

About the Sustainability Report

This is the Group's seventh Sustainability Report in accordance with the requirements of the Swedish Annual Accounts Act, ch. 6, §12. The Sustainability Report relates to the 2024 financial year and is on pages 54-93.

The Sustainability Report encompasses the parent company Hexatronic Group AB and its subsidiaries. Companies acquired or formed during 2024 and companies with less than six employees are excluded in the key metrics.



Important milestones 2024

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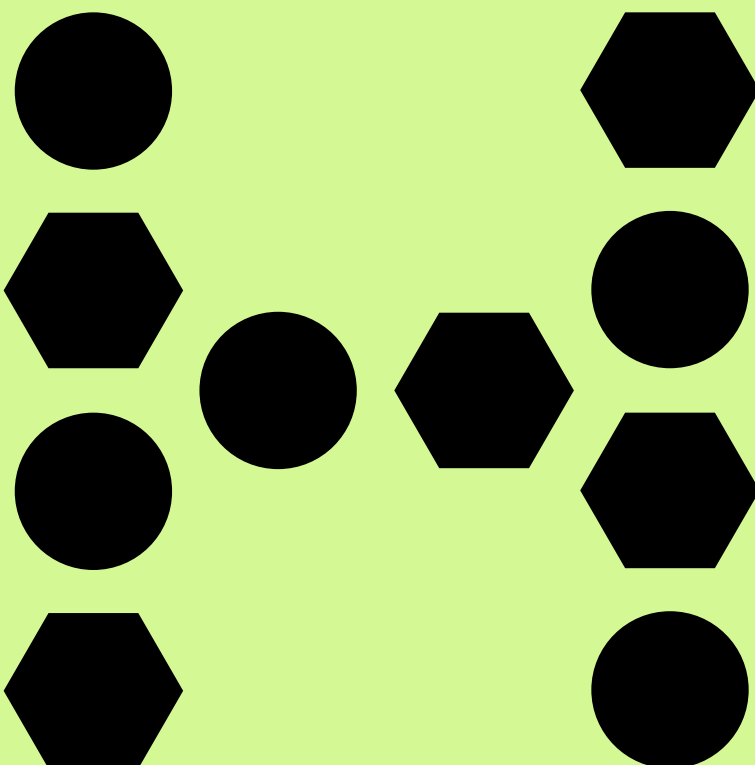
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Sustainability Report



Sustainability Report 2024

At Hexatronic, we are at the forefront of creating sustainable solutions for the fiber optic infrastructure market. Our solutions enhance global connectivity, contribute to sustainable development, and enable people, businesses, and societies to progress and succeed together.

Our sustainability efforts are centered around three core areas—Planet, People, and Ethics. Through these focus areas, we work actively to minimize our environmental footprint, create an inclusive and engaging workplace, and uphold strong business ethics.

A few of our highlights during the year include:

- Reaching 46 percent climate neutral energy in our operations, corresponding to a 30 percent reduction of combined Scope 1 and Scope 2 greenhouse gas (GHG) emissions.
- Linking executive pay to our annual sustainability targets.
- Sending our science-based targets for validation to the Science Based Targets initiative.

Our devotions

Success comes through collaboration, where involvement and shared knowledge fuel progress. This is key to addressing today's challenges and building greener, smarter, and safer societies. We commit to follow the Ten Principles of the UN Global Compact and contribute to the Sustainable Development Goals. We are a proud Nasdaq ESG Transparency Partner since 2021 and we are active members of several national, European, and global sustainability organizations, including:

- UN Global Compact
- The Swedish Anti-Corruption Institute
- FTTH Sustainability Committee & Eco Platform
- Europacable's Sustainability Committee
- Sustainable Subsea Network



Planet

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



People

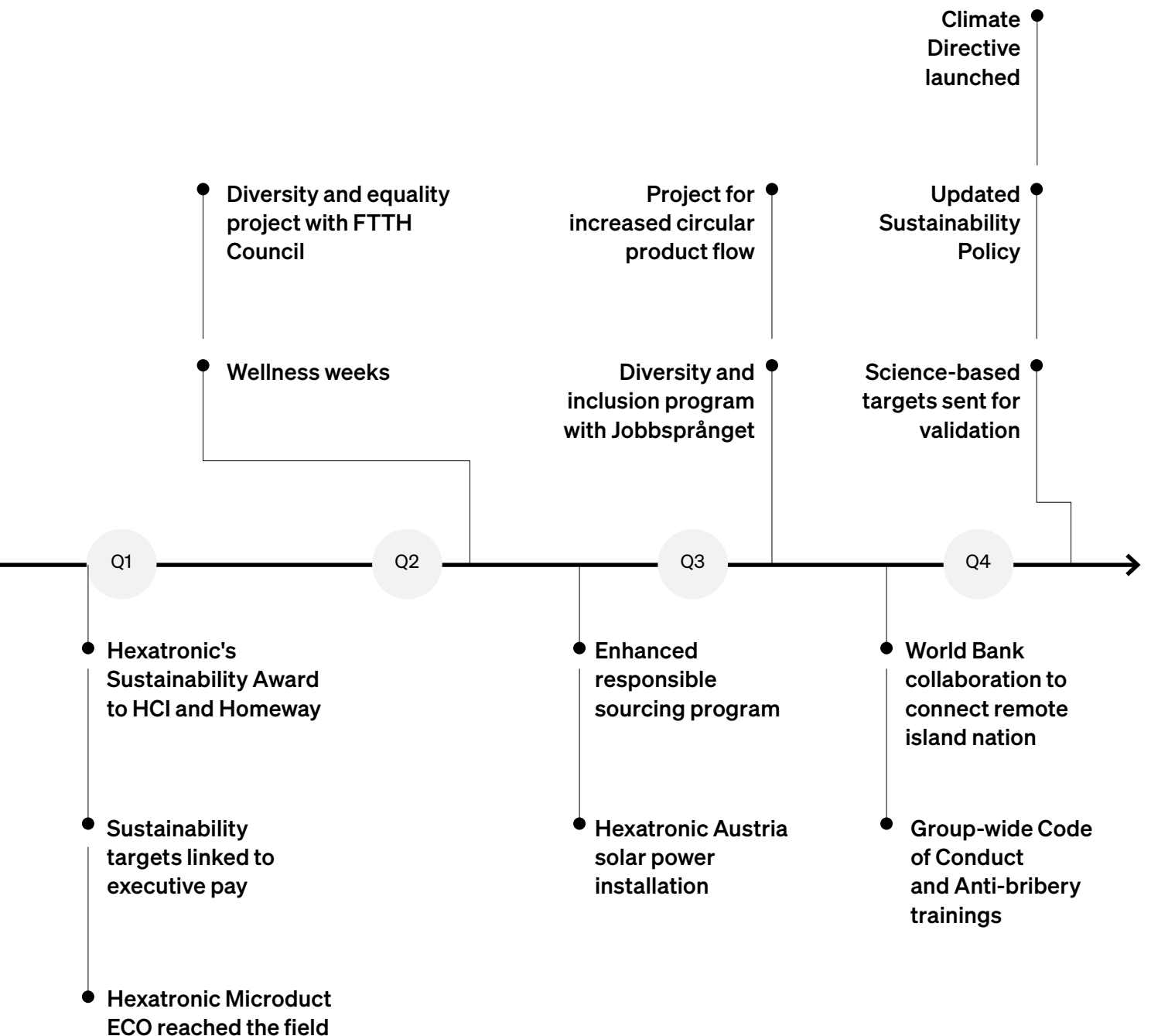
We create a workplace culture where everyone feels valued, has a sense of belonging, and is given opportunities to succeed and grow.



Ethics

We commit to strong business ethics in our relationships worldwide and seek partners who share our values.

Important milestones 2024



General disclosures

Basis for preparation

Information includes Hexatronic Group AB and its subsidiaries. Subsidiaries acquired or formed during 2024 and subsidiaries with less than six employees, are excluded in the key metrics.

The double materiality assessment process includes impacts, risks, and opportunities identified in our business operations and in our upstream and downstream value chain. Material upstream and downstream value chain information is described in the sections relating to the topical standards.

Disclosures in relation to specific circumstances

The 2024 sustainability report is structured with inspiration from the European Sustainability Reporting Standards (ESRS).

In preparing the greenhouse gas (GHG) reporting, the emissions for previous years (2022 and 2023) have been recalculated to include newly acquired companies. New

Scope 3 categories have been added in order to achieve consistency with minimum boundaries and compliance with the GHG Protocol Corporate standard. Additionally, data quality has been improved in all Scopes, through improved emission factors and the correction of minor reporting errors. More information about this can be read in the Planet section.

