



Annual and Sustainability Report 2025



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About this report

The audited annual accounts and consolidated accounts can be found on pages > [33–54](#) and [176–214](#). The Corporate governance report reviewed by the auditors can be found on pages > [55–64](#) and [66–70](#). The Compliance section on pages > [71–75](#) is not part of the Directors' report. The Sustainability Statement on pages > [76–129](#) and [132–175](#) forms part of the Directors' report and includes Hexagon's statutory Sustainability Statement prepared in accordance with the Swedish Annual Accounts Act. The Sustainability Statement has been assured by the company's auditors and prepared in accordance with the European Sustainability Reporting Standards (ESRS). Non-material disclosures, defined on pages > [130–131](#), are not part of the Directors' report. Hexagon reports other, non-material disclosures in the Sustainability four-year overview on pages > [230–240](#) referencing the Global Reporting Initiative's (GRI) standards and the Sustainability Accounting Standards Board (SASB) guidance.

Hexagon AB is a Swedish public limited liability company with corporate registration number 556190-4771. All values are expressed in euros unless otherwise stated. The euro is abbreviated EUR, thousands of euro to KEUR, millions of euro to MEUR and billions of euro to bn EUR. Figures in parentheses refer to 2024 unless otherwise stated. Data on markets and peers represent Hexagon's own assessments unless otherwise stated.

Assessments are based on the most recent available facts from published sources. While every care has been taken in the translation of this Annual Report, readers are reminded that the original annual report, signed by the Board of Directors, is in Swedish.

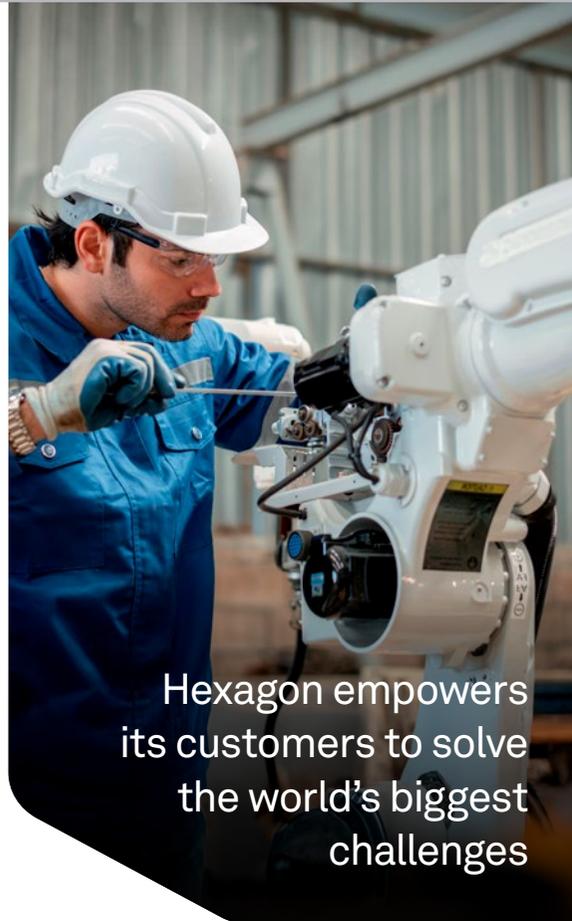
This report contains forward-looking statements based on Hexagon's management's current expectations. Although management considers expectations expressed in such future-oriented information as reasonable, no assurance can be given that these expectations will prove correct. Consequently, actual future results can differ considerably from those implied in the forward-looking statements as a result of factors such as changed conditions in the economy, market and competition, changes in legal requirements and other political measures, fluctuations in exchange rates and other factors.

This is Hexagon

Hexagon is a global leader in precision measurement and positioning technologies, providing the confidence that vital industries rely on to build, navigate, and innovate.

By putting data to work, Hexagon enhances efficiency, productivity, quality, and safety across diverse applications, including industrial manufacturing, infrastructure development, public sector management, and mobility solutions.

With a focus on connecting and automating production and people-centred ecosystems, Hexagon's technologies empower businesses and governments to operate smarter and more sustainably. Through advanced innovations, Hexagon is driving the transition towards a scalable and sustainable future.



Hexagon empowers its customers to solve the world's biggest challenges

Hexagon in numbers 2025

5.4bn

EUR revenue

27%

Operating margin, EBIT1

95%

Cash conversion

50+

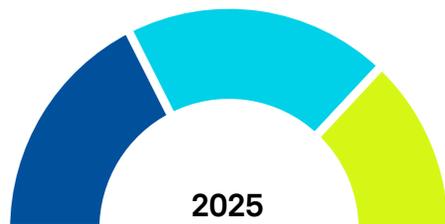
Countries

24,472

Employees

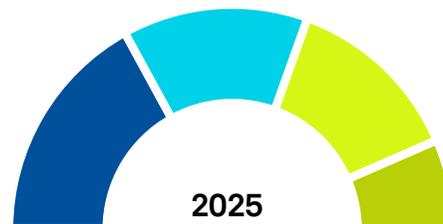
200+

Acquisitions over 20 years



Revenue by geography

- 35% EMEA
- 39% Americas
- 26% Asia



Revenue by business area

- 34% Manufacturing Intelligence
- 27% Geosystems
- 26% Octave
- 13% Autonomous Solutions

Hexagon's business offerings

Hexagon is the global leader in precision measurement, positioning and autonomous technologies, combining sensors, software, digital twins & 3D environments with spatial and operational intelligence. We help industries operate smarter, more efficiently and at significantly higher degrees of automation. Looking ahead, we are advancing our customers towards a future of true autonomy – enabling them to meet sustainability and demographic challenges with confidence.

Precision measurement solutions

Precision measurement underpins modern industry and infrastructure. As tolerances tighten and project cycles accelerate, demand for precise, trustworthy measurement continues to grow. Hexagon's portfolio offers a broad range of measurement, positioning and surveying instruments.

Hexagon converts physical geometries into data that support:

- Highest levels of manufacturing quality, verifying at micron-level accuracy.
- Construction and infrastructure delivery, positioning and validating critical elements through surveying.
- Digital models providing measurement data for digital twins.
- Operational reliability, ensuring assets are built and maintained to exact specifications.

Positioning solutions

Knowing where assets are, and ensuring they remain on the intended trajectory, is essential for safe and efficient operations. Hexagon is a global leader in high-accuracy positioning. Its GNSS technologies and correction services, inertial navigation systems and sensor-fusion technologies deliver centimetre-level accuracy and assured navigation.

These capabilities enable customers to:

- Locate vehicles, equipment and infrastructure in real time.
- Maintain resilient navigation in dynamic or GNSS-challenged environments.
- Feed precise positioning data into guidance, control and autonomous systems.
- Integrate asset locations into digital maps, digital twins and planning tools.

Digital Twins & 3D Environments

Industry and infrastructure are increasingly managed through digital representations. For these digital twins to create value, they must reflect reality as it changes. By combining inputs from our precision measurement technologies, Hexagon enables dynamic digital twins that are continuously updated with real-world data.

Hexagon's digital twins are used to:

- Monitor asset condition and performance over time.
- Simulate scenarios and test changes before implementation.
- Coordinate complex operations across manufacturing, infrastructure and natural resources.
- Support safer, more efficient and more sustainable decision-making.

Spatial & Operational Intelligence

As industries digitalise, the challenge is turning data into insight. Hexagon's technologies generate high-fidelity measurement, positioning and operational data that is dimensionally accurate and linked to real-world assets. By combining trusted data with software and AI, Hexagon enables customers to move from observation to prediction.

Hexagon applies Spatial Intelligence to:

- Automate inspection, quality control and operational workflows.
- Predict outcomes and performance based on real-world conditions.
- Segment digital twins, classify objects, detect patterns, deviations, anomalies and risks across complex systems.
- Train and validate autonomous systems across diverse real-world scenarios in simulated environments, enabling safe and reliable decision-making in live industrial settings (e.g., Hexagon's humanoid robot AEON).



Year in review

Letter from CEO Anders Svensson

Dear Fellow Shareholders,

2025 was a year of significant change and transition for Hexagon – one that I believe will be looked back on as the moment we sharpened our focus, clarified our direction, and put the foundations for a new chapter of growth in place.

I joined Hexagon as President & CEO in July 2025 because I believe, deeply, in what this company stands for. In my 25 years working at companies including Konecranes, Sandvik and Metso, I learned one enduring lesson: profitable growth comes from staying close to customers and understanding what truly constrains them. Today, what constrains them is complexity.

Across every market we serve, the pressures are structural and accelerating. Customers must deliver higher quality. They must operate more efficiently – for cost and for sustainability. And they face persistent shortages of skilled labour. These challenges are not temporary. They define the new industrial reality, which must increasingly look to autonomy.

Industrial autonomy is no longer a future ambition, thanks, in part, to rapid developments in AI. But autonomy does not begin with AI. It begins with precision measurement. You cannot automate what you cannot measure. You cannot create autonomy without accurate positioning, trusted data, and real-time spatial awareness. That is why Hexagon matters. Our solutions – precision measurement and positioning, digital twins, spatial intelligence – form the foundation upon which autonomy is built. We are not participating in this transformation at the margins. We are enabling it at its core.

Hexagon has a strong foundation. We hold leadership positions in attractive markets. We are trusted for innovation and deep domain expertise. This gives us a significant advantage. But leadership is not inherited – it must be strengthened. And in 2025, we began doing exactly that.

Financial performance

Against a backdrop of macroeconomic uncertainty and prolonged customer decision-making cycles, Hexagon delivered revenues of €5.4 billion, with 2% organic growth and operating margins of 27%. Recurring revenue reached 42% of total revenues – a reflection of the increasing depth and durability of our customer relationships and the contribution of software and services within our portfolio.

Certain end markets remained under pressure throughout the year. Construction was weak across most geographies, and high-end construction in China in particular saw significant headwinds. Automotive continued to face a difficult environment. However, strength in aerospace and defence, and encouraging momentum in manufacturing in China, demonstrated the resilience of a diversified portfolio. By the final months of 2025, we began to see early signs of improved

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Hexagon has a strong foundation. We hold leadership positions in attractive markets. We are trusted for innovation and deep domain expertise. This gives us a significant advantage. But leadership is not inherited – it must be strengthened.
Anders Svensson

confidence in several key markets, and we enter 2026 with cautious optimism.

Strategic portfolio actions

The most consequential decisions of 2025 were strategic ones. We managed Hexagon's portfolio with discipline and conviction.

In our Manufacturing Intelligence division, we completed the divestment of our Design & Engineering business to Cadence for €2.7 billion. This was a strong, well-regarded business – but not one where Hexagon could be a true

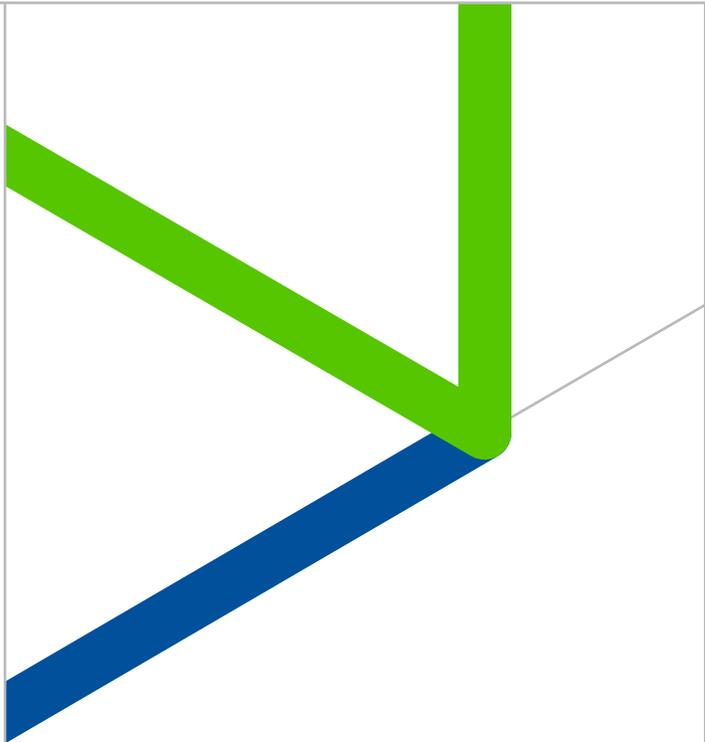
market leader. The transaction generated a gain on sale of approximately €1.4 billion and allows us to redeploy capital and management focus into areas where we have genuine competitive advantage.

We also announced several acquisitions, in particular Septentrio, a leader in high-precision GNSS positioning technology. This acquisition strengthens our Autonomous Solutions division at precisely the right moment, deepening our capabilities in mission-critical navigation and autonomous applications – markets that are growing rapidly and where precise positioning is non-negotiable.

Looking further ahead, we announced the potential separation of Octave – our enterprise intelligence software business with revenues of approximately €1.4 billion and a recurring revenue rate of 70%. Hexagon and Octave serve different markets, operate under different business models, and pursue different growth paths. As independent companies, each will be better positioned to focus on its own customers, technologies and long-term strategy without compromise or competing priorities. The separation is planned to take place in the first half of 2026, with Octave listed in the United States. A 2-year Swedish Depositary Receipts programme will also be established to ensure continuity of access for Hexagon's existing Swedish shareholder base during the transition. We expect to provide further details at our Capital Markets Days for both Hexagon and Octave in spring 2026.

Innovation

Innovation remained at the heart of everything we did in 2025, with over 700 new products & updates in 2025. In Manufacturing Intelligence, we launched Maestro – our next-generation coordinate measurement machine – representing a significant step forward in measurement accuracy, throughput and connectivity. In Geosystems, we introduced the TS20 total station, a ground-up



redesign that brings new levels of precision and usability to surveyors and construction professionals.

And then there is AEON.

AEON is Hexagon's humanoid robot designed for industry – a product that brings together precision measurement, multimodal sensor fusion, 3D spatial intelligence and AI-based motion control into a single platform built for real industrial work. AEON can perform a wide variety of tasks, from part inspection to reality capture, with the dexterity and spatial awareness that industrial environments demand. It is, we believe, an industry development of genuine significance. AEON is not a concept. It is a working system – and it embodies the vision of what Hexagon can deliver at the intersection of precision and autonomy.

A new operating model

Alongside our portfolio actions, we launched a new operating model for Hexagon Core. Built on the principle of decentralisation, this model puts decision-making authority closer to customers while maintaining strong governance and performance management at the centre. The goal is simple: more speed, more accountability, and more focus on execution. We are embedding this model across the organisation and are already seeing its benefits in how our teams operate and respond to market opportunities.

People and leadership

I would also like to acknowledge leadership changes during the year. Our Chief Financial Officer, David Mills, departed the company. I thank him for his contributions to Hexagon and Norbert Hanke for serving as Interim CFO during the transition. I am pleased that Enrique Patrickson will join us as our new permanent CFO, bringing strong commercial and financial expertise to support Hexagon's next phase.

At Board level, we are pleased to welcome Tomas Eliasson, whose experience strengthens our governance at a pivotal moment.

To every Hexagon employee: this was a demanding year. You navigated real uncertainty with professionalism, commitment and pride in what we build. I am grateful and energised by what I see in this organisation.

Sustainability

Progress on sustainability continued in 2025. We reduced our combined Scope 1 and 2 emissions by 29%, a result that reflects genuine operational change rather than offsets alone. Sustainability is not a separate agenda at Hexagon – it is woven into the proposition we offer

customers every day. Efficiency, reduced waste, smarter use of resources: these are outcomes our technology helps deliver for industries around the world, and they are outcomes we hold ourselves to as well.

Looking ahead

Our priorities for 2026 are clear. We will execute the potential separation of Octave with care and rigour. We will continue to embed our new operating model across Hexagon Core. We will ensure that the new products we have launched – Maestro, TS20 and others – begin to contribute meaningfully to growth. And we will pursue the kind of profitable growth that reflects what Hexagon, at its best, is capable of delivering.

The foundations are in place. The portfolio is focused. The team is aligned. And the markets we serve are moving – structurally and irreversibly – in our direction.

Closing

To our shareholders, partners and employees who have stood with Hexagon through a year of considerable change: thank you. Your confidence has not been taken for granted. I am genuinely excited about what lies ahead – not with blind optimism, but with the conviction of someone who has seen what this company is capable of, and who believes its best days are still to come.

Sincerely,

Anders Svensson
President & Chief Executive Officer

Year in brief

Key Performance Indicators (adjusted):

40.7

Earnings per share, Euro cent

5,426

Operating net sales, MEUR

3,645

Gross earnings, MEUR

1,475

Operating earnings (EBIT1), MEUR

27%

Operating margin

61%

Software and service revenues

67%

Gross margin

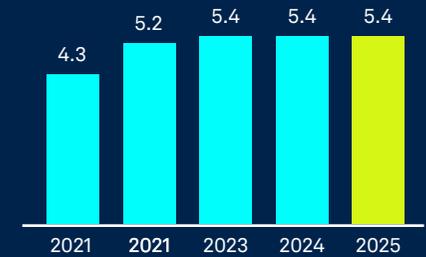
42%

Recurring revenues

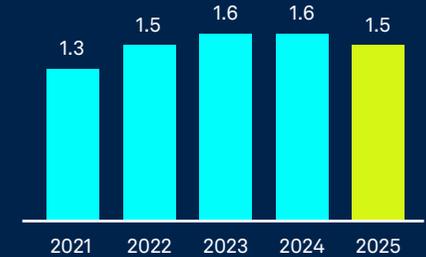
1,344

Earnings before tax, MEUR

Revenue, Bn EUR



EBIT1, Bn EUR



Resilient sales and strong operating margins

Sales grew 2% to 5,426 MEUR, on an organic basis, with increasing recurring revenues and software sales offsetting weakness in sensor and robotic solutions, driven by a mixed macroeconomic background. Operating margins amounted to 27%, impacted by currency effects and lower volumes, partly offset by gross margin expansion and operating cost savings.

Acquisitions and divestments

During 2025, we completed eight acquisitions and divested certain non-core assets within Octave, together contributing 1% to net sales growth. Key additions included the Geomagic software suite in Manufacturing Intelligence and Septentrio in Autonomous Solutions.

Product innovation

We launched more than 700 new products and updates in 2025, underscoring our continued pace of innovation. During the year, 157 patents were filed. Noteworthy launches included the TS20 in Geosystems — the first new total station platform in 20 years — and MAESTRO, a next-generation coordinate measuring machine (CMM).

Sustainability

We made strong progress in our sustainability agenda, achieving notable reductions in Scope 1, 2 and 3 emissions. We also expanded training programmes in compliance, cyber security and responsible AI.

Additionally, we enhanced our engagement with the value chain through ESG-focused supplier audits, reinforcing our commitment to responsible and transparent operations.

Presenting Octave

Hexagon's board of directors has proposed the spin-off of Octave Intelligence plc to create two independent publicly listed companies. The transaction is subject to shareholder approval at the Annual General Meeting on 24 April 2026. The proposed separation is intended to enhance strategic focus, operational agility, and long-term value creation for both Hexagon and Octave.

Octave key metrics, MEUR

12 months ended 31 December 2025

1,408

Revenue

~70%

Recurring revenues

~28%

Adjusted operating margin (EBIT1)

~7,100

Employees



Presenting Octave

Background and rationale for the proposed spin-off of Octave

Clearer strategic focus for two distinct businesses

Hexagon and Octave serve different markets, operate under different business models, and pursue different growth paths. As independent companies, each will be able to focus fully on its own customers, technologies, and long-term strategy, without compromise or competing priorities. This clarity is expected to allow both businesses to respond more effectively to changing market dynamics and customer needs.

Improved ability to attract and retain talent

The two companies have different cultures, operating models, and talent requirements. Independence will allow each company to shape its own work environment, incentives, and organisational culture. In particular, Octave will be able to operate with the agility, speed, and empowerment needed to compete effectively for talent with technology and software-focused companies.

Potential for enhanced shareholder value

By creating two focused companies with distinct investment profiles, the spin-off is expected to allow investors to better assess the risks, performance, and future prospects of each business independently. Over time, this clearer positioning may support improved valuation transparency and provide each company with greater flexibility to use equity for acquisitions and employee incentives.

Greater operational autonomy and agility

Following the spin-off, Hexagon will concentrate on its core mission of helping industrial customers address labour shortages and sustainability challenges through precision measurement, positioning, and autonomous solutions. Octave, as a standalone company, will be able to align its organisation, investments, and innovation priorities directly with its own business objectives, enabling faster decision-making and accelerated development of its offerings.

Enhanced strategic and portfolio alignment

The separation allows each company to pursue its own product portfolios, partnerships, go-to-market strategies, and growth opportunities more effectively. This sharper alignment is expected to improve execution and support long-term sustainable profitability for both businesses.

More efficient capital allocation

As separate entities, Hexagon and Octave will each be able to raise, deploy, and invest capital in a way that best supports their individual strategies, growth profiles, and risk-return characteristics. This separation is expected to improve capital discipline and ensure that investment decisions are made with clear accountability and focus.



Presenting Octave

Key trends shaping Octave's markets

AI is accelerating

AI-driven workflows are increasing data volumes and complexity, driving demand for platforms that unify, contextualise, and automate analysis across systems.

Rising global energy demand

Growth in industrial activity and data centres is increasing the need for safe, reliable and efficient energy and infrastructure operations.

Pent-up demand for infrastructure investments

Aging infrastructure and capacity constraints are prompting investment in digital tools that improve planning, delivery, and lifecycle performance.

Early-stage digital transformation

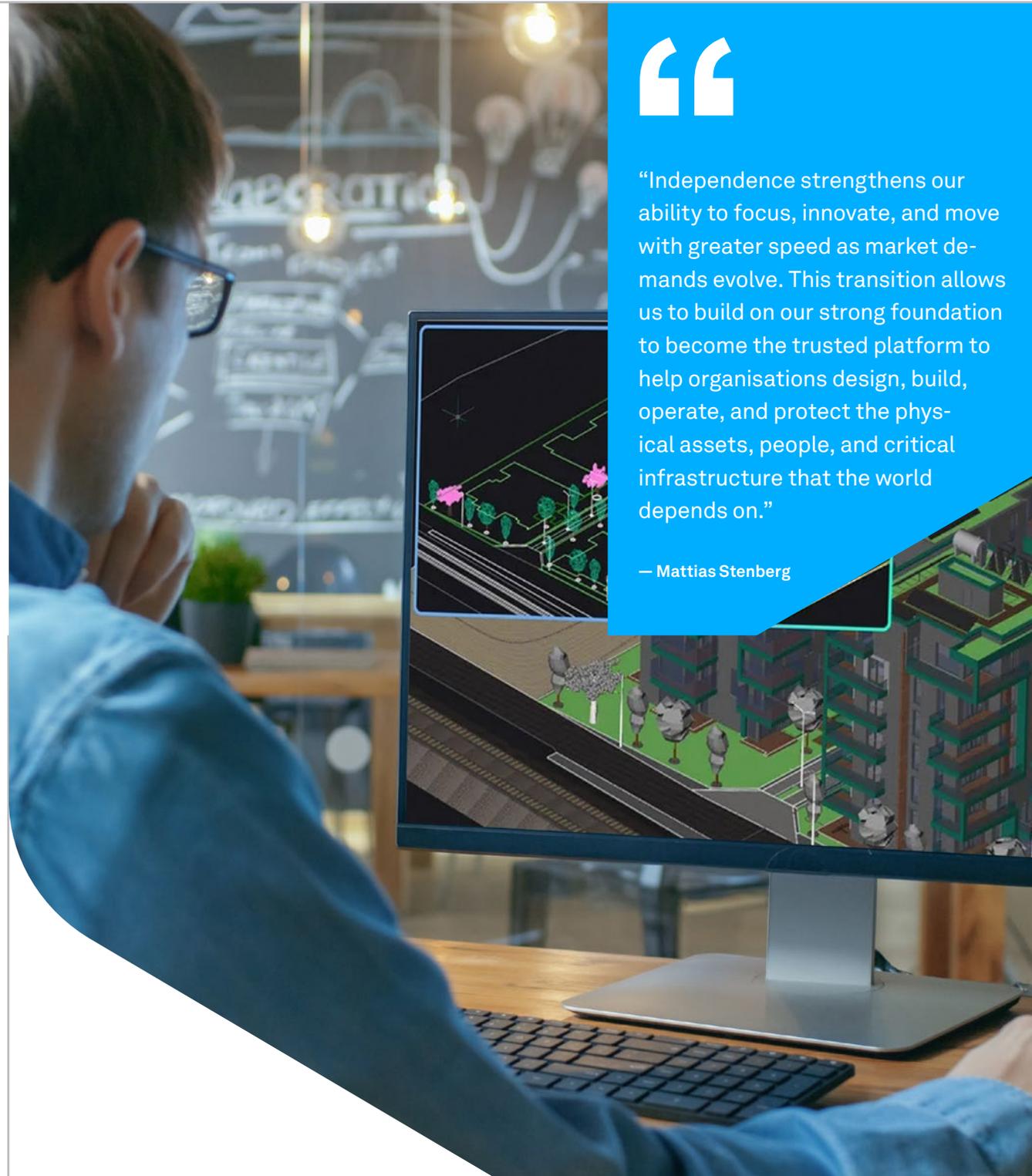
Many industrial and public-sector organisations are still modernising legacy workflows, creating demand for connected, cloud-enabled solutions.

Growth in data-driven decision-making

Workforce transitions and growing data volumes are increasing the need for software that makes information accessible and supports predictive action.

Increasing regulatory and compliance requirements

Evolving safety, quality, and environmental regulations are driving demand for systems that provide traceability, governance, and audit readiness across the lifecycle.



“Independence strengthens our ability to focus, innovate, and move with greater speed as market demands evolve. This transition allows us to build on our strong foundation to become the trusted platform to help organisations design, build, operate, and protect the physical assets, people, and critical infrastructure that the world depends on.”

— Mattias Stenberg

Presenting Octave

Business overview

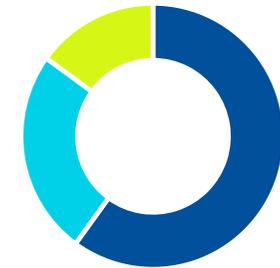
Octave's platform connects data, events, and workflows across environments and applies context-aware intelligence to help customers understand what is happening, what may happen next, and how actions in one area affect conditions in another – enabling faster action and reduced risk.

Octave's commercial model is concentrated around subscription offerings, complemented by perpetual licences and professional services, with a continued shift toward Software as a Service (SaaS)-based revenue. The company serves enterprise, government, and midmarket customers through direct sales and over 1,500 resellers, referral partners, and technology alliances – reaching over 60% of the Global Fortune 500 across power generation, data centres, heavy construction, public safety, and transportation networks.



Revenue by geography

- 48% Americas
- 34% EMEA
- 18% Asia



Revenue by type

- 68% Subscription revenue
- 20% Services and other
- 12% Licence revenue

Design environment

The design environment is where the digital foundation of a system begins. Octave helps engineers, designers, and planners create accurate representations of assets, layouts, processes, and geospatial contexts. Octave's software supports 2D and 3D modelling, engineering analysis, digital simulation, geospatial intelligence, and governance standards to help teams validate design decisions before they become costly to change.

Key solutions include:

- Intelligent, rule-based 3D modelling.
- Integrated stress, structural, and performance analysis.
- Geospatial visualisation and spatial analytics.
- Metadata extraction.
- Change management and version control.

Build environment

The build environment connects engineering, procurement, fabrication, construction, and commissioning activities. Octave helps project teams understand design intent, track changes, coordinate materials, and see the status of work as conditions shift. The build environment also helps field teams capture accurate information about materials, inspections, and work completed, ensuring that changes made during construction are recorded and reflected in the digital representation of the system.

Key solutions include:

- Digital field tools for real-time work data.
- Integrated supply chain coordination.
- Project performance management.
- Change and deviation tracking.

Operate environment

The operate environment unifies operational signals, engineering context, historical records, and maintenance workflows so organisations can understand system behaviour in real time and over time. Octave helps operators, technicians, and maintenance teams monitor equipment, processes, and assets; manage alarms and events; support shift handovers; optimise maintenance strategies; and identify risks through predictive intelligence.

Key solutions include:

- Connected worker solutions.
- Performance and quality monitoring.
- Asset and reliability management.
- Predictive analytics.
- Mobile access to asset information.

Protect environment

The protect environment enables organisations to detect, understand, and respond to threats across physical, digital, and operational domains. Octave supports public safety agencies, security operations centres, emergency response organisations, and critical infrastructure operators.

Key solutions include:

- Computer-aided dispatch and records management.
- Integrated physical and digital security insights.
- Threat detection and situational awareness.
- Compliance and governance support.
- Multi-agency coordination.

Strategy

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Market trends driving Hexagon's solutions

Operating in a world characterised by uncertainty, Hexagon transforms challenges into opportunities for its customers.



Labour shortages

The growing demand for higher productivity and quality, coupled with demographic changes, drives the adoption of automation and robotic technologies. Hexagon's solutions precisely measure physical assets to create digital twins, delivering the spatial intelligence needed for industries to move towards autonomy.

Extracting value from data

Hexagon combines advanced sensor technologies with AI-driven software to transform complex datasets into actionable intelligence that supports better-informed decision-making.

Large and complex projects

In modern complex industries like semiconductor manufacturing, accelerating project timelines and maintaining operational efficiency are critical. With geographically dispersed project teams and increasing project complexity, Hexagon offers solutions to boost productivity, reduce delays, and mitigate cost overruns.

Mobile data capture

The rise of mobile sensors, including UAVs, smartphones, and social media-based data, is transforming geospatial information capture. Hexagon's solutions enhance communication, reduce errors, and improve cost control in industries such as construction, where mobile sensors are used to monitor activities in real time.

Building an autonomous future – one humanoid at a time

Leveraging our expertise in precision measurement and Spatial Intelligence to deliver a multipurpose humanoid for industry.



The opportunity

Global industries need to adjust to workforce shifts and labour shortages, and move from automation to autonomy. We deliver a humanoid solution to meet this new customer demand, leveraging our technology expertise and recent developments in robotics and Physical AI.

Our story

Hexagon is a global leader in measurement technologies and autonomous solutions. We have pioneered several automation waves across industries, and are now leveraging our decade-long expertise and experience to build a tested humanoid: AEON.

Meet AEON

AEON is a multipurpose humanoid capable of manipulation, part inspection, and reality capture for broad use across automotive, aerospace, transportation, manufacturing and logistics.

Specifications

Balanced and robust		Mobile and dexterous	
Top speed	2.4 m/s	Degrees of freedom	34
Ready to roll		Human-proportioned	
Weight	60 kg	Height	165 cm
Empowered		No gym training required	
Battery	Auto-swap	Payload	8–12 kg
<p>NOTE: 3 hours of operating time on a single charge, with continuous operation enabled by self-swap.</p>		<p>NOTE: 12 kg short-term, 8 kg constant carry</p>	



AEON's capabilities

Agility = dexterity + locomotion

AEON can move around quickly in all directions and perform tasks that require high accuracy, thanks to AEON's unique locomotion system and integration of dexterous hands.

Multipurpose = one humanoid, multiple skills

AEON was designed to perform a wide variety of tasks, from manipulation and part inspection to reality capture and operator tasks. All necessary capabilities are fully integrated.

Awareness = spatial intelligence + reasoning

AEON is acutely aware of its surroundings and adapts in real time to ensure the task is completed even when the environment changes, thanks to a sophisticated multimodal sensor fusion technology.

Financial targets

Our financial targets reflect our commitment to sustainable growth, operational excellence, and value creation for our stakeholders. By targeting the efficient use of capital, we aim to generate strong cash flow, maintain a sound equity ratio, and achieve a balanced debt structure.

N.B., Short-term targets were set in 2022, ending in 2026

Short-term targets

Average total growth per year

Target **8–12%**

Outcome 2025 **0%**

NOTE: Average annual total growth of 8-12% during 2022-2026.

Progress as of 2022-2025 **6%**

Organic growth

Target **5–7%**

Outcome 2025 **2%**

NOTE: Average annual organic growth of 5-7% during 2022-2026.

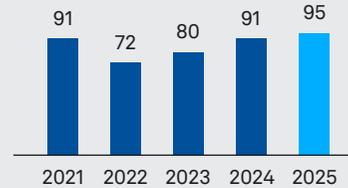
Progress as of 2022-2025 **4%**

Long-term targets

Cash conversion

Target **80–90%**

Outcome 2025 **95%**

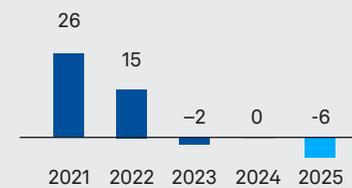


NOTE: Annual target range of 80-90%.

Earnings per share

Target **>15%**

Outcome 2025 **-6%**



NOTE: Hexagon's overall long-term objective is to annually increase EPS by at least 15%.

M&A growth

Target **3–5%**

Outcome 2025 **1%**

NOTE: Average annual growth from acquisition of 3-5% during 2022-2026.

Progress as of 2022-2025 **2%**

Operating margin

Target **>30%**

Outcome 2025 **25%**

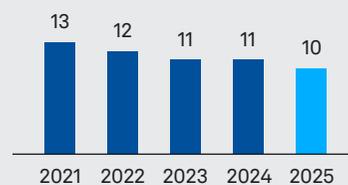
NOTE: Reach more than 30% operating margin (EBIT1 incl. amortisation of surplus values) by the end of 2026.

Progress as of 2022-2025 **25%**

Return on capital employed

Target **>15%**

Outcome 2025 **10%**

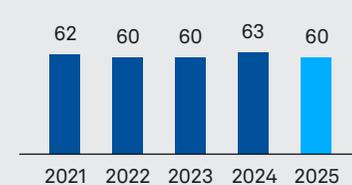


NOTE: Hexagon's overall long-term objective is to annually achieve a return on capital employed exceeding 15%.

Equity ratio

Target **>25%**

Outcome 2025 **60%**



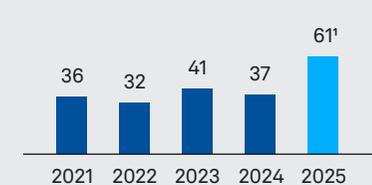
NOTE: Hexagon targets an equity ratio of at least 25%.

Dividend policy

% of net earnings

Target **25–35%**

Outcome 2025 **61%**



NOTE: Hexagon's dividend policy is to distribute 25–35% of net earnings after tax.

1) Refers to the proposed dividend.

Sustainability at Hexagon

Hexagon’s sustainability strategy is based on the belief that long-term business success and sustainable development go hand in hand. It integrates sustainability across the business model, product innovation, value chain, and culture. Built on the two pillars Empowering change and Creating change, the strategy guides responsible growth, resource efficiency, social responsibility, and collaboration with customers, partners, and society.

Our sustainability pillars: a dual-track strategy

Change we empower

Enabling sustainability through our solutions

- Sustainability criteria in product innovation.
- Innovations to optimise efficiency, productivity, quality, and safety at scale.

Empowering other stakeholders to accelerate change

- Engaging industry-specific platforms.
- Distribution partners programme.
- Accelerating green-tech with R-evolution.

Change we create

Improving sustainability across our value chain

- Business area-specific Net-Zero Roadmap.
- Resource efficiency improvements.
- Sustainable Procurement Programme.

Driving sustainability through our culture and our people

- Inclusive and performance-driven culture.
- Social responsibility through education and partnerships.

Sustainability targets

At Hexagon, sustainability guides our vision and operations. We create long-term value by integrating environmental, social, and governance (ESG) principles into our decision-making, addressing global challenges while fostering resilience, innovation, and ethical growth. Our focus includes reducing environmental impact, promoting social equity, and upholding strong corporate governance.



Environmental

- Reduce absolute Scope 1 and Scope 2 GHG emissions by 95% by 2030 from a 2022 base year.
- Reduce Scope 3 GHG emissions by 51.6% per unit of revenue by 2030 from a 2022 base year.
- Increase annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027.
- Reach net-zero GHG emissions across the value chain by 2050.
- Reduce Scope 3 GHG emissions by 97% per unit of revenue by 2050 from a 2022 base year.



Social

- Achieve at least 30% women in leadership positions by 2025.



Governance

- 50% of suppliers by spend covering purchased goods and services will have science-based targets by 2028.
- Key suppliers in high-risk areas will be audited every three years.



Read more about Hexagon’s ambitious goals to reduce its carbon footprint, validated by the Science Based Targets initiative (SBTi) in the Sustainability Statement on pages 76–175.

Our Impact in 2025

Environment

Avoided Emissions Framework

Avoided Emissions Framework implemented for key product lines, enabling 49 million tCO₂e of avoided emissions for customers to date.

↘ **29%**

Reduction in Scope 1 and 2 emissions

↘ **6%**

Reduction in Scope 1 emissions

↗ **74%**

Ratio of renewable electricity used in operations

↘ **11%**

Decrease of combustion cars in company car fleet

↘ **18%**

Reduction in Scope 3 emissions

Social

Company-wide training held in:

- AI upskilling.
- Hexagon’s Compliance Programme.
- Sustainability@Hexagon.
- Cyber security.

↗ **3 pp**

Increase in under-represented gender in leadership positions

89,240

hours of employee training delivered

Governance

7

AI guiding principles established to ensure safe, ethical and transparent AI across products and operations.

114

Suppliers audited on ESG-related topics

25,068

Employees and contractors trained in Hexagon’s Code of Business Conduct

Sustainability Milestones and Roadmap

	2023	2024	2025	2026	2027	2030
Employees	All employees trained in Diversity, Equity & Inclusion (DEI)	All employees trained in inclusive behaviours	>25% women in leadership positions	Improved employee engagement score	–	–
Energy	~35,000 MWh renewable energy produced	50% of renewable electricity	24% reduction in power consumption versus 2022 baseline	>85% of renewable electricity	100% of renewable electricity	100% of renewable electricity
Climate change	Guidance of green vehicles in car fleet	Green vehicle framework implemented in main markets	Physical climate risks and transition assessments performed	CO ₂ reduction targets part of employee incentive programme	–	95% reduction in Scope 1 and Scope 2 GHG emissions
Nature	–	Waste management programme in manufacturing sites	Water management programme for sites in high-risk areas	–	Biodiversity action plan implemented in major facilities	Zero waste to landfill ambition
Products	Eco-design training started in hardware R&D	Avoided emissions by product line	49 MtCO ₂ e avoided emissions in customer use	Sustainability framework implemented in R&D projects	Doubled sale of circular products	–
Suppliers	100% of key suppliers in high-risk countries audited	Key suppliers in high-risk areas audited every three years	114 key suppliers assessed on environmental and social impacts	Human Rights Due Diligence conducted across the value chain	20% CO ₂ reduction in logistics emissions	> 80% of procurement spend covered by suppliers with SBTi-validated targets

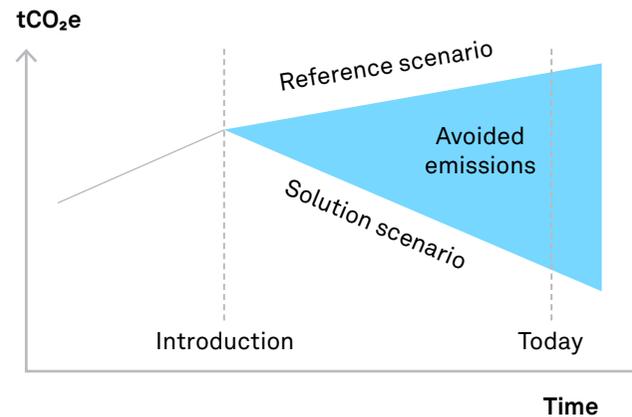
Avoided Emissions Framework

What are the climate benefits of Hexagon's portfolio?

Carbon emissions need to decrease rapidly to meet the goals of the Paris Agreement. Hexagon has established ambitious science-based targets to reduce its carbon footprint, which are described in detail in the Sustainability Statement.

Due to the urgency of the climate crisis, and recognising that operational reductions alone are not sufficient to drive the scale of change required, Hexagon initiated an effort in 2024 to quantify the carbon benefits of its solutions, reflecting the belief that its greatest climate impact lies in enabling decarbonisation across the industries it serves. Leveraging its portfolio of data-driven automation, digital twin, computer-aided engineering and geospatial intelligence technologies, Hexagon helps customers optimise resource use, improve energy efficiency and reduce material waste across industrial, infrastructure and renewable energy value chains. These capabilities position Hexagon as a provider of enabling clean technologies, delivering measurable emission reductions beyond its own operations. By assessing these impacts through recognised frameworks, Hexagon enhances transparency around the climate value of its innovation while supporting industrial transformation at scale. Emission reductions achieved by customers as a result of using Hexagon's solutions are referred to as avoided emissions.

Figure 1 – Avoided emissions



Avoided emissions are quantified by comparing a solution scenario with a defined reference scenario, as illustrated in Figure 1.

Hexagon prioritises this initiative for the following reasons:

- It contributes to Hexagon's social licence to operate by demonstrating the positive impact of Hexagon's solutions.
- It enables investors to build impactful portfolios.
- It highlights areas for investment and future growth.

Quantifying and reporting avoided emissions represent an important opportunity to reshape Hexagon's portfolio.

Checking eligibility

Hexagon's quantification of avoided emissions complies with the Guidance on Avoided Emissions from the World Business Council for Sustainable Development (WBCSD). It defines three compulsory eligibility gates for reporting:

- **Gate 1: Climate action credibility**
Hexagon has a solid climate strategy, SBTi-validated carbon reduction targets, site-specific roadmaps and regular reporting.
- **Gate 2: Climate science alignment**
The solution must have mitigation potential, not contribute to fossil fuel exploitation, and be compatible with the goals of the Paris Agreement. To pass this gate, Hexagon demonstrates that each solution has mitigation potential, in alignment with the EU taxonomy and the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6).
- **Gate 3: Contribution legitimacy**
The solution must directly and significantly contribute to reducing emissions.

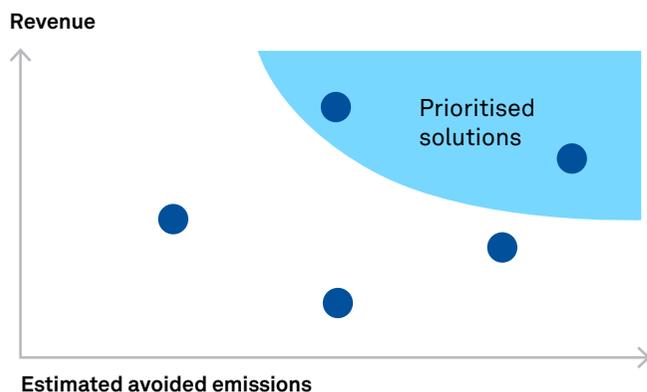
Process and progress

In 2024, Hexagon started scanning its portfolio for solutions with a distinct mechanism to avoid emissions. The solutions have been prioritised according to their financial impact and estimated avoided emissions; see Figure 2. For every prioritised solution, customers have been selected and contacted.

