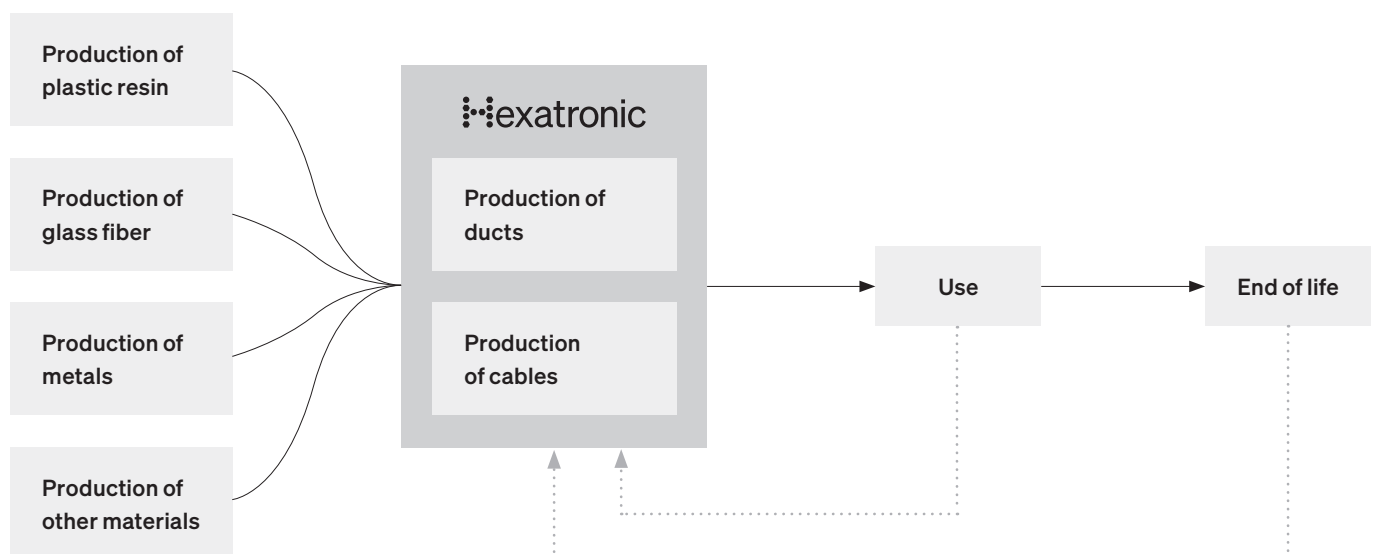
- Our main products are ducts and cables, which account for most sales and material flows.
- Ducts and cables are made from plastic resin (mainly from fossil oil and some recycled plastics), glass fiber strands, and metals.
- The production process involves transforming plastic granulates into ducts or cables through extrusion, using electricity as the main energy source.
- Waste is generated during product change, over-production, or production malfunctions.
- Ducts and fiber cables are passive products, requiring no maintenance or energy during use. They generate waste during installation in form of trimmings.

- At the end of life, plastic material and metals can be recycled into new ducts and cables. Glass can also be recycled.
- Other product categories are cabinets and a wide range of components and electronic devices.
- The environmental impact of these other products is different from ducts and fiber optic cables, but their contribution to the overall environmental impact is lower due to lower production volumes.