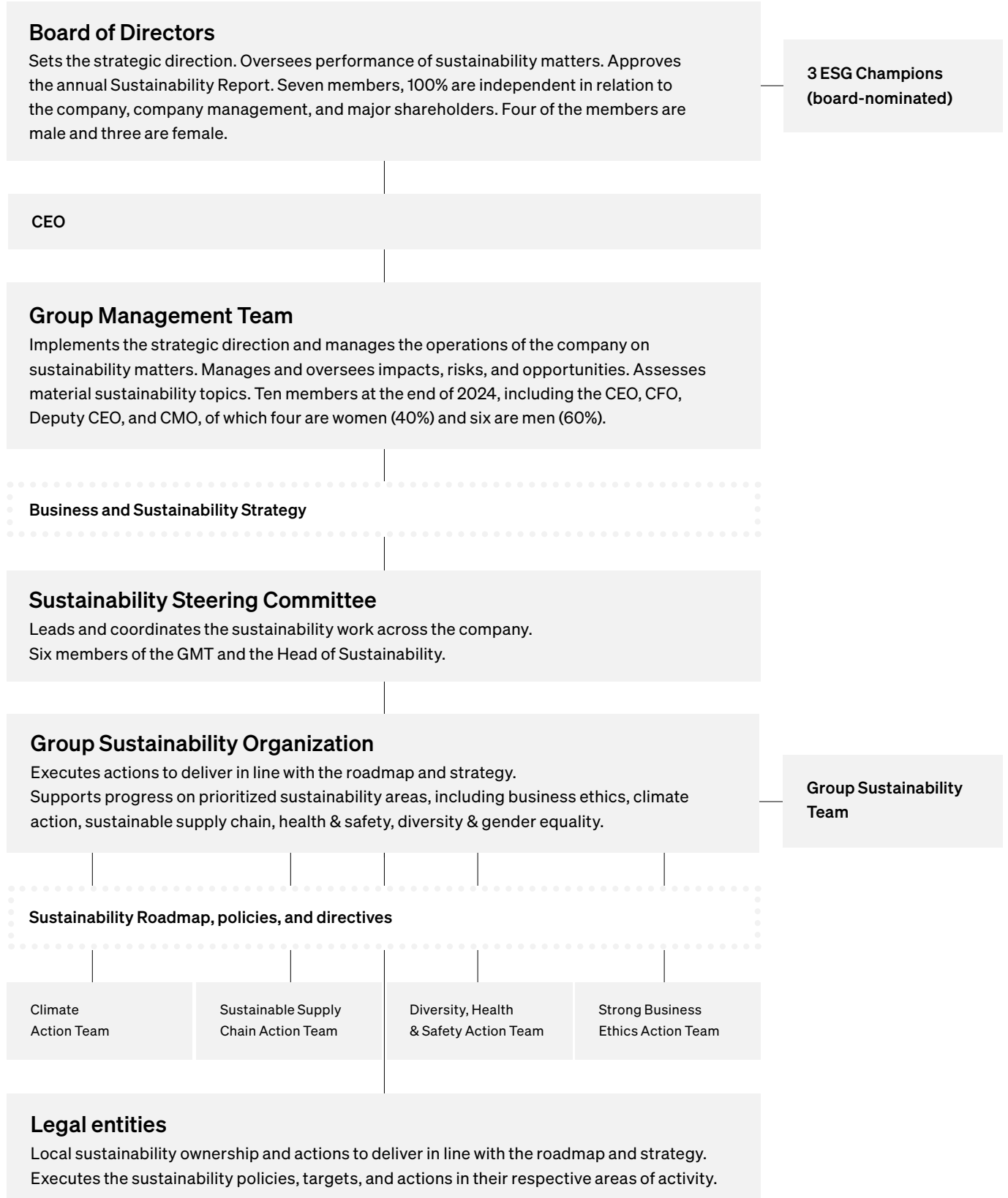
Integration of sustainability-related performance in incentive schemes

Sustainability-related performance is included in the executive incentive schemes and the long-term incentive plan. The sustainability targets linked to executive pay include environmental, social, and governance (ESG) targets within our focus areas Planet, People, and Ethics. Linking executive pay to our annual 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.



Sustainability governance

The sustainability governance structure consists of the following bodies:



Strategy

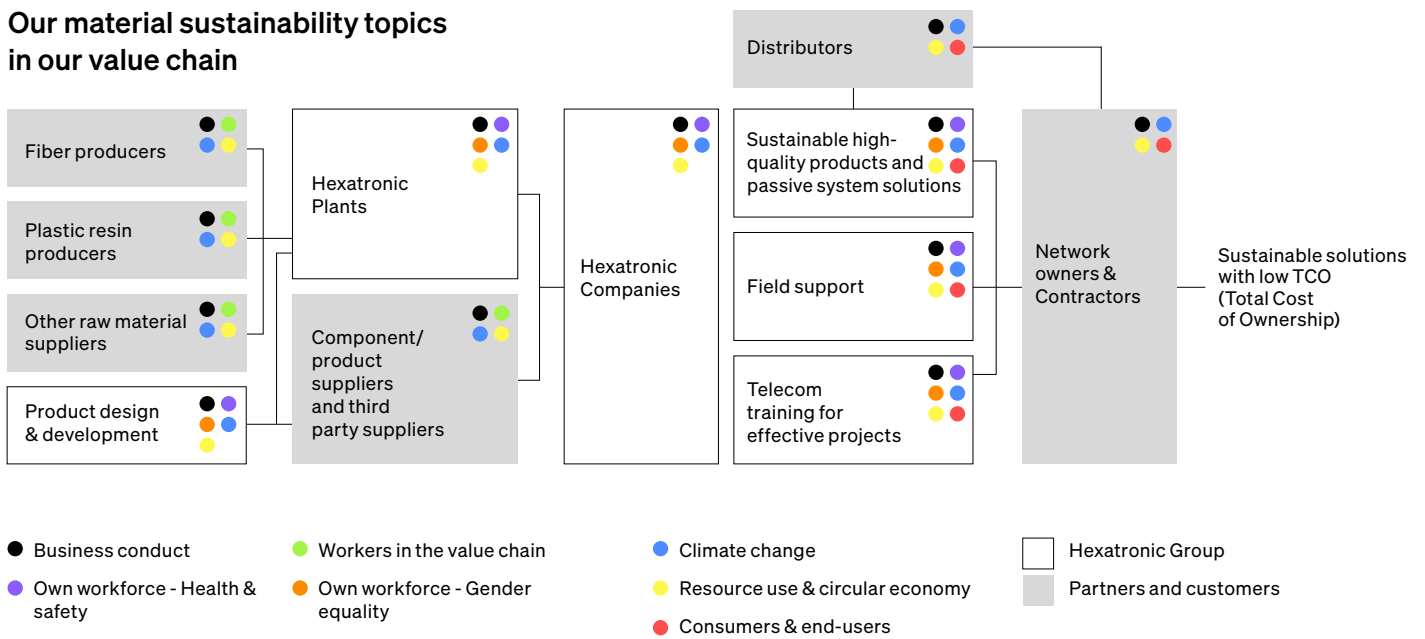
Business model and value chain

Our vision is to create a lasting link to the future. The more people that have access to what a digital universe can offer, the better we believe tomorrow will be. Our products and solutions offer stable connections that create development opportunities for people and societies worldwide.

Our strategy includes seven foundational pillars that guide us forward, with sustainability being fundamental to each pillar. Read more about our strategy and pillars on page 12.

The presence of material sustainability topics in our value chain is visualized in the image below. Read more about our material topics on page 62.

Our material sustainability topics in our value chain



Interests and views of stakeholders

Engaging with stakeholders is essential to Hexatronic's ability to create value and ensure our long-term success. Understanding various views and interests informs our strategy and business model in a variety of ways, for example in creating a meaningful workplace, developing circular product solutions for reduced carbon footprints, and in

conducting business with integrity in the markets where we operate.

The following table discloses how we engage with our key stakeholders, the purpose of those engagements, and examples of their outcomes. The views of stakeholders inform our due diligence process and the materiality assessment.

Key stakeholders	Engagement and purpose	Outcome
Customers	We engage with our customers on a daily operational basis, and through industry groups, innovative collaborations, and surveys.	<ul style="list-style-type: none"> Reduction in customers' material-related carbon footprint Alignment of sustainability materiality for future product areas
Employees	We maintain a collaborative and meaningful workplace. We engage employees through open and direct discussions, leadership communication, trainings, performance and development reviews, and our employee engagement surveys.	<ul style="list-style-type: none"> Inclusion of views and perspectives of employees in actions taken by the Group to address material impacts, risks, and opportunities Above-target eNPS score Improved health and safety performance Culture of business integrity
Investors, banks	We engage with our financial stakeholders via presentations, briefings, investor dialogues, and the annual and sustainability reports.	<ul style="list-style-type: none"> ESG ratings Meeting the sustainability information needs of financial stakeholders Securing financing
Suppliers	We engage with our suppliers on a daily operational basis, through partnerships, through industry groups, and through supplier assessments and audits.	<ul style="list-style-type: none"> Adherence to the Group's business conduct and sustainability standards Supporting our suppliers to advance their sustainability journey
Owners	We engage with our owners on a regular basis through briefings, board meetings, and the annual reporting process.	<ul style="list-style-type: none"> Alignment on sustainability strategy, targets, and performance
Regulators/Authorities	We follow updates from regulators and relevant public authorities.	

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

Hexatronic's risk management process starts at entity level, where risks are identified, classified, and rated. The risk evaluations from the entities form the foundation for local

risk management and are aggregated into a group-level analysis. The Group Management Team then prioritizes and identifies the most significant risks to align with the strategic plan. Risk management within Hexatronic, including action and mitigation planning, is reported to the Board on an on-going basis. Read more on page 50.

Material impacts, risks, and opportunities

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

Our double materiality assessment was updated during 2024, and its preliminary outcome is visualized below. Relevant sustainability impacts, risks, and opportunities were identified through the collection of data across multiple sources, including:

- Internal information, external reports, stakeholder dialogues, benchmarks, trends, surveys, and expert opinions.
- Topics covered in the European Sustainability Reporting Standards (ESRS).
- Input from our human rights due diligence assessment, including salient human rights risks.
- Input from the annual risk management process.

Process for deciding material topics

Stakeholder dialogue

- Recurring engagement with employees, customers, investors, owners, business partners, suppliers, society, and industry organizations through interviews, surveys, and meetings.

Identification of sustainability topics

- Environmental, social, and governance issues were identified relevant to specific business activities, relationships, products, services, geographical presence across the value chain, and time horizons (short-, medium-, and long-term).