Together with customers, Hexagon has quantified avoided emissions for approximately 30 solutions¹, spanning multiple industries² and 16 countries³.

In 2025, Hexagon achieved a nearly comprehensive understanding of the portfolio's potential to avoid emissions. Most quantified avoided emissions come from the Computer-Aided Engineering solutions of Hexagon's Design & Engineering business unit and the geospatial solutions of Hexagon's Safety, Infrastructure, and Geospatial business area. In addition, Hexagon set up a framework for prioritising, quantifying, and reporting avoided emissions.

Figure 2 – Prioritising solutions



Reporting on selected customer use cases only

Case studies have shown that avoided emissions can differ considerably between customers, even when the solution and its use case are comparable. For example, looking at 2024 avoided emissions:

- One RADAN customer avoided more than 13 times as many emissions as another one.
- One Digimat customer avoided 4 times as many emissions as another one.
- The avoidance of HxGN InService customers lies between 35 tCO₂e and 1,200 tCO₂e.
- ERDAS IMAGINE customers avoid between 3,800 tCO₂e and 660,000 tCO₂e.

Therefore, avoiding scaling to a product level ensures a high level of specificity. Representing a fraction of Hexagon's customers, the reported avoided emissions are a lower bound of actual avoided emissions.

A new methodology for renewables

Moreover, Hexagon developed a new approach to calculating the avoided emissions from renewables. It addresses a few shortcomings of traditional approaches, such as:

- **Ignoring repowering:** Renewables that replace existing renewables do not avoid emissions.
- **Neglecting growing energy demand:** As electricity demand increases, some of the energy generated by renewables serves growing demand rather than replacing fossil fuels.
- **Zero-emission renewables:** Being able to more accurately quantify avoided emissions is crucial for informed decision-making and the trustworthiness of carbon credits.

Solution developer vs. key component

Most solutions require multiple stakeholders to deliver avoided emissions. Following the WBCSD guidance, Hexagon will not perform quantitative allocation in those cases. Instead, Hexagon differentiates between:

- Use cases in which Hexagon is solely responsible for the solution (“solution developer”) and
- Use cases in which Hexagon supplies an essential part of the solution (“key component”).

Nearly all of Hexagon's reported avoided emissions stem from the provision of key components, with the exception of RADAN, Tubelnspect, and Hexagon's refurbishing business.

Outlook

Hexagon will continue to conduct customer case studies and quantify the carbon benefits of its solutions. However, the focus will be on shaping the portfolio based on the avoided emissions results and scaling decarbonisation in the industries Hexagon serves.

1) HxGN InService, M.App Enterprise, RADAN, Virtual Test Drive, Digimat, wind turbine gearbox design, HxGN EAM, ERDAS IMAGINE, GeoMedia, various Hexagon mining, surveying, building construction and machine control solutions, various stationary and portable metrology solutions including Tubelnspect, HxGN AgrOn
 2) Agriculture, automotive, construction, energy, forestry, manufacturing, mining, the public sector, and utilities
 3) Austria, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Romania, Switzerland, The Netherlands, the United States, and the United Kingdom

Avoided Emissions Framework – Customer examples that enable positive climate impact

Accelerating renewables

By far the most impactful project is Hexagon's gearbox design for wind turbines, which accounts for over 90 per cent of Hexagon's 2024 avoided emissions. Between 2011 and 2023, the gearbox design was used to install 16.6 GW of wind power in China and India. The avoided emissions have been calculated relative to a scenario in which the electricity grid would have supplied the generated energy.

For the Austrian city of Klagenfurt, Hexagon created a digital twin that enabled feasibility and economic analyses of rooftop solar panels. Since its introduction in 2021, the solar power growth rate has been 50 percentage points above the Austrian average.

In East Lothian, Scotland, a Hexagon partner has leveraged Hexagon's geospatial platform, M.App Enterprise, to calculate the most effective locations for electric vehicle charging stations. Between 2019 and 2024, the growth rate of supplied charging energy outperformed the UK's annual electric vehicle growth rate by 60 percentage points.

ArcelorMittal, one of the world's largest steel and mining companies, leveraged Hexagon solutions to improve geo-modelling, mine planning, and mining operations. Compared to the latest Life of Mine (LoM) plan before introducing Hexagon solutions, ArcelorMittal has reduced the cumulated actual mined waste between 2019 and 2023 by 26 per cent. This reduction translated into savings of more than 27 million litres of diesel, corresponding to an average annual reduction of over 14,000 tCO₂e.

Reducing fossil fuel consumption

HxGN InService is an integrated outage management system that helps prevent and quickly resolve outages. Hexagon has conducted case studies with ten North American customers. Looking at the System Average Interruption Duration Index (SAIDI), an important reliability metric, their outage performance is between 26 per cent and 69 per cent better than the province/country average. Fewer outage hours reduce the need to run fossil-fuel-powered generators. Conservative assumptions predict 3,700 tCO₂e avoided emissions in 2024.

The Leica MC1 solution was used on a dozer during capping earthworks on a 25 km section of a motorway in Romania. The system's millimetre-grade accuracy drastically increased productivity, virtually eliminating the rework that typically consumes extra time and fuel. This precision resulted in an 18.5 per cent boost in productivity on the project, leading directly to saving 3,278 litres of diesel, and resulting in a total avoided emissions of 9 tCO₂e for the motorway section.

Hexagon's fully automated monitoring solution used by SEP Rail Services helps the company reduce fossil fuel consumption by minimising the need for frequent site visits and worker commuting. The system replaces the 126 rides per project required by the semi-automated solution with only 44 rides, reducing total travel distance by more than 65 per cent, from 25,200 km to 8,800 km per project. By leveraging remote, real-time data capture via the Leica TM60 and GeoMoS software, the solution reduces transportation emissions, contributing to a substantial avoidance of 1.4 tCO₂e per project, amounting to 17 tCO₂e for 12 projects conducted in 18 months.

Avoided Emissions Framework – Customer examples that enable positive climate impact

Reducing scrap in manufacturing

Hexagon's CAD/CAM software RADAN helps reduce material input for metal sheet laser cutting applications. Compared to the competitor solution two Hexagon customers have used before, RADAN reduced material input by 15 per cent and 18.8 per cent, respectively, resulting in a combined 946 tCO₂e reduction in 2024.

Manufacturing electric scooters requires tube bending. By introducing TubelInspect, a Hexagon customer in France reduced annual scrap count by 93 per cent. TubelInspect is a camera-based metrology solution that calculates bending correction data in real time and feeds it directly back to the bending machines.

Using materials with a lower carbon footprint

Digmat is material modelling software which allows two customers to replace conventional automotive materials with high-performance plastics. Due to high annual production volumes, more than 8,000 tCO₂e can be avoided. For all five parts under consideration, the emissions savings are accompanied by additional benefits, such as weight savings, cost savings, and shorter production cycle times. Having reliable and validated digital material models is a prerequisite for widespread adoption within the automotive industry.

Optimising mining operations

Hexagon's Mining Fleet Management System (FMS) enhances the operational efficiency of mining trucks by matching truck and digger capacities, automating task assignments, and coordinating fleet movements. A comparative study of contractor operations in an Indonesian gold mine revealed a 32 per cent improvement in fuel intensity, resulting in 22,600 tCO₂e of avoided emissions in 2024.

Conserving forests

Three Indian states use Hexagon's ERDAS IMAGINE to monitor forest areas, conserve existing forests and supervise afforestation activities. Hexagon customers collectively manage 9 per cent of Indian forests. Yet, only 2 per cent of India's primary forest loss occurred in these states, resulting in more than 700,000 tCO₂e avoided in 2024. Data show that deforestation visibly slowed after the introduction of the Hexagon solution.

Case study

Precision for progress: Powering the future with clean energy

Hexagon's partnership with the ITER organisation exemplifies how collaboration accelerates technological innovation to address society's most pressing challenges. By contributing advanced metrology solutions, including Hexagon's Leica Absolute Laser Trackers, the Absolute Scanner AS1 and Hexagon's SpatialAnalyzer software, we enable the precise assembly of ITER's experimental reactor – a critical step towards achieving fusion power production at scale. This cooperation not only supports the development of clean, limitless energy but also demonstrates Hexagon's commitment to leveraging cutting-edge technologies that drive progress for a sustainable future. When realised, fusion energy has the potential to transform society by providing abundant, carbon-free power and significantly reducing global greenhouse gas emissions, helping to avoid millions of tonnes of CO₂ emissions annually.

49
MtCO₂e

avoided by customers through Hexagon's solutions to date

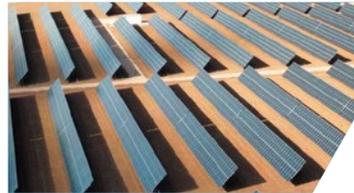
Hexagon R-evolution – shaping planet resilience

R-evolution is the green tech business venture of Hexagon AB, positioned to put technology and data to action for planet resilience through profitable impact projects and solutions across the globe.

Aligned with Hexagon’s broader clean technology ambition, R-evolution expands the Group’s innovation footprint by translating advanced digital, automation and geospatial capabilities into scalable environmental solutions. Positioned at the intersection of technology, data and sustainability, it demonstrates how Hexagon’s expertise can move beyond operational optimisation to actively support renewable energy systems, water resilience, ocean intelligence and biodiversity protection. By combining entrepreneurial execution with measurable impact, R-evolution strengthens Hexagon’s role within the global clean technology landscape and reinforces the company’s commitment to delivering profitable innovation that accelerates the transition toward a low-carbon and nature-positive economy.

The initiatives address the world’s pressing challenges, optimising renewable energy production in Spain, digitalising desalination in the Middle East, creating digital twins of the seabed to measure carbon capture and making nature visible with Green Cubes for biodiversity conservation across Latin America. In 2025, the focus of R-evolution has been Green Cubes, with significant progress to make nature visible for the extraction industry.

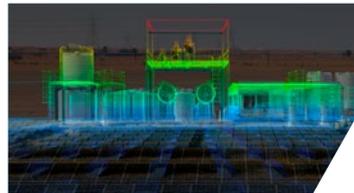
Renewable energy



Archidona Málaga 16.44 MWp

Running 40 hectares industrial solar PV production to have first-hand experience and real product test bed for scale with a world leading digital twin plant.

Desalination



Al Ain Dubai 1,000 m³ daily water production

The digital twin for the world's first circular solar thermal desalination system to produce high-quality desalinated water with zero harm to the planet.

Ocean



The Bahamas 3,300 km² mapped

Discovered with the help of tiger sharks, marine scientists and Hexagon's bathymetric LIDAR – on track to be the largest nature-based carbon project in the world.

Forest



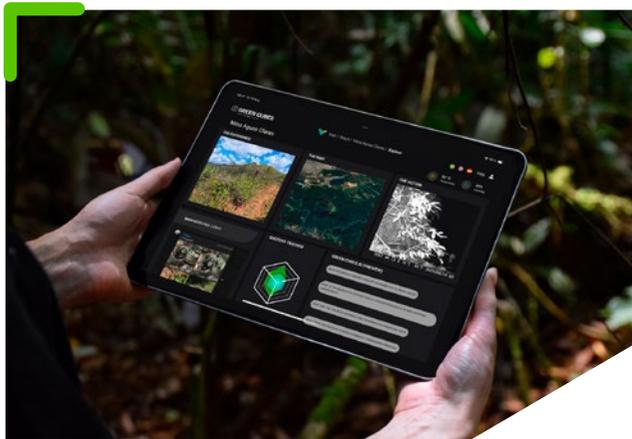
Green Cubes activated in Costa Rica, Brazil and Guatemala

World-leading immersive experience and real impact for biodiversity conservation, leveraging Hexagon measurement technologies from satellite to soil.

Green Cubes momentum – making nature visible

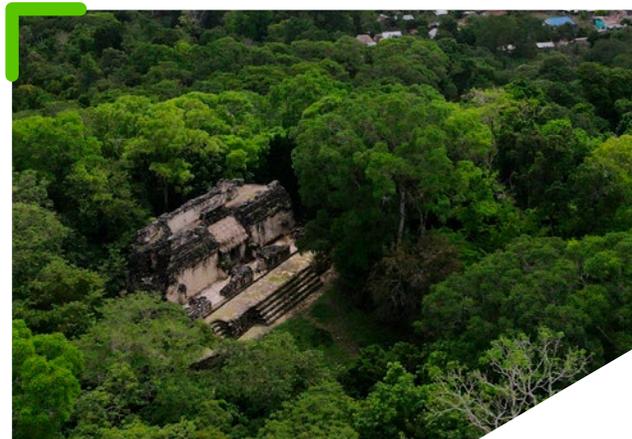
Leading customers for sustainable mining in Brazil

In 2025, Green Cubes Digital Reality took off, enabling a trusted and transparent 3D environmental monitoring solution to accelerate restoration and enhance environmental reporting for the extraction industry. Green Cubes makes nature visible so responsible mining customers can operate efficiently while safeguarding biodiversity and restoring ecosystems. Green Cubes measures and AI processes data from space to soil and fuses it into a single pane of glass in the Green Cubes digital twin platform. Customer momentum grew in 2025 as Vale and Samarco, two of the world's biggest iron ore producing companies, activated Green Cubes on restoration sites at Mina de Águas Claras (Vale) and Mina Alegria in Brazil (Samarco). Together with Vale and Samarco, Green Cubes is setting a new environmental standard for sustainable mining across Latin America.



Unlocking natural capital in Guatemala

Green Cubes expanded to the heart of Guatemala's forests, through a pioneering partnership with The Association of Forest Communities of Petén (ACOFOP). ACOFOP is a community-based, non-profit association working to conserve and sustainably manage forest areas in the Maya Biosphere Reserve (RBM) in northern Guatemala. With Green Cubes, ACOFOP will make Green Cubes available for sponsorship across areas within the Maya Biosphere Reserve, near the Yaloch Lagoon and Biological Station, within the El Esfuerzo community forest concession. The Green Cubes Sponsorship Programme unlocks natural capital, showcasing the richness of the forests and their invaluable contribution to keeping ecosystems alive.



Activated science ecosystem with Hidden Biodiversity: Universe (HUB)

Green Cubes was activated to support the conservation of the last 8% of the Atlantic Rainforest in Brazil. Over 25 km² were 3D mapped down to 5 cm accuracy and it is supporting leading biodiversity research through a strategic collaboration with the Antonelli Foundation and Project ARAÇÁ. As part of the conservation activities at ARAÇÁ, the Antonelli Foundation has initiated Hidden Biodiversity: Universe (HUB), an initiative that acts as a creative and collaborative platform, bringing biodiversity science to life through storytelling, immersive media, and public engagement. Complementing the reclamation and conservation efforts at ARAÇÁ, where Green Cubes contributes world-leading technology for biodiversity monitoring, Green Cubes also supports the HUB initiative, helping to communicate the immersive experience by making nature visible.



Business areas

Manufacturing Intelligence 29

Geosystems 30

Autonomous Solutions 31

Octave 32



Manufacturing Intelligence

Hexagon's Manufacturing Intelligence business area provides advanced solutions that integrate metrology (measurement) systems, production software, and data analytics to optimise manufacturing processes. From product design and engineering to production and quality assurance, the business area enables manufacturers to enhance precision, improve efficiency, and reduce waste across the entire product lifecycle. By leveraging data-driven insights, Hexagon's tools empower industries such as aerospace, automotive, electronics, and energy to innovate and meet the challenges of modern manufacturing.

1,854

Revenue, MEUR

1%

Organic growth

476

EBIT1, MEUR

26%

Operating margin



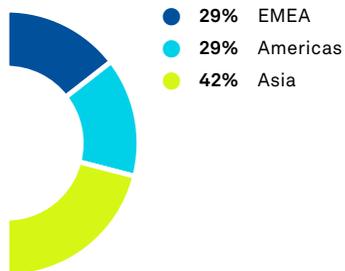
Industries we serve

- General manufacturing
- Automotive
- Aerospace & defence
- Electronics
- Energy
- Life sciences

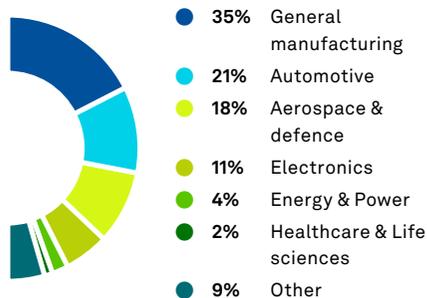
Key solutions we offer

- Metrology
- Computer-aided engineering software
- Enterprise quality management
- Computer-aided manufacturing software
- Digital manufacturing
- Automated inspection

Revenue by geography



Revenue by industry



2025 highlights

In 2025, Manufacturing Intelligence delivered modest organic growth, supported by strong demand in Aerospace & Defence, electronics and general manufacturing, while automotive markets remained weak, particularly in EMEA. Geopolitical uncertainty continued to delay customer decision-making, impacting volumes throughout the year. Growth was driven by the Americas and Asia, with strength in China and India, while EMEA remained challenging. Portable metrology and recurring software and services showed continued momentum.

Case study

ITER, the International Thermonuclear Experimental Reactor, is a collaboration of 34 nations aiming to demonstrate the feasibility of nuclear fusion as a sustainable energy source. Located in France, ITER replicates the conditions of a star. Hydrogen isotopes are fused at temperatures of 100–150 million degrees, releasing 10 times more energy than its input. If successful, it could transform global energy access, and end our dependency on fossil fuels.

At the heart of ITER is the largest ever tokamak nuclear fusion reactor, spanning 28 metres across, 29 metres high, and weighing 23,000 tonnes. With over 1 million components sourced globally, achieving the precision required would be impossible without Hexagon's metrology solutions. From large-volume scanning systems to handheld devices, Hexagon ensures early detection of non-conformities, reducing costs and supporting ITER's ambitious vision for sustainable energy.

Geosystems

Hexagon's Geosystems business area provides cutting-edge solutions for capturing, measuring, and analysing the physical world. By leveraging reality capture technologies such as 3D scanning, surveying and monitoring sensors as well as geospatial software, the business area enables customers to create accurate digital twins for infrastructure, construction, and mapping projects. With its comprehensive portfolio, Hexagon's Geosystems business area helps industries transform highly accurate real-world data into actionable insights, driving productivity, safety, and informed decision-making.

1,460

Revenue, MEUR

-1%

Organic growth

399

EBIT1, MEUR

27%

Operating margin



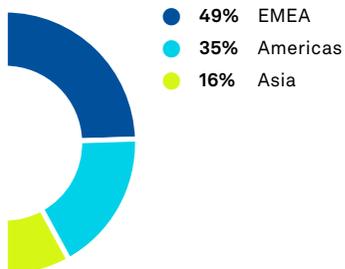
Industries we serve

- Surveying
- Heavy construction
- Buildings
- Adjacent industries

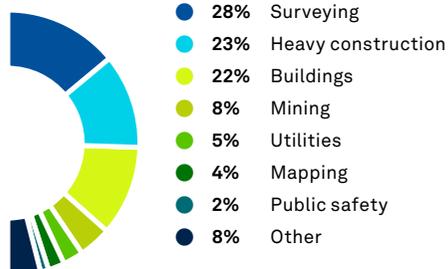
Key solutions we offer

- Geomatics
- Construction tools & Digital layout
- Radar & Monitoring
- Machine Control & Safety awareness
- Scanning & Mapping
- Software & Services for construction

Revenue by geography



Revenue by industry



2025 highlights

In 2025, Geosystems delivered a mixed performance, with solid growth in software, services and recurring revenues offset by continued weakness in construction markets, particularly in China. The Americas showed resilience with steady growth, while EMEA remained challenging but stabilised toward the end of the year. Asia declined significantly, reflecting weak construction demand and a deliberate reduction of channel inventories. New product launches supported the core sensor portfolio, while construction software continued to be a key growth driver.

Case study

Norway's largest civil contractor, Skanska, is a primary construction partner for Project Rogfast, a 27-kilometre tunnel that will be the longest and deepest subsea road tunnel in the world. Norway's landscape is notoriously difficult to navigate for commuters and industry transport. The tunnel, running 392 metres below sea level, will connect Stavanger, Haugesund, and Bergen, helping cut travel time by 50% while reducing reliance on weather-dependent ferries. The project will strengthen connections between communities and Norway's vital oil and gas hubs, to accelerate economic growth.

Project Rogfast requires tunnelling from two sides to meet in the middle with an alignment accuracy of 5 cm or less. Skanska uses Hexagon's precise measurement technologies to achieve this. Robotic total stations, laser scanners, and machine control help avoid costly mistakes, minimise waste, reduce the carbon footprint, and ensure Skanska gets it right the first time, every time.

Autonomous Solutions

Hexagon's Autonomous Solutions business area develops advanced technologies that enable autonomy across industries such as agriculture, mining, and transportation. By combining positioning systems, perception technologies, and AI-powered orchestration tools, the business area provides comprehensive solutions for autonomous vehicles and operations. These technologies empower customers to enhance productivity, ensure safety, and achieve operational precision in dynamic environments.

693

Revenue, MEUR

14%

Organic growth

235

EBIT1, MEUR

34%

Operating margin



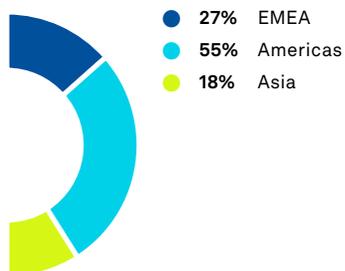
Industries we serve

- Agriculture
- Mining
- Aerospace & Defence
- Automotive & Marine

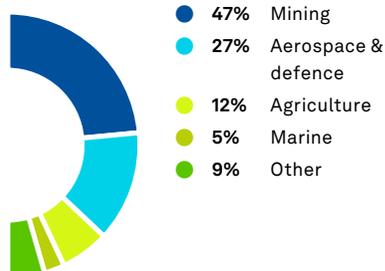
Key solutions we offer

- GNSS/GPS and other positioning technologies
- GNSS/GPS protection
- Sensor fusion
- Mine planning software
- Mine operations
- Mining & Agriculture positioning, Autonomy & Safety solutions

Revenue by geography



Revenue by industry



2025 highlights

In 2025, Autonomous Solutions delivered strong organic growth, driven by record performance in Aerospace & Defence and solid momentum in mining, supported by planning and operations software and high-precision GNSS solutions. Growth benefited from continued progress in the autonomous road train project in Australia, while tariff-related delays and a challenging agriculture market weighed on some regions. The Americas and EMEA showed strong growth over the year, and APAC remained supported by large-scale autonomy projects.

Case study

Mining is physically and mentally demanding, with long shifts, repetitive tasks, and heavy machinery increasing safety risks. Global base metals producer MMG is tackling these challenges at its Rosebery mine in Tasmania, Australia, where workforce safety is a top priority. To address fatigue risks, MMG implemented Hexagon's Operator Alertness System (OAS), marking Australia's first use of this technology in underground mining trucks.

OAS uses advanced sensors and machine learning to monitor operator alertness in real time. If signs of drowsiness, distraction, or microsleeps are detected during demanding 12-hour shifts, operators receive immediate noise alerts and seat vibration warnings to prompt a rapid response. Insights from OAS enabled MMG to optimise shift rotations. Over the first year, validated fatigue events dropped by 53%, with severe incidents decreasing by 81%. The award-winning project highlights how data-driven technology is transforming safety practices and setting new standards in the mining industry.

Octave

Octave provides a suite of software solutions that help organisations design, build, operate, and protect their physical assets, people, and critical infrastructure. These workflow environments often involve different teams, specialised tools, and large volumes of information that are difficult to integrate without context. When data sits in separate systems or isolated workflows, decisions slow down, quality issues are harder to identify, and teams may miss early signs of risk. Octave's platform connects data, events, and workflows across these environments, applying context-aware intelligence to help customers understand what is happening, what may happen next, and how actions in one area affect conditions in another – enabling faster action and reduced risk.

1,408

Revenue, MEUR

3%

Organic growth

398

EBIT1, MEUR

28%

Operating margin



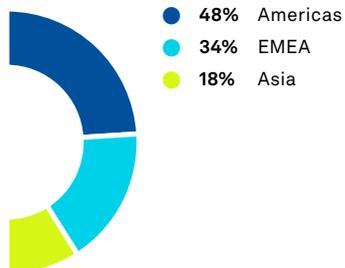
Industries we serve

- Power generation and utilities
- Data centres
- Heavy construction and infrastructure projects
- Process industries
- Public safety and emergency services

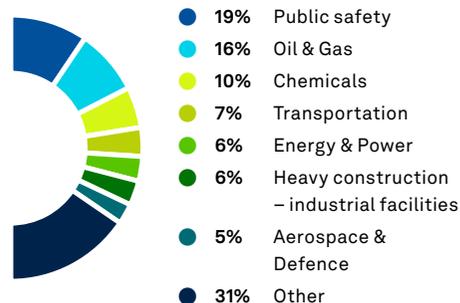
Key solutions we offer

- Metadata extraction and contextualisation
- Integrated supply-chain coordination
- Performance and quality monitoring
- Predictive analytics
- Asset and reliability management
- Integrated physical and digital security insights

Revenue by geography



Revenue by industry



2025 highlights

In 2025, Octave delivered continued organic growth, driven by strong momentum in SaaS and recurring revenues, which now represent around 70% of total revenues. Growth was supported by broad-based demand across the portfolio, especially in the Build and Operate segments. The ongoing transition from perpetual licences to subscription models impacted reported growth, while record SaaS bookings highlighted underlying demand. Performance was solid in the Americas and EMEA, while Asia was impacted by tougher comparatives.

Case study

Seatrium Ltd, headquartered in Singapore, delivers innovative engineering solutions for the global offshore, marine, and energy industries. To streamline operations and overcome fragmented data challenges, Seatrium partnered with Hexagon to modernise its processes with advanced digital technologies.

Hexagon's solution integrates 3D modelling and data analytics across engineering, procurement, construction, and commissioning, eliminating data fragmentation and creating a centralised source of truth for project data. Built around LuciadFusion, HxGN SDx, and Xalt, the system delivers measurable results, including 60% reduced search time.

By connecting data, optimising resources, and streamlining workflows, Hexagon's solution empowers Seatrium to achieve operational excellence and advance its commitment to innovation, sustainability, and success in the marine and offshore industries.

Directors' report

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Managing risks	42



Directors' report

The Board of Directors and the President of Hexagon AB hereby submit their annual report for the year of operation 1 January 2025 to 31 December 2025. Hexagon AB is a public limited liability company with its registered office in Stockholm, Sweden and its corporate registration number is 556190-4771.

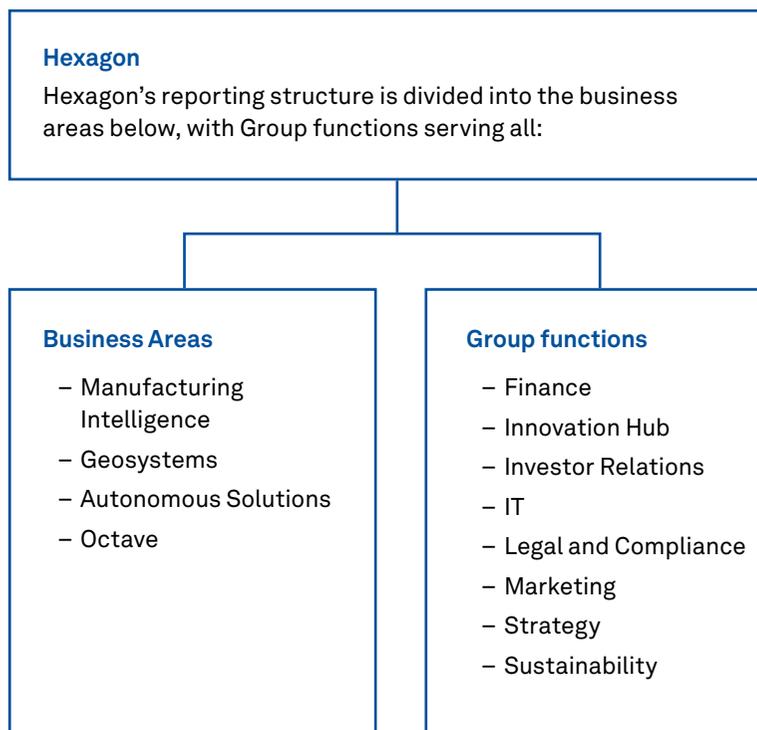
Operating structure

Hexagon's business activities are conducted through more than 300 operating companies in about 50 countries worldwide. The President and Chief Executive Officer is responsible for daily management and decision-making together with the other members of Hexagon Group Management, including the group executive vice president, the chief financial officer, the chief strategy officer, the general counsel, the chief marketing officer, the chief technology officer and the business area presidents.

Hexagon's Group functions consist of Finance (group accounting, treasury and tax), Business and Technology Development (Innovation Hub), Legal, Strategy, Marketing, Sustainability, Investor Relations and IT.

Risks are managed by each relevant function. For more information about managing risks see page 42.

Hexagon's reporting structure



Important events 2025

- Q1** Hexagon completed the acquisition of 3D Systems' Geomagic
- Hexagon completed the acquisition of Septentrio NV
-
- Q2** Hexagon launched MAESTRO, a next-generation coordinate measuring machine
- Hexagon launched its humanoid robot AEON
-
- Q3** Hexagon launched the Leica TS20, the first new total station platform in 20 years
- Hexagon announced that it has entered into a definitive agreement to sell its Design & Engineering business
-
- Q4** Hexagon announced an agreement to acquire Inertial Sense
- Hexagon announced a new operating model across the core business, creating clear accountability, increasing responsiveness and speed

2025 key financials

- Operating net sales were 5,426.5 MEUR (5,401.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 2%
- Adjusted operating earnings (EBIT1) decreased by 8% to 1,474.9 MEUR (1,602.9)
- Earnings before tax, excluding adjustments, amounted to 1,344.0 MEUR (1,432.8)
- Net earnings, excluding adjustments, amounted to 1,101.3 MEUR (1,175.0)
- Earnings per share, excluding adjustments, decreased by 6% to 40.7 Euro cent (43.3)
- Operating cash flow, excluding non-recurring items, decreased by 10% to 868.9 MEUR (965.8)

Key figures¹

	2025	2024	%
Operating net sales	5,426.5	5,401.1	2 ²
Revenue adjustment ³	-1.9	-	n.a.
Net sales	5,424.6	5,401.1	2 ²
Adjusted operating earnings (EBIT1)	1,474.9	1,602.9	-8
Adjusted operating margin	27.2	29.7	-2.5
Earnings before taxes excl. adjustments	1,344.0	1,432.8	-6
Adjustments (before taxes) ⁴	-550.5	-170.7	n.a.
Earnings before taxes	793.5	1,262.1	-37
Net earnings	626.8	1,035.0	-39
Earnings per share, Euro cent	23.0	38.1	-40
Operating cash flow excl. non-recurring items	868.9	965.8	-10
Return on equity, %	5.9	9.8	-40
Return on capital employed, %	10.1	11.1	-9
Share price, SEK	109.50	105.60	n.a.
Net debt	3,395.9	3,231.1	5
Average number of employees	24,637	24,692	-0

- 1) All figures are in MEUR unless otherwise stated
- 2) Adjusted to fixed exchange rates and a comparable group structure, i.e., organic growth
- 3) Reduction of acquired deferred revenue (haircut) related to acquisitions
- 4) See more information on page 37

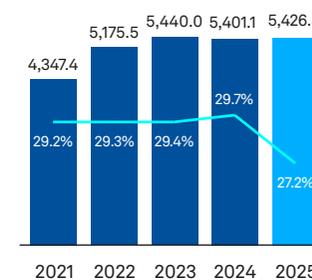
Adjusted operating margin

27%

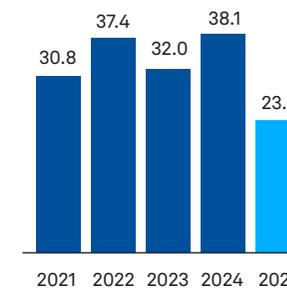
Organic growth

2%

Operating net sales, MEUR



Earnings per share, EUR

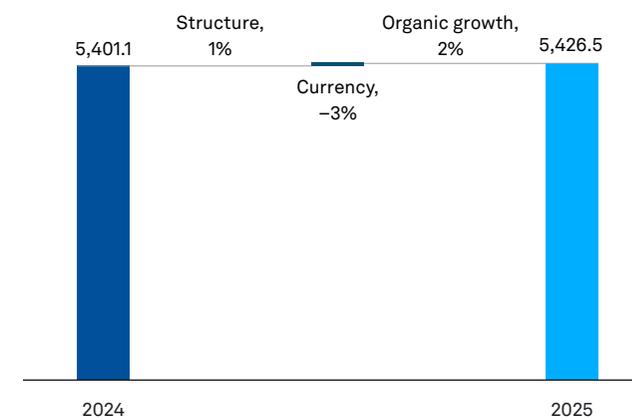


Five-year overview

MEUR	2025	2024	2023	2022	2021
Operating net sales	5,426.5	5,401.1	5,440.0	5,175.5	4,347.4
Revenue adjustment ¹	-1.9	-	-4.8	-15.0	-6.3
Net sales	5,424.6	5,401.1	5,435.2	5,160.5	4,341.1
Adjusted operating earnings (EBIT1)	1,474.9	1,602.9	1,596.7	1,517.8	1,269.6
Adjusted operating margin, %	27.2	29.7	29.4	29.3	29.2
Earnings before taxes excl. adjustments	1,344.0	1,432.8	1,441.4	1,479.1	1,243.4
Adjustments	-550.5	-170.7	-380.7	-231.1	-259.8
Earnings before taxes	793.5	1,262.1	1,060.7	1,248.0	983.6
Net earnings	626.8	1,035.0	871.8	1,019.1	810.0
Earnings per share, Euro cent	23.0	38.1	32.0	37.4	30.8

- 1) Reduction of acquired deferred revenue (haircut) related to acquisitions

Sales bridge¹



- 1) Operating net sales from completed acquisitions and divestments during the year are recognised as "Structure". Percentages are rounded to the nearest whole per cent

Net sales

Operating net sales amounted to 5,426.5 MEUR (5,401.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 2%.

Market demand

Regionally, organic growth was 6% in the Americas, 0% in Asia, and 0% in EMEA. Operating net sales in the Americas amounted to 2,116.1 MEUR (2,091.7), representing 39% (39) of Group sales. North America recorded 5% organic growth, supported by strong demand in aerospace & defence across Autonomous Solutions and Manufacturing Intelligence, as well as growth in Octave and Geosystems. South America recorded 12% organic growth, supported by strong demand for mining solutions and solid performance across Manufacturing Intelligence and Octave.

Operating net sales in Asia amounted to 1,391.4 MEUR (1,439.4), representing 26% (27) of Group sales. China recorded -1% organic growth, with growth in Manufacturing Intelligence, supported by demand in general manufacturing and electronics, more than offset by continued weakness in construction markets within Geosystems and the impact of channel destocking late in the year. The rest of Asia recorded 1% organic growth, driven by continued strength in Manufacturing Intelligence in India and progress in large-scale autonomy projects in Australia within Autonomous Solutions, offset by a decline in Geosystems.

Operating net sales in EMEA amounted to 1,919.0 MEUR (1,870.0), representing 35% (34) of Group sales. Western Europe recorded -2% organic growth, as continued weakness in construction and automotive markets within Geosystems and Manufacturing Intelligence was partially offset by strong performance in aerospace & defence and mining-related markets. EEMEA recorded 7% organic growth, supported by solid demand in Autonomous Solutions and Manufacturing Intelligence,

particularly in defence and mining applications, and strong growth in Octave.

Software and services recorded 3% organic growth in 2025, supported by continued strong growth in SaaS and subscription-based revenues across all business areas. Growth was partly tempered by the ongoing shift from perpetual licences revenues towards more predictable subscription and SaaS models. This contributed to an increase of 5% in recurring revenues, reflecting the continued transition towards more stable and predictable revenue streams, particularly within Octave. The sensors and robotics portfolio recorded 2% growth for the full year, with strength in Autonomous Solutions and selected product launches offsetting weaker demand in construction-related end markets, particularly within Geosystems.

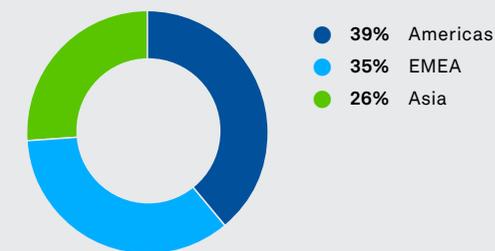
Manufacturing Intelligence

Manufacturing Intelligence operating net sales amounted to 1,853.5 MEUR (1,879.0), reflecting an organic growth of 1%. Growth was supported by strong demand in aerospace & defence, electronics and general manufacturing, while automotive markets remained weak, particularly in EMEA. Geopolitical uncertainty continued to delay customer decision-making, impacting volumes throughout the year. Growth was driven by the Americas and Asia, with strength in China and India, while EMEA remained challenging. Portable metrology and recurring software and services showed continued momentum.

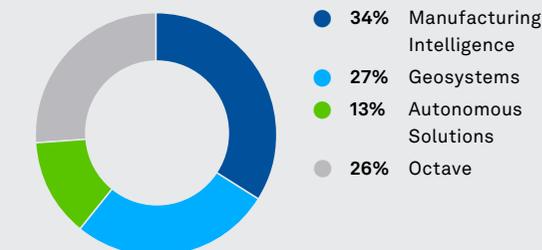
Geosystems

Geosystems recorded operating net sales of 1,459.7 MEUR (1,512.6), reflecting an organic decline of -1%. Solid growth in software, services and recurring revenues was more than offset by continued weakness in construction markets, particularly in China. The Americas showed resilience with steady growth, while EMEA remained challenging but stabilised toward the end of the year. Asia declined significantly, reflecting weak construction

Revenue by geography



Revenue by business area



demand and a deliberate reduction of channel inventories. New product launches supported parts of the sensor and robotics portfolio, while construction software continued to be a key growth driver.

Autonomous Solutions

Autonomous Solutions recorded operating net sales of 692.7 MEUR (558.0), reflecting an organic growth of 14%. Growth was driven by record performance in aerospace & defence and solid momentum in mining, supported by planning and operations software and safety solutions high-precision GNSS solutions. Growth benefited from continued progress in the autonomous road train project in Australia, while tariff-related delays and a challenging agriculture market weighed on some regions. The Americas and EMEA showed strong growth over the year, and APAC remained supported by large-scale autonomy projects.

Octave

Octave delivered a strong performance in 2025, with operating net sales of 1,408.1 MEUR (1,448.3), reflecting organic growth of 3%. Growth was driven by strong momentum in SaaS and recurring revenues, which now represent around 70% of total revenues. Growth was supported by broad-based demand across the portfolio, especially in the Build and Operate segments. The ongoing transition from perpetual licences to subscription models impacted growth, while record SaaS bookings highlighted underlying demand. Performance was solid in the Americas and EMEA, while Asia was impacted by tougher comparatives.

Adjusted operating earnings

Adjusted operating earnings (EBITDA) decreased by 4% to 1,978.8 MEUR (2,068.0), corresponding to an adjusted EBITDA margin of 36.5% (38.3). Adjusted operating earnings (EBIT1) decreased by 8% to 1,474.9 MEUR (1,602.9), corresponding to an adjusted operating margin (EBIT1 margin) of 27.2% (29.7).

Segments

MEUR	Operating net sales		Adjusted operating earnings (EBIT1)	
	2025	2024	2025	2024
Manufacturing Intelligence	1,853.5	1,879.0	476.0	506.0
Geosystems	1,459.7	1,512.6	398.6	478.9
Autonomous Solutions	692.7	558.0	235.1	192.0
Octave	1,408.1	1,448.3	397.8	452.2
Other operations & Group costs	12.5	3.2	-32.6	-26.2
Total	5,426.5	5,401.1	1,474.9	1,602.9

Adjusted gross earnings

Adjusted gross earnings amounted to 3,644.5 MEUR (3,613.8). The adjusted gross margin was 67.2% (66.9).

Financial income and expenses

The financial net amounted to -130.9 MEUR (-170.1) in 2025.

Adjustments

During 2025, adjustments amounted to -550.5 MEUR (-170.7). Adjustments consist of share-based programme expenses (LTIP), amortisation of surplus values (PPA), acquired deferred revenue, and items affecting comparability reflecting impairment of overlapping technology, transaction and integration costs in relation to the acquisitions of Septentrio and Geomagic in the first quarter, the restructuring programme in the third quarter and costs related to the potential spin-off of Octave.

Earnings before tax

Earnings before tax, excluding adjustments, amounted to 1,344.0 MEUR (1,432.8). Including adjustments, earnings before tax were 793.5 MEUR (1,262.1).

Effective tax rate

Hexagon's tax expense for the year totalled -166.7 MEUR (-227.1), corresponding to an effective tax rate of 21.0% (18.0). The tax rate, excluding adjustments, was 18.0% (18.0) for 2025. The tax rate was impacted by one-off transactions associated with the legal entity reorganisation ahead of the potential spin-off of Octave and the disposal of the Design & Engineering business.

Non-controlling interest

The non-controlling interest's share of net earnings was 9.4 MEUR (11.6).

Net earnings

Net earnings, excluding adjustments, amounted to 1,101.3 MEUR (1,175.0) or 40.7 euro cent per share (43.3).

Net earnings, including adjustments, amounted to 626.8 MEUR (1,035.0) or 23.0 euro cent per share (38.1).

Cash flow

Cash flow from operations before changes in working capital and items affecting comparability amounted to 1,534.0 MEUR (1,583.7), corresponding to 57.1 euro cent per share (59.0). Including changes in working capital, but excluding items affecting comparability, cash flow from operations was 1,620.2 MEUR (1,677.7), corresponding to 60.4 euro cent per share (62.5). Cash flow from other investment activities was -504.1 MEUR (-87.7). Cash flow after other investments amounted to 364.8 MEUR (878.1). The change in borrowings was 234.9 MEUR (-317.5). Cash dividends to the Parent company shareholders amounted to -375.8 MEUR (-349.0), corresponding to 0.14 EUR per share (0.13).

Profitability

Capital employed, defined as total assets less non-interest-bearing liabilities, decreased to 14,440.6 MEUR (15,091.0). Return on average capital employed, excluding adjustments, for the last 12 months was 10.1% (11.1). Return on average shareholders' equity for the last 12 months was 5.9% (9.8). The capital turnover rate was 0.4 times (0.4).

Financing and financial position

Shareholders' equity, including non-controlling interest, decreased to 10,256.7 MEUR (11,196.1). The equity ratio was 60.0% (62.7).