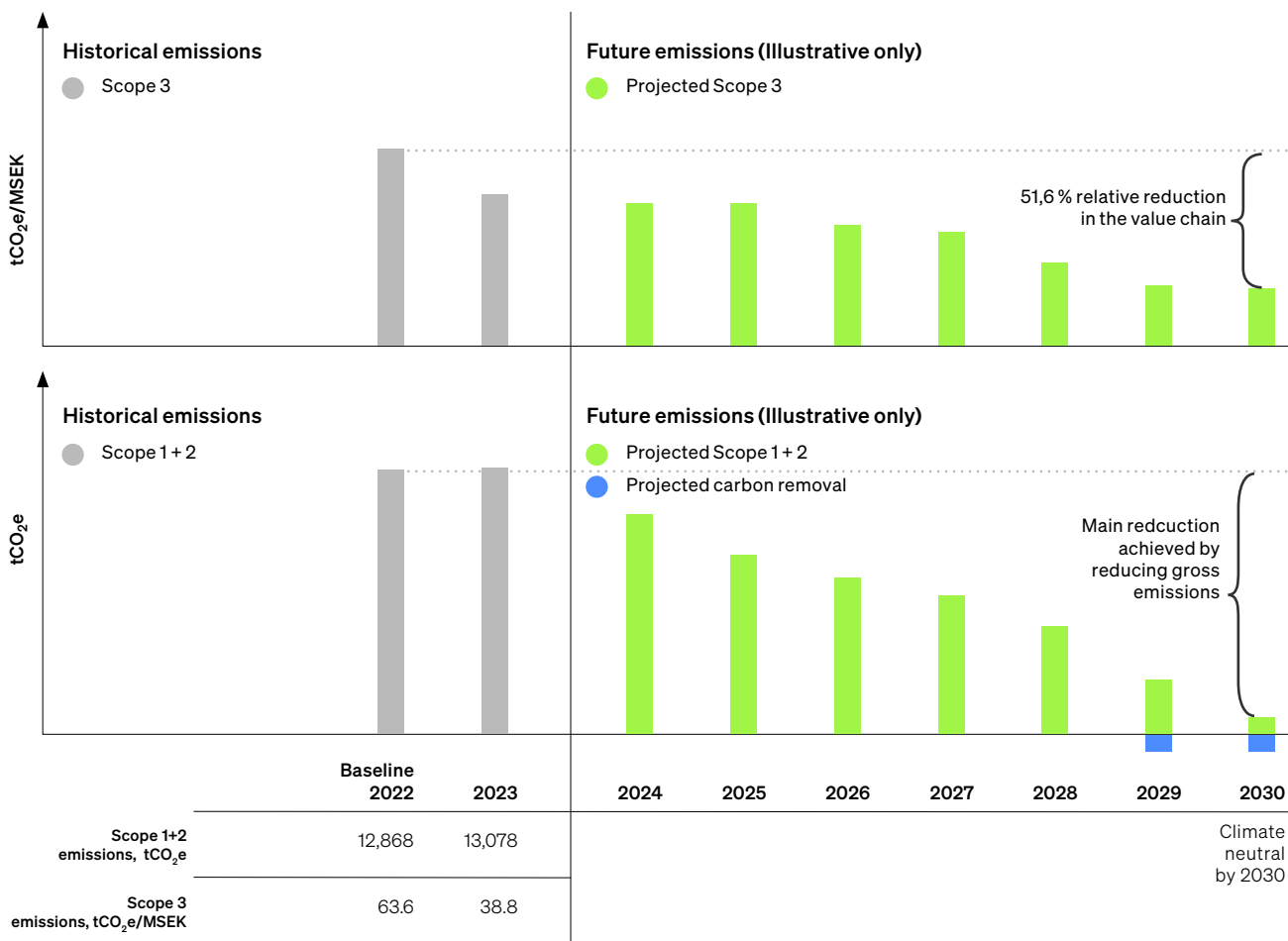
## Our ambitions

- **Climate neutrality**  
To have climate neutral operations (Scope 1 and 2) by 2030, by using climate neutral energy and neutralize residual emissions.
- **Eco design**  
To develop our products with eco design in mind, including a long lifetime, low carbon footprint and high recyclability.
- **Transparency**  
To calculate the product carbon footprint of our products produced in-house and share with our customers upon request.

## Example of major product flows



### Progress towards climate neutrality and science-based targets



#### How we get there – our own operations

- Increase the use of climate neutral energy in our facilities and production sites.
- Energy efficiency, e.g. use excess heat from production to heat facilities.
- Transition to electric, hybrid and/or biofuels for internal logistics vehicles, stationary equipment and company cars. E.g. electrification of vehicle fleets and forklifts, replacing natural gas boilers and furnaces with heat pumps.
- Embedding circularity into our operations, product design, packaging and logistics services, e.g. drum return programs.
- Product design with less material consumption, increase recycled, reused and/or renewable materials in our products and packaging.
- Circular water use, e.g. with closed water cooling systems.
- High resource efficiency across our operations.

These levers are also applicable to many of our suppliers.

#### How we get there – our value chain

- Request strategic suppliers to declare their product carbon footprint and work towards the 1.5°C target.
- Support suppliers to reduce their product carbon footprint.
- Evaluate carbon footprint of purchased materials and products prior to sourcing decision.
- Optimization of pack sizes and drums, coordinating product deliveries, improving forecasting, and establishing local production to reduce goods transport.
- Use low-carbon transport alternatives.
- Partnering with strategic organizations on ecosystem health.
- Phasing in novel products that use less resources, and materials with lower carbon footprints.

## Impact, risks and opportunities

Climate change, resource use and circular economy have been identified as material topics. We are committed to reduce our environmental impact and contribute to a circular economy. We want to be part of the solution, to make a positive difference for ourselves, our stakeholders, societies, and the planet.

**Clean technologies** – Climate neutral electricity is a key decarbonization lever, since most of our processes are electrified and most of our Scope 1 and 2 greenhouse gas (GHG) emissions come from production of electricity. Increasing the share of climate neutral electricity is a great opportunity to decrease our GHG emissions.

**Low carbon footprint products** – Customers are looking for products that answer to their, as well as their customers', needs to reach their climate targets. In the long-term we can achieve a steady-state where we utilize renewable materials and high shares of closed-loop recycling of our own and others products. We aim to innovate novel products that use less resources with lower carbon footprints, at maintained or even improved product function.

**Stakeholders requirements** – Stakeholders requirements on climate action are becoming increasingly important in decision making. By decreasing our planetary impact and addressing customer and investor expectations, we also gain a competitive edge.

**Green financing** – Climate targets and successful progress, tracking and communication, provides opportunities in green financing.

## Our progress 2023

- Launch of an annual process for climate transition aimed at reaching our climate targets.
- Commitment to set near-term science based targets.
- Introduction of Hexatronic Cables & Interconnect Systems eco-ducts, with 30–70 percent reduced carbon footprints than the standard duct, with an increased share of recycled content.
- Switch to 100 percent renewable electricity in our plant in Neulengbach.
- Optimized package sizes on our high volume series of air-blown fibers, to reduce GHG emissions from transports to customers.
- Development of a new WiFi access point device that consumes less electricity.
- Optimization of outbound transports that allow for loading more reels on the trucks.
- Investments in energy reduction of our production lines.
- Local drum return programs.
- A circular pilot program was initiated to collect excess ducts in downstream activities.
- Smart Awards gained approval for the sustainability practitioner apprenticeship standard, to help develop skills and careers related to sustainability.
- Packaging material was eliminated at several sites.
- Sustainability initiatives across the Group was nominated to the internal competition Sustainability Award 2023, aimed to acknowledge initiatives with substantial sustainability impact.

## Our policies

- Sustainability Roadmap
- Sustainability policy
- Supplier environmental requirements

## Climate scenarios

We are continuously working to predict risks to be able to prepare for handling them. Two climate scenarios have been analyzed and potential climate-related financial risks and opportunities were identified. The Task Force on Climate-related Financial Disclosures (TCFD) recommendations have been used as a guidance in this work.