Double materiality assessment

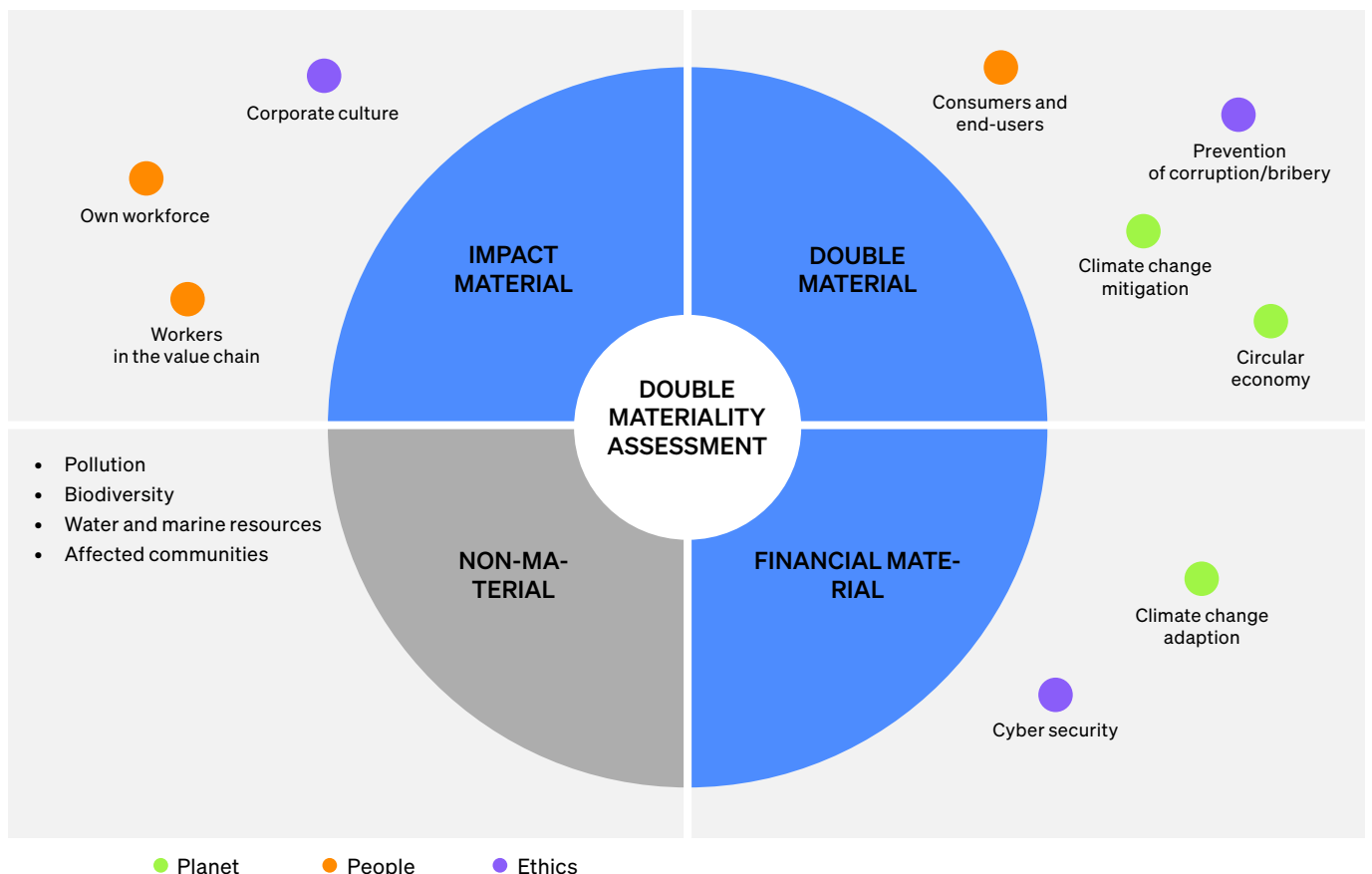
- Financial (outside-in).
- Impact (inside-out).

Integration into strategic business planning

- Incorporation of material topics into strategic plans.

Monitoring and review

- Regular collection and analysis of data.
- Stakeholder feedback mechanisms.
- Periodically review of the double materiality assessment to ensure relevance to changing contexts.





Planet

Hexatronic Group’s approach to environmental sustainability reflects our commitment to minimizing environmental impacts across our operations, value chain, and product lifecycle.

This section addresses our material topics: Climate change and Resource use and circular economy. Within these areas we align with global sustainability goals, regulatory frameworks, and stakeholder expectations, while delivering solutions that empower our customers to meet their

environmental objectives. The following disclosures outline our strategies, targets, and actions to drive positive environmental outcomes and mitigate risks associated with climate change and resource use.

Climate change

Identifying and assessing material climate-related impacts, risks, and opportunities

We employ a structured and annual process to identify and assess material climate-related impacts, risks, and opportunities across our operations, supply chains, and markets. This process is integrated into our enterprise risk management framework.

The assessment process incorporates stakeholder input and scenario and resilience analysis, to prioritize areas with the most significant potential impact or value creation. Opportunities, such as developing energy efficient solutions and contributing to digital inclusion with low-carbon technologies, are also identified. These findings are reviewed annually by our Sustainability Steering Committee to ensure that they inform decisionmaking, target setting, and resource allocation. Climate risk analyses of our top suppliers have been built into our supplier assessments.

During 2024, our duct and cable manufacturing companies have carried out individual climate scenario analyses and developed resilience strategies, focusing on our sites, logistics, supply chains, and markets. The Task Force on Climate-related Financial Disclosures (TCFD) recommendations have been used as a guide in this work.

We evaluate physical climate risks, such as extreme weather events, changing climatic conditions, water scarcity, and biodiversity loss, alongside transitional risks, including regulatory changes and market shifts, in two different scenarios. The results and action plans have been integrated in to the main risk management process.

Opportunities

Area	Opportunity	How Hexatronic captures the opportunity
Products/services, market	Climate-change mitigation, energy efficiency	Introduce high environmental performance product ranges into more markets, while broadening existing portfolios
Value chain	Leveraging the transition to climate neutral energy and novel raw material	Pursue long-term supply agreements and invest in energy and material efficiency measures
Products/services	Recycling scrap	Further develop the capability to mechanically recycle plastic scrap within our own facilities
Market	Climate-change adaptation	Establish partnerships regarding new technologies (e.g. oceanographic technologies), climate-disaster resilience, and digitalization for remote areas

Risk analysis climate scenarios

Scenario	Factor	Risk	Risk management plan
Net Zero 2050	Transitional	Market transition away from fossil fuels	Identify alternatives to fossil fuels and feedstock; diversify energy portfolios
Net Zero 2050	Transitional	Regulatory changes and compliance costs	Identify local suppliers, reduce reliance on non-local imports, prepare for increased reporting requirements
Current Policies	Physical	Extreme weather events (e.g. hurricanes, wildfires, etc.) impacting operations and employee health	To manage serious disruption in production, Hexatronic Group has adequate insurance coverage, and every company in the Group has its own standard insurance solutions. Our risk mitigation activities include emergency preparedness plans, upgrading of drainage systems, and enhancement of building insulation and cooling systems
Current Policies	Physical	Energy supply vulnerabilities and cost increases due to climate impacts on infrastructure	Phase out old equipment, replace with energy-efficient models, introduce climate neutral energy sources
Current Policies	Transitional/ Physical	Increased operational costs due to emissions trading and raw material costs	Diversify the supply chain, enhance productivity, invest in low-carbon technologies, establish GHG monitoring and evaluation systems

Transition plan for climate change

We work actively to reduce GHG emissions across our operations and value chain. Our transition plan involves enhancing our operational efficiency through innovative product development, resource optimization, and the adoption of climate neutral energy sources. We drive circularity initiatives together with business partners and collaborate with our suppliers on emission reductions in the supply chain.

In 2024, we launched a Climate Directive to align actions and decisions with our target of achieving climate-neutral operations in Scope 1 and 2 by 2030. The Directive covers local energy efficiency initiatives and operational decarbonization policies.

Practical steps towards decarbonization:

- Increasing the share of climate-neutral electricity.
- Transitioning to electric, hybrid, and biofuel-powered vehicles and equipment, including electrification of vehicle fleets and replacement of natural gas systems with heat pumps.
- Enhancing circularity in product design, packaging, and logistics (e.g. drum return programs and water recycling with closed-loop cooling systems).
- Designing products with fewer materials and increasing the proportion of recycled and bio-based materials.

- Phasing out single-use plastic packaging in favor of sustainable alternatives.
- Working with our suppliers to reduce carbon footprints, optimize packaging and transportation, and introduce new products and materials.

Policies related to climate change

- Sustainability Policy: Defines and communicates how we work with our environmental performance, as well as with overall sustainability. This policy expresses our commitments to addressing climate change and impact on ecosystems, including adopting a lifecycle perspective, energy and material efficiencies, and minimizing waste, pollution, and substances of concern.
- Supplier Environmental Requirements: Communicates our supplier expectations on environmental performance and requires our suppliers to cascade the environmental requirements to its suppliers and sub-suppliers. Our suppliers shall minimize and measure their greenhouse gas emissions (Scope 1, 2 and 3), avoid hazardous substances in production, and work in accordance with ISO 14001.
- Climate Directive: Concerns all subsidiaries and serves to meet our target of climate neutral operations (Scope 1 and 2) by 2030. It provides guidance on climate change mitigation, energy efficiency, local goals and the use of climate neutral energy.

Actions and resources

We engage in targeted measures and resource allocation to reduce our climate impact. Our actions include renewable energy, phasing out fossil fuels, and energy efficiency. During 2024, the following measures were implemented:

- The installation of solar panels on one of our production facilities, which provided excess energy to the grid and improved the local energy system.
- Increased production efficiency through improvements in production speed and the installation of new extruders.
- The change of fuel for working machines from fossil diesel to HVO100.
- The purchase of Renewable Energy Certificates (REC's), which resulted in a significant reduction in emissions.

An important part of our environmental work is the implementation and compliance with management systems for environment and quality.

- 29 percent of subsidiaries are certified according to the environmental management system ISO 14001
- 54 percent of subsidiaries are certified according to the quality management system ISO 9001

Targets related to climate change

We have established measurable and ambitious targets focusing on reducing GHG emissions across our value chain, including Scope 1, Scope 2 (market-based), and key categories of Scope 3.

Our science-based targets adopt the absolute contraction approach, and are intended to be validated and externally assured by the Science Based Targets initiative:

- Scope 1 and 2 target: Hexatronic Group commits to reducing absolute Scope 1 and 2 GHG emissions 42 percent by 2030 (2022 base year).
- Scope 3 target: Hexatronic Group commits to reducing Scope 3 GHG emissions by 51.6 percent per economic value added to 2030 (base year 2022).

In setting these targets, we have accounted for projected growth, technological advancements, regional- and market-specific developments, and anticipated shifts in customer preferences. An economic intensity target for Scope 3 was selected as it is both ambitious and achievable. These targets cover 100 percent of our Scope 1 and 2 GHG emissions, and at least 67 percent of our Scope 3 emissions.