Following a refinancing in 2021, Hexagon's main sources of financing consist of:

1. A multicurrency revolving credit facility (RCF) established in 2021. The RCF amounts to 1,500 MEUR with a tenor of 5+1+1 years.

2. A Swedish Medium-Term Note Programme (MTN) established during 2014. The MTN programme amounts to 20,000 MSEK with a tenor up to 6 years. On 31 December 2025, Hexagon had issued bonds for a total amount of 13,150 MSEK (13,150).

3. A Swedish Commercial Paper Programme (CP) established in 2012. The CP programme amounts to 15,000 MSEK with a tenor up to 12 months. On 31 December 2025, Hexagon had issued commercial paper for a total amount of 6,160 MSEK (6,020) and 89 MEUR (97).

On 31 December 2025, cash and unutilised credit limits totalled 1,885.2 MEUR (1,835.2). Hexagon's net debt was 3,395.9 MEUR (3,231.1). The net indebtedness was 0.30 times (0.26). Interest coverage ratio was 6.4 times (7.9).

Investments

Ordinary investments consist mainly of investments in production facilities, production equipment and intangible assets, primarily capitalised development expenses. Of the ordinary investments of 615.2 MEUR (632.3) during 2025, approximately 79% (78) were capitalised expenses for development work. Development work is primarily performed in Hexagon's R&D centres with its primary units located in Switzerland, China, India and the USA, that results in products and services that are sold worldwide. The remaining part of the current investments, approximately 21%, comprised mostly of investments in business equipment and machines. All current investments during the year have been financed by cash flow from operating activities. Investments corresponded to 11% (12) of net sales. Depreciation, amortisation and impairment during the year amounted to -791.2 MEUR (-577.5).

Investments

MEUR	2025	2024
Investments in intangible fixed assets	510.4	516.8
Investments in tangible fixed assets	104.8	115.5
Divestments of tangible fixed assets	-17.2	-9.9
Total ordinary investments	598.0	622.4
Investments in subsidiaries	549.4	112.4
Divestments of subsidiaries	-44.3	-27.8
Investments in financial fixed assets	3.8	10.0
Divestments of financial fixed assets	-4.8	-6.9
Total other investments	504.1	87.7
Total investments	1,102.1	710.1

Intangible fixed assets

As of 31 December 2025, Hexagon's carrying value of intangible fixed assets was 12,136.2 MEUR (13,767.1). Amortisation of intangible fixed assets was -418.4 MEUR (-371.5). Impairment tests are made to determine whether the value of goodwill and/or similar intangible assets is justifiable or whether there is any impairment need in full or in part. Goodwill as of 31 December 2025 amounted to 9,000.0 MEUR (10,159.0), corresponding to 53% (57) of total assets.

Goodwill

MEUR	2025	2024 ¹
Manufacturing Intelligence	1,778.2	1,812.7
Geosystems	1,354.5	1,416.0
Autonomous Solutions	1,370.8	1,103.3
Octave	5,208.4	5,823.6
Other	3.8	3.4
Assets held for sale	-715.7	-
Total	9,000.0	10,159.0

¹⁾ 2024 numbers have been restated as ETQ and Bricsys business have been transferred from Manufacturing Intelligence and Geosystems respectively to Octave

Research and development

Hexagon places a high priority on investments in R&D. Being one of the most innovative suppliers in the industry, it is important not only to improve and adapt existing products, but also to identify new applications and thereby increase the total addressable market for Hexagon's products and services. Total expenditure for R&D during 2025 amounted to 885.1 MEUR (855.7), corresponding to 16% (16) of net sales. Development expenses are capitalised only if they pertain to new products, the cost is significant and the product is believed to have future economic benefits. The current level of R&D costs is in line with other leading companies in the industry.

R&D cost

MEUR	2025	2024
Capitalised	486.5	491.8
Expensed (excl. amortisation)	398.6	363.9
Total	885.1	855.7
Amortisation	289.4	242.3
Other amortisations R&D ¹	71.1	77.5
Impairments	152.4	-

¹⁾ Other amortisations consists of PPA amortisations on acquired technology and depreciation on fixed assets

Share capital and ownership

On December 31, 2025, Hexagon's share capital amounted to 85,761,451 EUR, represented by 2,705,477,888 issued shares, of which 110,250,000 outstanding series A shares, each carrying ten votes and 2,574,127,888 outstanding series B shares, each carrying one vote. On December 31, 2025, Melker Schörling AB, the single largest shareholder in Hexagon, held a total of 110,250,000 series A shares and 471,081,440 series B shares, representing 42.6% of the votes and 21.5% of the capital. Hexagon AB holds 21,100,000 of the company's own shares of series B at the year end. The purpose of the repurchase is to ensure Hexagon's undertakings in respect of the long-term incentive programme (other than delivery of shares

to participants in the incentive programme), including covering social security costs. For more information about the share see page 224.

Significant agreements

To the best of the Board of Directors' knowledge, there are no shareholder agreements or similar agreements between the shareholders of Hexagon with the purpose of exercising joint control of the company. Neither is the Board aware of any agreements that could lead to a change of control of the company.

As far as the Board knows, there is no shareholder agreement that could prevent the transfer of shares. Nor are there agreements between the company, directors or employees, other than as described in Note 30 on page 211, which stipulate the right to compensation if such a person voluntarily leaves the company, is dismissed without cause or if such a person's employment is terminated as a result of a public offer for shares of the company.

Management of Hexagon's capital

Hexagon's reported shareholders' equity, including non-controlling interest, was 10,256.7 MEUR (11,196.1) at year-end. Hexagon's overall long-term objective is to increase earnings per share by at least 15% annually and to achieve a return on capital employed of at least 15%. Another Group objective is to achieve an equity ratio of 25% as Hexagon is seeking to minimise the weighted average cost of capital for the company's financing.

Hexagon has undertaken to comply with a requirement regarding a key financial ratio (covenant) towards lenders. The key financial ratio is reported to lenders in conjunction with the quarterly reports. If the requirement is not complied with, the terms and conditions are renegotiated and there is a risk of a temporary increase in borrowing costs. In addition, lenders have a right to terminate loan agreements. Hexagon has never breached any covenants, not in 2025 nor in prior years.

The company's strategy, as well as its financial position and other financial objectives, are considered in connection with the annual decision concerning the dividend.

Corporate governance

In accordance with the Swedish Annual Accounts Act, Hexagon has prepared a corporate governance report separate from the annual report. It can be found in this document on pages 55–64 and 66–70. The Corporate governance report contains the Board of Directors' report on internal control.

Statutory sustainability report

The sustainability statement has been prepared in accordance with the Swedish Annual Accounts Act and has been expanded to meet the reporting requirements of the European Sustainability Reporting Standards (ESRS), the Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy Regulation. The Board of Directors are responsible for the sustainability statement that has been prepared. The Group's sustainability statement can be found on pages 76–129 and 132–175 in this document.

Dividend

The dividend policy of Hexagon states that, over the long term, the dividend should comprise 25–35% of earnings per share after tax, assuming that Hexagon satisfies its equity ratio objective.

A dividend of 0.14 EUR per share for the fiscal year 2024 was resolved by the Annual General Meeting (AGM) in May 2025. The record date was 7 May and date of settlement was 14 May 2025.

The Hexagon Board of Directors proposes a dividend of 0.14 EUR per share for the fiscal year 2025, corresponding to 61% of net earnings after tax. The proposed record

date will be 28 April and expected date for settlement is 6 May 2026.

Guidelines for remuneration to senior executives

The AGM 2024 resolved on guidelines for remuneration to the President and Chief Executive Officer and other senior executives as follows. Other senior executives are defined as members of the group management. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM 2024. These guidelines do not apply to any remuneration decided or approved by the general meeting.

A prerequisite for the successful implementation of the company's business and safeguarding of its long-term interests, including its sustainability, is that the company is able to attract and retain qualified senior executives. To this end, it is necessary that the company offers competitive remuneration on market terms. These guidelines enable the company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

The remuneration shall be on market terms and consist of fixed salary, variable remuneration, other benefits and pension. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share-price related incentive programmes. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration is capped and shall be maximised at up to 150 per cent of the fixed annual cash salary.

For senior executives, pension benefits shall be paid not earlier than from the age of 60 years. As a general

guideline, pension benefits for the Chief Executive Officer, including health insurance, shall be fee based. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 20 per cent of the fixed annual cash salary. As a general guideline, pension benefits for other executives, including health insurance, shall be fee based. Deviations from this general guideline may be made when appointing new senior executives whose employment agreements already comprise benefit-based pension plans or if the executive is covered by benefit pensions in accordance with mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits only to the extent required by mandatory collective agreement provisions applicable to the executive. The pension premiums for premium defined pension shall amount to not more than 25 per cent of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than two per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, adjustments may be made for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

The notice period for the President and Chief Executive Officer is six months. Upon termination by the company or in case of a change of principal ownership the President and Chief Executive Officer is entitled to severance pay equal to 18 months of salary. The period of notice for other senior executives is a maximum of 24 months upon termination by the company, and a maximum of six months upon termination by the senior executive. Basic salary and other employment benefits during the notice period may together with severance pay not exceed an amount equivalent to the basic cash salary for 24 months. When the employment is terminated by the senior executive, no severance pay shall be paid.

Acquisitions 2025

Hexagon's ambition is to generate profitable growth through a combination of organic growth and acquisitions. Acquisitions are an important part of Hexagon's long-term growth strategy. During 2025, Hexagon acquired the following companies:

Company	Business Area	Area
Icon Pro	Manufacturing Intelligence	An industrial AI solutions provider specialising in intelligent asset maintenance
3D Systems' Geomagic Software	Manufacturing Intelligence	A suite of interoperable software packages, used to create high quality 3D models
Scasa	Geosystems	A provider of 3D point cloud data processing software
APEI	Geosystems	A company specialised in aerial mapping
Septentrio	Autonomous Solutions	A leading OEM provider of Global Navigation Satellite System (GNSS) technologies
Drill assist	Autonomous Solutions	Drill assist technology from Phoenix Drill Control, LLC
CAD Service	Octave	A developer of advanced visualisation tools
Unified Communications Radio Suite (UCRS)	Octave	Software assets from CONET Communications GmbH, part of CONET Group

[Read about acquisitions on page 209 →](#)

The variable cash remuneration shall be linked to individualised predetermined and measurable criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the executive's long-term development. The variable cash remuneration is based on results and other financial targets, such as organic growth and the cash conversion target rate. The design of the criteria for variable cash remuneration contributes to the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the President and Chief Executive Officer. For variable cash remuneration to other executives, the President and Chief Executive Officer is responsible for the evaluation. For financial objectives, the evaluation shall be based

on the latest financial information made public by the company. In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The Board of Directors has established a remuneration committee. Remuneration to the President and Chief Executive Officer and other senior executives shall be prepared by the remuneration committee and resolved by the Board of Directors based on the proposal of the remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the

general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent in relation to the company and the company management. The President and Chief Executive Officer and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines. The guidelines for remuneration to senior executives, adopted by the AGM 2024, are applicable until further notice.

For a description of remuneration to senior executives see Note 30 on page 211.

Incentive programmes

The Board of Directors proposed that the AGM resolve on implementation of a performance based long-term share programme for 2025 (Share Programme 2025/2028), for more information on the share programme see Note 30 on page 211 and the share section on page 224.

Parent company

The Parent company's earnings before tax were 3,877.0 MEUR (5,136.7). The equity was 14,696.4 MEUR (11,113.4). The equity ratio of the Parent company was 64% (52). Liquid funds including unutilised credit limits were 1,214.0 MEUR (1,134.0).

Hexagon's activities are financed via equity and external borrowings in the Parent company. Substantial currency effects arise due to intra-group and external lending and borrowing transactions in multiple currencies.

Proposed appropriation of earnings

The following earnings in the Parent company are at the disposal of the annual general meeting (KEUR):

Premium reserve	2,903,123
Retained earnings	7,438,547
Net earnings	3,944,254
Total	14,285,924

The Board of Directors proposes that these funds are allocated as follows:

Cash dividend to shareholders of 0.14 EUR per share	375,813
Balance remaining in the premium reserve	2,903,123
Balance remaining in retained earnings	11,006,988
Total	14,285,924

Significant events after the fiscal year

On 10 November 2025, Hexagon announced an agreement to acquire Inertial Sense, a provider of tactical-grade global navigation solutions and inertial navigation systems (GNSS+INS), to strengthen the breadth of its positioning portfolio. Completion of the transaction is subject to regulatory approvals and other customary conditions and is expected to be finalised in the first half of 2026.

On 13 January 2026, Hexagon announced the appointment of Enrique Patrickson as Chief Financial Officer (CFO) of Hexagon. Enrique will take office in July 2026 at the latest,

succeeding Norbert Hanke, who will remain as interim CFO until then. Enrique will report to Anders Svensson, President and CEO of Hexagon, and will be a member of Hexagon's Executive Management Team.

On 12 February 2026, Hexagon announced that its potential spin-off company, Octave Intelligence Limited, publicly filed a Registration Statement on Form 10 under the U.S. Securities Exchange Act of 1934 with the U.S. Securities and Exchange Commission. Hexagon anticipates that completion of the potential spin-off and trading in Octave shares will begin in the late part of the second quarter of 2026 with stock exchange listings on the Nasdaq Global Select Market in New York and Nasdaq Stockholm. Completion of the spin-off is subject to market, regulatory and certain other conditions, including approval by the Board and the general meeting of Hexagon, effectiveness of the Registration Statement, and approvals by the stock exchanges relating to the listings. Further updates regarding the spin-off will be made by Hexagon in due course.

On 16 February 2026, Hexagon announced the appointment of Renée Rädler as Chief People Officer (CPO). Renée will assume this newly created position on 1 April 2026. She will join Hexagon's Executive Management Team and report to Anders Svensson, President and CEO of Hexagon.

On 23 February 2026, Hexagon announced the completion of the previously announced sale of the Design & Engineering business ("D&E") to Cadence Design Systems, Inc. for an aggregated purchase price of approximately 2.7 bn EUR in cash and Cadence stock.

On 12 March 2026, Hexagon announced the appointment of the board of directors for its potential spin-off company, Octave Intelligence plc.

Projectmates, which previously was reported within Business Area Geosystems, has from 1 January 2026 been transferred to Octave.

Managing risks

Hexagon's risk management activities are designed to identify, control and reduce risks associated with its business. The Group, which includes Hexagon AB and its subsidiaries, operates in various industries and geographical areas and manages risks both locally in each subsidiary and centrally at group level. While market-specific risks are primarily managed within individual subsidiaries, legal, compliance, strategic, sustainability, and financial risks are monitored centrally to ensure they align with Hexagon's global objectives.

Market risk management

Market risks concern risks such as economic trends, competition and risks related to acquisitions and integration. Market risks are primarily managed within each subsidiary of Hexagon.

Risk

Acquisitions and integration; Divestments and separation

An important part of Hexagon's current and future growth strategy is to actively pursue strategic acquisitions of companies and businesses, which may include minority investments or other forms of partnership. It cannot be guaranteed, however, that Hexagon will be able to find suitable acquisition targets, nor can it be guaranteed that the necessary financing for future acquisition targets can be obtained on terms acceptable to Hexagon, or at all. A lack of acquisition financing or suitable acquisition targets may lead to a decreasing growth rate for Hexagon.

Acquisitions entail multiple risks. The acquired entities' relations with customers, suppliers, key personnel and affiliates may be negatively affected by the acquisition. There is also some risk that integration processes may prove more costly or time consuming than estimated and that anticipated synergies in whole or in part fail to materialise or that positive impacts on earnings

may fail to realise or may take longer to realise than expected. An acquisition of a company that is not conducting its business of Hexagon's standards, such as not in a sustainable way or in compliance with Hexagon's Code of Business Conduct and Ethics, may have a negative impact on Hexagon's reputation and brand, despite Hexagon's efforts to promptly remediate such conditions.

The execution of divestitures, spin-offs, and other similar transactions that involve separation of businesses or assets from Hexagon may expose Hexagon to various other risks, including but not limited to operational disruptions, increased costs, and loss of synergies. These transactions may also result in unforeseen legal, regulatory, or tax implications, which could adversely affect Hexagon's financial condition and results of operations. Additionally, Hexagon may face challenges in retaining key personnel and maintaining customer relationships during and after

the process. There is no assurance that the anticipated benefits of these transactions will be realised, and any failure to successfully execute or integrate these transactions could have a material adverse effect on Hexagon's business and prospects.

Risk management

Hexagon monitors many companies to find acquisitions that can strengthen the Group's product portfolio or improve its distribution network. Potential targets are regularly evaluated based on financial, technology and commercial grounds. Every acquisition candidate's potential place in the Group is determined based on many considerations, including synergy simulations and implementation strategies. Hexagon conducts an extensive due diligence process, often involving external subject matter experts, to evaluate potential risks and there are well-established

Acquisitions and integration; Divestments and separation, continued

procedures and structures for pricing, acquiring and integrating acquired companies. Similar processes are used in divestment transactions to address the considerations relevant to those transactions.

From 2000 to date, Hexagon has completed more than 200 acquisitions. Based on clear strategies and goals, and on its extensive experience integrating acquisitions, Hexagon is well positioned to successfully integrate acquired companies into the Group. In Hexagon's standard due diligence process, a number of risk management,

compliance and sustainability elements are included, such as considerations about the internal controls of the target company, quality business practices, environmental matters, employee matters, ISO (International Organisation for Standardisation) or other industry certifications, and compliance programmes of the target, including those related to anti-corruption, foreign corrupt practices, export controls and tariffs, data protection and IT Security.

Risk

Impact of the economy and financial markets

Hexagon engages in worldwide operations that are dependent on global economic and financial market conditions, as well as conditions that are unique to certain countries or regions. General economic and financial market conditions, including the interest rate and economic inflation environment, affect the inclination and the capabilities of Hexagon's existing and potential customers to invest in various technologies. Weak macroeconomic conditions globally or in part of the world may therefore result in market growth that falls below expectations and may reduce revenues for Hexagon, or it may have other effects, like extending the sales cycle.

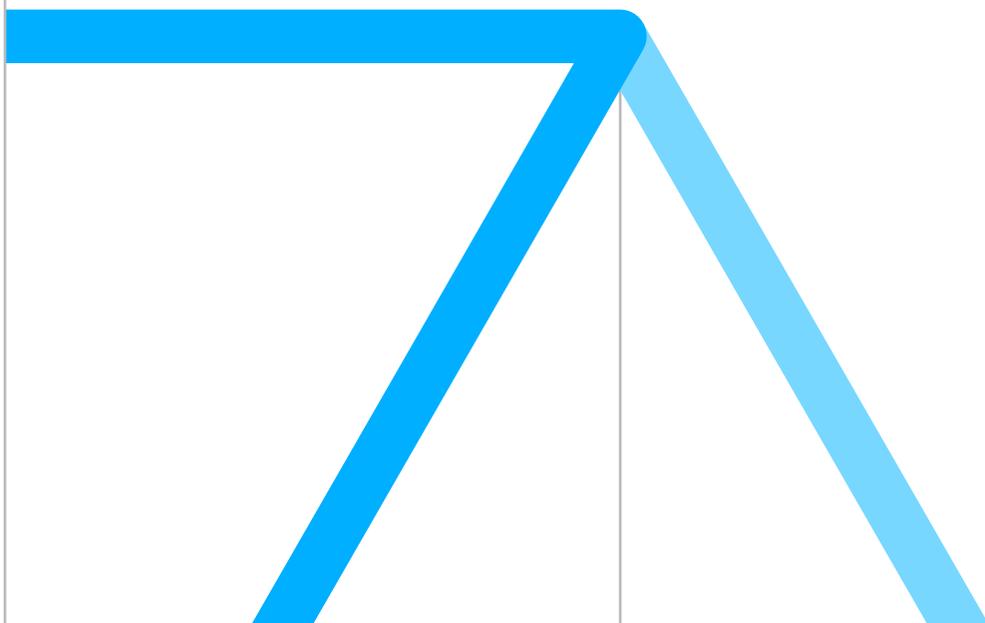
The occurrence of a pandemic could have an impact on important Hexagon customer industries and an increase of raw material and intermediate goods costs could impact Hexagon's sales potential and cost structure. While the duration and severity of those impacts on

Hexagon's business are highly uncertain, they could have an adverse effect on the business, financial condition and results of operations in many ways, including disruptions in Hexagon's supply chains.

Risk management

Hexagon's business is widely spread geographically, with a broad customer base within numerous market segments which may make the Group less sensitive to economic fluctuations in individual sectors, industries and geographical regions. Potential negative effects of a downturn in the developed world may, for example, be partially offset by growth in emerging markets and vice-versa.

While Hexagon has developed and continues to develop plans intended to help mitigate the negative impact of economic downturns on the business, a protracted event would likely limit the effectiveness of those mitigation efforts, particularly if it would simultaneously affect multiple regions, sectors or industries.



Risk

Geopolitical risks

Understanding geopolitical risk, how geography, economics and social factors influence politics and the relations between countries, is important in a world of interconnected global networks, supply chains and systems.

Current geopolitical risks include, but are not limited to, trade and political tensions among various countries and regions, including the US, China and the EU; the current war in Ukraine and the corresponding global sanctions; the conflict between Israel and Palestine as well as Israel and other Middle Eastern countries, and the occurrence of other political and economic uncertainties. Intensification of armed conflicts, ongoing political tensions and international economic sanctions could have significant negative impacts on the global economy and the performance of financial markets. These same factors could also lead to new legislation restricting how Hexagon does business and could have negative impacts on governmental approvals or permits, interest rates, availability of supply and on the markets for raw materials.

Understanding how geopolitical risks may affect Hexagon's organisation, activities, operating results and strategies is critical to making accurate projections about Hexagon's future growth and profitability. However, what impact the wars, crises, pandemics and/or an escalating trade complexity

will have on commercial activities and/or global markets and the demand for Hexagon's products over the coming years remains uncertain and will to some extent depend upon resolution of any crises.

Risk management

In order to mitigate risks that may occur due to geopolitics, such as sanctions and/or global perception and reputational risk, Hexagon follows developments closely while evaluating different strategies in order to prepare for and handle possible scenarios that may affect Hexagon's organisation and the ability to do business in different parts of the world in the near term and over the coming years. Among other things, Hexagon seeks to mitigate geopolitical risk through its local operations and localised products, adapted to local requirements. Further, Hexagon has defined a Group Policy ensuring strict compliance with economic sanctions and a global team of subject matter experts that monitor developments and best practices.

Risk

Competition and price pressure

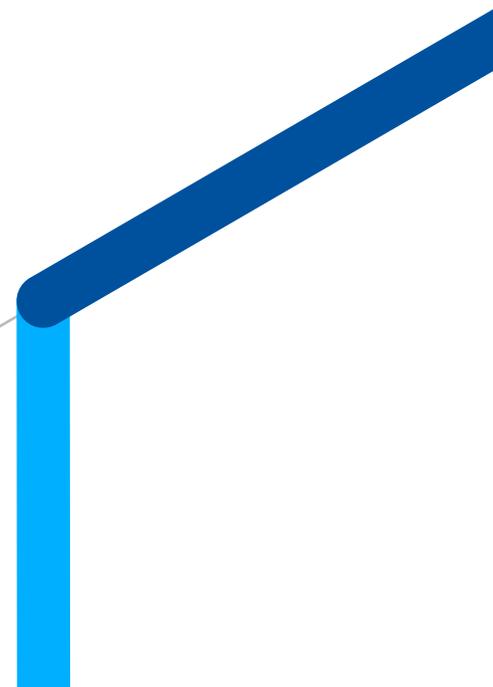
Parts of Hexagon's operations are carried out in sectors which are subject to price pressure and rapid technological change. Hexagon's ability to compete in the market by introducing new and successful products with enhanced functionality while simultaneously cutting costs on new and existing products is of the utmost importance to retain customers and avoid erosion of market share. Consolidation or entry into Hexagon's markets by companies with significant resources may result in price reductions, reduced margins or loss of market share.

R&D efforts are costly and new product development entails risk, including risk of unsuccessful product launches or commercialisation, which could have material adverse consequences on Hexagon. Further, technological innovation and changing trends, such as disruptive technologies, technical capabilities, supply chains, new market entrants or novel business models, create inherent risks that are difficult to foresee.

Risk management

Hexagon makes significant investments into R&D. The objectives for Hexagon's R&D team are to transform customer needs into products and services and to detect and advance market and technology opportunities as early as practicable. Introducing new products and technologies requires active intellectual property management to secure Hexagon's technological position.

In addition to innovation, Hexagon recognises that competition matters are reflected as compliance risks and has incorporated these considerations into its Hexagon Compliance Programme.



Operational risk management

Operational risks concern risks related to reception of new products and services, dependence on suppliers and risks related to human capital. Since the majority of operational risks are attributable to Hexagon's customer and supplier relations, ongoing risk analyses of customers and suppliers are conducted to assess business risks. Operational risks are primarily managed within each subsidiary of Hexagon.

Risk

Customers

Hexagon's business activities are conducted in a large number of markets with multiple customer categories. In 2025, General Manufacturing was the single largest customer category and accounted for 12 per cent of net sales. For Hexagon, this customer category may involve certain risks as a downturn or weak development in the general manufacturing sector can have a negative impact on Hexagon's business. General Manufacturing is followed by customer categories Aero-space & defence with 11 per cent, Mining with 9 per cent and Surveying with 8 per cent. Changing demand of Hexagon's customers is possible as technology needs and consumption change over time.

Hexagon may face risks, including reputational risks, while global conflicts persist, due to unauthorised use or misuse of the Group's products. Further, the occurrence of a pandemic could result in delays, cancellations, or changes to user and industry conferences and other marketing events relating to Hexagon's solutions, including its own customer and partner activities, which may negatively impact the ability to obtain new and retain existing customers, and effectively market Hexagon's solutions.

Risk management

Hexagon has a favourable risk diversification in products and geographical areas, and no single customer or customer category is decisive for the Group's performance. The largest customer represents approximately 1 per cent of the Group's total net sales. Credit risk in customer receivables accounts for the majority of Hexagon's counterparty risk.

Hexagon's Compliance Programme addresses material principles contained in the Code of Business Conduct and Ethics, including trade with export controls, customs, anti-corruption, competition, public contracting and data privacy.

Hexagon is committed to adhering to all applicable legal requirements, including those specified above. The Group's compliance efforts are designed to ensure peace and security by preventing the unlawful trade of items (such as goods, software, or technology) and their diversion to destinations where they may be used for illegal purposes.

Risk

Suppliers

Hexagon's hardware products consist of components from several different suppliers. To be in a position to sell and deliver solutions to customers, Hexagon is dependent upon deliveries from third parties in accordance with agreed requirements relating to, for example, quantity, quality and delivery times. Erroneous or default deliveries by suppliers can cause delay or default in Hexagon's deliveries, which can result in reduced sales. Further, Hexagon uses subcontractors, distributors, resellers and other representatives. Hexagon may face risks, including reputational risks, if suppliers do not maintain a high level of business ethics in terms of, for example, human rights, working conditions and corruption.

The occurrence of a pandemic could temporarily result in an inability to meet in person or otherwise effectively communicate with current or potential vendors, suppliers, and partners, which may negatively affect current and future relationships with such vendors, suppliers, and partners and Hexagon's ability to generate demand for solutions.

If there were to be unmanaged negative impacts following a supplier's noncompliance with Hexagon's Code of Business Conduct and Ethics and/or Hexagon's Supplier Code of Conduct, it may result in reputational risks for Hexagon.

Risk management

Hexagon seeks a favourable risk diversification, and no single supplier is decisive for the Group's performance. The largest supplier accounted for 1 per cent of Hexagon's total net sales in 2025. To minimise the risk of supply shortages or of excessive price variations among suppliers, Hexagon works actively to coordinate sourcing within the Group and to identify alternative suppliers for strategic components. Supplier risk surveys are performed (including those by Hexagon's external partner) in order to identify and mitigate risks associated with the suppliers' operations.

Hexagon also has a sustainability risk assessment and supplier audit process in place, including handling the risk of breaches in human rights. Hexagon has implemented a comprehensive compliance programme for suppliers to manage social, legal, and ethical risks. The Group regularly conducts supplier audits to ensure adherence to Hexagon's Code of Business Conduct and Ethics, as well as Hexagon's Supplier Code of Conduct. Compliance training is offered to Hexagon's suppliers. Hexagon also ensures strict adherence to the new EU regulations on supply chain management and updates its supply chain management system accordingly.

Risk

Production and distribution units

Hexagon's production and distribution units are exposed to risks (fire, explosion, natural hazards, machinery damages, cyber threats, infrastructure failures, power outages, etc.) that could lead to property damage and business interruption. This risk may be further accentuated by climate change, which may impact the frequency and severity of many of these events.

Risk management

Risk grading surveys are performed (including by Hexagon's external partner) in order to identify and mitigate risks as well as support local management in their loss prevention work. Surveys are conducted with each subsidiary in accordance with a long-term plan. Hexagon has implemented ISO9001 at the majority of the largest production sites.

Risk

Environment

Hexagon provides sensors, software and data to its customers. 61 per cent of the revenues are from software and services. Hexagon does not currently operate any business that requires carbon credits, but that could change in the future. However, stricter regulation of environmental matters can result in increased costs or further investments for the companies within Hexagon which are subject to such regulation. Climate change can result in natural disasters and increase the risk of physical damage on assets and supply shortages. Hexagon is impacted by such legislation in a manner similar to other companies operating in these fields.

Risk management

Hexagon believes that it is in material compliance with all applicable laws and obligations and obtains relevant approvals where needed. Hexagon continuously monitors anticipated and implemented changes in legislation in the countries in which it operates, and potential environmental risks are regularly monitored. Hexagon routinely assesses the risk of climate change on its operations as part of its insurance programme. Hexagon has implemented ISO14001 at the majority of the largest production sites and has implemented a sustainability programme to reduce its carbon impact in its own operations and in its value chain.

Risk**Human capital**

The resignation of key employees or Hexagon's failure to attract skilled and diverse personnel to all different levels within the organisation may have an adverse impact on the Group's operations. Further, maintaining Hexagon's company culture is critical to attracting and retaining top talent.

In the event that all or a portion of Hexagon's workforce becomes unable or unwilling to work on-site or travel as a result of event cancellations, facility closures, shelter-in-place, travel and other restrictions and changes in industry practice due to any causes (including pandemics), these workforce disruptions could adversely affect Hexagon's ability to operate, including to

develop, manufacture, generate sales of, promote, market and deliver hardware and software products, solutions and services, and provide customer support. Adoption of new laws or regulations, or changes to existing laws or regulations, that may be imposed as a result of the occurrence of a pandemic, or any other wide-spread public health situation, may cause risks in the company's ability to hire and retain skilled professionals. The emergence of remote work trends also introduces new challenges to managing a global workforce.

Risk management

Since future success is largely dependent on the capacity to retain,

recruit and develop skilled staff, being an attractive employer to both potential and existing employees is an important success factor for Hexagon.

Group and business area management jointly handle risks associated with human capital. Hexagon works with a structured approach to HR and market-based remuneration to better ensure employee satisfaction. Hexagon uses employee engagement as the overall measure in the employee survey.

In order to attract skilled employees, Hexagon cooperates with multiple universities and colleges around the world, aiming at training, developing and hiring students with industry-ready skills.

Risk**Artificial intelligence technologies**

Hexagon uses artificial intelligence (AI) technologies to support its operations, products, and services. While AI offers significant opportunities, it also poses risks, including errors in algorithms, unintended outcomes, or misuse of AI systems. There is also a risk of regulatory changes or increased oversight of AI, which could lead to compliance costs or restrictions on certain technologies. Additionally, reliance on AI may expose Hexagon to cybersecurity threats or data privacy risks. Any failure to manage these risks effectively could negatively impact Hexagon's operations, reputation, or financial performance.

Risk management

Hexagon seeks to mitigate AI-related risks by implementing strict development and testing protocols, ensuring compliance with applicable laws and regulations, and continuously monitoring advancements in AI governance.

Risk**Business ethics and corruption**

Corruption negatively impacts communities and overall global economic development and erodes the trust necessary to build a stable business environment. Additionally, under the anti-corruption laws of many jurisdictions, businesses such as Hexagon may potentially be held liable for the corrupt actions taken by employees, strategic or local partners or other representatives. If Hexagon or its intermediaries fail to comply with anti-corruption laws,

governmental authorities could potentially seek to impose civil and/or criminal fines and penalties which could have an adverse effect on Hexagon's business and reputation.

Risk management

Hexagon places paramount importance on anti-corruption compliance for numerous reasons, including the advancement of its financial interests, sustainability objectives, brand value and its reputation.

Hexagon has established a comprehensive Code of Business Conduct and Ethics together with an Anti-Corruption Compliance Programme that covers the entire Group. This programme includes policies, processes, and training related to various potential corruption areas such as gifts and entertainment (both given and received from third parties), hiring candidates with government connections, and conducting business transactions with third parties.

Risk

Cyber risks and data protection

Hexagon is increasingly dependent on robust, cloud-based IT systems, making it susceptible not only to technical disruptions or faults but also to the evolving landscape of cyber threats, particularly in the context of heightened geopolitical tensions.

Hexagon operates in an environment where the cyber threat landscape is constantly evolving, with sophisticated attacks targeting both critical infrastructure and intellectual property across the globe. The proliferation of ransomware, phishing campaigns, and supply chain vulnerabilities presents ongoing challenges that demand robust and adaptive security strategies. As a technology-driven organisation, Hexagon must remain vigilant against emerging threats to ensure operational resilience and the protection of sensitive customer and company data.

The emergence of advanced technologies such as artificial intelligence, combined with breakthroughs in device connectivity, has intensified the complexity and frequency of cyber threats. In addition, the global shift towards remote work, often from non-corporate managed networks, exposes Hexagon, its partners, customers and service providers to new vulnerabilities. These challenges are compounded by the potential for supply chain cyber attacks and the rapid pace of digital transformation, underscoring the critical

need for vigilant cyber security and adaptive risk management strategies.

The diverse portfolio of industries that Hexagon serves exposes it to a complex and wide-ranging regulatory framework that extends well beyond standard data protection measures. The company is governed not only by the General Data Protection Regulation (GDPR) and comparable legislation in other jurisdictions, such as the ePrivacy Regulation and China's PI data laws, but also by a host of emerging European directives and industry-specific requirements. These include the Network and Information Security Directive 2 (NIS2), which imposes heightened cybersecurity duties on organisations deemed essential or important, and the Cyber Resilience Act (CRA), which mandates robust cybersecurity standards for digital products and services. Additionally, compliance with sector-specific frameworks like TISAX is essential in industries such as automotive, where standardised information security assessments are routinely demanded by partners and customers. On top of these cyber-related regulations, Hexagon must also adhere to non-cyber regulations such as Export Control laws, which regulate the transfer of technologies, software and data across international borders, often necessitating special licences or imposing operational restrictions.

Ensuring rigorous compliance with this broad spectrum of regulations is fundamental to Hexagon's commercial success and the safeguarding of shareholder value. Non-compliance could result in substantial financial penalties, operational disruptions, and reputational harm, all factors that can directly erode customer trust and investor confidence. Moreover, regulatory breaches may jeopardise Hexagon's ability to operate in key markets or participate in lucrative partnerships, putting future growth at risk. By proactively aligning its operations with these diverse regulatory requirements, Hexagon not only mitigates legal, financial, and reputational risks but also strengthens its competitive position, underpins sustainable business growth, and protects the long-term interests of its shareholders.

Risk management

Hexagon manages risk through a formal risk assessment process, aligning with the NIST Risk Management Framework and ISO 31000 approaches. Risks are identified, assessed and evaluated before mitigating controls are selected to reduce risk to an acceptable level. Control selection has dependencies on external factors such as industry regulation, local legislation and customer specific requirements. Accordingly, Hexagon operates a matrix of security certification standards such as

ISO 27001, CMMC, TISAX and Cyber Essentials among others. Controls are mapped to the various standards and assured through both internal and independent external audit procedures. Risks that cannot be mitigated through technical or operational measures are treated by transference through the implementation of a robust and comprehensive cybersecurity insurance programme. This programme is evaluated annually to ensure it meets the business and commercial objectives of the organisation.

Risk

Disinformation and reputational damage

Hexagon is exposed to the risk of disinformation or false information being spread about its business, products, or leadership, particularly through social media and digital platforms. Such false narratives could harm Hexagon's reputation, reduce customer trust, and negatively impact its business operations or financial performance. The rapid spread of misinformation can also make it challenging to respond effectively and prevent further damage.

Risk management

Hexagon actively monitors digital platforms for potential reputational risks and has established clear communication strategies to address false information swiftly and transparently. Hexagon also engages with stakeholders to build trust and provide accurate, timely information.



Financial risk management

Financial risks are primarily managed at the Group level. The Group Treasury Policy, which is updated and approved annually by the Board of Directors, stipulates the rules and limitations for the management of financial risks throughout the Group. Hexagon's internal bank coordinates the management of financial risks and is also responsible for the Group's external borrowing and internal financing. Additional financial risks include, but are not limited to, the risks of varying business results, seasonal variation, and changes to accounting principles (or application thereof).

Risk

Currency

Hexagon's operations are conducted internationally. During 2025, total operating earnings, excluding adjustments, from operations in currencies other than EUR amounted to an equivalent of 1,404.3 MEUR (1,278.8). Of these currencies, CHF, CNY and USD have the biggest impact on Hexagon's earnings and net assets. Currency risk is the risk that currency exchange rate fluctuations will have an adverse effect on the income statement, balance sheet and/or cash flow.

Sales and purchases of goods and services in currencies other than the subsidiary's functional currency give rise to transaction exposure.

Translation exposure arises when the income statement and balance sheet are translated into EUR. The balance sheet translation exposure might substantially affect other comprehensive income negatively. Furthermore, the comparability of Hexagon's earnings between periods is affected by changes in currency exchange rates. The income statement translation exposure is described in the table below for the currencies having the largest impact on Hexagon's earnings and net assets,

	Movement ¹	Net of income and cost	Profit impact
CHF	Strengthened 2%	Negative	Negative
USD	Weakened -4%	Positive	Negative
CNY	Weakened -4%	Positive	Negative
EBIT1, MEUR			-75.0

1) Compared to EUR and 2024

including the effect on Hexagon's operating earnings in 2025.

Risk management

Hexagon's reporting currency is EUR, which has a stabilising effect on certain key ratios that are of importance to Hexagon's cost of capital.

As much as possible, currency transaction exposure is concentrated in the countries where the manufacturing entities are located. This is achieved by invoicing the sales entities in their respective functional currency by the manufacturing entities. According to the Group's financial policy, currency transaction exposure should not be hedged using external financial instruments. The rationale for this is that the vast majority of transactions entail a short period of time from order to payment. Moreover, a transaction hedge

only postpones the effect of a change in currency rates.

The translation exposure can be, to a certain degree, mitigated by denominating borrowings in the same currency as the corresponding net assets. In order to have the volatility in net debt at an acceptable level, the majority of the borrowings is currently denominated in EUR.

Risk

Interest

Interest rate risk refers to the potential adverse impact of market interest rate fluctuations on the Group's net interest expense and cash flow. Interest rate exposure arises primarily from outstanding loans. The impact on the Group's net interest expense depends, among other things, on the average interest rate for borrowings. Further, increasing interest rates may have an impact on Hexagon's customers, vendors and suppliers. For example, customers may invest less in Hexagon solutions, or the sales cycle may lengthen or become more uncertain. Vendors and suppliers may reduce inventory levels of available products to deliver to Hexagon, which could extend delivery times, or could fail to fulfil their obligations.

Risk management

In accordance with the Group Treasury Policy, the average interest rate duration of the external debt is to be between 6 months and 3 years. During the year, interest rate derivatives were used to manage the interest rate risk.

Customer interest-rate sensitivity is, to a certain degree, mitigated by the variety of products and services at various prices that Hexagon offers. Supplier and vendor interest-rate sensitivity is mitigated through monitoring key vendors and suppliers.

Risk

Liquidity

Liquidity risk is the risk of not being able to meet payment obligations in full as they become due or only being able to do so at materially disadvantageous terms due to lack of cash resources.

Risk management

The Group Treasury Policy states that the total liquidity reserve shall at all times be at least 10 per cent of forecasted annual net sales. A sufficient liquidity reserve limits the risk of not being able to meet payment obligations in full when they become due. At year-end 2025, cash and unutilised credit limits totalled 1,885.2 MEUR (1,835.2).

Risk

Credit

Credit risk, i.e., the risk that customers may be unable to fulfill their payment obligations, accounts for the majority of Hexagon's counterparty risk. Financial credit risk is the exposure to default of counterparties with which Hexagon has invested cash or has entered into forward exchange contracts or other financial instruments.

Risk management

Through a combination of geographical and industry diversification of customers, the risk for significant credit losses is reduced.

To reduce Hexagon's financial credit risk, surplus cash is only invested with a limited number of approved banks and derivative transactions are only conducted with counterparties where an ISDA (International Swaps and Derivatives Association) netting agreement has been established. As Hexagon is a net borrower, excess liquidity is primarily used to repay external debt and therefore the average surplus cash invested with banks is kept as low as possible.

Risk

Insurable risk

Hexagon's operations, assets and staff are, to a certain degree, exposed to various risks of damages, losses and injuries which could tentatively threaten the Group's business continuity, earnings, financial assets and personnel. Hexagon relies on various insurance policies to mitigate risks associated with its operations, including property damage, liability claims, and business interruptions. There is a risk that insurance coverage may not be available in the future on commercially reasonable terms, or at all, due to market conditions or changes in Hexagon's risk profile. Additionally, existing insurance policies may not fully cover all potential losses or liabilities, leading to significant financial exposure. Any inability to obtain adequate insurance coverage or any substantial increase in insurance premiums could adversely affect Hexagon's financial condition and operational resilience.

Risk management

To ensure a well-balanced insurance coverage and financial economies of scale, Hexagon's insurance programme includes, among other things, group-wide property and liability insurance, travel insurance, errors and omissions insurance and transport insurance, as well as several other programmes, combined with local insurance coverage wherever needed. The insurance programme is periodically amended so that owned risk and insured risk are optimally balanced.

Risk

Refinancing

Refinancing risk refers to the risk that Hexagon does not have sufficient financing available when needed to refinance maturing debt, because existing lenders decline to provide additional credit or difficulties arise in procuring new lines of credit at a given point in time. Hexagon's ability to satisfy future capital needs is to a large degree dependent on successful sales of the Group's products and services. There is no guarantee that Hexagon will be able to generate necessary capital from sales or from third party financing arrangements. In this regard, the general development of the capital and credit markets is also of major importance. Hexagon, moreover, requires sufficient financing in order to refinance maturing debt.