The first scenario, Net Zero 2050, limits global warming to 1.5°C through strong climate policies and innovation, reaching global net zero GHG emissions around 2050.

- In the best case a 50 percent chance of limiting global warming to below 1.5°C by the end of the century.
- Relatively low physical risks but high transition factors, including regulatory transition, technology development, consumer preferences, and market shifts in the energy system needed to limit warming.

The second scenario, Current Policies, assumes that only currently implemented policies are preserved, leading to high physical risks.

- Global warming of around 3°C by the end of the century.
- Low transition factors but high physical risks, such as water stress, acute wind-related hazards such as storms, heat waves etc.

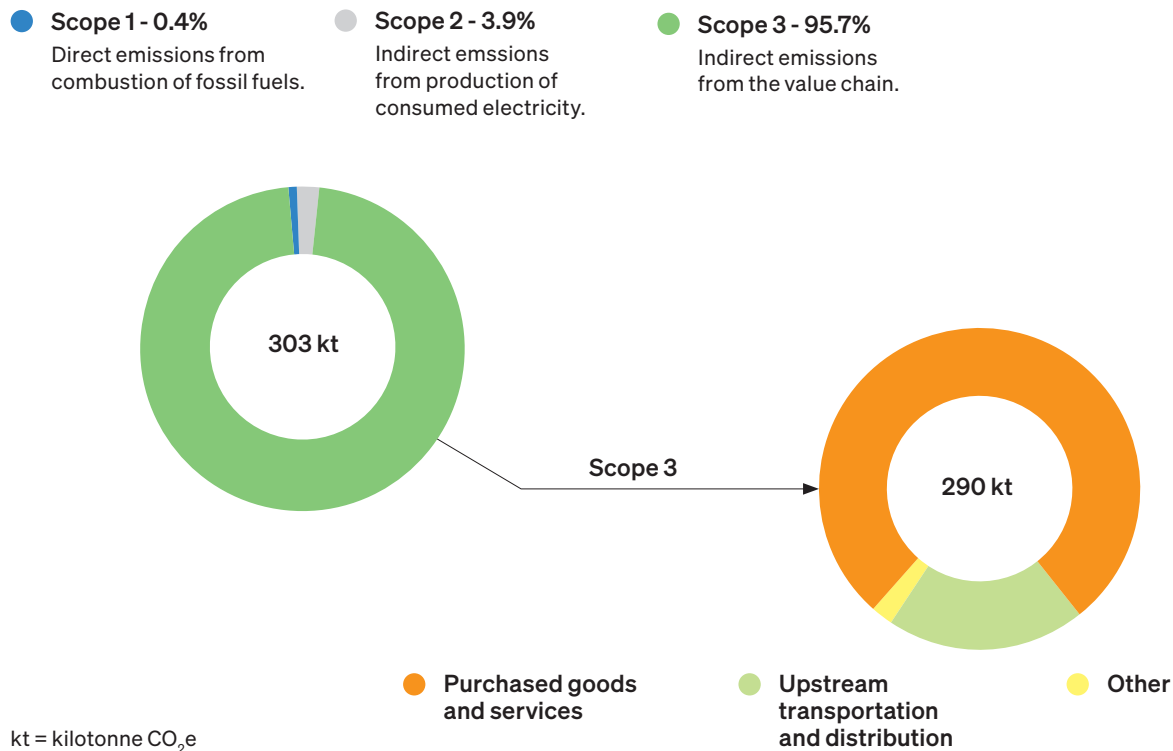
The two scenarios are influenced by NGFS (Network for Greening the Financial System) Climate Scenarios, IEA (International Energy Agency) Global Energy and Climate Model, and IPCC (Intergovernmental Panel on Climate Change) climate system scenarios.

We consider the impacts of climate change when evaluating new investments, and our due diligence process for acquisitions has been updated during the reporting period to better accommodate for this. To manage serious disruption in production, Hexatronic Group has adequate insurance coverage, and every company in the Group has its own standard insurance solutions. Risk assessment and auditing take place in consultation with external advisors. Read more in the Risks and risks management section on page 70.

## Risk analysis

Scenario, factor	Risk	Potential impact on business, strategy and financial planning			Risk management
		Short (1 yr)	Medium (2-5 yr)	Long (5-25 yr)	
Net zero, Transitional	Increased pricing of GHG emissions, due to policies.	Low	Medium	High	Reduce our GHG emissions in line with our targets.
Net zero, Transitional	Carbon compensation/offset. Increased costs.	Low	Low	High	Reduce our GHG emissions in line with our targets, and minimize reliance on carbon offsets.
Net zero, Transitional	Higher purchasing costs and shortage of renewable energy and raw materials with low carbon footprint. Higher costs for material and energy efficient equipment.	Medium	Medium	High	Improving energy efficiency. Strategic purchasing of renewable electricity and materials. Balance increased costs with premium prices for products with lower carbon footprints. Further develop decarbonization process. Investigate other measures.
Current policies, Physical	Supply chain disruption risks, caused by severe weather events. Risk of raw material and product shortage, and higher price volatility. Labor at reduced productivity, damage of physical assets, increased insurance premiums. Climate hazards and indirect effects such as political instability, pandemics etc.	Low	Medium	High	Do our part and reduce our emissions in line with our targets. Improve the process for climate scenario analysis of suppliers and our own sites. Strengthen due diligence efforts. Take preventive measures per site.