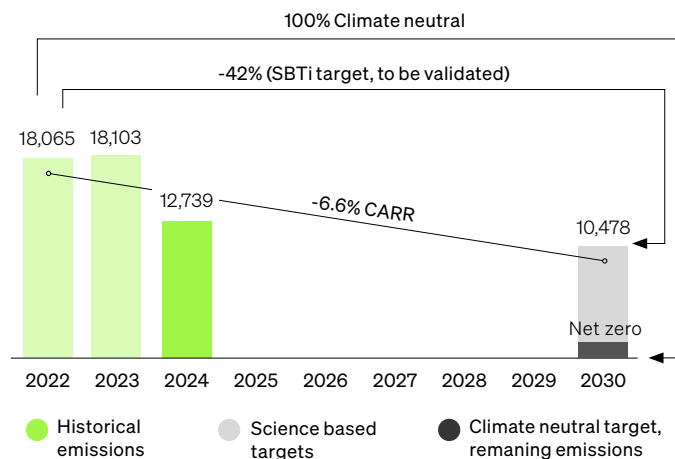
Climate neutral operations:

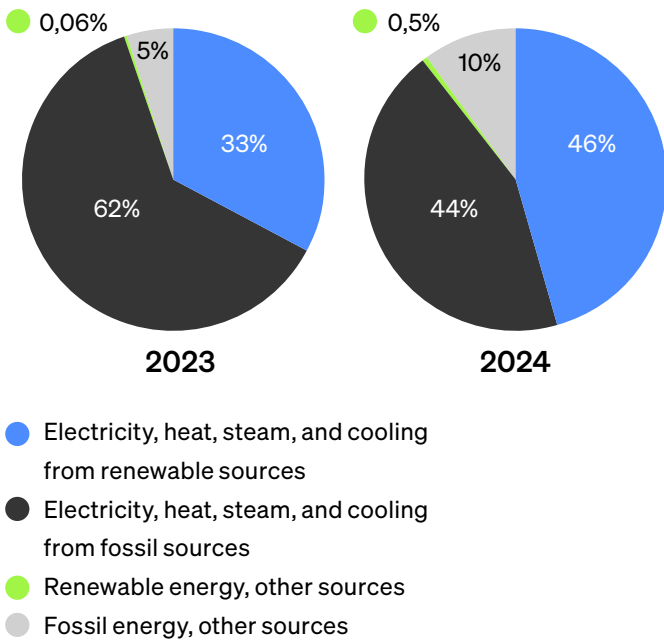
We are committed to achieving climate neutrality in our own operations (Scope 1 and 2) by 2030. By meeting this target, we will significantly surpass the Scope 1 and 2 science-based target.

To ensure compliance with applicable standards, we estimate any exclusions from our greenhouse gas inventory boundaries and limit them to a maximum of 5 percent across combined Scope 1, 2, and 3 emissions.

Climate neutral and absolute reduction targets for 2030 (Scope 1 and 2) tCO₂e

Read more about our progress on page 68.

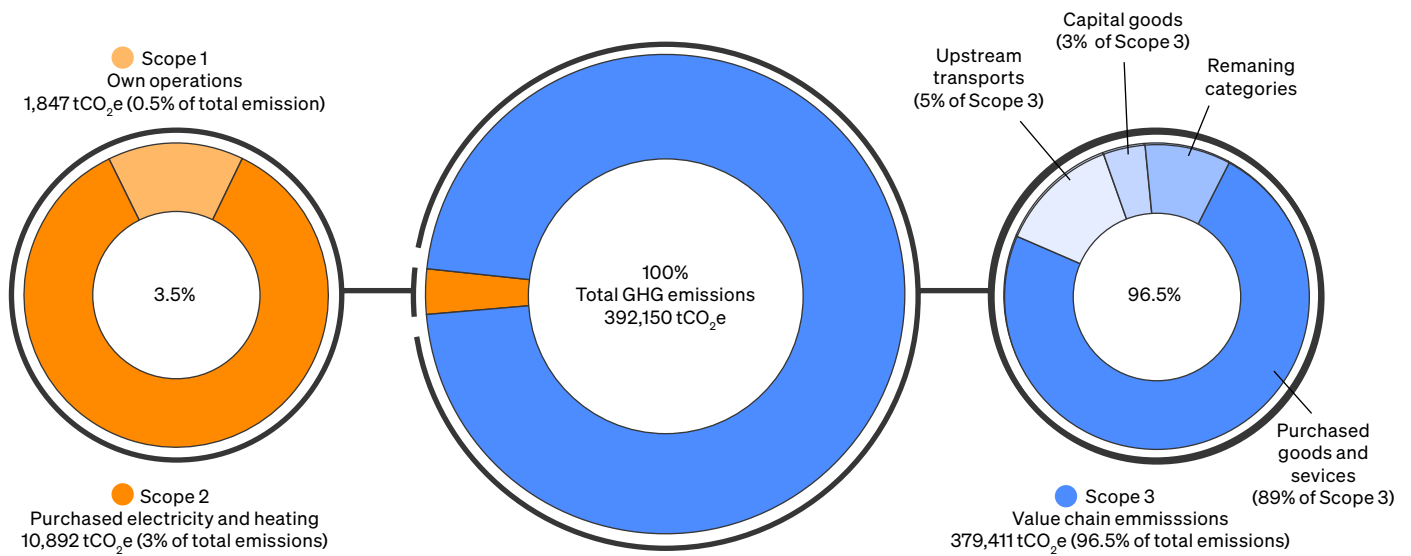




Energy consumption and mix

In 2024, our total energy consumption was 70,479 MWh, excluding the energy consumption of company cars. Our energy consumption consists of approximately 90 percent electricity. A high degree of electrification means that we are well prepared to reduce our GHG emissions in scope 1 and 2. The share of renewable electricity in total energy consumption increased from 33 percent to 46 percent, compared to the previous reporting period, primarily due to purchase of Renewable Energy Certificates. The increase in renewable energy from other sources is mainly attributed to the transition from fossil diesel to HVO100 at one of our production facilities. The increase in fossil energy from other sources is largely due to the inclusion of newly acquired companies.





Gross Scopes 1, 2, 3, and total GHG emissions

Scope 1 includes all direct emissions, such as on-site fuel combustion, refrigerant leakage, and fuel combustion in company vehicles used for business travel. Scope 1 emissions have remained relatively stable over time and do not correlate as strongly with production variations as Scope 2 emissions.

Scope 2 includes purchased electricity, cooling, steam, and heating. Scope 2 decreased by 33 percent compared to the previous reporting period, primarily due to the purchase of RECs.

Scope 3 includes value chain emissions, with Purchased goods and services, Upstream transportation and distribution, and Capital goods accounting for 89 percent, 5 percent, and 3 percent of total Scope 3 emissions, respectively. Scope 3 emissions decreased by 10 percent, compared to the previous reporting period, mainly due to a reduction in emissions from Purchased goods and Services.

Accounting methodology, method, and data quality

Performance against targets is reported at least once per year, and twice per year by manufacturing companies. Results are analyzed and monitored by the Sustainability Steering Committee and presented to the Board.

Our calculation methodology is compliant with the GHG Protocol Corporate Standard, and the market-based method is used to account for GHG emissions from electricity consumption. The level of accuracy is high for purchased electricity with certificates, while the average market mix is used when residual mix emission factors are unavailable.

For Purchased goods and services, mainly generic data is used. To improve accuracy in value chain emissions, we plan to gradually replace generic data with primary data from prioritized suppliers.

The organizational boundary follows financial control, with no spatial or temporal boundary. Covered GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆).

GHG emissions (The unit is tCO ₂ e, unless otherwise stated)	Retrospective				Target year	
	2022 (Base year)	2023	2024	% N / N-1 ¹	2030	Annual % target ³ / Base year
Scope 1						
Gross emissions	1,861	1,797	1,847	3		
Scope 2						
Gross location-based emissions	17,511	17,330	15,901	-8		
Gross market-based emissions	16,204	16,306	10,892	-33		
Science Based Target Scope 1 & 2 fulfilment						
Combined Scope 1 & 2 emissions (market-based)	18,065	18,103	12,739	-30	42	6.6 / 2022
Target completion [%]		-1	70			
Scope 3						
Total Scope 3 gross emissions	474,640	420,652	379,411	-10		
Category 1 – Purchased goods and services	425,928	375,342	335,887	-11		
Category 2 – Capital goods	14,137	14,533	10,687	-26		
Category 3 – Fuel- and energy-related activities	5,249	5,162	4,455	-14		
Category 4 – Upstream transportation and distribution	19,444	16,298	17,694	9		
Category 5 – Waste generated in operations	863	947	1,089	15		
Category 6 – Business travel	2,073	1,098	1,445	32		
Category 7 – Employee commuting	3,145	3,279	3,176	-3		
Category 8 – Upstream leased assets (not included in Scope 1 or Scope 2)						
Category 9 – Downstream transportation and distribution	3,335	2,924	2,713	-7		
Category 10 – Processing of sold products						
Category 11 – Use of sold products	260	856	2,049	139 ²		
Category 12 – End-of-life treatment of sold products	206	213	216	1		
Category 13 – Downstream leased assets						
Category 14 – Franchises						
Category 15 – Investments						
Science Based Target Scope 3 fulfilment						
Scope 3 emissions from categories 1 and 4	445,372	391,640	353,581	-10		
Climate intensity	134	108	112	5	51.6	8.7 / 2022
Target completion [%]		38	32			
Total emissions						
Total emissions (location-based)	494,012	439,779	397,159			
Total emissions (market-based)	492,705	438,755	392,150			
GHG intensity per net revenue						
Total emissions (location-based) per net sales (tCO ₂ e/ MSEK)	60	51	52			
Total emissions (market-based) per net sales (tCO ₂ e/ MSEK)	59	51	52			

1 Difference compared to previous reporting period [%]

2 The increase of emissions related to use of sold products is due to an update of calculation method for 2024

3 Compounded Annual Reduction Rate

Case study

Rooftop solar panels help power duct production in Neulengbach

The roof of Hexatronic's production facility in Neulengbach, Austria has been busy, with 852 new solar panels installed on the tops of several buildings.

The solar panel project is a way for the facility to reduce carbon emissions, as a complement to the renewable electricity it is already using from sources like hydropower and wind power. The project will help reduce costs, bring additional renewable energy into the energy system, contribute to independence, and strengthen Hexatronic's reputation as a sustainable player in the fiber network infrastructure business.

"In the future, we can utilize electricity generated within our facility, and we plan to replace the diesel-driven forklifts and

car fleets with electric vehicles.," Thomas Erb (Plant Manager) explains. With all the ongoing and planned activities, Thomas Erb believes the Neulengbach facility can be carbon neutral by 2027, three years earlier than the goal for Hexatronic Group.

Lowering energy consumption is another way to minimize our impact on the environment.

Thomas Erb, Plant Manager, Neulengbach



Circular economy

Material impacts, risks, and, opportunities

Hexatronic's business model is built on providing sustainable, high-quality fiber optic solutions. Efficient resource use is essential to achieving our strategic objectives. The material impacts identified within this area include resource inflows and outflows, which directly influence our operations, cost efficiency, and long-term sustainability.

Policies related to resource use and circular economy

- **Sustainability Policy:** Expresses our commitments to minimize waste, maximize resource efficiency, and promote sustainable product lifecycles.
- **Supplier Environmental Requirements:** Ensures that suppliers prioritize the development and manufacturing of products and services with sufficient environmental properties, from raw materials to finished items.
- **Climate Directive:** Applies to all subsidiaries and provides a framework for achieving our climate-neutral operations goal (Scope 1 and 2) by 2030. The Directive includes actionable responsibilities for subsidiaries, such as improving resource efficiency.