Risk management

In order to ensure that appropriate financing is in place and to decrease refinancing risk, no more than 20 per cent of the Group's gross debt, including committed credit facilities, is allowed to mature within the succeeding 12 months unless replacement facilities have been entered into.

Hexagon's main sources of financing consist of:

- A multicurrency revolving credit facility (RCF) established during 2021. The RCF amounts to 1,500 MEUR with a tenor of 5+1+1 years.
- A Swedish Medium-Term Note Programme (MTN) established during 2014. The MTN programme amounts to 20,000 MSEK and gives Hexagon the option to issue bonds with tenors of up to 6 years.
- A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme gives Hexagon the option to issue commercial paper for a total amount of 15,000 MSEK with a tenor up to 12 months.

Legal risk management

Legal risks are managed for each subsidiary of Hexagon. The Group legal function supports the subsidiaries and manages certain legal risks at the Group level.

Risk

Legislation and regulation

Hexagon's main markets are subject to regulation and applicable laws. Hexagon's operations may be affected by regulatory changes, tax changes (including tariffs and customs duties) and other trading obstacles, political changes and pricing, currency and export controls, as well as other government legislation and restrictions in the countries where Hexagon is active. For example, more stringent regulations have been passed, such as in the EU, or are being developed in several jurisdictions relating to the use of artificial intelligence in product development and solutions deployment. In addition, Hexagon remains subject to data protection regulations, which continue to evolve. These changing requirements and more stringent rules impose a risk of non-compliance with these regulations, which could potentially result in substantial legal fees and damage to Hexagon's reputation. Additional areas of regulatory uncertainty include laws and regulations related to export controls and sanctions, foreign-direct investment controls and disclosures, and environmental sustainability (including climate change). New laws and regulations could result in increased compliance and operating costs, such as the Corporate Sustainability Reporting Directive within the EU. Further, delivery of products and services that comply with contractual requirements may present certain

risks at times, particularly in light of frequent regulatory change, natural disasters, wars and regional conflicts, and pandemics and similar force majeure events.

Risk management

Hexagon closely monitors legislation, regulations and applicable ordinances in each market and seeks to adapt the business to identified future changes in each market. The Group's legal function is staffed with experienced professionals and Hexagon also regularly consults with external subject matter experts to address legal risk management topics.

To manage country-specific risks, Hexagon observes local legislation and monitors political developments in the countries where the Group conducts operations. To this effect, Hexagon has adopted a worldwide compliance programme across the Group to ensure that its subsidiaries at all times comply with all applicable legislation, rules and ordinances. Hexagon's Compliance Programme is regularly reviewed and updated as needed based on changes in laws and regulations. Further, Hexagon will continue to comply with all applicable trade restrictions and sanctions laws relevant to our operations and with the rules of ethics and international standards.

Risk

Litigation

Hexagon may face legal claims, investigations, or regulatory actions as part of its regular business activities. These could include disputes with customers, suppliers, competitors, employees, or authorities. Such claims may be based on various allegations, whether justified or not. Negative outcomes from these cases could lead to financial penalties, compensation payments, damage to Hexagon's reputation, or disruptions to its operations. Even if the claims are unfounded, handling them can be expensive, take time, and distract management from running the business.

Risk management

Hexagon works to reduce these risks by following laws and regulations, maintaining strong compliance programmes, and implementing internal policies to identify and manage legal risks. Hexagon also has insurance to help cover the financial impact of certain claims, but this may not always be enough to cover all costs. Hexagon regularly monitors changes in laws and regulations to stay compliant and address potential risks early.

Risk

Intellectual property rights

Intellectual property infringement and plagiarism by third parties are risks to which Hexagon is exposed. There is no guarantee that Hexagon will be able to protect obtained patents, trademarks and other intellectual property rights or that submitted applications for registration will be granted. Furthermore, there is a risk that new technologies and products are developed which circumvent or replace Hexagon's intellectual property rights. Infringement disputes, and legal disputes in general, can be costly and time consuming and may therefore adversely affect Hexagon's business. Additionally, third parties may assert that Hexagon's products infringe their intellectual property rights.

Risk management

Hexagon seeks to protect its technology innovations to safeguard the returns on the resources that Hexagon assigns to R&D. The Group strives to protect its technical innovations through patents, trademarks, copyrights, and trade secrets and enforces its intellectual property rights through legal proceedings when warranted. Such intellectual property rights can generally only be enforced in jurisdictions that have granted such protections or recognise these rights. Hexagon closely monitors any new regulations impacting intellectual property rights.

Risk

Tax

Hexagon operates through subsidiaries in several jurisdictions and all cross-border transactions are normally a tax risk because there are no global transfer pricing rules. Local tax authorities follow their own local transfer pricing rules and authorities interpret transfer pricing guidelines differently. Risks are also presented by new accounting rules or interpretations by the applicable governing bodies. Hexagon interacts with local taxing authorities and frequently has several ongoing tax audits in progress.

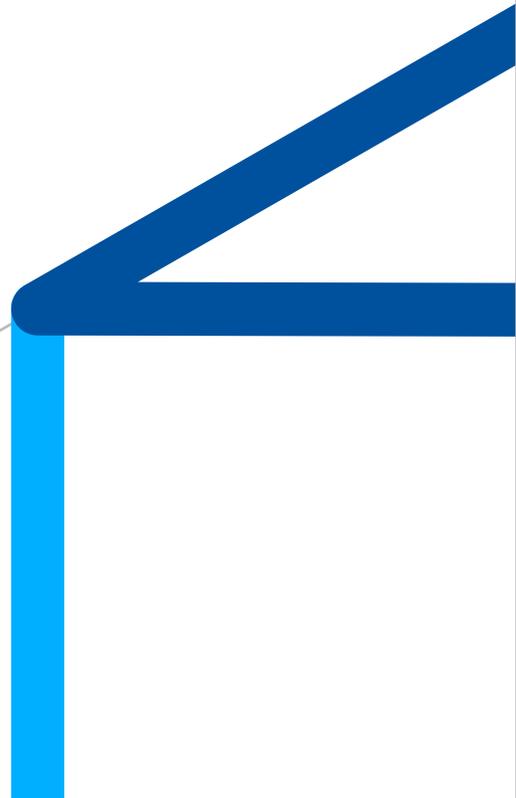
Hexagon's interpretation of prevailing tax law, tax treaties, EU Directives, OECD guidelines and agreements entered into with foreign tax authorities may be challenged by tax authorities in some countries. Rules, directives and guidelines may also be subject to future changes which can have an adverse effect on the Group's tax position. Furthermore, a change in the business or part of the business can have an impact on agreements entered into with tax authorities in some tax jurisdictions.

The average tax rate may increase if large acquisitions are made in high tax jurisdictions or if the corporate tax rates

change in countries where Hexagon carries out substantial business.

Risk management

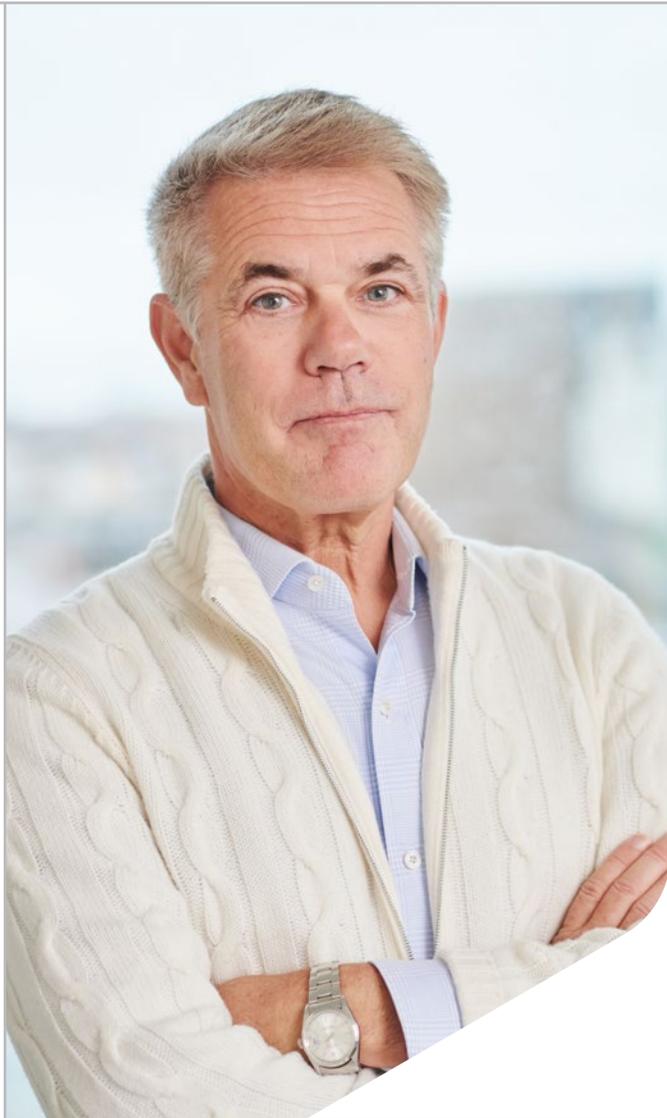
Transactions between the Group companies are carried out in accordance with Hexagon's interpretation of prevailing tax laws, tax treaties, OECD's guidelines and agreements entered into with foreign tax authorities. Hexagon has a tax policy that is annually reviewed and adopted by its Board of Directors.



Corporate governance

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Letter from the Chair of the Board

Dear Friends of Hexagon,

Twenty-five years ago, I stepped into this company with an idea: that precision and data would reshape the world. Today, as I write to you for the last time as Chairman, that conviction has not just been validated — it has been surpassed.

What we built together is extraordinary. From an unfocused, failing industrial conglomerate to a global measurement technology leader present in over 50 countries, Hexagon now sits at the heart of the industries that define modern civilisation: manufacturing, construction, geospatial intelligence, mining, public safety. Our technology works quietly but consequentially: in every autonomous system that navigates safely, every factory that achieves zero-defect production, every emergency responder armed with the data to save a life. We have truly become a silent giant in the everyday life of our society.

That is the milestone I am proudest of. Not a revenue figure or a market cap, but relevance. Deep, durable, indispensable relevance.

The road to where we are today was built by people, not strategy decks. To all my colleagues, friends, and partners over the years, and across the globe I would like to say the following — your ingenuity has been the true engine of this story. Your hard work and “never give up” attitude forged a culture that has excelled in over a quarter of a century! It’s not with sadness I say goodbye to you, but with a smile — I will keep our stories and adventures over the years in my heart always!

Part of building a great company is also knowing when to set businesses free. Hexpol, spun off from Hexagon, has gone on to become a world-class polymers group in its own right, a testament to the quality of what we nurtured. Now, with Octave on the cusp of its own spin-off, we are doing it again. That two exceptional, independent companies have been born from Hexagon speaks to the depth of value this organisation has created over the years — not just for itself, but for the broader market and its shareholders. I believe that both companies have an exceptionally bright future with strong leadership now in place, Anders Svensson at Hexagon and Mattias Stenberg at Octave.

None of this would have been possible without Melker Schörling. As the company's principal owner and my most important partner over these 25 years, Melker gave us something rare in the world of public companies: the freedom to think long term. His steady trust in our strategy — through cycles, setbacks, and transformations — was the foundation on which everything else was built.

I leave with no hesitation about what comes next. Artificial intelligence, autonomous systems, and the digitisation of the physical world are not future opportunities for Hexagon — they are the present we helped create. The best chapters of this company are still ahead.

It has been the privilege of my life. Thank you.

Ola Rollén
Chairman of the Board

Corporate governance report

Hexagon AB is a public company listed on Nasdaq Stockholm. The corporate governance of Hexagon is based on Swedish legislation, primarily the Swedish Companies Act, Hexagon's Articles of Association, the Board of Directors' internal rules, Nasdaq Stockholm's rules and regulations, the Swedish Corporate Governance Code (the "Code") and regulations and recommendations issued by relevant organisations.

Hexagon applies the Code, which is based on the principle "comply or explain". Hexagon did not note any deviations from the Code for the 2025 financial year.

This corporate governance report has been prepared in accordance with the provisions of the Annual Accounts Act and the Code and has, by virtue of Section 6, paragraph 8 of the Annual Accounts Act, been issued as a document separate from the annual report.

Ownership structure and share information

At 31 December 2025, Hexagon's share capital amounted to 85,761,450.56 EUR represented by 2,705,477,888 issued shares, of which 110,250,000 outstanding of series A with ten votes each and 2,595,227,888 outstanding of series B with one vote each. As of 31 December 2025, Hexagon AB holds in total 21,100,000 of the company's own shares of series B acquired on Nasdaq Stockholm. No repurchases of the company's own shares were made during 2025 pursuant to the authorisation granted by the Annual General Meeting on 5 May 2025. The authorisation comprises acquisitions on Nasdaq Stockholm, on one or more occasions for the period up until the Annual General Meeting 2026, of maximum so many Series B shares that the company's holding does not exceed 10 per cent of all shares in the company at that time. According to the authorisation any acquisitions of shares

on Nasdaq Stockholm may only occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and the lowest selling price. The Board of Directors was further authorised, for the period up until the Annual General Meeting 2026 on one or more occasions, to resolve on transfer of the company's own series B shares. According to the authorisation, transfer of series B shares may be made at a maximum of 10 per cent of the total number of shares in the company from time to time. A transfer may be made with deviation from the shareholders' preferential rights on Nasdaq Stockholm as well as to third parties in connection with acquisition of a company or a business. Compensation for transferred shares can be paid in cash, through an issue in kind or a set-off. Transfers of shares on Nasdaq Stockholm may only occur at a price per share within the share price interval registered at that time. Transfer in connection with acquisitions may be made at a market value assessed by the Board of Directors. The purpose of the authorisations is to give the Board of Directors the opportunity to adjust the company's capital structure, to finance potential company acquisitions, and as a hedge for the company's share-based incentive programmes. The Board of Directors did not exercise the authorisations to resolve on acquisition or transfer of own shares during 2025.

The Annual General Meeting held on 5 May 2025 also authorised the Board of Directors to, with or without deviation from the shareholders' preferential rights, and with or without provisions for contribution in kind, set-off or other conditions, resolve to issue Series B shares, convertibles and/or warrants (with rights to subscribe for or convert into Series B shares). The authorisation may be utilised on one or more occasions during the period up until the Annual General Meeting 2026. By resolutions

in accordance with the authorisation, the number of shares may be increased by a number corresponding to a maximum of 10 per cent of the number of outstanding shares in the company at the time when the Board of Directors first uses the authorisation. The purpose of the authorisation is to ensure financing of acquisitions of companies, part of companies or businesses or to strengthen the company's capital base and equity/assets ratio. In case of deviation from the shareholders' preferential rights, issues by virtue of the authorisation shall be made on market conditions.

Melker Schörling AB, the single largest shareholder in Hexagon, held a total of 110,250,000 series A shares and 471,081,440 series B shares at year-end 2025, representing 42.6 per cent of the votes and 21.5 per cent of the capital. No other shareholder has any direct or indirect shareholding representing 10 per cent or more of the total votes.

To the best of the knowledge of the Board of Directors (the "Board"), there are no shareholder agreements or similar agreements between the shareholders of Hexagon with the purpose of exercising joint control of the company. The Board also is not aware of any agreements that could lead to a change in control of the company or that could prevent the transfer of shares of the company.

Annual General Meeting

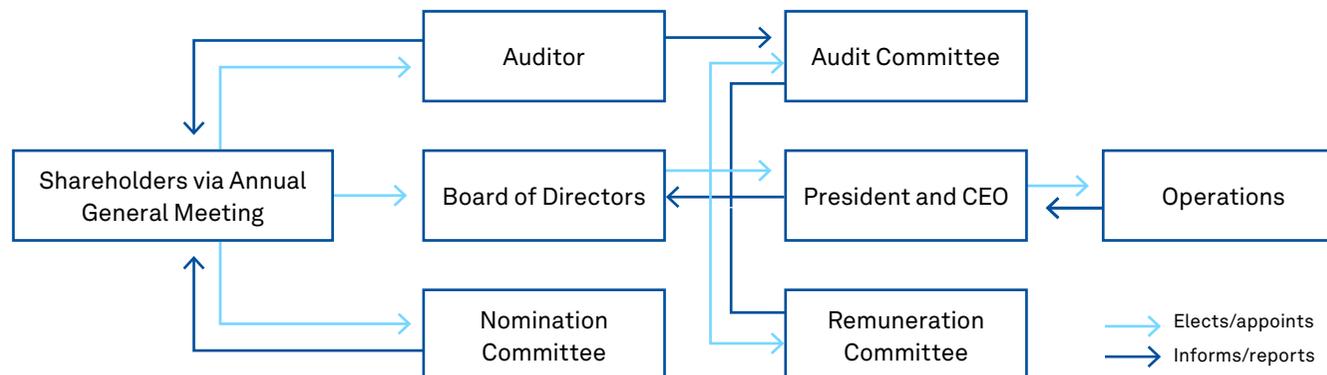
The General Meeting is Hexagon's supreme decision-making body in which all shareholders are entitled to participate. The Articles of Association of the company contain no restrictions regarding the number of votes that may be cast by a shareholder at general meetings. At the Annual General Meeting (AGM), the Board

presents the annual report (including the consolidated accounts) and the audit report. Hexagon issues the notice convening the AGM no later than four weeks prior to the meeting. To attend the AGM, a shareholder must be recorded in the share register and notify the company of their intention to attend the AGM within the time limit set forth in the notice convening the AGM. The AGM is held in Stockholm, Sweden, usually at the end of April or in the beginning of May. The AGM provides shareholders with an opportunity to address a number of issues, such as the adoption of the income statement and balance sheet, the appropriation of the company's profit or loss according to the adopted balance sheet, the discharge from liability to the company of the Board members and the President and Chief Executive Officer, the remuneration of the Board and auditors, the principles for remuneration and employment terms for the President and Chief Executive Officer and other senior executives, approval of the remuneration report for the previous financial year, the election of members and the Chair of the Board, the election of the auditor, and any amendments to the Articles of Association.

Nomination Committee

The AGM has resolved that the Nomination Committee's assignment shall comprise the preparation and presentation of proposals to the shareholders at the AGM on the election of Board members, Chair of the Board, Chair of the AGM, and the company's auditors. In addition, the Nomination Committee presents proposals regarding remuneration of the Board of Directors (including for committee work) and the auditors.

The Nomination Committee shall consist of representatives for major shareholders of the company elected by the AGM. In case a shareholder, whom a member of the Nomination Committee represents, is no longer one of the major shareholders of Hexagon or if a member of the Nomination Committee is no longer employed by such shareholder or for any other reason leaves the Committee before the next



AGM, the Committee is entitled to appoint another representative among the major shareholders to replace such a member. No fees are paid to the members of the Nomination Committee.

Board of Directors

In accordance with the Articles of Association, the Board of Directors of Hexagon shall consist of no less than three and not more than ten members, elected annually by the AGM for the period until the end of the next AGM. The Articles of Association of the company contain no special provisions regarding the election and discharge of Board members or regarding changes to the Articles of Association. The AGM 2025 elected nine members. The President and Chief Executive Officer, the Chief Financial Officer, the General Counsel and the Chief Strategy Officer participate in the Board meetings. Other Hexagon employees participate in the Board meetings to make presentations on particular matters if requested.

The Nomination Committee's conclusions regarding the Board members' independence in relation to the company, its management and major shareholders are presented on pages 66–70. According to the requirements set out in the Code, the majority of

the Board members elected by the AGM must be independent in relation to the company and its management and at least two of such Board members shall also be independent in relation to the company's major shareholders. The criteria set forth in the Code and other relevant factors were considered in making determinations about independence.

The Board of Directors is responsible for determining Hexagon's overall objectives, developing and monitoring the overall strategy, deciding on major acquisitions, divestments and investments, and ongoing monitoring of operations. The Board is also responsible for ongoing evaluation of management, as well as systems for monitoring internal controls and the company's financial position. The Board ensures that the company's external disclosure of information is characterised by openness and that it is accurate, relevant and clear. Procedural rules and instructions for the Board and the President and Chief Executive Officer govern issues requiring board approval and financial information and other reporting to be submitted to the Board.

The Chair directs the Board's activities to ensure that they are conducted pursuant to the Swedish Companies

Act, the prevailing regulations for listed companies and the Board's internal control instruments.

At all scheduled board meetings, information concerning Hexagon's financial position and important events affecting the company's operations is presented.

Audit Committee

The Audit Committee, which is a preparatory body in the Board's contacts with the company's auditors, is appointed annually by the Board and regularly submits reports to the Board about its work. The Audit Committee follows written instructions and is, through its activities, to meet the requirements stipulated in the Swedish Companies Act and in the EU's audit regulation. The Committee's tasks include assisting the Nomination Committee in drawing up proposals for AGM resolutions on the election of auditors and remuneration to auditors, monitoring that the auditor's term of office does not exceed applicable rules, procuring the audit and making a recommendation in accordance with the EU's audit regulation. Furthermore, the Audit Committee shall review and monitor the auditors' impartiality and independence, paying particular attention to whether the auditor provides the company with other services than the audit. The Audit Committee shall also issue guidelines for services in addition to auditing services provided by the auditors and in applicable cases approve these services according to the issued guidelines. The Audit Committee shall take part in planning auditing services and related reporting and regularly meet with the external auditors to stay informed on the orientation and scope of the audit. The Audit Committee shall also review and monitor the Group's financial reporting, the activities of the external auditors, the company's internal controls, the current risk situation and the company's financial information to the market. The Audit Committee's tasks also include submitting recommendations and proposals to ensure the reliability of financial reporting and other issues that the Board assigns the Committee to consider. The Committee

Key data for board members

Board Member¹	Elected	Independent	Committee membership		Meeting attendance		
			Audit Committee	Remuneration Committee	Board of Directors	Audit Committee	Remuneration Committee
Ola Rollén	2000	No²		⊙	11/11		2/2
John Brandon⁵	2017	Yes			5/6		
Tomas Eliasson⁴	2025	Yes	⊙		4/5	4/6	
Annika Falkengren	2024	Yes	⊙		10/11	9/9	
Ralph Haupter	2024	Yes			11/11		
Erik Huggers	2021	Yes	⊙		11/11	9/9	
Gun Nilsson	2008	Yes	⊙		10/11	8/9	
Björn Rosengren⁴	2025	Yes			5/5		
Märta Schörling Andreen	2017	No³			11/11		
Sofia Schörling Högberg	2017	No³	⊙	⊙	10/11	9/9	2/2
Brett Watson⁵	2021	Yes			4/6		

1) A complete presentation of the Board Members is included on pages 66–67
 2) Ola Rollén is not deemed to be independent of the company and its management
 3) Märta Schörling Andreen and Sofia Schörling Högberg are not deemed to be independent of the company's major shareholders
 4) Tomas Eliasson and Björn Rosengren were elected at the Annual General Meeting 2025
 5) John Brandon and Brett Watson resigned at the Annual General Meeting 2025

Board and committee meetings

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board of Directors	⊙⊙		⊙⊙	⊙⊙	⊙		⊙	⊙		⊙		⊙
Audit Committee	⊙			⊙⊙			⊙	⊙	⊙⊙	⊙		⊙
Remuneration Committee	⊙											⊙

has not, other than pursuant to written instructions approved by the Board specifically for the Audit Committee, been authorised to make any decisions on behalf of the Board.

to group management, as well as the application of the guidelines for remuneration to senior executives as resolved by the AGM. The Committee has not been authorised to make any decisions on behalf of the Board.

Remuneration Committee

The Remuneration Committee is appointed by the Board annually and its task is, on behalf of the Board, to consider issues regarding remuneration of the President and Chief Executive Officer and executives that report directly to the President and Chief Executive Officer and other similar issues that the Board assigns the Committee to consider. The Committee shall also follow and evaluate ongoing programmes or programmes completed during the year for variable remuneration

External auditors

The AGM appoints the company's auditors. On behalf of the shareholders, the auditors' task is to examine the company's Annual Report and accounting records and the administration by the Board of Directors and the President and Chief Executive Officer. In addition to the audit, the auditors occasionally have other assignments, such as work relating to acquisitions and tax. Hexagon's auditors normally attend the first Board meeting each year, at which the auditor reports observations from

the examination of Hexagon's internal controls and the annual financial statements. Moreover, the auditors report to and regularly meet with the Audit Committee. In addition, the auditors participate in the AGM to present the Auditor's report, which describes the audit work and observations made.

Internal control

The responsibility of the Board for internal control is regulated in the Swedish Companies Act and in the Code. It is the duty of the Board to ascertain that the internal control and formalised routines of the company ensure that the principles for internal control and financial reporting are adhered to and that the financial reports comply with the law and other requirements applicable to listed companies. The Board bears the overall responsibility for internal control of the financial reporting. The Board has established written formal rules of procedure that clarify the Board's responsibilities and regulate the internal distribution of work between the Board and its committees.

President and Chief Executive Officer, and Executive Management

The President and Chief Executive Officer is responsible for leading and controlling Hexagon's operations in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, as well as the Code, the Articles of Association and the instructions and strategies determined by the Board. The President and Chief Executive Officer shall ensure that the Board is provided with objective, detailed and relevant information required in order for the Board to make well-informed decisions. Furthermore, the President and Chief Executive Officer is responsible for keeping the Board informed of the company's development between board meetings.

The Group management, comprising the President and Chief Executive Officer, business area presidents, heads of geographical regions and certain specific group staff functions, totals 14 persons. Group management is responsible for the overall business development and the apportioning of financial resources between the business areas, as well as matters involving financing and capital structure. Regular management meetings constitute Hexagon's forum for implementing overall controls down to a particular business operation and in turn, down to the individual company level.

Operations

In financial terms, Hexagon's business operations are controlled on the basis of the return on capital employed. This requires focus on maximising operating earnings and minimising working capital. Hexagon's organisational structure is decentralised with central oversight and coordination. Targets, guidelines and strategies are set centrally in collaboration with the business units. Managers assume overall responsibility for their respective business and pursue the clearly stated objectives.

ACTIVITIES DURING THE YEAR

Annual General Meeting 2025

The AGM, held on 5 May 2025 in Stockholm, Sweden, was attended by shareholders representing 71 per cent of the total number of shares and 79 per cent of the total number of votes. Apart from attending the AGM, the shareholders had the opportunity to vote by mail before the meeting. Ola Rollén was elected Chair of the AGM.

The following main resolutions were passed at the AGM 2025:

- Re-election of Directors Ola Rollén, Märta Schörling Andreen, Annika Falkengren, Ralph Haupter, Erik Huggers, Sofia Schörling Högberg and Gun Nilsson

- Election of Directors Tomas Eliasson and Björn Rosengren
- Re-election of Ola Rollén as Chair of the Board and election of Björn Rosengren as Vice Chair of the Board
- Election of the accounting firm PricewaterhouseCoopers AB (PwC) for a one-year period of mandate. PwC has appointed the authorised public accountant Bo Karlsson as auditor in charge
- Dividend of 0.14 EUR per share for 2024 as per the Board's proposal
- Resolution on approval of remuneration report for 2024
- Approval of a performance based long term incentive programme (Share Programme 2025/2028)
- Authorisation for the Board of Directors on acquisition and transfer of Hexagon shares
- Authorisation for the Board of Directors to issue shares, convertibles and/or warrants

Nomination Committee

For the proposal for the AGM 2025, the Nomination Committee applied rule 4.1 of the Code as the diversity policy related to the Committee's nomination work. The Nomination Committee confirmed that the Board of Hexagon has an equal gender balance and an appropriate composition in general. Additional criteria, such as background, experience, previous leadership roles, relevant insights into Hexagon's industries and other customary attributes were considered when nominating the directors.

In respect of the 2026 AGM, the Nomination Committee comprises:

- Mikael Ekdahl, Melker Schörling AB (Chair)
- Jan Dworsky, Swedbank Robur fonder
- Brett Watson, Infor
- Daniel Kristiansson, Alecta

The Chair of the Board, Ola Rollén, was co-opted to the Nomination Committee. During 2025, the Nomination Committee held three minuted meetings at which the

Chair gave an account of the process of evaluation of the Board's work. The Committee discussed and decided on proposals to submit to the AGM 2026 concerning the election of Chair of the AGM, the election of Chair and other Board Members, remuneration to the Board, including remuneration for committee work, and fees to the auditors. Shareholders wishing to submit proposals have been able to do so by contacting the Nomination Committee via mail or e-mail. Addresses have been made available on Hexagon's website.

Board of Directors' activities

In 2025, the Board held eleven minuted meetings, including the statutory board meeting. At the Board meetings, the President and Chief Executive Officer presented the financial and market position of Hexagon and important events affecting the company's operations. On different occasions, Hexagon senior executives presented their operations and business strategies to the Board. In addition, items such as the approval of the interim reports, the annual report, acquisitions, cyber security and sustainability are part of the Board's work plan and the company's auditors presented a report on their audit work during the year.

Evaluation of the Board's work

The Board continuously evaluates its work and the format of its activities. This evaluation considers factors such as how the Board's work can be improved, whether the character of meetings stimulates open discussion and whether each Board member participates actively and contributes to discussions. The evaluation is coordinated by the Chair of the Board. In 2025, the Chair conducted a written survey with all the Board members. The result of the evaluation has been reported to and discussed by the Board and the Nomination Committee. The Board is also evaluated within the framework of the Nomination Committee's activities.

Audit Committee

During 2025, the Audit Committee comprised:

- Annika Falkengren (Chair)
- Tomas Eliasson
- Erik Huggers
- Sofia Schörling Högberg
- Gun Nilsson

In 2025, the Committee held nine minuted meetings where the financial reporting and risks of Hexagon were monitored and discussed. The Committee dealt with relevant accounting issues, audit work and reviews, new financing, and testing for impairment of goodwill.

Remuneration Committee

During 2025, the Remuneration Committee comprised:

- Ola Rollén (Chair)
- Sofia Schörling Högberg

In 2025, the Committee held two minuted meetings where remuneration and other employment terms and conditions for the President and Chief Executive Officer and other Group management were discussed. The Remuneration Committee also monitored and evaluated the ongoing programmes for variable remuneration to senior executives as well as the application of the guidelines for remuneration to senior managers and the structure and levels of remuneration in the company.

External auditors

The AGM 2025 re-elected the accounting firm PricewaterhouseCoopers AB (PwC) as auditor for a one-year period of mandate. PwC has appointed authorised public accountant Bo Karlsson as auditor in charge. In addition to the assignment for Hexagon, he performs audit assignments for Rottneros AB (publ). Other recent assignments include audit assignments for companies

such as VNV Global AB (publ), VEF AB (publ), ASSA ABLOY AB (publ), SKF AB (publ) and Investment AB Latour (publ).

Hexagon's auditors attended the first Board meeting of the year, at which they reported observations from their examination of Hexagon's internal controls and the annual financial statements. The auditors met with the Audit Committee on eight occasions during 2025. The address of the auditors is PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden.

Remuneration principles

The following principles for remuneration to senior executives in Hexagon were adopted by the AGM 2024.

Remuneration shall consist of a fixed salary, variable remuneration, pension and other benefits and all remuneration shall be competitive and in accordance with market practice. The variable remuneration shall be maximised at up to 150 per cent in relation to the fixed annual cash salary, related to the earnings trend which the relevant individual may influence and other financial targets, such as organic growth and the cash conversion target rate, and based on the outcome in relation to individual targets.

The Board annually considers whether a share or sharebased incentive programme shall be proposed to the AGM. The notice period for the President and Chief Executive Officer is six months. Upon termination by the company or in case of a change of principal ownership the President and Chief Executive Officer is entitled to severance pay equal to 18 months of salary. The period of notice for other senior executives is a maximum of 24 months upon termination by the company, and a maximum of six months upon termination by the senior executive. Basic salary and other employment benefits during the notice period may together with severance pay not exceed an amount equivalent to the basic cash salary for 24 months. When the employment is terminated by the senior executive, no severance pay

shall be paid. Pension benefits shall, as a main rule, be defined contribution. Deviation from this main rule may be permitted when appointing new senior executives whose previous employment agreement included a defined benefit pension plan or if the executive is covered by benefit pensions in accordance with mandatory collective agreement provisions. The pension age for senior executives is individually determined, although not less than 60 years of age. The guidelines are intended to apply until further notice and the Board of Directors will not propose any changes to the guidelines at the AGM 2026. The complete guidelines are presented on pages 39–41.

Remuneration of Executive Management

Remuneration of the President and Chief Executive Officer and other senior executives is presented in Note 30 on page 211. The Board has prepared a remuneration report for approval by the AGM 2026.

There are no agreements between the company and its directors or employees, other than as described in Note 30, which stipulate the right to compensation if such person voluntarily leaves the company, such person is dismissed with cause or if such person's employment is terminated as a result of a public offer for shares in the company.

Incentive programmes

Details of the Share Programme 2022/2025, the Share Programme 2023/2026, the Share Programme 2024/2027 and the Share Programme 2025/2028 are presented on page 224 (The share section) and in Note 30 on page 212.

Remuneration of Board of Directors

Remuneration of the Board of Directors is resolved by the AGM upon proposal from the Nomination Committee. During 2025, the Chair of the Board and other Board Members received remuneration totalling 1,132.7 KEUR

(843.1). Remuneration of the Board of Directors is presented in Note 30 on page 211.

Remuneration of external auditors

Remuneration for services in addition to auditing services primarily refers to work related to acquisitions and tax. Remuneration of the external auditors is presented in Note 31 on page 213.

For more details about principles practised →

- The Swedish Companies Act, [regeringen.se](https://www.regeringen.se)
- The Swedish Code of Corporate Governance, [corporategovernanceboard.se](https://www.corporategovernanceboard.se)

More information is available at hexagon.com →

- Articles of Association
- Information from earlier General Meetings
- Information about the members of the Board of Directors, the President and Chief Executive Officer, and the auditor
- Information about the Nomination Committee, including the company's instructions for the Nomination Committee
- Information ahead of the Annual General Meeting 2026

Internal control pertaining to financial reporting

The Annual Accounts Act and the Code stipulate that the Board of Directors must submit a report on the key aspects of the company's systems for internal controls and risk management regarding financial reports. Internal control pertaining to financial reporting is a process that involves the Board, company management and other personnel. The process has been designed so that it provides assurance of the reliability of the external reporting. According to a generally accepted framework that has been established for this purpose, internal control is usually described from five different perspectives:

1. Control environment

Hexagon's organisation is designed to facilitate rapid decision making. Accordingly, operational decisions are taken at the business area or subsidiary level, while decisions concerning strategies, acquisitions, divestments and company-wide financial matters are taken by the company's Board and Group management. The organisation is characterised by well-defined allocation of responsibility and well-functioning and well-established governance and control systems, which apply to all Hexagon units. The basis for the internal control pertaining to financial reporting is comprised of an overall control environment in which the organisation, decision-making routes, authorities and responsibilities have been documented and communicated in control documents, such as Hexagon's finance policy and reporting instructions and in accordance with the authorisation arrangements established by the President and Chief Executive Officer.

Hexagon's functions for financial control are integrated by means of a group-wide reporting system. Hexagon's financial control unit engages in close and well-functioning cooperation with the subsidiaries' controllers in terms of the financial statements and the reporting process. The Board's monitoring of the company's assessment of its internal control includes contacts with the company's auditor. Hexagon has no internal audit function, since the functions described above satisfy this need. All of Hexagon's subsidiaries report complete financial statements on a monthly basis. This reporting provides the basis for Hexagon's consolidated financial reporting. Each legal entity has a controller responsible for the financial control and for ensuring that the financial reports are correct, complete and delivered in time for consolidated financial reporting.

2. Risk Assessment

The significant risks affecting the internal control of financial reporting are identified and managed at group, business area, subsidiary and unit level. Within the Board, the Audit Committee is responsible for ensuring that significant financial risks and the risk of error in financial reporting are identified and managed in a manner that ensures correct financial reporting. Special priority has been assigned to identifying processes that, to some extent, give rise to a higher risk of significant error due to the complexity of the process or of the contexts in which major values are involved.

3. Control activities

The risks identified with respect to the financial reporting process are managed via the company's control activities. The control activities are designed to prevent, uncover and correct errors and non-conformities. Their management is conducted by means of manual controls in the form of, for example, reconciliations and stocktakings, automatic controls using IT systems and general controls conducted in the underlying IT environment. Detailed analyses of financial results and evaluation in relation to budget and forecasts supplement the business-specific controls and provide general confirmation of the quality of the financial reporting.

4. Information and communication

To ensure the completeness and correctness of financial reporting, Hexagon has formulated information and communication guidelines designed to ensure that relevant and significant information is exchanged within the business, within the particular unit and to and from management and the Board. Guidelines, handbooks and job descriptions pertaining to the financial process are communicated between management and personnel and are accessible electronically and/or in a printed format.

The Board receives regular feedback in respect of the internal control process from the Audit Committee. To ensure that the external communication of information is correct and complete, Hexagon complies with a Board-approved information policy that stipulates what may be communicated, by whom and in what manner.

5. Monitoring activities

The efficiency of the process for risk assessment and the implementation of control activities are reviewed continuously. The follow-up pertains to both formal and informal procedures used by the officers responsible at each level. The procedures incorporate the review of financial results in relation to budget and plans, analyses and key figures. The Board obtains current and regular reports on Hexagon's financial position and performance. At each Board meeting, the company's financial position is addressed and, on a monthly basis, management analyses the company's financial reporting at a detailed level. The Audit Committee follows up the financial reporting at its meetings and receives reports from the auditors describing their observations.

Auditor's report on the corporate governance statement

Unofficial translation

To the general meeting of the shareholders of Hexagon AB (publ), corporate identity number 556190-4771

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2025 on pages 55–64 and 66–70 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially 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 opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 20 March 2026

PricewaterhouseCoopers AB

Bo Karlsson

Authorised Public Accountant

Auditor in charge

Helena Kaiser de Carolis

Authorised 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.

Board of Directors



Ola Rollén

Born:	1965
	Member of the Board since 2000 Chair of the Board since 2023
	Chair of the Remuneration Committee
Education:	B.Sc. (Economics)
Work experience:	Chief Executive Officer of Greenbridge S.A., President and Chief Executive Officer of Hexagon, President of Sandvik Materials Technology and Kanthal AB, Executive Vice President of Avesta-Sheffield AB
Other assignments:	Chair of the Board of SIG Group AG
Previous assignments in the past five years:	Chair of the Board of Greenbridge S.A., Board Member of Divergent Technologies Inc., Neo4j Inc. and Nstech S.A.
Shareholding ¹ :	200,000 awards through share programmes
	Independent of major shareholders



Björn Rosengren

Born:	1959
	Member of the Board since 2025
	Vice Chair of the Board
Education:	M.Sc. (Mechanical Engineering)
Work experience:	President and Chief Executive Officer of ABB Ltd, Chief Executive Officer of Sandvik AB and Wärtsilä Sweden AB and Deputy Chief Executive Officer of Atlas Copco AB
Other assignments:	Board Member of the World Childhood Foundation
Previous assignments in the past five years:	—
Shareholding ¹ :	432,873 shares of series B and 1,000,000 options
	Independent of the company, its management and major shareholders



Annika Falkengren

Born:	1962
	Member of the Board since 2024
	Chair of the Audit Committee
Education:	B.Sc. (Economics)
Work experience:	Managing Partner Lombard Odier, President and Chief Executive Officer of Skandinaviska Enskilda Banken AB (SEB) and various leading positions within SEB
Other assignments:	Board Member of Vontobel Holding AG, Member of The Royal Swedish Academy of Engineering Sciences (IVA)
Previous assignments in the past five years:	Member of IMD Foundation Board
Shareholding ¹ :	75,000 shares of series B
	Independent of the company, its management and major shareholders



Ralph Haupter

Born:	1968
	Member of the Board since 2024
Education:	B.Sc. (Engineering), B.Sc. (Business & International Relations)
Work experience:	Global Chief Revenue Officer and President of Global Small Medium Enterprises & Channel at Microsoft, President Microsoft EMEA, President of Microsoft ASIA, Area Leader of Microsoft China, Executive President of IBM Software EMEA
Other assignments:	Investor and advisor at Advisor TWO Investment
Previous assignments in the past five years:	—
Shareholding ¹ :	3,000 shares of series B
	Independent of the company, its management and major shareholders



Erik Huggers

Born:	1973
	Member of the Board since 2021
	Member of the Audit Committee
Education:	B.Sc. (Business Economics & Marketing)
Work experience:	President and Chief Executive Officer of VEVO LLC, Senior Vice President of Verizon Communications, President of Intel Media Inc., Executive Director at British Broadcasting Corporation, Senior Director at Microsoft Corporation
Other assignments:	Chair of the Board at Freepik Company SL, GotPhoto and EveryoneTV Ltd., Senior advisor to EQT Group
Previous assignments in the past five years:	Member of the Board at WeTransfer B.V., Supervisory Board Member at ProSiebenSat.1 Media SE
Shareholding ¹ :	3,000 shares of series B
	Independent of the company, its management and major shareholders

1) Shareholding is based on information per 19 March 2026 and also includes related-party holdings. Holdings through share programmes are the total number of awards in all active share programmes and before tax deductions.

Board of Directors continued



Gun Nilsson

Born:	1955
	Member of the Board since 2008
	Member of the Audit Committee
Education:	B.Sc. (Economics)
Work experience:	President of Melker Schörling AB, Chief Financial Officer of IP-Only Group, Sanitec Group and Nobia Group, Chief Executive Officer of Gambro Holding AB, Deputy Chief Executive Officer and Chief Financial Officer of Duni AB
Other assignments:	Chair of Listing Committee at NASDAQ Stockholm, Board Member of Konecranes Plc, Bonnier Group AB and Einar Mattsson AB, Greenbridge S.A. and Aeternum AS
Previous assignments in the past five years:	Board Member of AAK AB, Absolent Air Care Group AB and Hexpol AB
Shareholding ¹ :	88,662 shares of series B
	Independent of the company, its management and major shareholders



Märta Schörling Andreen

Born:	1984
	Member of the Board since 2017
Education:	B.Sc. (Economics)
Work experience:	Brand and innovation consultant at Pond Innovation & Design AB
Other assignments:	Vice Chair of Melker Schörling AB, Board Member of Hexpol AB, AAK AB and Absolent Air Care Group AB
Previous assignments in the past five years:	—
Shareholding ¹ :	110,250,000 shares of series A and 471,081,440 shares of series B through Melker Schörling AB
	Independent of the company and its management



Sofia Schörling Högberg

Born:	1978
	Member of the Board since 2017
	Member of the Audit Committee and the Remuneration Committee
Education:	B.Sc. (Economics)
Work experience:	Trademark consultant at Essen International AB
Other assignments:	Vice Chair of Melker Schörling AB, Board Member of Securitas AB, Assa Abloy AB and Stockholm Chamber of Commerce
Previous assignments in the past five years:	—
Shareholding ¹ :	110,250,000 shares of series A and 471,081,440 shares of series B through Melker Schörling AB
	Independent of the company and its management



Tomas Eliasson

Born:	1962
	Member of the Board since 2025
	Member of the Audit Committee
Education:	M.Sc. (Business and Economics)
Work experience:	Chief Financial Officer of Sandvik AB, Electrolux AB, Assa Abloy AB and Seco Tools AB
Other assignments:	Board Member of Telia Sverige AB, Boliden AB and Elekta AB
Previous assignments in the past five years:	Board Member of Millicom International Cellular S.A.
Shareholding ¹ :	11,000 shares of Series B
	Independent of the company, its management and major shareholders

1) Shareholding is based on information per 19 March 2026 and also includes related-party holdings. Holdings through share programmes are the total number of awards in all active share programmes and before tax deductions.

