Sustainability Roadmap 2030

We aim to be at the forefront of creating sustainable solutions for the telecom infrastructure market.

Enabling non-stop connectivity helps accelerate digital trans-formation, which is key to solving many of today's challenges and builds the foundations for greener, smarter, and safer societies.

Henrik Larsson Lyon
CEO Hexatronic Group

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Our focus areas

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.

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Planet

Our ambitions

100% climate neutral

We have climate neutral operations, by using climate neutral energy. We have also committed to set science-based targets and to get these targets validated by the Science Based Targets initiative (SBTi).

100% eco design

All our products are developed with eco design in mind, including a long lifetime, low carbon footprint and high recyclability.

100% transparent

We calculate the product carbon footprint of all products produced in-house to share with our customers upon request.

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Key metrics

	Baseline 2022	Goal 2030
Climate neutral operations* [%]	39 %	100 %
Scope 1-2 GHG emissions (science-based target, -42%**) [tCO2e]	9207	5340
Scope 3 climate intensity (science-based target, -51,6%**) [tCO2e/MSEK sales]	89.5	43.3
Energy intensity [MWh/MSEK sales]	7.1	6
Calculated carbon footprint of products*** [% of total volume]	61 %	100 %
Recycled, reused or renewable materials in products produced inhouse [%]	13 %	25 %

*By using climate neutral energy and neutralise residual emissions
**Target may change due to further development and target validation by SBTi
***Ducts and cables produced inhouse

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How we do it – our own operations

- Increase the use of climate neutral energy in our facilities and production sites

- Transition to electric, hybrid and/or biofuels for internal logistics vehicles, stationary equipment and company cars

- Contribution to a circular economy by embedding circularity into our operations, product design, packaging & logistics services, incl. drum return programs
  - Eco-design of new products and solutions, designed with low carbon footprint and created to be easily repaired, upgraded and dismantled at end-of-life
  - Reduce the use of virgin materials, increase recycled, reused and/or renewable materials in our products and packaging
  - Circular water use, e.g. with closed water cooling systems, and high resource- and energy efficiency across our operations

- Consideration of environmental consequences when expanding our business

Main contributors: Logistics, Management, Purchasing, Production, R&D

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How we do it – our value chain

- Request strategic suppliers to declare their product carbon footprint and work towards the 1.5° target

- Support suppliers to reduce their product carbon footprint

- Evaluate carbon footprint of products prior sourcing decision

- Optimization of pack sizes and drums, coordinating product deliveries, improving forecasting, and establish local production to reduce goods transports

- Use low-carbon transport alternatives

- Partnering with strategic organizations on ecosystem health

Main contributors: R&D, Production, Purchasing, Logistics

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People

Our ambitions

100% employee wellbeing

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

100% employee development

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

100% employee equality

We have 100% equal pay, a high degree of diversity, and create an inclusive environment with opportunities to succeed and grow.

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Key metrics

	Baseline 2022	Goal 2030
Employees in operations* covered by a Health and Safety Management system** [%]	32 %	100 %
Employee absence due to sick leave [%]	3 %	Max. 3 %
Number of work-related accidents***	3.5	0
Employee Net Promotor Score	40	60
Employees who have had an annual performance and career development review [%]	97 %	100 %
Confirmed instances of discrimination	0	0
Equal Pay Index****	94	100
Gender equality (GMT, managers, all employees) [%]	29 %	Min. 40 %

*Including warehousing, manufacturing and assembly.
**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.
*** Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked x 200,000.
**** Weighted average gender pay gap.

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How we do it

- Investigate root cause of all near misses and take corrective actions

- Systematic work focusing on inclusion, work-life balance, wellbeing and safe working environment

- Include diversity and gender equality in processes like recruitment, hiring, pay, rewards, development and promotion

- Conduct gender pay gap analysis to ensure all employees are paid equally for the same work

- Ensure that our Diversity and Gender Equality policy is known and respected

- Offer trainings in gender equality, diversity and inclusion from a business and leadership perspective

- Develop talent recruiting practices and programs to attract a diverse pool of candidates and create new entry pathways into our workforce

Main contributors: Management, HR

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Ethics

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Our ambitions

100% strong business ethics

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

100% 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.

100% sustainability screened suppliers

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

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Ethics

Key metrics

	Baseline 2022	Goal 2030
Employees who have signed the internal Code of Conduct [%]	97 %	100 %
Employees who have completed internal Code of Conduct training [%]	91 %	100 %
Selected positions who have completed Anti-corruption training [%]	97 %	100 %
Number of confirmed instances of corruption	0	0
Spend from sustainability screened* suppliers [% of purchased volume]	41 %	100 %
Spend from sustainability approved* suppliers [% of purchased volume]	41 %	90 %

* Based on our supplier requirements, risk screening and supplier approval process of direct material and transport suppliers. Our supplier requirements cover the following areas: anti-corruption, health and safety, fair employment conditions, human rights and environment.

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How we do it

- Ensure that the Code of Conduct is known and respected through reoccurring trainings

- Regular risk analysis and internal and external control mechanisms

- Ensure responsible governance and board oversight of ESG risks

- Adopt sustainability performance measures in executives' compensation program

- Ensure internal and external due diligence of existing procedures, training, and control mechanisms, incl. due diligence processes of intermediaries

- Collaborate with business partners on relevant sustainability issues

- Require our suppliers to adhere to and comply with our supplier requirements and evaluate the compliance by doing regular assessments and audits

- Ensure sustainability competence among purchasing positions and use sustainability as a criteria in the sourcing process

Main contributors: All employees

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Our devotions

- The 10 Principles of UN Global Compact

- The Sustainable Development Goals

- Science-based targets

- The Swedish Anti-Corruption Institute

- FTTH Sustainability Committee

- Europacable's Sustainability Committee

- Recognized Nasdaq ESG Transparency Partner since 2021

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How we succeed

- Sustainability is an integrated part of our business

- Our company culture leads the way

- Involvement & collaboration make us find the best solutions

- Inspiration & awareness through training, communication and sharing best practice

Follow up on our annual progress in our Sustainability Report.

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A lasting link to the future.