Actions and resources related to resource use and circular economy

In 2024, Hexatronic proudly introduced new series of sustainability-focused products, including the Microduct ECO series, made with 51 percent quality recycled material. The share of recycled content results in a 33 percent lower carbon footprint, compared to the standard duct made from fossil-based polymers, providing Hexatronic customers with a feasible option to decrease their GHG emissions and reach their climate targets.

In Hexatronic's cable and duct manufacturing sites, drums are used to ship products to sites. Hexatronic has implemented multi-use drums, as well as a digitalized 'drum return project'. Many of our entities are working actively and drum return rates have increased during the year, some reaching above 50 percent.

Cable ducts, which are essential components in fiber optic networks, present an opportunity for integration of recycled materials. In an effort to increase the share of recycled content, Hexatronic has received recycled materials from unused customer ducts from multiple partners. The material is redirected to the production facility for recycling in the production of new ducts. This approach ensures traceability and that the recycled materials come from the same product type, maintaining high quality and longevity.

With an intention to increase Hexatronic's circularity-focused products, key personell are currently undertaking professional development regarding circular design principles and economy. The educational opportunity has been made possible by the Nordic Council of Ministers and is contributing to our competitiveness in the area of circulatory.

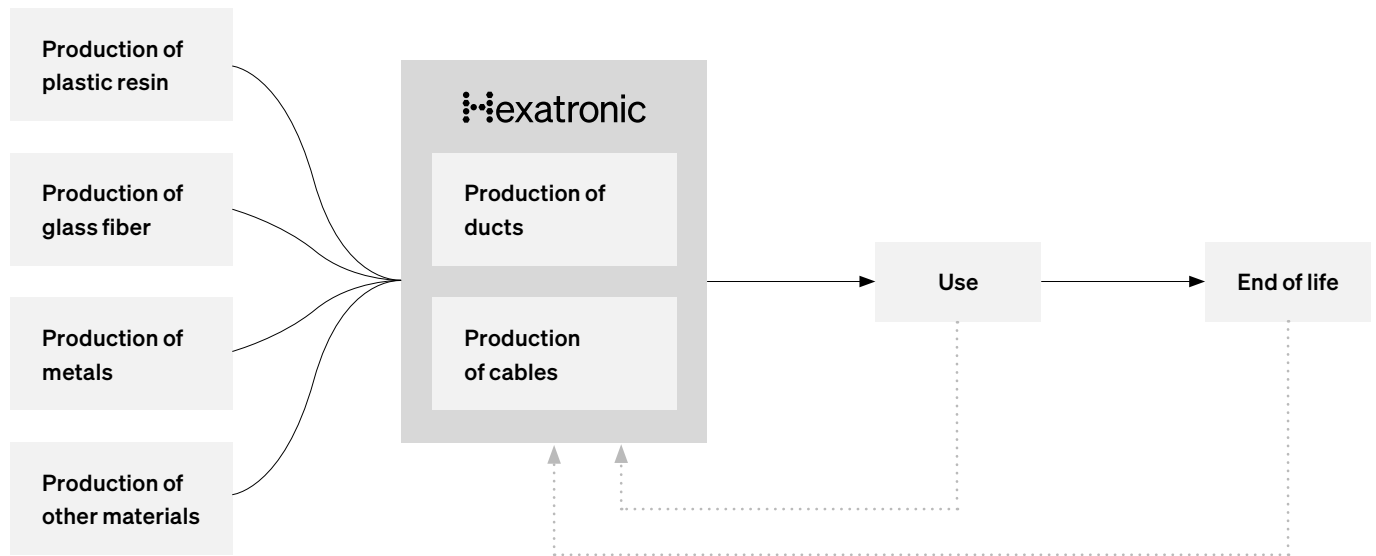
Recycled materials used
in duct production

7%

Targets related to resource use and circular economy

We are working to increase the percentage of recycled materials in duct production to 25 percent, by 2030.

Example of major product flows



Case study

Microduct ECO to connect homes in Finnish towns

Hexatronic's commitment to environment and innovation has made us a trusted partner for companies seeking sustainable solutions. One such collaboration is with MPY, a Finnish telecommunications company, where Hexatronic's cutting-edge technologies have played a pivotal role in advancing sustainable FTTH projects.

MPY has increasingly adopted Hexatronic's microduct systems instead of traditional direct-buried cables. Due to its smaller size, the microcabling technology reduces the plastic materials consumed in production and the volume

and weight in transportation. The system is also fully scalable to match future needs. Once the microduct system is in the ground, there is no need for further excavations to be able to upgrade the network.

In Heinola, MPY took it one step further by selecting Hexatronic's Microduct ECO, a new generation of microduct that will reduce the project's carbon footprint. Most of the material is recycled and the ducts are produced at Hexatronic's facility in Sweden, which is powered by certified renewable electricity.



Fiber is the foundation for all modern communication, improving the functionality of our society.

Janne Korhonen, Commercial Director, MPY.

People

A supportive, inclusive, and safe workplace culture is foundational to our operational excellence and growth strategy.

This section addresses our material topics: Own workforce, Workers in the value chain, and Consumers and end-users. We prioritize building an environment where our employees can thrive, our suppliers feel supported, and our end-users experience reliable and sustainable products. The following disclosures outline our strategies, targets, and actions to drive positive outcomes and mitigate risks regarding the people we work with everyday.



Own workforce

Material impacts, risk, and opportunities

As a technology-driven company, our business model relies on a skilled, engaged, and secure workforce to maintain the quality and resilience of our supply and service offerings. The material impacts identified within our workforce, such as gender equality, training and skills development, and health and safety, are essential to not only fulfilling our strategic objectives but also ensuring sustainable and responsible growth across our operations.

Our material impacts include;

- **Health and safety:** As a critical component of our workforce strategy, our health and safety initiatives directly affect workforce stability, productivity, and risk management. Continuous monitoring and improvement of health and safety metrics, such as accident rates and lost workdays, help us mitigate potential negative impacts and uphold regulatory compliance.
- **Gender equality:** Our commitment to diversity, gender equality, and anti-discrimination within our workforce demonstrates our dedication to creating an inclusive work environment. Our pursuit of diverse representation, such as gender balance in management and the workforce, reinforces our values and positions us competitively to attract diverse talent. Social responsibility is also valued among our customers and partners.
- **Training and skills development:** Training and skills development are not only essential to employee engagement and career growth, but also to advancing productivity, efficiency, and adaptability in a rapidly evolving industry.
- **Other work-related rights:** Our continued commitment to preventing labor exploitation ensures that our growth aligns with our ethical obligations and social responsibility goals, while promoting fair labor practices. We aim to conduct regular audits and collaborate with third-party stakeholders to ensure our operations meet legal and ethical labor standards.

Our workforce initiatives enhance our employees' capabilities and contribute to operational excellence. By maintaining a culture of continuous learning and skill enhancement, we strengthen our adaptability and competitiveness in a rapidly evolving technological landscape.

Our focus on social impacts, including gender equality, fair wages, and a safe and inclusive workplace, supports our strategic focus on sustainable and responsible growth. By prioritizing these areas, we mitigate operational risks, enhance employee engagement, and meet rising regulatory and stakeholder expectations for socially responsible business practices.



Case study

Jobbsprånget promotes workplace equality and diversity

In 2024, Hexatronic headquarters proudly joined Jobbsprånget, a program that bridges the gap between employers in Sweden and foreign-born academics, promoting workplace equality and diversity.

Through this program, we welcomed talented interns to our Sustainability Team. Their unique international expertise brought fresh perspectives to our work, enriching

our projects and strategies. At the same time, the program provided these skilled professionals with invaluable experience in a Swedish workplace, contributing to integration and mutual growth. It was a rewarding exchange that highlighted the power of inclusivity and reinforced our belief that diversity isn't just beneficial—it's essential for driving innovation, creativity, and success within our company.



The supportive environment and focus on collaboration made it clear that diversity is a strength here.

Cara Bocchieri

Policies related to own workforce

- **Sustainability Policy:** Emphasizes health and safety, employee well-being, and respect for labor rights, reflecting our goal to support a sustainable work environment that benefits employees.
- **Diversity and Gender Equality Policy:** Demonstrates our dedication to cultivating an inclusive work environment, where employees feel valued and are empowered to contribute their unique perspectives and skills. This policy underlines our commitment to ensuring equal opportunities in recruitment, development, and career progression, in alignment with global standards on gender equality and non-discrimination.
- **Code of Conduct:** Outlines our core values and ethical principles, setting the standard for responsible behavior across our workforce. It includes guidelines on professional conduct, respect for human rights, anti-harassment, and environmental stewardship. All employees are required to adhere to these guidelines, which are foundational to maintaining trust, integrity, and accountability within the organization and in our interactions with external partners. We ensure all employees are aware of, and understand their ethical obligations through annual mandatory training on the Code of Conduct.
- **Whistleblowing Policy:** Provides a confidential and protected channel for employees to report concerns related to unethical or illegal activities, including discrimination, harassment, or violations of labor rights. This policy underscores Hexatronic's commitment to transparency, accountability, and employee protection, ensuring that concerns can be raised without fear of retaliation.

Engaging with own workforce about impacts

We gather insights, identify challenges, and respond proactively to workforce needs. Our annual employee survey is one of our tools for gathering feedback on key issues such as job satisfaction, working conditions, and career development opportunities. The survey assesses workforce sentiment, helping us track progress on issues like diversity, inclusion, and work-life balance.

Our annual performance and career development review process includes one-on-one discussions with managers, where employees have an opportunity to voice their aspirations, challenges, and feedback on their roles and the overall work environment. This process not only informs individual development plans but also highlights areas where broader organizational support may be needed. By ensuring annual, open dialogues, we reinforce our commitment to employee growth and satisfaction.

In regard to operations with higher safety risks, we have established health and safety management systems, which include incident reports and ways to improve workplace safety. Employee input on health and safety matters is critical, as it helps us maintain high safety standards and implement preventative measures tailored to workforce needs.

As part of our commitment to sustainability, we encourage employees to contribute ideas, share feedback, and participate in initiatives that drive our sustainability efforts. This approach helps reinforce shared responsibility for our sustainability objectives and maintains a culture of inclusion and transparency.

These engagement processes ensure that our workforce has multiple, accessible channels to express concerns, contribute insights, and influence decisions that affect them.

Employees who have completed our Code of Conduct training.