Executive Management



Anders Svensson

Born:	1975
	President and Chief Executive Officer
Employed since:	2025
Education:	M.Sc. (Chemical Engineering)
Work experience:	President and Chief Executive Officer of Konecranes Plc, President of Sandvik Rock Processing Solutions Business Area and various leadership positions within Sandvik AB
Other assignments:	Board Member Metso Oyj
Previous assignments in the past five years:	Board Member Technology Industries of Finland
Shareholding ¹ :	250,000 shares of series B, 500,000 options and 205,816 awards through share programmes



Burkhard Böckem

Born:	1971
	Chief Technology Officer
Employed since:	2001
Education:	Ph.D. (Technology), M.Sc. (Geodesy)
Work experience:	Chief Technology Officer of Geosystems Business Area, various R&D manager positions within Manufacturing Intelligence Business Area
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	60,078 shares of series B and 134,716 awards through share programmes



Norbert Hanke

Born:	1962
	Group Executive Vice President and Interim Chief Financial Officer
Employed since:	2001
Education:	Diploma of business administration
Work experience:	Chief Operating Officer of Hexagon AB, President of Manufacturing Intelligence Business Area, Chief Financial Officer at Brown & Sharpe and various positions within the Kloeckner Group
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	219,000 shares of series B and 214,050 awards through share programmes



Gordon Dale

Born:	1963
	President of Autonomous Solutions Business Area
Employed since:	2008
Education:	B.Sc. (Engineering), MBA (Accounting)
Work experience:	Chief Synergy Officer, Chief Operating Officer, Vice President Engineering, and Vice President of Product Management at Autonomy & Positioning Business Area and various senior positions within telecommunication industry
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	11,262 shares of series B and 102,061 awards through share programmes



Thomas Haring

Born:	1973
	Group Executive Vice President
Employed since:	2003
Education:	Diploma of Technically Oriented Business Administration
Work experience:	President Geosystems Business Area, various leading positions within Geosystems i.a. Chief Operating Officer and Chief Financial Officer and Senior Management Consultant at Baker Tilly
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	153,491 shares of series B and 195,790 awards through share programmes

1) Shareholding is based on information per 19 March 2026 and also includes related-party holdings. Holdings through share programmes are the total number of awards in all active share programmes and before tax deductions.

Executive Management continued



Li Hongquan

Born:	1966
	President of China Region
Employed since:	2001
Education:	M.Sc. (Engineering)
Work experience:	President of Qingdao Brown & Sharpe and Qianshao Technology Co. Ltd., various positions in the Chinese manufacturing industry
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	840,000 shares of series B and 251,362 awards through share programmes



Ben Maslen

Born:	1972
	Executive Vice President, Octave
Employed since:	2017
Education:	B.Sc. (Economics & Politics) and Chartered Accountant
Work experience:	Chief Strategy Officer at Hexagon AB, Co-head of European capital goods equity research at Morgan Stanley and equity analyst at BoAML
Other assignments:	Member of the Board of Martlet Capital Limited
Previous assignments in the past five years:	—
Shareholding ¹ :	32,430 shares of series B and 130,615 awards through share programmes



Andreas Wenzel

Born:	1974
	Chief Strategy Officer
Employed since:	2025
Education:	Ph.D. (Corporate Finance), MBA
Work experience:	Chief Financial Officer at ABB e-mobility, Global Head of Strategy and M&A at ABB Ltd, various positions in strategy consulting and private equity with Bain & Company
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	45,000 shares of series B and 38,267 awards through share programmes



Madlen Nicolaus

Born:	1981
	Chief Marketing Officer
Employed since:	2023
Education:	Diploma in Media Management and Marketing
Work experience:	Vice President of ENT Marketing EMEA SAP Concur, Head of EMEA Cloud Marketing Salesforce and Social Media Manager at EMEAR Kodak
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	28,836 awards through share programmes



Henning Sandfort

Born:	1976
	President of Geosystems Business Area
Employed since:	2025
Education:	Diploma in Industrial Engineering & Management
Work experience:	Global Chief Executive Officer of Building Products Business Unit at Siemens Smart Infrastructure, various leadership positions within Siemens AG
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	89,034 awards through share programmes

1) Shareholding is based on information per 19 March 2026 and also includes related-party holdings. Holdings through share programmes are the total number of awards in all active share programmes and before tax deductions.

Executive Management continued



Mattias Stenberg

Born:	1977
	President of Asset Lifecycle Intelligence and Safety, Infrastructure & Geospatial (Octave)
Employed since:	2009
Education:	B.Sc. (Economics)
Work experience:	Chief Strategy Officer and Vice President of Strategy and Communications at Hexagon, various Investor Relations positions at Teleca AB and Autoliv Inc.
Other assignments:	Board Member of Sinch AB
Previous assignments in the past five years:	—
Shareholding ¹ :	168,171 shares of series B and 190,722 awards through share programmes



Andreas Renulf

Born:	1974
	President of Manufacturing Intelligence Business Area
Employed since:	2024
Education:	M.Sc. (Business Administration)
Work experience:	Chief Operating Officer and Head of Machine Control at Geosystems Business Area, President of two different divisions at Trelleborg AB, Chief Executive Officer of SCANCOIN AB and various leadership positions within ABB Ltd
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	45,030 awards through share programmes



Tony Zana

Born:	1979
	General Counsel and Chief Compliance Officer
Employed since:	2008
Education:	D.Jur. (Law), B.Sc. (Management Information Systems)
Work experience:	Deputy General Counsel at Hexagon, Vice President, General Counsel and Corporate Secretary at Intergraph Corporation, Attorney at Maynard, Cooper & Gale, Law Clerk at U.S. District Court
Other assignments:	—
Previous assignments in the past five years:	—
Shareholding ¹ :	22,774 shares of series B and 115,601 awards through share programmes



Arnaud Robert

Born:	1973
	President of Robotics Business Area
Employed since:	2024
Education:	Ph.D. (Computer Science)
Work experience:	Chief Digital Officer and Executive Committee member of Sanofi S.A., Chief Digital Officer of Viking Cruises, and leadership roles at Disney, Microsoft, and Nike
Other assignments:	Board member of Genoway S.A.
Previous assignments in the past five years:	—
Shareholding ¹ :	170,659 awards through share programmes

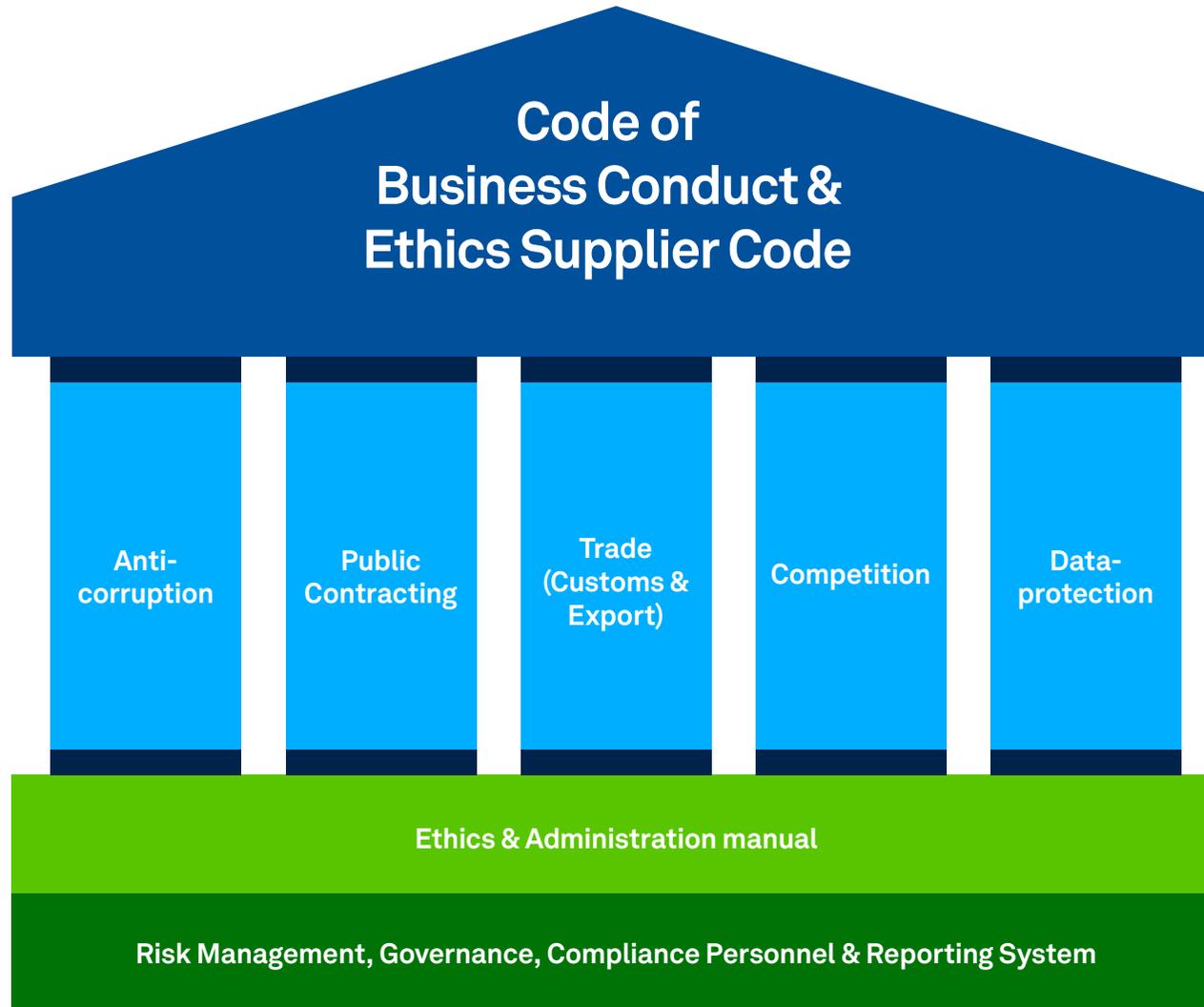
1) Shareholding is based on information per 19 March 2026 and also includes related-party holdings. Holdings through share programmes are the total number of awards in all active share programmes and before tax deductions.

Compliance

Hexagon's commitment to ethics and compliance 72



Hexagon commitment to ethics and compliance



Introduction

Hexagon is dedicated to upholding the highest standards of ethics and compliance within all aspects of our operations. Our Ethics and Compliance System (“System”) is designed to detect, prevent, and respond effectively to legal risks and misconduct, ensuring that our business practices not only comply with applicable laws and regulations but also align with recognised best practices, such as the 10 business principles recommended by Transparency International and the UN Global Compact Standards. This System contributes to Hexagon’s culture of integrity, transparency, and reliability.

System design

Risk assessment

Hexagon conducts regular risk assessments to identify and prioritise legal and compliance risks associated with our global operations. This proactive approach enables us to tailor our compliance strategies and effectively allocate resources, addressing the unique challenges of our diverse and global business environments. Our risk management process evolves continually, incorporating insights from industry trends, regulatory changes, external professionals and our own experiences to refine our focus and resource allocation.

System architecture

At the top of our System are our two fundamental documents, the Code of Business Conduct and Ethics and the Supplier Code of Conduct. These pivotal documents form the bedrock of our ethical culture, providing overarching guidance to navigate business operations with integrity. These documents are regularly reviewed and updated to reflect evolving legal and industry standards. Integral to the interpretation of all System documents, these Codes ensure that our ethical directives reach every facet of our operations.

A third important document, the Ethics and Compliance Administration Manual, sets out the System’s governance and accountability by assigning the roles and

responsibilities to both management leadership and the Compliance Team.

The System is intentionally designed with a clear focus on key areas of heightened risk, shaping our specific Compliance Programmes to cover critical aspects such as anti-corruption, competition, public contracting, trade (including export and customs compliance), data protection and ESG. These Compliance Programmes are structured around a comprehensive documentation hierarchy, including policies, procedures, guidance, local work instructions, templates, and other tools that enable effective compliance implementation.

In addition to these core areas, the System is augmented by further policies and procedures that address other areas of heightened risk, further fortifying our compliance infrastructure. The accessibility of our System documentation is paramount; hence, we ensure it is readily available to all employees.

For broader transparency, our Codes, Compliance Programmes Summaries, and key policies are publicly accessible on our website.

Training and communication

Effective training and communication are vital components of our System. Regular trainings and communications keep our global workforce well-informed, well-versed and aligned with our ethics and compliance standards. Our multifaceted approach includes in-person and online training sessions, strategic management meetings, external training opportunities, internal compliance briefings, and ad-hoc guidance addressing emerging risks. In addition, Hexagon sets a compliance plan each year addressing communication, training, and audit activities.

This approach ensures systematic training on all essential compliance topics for every employee, aligning with Hexagon's commitment to an informed and compliant workforce.

We recognise the importance of tailoring training to specific roles, which is why our training programmes are customised to address the distinct risks and responsibilities and needs of different employee groups. These efforts are enhanced by lessons learned from past compliance matters and regularly informed by market leading advisors in business ethics and compliance programmes, ensuring that we continually learn and improve.

Hexagon enables collaborative efforts across various departments – Legal, Finance, Order Fulfillment, Treasury, and Supply Chain/Procurement – to further integrate compliance processes into our daily operations.

In 2025, we trained more than 24,000 employees on our Code of Conduct and Fraud Awareness standards. These results reflect our continued dedication to strengthening ethical practices across the organisation. The increased participation rate relative to previous years is attributable to the mandatory nature of the trainings.

Implementation and resources

Commitment from the top

Effective compliance starts with strong and ethical leadership. At Hexagon, our senior management and the board of directors are deeply committed to fostering a culture of ethics, integrity and compliance. They demonstrate this commitment by consistently emphasising ethical behaviour and compliance in both their communications and actions.

This approach ensures that ethics and compliance are central to Hexagon's business strategies, making ethical conduct a fundamental part of our decision-making process. Their proactive efforts to align compliance with business objectives and address emerging risks underscore their strong commitment to maintaining Hexagon's ethical foundation.

An important pillar of our programme is the annual Compliance Certification completed by Hexagon Management, which reinforces leadership's commitment to our Ethics & Compliance System. Periodic communications throughout the year from various business leaders support our compliance alignment, ensuring ongoing adherence to our standards of integrity.

Further, all senior management of a newly acquired entity is onboarded by the Compliance Team as one of the initial integration steps. This helps ensure that all management within Hexagon understands their responsibilities and the critical importance of setting a strong example through their leadership.

Governance

Hexagon's compliance function, overseen by the Chief Compliance Officer (CCO), operates independently and maintains direct access to the Board of Directors and Audit Committee leadership. The CCO routinely reports to these bodies on compliance matters, training activity, regulatory developments, and other compliance matters. This reporting mechanism ensures that compliance considerations are seamlessly integrated into strategic decision-making processes.

The CCO is supported by a global team of compliance experts, adequately resourced, both in terms of personnel and technology, which ensures effective monitoring, auditing and enforcement of compliance activities. The Group Compliance Officer, the Division and Regional Compliance Officers, and the large network of selected compliance coordinators manage and lead the operational implementation of the Ethics and Compliance System within all Hexagon entities.

Incentives and disciplinary measures

Hexagon looks for ways to enforce its compliance standards through incentives for ethical behaviour and disciplinary measures for violations. This approach ensures accountability and promotes a culture where integrity and compliance are valued and rewarded.

Effectiveness in practice

Continuous improvement

Hexagon is committed to the ongoing enhancement of the System, ensuring it remains effective in responding to evolving challenges. The Strategic Compliance Cabinet, a dedicated international team of experienced compliance and legal professionals, monitors regulatory developments and changes in the business landscape to propose necessary improvements to the System.

Insights into the strengths and weaknesses of our compliance framework are also gained through internal audits, observations of the compliance team and whistleblower reports. Additionally, Hexagon has defined a set of compliance-related Key Performance Indicators (KPIs) to systematically measure and monitor compliance activity. These KPIs serve as valuable metrics for evaluating the effectiveness of the System and identifying areas for improvement. This proactive approach allows us to continually refine and improve our System, ensuring our compliance strategy is both robust and responsive.

Response to misconduct

Our commitment to upholding the highest standards of ethics and compliance is shown by our well-documented process for investigating allegations of misconduct. Our methodology in dealing with misconduct reports follows a risk-oriented approach and ensures thorough and impartial investigations, identifying root causes, implementing effective steps to remediate issues and, when necessary, establish policies and procedures to prevent their recurrence.

Hexagon actively promotes a culture of integrity and responsibility among its employees, while also empowering external stakeholders—including suppliers, customers, freelancers, contractors, and shareholders—to report any suspected violations of law or Hexagon's internal policies and procedures. We provide several reporting channels to submit such reports.

Since 2021, Hexagon has used an external whistleblower reporting system to manage reports and ensure consistent case management and recordkeeping. Available 24/7/365, the platform provides a secure channel for submissions in multiple languages, either in writing or by phone, and supports confidential reporting. In 2025, Hexagon selected a new provider offering the same capabilities with enhanced, up-to-date functionality. This new system has been operational since 1 December 2025.

In 2022, Hexagon introduced the Procedure for Internal Reporting and Investigations to establish a uniform standard for the management of reports and the conduct of investigations. This procedure, while informed by the EU Whistleblower Directive's approach to managing reports and conducting investigations, extends its applicability beyond the EU Directive's scope, allowing for a wider range of violations to be reported.

Hexagon ensures that responses to reports are tailored to the specifics of each case. The typical process involves logging the report into our case management system, acknowledging its receipt within five business days, and conducting a preliminary evaluation. Depending on the case, we may initiate a detailed investigation, take other appropriate actions, or close the matter. Necessary responsive measures are implemented, and progress updates are provided to the reporter where appropriate.

We uphold a strict no-retaliation policy to protect individuals who report concerns in good faith. Cases reported within Hexagon's reporting systems are made available to the Board of Directors and the Audit Committee. They review these cases while fully preserving the anonymity of the individuals involved.

System evolution through 2025

In 2025, Hexagon demonstrated a proactive and dynamic approach to enhancing its compliance framework, by addressing emerging challenges and integrating valuable

insights according to the motto "Progress through action". Key developments and actions undertaken to reinforce compliance efforts include:

- **Enhanced Compliance Team:** The Hexagon Compliance Network was strengthened and refined, supported by the addition of new colleagues.
- **Employee Mobilisation:** Coordinators continue to play a pivotal role in supporting the Division and Region Compliance officers as well as serving as local liaisons with operational teams.
- **Training:** Hexagon's compliance team and company leaders participated in a range of external training programs, focusing on topics such as investigations, compliance, geopolitical developments, and fraud. These efforts demonstrate our commitment to maintaining expertise, professionalism, and best practices. Furthermore, in 2025, Hexagon Global Compliance continued to deliver tailored learning sessions in various formats and modules aligned with the Hexagon Compliance Programme, addressing employees' specific development needs.
- **Employee engagement:** Thanks to the communication efforts deployed by the Hexagon Compliance team in 2025, the employee survey showed significant improvements in the visibility, alignment, and implementation of the Code of Business Conduct and Ethics and overall engagement on compliance topics. Furthermore, awareness of Hexagon's reporting channels and its ethics and compliance requirements are now firmly established.
- **Potential Misconduct reporting:** In 2025, 97 (74) reports of potential misconduct were received. Each report was carefully reviewed, and appropriate actions were taken, underscoring our dedication to promptly addressing and resolving compliance concerns. The increase compared to 2024 reflects greater awareness of Hexagon's reporting channels

and strengthened trust in the reporting system and procedures. Furthermore, in 2025, Hexagon reinforced its internal controls on diversion risks, ensuring strict compliance with new regulations and public authority requirements on trade sanctions for operations in Russia, Belarus, and non-government-controlled areas of Ukraine.

– Compliance documentation and policy

implementation: In 2025, the Hexagon Compliance Team focused on reviewing, updating, and simplifying compliance policies, streamlining documentation to enhance transparency, and communicating with employees. The updated compliance framework ensures effective management of compliance risks and strengthens Hexagon's compliance architecture

by addressing evolving risks and maintaining robust controls. In addition, Hexagon Global Compliance has fostered synergies by establishing an internal platform for knowledge sharing across the organisation on emerging regulatory topics, including AI and product compliance.

– Continuous improvement: As part of our commitment to ongoing enhancement, the annual compliance audit plan focused on the implementation of compliance processes, supporting strong internal controls. While no critical issues were identified for remediation, the compliance team remains vigilant and continues to train Hexagon employees actively.

Implementation of compliance tool

In 2025, a new solution to ensure the professional management and implementation of the administration of gifts, hospitality, and conflict of interest policies has been implemented. This new solution enhances transparency, harmonisation and efficiency for the management of this potential area of corruption.

Conclusion

Hexagon remains steadfast in our commitment to maintaining the highest standards of ethics and compliance. Our dynamic approach to compliance management ensures that our System not only meets current legal requirements but remains poised to address future challenges.





Sustainability Statement

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Introduction

This year, Hexagon's Sustainability Statement has been further developed to provide a more structured and transparent overview of the Group's environmental, social and governance performance. The Sustainability Statement has been prepared in accordance with the Swedish Annual Accounts Act, and the sustainability disclosures have been significantly expanded to align with the requirements of the European Sustainability Reporting Standards (ESRS), the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy. It also serves as Hexagon's statutory Sustainability Statement.

How to read this report

- Each chapter title includes an ESRS code that indicates the corresponding overarching standard.
- The ESRS content index (IRO-2) on page 171 provides an overview of all disclosure requirements covered in this report.
- Where historical data are available and applicable related to ESRS, Hexagon has presented quantitative comparisons with the previous year's figures to enhance transparency and traceability.

General basis for preparation

BP-1 General basis for preparation of the Sustainability Statement

The Sustainability Statement has been prepared at the consolidated level by the Group Sustainability Team at Hexagon. The scope of the consolidation aligns with that of the consolidated financial statements, encompassing the Parent Company and all entities over which Hexagon has a controlling influence. The same principles for determining control and consolidation have been applied. No subsidiaries included in the consolidation are exempt from individual or consolidated sustainability reporting.

The Sustainability Statement addresses Hexagon's own operations as well as relevant aspects of the upstream and downstream value chain. Impacts, risks, and opportunities (IROs) have been identified and assessed across the value chain as part of Hexagon's double materiality analysis (DMA). The applicability of policies, actions, targets, and metrics beyond Hexagon's own operations varies depending on the topic and the nature of the impacts. Further details on how these elements extend into the value chain are provided in the respective topical disclosures throughout the report.

Hexagon has opted not to withhold any information related to intellectual property, know-how, or innovation results that are material from a sustainability perspective. Regarding ongoing developments or matters under negotiation, Hexagon has no information to report as of the date of this Sustainability Statement.

Disclosures in relation to specific circumstances

BP-2 Disclosures in relation to specific circumstances

Time horizons

Hexagon uses the time horizon definitions specified in ESRS 1 for its general business and climate transition assessments: short term refers to less than one year, medium term to 1-5 years, and long term to more than 5 years. However, for the assessment of physical climate risks, Hexagon adopts a different set of time horizons: short term covers 0-5 years, medium term spans 5-15 years, and long term extends 15-25 years. This set of longer time horizons are chosen due to the uncertainty in short-term climate projections and the dynamic nature of new hazards and the intensification of existing ones, as well as to better align with existing physical climate risk assessments used for insurance purposes.

Value chain estimations

Hexagon uses value chain estimations where direct data from upstream or downstream partners are not fully available. Estimates are based on sector-specific emission factors, proxy data from comparable suppliers, and extrapolations from partial datasets. Assumptions and methodological limitations are disclosed where relevant, and Hexagon is working to increase primary data collection and improve data quality across the value chain.

For example, Scope 3 carbon emissions data are subject to a high level of uncertainty due to reliance on third-party data, limited visibility into supply chain activities, and estimations. This uncertainty is mitigated by using consistent data sources and estimation methods, as well as applying industry-standard reporting guidance. Read more under E1-6 on pages 115–117.

Sources of estimation and outcome uncertainty

Hexagon has evaluated its quantitative metrics and monetary amounts and does not identify any that are subject to a high level of measurement uncertainty.

Changes in preparation or presentation of sustainability information

The sustainability disclosures in this report have been significantly expanded to align with the requirements of the CSRD and ESRS for the first time in 2025. Hexagon has updated the presentation of sustainability information, including adjustments to the report structure to reflect ESRS requirements and the company's double materiality assessment. Additionally, the Sustainability Statement is now included in the Directors' report, unlike in previous reporting periods.

Hexagon has applied the phase-in provisions permitted under ESRS 1 Appendix C for the current reporting period. In accordance with these provisions, the company has deferred or limited certain disclosures, as outlined below:

- **SBM-3:** Qualitative-only disclosure of anticipated financial effects related to material IROs and their interaction with the company's strategy and business model.
- **E1-9:** Omission of full disclosure during the first reporting year.
- **E5-6:** Omission of full disclosure during the first reporting year.
- **S1-7, S1-8, S1-11, S1-12, S1-13, S1-14, S1-15:** Omission of the datapoints specified in these disclosure requirements.

Reporting errors in prior periods

During the preparation of this first ESRS report, certain reporting errors were identified in the sustainability data for the 2024 reporting period. These errors primarily related to formatting and conversion issues and the use of extrapolated data in cases where complete underlying data were not available at the time of reporting. The root causes were identified as system limitations, manual data processing, and data availability constraints.

Corrections were made to disclosures relating to the number of employees, water consumption, the number of company cars, and greenhouse gas emissions under Scope 1, Scope 2 and Scope 3, including emissions from company car travel, energy use at facilities, and business travel. The impact of these corrections is assessed as non-material, as the total reported figures for the Group did not change by more than 1.5 per cent. Comparative figures have been restated in the 2025 reporting period to enhance the accuracy and comparability of the disclosed information. Actions have been taken to strengthen internal systems and reporting processes to improve data quality in future reporting periods.

Inclusion of non-material information

Hexagon has chosen to include certain information related to water, although the topic has been assessed as non-material based on the double materiality assessment in accordance with the ESRS. Water has been reported in previous years and is included for reasons of continuity and transparency, as well as in response to requests from investors and stakeholders. As the topic is assessed as not material, water is not part of the formal Sustainability Statement prepared in accordance with the ESRS. The related disclosures are therefore marked in grey to enable the reader to distinguish this information from the formal Sustainability Statement. Hexagon reports water

withdrawals, discharges, and practices in accordance with GRI 2021, as in previous years.

Incorporation by reference

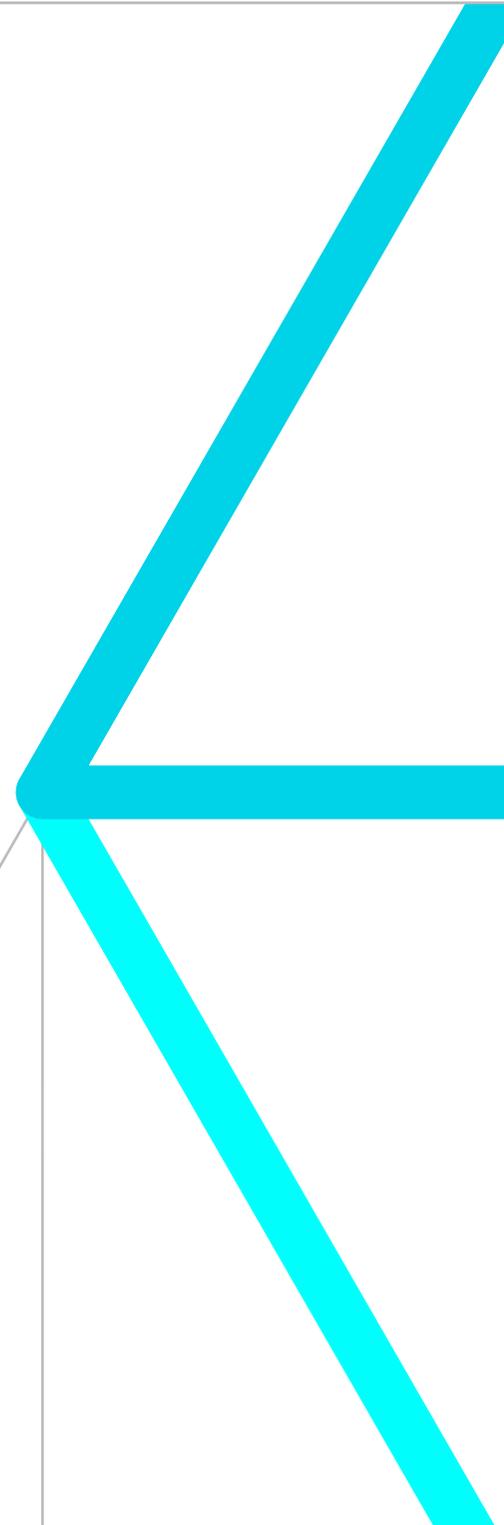
The following disclosures and datapoints have been incorporated by reference:

Disclosure	Page / Paragraph
G1-3 Prevention and detection of corruption and bribery	Page 42/Directors' report, Managing risks
SBM-1 § 40(a) iii. Strategy, business model and value chain	Page 210/Financial statements, Note 28
SBM-1 § 40(b) Strategy, business model and value chain	Page 187/Financial statements, Note 3
S1-6 § 50 (f) Characteristics of the undertaking's employees	Page 210/Financial statements, Note 28

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Information on how Hexagon's economic activities have been assessed for the EU Taxonomy eligibility and alignment, as well as the integration of Taxonomy considerations into strategic and investment decisions, is disclosed on pages 120–124 – EU Taxonomy Regulation Report 2025.

For information regarding other disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements, see Appendix on pages 171–175.



The roles and responsibilities of the Board and Management

GOV-1 The role of the administrative, management and supervisory bodies

Composition and diversity

Hexagon's Board of Directors (hereinafter referred to as the Board), the company's highest administrative body below the Annual General Meeting (AGM), currently consists of nine non-executive members and does not include employee representatives. Gender diversity on the Board is 44 per cent female and 56 per cent male, while the percentage of independent board members is 67 per cent.

The Executive Management Team, responsible for day-to-day operations and strategic execution, currently comprises 14 members, including the President and CEO. Gender diversity on the Executive Management Team is 7 per cent female and 93 per cent male.

Board and management members collectively bring a wide range of experience relevant to Hexagon's sector, products, and global operations. This includes expertise in technology and software, industrial and manufacturing operations, financial management, corporate governance, international business, sustainability, and innovation. Their combined expertise ensures effective strategic oversight, operational leadership, and support for Hexagon's objectives across its markets and value chain.

In 2025, the Board underwent changes with the appointment of two new members. One has been appointed as Vice Chairman of the Board, while the other has joined as a Member of the Board and the Audit Committee. The Executive Management Team also saw changes with the appointment of a new President and CEO, two new Business Area Presidents, and a new Chief Strategy Officer. These changes enhance Hexagon's leadership capacity and support the company's strategic objectives.

Roles and responsibilities

The Board of Directors holds ultimate responsibility for Hexagon's sustainability strategy and ESG governance. It is informed of relevant sustainability topics at all meetings, at least quarterly, and approves major changes to Hexagon's sustainability framework, including updates to ESG targets. The Board oversees the establishment of targets related to material sustainability impacts, risks, and opportunities, and monitors progress toward these targets. In addition, the Board is involved in the approval process for major investments, capital expenditures, acquisitions, and divestitures, incorporating sustainability considerations.

The Hexagon Audit Committee serves as the oversight body for sustainability-related matters. It assesses strategic sustainability risks and opportunities, ensures company-wide implementation of the sustainability framework, and oversees ESG management and internal controls.

Operational responsibility for sustainability is assigned to Hexagon's Chief Financial Officer (CFO), who reports directly to the Board. The CFO is a member of the Executive Management and participates in all Audit Committee meetings. The CFO oversees the Hexagon Sustainability Department and ensures that sustainability matters are integrated into management processes and company-wide governance.

At the business area level, sustainability topics are reviewed and reported in the Quarterly Business Review (QBR) for all business areas. This process ensures accountability across the Executive Management and alignment with ESG targets. The ESG Steering Committee, composed of representatives from each business area



and key corporate functions, discusses material company-wide sustainability topics and proposes initiatives and investments to the Executive Management.

The Hexagon Sustainability Department, led by the Head of Sustainability who reports to the CFO, defines the Group's sustainability strategy and targets. The department monitors developments in sustainability through engagement with stakeholders, investors, customers, NGOs, and policymakers. Material topics are identified through a double materiality assessment, considering both environmental and social impacts as well

as financial implications from an inside-out and outside-in perspective.

This governance structure, combining oversight from the Board and Audit Committee with operational execution through the CFO, ESG Steering Committee, and Sustainability Department, ensures that Hexagon systematically manages, monitors, and reports on material IROs.

Sustainability skills and expertise

Hexagon ensures that its administrative, management, and supervisory bodies have the necessary skills and expertise to oversee sustainability matters. The Board of Directors and Executive Management collectively possess sustainability-related expertise gained through direct experience in ESG governance, participation in relevant training programmes, and access to external advisors when specialised knowledge is required.

The Sustainability Department, led by the CFO, provides the administrative, management, and supervisory bodies with relevant expertise through guidance, training, and the development of governance structures. The department supports all ESG programmes, develops tools and training, and oversees the implementation of the company's sustainability improvement roadmap. The department also manages the procurement of renewable and carbon reduction credits, ensuring that strategic sustainability initiatives are executed effectively. These sustainability-related skills and resources are directly aligned with Hexagon's material impacts, risks, and opportunities. By combining internal expertise, structured governance, and access to external advisors, Hexagon ensures that oversight and decision-making on ESG matters are informed, comprehensive, and effective across the company's operations and value chain.

Sustainability oversight

GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Hexagon's administrative and management bodies are regularly updated on material sustainability impacts, risks, and opportunities. During each Board meeting, the CFO presents ESG progress updates, which include information on new and ongoing initiatives and emerging risks. This process ensures that the Board remains informed about the implementation of due diligence processes, the effectiveness of policies, and progress against metrics and targets.

The Board takes sustainability IROs into account when overseeing Hexagon's overall strategy, evaluating major transactions, and reviewing the company's risk management processes. Potential trade-offs related to material ESG issues are considered in strategic decision-making, ensuring that sustainability considerations are integrated throughout the organisation's governance and operational practices.

Governance body	Frequency of updates	2025 Meetings	Information provided	Primary topics discussed	Material IROs discussed	Actions taken
Board of Directors	At least quarterly	4	<ul style="list-style-type: none"> – Policies and compliance programme 	<ul style="list-style-type: none"> – Governance – Climate reduction plan – Supplier due diligence 	<ul style="list-style-type: none"> – Labour rights and human rights due diligence gaps in the supply chain – Ethical and compliance challenges in a global workforce – Exposure to corruption-related legal and financial liabilities 	<ul style="list-style-type: none"> – Approved sustainability goals – Reviewed value chain governance – Reviewed progress against established targets to ensure continued alignment
Audit Committee	At least quarterly	6	<ul style="list-style-type: none"> – ESG regulatory landscape update – DMA and IROs overview – ESG performance review at Hexagon level 	<ul style="list-style-type: none"> – Governance and regulatory compliance – Risks and opportunities assessment – Climate reduction plan – Supplier due diligence – Own workforce engagement 	<ul style="list-style-type: none"> – Human rights due diligence gaps posing legal and reputational risks – Financial and reputational risks from governance gaps – Stricter regulations and cost pressure for manufacturing – Extreme weather events and regulatory changes increasing financial risk 	<ul style="list-style-type: none"> – Approved Double Materiality Assessment – Provided oversight of progress toward meeting forthcoming regulatory requirements
Executive Management	At least quarterly	6	<ul style="list-style-type: none"> – DMA and insights from stakeholder assessments – Strategy definition and review – Update on ESG operational improvements in each of the Business Areas 	<ul style="list-style-type: none"> – Sustainability strategy and positioning – Employee engagement – Environmental management – Supplier assessments 	<ul style="list-style-type: none"> – Greenhouse gas emissions from transport, production, and use phase – Solutions enhancing efficiency – Advanced technologies enhancing climate adaptation – Digital solutions enhancing energy efficiency and sustainability – Electronic waste posing an environmental risk if not managed properly 	<ul style="list-style-type: none"> – Translated Hexagon's strategic targets into concrete operational roadmaps – Implemented key initiatives to drive measurable improvements, including authorising the purchase of renewable energy – Monitored progress across all relevant sub-topics to ensure alignment and accountability

Incentive schemes

GOV-3 Integration of sustainability-related performance in incentive schemes

Up to the end of 2025, Hexagon did not apply any incentive schemes or remuneration policies tied to sustainability matters for members of its administrative, management, or supervisory bodies. Consequently, no performance was assessed against specific sustainability-related targets, and no associated metrics or remuneration components were reported.

Beginning in 2026, Hexagon initiated the integration of sustainability criteria into its compensation and incentive frameworks. This step reflects Hexagon's commitment to aligning executive performance with long-term environmental and social objectives and ensuring that sustainability becomes an integral part of our governance and value creation strategy.

Due diligence processes

GOV-4 Statement on due diligence

The Environmental Policy, Conflict Minerals Policy, Diversity, Equity and Inclusion Policy, Anti-Human-Trafficking Policy, and Modern Slavery Act define Hexagon's approach to sustainability governance and human rights due diligence. The Code of Business Conduct and Ethics (the Code) and the Supplier Code of Conduct (the Supplier Code) offer additional guidance on implementing sustainability due diligence in daily operations. Hexagon also adopts a comprehensive

approach to sustainability during acquisitions, integrating ESG considerations into both due diligence and post-transaction integration to ensure responsible business practices and alignment with the company's sustainability objectives. Information regarding Hexagon's sustainability due diligence is presented throughout the Sustainability Statement and summarised in the table below.

Core elements of due diligence	Page	Core elements of due diligence	Page	Core elements of due diligence	Page
Embedding due diligence in strategy, governance and business model		Identifying and assessing adverse impacts		Tracking effectiveness of these efforts and communicating	
GOV-2	81	SBM-3	96–97	E1-4	111–112
GOV-3	82	IRO-1 E1, E2, E3, E4, E5, G1	94	E1-5	113–114
SBM-3	96–97			E1-6	115–117
				E5-3	128
Engaging with affected stakeholders		Taking actions to address those adverse impacts		E5-5	129
GOV-2	81	SBM-3	96–97	S1-5	143
SBM-2	89–92	E1-3	108–110	S1-6	144–145
IRO-1	93–95	E5-2	127	S1-8	146
MDR-P	84	S1-3	139–140	S1-9	147
S1-2	138–139	S1-4	140–142	S1-10	148
S2-2	158–159	S2-3	160	S1-13	149–150
		S2-4	160–161	S1-14	151
				S1-16	152
				S1-17	153
				S2-5	161

Risk management and internal controls

GOV-5 Risk management and internal controls over sustainability reporting

Hexagon has established a framework for risk management and internal control to ensure the accuracy and reliability of sustainability reporting. This framework aligns with international standards, including the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and the ESRS. The framework is applied company-wide across all legal entities and business areas and is reviewed on an annual basis as part of Hexagon's sustainability reporting cycle.

The sustainability risk management and internal control processes encompass all material environmental, social, and governance (ESG) factors across Hexagon's operations. The scope of these processes covers all business entities, operational sites, and functions contributing to sustainability data and disclosures. The detailed control methodologies applied for each ESG topic are described in the respective sections of this Sustainability Statement.

Key components include:

Data collection and validation:

ESG data is collected and validated from all business entities and operations using a consolidation tool.

Governance and accountability:

A Sustainability Lead for each Business Area oversees control design and implementation, while operational teams ensure data quality.

Internal review and external assurance:

Internal audits and third-party assurance reviews verify compliance with reporting standards and identify areas for improvement.

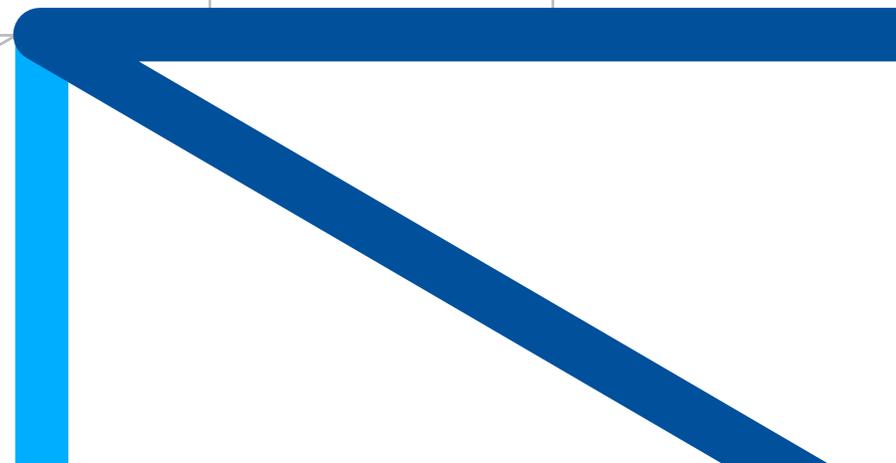
Reporting framework:

Roles, responsibilities, and ESG indicators required for reporting are defined in Hexagon's Sustainability Reporting Guidance.

Sustainability reporting risks are identified through consultations with internal stakeholders and analysis of system-related factors, such as data availability and integration between entities and consolidation systems. Risks are prioritised as high, medium, or low, with resources allocated to address the most critical risks first. Mitigation strategies include integrating data collection into operational procedures, providing employee training, ensuring transparent stakeholder communication, implementing automated data collection systems, and conducting periodic internal and external audits. The main sustainability reporting risks identified are data management integration between IT systems and manual errors in data input at the entity level.

Findings from sustainability risk assessments and internal controls are systematically integrated into Hexagon's sustainability reporting process and broader management system to drive continuous improvement. Identified risks and improvement areas are addressed through updates to operational processes, systems, and stakeholder engagement practices.