## An overview of our GHG emissions



### Accounting methodology, method and data quality

**Governance** – The performance against the targets is reported at least once per year, and twice per year by the manufacturing companies. The reporting is facilitated by the digital sustainability reporting platform used by the Group. The result is analyzed and monitored by the Group sustainability steering committee and presented to the Board.

**Overall GHG emissions scope** – The methodology for our calculations is according to the Greenhouse Gas Protocol corporate standard. The major part of our GHG emissions are in Scope 3, mainly in the category Purchased goods and services, followed by Upstream Transportation and distribution. In Scope 1 and 2, most of our GHG emissions come from use of electricity. Scope 1 includes all direct emissions, e.g. on-site combustion of fuels and leakage of refrigerants, as well as combustion in company vehicles used for business travel. Scope 2 includes purchased electricity, cooling, steam and heating.

The market-based method is applied for accounting GHG emissions from consumed electricity and to follow up progress towards set targets. The level of

accuracy is high regarding purchased electricity with certificates. When emission factors for the residual mix on the market is not available, the average market mix is used instead. Scope 3 categories include category 1 Purchased Goods and Services, Category 3 Fuel- and Energy-Related Activities, Category 4 Upstream Transportation and Distribution, Category 6 Business Travel, and Category 9 Downstream Transportation and Distribution. Scope 3 category purchased goods and services results are based partly on upstream value chain data, e.g. procurement of plastics and other raw materials.

The accuracy is low, since mainly generic data is used for this category. To increase data accuracy from the value chain GHG emissions, there are planned activities to gradually replace generic data with primary data from prioritized suppliers. The organizational boundary is financial control, and there is no spatial or temporal boundary.

The covered GHGs are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>). The consistency of the targets with the GHG boundaries has been ensured by screening emissions by using the Scope 3 screening tool, Scope 3 Evaluator.

Key metrics	Description and progress	Baseline 2022	Result 2023	Goal 2030
Scope 1 GHG emissions, tCO <sub>2</sub> e	Company reporters collect and report Scope 1 and 2 data, e.g. energy consumption data, in the sustainability reporting platform. The increase is mainly due to increased production.	962*	1,125	558
Scope 2 GHG emissions (Market-based), tCO <sub>2</sub> e		11,906*	11,953	6,905
Scope 3 GHG emissions, category 1, 3, 4, 6, 9 tCO <sub>2</sub> e	Company reporters collect and report value chain data, e.g. purchase data, in the sustainability reporting platform. Service providers are excluded. The decrease of Scope 3 emissions in 2023 is mainly due to lower GHG emissions from purchased goods in 2023.	417,714*	289,701	
Climate intensity, Scope 3, tCO <sub>2</sub> e/MSEK Sales		64*	39	31
Climate neutral operations [%]	The share of consumed energy that is climate neutral (renewable and nuclear sources), out of total consumption of consumed energy. Our goal is climate neutral operations by 2030, Scope 1 and 2, by using climate neutral energy and neutralizing residual emissions.	32*	32	100
Share of sales volume of in-house produced products with calculated carbon footprints, %	The share of sales volume from ducts and cables produced in-house with calculated carbon footprints, out of the total sales volume in monetary value.	61	59	100
Recycled, reused or renewable materials in products produced in-house, %	Company reporters collect and report data on total recycled material from external source, total recycled material from internal source, and total input material, in the sustainability reporting platform.	13	10	25

\* The new base year 2022 has been updated compared to previous published results, due to improved data quality, method improvements, and emissions added from the companies acquired during 2022 that had a material impact on the base year figure.



# People

**Our employees are our most important asset, and their health and safety are our top priorities. Together, we create a working climate where everyone feels valued, has a sense of belonging and is given opportunities to succeed and grow.**

## Our ambitions

- **Employee well-being**

We are committed to creating a great workplace with zero harm to any of us and promoting a healthy work-life balance.

- **Employee development**

To attract and develop a diverse and talented workforce with regular performance and career development reviews.

- **Employee equality**

To have equal pay, a high degree of diversity, and create an inclusive environment with opportunities to succeed and grow.

## How we get there

- Systematic work focusing on workplace safety and investigating the root cause of all risks, near misses and take corrective actions.
- Systematic work focusing on inclusion, work-life balance, and well-being.
- Including diversity and gender equality in processes like recruitment, hiring, pay, rewards, development and promotion.
- Conducting gender pay gap analysis to ensure all employees are paid equally for the same work.
- Ensuring that our Diversity and Gender Equality policy is known and respected.
- Offering training in gender equality, diversity and inclusion from a business and leadership perspective.
- Developing talent recruiting practices and programs to attract a diverse pool of candidates and create new entry pathways into our workforce.

## Impact, risks and opportunities

We have identified employee health, safety and well-being as one of our material topics, as well as inclusion and gender equality. People with different perspectives, knowledge, and experience are essential to creating an innovative, inclusive working climate character-

ized by respect and equal value. To us, creating a great workplace is about systematic work to ensure a safe working environment, work-life balance, and well-being.

**Skilled personnel** – By promoting career development and other development opportunities for individual employees, the Group assures its ability to attract skilled human resources, and to retain them long-term. Ambitious sustainability targets, making good progress and successful communication thereof enables us to continue attracting a talented workforce.

**Health and Safety** – We identify and manage health and safety risks, and we investigate the root cause to take corrective actions and to continuously improve. We also work actively towards our 2025 target that 75 percent of our employees should be covered by a health and safety management system.

**Gender equality and diversity** – By promoting diversity and inclusion, we want to reduce the risk of negative effects such as discrimination and prejudice, and ensure equal access to opportunities and resources for all. From a human rights perspective, knowledge of the value of diversity is fundamental. Hexatronic's diversity and gender equality policy, our actions against discrimination and degrading treatment, as well as regular training, aim to minimize the risks of shortcomings in gender equality and diversity. We have a zero-tolerance policy toward all types of discrimination and harassment and actively work towards our 2030 target of minimum 40 percent gender equality.