98%





Remediating negative impacts for own workforce

We uphold a supportive work environment that proactively addresses negative impacts and provides multiple, secure channels for employees to raise any concerns they may encounter. Our approach integrates dedicated mechanisms to capture employee feedback, resolve grievances, and ensure that issues are remediated in a fair and timely manner.

Our whistleblower tool allows employees to report unethical conduct, workplace harassment, discrimination, and other adverse impacts they may face. This mechanism, and its aligned policy, are designed to ensure confidentiality and protect whistleblowers from retaliation, creating an environment where employees can freely express their concerns. Reports made through the whistleblower channel are reviewed by an external party and part of our management team, which investigates cases and recommends corrective actions where necessary.

Employees are encouraged to reach out to the manager, the HR department, or to the internal confidential counselor (where it exists), to discuss any issues they face, particularly those related to employment conditions, health and safety, or interpersonal conflicts. The HR team is trained to assess cases, offer support, and mediate resolutions in a way that aligns with our values and policies.

To build trust, we communicate transparently with employees about actions taken to address reported issues, whenever confidentiality permits, to highlight changes made to improve work conditions or prevent future occurrences. This transparency strengthens the integrity of our grievance mechanisms and underscores our commitment to continuous improvement.

For reported workplace incidents, particularly in areas of health and safety, we maintain processes which aim to investigate and correct the causes of workplace incidents. Affected employees are offered support, and processes are reviewed to mitigate risks and prevent recurrence. By continuously refining our safety practices based on feedback and incident analysis, we aim to uphold a safe and supportive environment for all employees.

Taking action on material impacts on own workforce

Hexatronic has identified several key workforce areas where we take concerted action to support a safe and supportive workplace. We continuously monitor material areas to manage risks effectively and pursue opportunities that strengthen employee engagement, enhance retention, and contribute to our long-term goals.

Employees who find Hexatronic to be an equal and inclusive workplace.

74%

To address health and safety risks, we implement Health and Safety (H&S) management systems in our operations. Efforts to improve workplace ergonomics and safety measures are ongoing. Effective H&S practices minimize workplace incidents, reduce absence, and contribute to a safer work environment. Our continuous improvements resulted in a decreased number of work-related accidents during 2024 compared to previous years. By prioritizing safety, we not only protect our workforce but also strengthen operational continuity and reduce the potential for costly disruptions.

Work-related accidents ¹⁾

Our aim: 0

1.5

We have set an ambitious target regarding gender equality in our industry. We are now looking to the lessons learnt and best practices of where we have achieved successful implementation of gender balance, in order to develop action plans for areas of operations where gender equality faces challenges. Achieving gender equality is beneficial for everyone, across all levels of business, and promotes a more resilient and innovative workforce. We also review and address gender pay gaps to ensure fair compensation for all employees.

Wellness Weeks at Hexatronic are dedicated to developing a holistic culture of health, well-being, and sustainability across our workforce. Local events feature a range of inclusive activities that promote physical, mental, and environmental health, with company-wide participation. Employees are encouraged to engage in activities to raise awareness of, and cultivate, employee well-being.

To encourage skill development, we provide opportunities across all levels, ensuring employees have access to the resources they need to advance their careers. Investing in training reduces skill gaps and ensures that our workforce remains agile and equipped for future demands. Performance reviews include discussions around career development. Development opportunities improve employee satisfaction and support succession planning, thus reducing risks associated with turnover and talent scarcity.

These actions reinforce our commitment to a responsible and employee-centric business that supports growth, stability, and the well-being of our workforce.

Equal Pay Index ²⁾

Our aim: 100

96

1) Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked, multiplied by 200,000.

2) Weighted average gender pay gap, based on four entities that can currently calculate this index.

Targets related to own workforce

Our targets include ensuring health and safety management systems, monitoring and minimizing absence due to sick leave, and reducing work-related accidents to maintain a safe work environment. Our vision is that no accidents should occur at work.

To promote a culture of equity and respect, we set specific objectives to prevent and address instances of discrimination, and actively promote gender equality within our workforce.

We prioritize performance and career development reviews for all employees to support professional growth and advancement.

Our targets and commitments reflect our dedication to an inclusive, safe, and supportive environment, while also addressing risks that may impact our employees and organization.

Key metrics	Description and progress	Baseline 2022	Result 2024	Goal 2030
Employees in operations covered by a health and safety management system [%]	Health and safety management system 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.	36	85	90
Employee absence due to sick leave [%]	Total hours of sick leave in relation to total number of working hours for the own workforce, including overtime. Subsidiaries in countries that only measures paid time off are excluded.	3.1	4.1	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. 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 [%]	Percentage of employees who had a review, compared to total number of employees, during the year. The decrease in annual performance review is a result of the inclusion of newly acquired companies, which are currently undertaking action plans to reach the target.	97	71	100
Confirmed instances of discrimination	No confirmed instances of discrimination during the year have been reported to managers, HR, or through our whistleblowing function.	0	0	0
Gender equality (all employees) [%]	Percentage of female employees. The proportion of employees who are women has been negatively impacted by some of our recent acquisitions, which had a lower proportion of women in their workforce.	29	26	40

Case study

Wellness Weeks

Wellness Weeks were organized throughout the Group during May, with many inspiring local initiatives. In Hudiksvall, Sweden, healthy snacks, fruit, and smoothies were served.

There were several prizes awarded to the winners of the step competition, orienteering competition, and feel-good-bingo. In total the registered steps were 990 km!

The UK-based company, IDS, dedicated their Wellness Weeks to mental health awareness. The employees took part in a bike competition to see who could pedal the furthest in five minutes. Totalling 94 miles (151 km), IDS contributed significantly to the local charity - Hart Voluntary Actions and their "Walk and Talk" nature therapy sessions.



Workers in the value chain

Material impacts, risks, and opportunities

Hexatronic operates within a global supply chain that includes manufacturing, installation, and servicing of digital infrastructure. With a diverse network of suppliers, there are potential concerns regarding labor conditions, in particular within lower-tier suppliers in regions where labor regulations may be inadequately enforced. These risks require continuous monitoring and strategic interventions to ensure that human rights are upheld throughout the supply chain.

Policies related to workers in the value chain

- **Sustainability Policy:** Reinforces our commitment to respecting human rights and labor standards. Our suppliers and partners are expected to comply with all relevant national laws and international standards, particularly with regard to preventing forced and child labor, and to uphold the rights of all workers. This includes establishing that workers receive fair wages, work in safe conditions, and have freedom of expression without fear of reprisal.
- **Supplier Code of Conduct:** Outlines the expectations that we place on our business partners. Human rights due diligence is embedded into our sourcing processes, ensuring continuous monitoring and improvement in labor conditions.
- **Whistleblower Policy:** Creates a secure and confidential reporting channel for stakeholders across the value chain. Anyone can report concerns regarding unethical or illegal practices, including labor issues and human rights abuses, without fear of retaliation.
- **Trade Compliance Policy:** Establishes standards to ensure that all business activities comply with relevant trade laws and regulations. This policy includes measures to prevent engagement with partners involved in unlawful activities, particularly those that may conflict with human rights and labor standards. It promotes ethical sourcing by emphasizing due diligence across all procurement and trade practices.
- **Modern Slavery Act Statement:** This statement outlines the company's actions in regard to identifying, assessing, and mitigating risks related to modern slavery, including

procedures for regular supplier assessments and corrective action plans if issues are identified. This statement is updated annually and provides timely information on our progress in this area.

Engaging with workers in the value chain about impacts

We recognize that engagement with value chain workers is crucial to understanding and addressing the potential social and environmental impacts across our operations. Therefore, a comprehensive stakeholder engagement toolbox has been introduced to evaluate suppliers' sustainability performance related to human rights, working conditions, and environmental performance. We aim to contribute positively and pro-actively to the people we partner with through capacity building and resource sharing, to ensure that the workers in our supply chain are active participants in shaping a responsible, fair, and sustainable supply chain.

Remediating negative impacts for value chain workers

We are dedicated to maintaining a responsible and ethical supply chain, ensuring that value chain workers are treated fairly and that any negative human rights impacts are promptly and effectively addressed.

Our Supplier Code of Conduct requires all our suppliers to maintain grievance mechanisms that allow their employees and contractors to voice concerns confidentially and without fear of retaliation. These mechanisms are designed to capture potential issues, including those related to human rights or environmental-related risks.

In addition to our suppliers' internal channels, Hexatronic's whistleblower tool is accessible to value chain workers. These channels are overseen by both an external party and our management team, confirming that reports are handled with care, transparency, and urgency.

Taking action on material impacts on value chain workers

In the past year, Hexatronic has enhanced our approach to managing the social and environmental impacts of our supply chain, with a focus on protecting the rights and well-being of value chain workers. We have introduced



several key processes aimed at identifying, mitigating, and addressing risks, while also harnessing opportunities to drive positive change across our supply chain.

1. Launch of a Supply chain sustainability risk tool

We have developed and implemented a sustainability risk tool designed to ensure that our supply chain operations are sustainable, ethical, and compliant. This tool incorporates five major global indices:

- Sustainable Development Goals
- Global/Workers Rights Index (labor rights)
- Freedom in the World (civil liberties and political rights)
- Environmental Performance Index
- Corruption Perceptions Index

By using this data-driven approach, we can systematically evaluate the human rights and environmental risk levels in specific geographies and among specific suppliers. This helps us prioritize where deeper assessments and interventions may be necessary, and where we can effectively engage with suppliers on corrective actions.

2. Supply chain 'Toolbox' for stakeholder engagement

In addition to risk mapping, Hexatronic has introduced a comprehensive stakeholder engagement toolbox.

This includes:

- Pre-qualification assessments to evaluate potential suppliers' sustainability performance, before onboarding.
- Self-assessment questionnaires for existing suppliers to report on their practices related to human rights, working conditions, and environmental performance.
- Audits to verify compliance with our Supplier Code of Conduct and broader expectations. During 2024, 15 supplier sustainability audits were conducted.

Corrective action plans are developed in partnership with the supplier to remedy any issues where non-compliances or risks are identified. We monitor the effectiveness of these actions to support continuous improvement.

3. Supplier Code of Conduct

We have implemented a robust Supplier Code of Conduct that explicitly prohibits forced labor, child labor, and any form of discrimination or exploitation within the supply chain. It sets out clear expectations on working hours, wages, and freedom of association. Adherence to this code is assessed through the above-mentioned audit and monitoring processes.