Results from these assessments are reported through Hexagon's established governance framework. The Sustainability Department consolidates relevant figures and provides regular updates to the Chief Strategy Officer, the Chief Financial Officer, the Audit Committee, and the Board of Directors. This ensures effective oversight, informed decision-making, and accountability for sustainability reporting across the organisation.



Sustainability policies and governance documents

MDR-P Policies adopted to manage material sustainability matters

The table presents Hexagon’s sustainability-related Group policies and does not constitute an exhaustive list of all governing documents. The policy documents are approved by the Board of Directors and apply to all employees, contractors, and third parties acting on Hexagon’s behalf, establishing a mandatory framework that defines minimum standards and governance principles and is operationalised through procedures, guidelines, and internal controls relevant to each topical area. In developing the policies, Hexagon relied on established practices and did not conduct a formal stakeholder engagement process. All policies are publicly available on Hexagon’s webpage to potentially affected stakeholders and stakeholders who need help to implement them. Each policy is described further at a topical level in the following sections.

Policy	Description	Scope	Third-party standards & external initiatives
Conflict Minerals Policy > S2	Describes how Hexagon upholds the highest standards of ethics and compliance across all its business activities and regions of operation. It outlines Hexagon’s commitment to responsible sourcing and respect for human rights throughout its own operations and supply chain, demonstrating a dedication that goes beyond mere legal compliance.	All legal entities, all employees, third-party employees, and business partners who act on Hexagon’s behalf.	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
Diversity, Equity and Inclusion Policy > S1	Indicates that Hexagon conducts its operations in a manner that respects human rights and supports the labour standards established by the International Labour Organisation (“ILO”). Furthermore, the policy emphasises Hexagon’s commitment to fostering a work environment that encourages employees to develop their talents and careers, exercise creativity, and achieve high performance. It also highlights Hexagon’s proactive efforts to recruit, develop, and retain talented individuals from diverse backgrounds.	All legal entities, all employees, third-party employees, and business partners who act on Hexagon’s behalf.	International Labour Organisation (ILO) United Nations Universal Declaration of Human Rights
Environmental Policy > E1, E5 and S2	Describes how Hexagon strives to create a positive environmental impact by actively addressing global environmental challenges. The policy outlines several key focus areas, including climate action, energy efficiency, circular economy practices, air quality improvement, water management, biodiversity protection, sustainable innovation, cultural sustainability, responsible leadership, and respect for communities.	All legal entities, all employees, third-party employees, suppliers, and business partners who act on Hexagon’s behalf.	REACH, EC 1907/2006 ISO 14001 Science Based Targets Initiative (SBTi)
Hexagon Anti-Human-Trafficking Policy > S2	Explains Hexagon’s responsibility to uphold the highest standards of ethics and compliance across all business activities and regions of operation. The policy aims to prevent human trafficking within its business and supply chain, ensuring compliance with applicable laws and regulations while respecting internationally recognised human rights standards and principles.	All employees, third-party employees, and business partners who act on Hexagon’s behalf.	UN’s Global Compact
Hexagon Code of Business Conduct and Ethics > E5, S1 and G1	The purpose of the Code is to support sound decision-making in everyday work. It serves as a guide by outlining Hexagon’s expectations and requirements for all activities conducted on its behalf. The Code provides guidance on maintaining an ethical workplace, securing data and assets, acting with integrity, operating sustainably, communicating appropriately, and ensuring proper record keeping. It also reinforces the core values that define Hexagon’s culture and conduct.	All legal entities, all employees, third-party employees, suppliers, and business partners who act and work on Hexagon’s behalf.	OECD Responsible Business Conduct UN’s Global Compact
Modern Slavery Statement > S1	Describes the management of modern slavery risks within Hexagon’s business and supply chain and is intended to be read alongside the Modern Slavery Policy. The statement outlines Hexagon’s business operations and supply chains, compliance programmes and policies, due diligence processes, risk assessment and management practices, performance indicators, and training initiatives.	All legal entities, all employees, third-party employees, and suppliers.	Section 54(1) of the Modern Slavery Act 2015
Supplier Code of Conduct > E5, S2 and G1	Outlines the standards Hexagon upholds and the principles it expects its suppliers to follow. It addresses human rights, fair labour practices, environmental responsibility, and zero tolerance for corruption. These shared commitments foster long-term, responsible growth for suppliers.	All suppliers.	UN’s Global Compact International Labour Organisation (ILO)
Unfair Discrimination and Harassment Policy > S1	Describes how Hexagon fosters a work environment that upholds and protects the dignity of all employees, as well as individuals who work with or provide services to the company. It is designed to ensure a workplace free from discrimination and harassment, while offering employees clear channels to report any instances of unfair treatment.	All legal entities, all employees, third-party employees, and business partners who act on Hexagon’s behalf.	–

Strategy

SBM-1 Strategy, business model and value chain

Hexagon's solutions drive productivity, quality, safety, and sustainability across industries like aerospace, agriculture, automotive, construction, manufacturing, and mining. Its sustainability strategy is built on two pillars: empowering change and creating change. Through empowering change, Hexagon enables customers and stakeholders to drive sustainable transformation by leveraging solutions that enhance efficiency, safety, and resource use across industries. Through creating change, Hexagon advances sustainability within its own operations and value chain, fostering a culture of sustainability among its employees and partners.

Empowering change

The company empowers customers in manufacturing, construction, government, transportation, automotive, and utilities to utilise cutting-edge technology to address existing challenges, improving outcomes while minimising environmental impact. Solutions such as construction software, production software, and metrology tools enhance efficiency throughout the lifecycle of products and infrastructure, reducing resource consumption, emissions, and waste across industries. Hexagon's geospatial technology is instrumental in monitoring and analysing environmental shifts, providing data on deforestation, flooding, wildfires, glacial melting, and other climate-related impacts. This critical information aids authorities, urban planners, and research organisations worldwide in addressing and mitigating these challenges while keeping workers and societies safe. Additionally, Hexagon's investments in green tech start-ups through R-evolution accelerate the transition to a sustainable future.

Enabling sustainability through our solutions

- Sustainability criteria in product innovation
- Innovations to optimise efficiency, productivity, quality, and safety at scale

Empowering other stakeholders to accelerate change

- Engaging with industry-specific platforms
- Distribution Partners Programme
- Accelerating green-tech with R-evolution

Creating change

Hexagon achieves improvements in its sustainability performance by setting ambitious carbon reduction targets that address energy consumption and the company vehicle fleet, leading to operational improvements worldwide. The company also upholds rigorous ESG criteria in its sourcing and supplier contracts. Additionally, Hexagon fosters sustainability by cultivating an inclusive culture that encourages innovation and supports employee retention.

Improving sustainability across our value chain

- Business area-specific net-zero roadmap
- Resource efficiency improvements
- Sustainable procurement programme

Driving sustainability through culture and people

- Inclusive and performance-driven culture
- Social responsibility through education and partnerships

Empowering smart technologies

Hexagon's primary contribution to a sustainable future is through its solutions. By leveraging its broad product portfolio and competencies, Hexagon generates sustainable value across nearly all industries and regions worldwide. No business, industry or geographic area is unaffected by the struggle to tackle the environmental and social challenges of the 21st century. This is why Hexagon's technologies and capabilities are becoming increasingly relevant in creating sustainable business practices that benefit society and the planet as a whole.

Every day, Hexagon's solutions are shaping entire industries to become more connected and autonomous. Unique combinations of sensors and software leverage automation, Artificial Intelligence (AI) and other technologies to harness data in ways that enable more efficient processes and improved decision-making. The result is fewer inputs, less waste, reduced emissions, increased safety, and better preparedness – making entire industries more sustainable.

Hexagon is composed of four business areas:

Manufacturing Intelligence:

Provides metrology, production software, and data-driven analytics solutions that optimise manufacturing processes, enhance precision, improve efficiency, and reduce waste across the entire product life cycle.

Autonomous Solutions:

Develops advanced autonomous technologies that combine positioning, perception, and AI to enable safer, more productive, and precise operations across industries such as agriculture, mining, and transportation.

Octave:

Provides software that connects data, events, and workflows to enhance situational awareness, anticipate risks, and improve reliability, decision-making, and safety across the full life cycle of critical assets and infrastructure.

Geosystems:

Offers reality capture, measurement, and visualisation solutions that enable accurate digital twins, improve efficiency, and support informed decision-making across infrastructure, construction, and mapping projects.

All four business areas help solve some of the most urgent challenges of our time. By unleashing data to do its greatest work, boosting efficiency, productivity, quality, and safety, Hexagon is making smarter use of the Earth's resources and enabling sustainable development. None of Hexagon's products or services are banned in any markets.

Information about Hexagon's employees can be found in S1-6, on pages 144–145 and in Note 28 on page 210 of the financial statements. A breakdown of total revenue by significant ESRS sectors is available in Note 3 on page 187 of the financial statements.

Acquisitions

Acquisitions are a key part of Hexagon's growth strategy, with sustainability integrated throughout the due diligence and integration processes. Each target company is assessed based on its market position, customer reputation, growth and profitability potential, and alignment with Hexagon's R&D roadmap and strategic objectives. Sustainability performance is evaluated, including internal controls, business practices, human rights, environmental and employee issues, anti-corruption regulations, and export controls. The due diligence process combines internal expertise and external specialists in areas such as intellectual property, labour and employment law, anti-corruption, international trade, and real estate, ensuring a thorough assessment of risks, opportunities, and potential synergies.

After acquisition, companies are integrated into Hexagon's processes and methods, adopting the Code and Compliance Programme, which covers areas such as human rights, environmental responsibility, and anti-corruption. All acquired companies are included in the financial and sustainability reporting after integration. Operational integration may include compliance training, financial and operational reviews, and onboarding procedures. All employees are informed about the Code and are expected to always adhere to its principles.

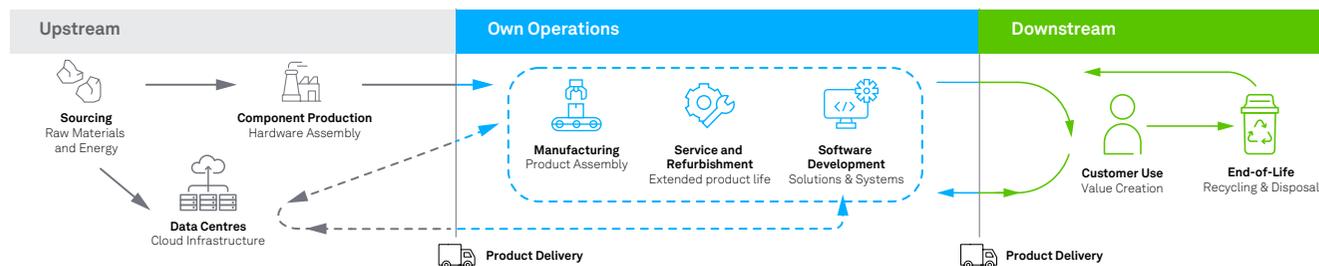
Corporate targets related to the sustainability strategy

Hexagon has seven targets connected to its sustainability strategy, of which five are related to environmental sustainability, one to social sustainability, and one to social and governance sustainability. Achievement of the objectives is monitored through annual evaluations conducted by the Board and executive management, enabling assessment of progress and identification of areas requiring additional action.

The targets are presented in the table below, and further described in relation to each topic.

Focus areas	Period	Target	Commitment
Environment	2022–2050	Reach net-zero greenhouse gas emissions across the value chain by 2050.	Hexagon continuously monitors and reports on environmental performance across the organisation and supports a precautionary approach to environmental challenges. It focuses on reducing GHG emissions in operations and supply chain, improving energy efficiency, minimising waste and hazardous materials, and implementing processes for sustainable resource management. Hexagon also works to reduce stress on water and air quality, integrates sustainability into product design, development, and production processes, and leverages technology innovation, investment, and venture capital to profitably grow and accelerate green-tech business opportunities.
	2022–2030	Reduce absolute Scope 1 and Scope 2 GHG emissions by 95% by 2030 compared to the base year 2022.	
	2022–2027	Increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027.	
	2022–2030	Reduce Scope 3 GHG emissions by 51.6% per EUR value added by 2030 compared to the base year 2022.	
	2022–2028	50% of suppliers by spend covering purchased goods and services will have science-based targets by 2028.	
Social	2021–2025	Achieve at least 30% women in leading positions by 2025.	Hexagon ensures employee health and safety, upholds freedom of association and collective bargaining, eliminates forced or compulsory labour, child labour, and discrimination, fosters a sustainability culture through training, attracts and retains talent, and respects human rights throughout its operations and value chain in line with the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
Social and Governance	2026	Audit key suppliers in high-risk areas at least once every three years.	Hexagon ensures strict adherence to the Code for employees and suppliers, combats all forms of corruption including bribery and extortion, and supports the protection of internationally recognised human rights.

Value chain



Upstream operations

Hexagon’s upstream value chain includes sourcing and production activities for its hardware and software businesses. It starts with the procurement from global suppliers of raw materials and specialised accessories, such as minerals, metals, and plastics used in electronic components. This stage can impact ecosystems and influence local communities through resource extraction and labour practices. Key stakeholders include suppliers and workers in mineral mining, smelting, material processing, and accessory production worldwide.

The next stage is component production, where suppliers fabricate specialised parts and sub-assemblies like electronic boards, batteries, and optical components. These activities mainly occur in Switzerland, Taiwan, China, and Poland. Potential impacts include energy consumption, industrial emissions, and working conditions in manufacturing facilities. Components are usually stored by third-party logistics providers and transported by shipping companies or freight carriers.

For Hexagon’s software offerings, upstream activities also involve operating data centres that store and process data generated by Hexagon’s solutions. These facilities are managed globally by cloud infrastructure providers and rely on utility companies and energy partners for electricity supply. Data centres may drive high energy and water demand, affecting natural resources and local communities through land use and infrastructure development. Key stakeholders include infrastructure providers, data centre workers, and nearby communities.

Own operations

Hexagon’s own operations include manufacturing, software development, and service and refurbishment activities that support the use of its solutions.

Manufacturing focuses on assembling specialised hardware components into finished products at Hexagon’s sites, most of which are located in Switzerland, the United States, Germany, China, Poland, and Singapore. Activities involve integrating pre-manufactured components using advanced machinery and skilled staff. Manufacturing operations require energy, generate waste, and shape employment opportunities for Hexagon’s workforce. Key stakeholders include Hexagon’s employees in research, development, and manufacturing, as well as local communities.

Service and refurbishment operations include maintaining, calibrating, and repairing products to extend their useful life and ensure precision. Hexagon aims to reuse major components through refurbishment programmes, conducted in Switzerland, Singapore, the United States, China, and Spain. Potential impacts include resource use for spare parts and technician exposure to hazardous materials. Key stakeholders include Hexagon’s own workforce at service, calibration, and refurbishment centres.

Software development involves creating digital solutions and platforms that are either stand-alone or integrated with Hexagon’s hardware, primarily in Germany, India, Switzerland, and the United States. While physical

environmental impacts are limited, software development can affect working conditions, mental health, and the global distribution of tech-related jobs. The main stakeholders are Hexagon’s own workforce focused on solutions development.

Downstream operations

Hexagon’s downstream activities cover customer use and end-of-life management of its products, ensuring long-term value while minimising environmental impacts.

Customer use refers to the deployment of Hexagon’s products by end-users, typically lasting over ten years for many product families. Key impacts include increased safety standards and improvements in operational efficiency and energy use. Key stakeholders include Hexagon’s own workforce in sales countries, distribution and installation partners, and customers. The use of Hexagon solutions contributes to reduced resource consumption, lower carbon emissions, and greater efficiency across industries.

End-of-life activities involve the disposal, recycling, or refurbishment of products when further use or reuse of components is no longer feasible, generating electronic waste and pollution risks if unmanaged. Hexagon mitigates impacts by repairing, refurbishing, and recycling products to extend their life cycle and recover valuable components. Key stakeholders include Hexagon’s own workforce at service centres and workers in waste management and recycling facilities where products reach their end of life.

Stakeholders' interests and views

SBM-2 Interests and views of stakeholders

Hexagon's key stakeholders include both internal and external parties, encompassing both its own operations and the downstream and upstream value chain. Hexagon continuously engages with these stakeholders, and the stakeholders involved can be found in the tables on the following pages.

Hexagon distinguishes between affected stakeholders—those who experience actual or potential impacts from Hexagon's operations or value chain—and users of the sustainability statement, who rely on the disclosures for economic, regulatory, or strategic decision-making. Affected stakeholders include employees, suppliers and supply-chain workers, technology and R&D partners, customers, end-users, local communities, and the natural environment. Users of the sustainability statement include investors, regulators, and Hexagon's Executive Management and Board of Directors, who draw on the sustainability information to support investment assessments, compliance oversight, and strategic governance.

Each Business Area is responsible for mapping the stakeholders and collecting relevant information. Stakeholder engagement is a crucial component of Hexagon's ongoing sustainability due diligence process. Hexagon has engaged with both its own workforce and workers in the value chain to understand risks and impacts associated with working conditions, equal treatment, opportunities, and other work-related rights. Furthermore, Hexagon has been validating different ESG topics for more than 114 suppliers and has used these validations as a starting point to draft improvement plans collaboratively with the suppliers.

The administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders in relation to sustainability-related impacts at all meetings, at least on a quarterly basis. While the insights from the stakeholder dialogues have not yet led to changes in the company's business model or strategy during the reporting period, they play an important role in shaping Hexagon's understanding of stakeholder expectations and emerging sustainability topics.



Upstream Stakeholders

Stakeholder type	Profile description	Method of engagement	Purpose of engagement	How Hexagon is using their input
Suppliers	Providers of raw materials, technology components, and software necessary for Hexagon's products and solutions.	<ul style="list-style-type: none"> – Supplier programme. – Collection of data on conflict minerals/sourcing. – Integration of ESG-related topics in the Supplier Code, on-site audits, and ESG Self-Assessments. 	<ul style="list-style-type: none"> – To ensure ethical sourcing, enhance sustainability in the supply chain, and foster collaborative growth aligned with ESG principles. 	<ul style="list-style-type: none"> – Understand the needs and priorities of suppliers and partners, creating mutually beneficial partnerships; adopt and implement ESG frameworks, such as the Supplier Code and third-party certifications. – Identify potential risks or gaps in the supply chain and enhance policies for ethical sourcing and sustainable procurement; develop and implement robust standards for labour rights, human rights, and environmental stewardship. – Proactively address risks related to compliance, resource scarcity, and geopolitical challenges; strengthen risk management through contingency planning and decision-making processes. – Increase transparency in sourcing practices, ensuring compliance with global standards and customer expectations; build and maintain a traceable and accountable supply chain, showcasing Hexagon's commitment to integrity. – Identify areas where suppliers may need support or training in sustainability practices. Provide tools, workshops, and resources to help suppliers adopt and meet Hexagon's sustainability standards. – Identify high-performing suppliers and partners who excel in sustainability practices.
Technology and R&D Partners	Institutions or companies providing research, innovation, and technological solutions.	<ul style="list-style-type: none"> – Best practice exchange. – Collaborative working groups to set standards. – Technical function groups and guidance committees. 	<ul style="list-style-type: none"> – To co-develop innovative solutions, enhance product offerings, and drive sustainability through advanced technologies. 	<ul style="list-style-type: none"> – Collaborate to design pioneering, sustainability-focused solutions that address complex challenges. – Refine product offerings to enhance the efficiency, usability, and environmental impact of Hexagon's technologies. – Partner on projects to tackle industry-wide sustainability priorities and inspire new approaches. – Strengthen market leadership to maintain Hexagon's position as a trailblazer in technological and ESG advancements.
Regulators and Policymakers	Entities setting frameworks that shape the operational environment (e.g., CSRD, ESRS, and environmental standards).	<ul style="list-style-type: none"> – Seminars and events. – Materiality assessment. – Function groups and guidance committees. 	<ul style="list-style-type: none"> – To ensure compliance with laws and standards, align with emerging regulations, and proactively address sustainability mandates. 	<ul style="list-style-type: none"> – Align Hexagon's ESG practices and disclosures with regulatory frameworks such as CSRD, ESRS, and TCFD. Incorporate their input to address gaps in compliance, ensuring all legal requirements are met and maintained. – Use insights from regulators to stay ahead of evolving legislation and policy trends in sustainability. – Proactively adjust Hexagon's strategies to address future regulatory changes, reducing risks of non-compliance and operational disruptions. – Utilise regulatory guidance to refine Sustainability Statements, ensuring they are accurate, comprehensive, and aligned with required disclosure standards; provide clear and consistent information to meet the expectations of regulators, investors, and other stakeholders. – Integrate ESG risks into Hexagon's enterprise risk management processes, ensuring robust systems to address issues like climate change, human rights, and governance challenges; create contingency plans and strengthen Hexagon's resilience to regulatory pressures. – Position Hexagon as an industry leader in regulatory adherence and sustainability; share best practices and lessons learned from regulatory engagement to encourage sector-wide improvements in ESG compliance.

Own Operations

Stakeholder type	Profile description	Method of engagement	Purpose of engagement	How Hexagon is using their input
Employees	All employees, including management and workforce in various business areas. They are impacted by policies on DEI, well-being, career development, and sustainability-driven goals.	<ul style="list-style-type: none"> – Employee survey. – Collection of H&S data. – Employee councils (DEI). – Compliance and ethics channel (whistleblower). 	<ul style="list-style-type: none"> – To ensure fair working conditions, foster well-being, increase employee retention, attract top talent, and align workforce efforts with sustainability goals. 	<ul style="list-style-type: none"> – Gather feedback to improve DEI initiatives, training programmes, and employee satisfaction metrics. – Design and implement targeted communication strategies to help employees understand the deeper value of ESG principles, such as how sustainability contributes to long-term business success, innovation, and societal impact. – Collaborate with employees to identify practical ways ESG principles can be embedded into their daily tasks and decision-making processes. – Incorporate ESG-related goals into performance metrics and job responsibilities, enabling employees to see the direct relevance of their contributions. – Use employee insights to identify opportunities for innovation tied to sustainability, such as reducing waste in processes, improving energy efficiency, or designing more sustainable products and solutions. – Bridge the gap between ESG and employee impact: how their feedback and actions directly contribute to the company's overall sustainability achievements.
Executive Management and Board of Directors	Senior management responsible for integrating sustainability into strategy and decision-making.	<ul style="list-style-type: none"> – ESG topics in Board of Directors, Audit Committee and Executive Management meetings. – Quarterly business area performance reviews. – Business strategy workshops. – Meetings and employee events. 	<ul style="list-style-type: none"> – To integrate sustainability into strategic decision-making and ensure alignment with regulatory standards. 	<ul style="list-style-type: none"> – Shape corporate strategies, allocate resources, and align governance structures with ESG goals. – Use leadership input to ensure compliance with frameworks like CSRD, ESRS, and TCFD while proactively preparing for emerging regulatory trends. – Refine the alignment of ESG initiatives with the company's broader strategic goals, ensuring sustainability becomes a core element of business strategy rather than a compliance exercise. – Prioritise ESG efforts that align with business growth, risk mitigation, and competitive advantage. – Create or enhance governance structures based on leadership insights, such as embedding sustainability metrics into leadership accountability frameworks. – Collaborate with executives to cascade ESG principles through all organisational layers, ensuring their influence drives a culture of sustainability. – Gather leadership feedback to refine sustainability reporting practices, ensuring clarity, transparency, and alignment with investor and stakeholder expectations, and to develop compelling narratives that demonstrate Hexagon's commitment to sustainability and long-term value creation.
Shareholders/ Investors	Institutional and individual investors seeking transparency on ESG performance and alignment with global sustainability goals.	<ul style="list-style-type: none"> – Materiality assessment. – Regular meetings. – Seminars and events. 	<ul style="list-style-type: none"> – To provide transparency on ESG performance and manage risks tied to financial and sustainability goals. 	<ul style="list-style-type: none"> – Build stronger relationships with investors by demonstrating how their feedback is integrated into Hexagon's ESG strategy. Incorporate feedback into reporting frameworks and strategic planning to align with investor priorities. – Encourage ongoing dialogue to ensure that evolving investor priorities are continuously addressed and to enhance Hexagon's reputation as a trustworthy, forward-thinking company committed to both sustainability and financial success. – Refine ESG disclosures, ensuring alignment with global reporting frameworks such as CSRD, ESRS, GRI, and TCFD. – Provide clear, accessible, and comparable data on ESG performance to address investor expectations for transparency and reliability. – Incorporate shareholder insights to design sustainability strategies that balance financial performance with long-term value creation. – Ensure that ESG risks and opportunities are integrated into enterprise risk management frameworks, with regular updates provided to shareholders, and demonstrate how ESG initiatives contribute to mitigating those risks, enhancing profitability, and opening new market opportunities. – Create or promote investment products or projects tied to sustainability, such as green bonds, and showcase the financial potential of ESG-driven innovations to attract impact-focused investors.

Downstream Stakeholders

Stakeholder type	Profile description	Method of engagement	Purpose of engagement	How Hexagon is using their input
Customers	Businesses and individuals utilising Hexagon's digital reality and autonomous technologies.	<ul style="list-style-type: none"> – Double materiality assessment. – Industry-specific customer events. – Customer engagement programmes and User Group meetings. – Avoided Emissions Framework. 	<ul style="list-style-type: none"> – To meet their expectations for innovative, sustainable solutions and enhance customer satisfaction. 	<ul style="list-style-type: none"> – Identify customer needs and preferences for sustainable and innovative solutions in digital reality and autonomous technologies; tailor solutions that help them achieve their own ESG targets, such as improving energy efficiency, using ecodesign or reducing carbon footprints. – Develop products that directly address environmental and societal challenges, ensuring alignment with customer values and market demands. Provide tools, data, and insights that empower customers to integrate sustainability into their operations effectively. – Leverage customer input to explore and develop solutions for new applications, such as renewable energy management, biodiversity monitoring, or circular economy initiatives. – Tailor messaging to highlight how Hexagon's solutions contribute to environmental and societal impact, addressing customers' priorities for sustainability and innovation. – Create case studies, success stories, and testimonials that resonate with current and prospective clients. – Partner with customers to co-develop solutions that address specific challenges, leveraging their insights to create more targeted and impactful offerings; use customer collaboration to refine features, test prototypes, and expand Hexagon's innovation ecosystem.
End-Users	Individuals or groups benefiting indirectly from Hexagon's products (e.g., industries leveraging technology for better environmental performance).	<ul style="list-style-type: none"> – Materiality assessment. – Avoided Emissions. – Industry-specific customer events. – Customer engagement programmes. – User Group meetings. 	<ul style="list-style-type: none"> – To ensure solutions meet their needs, enhance their ability to address sustainability challenges, and improve user experience. 	<ul style="list-style-type: none"> – Ensure Hexagon's products deliver meaningful environmental and operational benefits. – Make technologies more accessible, efficient, and aligned with real-world applications. – Tailor product offerings based on their experiences to better support end-user goals and sustainability challenges. – Build trust by demonstrating how their input shapes Hexagon's innovations and amplifies positive outcomes.
Local Communities	Local and global communities impacted by Hexagon's operations, initiatives, and technologies.	<ul style="list-style-type: none"> – Surveys. – Community-based events, feedback areas. 	<ul style="list-style-type: none"> – To contribute positively to societal well-being and address local environmental and social concerns. 	<ul style="list-style-type: none"> – Design initiatives that address the specific needs and priorities of local and global communities, ensuring Hexagon's projects contribute meaningfully to societal well-being; focus on creating partnerships and programmes that support education, skill development, and local economic growth. – Identify environmental challenges in areas where Hexagon operates and adapt operations to minimise negative impacts; support projects like biodiversity conservation, pollution reduction, and resource efficiency, fostering trust and goodwill. – Measure and monitor impact: assess the effectiveness of Hexagon's projects and initiatives, ensuring that they are delivering measurable and meaningful benefits to communities; develop KPIs for social and environmental impact based on community priorities and regularly report progress.
Nature	Ecosystems, biodiversity, and natural resources impacted by Hexagon's operations, along with the broader environmental landscape that benefits from the company's products and solutions.	<ul style="list-style-type: none"> – Collaboration with environmental NGOs, governmental bodies, and academic institutions. – Integration of nature-related metrics into Hexagon's product features, such as real-time ecosystem data and predictive analytics. 	<ul style="list-style-type: none"> – To ensure Hexagon's products support the management of natural resources and biodiversity, advancing global sustainability goals and ecosystem preservation. 	<ul style="list-style-type: none"> – Refine and enhance nature-focused products to improve ecosystem management capabilities. – Integrate feedback into feature development, enabling more effective monitoring of natural habitats. – Use insights to align product innovations with environmental impact goals and regulatory requirements. – Support organisations in achieving sustainability targets through advanced data solutions for nature management.

Double materiality assessment process

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Methodologies and assumptions

Hexagon's double materiality assessment (DMA) assesses actual and potential social and environmental impacts, as well as financially material risks and opportunities, through both an inside-out and outside-in perspective. The assessment was designed to identify key sustainability-related impacts, as well as financial risks and opportunities arising from the company's operations, while aligning with ESRS.

As part of the assessment, Hexagon also identified and assessed its dependencies on natural, human, and social resources, including energy and raw materials, skilled labour, digital infrastructure, and stable social and regulatory systems, and distinguished these dependencies from the company's impacts on people and the environment.

The DMA was conducted at Group level, covering all subsidiaries and geographies, and included both direct operational impacts and significant parts of the value chain. Focus was given to areas where environmental and social impacts were deemed most significant. Stakeholders across Hexagon's value chain were engaged throughout the assessment, and external experts were consulted on topics such as climate change, human rights, and supply chain management.

Process

The double materiality assessment followed a process consisting of three main stages:

Preparation and identification of potential material topics

The assessment began with a due diligence phase to identify potentially material topics. This included a review of ESRS topics, Sustainability Accounting Standards

Board (SASB) sectors, as well as peer disclosures, to ensure a comprehensive understanding of the sustainability landscape and best practices.

Assessment through stakeholder engagement and analysis

Hexagon engaged affected stakeholders and internal experts through surveys, workshops, and interviews to assess both impact and financial materiality. Stakeholder groups included employees, customers, suppliers, investors, and community representatives identified as being directly affected by Hexagon's activities or value chain. The methodology was refined in 2025 to

focus specifically on affected stakeholders, ensuring that the perspectives of those experiencing actual or potential impacts were prioritised. For resource use and circular economy, no quantitative impact assessments or consultations with affected communities have yet been conducted; the analysis is therefore based on qualitative stakeholder input and internal analyses.

Defining and prioritising material impacts, risks, and opportunities

Hexagon prioritised impacts, risks, and opportunities using ESRS IRO-1 criteria. Actual negative impacts were assessed based on severity (scale, scope, and irremediability), while potential negative impacts were assessed based on severity and likelihood, with severity taking precedence for human rights-related topics. Actual positive impacts were evaluated based on scale and scope, and potential positive impacts additionally on likelihood. Financial materiality was assessed by evaluating the likelihood and magnitude of potential financial effects on growth, performance, cash flow, access to finance, and cost of capital.

Impacts, risks, and opportunities are evaluated using defined quantitative thresholds to determine materiality. For impact materiality, scale and scope are assessed on a 0–4 scale, likelihood on a 1–3 scale for potential impacts, and irremediability is applied as a binary factor to reflect the severity of irreversible impacts. These criteria are combined into impact scores for actual and potential, positive and negative impacts, which are assessed against a predefined materiality cut-off score of 3 on average. Impacts meeting or exceeding the threshold are classified as highly relevant, while those below the threshold may be monitored where potential risks are identified. For negative impacts, severity considerations take precedence, ensuring that impacts affecting people or the environment are not deprioritised due to lower likelihood.

Stakeholder importance is reflected through severity-based scoring rather than differentiated weighting of stakeholder groups. All affected stakeholders identified through the stakeholder mapping process are considered equally in the assessment, in line with ESRS requirements. The extent to which stakeholders are affected is captured through the scale and scope criteria, while irremediability reflects the potential for lasting harm. Stakeholder mapping informs the identification and prioritisation of impacts by highlighting where effects are most severe or widespread across Hexagon's operations and value chain, directly influencing scoring outcomes and the determination of material topics.

The assessment consolidated potential material topics into a matrix based on their financial materiality for Hexagon and their societal and environmental impact.

Hexagon assessed whether impacts associated with each material topic arose from its own operations or through its business relationships. Climate change, resource use and circularity, and business conduct were found to involve impacts originating in both Hexagon's direct activities and its value-chain relationships, while impacts on workers in the value chain arise specifically through upstream business partners and suppliers.

Hexagon assesses how its sustainability impacts and dependencies create risks and opportunities by assessing how negative impacts and critical dependencies may lead to operational, regulatory, market, or reputational risks. It also evaluates positive impacts and strategic dependencies for opportunities related to innovation, efficiency, resilience, and stakeholder value, ensuring that impacts and dependencies directly inform the identification of risks and opportunities. Sustainability-related risks were assessed using Hexagon's standard risk-prioritisation criteria and evaluated alongside strategic, financial, and operational risks, determining their priority relative to other risk types based on impacts, dependencies, and potential business effects.

Topic-specific process

In accordance with ESRS 1 Appendix C, Hexagon reports below the process used to identify and assess IROs for each topical ESRS standard, regardless of materiality outcome.

E1 Climate change

Hexagon identifies climate-related IROs through its climate resilience analysis, aligned with TCFD. The process includes assessment of physical and transition risks, stakeholder input, regulatory developments, and value chain dependencies. Impacts are evaluated using the DMA scoring criteria for severity, likelihood, and financial effects. Climate-related physical and transition risks, together with Hexagon's climate change resilience analysis, are described in more detail under E1 SBM-3 on page 99.

E2 Pollution

Hexagon assesses pollution-related IROs by screening operational activities and value chain processes for potential emissions to air, soil and water, hazardous substances, and waste-related impacts. Internal experts review regulatory requirements, stakeholder concerns, and sector-specific pollution pathways. The DMA scoring criteria are applied to determine materiality.

E3 Water and marine resources

Hexagon identifies water-related IROs by analysing operational water use, potential discharge impacts, and dependencies on water availability and quality. Internal assessments are complemented by stakeholder input and geographic risk screening. The DMA scoring criteria are applied to determine materiality. Relevant considerations currently indicate low exposure, but the topic is monitored.

E4 Biodiversity and Ecosystems

Hexagon evaluates biodiversity-related IROs by assessing land use, ecosystem dependencies, and potential impacts from operations and the value chain. Screening includes regulatory developments, stakeholder expectations, and sector-specific biodiversity pressures. The DMA scoring criteria are applied to determine materiality. Current exposure is assessed as limited but monitored.

E5 Resource Use and Circular Economy

Hexagon identifies IROs related to resource use and circularity by analysing material consumption, waste generation, product lifecycle considerations, and dependencies on raw materials. Stakeholder input and internal assessments inform the evaluation. The DMA scoring criteria are applied to determine materiality. This topic has been assessed as material for Hexagon.

G1 Business Conduct

Hexagon assesses business conduct-related IROs by reviewing ethics, compliance, anti-corruption, responsible business practices, and governance processes across the value chain. Stakeholder expectations, regulatory requirements, and internal risk assessments inform the analysis. The DMA scoring criteria are applied to determine materiality. Business conduct has been assessed as material for Hexagon.

Integration and reporting

The double materiality assessment was led by Hexagon's Sustainability team and included workshops with functional experts and senior leaders. Identified IROs were reviewed and approved by management and the Board of Directors.

The results of the assessment are integrated into Hexagon's enterprise risk management framework, contributing to the overall risk profile and guiding strategic decision-making. Opportunities identified through the assessment are embedded into the business strategy to create value for both Hexagon and wider society. Hexagon continuously monitors identified impacts, risks, and opportunities through its enterprise risk management and sustainability governance processes. Material topics and mitigation measures are reviewed during quarterly business reviews at business area level and annually as part of the double materiality assessment update. This ensures that the assessment remains current and aligned with changes in Hexagon's operations, value chain, and external environment.

The assessment identified the following material topics:

- Climate Change (E1)
- Resource Use and Circular Economy (E5)
- Own Workforce (S1)
- Workers in the Value Chain (S2)
- Business Conduct (G1)

The topics Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4), Affected communities (S3) and Consumers and end-users (S4) were assessed as not material for Hexagon and are therefore not reported on in this report. These topics will continue to be monitored and reassessed as part of future updates to the double materiality assessment.

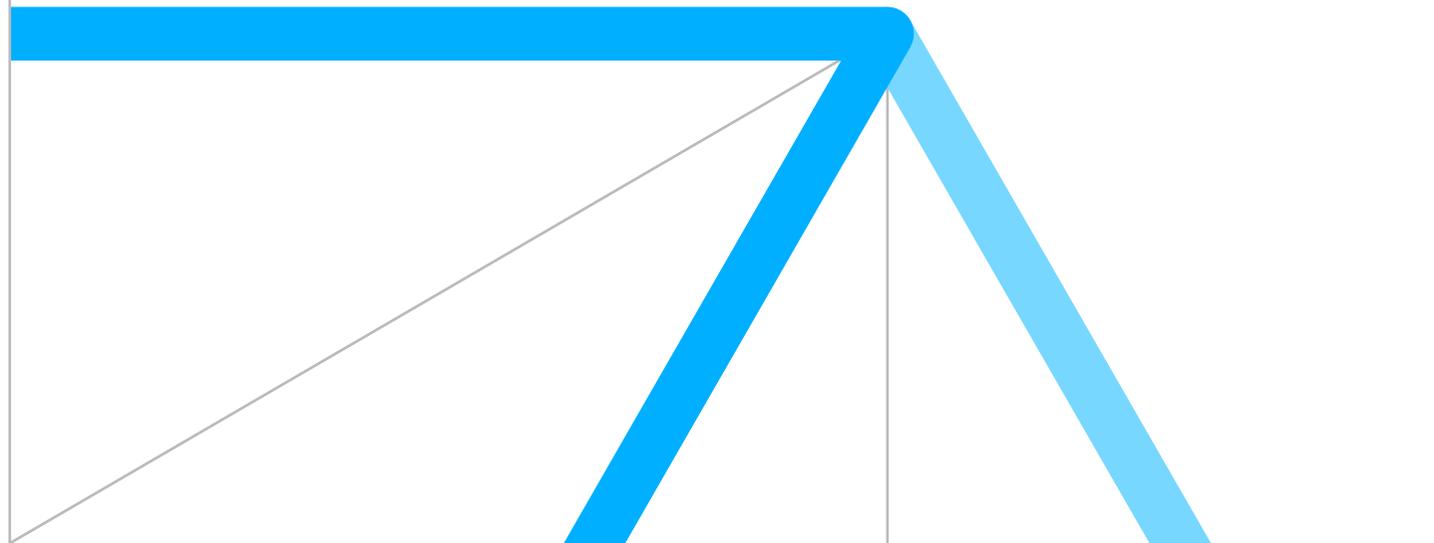
DMA overview by topic



Annual review and updates

The DMA is reviewed annually to ensure continued relevance of identified impacts, risks, and opportunities. The 2025 assessment introduced refinements including:

- Explicit focus on affected stakeholders rather than all information users, in order to increase relevance of input gathered and to strengthen the overall quality of the reporting.
- Limiting the positive impacts reported to those that significantly exceed regulatory requirements and are considered sufficiently material.
- Distinction between actual and potential impacts, reflected in the updated reporting.



Impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities

ESRS	Sub-Topic	IRO name	IRO type	Affected Stakeholder	Time Horizon	Value Chain Impact
E1 Climate Change	Adaptation to Climate Change	Advanced Technologies enhancing climate adaptation	↗ Actual positive impact	Customers	Short- and medium-term	Upstream, Own Operations and Downstream
		Extreme weather events and regulatory changes increasing financial risk	⚠ Financial risk	Suppliers and investors	Short-term	Upstream, Own Operations and Downstream
	Climate Change Mitigation	Solutions enhancing efficiency	↗ Actual positive impact	Customers	Short-term	Own Operations and Downstream
		Greenhouse gas emissions from transport, production and use phase	↘ Actual negative impact	Nature and local communities	Medium-term	Upstream, Own Operations and Downstream
		Stricter regulations and cost pressure for manufacturing	⚠ Financial risk	Executive Management	Medium-term	Upstream, Own Operations and Downstream
	Energy	Energy-intensive manufacturing process and use phase	↘ Potential negative impact	Nature and local communities	Short-term	Upstream, Own Operations and Downstream
Digital solutions enhancing energy efficiency and sustainability		○ Financial opportunity	End-users	Medium-term	Downstream	
E5 Resource Use and Circular Economy	Waste	Electronic waste posing an environmental risk if not managed properly	⚠ Financial risk	Executive Management	Medium-term	Downstream
S1 Own Workforce	Working Conditions	Workforce sustainability risks impacting costs and compliance	⚠ Financial risk	Executive Management	Short-term	Own Operations
	Equal Treatment and Opportunities for All	Challenges in pay equity, career progression, and workplace inclusion	↘ Actual negative impact	Employees	Short-term	Own Operations
S2 Workers in the Value Chain	Other Work-Related Rights	Labour rights and human rights due diligence gaps in the supply chain	↘ Potential negative impact	Suppliers and value chain workers	Short-term	Upstream, Own Operations and Downstream
		Human rights due diligence gaps posing legal and reputational risks	⚠ Financial risk	Investors, Executive Management and BoD	Medium-term	Upstream, Own Operations and Downstream
G1 Business Conduct	Corporate Governance	Ethical and compliance challenges in a global workforce	↘ Potential negative impact	Suppliers, employees and local communities	Short-term	Upstream, Own Operations and Downstream
		Financial and reputational risks from governance gaps	⚠ Financial risk	Executive Management and BoD	Short-term	Upstream, Own Operations and Downstream
	Corruption and Bribery	Exposure to corruption-related legal and financial liabilities	↘ Potential negative impact	Local communities and Executive Management	Short-term	Upstream, Own Operations and Downstream
		Financial and legal risks from third-party corruption	⚠ Financial risk	Executive Management and BoD	Short-term	Upstream, Own Operations and Downstream

The identified IROs have been reviewed and updated during the year, as described under IRO-1 on pages 93–95. Existing actions, targets, policies, and metrics were developed prior to these updates and have continued to guide Hexagon’s management of material IROs in this year’s report. The updated IROs will be considered in the coming year as part of Hexagon’s ongoing evaluation and refinement of its approach to addressing impacts, risks, and opportunities. The IROs are presented in line with the minimum disclosure requirements, where policies, actions, metrics, and targets are applied together with the corresponding disclosure requirements at the topical level.

A comprehensive overview of all disclosure requirements is provided in the ESRS Content Index in the Appendix on pages 171–175.