Read more about our operational and market risks and our risk management on page 72–74.

## Our Progress 2023

- Sustainability weeks focusing on health and well-being, including team activities across the Group to raise awareness and focus on employee well-being.
- Top management competence building on the value of diversity, inclusion, and on including gender equality in recruitment processes.
- Updated gender pay gap analysis.
- Human Rights Due Diligence Assessment.
- Participation in Human Right Accelerator Program organized by the United Nations Global Compact.

## Our policies

- Diversity and gender equality policy
- Code of conduct
- Sustainability policy
- Whistleblowing policy

Our Diversity and gender equality policy explains our zero tolerance towards discrimination, sexual harassment, and victimization. The policy is part of the onboarding process for new employees and acquired

companies. As stated in our Code of Conduct, our employees are expected to act on any form of discrimination and treat others with respect, dignity, and consideration. We make sure the workplace is safe and provide and use safety equipment as required.

People working for or with Hexatronic Group are entitled, without the risk of reprisal, to report any concerns about serious misconduct by using the whistleblowing function available at <https://group.hexatronic.com/en/sustainability>. This can be done anonymously.

Key metrics	Description and progress	Baseline 2022	Result 2023	Goal 2030
Employees covered by a Health and Safety Management system* [%]	Company reporters collect and report the number of employees covered, compared to total number of employees. The increase is due to several companies implementing health and safety management systems during 2023.	32	62	90
Employee absence due to sick leave [%]	The share of sick leave out of total working time. Company reporters collect and report total hours of sick leave, and total number of working hours for the own workforce, including overtime, in the sustainability reporting platform. Identified data gaps, since a few non-European countries do not measure this in the same way.	3.1	2.5	Max. 3%
Number of work-related accidents	The number of work-related accidents with more than 24 hours absence, divided by total number of hours worked, multiplied by 200,000. Company reporters collect and report number of injuries, and total number of working hours for the own workforce, including overtime, in the sustainability reporting platform. Continuous improvements for increased health and safety has resulted in a decreased number of work-related accidents.	3.5	1.5	0
Employees who have had an annual performance and career development review [%]	Company reporters collect and report number of employees that had a review, compared to total number of employees that should have a review, in the sustainability reporting platform.	97	92	100
Confirmed instances of discrimination	Company reporters collect the information and report in the sustainability reporting platform. The information also includes any reported cases in our Whistleblowing function.	0	0	0
Equal Pay Index**	Weighted average gender pay gap. Roles that are comparable in terms of skills, responsibilities, and working conditions are categorized into groups. Data collection on gender, pay and other contractual terms and conditions for the identified roles, to identify any discrepancies in pay between genders in comparable roles. The result in 2023 is based on data from seven of the companies. In the coming years, more companies are planned to be included	94	92	100
Gender equality (all employees) [%]	Company reporters collect and report number of males, females, non-binary and total employees, in the sustainability reporting platform. The main reason behind the decrease in gender equality during 2023, is due to inclusion of new companies acquired during 2022.	29	26	Min. 40%

\* Based on legal requirements and/or recognized standards or guidelines, such as ISO 45001 or similar, which has been internally audited and/or audited or certified by an external party.

\*\* Includes the companies Edugrade, Data Center Systems, Hexatronic Cables & Interconnect Systems, Hexatronic Fiberoptic, Hexatronic UK, Proximion and Hexatronic head office.

# Ethics

**Strong business ethics is about building trust. We work actively to ensure that our customers, investors, owners, suppliers, employees, and other stakeholders know that we represent a high level of business ethics. How we do business is just as important as the results we achieve.**

## Our ambitions

- **Strong business ethics**

We have zero tolerance for bribery and corruption and commit to conduct our operations honestly, transparently and ethically, internally as well as externally.

- **Code of Conduct**

All employees sign our Code of Conduct and receive training on an annual basis. Employees in selected positions are educated on anti-bribery and corruption.

- **Sustainability screened suppliers**

We screen our direct material and transport suppliers based on our supplier sustainability requirements.

## How we get there

- Ensuring that the Code of Conduct is known and respected through recurring training.
- Performing regular risk analysis and internal and external control mechanisms.
- Ensuring responsible governance and board oversight of ESG risks.
- Adopting sustainability performance measures in executives' compensation program.
- Ensuring internal and external due diligence of existing procedures, training, and control mechanisms, incl. due diligence processes of intermediaries.
- Collaborating with business partners on relevant sustainability issues.
- Requiring our suppliers to adhere to and comply with our supplier requirements and evaluate the compliance by doing regular assessments and audits.
- Ensuring sustainability competence among purchasing positions and use sustainability as a criteria in the sourcing process.
- Conducting our business by the Ten Principles of the United Nations Global Compact, where principle ten relates to anti-corruption.
- Membership in the Swedish Anti-Corruption Institute and the UN Global Compact.

## Impact, risks and opportunities

We have identified business ethics as one of our material topics. A lack of trust would hurt our business, whereas a high trustworthiness means new business opportunities.

Supply chain management is another material topic. During 2023, we updated our Supplier Code of Conduct to strengthen the areas of supply chain due diligence and human rights. We regularly evaluate the compliance of our Code through assessments, audits, and supplier dialogues and work together with our business partners to secure a sustainable supply chain.

**Business ethics** – We recurrently assess bribery and corruption risks, and investigate compliance with internal and external audits. To manage these risks, we also educate our employees, and discuss ethical dilemmas related to business conduct. This is an important activity to empower our employees to identify, mitigate and report potential risks.