4. Human Rights Due Diligence (HRDD) assessment

In alignment with the UN Guiding Principles on Business and Human Rights, we have conducted a HRDD assessment of our supply chain. This assessment identified areas where workers' rights could be at risk and has allowed us to focus on mitigating potential negative impacts related to working conditions and labor practices.

Effectiveness of Actions

Through these initiatives, we have already seen positive results, including greater transparency in the supply chain and increased supplier engagement on sustainability issues. For example, pre-qualification assessments and self-assessment questionnaires have led to enhanced collaboration with suppliers on setting higher standards for worker safety, wages, and labor rights. Moreover, the use of our sustainability risk tool has enabled more targeted engagement in

high-risk regions, reducing exposure to potential human rights violations.

We believe that through these proactive measures, we are not only reducing risks but also developing a more responsible and inclusive supply chain, driving long-term value for both our business and the workers in our value chain.

Targets related to workers in the value chain

We are committed to ensure responsible business practices across our supply chain, while mitigating risks and advancing positive impacts on value chain workers. We aim to have all direct material and logistics suppliers sustainability screened by 2030, and reach 90 percent of the spend from sustainability approved suppliers. Our ongoing efforts are essential to ensure that human rights, fair labor practices, and environmental responsibility are upheld across our value chain.

Key metrics	Description and progress	Baseline 2022	Result 2024	Goal 2030
Spend from sustainability approved suppliers [% of purchased volume]	<p>Share of spend from suppliers that have been sustainability approved*, out of total spend, from direct material. Suppliers are evaluated based on compliance to our requirements set out in our Supplier Code of Conduct and Environmental Requirements.</p> <p>After an initial risk screening, selected suppliers are evaluated, 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 supplemented with relevant documentation. In the evaluation phase, the suppliers are scored on each topic and can be asked to clarify and/or supplement the material, or take corrective actions, in order to be approved.</p> <p>*Approval requires a score of 70% or higher.</p>	41	43	90

End-users

Material impacts, risks, and opportunities

Hexatronic's fiber optic solutions play a vital role in advancing digital connectivity, offering significant opportunities to positively impact end-users through improved access to information and communication technologies. Our materiality assessment identified two key areas where Hexatronic's products provide positive impacts for consumers and end-users: information-related impacts, which enhance access to reliable and high-speed communication networks, and social inclusion, where Hexatronic's solutions help bridge the digital divide, particularly in underserved or more remote communities.

In addition, Hexatronic is dedicated to providing comprehensive field support and training services, which further enhances the reach and effectiveness of our fiber optic solutions. These services ensure that our technology can be deployed efficiently and safely across diverse and challenging environments. By empowering local teams and contractors with specialized skills, we improve the durability and performance of digital infrastructure while supporting the knowledge growth within these communities. This commitment aligns with our values by enabling equitable access to digital infrastructure, supporting both social and economic inclusion globally.

Policies related to end-users

- **Sustainability Policy:** Affirms our commitment to enhancing the information-related impacts of our offerings by upholding that our solutions support high-speed connectivity for end-users. It furthermore, aligns relevant internationally recognized instruments, such as the UNGP's, in regard to the extension and protection of human rights of all individuals.
- **Whistleblower Policy:** Creates a secure and confidential reporting channel for end-users. It ensures that anyone can report concerns regarding unethical or illegal practices, without fear of retaliation.

Engaging with end-users about impacts

Hexatronic's approach to engaging with end-users on sustainability impacts is an essential part of our broader commitment to responsible business practices. To better understand our customers' perspectives on sustainability

and their focus areas, we conducted a sustainability survey during the reporting period. This survey aimed to identify the material topics that are most relevant to our customers and their end-users, ensuring that we are responsive to the environmental and social priorities they value. The feedback informs our ongoing materiality assessment and helps us align our products and services more closely with customer expectations, as well as guides our future engagement strategies.

Remediating negative impacts for end-users

We recognize the importance of enabling consumers and end-users to voice their concerns and providing effective remediation processes. Our consumers and end-users can raise concerns through our established Whistleblower tool, governed by our Whistleblower Policy. This tool is accessible, confidential, and available to all stakeholders.

Taking action on material impacts on end-users

Hexatronic's business model includes expanding digital infrastructure in remote, and, at times underserved, communities. One notable example is our collaboration with the World Bank to provide fiber optic connectivity to the island nation of Tuvalu. By bringing reliable, high-speed internet to remote communities, we aim to bridge the digital divide, allowing improved access to information, communication, and educational resources, which in turn supports both social and economic development.

We continuously capture valuable lessons from such projects to develop guidelines for future initiatives, enabling us to scale our impact. By strengthening our processes and aligning with reputable intergovernmental partners, such as the World Bank, Hexatronic is creating a roadmap for future projects that will expand connectivity and continue our mission to bridge the digital divide globally.

Case study

Bridging the Digital Divide: A Collaboration for Connectivity

In the middle of the Pacific Ocean lies a small island nation made up of nine islands, known collectively as the “United Islands” or Tuvalu. The remote location presents ongoing challenges – especially when it comes to digital connectivity.

Recognizing the transformative power of connectivity, Hexatronic has partnered with the World Bank to bring high-speed fiber optic internet to Tuvalu. The project has been in development throughout 2024, and at the end of the year, the first groundbreaking took place—connecting the country’s hospital as the first critical step. Over the next 12 months, the deployment will continue, with all schools connected in Phase 1, and eventually, fiber reaching homes across the islands.

Beyond infrastructure, digital inclusion is also about people. One key local organization, Tuvalu Women for Change, is working to empower women and girls in ICT, helping to ensure that digital access is inclusive and beneficial for all.

For Hexatronic, this project is more than just laying fiber – it’s about bridging distances, enabling education, supporting small businesses, and contributing to economic growth in a place where connectivity has long been a barrier. By working together with local stakeholders and global partners, we are taking a meaningful step toward a more inclusive digital future.

**My hope is that
the people of Tuvalu
will not only consume
digital connection,
but create with it!**

Tenanoia Simona, CEO Tuvalu Telecommunications Corporation.





Pär
Gustafsson

Hexatronic

Ethics

The materiality assessment has identified two key material topics – corporate culture and the prevention and detection of corruption and bribery – which reflect our commitment to a transparent, trustworthy, and responsible business environment.

Business conduct

Business conduct policies and corporate culture

Our policies

Business ethics is about building trust. We actively work 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. We therefore embed these responsibilities throughout our organization via relevant policies, designed to uphold the highest standards of integrity and accountability across our operations. These include:

- **Code of Conduct:** Provides the ethical foundation for all employees, ensuring fairness, respect, and responsibility in order to guide decision-making. All employees sign our Code of Conduct and receive training on an annual basis.
- **Sustainability Policy:** Sets out our commitments and governance principles to drive long-term positive impact. This policy has been updated in 2024 to reflect our forward-looking commitments in business ethics.
- **Anti-Corruption Policy:** Reinforces our zero-tolerance stance toward bribery, corruption, and unethical practices. Employees receive annual training regarding this policy.
- **Trade Compliance Policy:** Ensures adherence to international trade laws, reducing risks associated with export controls and sanctions.
- **Modern Slavery Act Statement:** States our commitment to preventing forced labor and human trafficking within our operations and supply chain.
- **Tax Policy:** Promotes transparency and compliance with tax laws while supporting responsible fiscal governance.

- **Supplier Code of Conduct:** Extends our ethical standards to suppliers, requiring responsible labor, environmental, and anti-corruption practices.
- **Whistleblowing Policy:** Encourages and protects the reporting of unethical behavior, ensuring accountability at all levels.
- **Governing Framework for IT and Cyber Security:** Safeguards sensitive data and systems, enabling robust and secure business operations.

Spend from sustainability approved suppliers

43%

Our corporate culture

Our corporate culture is the cornerstone of sustainable growth. It reflects our core values of openness, responsibility, and inventiveness. These values are intentionally embedded into our daily operations, decision-making, and long-term strategy.

Our sustainability targets are linked to executive pay, which further strengthens our commitment to responsible business practices and embeds sustainability in our culture.

As we grow through acquisitions, we recognize our role as a responsible owner, and bring with us a strong commitment to ethical business conduct. When we integrate new

companies into the Group, we ensure that our values and practices are shared and adopted through policies, training, and accountability to align with globally recognized sustainability standards.

Prevention and detection of corruption and bribery

Knowledge about the Anti-Corruption Policy and annual training is mandatory for all indirect employees. Through the implementation of our Anti-Corruption Policy, Hexatronic reinforces its zero-tolerance approach to corruption and bribery. This policy provides support and guidance, and

applies to all employees, contractors, and business partners.

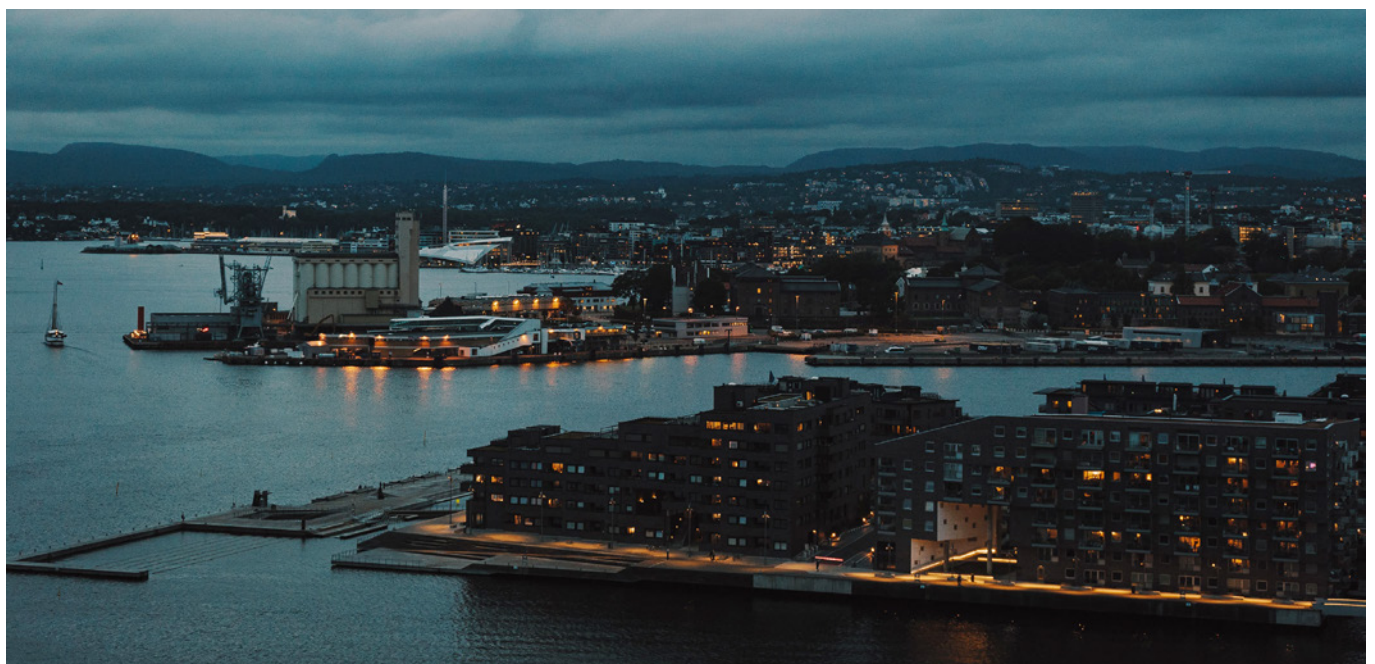
Hexatronic has in place mandatory procedures for the detection and prevention of corruption and bribery regarding international trade, which consist of sanctions- and risk lists, evaluation criterias, and mitigation steps. Furthermore, we undertake enhanced due diligence procedures before entering into a sales agent agreement.