Effects on the business model, value chain and strategy

The identified material IROs have current and anticipated effects on Hexagon's business model, value chain, strategy and decision-making. Environmental IROs related to climate change, energy use, emissions and waste influence operational efficiency, cost structures, regulatory compliance and product development. Ongoing investment in efficiency, innovation and resilience is therefore a strategic priority.

Social IROs related to own workforce conditions and labour and human rights in the value chain affect the undertaking's ability to attract and retain skilled employees, ensure continuity of supply and manage legal and reputational risks. Governance IROs are critical to maintaining the undertaking's licence to operate, effective decision-making and access to capital.

Origin and connection of impacts

Material environmental impacts originate primarily from Hexagon's operational activities, including manufacturing, logistics and the use phase of products, and are directly linked to the business model. Positive impacts related to climate adaptation and energy efficiency are connected to the undertaking's product and service offerings.

Material social impacts originate from own workforce practices and from the global supply chain supporting the undertaking's operations, while governance-related impacts arise from internal governance structures and compliance processes.

Nature of involvement

Hexagon is involved in material impacts through both its own activities and its business relationships. Own activity impacts relate mainly to operations, workforce

management, governance practices and technology development. Impacts through business relationships primarily arise upstream in the supply chain, particularly in relation to labour and human rights, while downstream impacts are linked to customer use of products and services, including energy consumption and waste.

Resilience of the business model and strategy

Based on the assessment of material environmental, social and governance IROs, Hexagon considers the business model to be generally resilient in the short to medium term. Climate change adaptation and mitigation, energy use and waste management may require incremental adjustments to operations and investment priorities, but are not expected to alter the business model.

Social IROs related to own workforce and workers in the value chain could affect operational continuity and reputation if not effectively managed; resilience is therefore dependent on continued implementation and monitoring of labour standards and supplier controls.

Governance-related IROs are considered critical to maintaining the undertaking's licence to operate and access to capital. Existing governance structures are viewed as a key enabler of strategic resilience.

Financial effects

During 2025, Hexagon generated approximately EUR 330 million in revenues from the listed opportunities and expects annual growth of 4–5 per cent in the coming years, reflecting the company's stable market position. No significant investments were made beyond those already disclosed in the EU Taxonomy table. Based on current assessments, Hexagon does not anticipate any material risks that would lead to significant changes in cash flow or liabilities in 2026. Likewise, no major

CapEx is expected to address IROs, aside from future facility-improvement investments that are not yet quantified and are planned to begin after 2028.

Hexagon has not yet quantified the current financial effects associated with its risks and opportunities. This assessment is planned to be carried out during 2026 and 2027, as part of Hexagon's ongoing work to strengthen the evaluation and integration of financial effects into its sustainability-related disclosures.

Avoided emissions

Avoided emissions refer to the greenhouse gas reductions that occur when customers use Hexagon's solutions and achieve a reduction in their carbon footprint, shifting the focus from Hexagon's own footprint to the measurable climate benefits enabled across its value chain. By empowering customers to reduce material waste, optimise energy use, enhance productivity, and accelerate the deployment of low-carbon technologies, Hexagon's portfolio demonstrates a clear decarbonisation impact.

This aligns directly with the IRO "Solutions enhancing efficiency", as many avoided-emission mechanisms stem from improving energy and material efficiency across industries. It also links to the IRO "Digital solutions enhancing energy efficiency and sustainability", since Hexagon's digital, AI-enabled, and engineering technologies, such as simulation tools, renewable energy design optimisation, and advanced geospatial intelligence, enable customers to accelerate the transition to cleaner systems and achieve quantifiable avoided emissions.

Environment

[E1 Climate Change](#) **99**

[E5 Resource Use and Circular Economy](#) **125**

Non-material environmental disclosures:

[Water](#) **130**



E1 Climate change

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon's climate-related IROs are closely connected to the company's strategy and business model. As customers across industries increasingly demand solutions that support decarbonisation, regulatory compliance, and resource efficiency, Hexagon's technologies play a growing role in enabling lower-carbon operations. At the same time, Hexagon recognises that its own operations and supply chain give rise to climate-related impacts and risks that must be actively managed. Hexagon's primary IROs stem from its advanced technologies and solutions that enhance climate adaptation and energy efficiency, creating positive impacts and financial opportunities. At the same time, energy-intensive manufacturing, product-use emissions and rising regulatory and energy-cost pressures drive negative impacts and financial risks.

Managing climate-related risks and leveraging opportunities requires engagement across the value chain and beyond. Hexagon regularly engages with a broad range of stakeholders, including customers, suppliers, investors, shareholders, regulators, policymakers, industry peers, R&D partners, and employees, to ensure that emerging expectations, technological developments and regulatory requirements are reflected in strategic planning. Engagement with suppliers helps strengthen climate performance in the upstream value chain, while dialogue with investors and regulators informs long-term planning and supports responsible growth.

These insights shape Hexagon's approach to managing climate-related IROs and underpin the actions taken to enhance resilience across the business. The company continues to monitor global climate developments and adjust its strategic priorities as needed to address risks, reduce environmental impacts, and leverage opportunities arising from the transition to a low-carbon economy.

IRO Table

IRO name	IRO type	Description	Time Horizon	Business Model & Value Chain Impacted				Target
				Business Area	Upstream	Own Operations	Downstream	
Climate change adaptation								
Advanced Technologies enhancing climate adaptation		Hexagon's advanced technologies support climate adaptation across the value chain. In Hexagon's own operations, geospatial analytics, simulations and digital twins are used in R&D and product development to assess climate risks and design more resilient solutions. In the upstream value chain, suppliers and technology partners use Hexagon's sensing, positioning and simulation tools to monitor environmental conditions and strengthen climate-risk management. Downstream, Hexagon's geospatial insights, intelligent positioning and digital twins enable customers to improve climate-risk assessments, emergency response and the resilience of infrastructure exposed to extreme weather.	Short- and medium-term	GEO, SIG	Suppliers and technology providers	R&D and product teams	Governments, businesses, and emergency services	Assessment planned for 2026
Extreme weather events and regulatory changes increasing financial risk		Extreme weather events and supply chain disruptions increase costs, affect Hexagon's own production, and negatively impact order fulfilment. Stricter regulations and climate-related financial losses may reduce demand and raise compliance costs.	Short-term	All	Suppliers, contract manufacturers, and logistics providers	Production sites, infrastructure, and supply chain management	Clients in key sectors	Target to be set in 2026
> Physical risk								
Climate Change Mitigation								
Solutions enhancing efficiency		Hexagon's solutions enhance material and energy efficiency, lowering emissions across the industries served. Location intelligence improves efficiency in day-to-day operations, optimises public transport, and supports EV adoption, while simulations enable material- and energy-efficient product design. Reality capture and digital modelling improve construction precision, reducing waste, energy use, and emissions.	Short-term	All	–	Manufacturing, data processing, energy use, and product development	Clients in various sectors for low-emission design	Assessment planned for 2026
Greenhouse gas emissions from transport, production and use phase		Some components of hardware production rely on raw materials such as rare earth metals, which have environmental impacts during extraction and processing. In addition, the shipping and transportation of products contribute to Scope 3 emissions, challenging climate mitigation efforts. On-site fuel and power needs, as well as business travel, further increase the overall carbon footprint. During the use phase of the products, both hardware and AI-powered simulations require energy, increasing electricity demand and associated carbon emissions.	Medium-term	MI, GEO, AS	Raw material extraction and refining	Employee commuting and corporate travel	Shipping and transportation	Reduce absolute Scope 1 and 2 GHG emissions by 95% by 2030 from a 2022 base year Reduce Scope 3 GHG emissions by 51.6% per EUR value added by 2030 from a 2022 base year
Stricter regulations and cost pressure for manufacturing		Stricter climate-mitigation regulations, such as emissions limits, carbon pricing and energy-efficiency requirements, may increase manufacturing and compliance costs in Hexagon's own operations, raise cost pressures for suppliers, and lead to higher costs for customers. These impacts can affect demand, competitiveness and margins across the value chain.	Medium-term	MI, GEO, AS	Regulatory pressures on suppliers for emissions reduction	Manufacturing emissions and compliance requirements	Market shifts and customer demands for low-carbon solutions	50% of suppliers by spend covering purchased goods and services will have science-based targets by 2028
> Transition risk								
Energy								
Energy-intensive manufacturing process and use phase		Hexagon's software solutions require significant computing power, leading to high electricity consumption in data centres, cloud storage, and edge computing infrastructure. GNSS receivers, LiDAR scanners, high-precision sensors, metrology tools, and autonomous system components require energy-intensive manufacturing processes, contributing to the overall carbon footprint.	Short-term	MI, GEO, AS	Energy use in supplier and contract manufacturer production processes	In-house manufacturing and assembly, and energy consumption from Hexagon's internal data processing and IT infrastructure	Electricity use for charging hardware	Increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027
Digital solutions enhancing energy efficiency and sustainability		Reality capture, geospatial intelligence, and digital twins enhance construction, manufacturing, and renewable energy projects by driving higher energy efficiency. Intelligent positioning and EV integration optimise logistics for low-carbon mobility. IoT and digital twin solutions help industries reduce energy use, cut waste, and improve sustainability.	Medium-term	All	–	–	Clients in renewables, transportation, and industrial sectors	Avoided emissions framework expanded to all product lines by 2025

Climate change resilience analysis

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In 2025, Hexagon conducted a climate change resilience analysis in line with the Task Force on Climate-related Financial Disclosures (TCFD) to understand how climate-related risks and opportunities could impact its operations. This analysis is essential, as such risks can directly influence financial performance and strategic priorities. By addressing them, Hexagon strengthens operational resilience, informs strategic decision-making, and supports long-term sustainable growth.

Scope of the resilience analysis

The resilience analysis covered Hexagon's value chain, including upstream, own operations, and downstream activities. Physical and transition risks were assessed at different levels to reflect their nature and materiality. Physical risks were evaluated at site level across 100 locations, comprising 81 Hexagon sites and 19 key supplier sites, selected based on spend exceeding EUR 5 million and focusing on hardware components. Transition risks were assessed at the business area level across Hexagon's three business areas: Autonomous Solutions, Geosystems, and Manufacturing Intelligence. This approach ensured that the assessment captured site-specific exposure to climate hazards while also considering strategic, operational, and market-level transition risks across the broader organisation.

Within the scope, Hexagon evaluates how its emissions contribute to climate change and integrates this understanding into its assessment of transition risks, such as potential regulatory tightening, carbon pricing developments and customer demand shifts, to determine which activities, assets, and value-chain areas are most exposed to climate-related impacts.

The assessment used three climate scenarios:

High-emission scenario

Physical risks

Continued reliance on fossil fuels leads to substantial emissions. Global warming exceeds 4°C, increasing the frequency and severity of extreme weather events, corresponding to SSP5-8.5.

Business-as-usual scenario

Physical and transitional risks and opportunities

Socio-economic and technological developments follow historical trends, resulting in an estimated global warming of 2.7–3°C, corresponding to SSP2-4.5.

Net Zero by 2050 scenario

Transition risks and opportunities

Rapid decarbonisation and global climate policies lead to net zero emissions by 2050. Warming is limited to around 1.5°C, creating significant transition risks and opportunities for low-carbon solutions, corresponding to SSP1-1.9.

All risks and opportunities were assessed under three different time horizons, where short-term relates to 0–5 years, medium-term to 5–15 years, and long-term to 15–25 years.

Methodology of assessment

The resilience analysis informs Hexagon's strategic planning, supports adaptation of business models, and meets non-financial disclosure requirements. The process comprised four phases:

1) Scoping: Selection of climate scenarios, time horizons, and sites for assessment.

2) Qualitative analysis: Evaluation of physical and transition risks. Physical risks were assessed at site level by external experts. Transition risks were assessed at business area level using scenario data, stakeholder interviews, and sectorial information.

3) Quantitative analysis: For physical risks, financial losses were quantified for 30 priority sites. For transition risks, financial impacts were quantified for carbon pricing and electricity costs.

4) Resilience and reporting: Review of mitigation and adaptation measures, development of recommendations for integration into non-financial disclosures, and assessment of further quantification opportunities.

Physical climate-related risks

Hexagon identified physical climate-related risks as material for operations and supply chains, putting significant value at risk. The assessment covered acute risks, including floods, storm surges, and windstorms, as well as chronic risks such as rising temperatures, sea-level rise affecting infrastructure, and resource availability. Financial implications were quantified using hazard-specific damage curves and models, considering potential losses to buildings, components, and stock.

The methodology accounted for variations in building characteristics, materials, maintenance conditions, and exposure of contents and inventory, as well as the potential for business interruption resulting from site damage or impacts to surrounding infrastructure. Likelihood, magnitude, and duration of physical risks were assessed using site-specific data and vulnerability models, with geographic location explicitly considered. Exposure to physical climate risks was rated in five levels, ranging from not exposed to very high exposure. The scenario analysis included both a high-emission scenario (SSP5-8.5) and a business-as-usual scenario (SSP2-4.5). The current quantification reflects gross risk per site and does not yet incorporate adaptation measures, which would need to be considered in a site-level analysis to estimate net risk.



Top 10 assets exposed to physical climate risks

SSP5-8.5 and SSP2-4.5 scenarios by 2050



US-Alabama (Intergraph HQ)
 Safety, Infrastructure & Geospatial

Key climate risks

- Precipitation
- Tornado
- Hail

US-Rhode Island-QP
 Manufacturing Intelligence

Key climate risks

- Precipitation
- Storm surge
- Hail

US-Michigan-Novi
 Manufacturing Intelligence

Key climate risks

- Hail

US-Georgia-Atlanta Office (Ellsworth)
 Geosystems

Key climate risks

- Hail
- Tornado

Singapore-Woodlands Sector Office

US-Arizona-Tucson (Elvira Office)
 Autonomous Solutions

Key climate risks

- Hot days

UK-Aberdeen Office
 Autonomous Solutions

Key climate risks

- Wind

Italy-Moncalieri
 Manufacturing Intelligence

Key climate risks

- Flood

Germany-Wetzlar Office
 Manufacturing Intelligence

Key climate risks

- Flood

Singapore-Woodlands Sector Office
 Geosystems

Key climate risks

- Precipitation

Japan-Tokyo Office
 Geosystems

Key climate risks

- Precipitation

Transitional climate-related risks

Transition risks were assessed across Hexagon's operations and value chain, focusing on policy, legal, technological, market, and reputational changes associated with the transition to a lower-carbon economy. Key risks include carbon pricing, electricity costs, compliance requirements, and failing to align products with customers' decarbonisation goals.

Climate-related scenario analysis was used to identify and assess transition-related risks, applying both the Net Zero 2050 scenario (SSP1-1.9), aligned with the Paris Agreement 1.5°C goal, and a business-as-usual scenario (SSP2-4.5). Site- and business-area-level workshops supported the identification of exposed assets and operations and informed the qualitative assessment of their sensitivity, potential magnitude, likelihood and duration of exposure.

No assets or business activities were identified as incompatible with a transition to a climate-neutral economy. However, some low-sensitivity risks, such as reputational impacts from increased resource use driven by AI and increased energy demand from AI

solutions, were excluded from the qualitative results. The assessment process enables Hexagon to prioritise adaptation and mitigation measures to address transition risks across its operations and value chain.

Results of the climate-related risk analysis

The assessment of physical climate-related risks shows that Hexagon's sites and supply chain are increasingly exposed to disruptions due to extreme weather events such as flooding, windstorms and storm surges. Even under the business-as-usual scenario, several key manufacturing locations could face significant financial losses and business interruptions.

The assessment of transitional climate-related risks indicates that Hexagon's most significant risks across all climate scenarios are rising procurement costs and potential shortages of critical raw materials. Under the Net Zero scenario, compliance costs and stakeholder demands are also expected to increase, while failure to align with customers' evolving needs represents an additional risk. Conversely, Hexagon can benefit from

growing demand for technologies and solutions that support customers' carbon transition. Quantitative analysis of carbon taxes and electricity costs shows that these factors are not expected to materially affect the company's financial performance.

Conclusion

The resilience assessment concludes that Hexagon has established a solid foundation to manage climate-related risks and seize emerging opportunities. Potential areas for improvement include strengthening governance, implementing more proactive supply chain resilience measures, advancing adaptation planning across business areas in its own operations, strengthening requirements and incentives for supplier decarbonisation to secure Hexagon's Scope 3 targets, and further quantifying the benefits and contributions of Hexagon's solutions. These findings will be evaluated and further developed throughout the coming years.



Transition plan for climate change mitigation

E1-1 Transition plan for climate change mitigation

Hexagon is committed to driving the global transition to a low-carbon and sustainable economy and is aligned with the 1.5°C goal under the Paris Agreement. This commitment is reflected in Hexagon’s climate transition plan, which has been approved by the administrative, management and supervisory bodies and defines the company’s pathway to net-zero greenhouse gas (GHG) emissions across the value chain by 2050. The plan is anchored in Hexagon’s validated Science Based Targets initiative (SBTi) targets, encompassing both near-term and long-term targets. These include a 95 per cent reduction in absolute Scope 1 and 2 emissions and a 51.6 per cent reduction in Scope 3 emissions per EUR value added by 2030, followed by maintaining at least a 95 per cent reduction in Scope 1 and 2 emissions and a 97 per cent reduction in Scope 3 emissions per EUR value added by 2050. Together, these targets form the foundation of Hexagon’s net-zero trajectory and guide strategic and operational decisions along its transition pathway.

Hexagon’s core value proposition for the industries it serves centres on improved efficiency and enhanced safety. By enabling customers to optimise operations, reduce energy use, and prevent equipment failures that could lead to environmental incidents, Hexagon contributes to lower GHG emissions across the value chain. To reduce its own emissions, Hexagon focuses on continuous technology improvements and energy-efficient initiatives that systematically lower its carbon footprint. To drive this effort, Hexagon has defined five decarbonisation levers supported by seven key actions, targeting areas such as business travel, electricity use, vehicle fleet, product design, and supplier engagement. The defined levers are described in the table, and in more detail under E1-3 on pages 108–110.

Lever type	Key actions
Energy efficiency	1. Facility improvement programmes: to increase resource efficiency and reduce environmental impact.
Use of renewable energy	2. Renewable energy programme: increasing on-site renewable energy capacity, such as through photovoltaic installations, to reach 100 per cent renewable electricity by 2027. 3. Minimising carbon emissions from cloud storage: to reduce “cloud waste” by mapping and reducing unnecessary emissions, purchasing server capacity hosted with green energy, and optimising the use of existing computing and storage resources.
Fuel switching	4. Transition of company car fleet: the fleet of company vehicles accounts for around 70 per cent of Scope 1 emissions. Transitioning its fleet to electric vehicles (EVs) could significantly reduce its carbon footprint. Hexagon aims to switch the remaining vehicle fleet to electric or full hybrid no later than 2030.
Supply-chain decarbonisation	5. Supplier Engagement Programme: aiming for 50 per cent of key suppliers, measured by spend, to establish science-based targets by 2028.
Product change	6. Extending product life cycles: all used equipment is inspected and fully serviced to ensure the same reliability as new products. These are redistributed to over 120 countries. More than 100 service centres worldwide provide repairs. 7. ESG criteria in the design process: new solutions are developed through the Hexagon Innovation Process (HIP) to drive efficiency and effectiveness through continuous improvement.

Hexagon’s Taxonomy-aligned CapEx relates to electricity generation using solar photovoltaic technology and investments supporting the development of solutions that reduce greenhouse gas emissions and mitigate climate change. These investments mainly target Scope 1 and Scope 2 emission reductions and facilitate a shift toward a more energy-efficient and low-carbon operating model.

Hexagon has identified a set of investments essential for implementing the climate transition plan, including

the transition to a green vehicle fleet, resource-efficiency improvements in manufacturing facilities, and an expansion of renewable energy generation. Together, these are required to enable the achievement of Hexagon’s 95 per cent Scope 1 and Scope 2 reduction target. The five-year investment outlook is based on key assumptions, including energy demand growth in line with increased hardware-related sales, stable operational footprint, labour and utility cost inflation, and decreasing technology costs as renewable energy solutions gain broader adoption.

The Taxonomy-aligned activity CCM 4.1 (electricity generation using solar photovoltaic technology), represented by the Archidona solar park, fully meets the technical screening criteria and constitutes 0.02 per cent of total revenue. It makes a substantial contribution to climate change mitigation, satisfies DNSH criteria for climate adaptation and biodiversity, and supports circularity through durable, recyclable and easily refurbishable components. Over time, Hexagon aims to grow revenue related to climate mitigation and adaptation through solutions such as digital twins and geospatial analytics.

Hexagon has also identified eligible but currently non-aligned economic activities, accounting for 6.14 per cent of total revenue. These include infrastructure enabling road and public transport; data-driven solutions for GHG emission reductions; provision of IT/OT data-driven solutions and new leases of real estate and cars; as well as repair, refurbishment and remanufacturing activities. As of 2025, Hexagon did not have a defined plan or objective to align its economic activities with the criteria established in Commission Delegated Regulation 2021/2139.

Hexagon has assessed its assets, product portfolio and investment plans and confirms that the company does not have any GHG-intensive activities or economic activities related to coal, oil or gas. Consequently, there are no locked-in emissions that could jeopardise the company's net-zero targets. Ongoing operations and products are low-emission by design or are included within Hexagon's SBTi-validated reduction plan. The company continues to monitor and mitigate value-chain emissions through renewable energy sourcing, vehicle fleet electrification and supplier engagement, ensuring that no activities generate unmanaged transition risk. Hexagon's operations and business practices are not covered by Article 12 of the Commission Delegated Regulation (EU) 2020/1818 and are therefore not excluded from EU Paris-aligned Benchmarks.

The climate transition plan is embedded in, and aligned with, Hexagon's overall business strategy and financial planning. The plan is rooted in Hexagon's SBTi-validated Net-Zero target and informed by insights from the double materiality assessment, which identifies the most significant climate-related risks and opportunities across the organisation and its value chain. These insights shape strategic priorities, guide operational decision-making and support business-area-specific risk management strategies that enable both innovation and sustainable growth. Hexagon considers its ability to adapt its strategy and business model to climate change to be robust. The company maintains stable access to financing at competitive terms, has defined pathways for redeploying, upgrading, or decommissioning assets, and continues to evolve its product and service portfolio to support the transition.

To operationalise these priorities, the transition plan outlines the long-term investments and organisational initiatives required to achieve Hexagon's Scope 1, Scope 2 and Scope 3 targets. These include renewable electricity sourcing, facility efficiency improvements, electrification of operations, product development initiatives, and supplier engagement. As a result, decarbonisation objectives are fully embedded in Hexagon's multi-year financial planning processes, influencing capital allocation, resource planning and portfolio development to ensure alignment with the company's ambition to reach net-zero emissions across the value chain by 2050. Financial resources, including OpEx and CapEx, allocated to implementation of the transition plan will be disclosed for the fiscal year 2026.

Following a review of the target outcomes, Hexagon confirms that its implementation of the transition plan is progressing according to plan. An explanation of Hexagon's progress is provided on the following pages.



Policies related to climate change

E1-2 Policies related to climate change mitigation and adaptation

Environmental Policy

Hexagon's Environmental Policy constitutes the company's overarching policy for managing material impacts, risks, and opportunities related to climate change mitigation and adaptation. Its primary purpose is to reduce the environmental impact of Hexagon's operations by proactively addressing global environmental challenges across its operations and value chain. The key components of the policy include climate action, energy efficiency, circular economy practices, air quality improvement, water management, biodiversity protection, sustainable innovation, cultural sustainability, responsible leadership, and respect for communities. Effective environmental management is

underpinned by collaboration with diverse stakeholders, including customers, authorities, researchers, and NGOs.

The policy formalises Hexagon's commitment to minimising GHG emissions through reduction targets validated by SBTi, confirming alignment with global climate goals. The policy further outlines commitments to enhance energy efficiency, adopt renewable energy sources, and embed sustainability in product design and operational processes. Key actions include implementing ISO 14001 certified environmental management systems in major production facilities, monitoring energy use and emissions, and ensuring suppliers adhere to environmental requirements through audits and engagement programmes.

The policy applies to all Hexagon legal entities, employees, and third-party personnel engaged to provide services on Hexagon's behalf, including consultants and business partners. Supplier adherence is expected via the Supplier Code, with corrective actions or termination applied in cases of non-compliance. The policy establishes processes for monitoring compliance, identifying potential environmental risks, and taking corrective actions where required, ensuring that climate mitigation and adaptation measures are actively managed. The policy is publicly available on Hexagon's webpage to potentially affected stakeholders and stakeholders requiring assistance with implementation.

Governance of the environmental policy is established at Group level, with implementation managed by the Business Areas and supported by corporate functions. The Head of Sustainability is responsible for gathering inputs from relevant stakeholders to identify potential updates, which are reviewed with the Compliance function and submitted to the Board of Directors for approval.

The policy references and aligns with relevant third-party standards and external initiatives, such as SBTi, ensuring that Hexagon's environmental management practices meet internationally recognised benchmarks.

Additional relevant steering documents connected to climate change include Hexagon's Code and Supplier Code. These documents are further described under G1-1, on pages 165–169. Together, the Environmental Policy, the Code and the Supplier Code address all of the identified IROs within the topic of climate change.

> Further information on the Environmental Policy is presented under ESRS 2 on page 84, E5-1 on page 126 and S2-1 on page 157.



Climate change actions and resources

E1-3 Actions and resources in relation to climate change policies

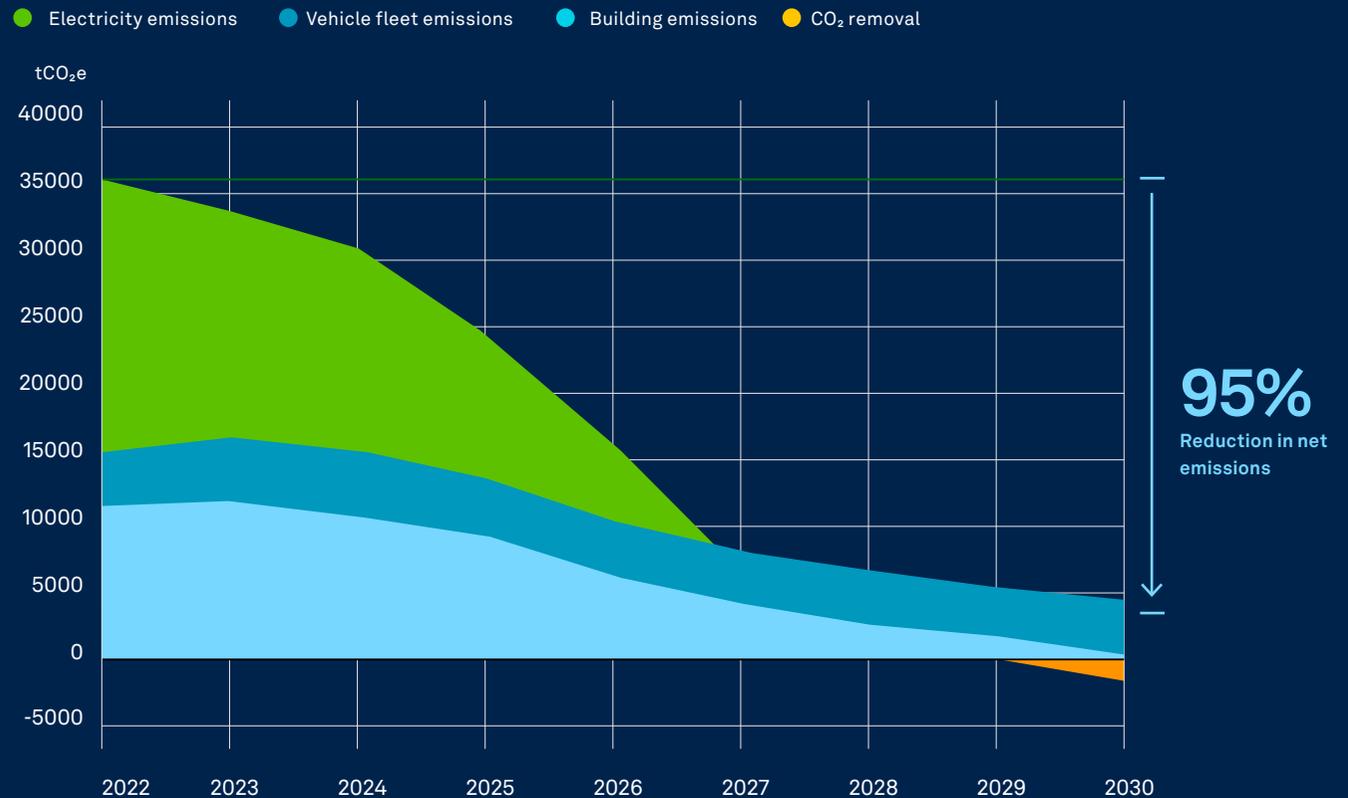
Overview of actions and resources

Hexagon's climate scenario assessment underpins its climate strategy, covering the full value chain and identifying climate-related risks, opportunities, and capability gaps across all business areas. Each area has designated sustainability leaders responsible for implementing actions, tracking progress, and ensuring alignment with corporate climate objectives.

All key mitigation actions are planned for completion by 2030 at the latest in line with Hexagon's near-term climate targets. Each action is expected to deliver measurable reductions in GHG emissions, as summarised in the table below and detailed in subsequent sections.

Each mitigation action is expected to contribute to achieved and future reductions in GHG emissions. However, Hexagon is not reporting consolidated quantitative estimates of GHG emission reductions for the reporting year, as underlying assumptions and targets are currently being updated. As a result, any estimates disclosed at this stage may change and would not provide a reliable basis for decision-making. Revised estimates of achieved and expected GHG emission reductions will be included in next year's Sustainability Statement.

Scope 1 and 2 reduction roadmap



Hexagon has estimated the incremental CapEx and OpEx required for its climate mitigation actions, including current investments and planned expenditures. The incremental CapEx and OpEx are not considered material or eligible for separate reporting and have therefore been incorporated into existing business plans and financial positions. If additional resources or investments are needed, they will be incorporated into the financial planning process. Any material impact on financial statements will be identified and disclosed according to existing financial reporting standards.

No CapEx targets under the Climate Delegated Act have been formally established to date.

Climate mitigation measures

1

Facility improvement programmes

All Hexagon production facilities have launched improvement programmes focused on increasing resource efficiency and reducing environmental impact. These programmes include actions specifically designed to reduce the emissions intensity of core operations. In 2025, many facilities reduced their power consumption compared to 2024, despite increased production. At the same time, Hexagon expanded its total installed capacity for renewable energy through photovoltaic energy systems, increasing renewable energy production to approximately 35,492 MWh, representing an 11.2 per cent CAGR (Compound Annual Growth Rate) compared to 2022. To ensure reductions in Scope 2 emissions, Hexagon has entered into green power purchase agreements (PPAs) for its major facilities, covering its own operations. Hexagon is upgrading energy-inefficient equipment, assuming a 5 per cent year-on-year improvement despite business growth. In areas where direct access to renewable energy is not feasible, Hexagon meets demand through the purchase of Renewable Energy Certificates (RECs), thereby supporting investment in renewable energy projects.

Additionally, the majority of production sites have achieved ISO 14001 certification, ensuring that environmental management is applied systematically and with a focus on continuous improvement across all operations. At two of Hexagon's largest production sites in Europe, important milestone activities are:

- **Electricity Savings:** Implementation of LED lighting and other energy-saving measures led to an 18 per

cent reduction in electricity consumption, saving 249 tCO₂e annually.

- **Gas Reduction:** Upgrades to heating systems and installation of better-insulated windows resulted in a 30 per cent decrease in gas use, cutting emissions by 142 tCO₂e per year.
- **Photovoltaic Panels:** Planned rooftop solar installations are expected to cover 44 per cent of electricity needs and reduce emissions by 179 tCO₂e annually.
- **Paper Reduction:** Digitalisation efforts have reduced paper consumption by 92 per cent over the past decade, saving 4 tCO₂e annually.

2

Renewable energy programme

Hexagon is systematically increasing its active annual sourcing and production of renewable electricity, with the objective of reaching 100 per cent renewable electricity by 2027. This includes expanding on-site renewable energy capacity, such as through photovoltaic installations at multiple sites over the next three years. In addition, Hexagon plans to adopt the Global Energy Attribute Certificate (EAC) framework to cover 40 per cent of its renewable power needs.

3

Minimising carbon emissions from cloud storage

A significant portion of Hexagon's operations is software-related, meaning that cloud computing and storage, both with external providers and internal servers, account for a substantial part of the company's total carbon footprint. To reduce "cloud waste," which refers to unnecessary consumption of cloud resources that increases costs without providing significant value, Hexagon initiated a project with a major cloud provider. The initiative aims to map and reduce unnecessary emissions by purchasing server capacity hosted on servers powered by green energy and by optimising the use of existing computing and storage resources.

Climate mitigation measures

4

Transition of company car fleet

Hexagon operates a fleet of company vehicles, which account for around 70 per cent of Scope 1 emissions from its own operations. Most of these emissions are generated by traditional petrol and diesel vehicles, contributing to climate change. Hexagon is committed to transitioning its fleet to electric vehicles (EVs) to significantly reduce its carbon footprint, switching the remaining vehicle fleet to electric or full hybrid no later than 2030. In addition to lowering GHG emissions, the transition is expected to reduce operational costs related to fuel consumption and maintenance.

5

Supplier Engagement Programme

A significant share of Hexagon's Scope 3 emissions comes from its supply chain, making supplier engagement a key area for emissions reduction. To support this approach, Hexagon has supplier screening processes in place to identify and prioritise suppliers with higher emissions profiles and climate-related risks. Recognising the impact of supplier operations, Hexagon launched a comprehensive Supplier Engagement Programme in 2024 covering all direct procurement suppliers, setting an ambitious target for 50 per cent of key suppliers to establish and commit to emissions reduction goals aligned with the Paris Agreement by 2028. Through this initiative, Hexagon fosters a

collaborative approach to sustainability, providing suppliers with resources and guidance to set meaningful and achievable targets.

6

Extending product life cycles

To extend product life cycles and minimise unnecessary waste, Hexagon operates programmes across its hardware business areas covering the entire value chain. At the Certified Pre-Owned Equipment Centre (CPEC) within the Geosystems business area, all used equipment, including Total Stations, GPS, HDS, and construction tools, is inspected and fully serviced by Hexagon's technical team to ensure the same reliability as new products. These refurbished products are then redistributed to over 120 countries, significantly extending their useful life and avoiding the need for new component production.

The CPEC operates according to the principles of reduce, reuse, and recycle, promoting product circularity and making sustainable tools globally accessible. All refurbishments are conducted by Hexagon experts and supported by a professional warranty to guarantee quality. Within the Manufacturing Intelligence business area, more than 100 service centres worldwide provide fast and efficient repairs for coordinate measuring machines, fostering a customer culture of updating and refurbishing equipment to extend product life cycles. Initiatives aimed at accurately quantifying and assessing both achieved and expected net carbon emissions savings associated with extended product life cycles are currently under review.

7

ESG criteria in the design process

A robust design phase is critical to ensure that sustainability is embedded throughout the lifecycle of Hexagon's products. New solutions are developed through the Hexagon Innovation Process (HIP), which drives efficiency and effectiveness in hardware, software, and service products through continuous improvement. Beyond quality and cost management, ESG criteria are applied during product development to enable teams to assess the environmental impact of alternatives while prototyping new or upgraded solutions.

This process includes conducting lifecycle assessments (LCAs) to evaluate materials' water use, energy use, and climate impact, along with logistics, manufacturing, usage, and end-of-life scenarios. The ambition is to include supplier component data as well, enabling a full cradle-to-gate environmental impact assessment, supporting decision-making and driving sustainable sales. Both upstream and downstream value chains are therefore considered. Initiatives aimed at accurately quantifying and assessing both achieved and expected net carbon emissions savings associated with ESG criteria in the design process are currently under review.

Climate change targets

E1-4 Targets related to climate change mitigation and adaptation

Hexagon's climate strategy is founded on science-based targets designed to drive significant emissions reductions across the entire value chain. The targets are externally validated by SBTi and address both direct operational emissions and broader value chain impacts. The targets are aligned with limiting global warming to 1.5 °C, and performance is monitored to ensure accountability and to maintain momentum in the transition toward a low-carbon, sustainable economy. Hexagon's GHG emission reduction targets are gross targets and do not include carbon credits or avoided emissions to achieve these targets.

As part of Hexagon's ongoing strategic development, the full set of climate targets will be reviewed following the proposed spin-off of Octave, expected at the end of H1 2026, to ensure continued relevance and alignment with Hexagon's future operational structure. In line with this, all climate-related targets focus on mitigating GHG emissions and are supported by the climate actions outlined under E1-3 on pages 108–110. Expected decarbonisation levers and their overall quantitative contributions to achieve the GHG emissions reduction targets are described under E1-1 on pages 105–106.

The goal to reduce Scope 3 emissions by 97 per cent per euro of value added by 2050 reflects Hexagon's ambition to make its operations and value chain far more carbon-efficient. In practice, this target means that by 2050, the company aims to reduce greenhouse-gas emissions across its entire value chain by 97 per cent relative to each euro of revenue it generates, thereby making its Scope 3 activities nearly carbon-neutral on an intensity basis.

Near-Term Targets

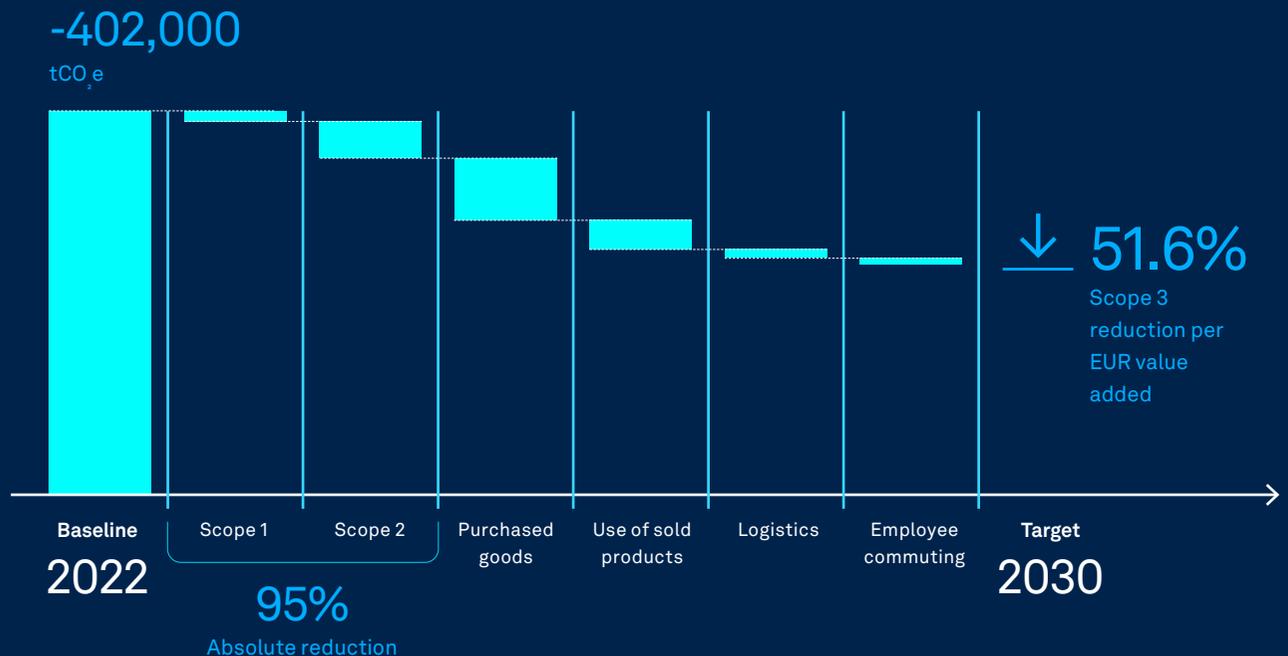
Hexagon has set the following near-term targets, to be achieved by 2030 from a 2022 base year:

- Reduce absolute Scope 1 and Scope 2 (market-based) GHG emissions by 95 per cent
- Reduce Scope 3 GHG emissions by 51.6 per cent per EUR value added
- Increase active annual sourcing of renewable electricity from 34.8 per cent in 2022 to 100 per cent by 2027, and maintain 100 per cent through 2030
- Ensure that 50 per cent of suppliers by spend covering purchased goods and services have science-based targets by 2028

Long-Term Targets

Hexagon has set the following long-term targets, to be achieved by 2050 from a 2022 base year:

- Maintain a minimum 95 per cent reduction in Scope 1 and Scope 2 (market-based) GHG emissions from 2030 through 2050
- Reduce Scope 3 GHG emissions by 97 per cent per EUR value added by 2050



Targets

Hexagon's overall target is to achieve net-zero GHG emissions across the value chain by 2050. This long-term commitment aligns with the Paris Agreement and is supported by science-based targets. To achieve this ambition, Hexagon has established both near-term targets and long-term targets, supported by decarbonisation levers and actions.

Hexagon has selected 2022 as the base year for both its near-term and long-term climate targets. No normalisations or adjustments were applied to the 2022

base year. Based on available data, 2022 appears to be aligned with the two preceding years on record. This assessment supports the use of 2022 as a reference point for tracking progress toward Hexagon's science-based GHG reduction targets. When setting the targets, Hexagon has considered potential future developments (for example shifts in customer preferences and demand, new technologies and regulatory factors) and how these could impact its GHG emissions over both the short and long term. For example, Hexagon predicts an overall increased use of electric vehicles in its markets and greater accessibility to carbon-free electricity for its facilities, which should support adoption of electric

vehicles in the workforce and decrease the carbon emissions of its production sites. In the event of a significant change in the scope of future developments, targets will be reassessed and adapted accordingly. The measurement of the metrics is not validated by an external body other than the assurance provider. Also, no external stakeholder was involved in setting the targets.

Performance

To ensure the journey towards net-zero in the full value chain by 2050 is on track, Hexagon's sustainability targets are broken down with milestones for Scope 1, Scope 2 and Scope 3 for the years 2025, 2027, 2030, and 2050. The initiatives include training for all employees in CO₂ emissions reduction activities, a programme for expanding the use of renewable energy at all facilities and offices, criteria for product development, supplier requirements, and reduction targets for downstream and upstream logistics-related carbon emissions.

In line with GHG accounting standards, Hexagon separately discloses CO₂ emissions (Scopes 1, 2 and 3) and CO₂ offsets/credits. Targets and performance are reviewed annually, and in the event of a significant change in scope, they are reassessed and adapted accordingly.

Following a review of the 2025 target outcomes, Hexagon confirms that it met its established objectives, supported by the implementation of mandatory CO₂-emissions training for all employees in 2023 and by achieving a renewable energy share exceeding 38 per cent. In addition, a company-wide eco-design criterion was introduced in 2025; however, its effectiveness has not yet been assessed, and the results of the initiative remain to be determined.