**Data security** – Hexatronic has a governing framework for IT and cyber security to identify risks and manage data security. Employees are recurrently educated in IT and cyber security.

**Supplier Code of Conduct compliance** – We identify and manage risk of non-compliance to Hexatronic's supplier requirements, by assessments, supplier dialogues and collaborations. Our environmental requirements and Supplier Code of Conduct are a part of the supplier agreements. We expect our suppliers to carry out due diligence activities to ensure they are operating responsibly, respecting both human rights and decent working conditions. We aim to work with suppliers that have a clear focus on the environment, human rights, fair employment conditions, good working environment and anti-corruption. A key to progress is to have the right competence in purchasing positions, achieved by investing in capabilities and relevant training for the purchasing organization.

**Modern slavery and human rights** – Hexatronic commits to preventing all forms of modern slavery, servitude, forced labor, and human trafficking. We assess our salient human rights issues in our human rights due diligence assessment. The risk of human

trafficking is primarily linked to global supply chains. Securing a responsible supply chain is vital in our strategy to deliver value to our customers and contribute to sustainable development. We therefore want to work with suppliers who share our values when it comes to sustainability and ethics. Every year, we state our efforts to prevent modern slavery in our business and supply chains in our Modern Slavery Act Statement. It is available in full via the Sustainability section on our website: [group.hexatronic.com/en/sustainability](https://group.hexatronic.com/en/sustainability).

Read more about our operational and market risks and our risk management on page 72-74.

### Our progress 2023

- The sustainability targets linked to executive pay included environmental, social and governance targets within our focus areas Planet, People and Ethics.
- Employee Ethics and Code of Conduct training, either online or classroom training. Employees were educated in our values, ethics and integrity, environmental health and safety, managing harassment in the workplace and how to report misconduct.
- Employees in selected positions were educated on anti-bribery and anti-corruption.
- Strengthened procedures around sanctions lists.
- Recurring training in cyber security.
- Development of ESG supplier risk tool.
- Updated Supplier Code of Conduct with enhanced supplier expectations related to paying a living wage, supply chain management and due diligence. We expect our suppliers to conduct their own human rights due diligence assessment, as well as following the OECD Due Diligence Guidance.
- Supplier assessments to drive and ensure compliance to our requirements, including our Supplier Code of Conduct.

### Our policies

- Code of conduct
- Sustainability policy
- Anti-corruption policy
- Tax policy
- Supplier Code of Conduct
- Whistleblowing policy
- Governing framework for IT and cyber security

Our policies form the foundation of our work on business ethics. Our Code of Conduct, Sustainability policy, Anti-corruption policy and Whistleblowing policy are natural parts of our introduction to new employees and acquired companies. The purpose of our internal Code of Conduct is to ensure that employees, contractors, and consultants working on behalf of Hexatronic act in a responsible and ethically correct manner. The Sustainability policy covers how we take responsibility based on the economic, environmental, and social dimensions of sustainability. At Hexatronic, we have zero tolerance for bribery and corruption, as stated in the Anti-corruption policy. Moreover, business ethics is an essential part of our Supplier Code of Conduct included in our supplier agreements. Our Tax policy provides an important basis for being a transparent and a trustworthy business partner.

Hexatronic Group provides a whistleblowing function and a policy to ensure that we operate ethically and responsibly, and we encourage our employees and other stakeholders to use it when needed. Full anonymity is guaranteed for the reporting party.

Key metrics	Description and progress	Baseline 2022	Result 2023	Goal 2030
Employees who have signed the internal Code of Conduct [%]	Company reporters collect and report the number of employees who have signed the Code of Conduct, compared to total number of employees. During 2023, all employees signed our internal Code of Conduct.	97	100	100
Employees who have completed internal Code of Conduct training [%]	Company HR responsible report the information about classroom training to production workers. The information related to non-production workers is exported from the online training platform. During 2023, our employees completed training in our Code of Conduct , either online or via classroom training.	91	100	100
Selected positions who have completed Anti-corruption training [%]	The information is exported from the online training platform. During 2023, close to all employees in selected positions completed training in Anti-corruption.	97	99	100
Number of confirmed instances of corruption	Information is collected from reported cases from our Whistleblowing function and from management.	0	0	0
Spend from sustainability approved suppliers [% of purchased volume]	Share of spend from suppliers that have been sustainability approved, out of total spend, from direct material suppliers. Suppliers are evaluated based on compliance to our requirements set out in our Supplier Code of Conduct and Environmental Requirements. After an initial risk screening, selected suppliers are assessed or audited. The suppliers respond to questions related to environmental impact, human rights, fair employment conditions, a good working environment, anti-corruption and supply chain management. The responses are complemented with relevant documentation. In the evaluation phase, the suppliers are scored on each topic and can be asked to clarify and/or complement the material, or take corrective actions, in order to be approved.	41	35	90



hexatronic Field Support

# Goals and results indicators for sustainability work

To steer and monitor developments in our prioritized sustainability areas, a number of key metrics have been selected. For some of these, both short-term (2025) and long-term goals (2030) have been formulated.

The key metrics include the parent company Hexatronic Group AB and its subsidiaries with more than six employees, that were active within the group during the entire 2023. Companies acquired in 2023 will be incorpo-

rated into the key figures in 2024 as procedures and processes are established

## Link to 2030 Agenda and the Global Compact

Each sustainability area is connected to the Agenda 2030, the Sustainable Development Goals (SDG), and the UN Global Compact (GC) Ten Principles for sustainable business.

Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	Goal 2025	Goal 2030
<b>Business ethics</b> SDG: 5.2, 16.5 GC: Principles 1, 5, 10	Percentage of employees who have signed the internal Code of Conduct	97	100	100	100
	Percentage of employees who have received training in our Code of Conduct	91	100	100	100
	Percentage of salaried employees who have completed training in Anti-corruption	97	99	100	100
	No. of confirmed instances of corruption	0	0	0	0
<b>Sustainable supply chain</b> SDG: 5.1, 7.2, 7.3, 8.4, 8.5, 8.7, 8.8, 9.4, 10.2, 12.2, 12.4, 12.5, 13.1, 16.5 GC: Principles 1–10	Number of audits conducted relating to sustainability	6	4	*	*
	Percentage of purchased volume from sustainability approved suppliers <sup>1</sup>	41	35	60	90
<b>Climate Action</b> SDG: 7.2, 7.3, 8.4, 9.4, 12.2, 12.4, 12.5, 12.8, 13.1, 13.3 GC: Principles 7–9	Scope 1 GHG emissions, tCO <sub>2</sub> e	962 <sup>10</sup>	1,125 <sup>2</sup>	*	558
	Scope 2 GHG emissions (Market-based), tCO <sub>2</sub> e	11,906 <sup>10</sup>	11,953 <sup>2</sup>	*	6 905
	Scope 3 GHG emissions, tCO <sub>2</sub> e	417,714 <sup>10</sup>	289,701 <sup>3</sup>	-	-
	Total GHG emissions (Market-based), tCO <sub>2</sub> e	430,582 <sup>10</sup>	302,779	-	-
	Climate intensity, scope 3, tCO <sub>2</sub> e/MSEK Sales	64 <sup>10</sup>	39 <sup>11</sup>	*	31
	Direct energy consumption, MWh	58,315 <sup>10</sup>	56,859	*	*
	Energy intensity, MWh/MSEK sales	9 <sup>10</sup>	8	7	6
	Climate neutral operations, % <sup>9</sup>	32 <sup>10</sup>	32	*	100
	Share of sales volume of in-house produced products with calculated carbon footprints, % <sup>4</sup>	61	59	100	100
Recycled, reused or renewable materials in products produced in-house, %	13	10	*	25	

Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	Goal 2025	Goal 2030
<b>Health, safety and working environment</b> SDG: 3.4, 3.5, 3.9, 8.8	Employees covered by a Health and Safety Management system <sup>5</sup>	32	<b>62</b>	75	90
	Sick leave, % <sup>6</sup>	3.1	<b>2.5</b>	3	3
	Work-related accidents with absence, frequency <sup>7</sup>	3.5	<b>1.5</b>	0	0
	Employee Satisfaction Index	71	<b>**</b>	74	76
	Employee Loyalty Index	79	<b>**</b>	84	86
<b>Diversity, inclusion and gender equality</b> SDG: 5.1, 5.5, 8.5, 10.2 GC: Principle 6	Percentage of women	29	<b>26</b>	>35	>40
	Percentage of women managers	26	<b>27</b>	>35	>40
	Percentage of women in Executive Management	33	<b>38</b>	>35	>40
	Number of confirmed instances of discrimination	0	<b>0</b>	0	0
	Percentage of employees who have had a performance review	97	<b>92</b>	100	100
	Percentage of employees who deem Hexatronic a gender equal and inclusive workplace	88	<b>88</b>	97	100
	Equal Pay Index <sup>8</sup>	94	<b>92</b>	95	100
<b>ISO certified management system</b>	ISO 14001 certified companies in the Group, %	43	<b>35</b>	*	*
	ISO 9001 certified companies in the Group, %	65	<b>57</b>	*	*

1 Based on total purchase volume of direct materials.

2 The increase is mainly due to increased production in USA.

3 The decrease of Scope 3 emissions in 2023 is mainly due to lower GHG emissions from purchased goods in 2023.

4 Includes production of duct and cable.

5 Based on legal requirements and/or recognized standards or guidelines, such as ISO 45001 or similar, which has been internally audited and/or audited or certified by an external party. The increase is due to several companies implementing health and safety management systems during 2023.

6 Identified data gaps, since some non-European countries do not measure this in the same way.

7 Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked x 200,000. Continuous improvements for increased health and safety has resulted in decreased number of work-related accidents.

8 Weighted average gender pay gap. Includes the companies Edugrade, Data Center Systems, Hexatronic Cables & Interconnect Systems, Hexatronic Fiberoptic, Hexatronic UK, Proximion and Hexatronic head office.

9 By using climate neutral energy and neutralize residual emissions. Includes Scope 1 and 2.

10 The new base year 2022 has been updated compared to previous published results, due to improved data quality, method improvements, and emissions added from the companies acquired during 2022 that had a material impact on the base year figure.

11 Sales excludes companies acquired during 2023, since their GHG emissions are not included in the Sustainability Report.

\* No target set

\*\* No survey conducted

n/a No data available

- Target not applicable



# EU taxonomy for sustainable activities

## Introduction to the EU Taxonomy

The EU Taxonomy Regulation EU 2020/852 (EU Taxonomy) is a classification system for sustainable economic activities in relation to the European Union's environmental objectives. Hexatronic Group is covered by the EU directive on non-financial reporting and must report the extent to which the taxonomy covers Hexatronic Group, and the proportion of the part covered that is taxonomy aligned. In the absence of regulatory guidance in many respects, we have found that there is a wide scope for interpretation in several parts of the taxonomy. Based on our own internal assessments, we have concluded that our economic activities linked to how we generate turnover are not affected by the new environmental objectives. We have assessed the new environmental objective, Transition to a circular economy, and have concluded that our type of business is not covered.