The Strong Business Ethics Group is in place to review and approve or deny requests to engage in trade associated with potential risks, evaluate risks, and respond to any identified risks of corruption or bribery.

By actively mitigating corruption risks, we enhance our reputation as a trustworthy and ethical business partner.

Key metrics

	Description and progress	Baseline 2022	Result 2024	Goal 2030
Employees who have completed internal Code of Conduct training [%]	During 2024, 98% of the employees completed training in our Code of Conduct , either online or via classroom training.	91	98	100
Indirect employees who have completed anti-bribery and anti-corruption training programs [%]	During 2024, close to all indirect employees completed training in anti-corruption.	97	97	100
Number of confirmed instances of corruption	No confirmed cases reported to our Whistleblowing function, HR, or management.	0	0	0



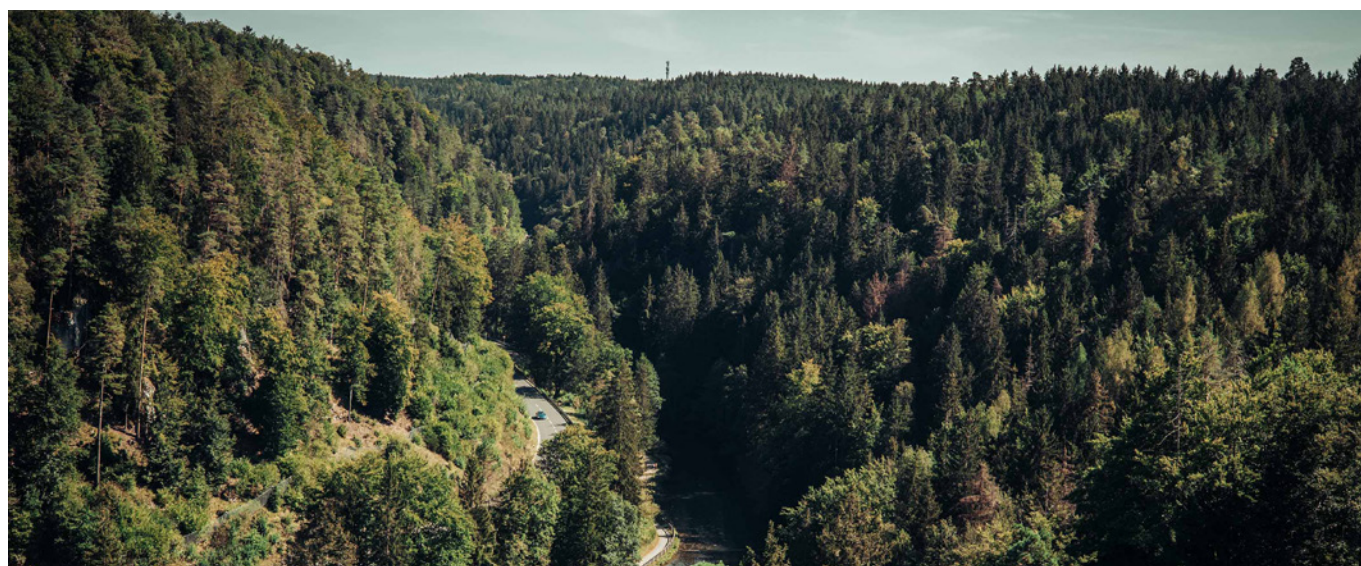
Our key metrics and Agenda 2030

To steer and track progress in our prioritized sustainability areas, we have defined a set of key metrics. Some of these metrics have both short-term (2025) and long-term (2030) goals. The key metrics apply to the Group and its subsidiaries with more than six employees, that were active within the Group for the entire reporting year. Companies that are

acquired are incorporated into the key metrics during the next reporting year, as routines and processes are established.

The below table illustrates how our key metrics align with the Sustainable Development Goals (SDG) in Agenda 2030 and the UN Global Compact's (GC) Ten Principles for responsible corporate governance.

Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	2024	Goal 2025	Goal 2030
Planet SDG: 7.2, 7.3, 8.4, 9.4, 12.2, 12.4, 12.5, 13.1 GC: Principles 7–9	Scope 1 and 2 (Market-based) GHG emissions, tCO ₂ e	18,065 ¹	18,103 ¹	12,739 ²		10,478
	Scope 3 GHG emissions, tCO ₂ e	474,640 ¹	420,652 ¹	379,411 ³		
	Total GHG emissions (Market-based), tCO ₂ e	492,705 ¹	438,755 ¹	392,150		
	Climate intensity, Scope 3, tCO ₂ e/MSEK gross profit	134 ¹	108 ¹	112		65
	Direct energy consumption, MWh	48,654	56,857	70,479		
	Energy intensity, MWh/MSEK sales	7.5	7.6	9.3	9*	8*
	Climate neutral operations, % ⁴	38	33	46		100
	Recycled materials in ducts produced in-house, %	13	10	7		25
People SDG: 3.8, 3.9, 4.4, 5.5, 8.5, 8.7, 8.8, 9.1, 9.c, 10.3, 11.3 GC: Principles 1–6	Percentage of employees covered by a Health and Safety Management system ⁵	36	61	85	75	90
	Percentage of employee absence due to sick leave ⁶	3.1	2.5	4.1	3	3
	Work-related accidents with absence, frequency ⁷	3.5	1.5	1.5	0	0
	Employee Net Promotor Score	40		26	20	20
	Percentage of purchased volume from sustainability approved suppliers ⁸	41	35	43	50*	90
	Percentage of women	29	26	26	27*	>40
	Percentage of women in management	26	27	26	27*	>40
	Percentage of women in Executive Management	33	38	40	>35	>40
	Number of confirmed instances of discrimination	0	0	0	0	0
	Percentage of employees who have had a performance and career development review	97	92	71	100	100



Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	2024	Goal 2025	Goal 2030
Ethics SDG: 5.2, 8.2, 12.6, 16.5 GC: Principle 10	Percentage of employees who have received training in our Code of Conduct	91	100	98	100	100
	Percentage of indirect employees who have completed anti-bribery and anti-corruption training programs	97	99	97	100	100
	No. of confirmed instances of corruption	0	0	0	0	0

- 1 The value has been updated compared to previous published results, due to improved data quality, method improvements, addition of new scope 3 categories, update of system boundary for Upstream transportation & distribution, and emissions added from newly acquired companies that had a material impact on the base year figure.
- 2 The decrease is mainly due to the purchase of Renewable Energy Certificates.
- 3 The decrease of emissions is mainly due to lower GHG emissions from Purchased goods and services.
- 4 By using climate neutral energy and offset residual emissions. Includes Scope 1 and 2.
- 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.
- 6 Companies in countries that only measure paid leave are exempt.

- 7 Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked x 200,000.
- 8 Based on total purchase volume of direct materials.
- * The target has been altered as a reflection of new circumstances impacted by recent acquisitions .

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. In the assessment of the environmental objective "Transition to a circular economy", we have found that our activities do not appear to fall under the relevant categories, including CE 1.2, which relates to manufacturing of electronic products.

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 2024 are based on our current interpretation of the rules and may change in the future based on new regulatory guidance.

Our economic activities

In 2024, 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: CCM 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles, CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, CCM 7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings,

CCM 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings, and CCM 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, additional right-of-use assets, and increasing through business acquisitions. Total capital expenditure is presented in Note 17, Note 18, and Note 19 on page 130-133 in our 2024 Annual Report.

Capital expenditure included in the numerator consists of CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, which includes new leasing contracts for vehicles, CCM 7.7 Acquisition and ownership of buildings, which includes new leasing contracts for premises, and CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, such as installation of LED lighting and air conditioning in building facilities.

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 taxonomy alignment. 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, building renovations, short-term or low-value-leases, maintenance, and repairs, and direct costs related to the maintenance of the assets. This report only includes repairs, maintenance, and leases that are short-term or of low value, 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 100 in our annual report for 2024.

Operating expenditure included in the numerator consists of CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, which includes addition of roof insulation, and CCM 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. We are working on developing processes for this.

Proportion of Taxonomy-aligned economic activities

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023	Category enabling activity	Category transitional activity
Code	Turnover	Proportion of turnover year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
	[SEK m]	%	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	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	T
Of which Enabling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	T
Of which Transitional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
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. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities	7,581	100%																	
TOTAL	7,581	100%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible CapEx, year 2023	Category enabling activity	Category transitional activity
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity						
		[SEK m]	%	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		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E			
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																					
				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	43	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Acquisition and ownership of buildings	CCM 7.7	27	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								18%				
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	1	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%	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)		71	18%	18%	-	-	-	-	-								19%				
A. CapEx of Taxonomy eligible activities (A1+A2)		71	18%	18%	-	-	-	-	-								19%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities		327	82%																		
TOTAL		398	100%																		

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible OpEx, year 2023	Category enabling activity	Category transitional activity
Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity						
		[SEK m]	%	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		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E			
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																					
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)												
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	1	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	-	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23%				
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1	1%	1%	-	-	-	-	-								23%				
A. OpEx of Taxonomy eligible activities (A1+A2)		1	1%	1%	-	-	-	-	-								23%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy-non-eligible activities		52	99%																		
TOTAL		53	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 2024 on pages 54–93 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The Scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examina-

tion 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, 1 April 2025

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.