We maintain an ongoing dialogue with the industry organization Europacable and several different experts in the field. A certain proportion of capital and operating expenditure is either attributable to purchases from suppliers whose activities are covered by the taxonomy or to individual measures that enable us to become low-carbon or lead to reduced greenhouse gas emissions. Our disclosures for 2023 are based on our current interpretation of the rules and may change in the future based on new regulatory guidance.

## Our economic activities

In 2023, Hexatronic reviewed whether there could be capital expenditures or operating expenditures attributable to purchases from suppliers whose activities are covered by the taxonomy or individual measures. The following economic activities have been identified: 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, 7.3 Installation, maintenance, and repair of energy-efficient equipment, 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings, 7.5 Installation, maintenance and repair of instruments and devices for measuring,

regulation and controlling energy performance of buildings, 7.6 Installation, maintenance, and repair of renewable energy technologies, and 7.7 Acquisition and ownership of buildings.

## Accounting principles

### Turnover

Turnover from the sale of products and services and other operating income, which corresponds to Hexatronic's net turnover. The taxonomy covers no part of the turnover.

### Capital expenditure

Capital expenditure is the purchase or processing of tangible and intangible assets, excluding goodwill, during the year and increase through business acquisitions. Total capital expenditure is presented in Note 17, Note 18, and Note 19 on page 116-119 in our 2023 Annual Report.

Capital expenditure included in the numerator consists of 7.7 Acquisition and ownership of buildings, which includes buildings from our acquired companies during the year as well as new leasing contracts for premises, 7.3 Installation, maintenance, and repair of energy-efficient equipment, such as installation of LED lighting in buildings and production facility, 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings.

As the taxonomy covers no turnover, all investments consist of either purchases from suppliers whose activities are covered by the taxonomy or individual measures. We have not been able to assess whether these suppliers meet the criteria for being taxonomy aligned. Purchases from suppliers can only be taxonomy aligned if it can be verified that each supplier has carried out a taxonomy-aligned activity. Assessment of whether an activity is taxonomy-aligned also includes assessments of criteria for not significantly harming other environmental objectives (DNSH) and criteria for minimum safeguards. None of the individual measures have been assessed as aligned with the taxonomy.

## Operating expenditure

Operating expenditure is defined in the EU taxonomy as direct non-capitalized costs related to research and development (R&D), building renovations, short-term leases, maintenance and repairs, and direct costs related to the maintenance of the assets. This report only includes repairs, maintenance, and short-term leases, as the other areas are considered immaterial. These operating expenses are recognized as part of other external costs in the consolidated statement of operations; see page 86.

Operating expenditure included in the numerator

consists of 7.3 Installation, maintenance, and repair of energy-efficient equipment, which includes installation of energy-efficient doors, and 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.

As no turnover is covered by the taxonomy, operating expenditure consists of either purchases from suppliers whose activities are covered by the taxonomy or individual actions. As described for capital expenditure above, none of this expenditure has been assessed as taxonomy aligned.

## Proportion of Taxonomy-aligned economic activities

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)						Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022	Category enabling activity	Category transitional activity
Code	Turnover	Proportion of turnover year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
	[MSEK]	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-			
Of which Enabling	-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	E		
Of which Transitional	-	-	-						Y	Y	Y	Y	Y	Y	Y	-		T	
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)								-			
A. Turnover of Taxonomy eligible activities (A1+A2)	-	-	-	-	-	-	-	-								-			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities	8,150	100%																	
TOTAL	8,150	100%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023				Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible CapEx, year 2022	Category enabling activity	Category transitional activity
Economic Activities (1)	Code	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity						
		[MSEK]	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-				
Of which Enabling		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	E			
Of which Transitional		-	-	-						Y	Y	Y	Y	Y	Y	Y	-		T		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</b>																					
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)												
Acquisition and ownership of buildings	CCM 7.7	212.1	18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16%				
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	3.7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0,6	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-				
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	-	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		216.3	19%	19%	-	-	-	-	-								16%				
A. CapEx of Taxonomy eligible activities (A1+A2)		216.3	19%	19%	-	-	-	-	-								16%				
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
CapEx of Taxonomy-non-eligible activities		937.1	81%																		
TOTAL		1,153.4	100%																		

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023				Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible OpEx, year 2022	Category enabling activity	Category transitional activity
Economic Activities (1)	Code	OpEx	Proportion of OpEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity						
		[MSEK]	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-				
Of which Enabling		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	E			
Of which Transitional		-	-	-						Y	Y	Y	Y	Y	Y	Y	-		T		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</b>																					
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)												
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	13.6	23%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-				
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	0.1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%				
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-				
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	0.0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14.0	23%	23%	-	-	-	-	-								1%				
A. OpEx of Taxonomy eligible activities (A1+A2)		14.0	23%	23%	-	-	-	-	-								1%				
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
OpEx of Taxonomy-non-eligible activities		46.5	77%																		
TOTAL		60.5	100%																		

## Nuclear and fossil activities are not applicable to Hexatronic Group

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to 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	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations 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	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Nuclear and fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

# Auditor's statement on the statutory Sustainability Report

To the general meeting of shareholders in Hexatronic Group AB, corporate identity number 556168-6360.

### Engagement and responsibility

It is the Board of Directors who is responsible for the statutory Sustainability Report for the year 2023 on pages 36–63 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12: The auditor's opinion regarding the statutory Sustainability Report. This means that our examination of the statutory

Sustainability Report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory Sustainability Report has been prepared.

Gothenburg, 10 April 2024  
 Öhrlings PricewaterhouseCoopers AB  
 Johan Malmqvist  
 Authorized Public Accountant