Emission reduction roadmap – yearly milestones

	Scope 1	Scope 2	Scope 3	
	Direct emissions	Electricity	Upstream	Downstream
2025	All employees completed training on CO ₂	>50% energy from renewables	Eco-design criteria in product innovation and development	Eco-design criteria in product innovation and development
2027	At least 50% reduction in Scope 1	100% energy from renewables	20% reduction in logistics emissions	20% reduction in logistics emissions Double sales of circular products
2030	At least 90% reduction in Scope 1		>50% procurement spend covered by suppliers with SBTi-validated targets	
2050	Net-zero in value chain 			

Energy consumption

E1-5 Energy consumption and mix

In 2025, Hexagon continued its efforts to reduce carbon emissions and improve energy efficiency across its operations. Compared to its 2022 baseline, Hexagon has made measurable progress in key areas. See page 109 under E1-3 for more information on facility improvement programmes.

Key developments include a reduction in energy intensity relative to net revenue from 23.7 per cent in 2022 to 19.2 per cent in 2025. Over the same period, Hexagon increased the share of renewable energy in total consumption from 9.6 per cent to 38.5 per cent.

Hexagon does not currently track electricity sourced from nuclear power, consumption from nuclear sources, and fuel consumption for renewable sources including biomass, nor did it perform estimations for these sources for 2025. The company plans to include this data starting in the 2026 report.

	Unit	2025	2024	2023	2022	YoY change
Total non-renewable energy consumption	MWh	64,187.2	95,190.7	93,005.9	110,332.9	-33%
Share of non-renewable sources in total energy consumption	%	61.5	85.4	83.6	90.4	-24 pp.
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	4,739.8	5,537.4	-	-	-14%
Consumption of self-generated non-fuel renewable energy	MWh	4,926.5	1,676.3	1,607.6	1,263.8	194%
Total renewable energy consumption	MWh	40,103.5	16,227.4	18,279.6	11,725.9	147%
Share of renewable sources in total energy consumption	%	38.5	14.6	16.4	9.6	23 pp.
Total energy consumption	MWh	104,290.7	111,418.1	111,285.5	122,058.8	-6%

	Unit	2025	2024	2023	2022	YoY change
Energy intensity per net revenue						
Energy intensity	MWh/MEUR	19.2	20.6	20.5	23.7	-7%

Accounting principles

Hexagon reports energy consumption for all subsidiaries and operations under operational control with more than 35 full-time employees (FTEs). For sites not directly covered, energy use is extrapolated based on employee numbers to ensure full coverage across Hexagon's operational footprint. The data has been collected via Hexagon's ESG reporting system, developed and aligned with the financial reporting system for ESG data gathering and calculation purposes. This methodology is applied consistently for all environmental data. Hexagon's core activities lie within software, digital services, and assembly, which are not classified under the high-impact climate sectors defined by ESRS. As such, the company is not considered part of a high climate impact sector.

Energy data is primarily based on meter readings and invoices. Energy measured in mass or volume units is converted to MWh using recognised international conversion factors and lower heating values. All energy is reported as final consumption, representing the amount of energy used.

Non-renewable sources

Energy from non-renewable sources includes fossil fuels used in Hexagon's own operations, such as heating of facilities, and electricity purchased from non-renewable sources. Feedstocks and fuels not combusted for energy purposes are excluded, although Hexagon may choose to disclose such consumption separately. Self-generated energy consumed on-site is counted only once, while energy sold to third parties is not included in Hexagon's reported consumption.

Renewable sources

Energy from renewable sources includes electricity generated from Hexagon's photovoltaic installations, as well as electricity and heating procured through green power purchase agreements (PPAs) for major facilities. Energy is classified as renewable only if contractual proof of origin exists, such as Guarantees of Origin (GOs) or Renewable Energy Certificates (RECs). In regions where direct access to renewable electricity is not available, Hexagon procures energy certificates to support investments in renewable energy projects.

Only energy with a clearly documented renewable origin is classified as renewable. Where the renewable origin cannot be verified through contractual instruments, energy is reported as non-renewable. This approach aligns with ESRS principles for transparent and conservative reporting.

Energy intensity

Energy intensity is calculated as total energy consumption (MWh) divided by net revenue (MEUR), where net revenue refers to total net sales.



Direct and indirect GHG emissions

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Hexagon reports its Scope 1, Scope 2, and Scope 3 greenhouse gas emissions in accordance with the GHG Protocol. This reporting provides a comprehensive and transparent overview of the Group's direct and indirect climate impacts, while enabling the monitoring of progress toward Hexagon's emission reduction targets and alignment with the EU's climate objectives. In addition, the report includes GHG emission intensity metrics, offering further insight into the efficiency of Hexagon's operations relative to its activities.

In 2025, Hexagon recorded significant progress towards its carbon reduction targets approved by the Science Based Targets initiative (SBTi). These targets include reducing absolute Scope 1 and Scope 2 GHG emissions by 95 per cent by 2030, and lowering Scope 3 emissions intensity (per EUR value added) by 51.6 per cent by 2030, using 2022 as the base year.

Furthermore, Hexagon made substantial progress toward these goals. Market-based Scope 1 and Scope 2 emissions were reduced by 37 per cent compared with the 2022 baseline, demonstrating strong momentum toward the long-term 2030 target. Over the same period, total Scope 3 emissions decreased by 16 per cent, accompanied by a 22 per cent reduction in Scope 3 GHG intensity per million EUR of value added. These developments reflect the company's continued efforts to decarbonise operations and its broader value chain in line with its SBTi-approved commitments.

Emissions from business travel increased by 56 per cent over the same period, primarily due to typically low travel activity in 2022 following the COVID-19 pandemic.

	Unit	Base year 2022	2023	2024	2025	% change last year	% change base year	Targets		
								2030	Net Zero target 2050	Annual target, pp. base year
Scope 1 GHG emissions (direct GHG emissions)										
Gross Scope 1 GHG emissions	tCO ₂ e	14,561.7	14,251.8	15,032.6	14,153.9	-6%	-3%	1,099	1,099	11.6 pp
Emissions covered by the EU Emissions Trading System	%	0	0	0	0	-	-	-	-	-
Scope 2 GHG emissions (indirect GHG emissions)										
Gross Scope 2 GHG emissions, location-based	tCO ₂ e	38,502.6	33,458.3	31,323.0	27,020.1	-14%	-30%	-	-	-
Gross Scope 2 GHG emissions, market-based	tCO ₂ e	37,100.6	31,929.5	30,972.7	18,540.6	-40%	-50%	1,484	1,484	12.0 pp
Significant Scope 3 GHG emissions (indirect GHG emissions)										
Total gross Scope 3 GHG emissions	tCO ₂ e	349,331.2	359,804.9	357,878.2	295,039.7	-18%	-16%	-	-	-
1. Purchased goods and services	tCO ₂ e	170,483.6	177,634.8	177,716.6	135,953.9	-23%	-20%	-	-	-
2. Capital goods	tCO ₂ e	36,502.6	29,236.2	23,028.2	14,111.4	-39%	-61%	-	-	-
3. Fuel- and energy-related activities	tCO ₂ e	12,427.0	9,568.4	9,454.9	7,891.7	-17%	-36%	-	-	-
4. Upstream transportation and distribution	tCO ₂ e	14,256.8	14,532.5	14,539.2	16,959.4	17%	19%	-	-	-
5. Waste generated in operations	tCO ₂ e	797.5	541.5	814.8	974.7	20%	22%	-	-	-
6. Business travel	tCO ₂ e	22,053.9	28,348.7	38,504.7	34,476.4	-10%	56%	-	-	-
7. Employee commuting	tCO ₂ e	20,535.5	24,282.1	25,566.6	22,785.5	-11%	11%	-	-	-
9. Downstream transportation	tCO ₂ e	10,514.6	11,267.1	10,158.1	13,390.7	32%	27%	-	-	-
11. Use of sold products	tCO ₂ e	61,470.0	64,090.3	57,782.2	48,196.0	-17%	-22%	-	-	-
12. End-of-life treatment of sold products	tCO ₂ e	157.8	166.2	165.2	165.9	0%	5%	-	-	-
15. Investments	tCO ₂ e	132.0	137.0	147.7	134.2	-9%	2%	-	-	-
Total GHG emissions										
Total GHG emissions, location-based	tCO ₂ e	402,395.5	407,515.0	404,233.8	336,213.6	-11%	-22%	-	-	-
Total GHG emissions, market-based	tCO ₂ e	400,993.5	405,986.1	403,883.5	327,734.1	-29%	-37%	-	-	-
GHG intensity per net revenue										
Total GHG emissions per net revenue, location-based	tCO ₂ e/MEUR	78.0	75.0	74.8	62.0	-17%	-21%	-	-	-
Total GHG emissions per net revenue, market-based	tCO ₂ e/MEUR	77.7	74.7	74.8	60.4	-19%	-22%	-	-	-
Scope 1 & Scope 2 GHG emissions										
Scope 1 & Scope 2 emissions, location-based	tCO ₂ e	53,064.3	47,710.1	46,355.6	41,174.0	-11%	-22%	-	-	-
Scope 1 & Scope 2 emissions, market-based	tCO ₂ e	51,662.4	46,181.3	46,005.3	32,694.5	-29%	-37%	-	-	-
Scope 1 & Scope 2 intensity per net revenue										
Scope 1 & Scope 2 emissions per net revenue, location-based	tCO ₂ e/MEUR	10.3	8.8	8.6	7.6	-12%	-26%	-	-	-
Scope 1 & Scope 2 emissions per net revenue, market-based	tCO ₂ e/MEUR	10.0	8.5	8.5	6.0	-29%	-40%	-	-	-

Accounting principles

Organisational Boundaries

Hexagon's organisational reporting boundaries cover all its business areas and subsidiaries. These are fully consolidated, following the control-based approach.

Operational Boundaries

Hexagon has completed a company-wide Scope 1, Scope 2, and Scope 3 emissions inventory covering all production sites and offices. GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), the GHG Protocol Scope 2 Guidance, and the GHG Protocol Scope 3 Corporate Value Chain Standard.

GHG composition and emission factors

All relevant greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃) have been included in the Scope 1, Scope 2, and Scope 3 calculations. The emission factors used refer to the full global warming potential (GWP) and are translated into CO₂ equivalent. Due to the type of business performed by the Company (assembly of hardware equipment), Scope 3 emissions are the main area containing non-CO₂ GHGs.

The latest published GWP values are used to calculate carbon dioxide equivalents for non-CO₂ emissions. Emission factors are updated annually.

Scope 1 and Scope 2

Scope 1 and Scope 2 emissions from energy consumption are calculated using energy data in kWh by source. Scope 1 emissions are calculated using the emission factor for the respective fuel type (source: Defra 2024). Scope 2 emissions are calculated using both location-based and market-based methodologies in line with the GHG Protocol Scope 2 Guidance.

- **Location-based emissions** are calculated using average country/region emission factors (sources: IEA, eGrid).
- **Market-based emissions** are calculated using residual mix electricity emission factors for European countries (source: AIB) and the USA (source: Green-e), and average country factors for other regions (source: IEA).

For sites not directly covered (for example smaller offices), Scope 1 and Scope 2 emissions are estimated by assigning CO₂ emissions per employee and extrapolating to the total number of employees at those sites.

- **Scope 1** includes emissions from stationary combustion and vehicles in the company car fleet with internal combustion engines.
- **Scope 2** includes emissions from electricity in all facilities, purchased district heating, and electric vehicles in the company car fleet.

Scope 3

Scope 3 emissions are calculated in accordance with the GHG Protocol Scope 3 Standard, split into 15 subcategories. Transport-related emissions are reported on a well-to-wheel basis and include upstream and downstream transportation, business travel, and employee commuting. Approximately 28 per cent of Scope 3 emissions are calculated using primary data from suppliers or other actors in the value chain. The remaining Scope 3 emissions are estimated using secondary data derived from activity data and the Ecoinvent database.

Accounting principles (continued)

Relevant Scope 3 categories for Hexagon include:

- **Purchased goods and services (1):** Calculated for major purchased products using the average-data method with cradle-to-gate emission factors. Extrapolated to total spending on purchased goods.
- **Capital goods (2):** Calculated using the average spend-based method for total spending on capital goods, reported on a cradle-to-gate basis.
- **Fuel- and energy-related activities (3):** Calculated from energy consumption data (kWh) with upstream emission factors (well-to-tank). For electricity, country-average upstream factors are used (source: IEA). For fuels, emission factors correspond to each fuel type (source: Defra). Extrapolation for sites not covered is based on emissions per employee.
- **Upstream transportation (4):** Calculated for major purchased products using the distance-based method and mass-distance emission factors (source: Defra). Air, marine, and road transport are included. Extrapolated to total spending on purchased goods.
- **Waste generated in operations (5):** Calculated using actual waste data by type and treatment method with corresponding emission factors (sources: Defra, Ecoinvent 3.8). Extrapolated for sites not covered using emissions per employee.
- **Business travel (6):** Emissions provided by the travel agency; includes air, train, bus, and rental cars. Hotel stays are excluded.

- **Employee commuting (7):** Calculated for major sites covering one-third of employees using the average-data method. Extrapolated for other sites based on emissions per employee.
- **Downstream transportation (9):** Calculated for major products sold using the distance-based method and mass-distance emission factors (source: Defra). Includes air and road transport. Extrapolated based on total revenues from sold products.
- **Use of sold products (11):** Based on electricity consumption over product lifetimes, assuming a 10-year lifetime, even though many products exceed 15 years. Average country electricity emission factors are applied (source: IEA). Extrapolated based on total revenue from sold products.
- **End-of-life treatment (12):** Products are refurbished and resold where possible. Non-recyclable components are disposed of.

Scope 3 categories considered non-material for Hexagon include:

- **Upstream leased assets (8):** Hexagon does not have any leased assets that are outside of the Group's control.
- **Processing of sold products (10):** Hexagon is primarily selling technical solutions to customers, meaning that the number of physical products sold that require further processing by clients is not material.

- **Downstream leased assets (13):** Hexagon does not have any leased assets that are outside of the Group's control.
- **Franchises (14):** Hexagon does not operate with franchises.
- **Investments (15):** The level of investments is limited and does not generate any significant emissions.

GHG intensity

GHG intensity based on net revenue has been calculated as total Scope 1, Scope 2 (reported separately on a market- and location-based basis), and Scope 3 emissions divided by reported net revenue in MEUR. Net revenue is calculated in accordance with IFRS 15, as described in the Financial statements on page 177.

GHG removals and mitigation projects

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Hexagon's strategy for achieving net-zero includes the use of carbon removals for the portion of emissions that are difficult to abate. These typically involve direct air capture, bioenergy with carbon capture and storage (BECCS), or nature-based solutions with durable storage. Carbon removals will be implemented through direct investments in removal technologies or projects, rather than through the purchase and cancellation of market-based carbon credits for offsetting purposes.

For emissions that are currently hard to abate, such as those from on-site combustion heaters, Hexagon plans to use carbon removals to neutralise the residual emissions. At present, the purchase of carbon credits for permanent removals has not yet commenced.

In parallel, Hexagon utilises carbon credits as part of its broader climate mitigation strategy for challenging-to-reduce emissions in the value chain. For example, in 2025, Hexagon has been investing in Sustainable Aviation Fuel (SAF) to partially mitigate the CO₂ emissions associated with its business travel. In 2025, Hexagon mitigated 49,000 kgCO₂ by purchasing SAF. This approach demonstrates a commitment to addressing Scope 3 emissions where direct reductions are difficult. However, Hexagon will not use carbon credits as a substitute for mitigation projects within its own operations or value chain, and such credits will not be applied to meet required GHG emission reductions. As such, SAF is not discounted from Scope 3 calculations regarding business travel presented under E1-6.

For the 2025 reporting year, Hexagon does not report on data indicating whether the SAF used is sourced from within or outside the EU, nor whether the SAF projects qualify for corresponding adjustments under Article 6 of

the Paris Agreement. Hexagon will collect and disclose this information in the 2026 reporting cycle.

Residual emissions are expected to be neutralised by permanent carbon removals by 2050, in line with Hexagon's net-zero ambitions. The strategy ensures that the use of removals and carbon credits complements, rather than replaces, the company's GHG reduction targets outlined on pages 111–112 under E1-4.



Internal carbon pricing

E1-8 Internal carbon pricing

Hexagon applies an internal carbon pricing (ICP) scheme to support decision-making and to incentivise the implementation of climate-related policies and targets. The internal carbon price assigns a monetary value to the GHG emissions associated with Hexagon's operations, enabling the Company to account for the environmental externalities of business decisions and promote low-carbon investments.

Type of ICP scheme

Hexagon currently applies an implicit internal carbon price, initially as a shadow price with plans to evolve into a carbon levy by 2028. The shadow price is used to guide investment decisions, CapEx, procurement, operational planning, and risk management, ensuring that the carbon impact is financially considered alongside traditional cost metrics.

The ICP is applied across 100 per cent of Scope 1 and Scope 2 emissions and 11.6 per cent of Scope 3, covering category 6 Business Travel. The scheme covers all operational geographies and Hexagon entities, representing approximately 20 per cent of Hexagon's total GHG emissions in 2025. The corresponding volumes covered are approximately 14,154 tCO₂e for Scope 1, 18,541 tCO₂e for Scope 2, and 34,476 tCO₂e for Scope 3.

Carbon prices and assumptions

The internal carbon price is determined by benchmarking against established global carbon pricing mechanisms, including carbon offsets, the EU Emissions Trading System (ETS), renewable energy credits, and carbon removal credits. Prices are selected based on observed

and forecasted market trends, alignment with carbon taxes, scenario analyses, and the cost of renewable energy procurement.

For 2025, the internal price was set at 70 EUR/tCO₂e and is projected to rise to 90 EUR/tCO₂e by 2030, with potential scenarios reaching up to 350 EUR/tCO₂e by 2040. This evolutionary approach reflects anticipated increases in the cost of compliance with carbon regulations and the financial impact of emissions reduction measures. The pricing methodology is reviewed annually to ensure it remains consistent with market conditions and climate science-based trajectories.

Integration into strategic and financial planning

The internal carbon price is used to guide business decisions, drive energy efficiency, incentivise low-carbon investment, and identify cost-effective decarbonisation opportunities. It informs both historical analyses of CO₂ costs (Scope 1 and Scope 2) and forward-looking evaluations of potential projects in Energy, Mobility, and Other operational categories. By selecting the lowest carbon alternative in planning and investment decisions, Hexagon strengthens climate-aligned decision-making, supports the achievement of its net-zero targets, and manages financial risks associated with future carbon regulations.

EU Taxonomy Regulation Report 2025

For the 2025 reporting year, Hexagon will continue to use the same regulation as in 2024, meaning the EU Taxonomy regulation prior to the amendments of the delegated act as of July 4, 2025, and will continue applying its established methodology for EU Taxonomy reporting to ensure consistency, comparability, and efficiency across the Group. This approach supports a practical, transparent, and proportionate application of the EU Taxonomy requirements, while ensuring that reporting remains aligned with the Company's existing processes and internal controls.

Hexagon deems its Taxonomy eligible revenue for 2025 to be approximately 6.17 per cent of its total turnover. While being an enabler of sustainability, the significant majority of Hexagon's business activities are currently not clearly defined in the description of the economic activities within the EU Taxonomy and therefore will not be eligible. Hexagon applied the precautionary principle to determine applicable eligible activities and excluded activities not matching precisely with the definitions in the EU Taxonomy, its Delegated Act, and supporting NACE code classifications.

Hexagon used the EU Delegated Acts information to determine its eligible activities. Of the total 2025 revenue, 6.17 per cent is eligible and 0.02 per cent is aligned with the criteria defined in the EU Taxonomy. Hexagon has interpreted its relevance in the EU Taxonomy into the following sections under Climate Change Mitigation, Circular Economy, and Water:

- Electricity generation using solar photovoltaic technology (CCM 4.1)
- Data-driven solutions for GHG emissions reductions (CCM 8.2)
- Provision of IT/OT data-driven solutions (CE 4.1)

- Manufacture, installation, and associated services for leakage control technologies enabling leakage reduction (WTR 1.1)
- Repair, refurbishment, and remanufacturing (CE 5.1)
- Acquisition and ownership of buildings (CCM 7.7)
- Transport by motorbikes, passenger cars, and light commercial vehicles (CCM 6.5)

For the reporting year 2025, the eligible economic activity "Electricity generation using solar photovoltaic technology" is associated with the Archidona solar park Hexagon acquired in 2021.

The eligible economic activity "Data-driven solutions for GHG emissions reductions" is associated with isolated activities related to Hexagon's applied solutions for eMobility and wind farm engineering services, as well as the optimiser feature for the MineOperate solution.

The eligible economic activity "Provision of IT/OT data-driven solutions" is associated with Hexagon's solutions suite at Intergraph Smart Construction, iConstruct, EAM, SDx, PAS and Jovix.

The eligible economic activity "Manufacture, installation, and associated services for leakage control technologies enabling leakage reduction" is associated with the HxGN NetWorks solutions suite.

The eligible economic activity "Repair, refurbishment and remanufacturing of electronic and optical products" is associated with Hexagon's Certified Pre-Owned Equipment Centre.

The eligible economic activity "Acquisition and ownership of buildings" is associated with new building leases, found in Hexagon 2025 Annual Report note 16.

The eligible economic activity "Transport by motorbikes, passenger cars and light commercial vehicles" is associated with new car leases, found in Hexagon 2025 Annual Report note 16.

Alignment:

In line with the EU Taxonomy criteria for CCM 4.1 Electricity generation using solar photovoltaic technology, the R-evolution Archidona Solar Park meets the requirements for substantial contribution to climate change mitigation. The Taxonomy identifies electricity generation exclusively from solar photovoltaic systems as the defining substantial contribution criterion for this activity. The Archidona Solar Park operates entirely through the production of electricity using solar photovoltaic technology, with no other business activities or generation sources involved. As a result, the facility inherently satisfies the substantial contribution criteria established for this economic activity under the EU Taxonomy. Further, the activity meets the criteria for DNSH regarding climate change adaptation and biodiversity set forth in Appendices A and D. It also meets the criteria for circular economy as it uses equipment

and components of high durability and recyclability that are easy to dismantle and refurbish. It also meets the criteria of the Minimum Safeguards as it has established processes and policies for due diligence regarding Human Rights, Corruption, Taxation and Fair Competition based on the EU Guiding Principles. In addition, Hexagon has not faced any court convictions regarding these topics.

The remaining eligible activities are not considered aligned as they do not meet the technical screening criteria set forth in the Delegated Acts (2021) 2800 and (2023) 2486. While the activities may support at least one of the environmental goals and do no significant harm to the other environmental goals, there is currently not enough data available to fully comply with all technical screening criteria set forth in the Delegated Acts (2021) 2800 and (2023) 2486.

Total turnover corresponds to net sales in the consolidated income statement in the Hexagon 2025 Annual Report. The turnover KPI represents the proportion of the turnover derived from products or services that are taxonomy-eligible and taxonomy-aligned. The taxonomy-eligible activities were screened for associated turnover. Turnover is derived from the sale of products and the provision of services after deducting sales rebates, value-added tax, and other taxes directly linked to turnover. Hexagon's revenue streams stem from the sales of information technology solutions in which hardware and software are integrated, as well as services, licences, and other assignments. Revenue from agreements with customers is reported in the income statement as net sales.

CapEx is defined as investments in intangible assets (excluding goodwill) and tangible assets such as property, machinery, and other equipment, together with IFRS 16 right-of-use assets. The total CapEx amount can be found in the Hexagon 2025 Annual Report in notes 14–16. The CapEx KPI represents the proportion of capital expenditure associated with activities that are taxonomy-eligible and taxonomy-aligned.

Taxonomy-eligible activities were screened for associated CapEx using cost-type classifications in the general ledger. Cost types are mapped to the EU Taxonomy CapEx categories (a–c), enabling Hexagon to identify whether an investment relates to internally owned assets, leased assets, or purchases from external suppliers. This cost-type mapping forms the basis for screening all reported economic activities for taxonomy eligibility and alignment.

Right-of-use asset additions were first allocated to CE 4.1, CCM 8.2, CE 5.1 and WTR 1.1 in accordance with their underlying leased asset types. Remaining cost types associated with external supplier purchases were assessed under CapEx category (c) ('purchase of output from taxonomy-eligible economic activities'). Through this screening, Hexagon identified CapEx contributions to activities CCM 7.7 and CCM 6.5. These activities are therefore reported under CapEx category (c) and arise from purchases of goods and services linked to the respective taxonomy-eligible activities.

Taxonomy-aligned CapEx investments continue to consist mainly of intangible assets.

OpEx is defined as direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment that are necessary to ensure the continued and effective use of such assets (e.g., research and development, building renovation measures, short-term leases, maintenance, and repair). The OpEx KPI represents the proportion of the operating expenditure of an activity that is taxonomy-eligible and taxonomy-aligned. The taxonomy-eligible activities were screened for associated OpEx using cost types. The allocation of the turnover for eligible activities was prepared by using product accounts. CapEx and OpEx were allocated by using cost types. All activities were isolated when allocating turnover, CapEx and OpEx to avoid double counting.

Row	Nuclear and fossil gas-related activities	Yes/No
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

Row	Fossil gas-related activities	Yes/No
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

Turnover

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) turnover, year 2024	Category enabling activity	Category transitional activity
	Code (2)	Turnover	Proportion of Turnover, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
(1)	(2)	(3) MEUR	(4) %	(5) Y; N; N/EL	(6) Y; N; N/EL	(7) Y; N; N/EL	(8) Y; N; N/EL	(9) Y; N; N/EL	(10) Y; N; N/EL	(11) Y/N	(12) Y/N	(13) Y/N	(14) Y/N	(15) Y/N	(16) Y/N	(17) Y/N	(18) %	(19) E	(20) T	

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	CCM 4.1.	1.13	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.02%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1.13	0.02%	0.02%	-	0%	-	0%	-	-	-	-	-	-	-	-	0.02%		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Provision of IT/OT data-driven solutions	CE 4.1.	280.14	5.16%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4.91%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	4.98	0.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.10%		
Repair, refurbishment and remanufacturing	CE 5.1.	6.94	0.13%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.12%		
Manufacture, installation and associated services for leakage control	WTR 1.1.	41.26	0.76%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.91%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		333.31	6.14%	0.09%	-	0.76%	-	5.29%	-								6.04%		
A. Turnover of Taxonomy-eligible activities (A1+A2)		334.45	6.17%	0.11%	-	0.76%	-	5.29%	-								6.06%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities		5,090.15	93.83%																
TOTAL		5,424.60	100%																

CapEx

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2024	Category enabling activity	Category transitional activity
	Code (2)	CapEx	Proportion of CapEx, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
(1)	(2)	(3) MEUR	(4) %	(5) Y; N; N/EL	(6) Y; N; N/EL	(7) Y; N; N/EL	(8) Y; N; N/EL	(9) Y; N; N/EL	(10) Y; N; N/EL	(11) Y/N	(12) Y/N	(13) Y/N	(14) Y/N	(15) Y/N	(16) Y/N	(17) Y/N	(18) %	(19) E	(20) T	

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	CCM 4.1.	0.45	0.06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.00%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.45	0.06%	0.06%	-	0%	-	0%	-	-	-	-	-	-	-	-	0.00%		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Provision of IT/OT data-driven solutions	CE 4.1.	27.81	3.64%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3.87%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.00%		
Manufacture, installation and associated services for leakage control	WTR 1.1.	1.79	0.23%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.81%		
Acquisition and ownership of buildings	CCM 7.7	50.15	6.56%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	21.06	2.76%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		100.81	13.20%	9.32%	-	0.23%	-	3.64%	-								4.68%		
A. CapEx of Taxonomy-eligible activities (A1+A2)		101.26	13.26%	9.38%	-	0.23%	-	3.64%	-								4.68%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities	662.64	86.74%
TOTAL	763.90	100%

OpEx

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) OpEx, year 2024	Category enabling activity	Category transitional activity
	Economic activities (1)	Code (2)	OpEx (3) MEUR	Proportion of OpEx, year 2025 (4) %	Climate Change Mitigation (5) Y; N; N/EL	Climate Change Adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular Economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N				

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	CCM 4.1.	0.12	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	Y	Y	0.07%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.12	0.02%	0.02%	-	0%	-	0%	-	-	-	-	-	-	-	-	0.07%		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Provision of IT/OT data-driven solutions	CE 4.1.	38.90	8.13%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									8.44%	
Data-driven solutions for GHG emissions reductions	CCM 8.2.	1.92	0.40%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.54%	
Repair, refurbishment and remanufacturing	CE 5.1.	0.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									0.00%	
Manufacture, installation and associated services for leakage control	WTR 1.1.	2.53	0.53%	N/EL	N/EL	EL	N/EL	N/EL	N/EL									0.65%	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		43.36	9.06%	0.40%	%	0.53%	-	8.13%	-									9.63%	
A. OpEx of Taxonomy-eligible activities (A1+A2)		43.48	9.09%	0.43%	%	0.53%	-	8.13%	-									9.70%	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities		435.06	90.91%																
TOTAL		478.54	100%																

E5 Resource use and circular economy



Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon has identified a financial risk related to resource use and circular economy arising from the generation and management of electronic waste across its operations and value chain. If not managed properly, electronic waste may lead to increased costs associated with safe disposal, recycling and compliance with increasingly stringent regulatory requirements. Operating in multiple jurisdictions, Hexagon recognises that this risk is more pronounced in regions with strict e-waste legislation and enforcement, such as the European Union under Directive 2012/19/EU on waste electrical and electronic equipment (WEEE), as well as jurisdictions including California and Japan.

These insights inform Hexagon's approach to resource management and circularity and support the company's efforts to manage regulatory exposure and control costs over time. Through established processes and collaboration with third parties, Hexagon seeks to ensure compliant handling of electronic waste in accordance with applicable laws and regulations.

Recognising that electronic waste can pose significant environmental risks if not managed properly, Hexagon is committed to ensuring responsible end-of-life treatment of its products. Our approach focuses on reducing waste, supporting safe disposal, and promoting circular practices wherever possible.

IRO Table

IRO name	IRO type	Description	Time Horizon	Business Model & Value Chain Impacted				
				Business Area	Upstream	Own Operations	Downstream	Target
Waste								
Electronic waste posing an environmental risk if not managed properly	⚠️	Electronic waste can pose a financial risk to Hexagon, potentially driving up costs for safe disposal, recycling, and compliance with increasingly strict environmental regulations. These risks will likely be most pronounced in regions with stringent e-waste laws, such as the European Union under the WEEE Directive, and in jurisdictions like California or Japan, where enforcement and penalties are high.	Medium-term	MI, GEO, AS	-	-	Electronic products not discarded properly	Ambition of zero waste to landfill by 2030 ⚠️ Financial risk

Policies related to resource use and circular economy

E5-1 Policies related to resource use and circular economy

Hexagon has established three policies that address resource use and circular economy: the Environmental Policy, the Hexagon Code of Business Conduct and Ethics and the Supplier Code of Conduct. Together, these policies address efforts to transition away from virgin resource use, promote the sustainable sourcing and use of renewable resources, and manage identified financial risks related to electronic waste, which could pose environmental and regulatory challenges if not properly handled. All policies are publicly available on Hexagon's webpage to potentially affected stakeholders and stakeholders who need help to implement them.

Environmental Policy

The Environmental Policy sets out Hexagon's commitments related to resource use and circular economy, including reducing waste through recycling, reuse of resources and sustainable resource management. It also describes the Used-Equipment Programme, which promotes the recycling and reuse of products, thereby supporting circularity and extending product life cycles. In addition, suppliers are required to commit to principles related to circularity and responsible resource management as part of the policy. The governance structure supports the effective implementation of the Environmental Policy by emphasising circular economy principles for resource optimisation and by fostering active partnerships across the supply chain to help manage environmental risks.

> Further information on the Environmental Policy is presented under ESRS 2 on page 84, E1-2 on page 107 and S2-1 on page 157.

Hexagon Code of Business Conduct and Ethics

The Code outlines Hexagon's responsibility to implement processes that support sustainable resource management, including efforts to reduce waste and minimise its environmental footprint. ISO 14001-certified environmental management systems have been implemented at major production facilities, reinforcing the integration of sustainability considerations into product development, design, and production. These systems incorporate principles aligned with the circular economy. The Code also requires suppliers to comply with Hexagon's Supplier Code, which sets expectations related to resource conservation and circularity across the value chain.

> Further information on the Code is presented under ESRS 2 on page 84, S1-1 on page 135 and G1-1 on page 166.

Supplier Code of Conduct

The Supplier Code sets expectations for suppliers to operate in an environmentally responsible and resource-efficient manner, including through the development and use of climate-friendly products and processes. Suppliers are encouraged to implement ISO 14001 certification or equivalent environmental management systems, which typically include targets for reducing the use of virgin resources and increasing recycled content. Suppliers are also expected to continuously improve their sustainability performance, which may involve increased use of secondary materials and reduced reliance on virgin resources. The Supplier Code further states that Hexagon conducts supplier audits and risk assessments, which may include evaluation of recycled and virgin resource use. Non-compliance may result in corrective actions or termination of the business relationship.

> Further details on the Supplier Code are presented under ESRS 2 on page 84, S2-1 on page 156 and G1-1 on page 166.

Actions and resources related to resource use and circular economy

E5-2 Actions and resources related to resource use and circular economy

Hexagon has implemented a range of actions to support resource use and circular economy, both through formal policies and through action plans at facility and business area level. Prior to 2025, Hexagon introduced its Waste Management Guidance, which requires all facility sites to continually improve recovery and recycling rates for both non-hazardous and hazardous waste. Facilities are expected to implement the most effective local handling and waste management practices available. Hexagon works with multiple recycling and waste management

companies, reflecting the use of different certified service providers across locations. All sites generating hazardous waste are responsible for ensuring proper handling and treatment using certified third-party service providers to maintain high standards of safety and compliance. Leveraging refurbishment sites and robust waste management initiatives, Hexagon aims to foster a circular economy, minimise environmental impact, and improve resource efficiency across its operations. No significant operational or capital expenditures have been forecasted in relation to these initiatives.

In 2025, Hexagon undertook the following key actions, intended to be completed by 2030:

- Further improved the criteria for eco-design in the Hexagon Innovation Process, with company-wide scope, with the intention of reducing electronic waste in the coming years by ensuring new products are designed for durability, repairability, and improved end-of-life material recovery.
- Created sustainable packaging guidance addressing material use and recyclability, within the Geosystems Business Area, helping reduce electronic waste in the coming years by minimising associated packaging volumes and increasing the use of recyclable materials.
- Performed an assessment of the level of products refurbished within the Manufacturing Intelligence and Geosystems Business Areas to evaluate current take-back programmes and identify opportunities to increase circular product flows, aiming to reduce electronic waste by extending product lifetimes and enabling greater reuse.

In addition to these actions, Hexagon continues to maintain waste management programmes at all manufacturing sites, expand data collection on purchased materials, and integrate circular economy considerations into research and development processes. This supports the reduction of electronic waste by improving waste handling, increasing material transparency, and embedding circularity into product development.

During 2026, Hexagon plans to expand the coverage of waste records for end-of-life products and review opportunities to scale up the take-back programme across business areas. These initiatives are part of the company's broader objective of aiming for zero waste to landfill by 2030.

A key highlight of 2025 was the continued progress of the Used-Equipment Programme at the Certified Pre-Owned Equipment Centre (CPEC) within the Geosystems Business Area. Through this take-back programme, used products are refurbished and serviced before being reintroduced to more than 120 markets worldwide, significantly extending product lifecycles and reducing the need for new component sourcing and production. In 2025, CPEC grew its turnover by 8.5 per cent compared to 2024, and successfully refurbished and sold 17,153 units, including total stations, GPS receivers, construction instruments, and laser scanners, representing more than a threefold increase compared to 4,831 units sold in 2024.



Resource use and circular economy targets

E5-3 Targets related to resource use and circular economy

Hexagon has established two voluntary targets related to resource use and circular economy:

- Achieve zero waste to landfill from its operations by 2030, supporting the reduction of electronic waste through improved waste diversion, enhanced resource recovery, and responsible end-of-life handling of materials and components.
- Double circular sales by the end of 2027, compared to the 2022 baseline, covering refurbished products and components, thereby reducing electronic waste by extending product lifecycle and increasing the share of products returned, renewed, and kept in circular use.

The zero waste to landfill ambition addresses resource outflows in the production phase, while the target to double circular sales focuses on extending the functional life of Hexagon’s products and thereby contributes to the circular economy. Both targets align with the waste hierarchy, specifically the layers of prevention, reuse, and recycling, and are supported by commitments set out in the Environmental Policy, the Code, and the Supplier Code.

The targets were developed in alignment with the EU Circular Economy Action Plan and are supported by ISO 14001 principles and GRI standards. They are based on internal data sources, including waste tracking and sales data related to refurbished business activities. Key assumptions underpinning the targets include stable regulatory frameworks and continued technological innovation in recycling and product lifecycle extension.

The targets also reflect the broader context of sustainable development by contributing to SDG 12 “Responsible Consumption and Production” and SDG 13 “Climate Action”, while supporting local waste management systems and compliance with regional regulatory requirements. Furthermore, the environmental targets are grounded in conclusive scientific evidence demonstrating the role of circularity in reducing resource depletion and emissions. To ensure their relevance and practicality, Hexagon has engaged customers, suppliers, and internal teams through workshops and collaborative forums.

Hexagon has not set targets related to increasing circular product design, increasing the circular material use rate, minimising the use of primary raw

materials, or enhancing sustainable sourcing and use of renewable resources.

In 2025, Hexagon’s progress toward its resource-efficiency targets shows mixed results. The objective of achieving zero waste to landfill by 2030 is currently not on track, as waste volumes increased from 637 MT in the 2022 base year to 949 MT in 2025.

The main factor behind the increase in waste sent to landfill was the end-of-life treatment of granite, an inert natural material, at one of Hexagon’s manufacturing facilities, where no cost-efficient recycling option was available locally. This upward trend indicates that further action will be required to align with the long-term reduction pathway. At the same time, Hexagon is demonstrating meaningful progress toward doubling circular sales by 2027. Circular sales of refurbished products and components reached 132 per cent of the 2022 baseline, reflecting strengthened circular business practices and positive momentum towards the 200 per cent target. Waste metrics are not validated by any external body other than the assurance provider. There were no changes in targets and corresponding metrics or underlying measurement methodologies or assumptions during 2025.

Target	Baseline value		Target 2027		Target 2030		Outcome 2025	
	Base year	Total	Total	Total	Total	Total		
Achieve zero waste to landfill from its operations (metric tonnes)	2022	637	-	0	949			
Double circular sales covering refurbished products and components (%)	2022	100%	200%	-	132%			

Resource outflows

E5-5 Resource Outflows

Hexagon recognises that resource outflows include not only waste generated from its operations but also the products and materials it places on the market throughout their life cycle. Hexagon has identified downstream waste as a material topic and recognises the ESRS E5-5 requirement to report product durability, reparability and recyclable-content rates. At present, the company does not yet have the systems and data needed to produce these indicators to ESRS quality and auditability standards. Work is underway to establish consistent methodologies and data-collection processes, enabling full reporting from the 2026 reporting year. Hexagon is therefore disclosing this limitation transparently for the 2025 reporting cycle. While this work progresses, the company's current disclosures focus on operational waste streams, which represent the primary measurable component of its resource outflows today.

Hexagon's operational resource outflows currently consist primarily of three main waste streams:

- **Hazardous waste**, defined as waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment. Examples include paints, oils, solvents, and electronic waste such as discarded electronic components. There is no radioactive waste in Hexagon's operations.
- **Non-hazardous waste**, which does not pose a risk to human health or the environment. This includes general office waste, food waste, and packaging materials such as wood, paper, and cardboard.
- **Residual waste**, which is a subset of non-hazardous industrial waste generated from manufacturing activities, such as metal scrap, stone, and glass.

Waste generated by Hexagon is managed through the following treatment methods:

- **Recycling**, which refers to the reprocessing or recovery of waste materials or components to produce new products or materials for subsequent use. Incineration with energy recovery is included in this category, although it is considered the least preferred recycling option.
- **Landfilling**, which represents the final disposal of waste in engineered sites above or below ground.
- **Incineration without energy recovery**, which involves the controlled burning of waste at high temperatures in specialised facilities to reduce waste volume.

Waste stream	2025			2024		
	Hazardous waste, MT ¹	Non-hazardous waste, MT ¹	Total waste generated, MT ¹	Hazardous waste, MT ¹	Non-hazardous waste, MT ¹	Total waste generated, MT ¹
Diverted from disposal						
Preparation for reuse	-	-	-	-	-	-
Recycling	29.2	1,450.7	1,479.9	7.7	1,205.4	1,213.1
Other recovery options	-	-	-	-	-	-
Total diverted from disposal	29.2	1,450.7	1,479.9	7.7	1,205.4	1,213.1
To disposal						
Incineration	123.9	427.4	551.3	4.0	720.9	724.9
Landfill	23.6	925.8	949.4	26.9	771.0	797.9
Other disposal operations	0	0	-	0	0	-
Total disposal	147.5	1,353.2	1,500.7	30.8	1,491.9	1,522.7
Total waste	176.7	2,803.9	2,980.6	38.5	2,697.3	2,735.8
Per cent of non-recycled waste (%)	83.5	48.3	50.3	80.1	55.3	55.7

¹) MT: Metric Tonnes

Accounting principles

The data on waste has been collected through Hexagon's ESG reporting system, which is developed and aligned with the financial reporting system for the purpose of ESG data collection and calculation. This methodology is applied consistently across all environmental data.

Hexagon is currently enhancing its methodologies and data collection processes for preparation for reuse and other recovery operations waste streams. As these processes are still being established, no reliable estimates can be disclosed for the reporting year. Hexagon expects to include this information in future reporting periods as data availability and calculation methods continue to develop.

Non-material environmental disclosure: Water

Water Stewardship

Hexagon's operations consist mainly of offices, laboratories, and assembly-based manufacturing, rather than water-intensive processes. Our direct footprint is therefore modest: all sites source water primarily from municipal networks and use it primarily for employee sanitation and drinking. Two high-risk basin locations, China (Qingdao Office) and India (Gurugram Office), use rainwater for landscaping, and all facilities monitor their water consumption at least monthly.

Even with low withdrawals, water remains essential to our daily operations and business continuity. Therefore, we aim to minimise local impacts, safeguard availability, and support good water quality across our operations and supply chain. Continuous improvement remains central to our stewardship efforts. Select sites have installed rainwater tanks for non-potable use and are expanding collection capacity. Some facilities already use low-flow taps and toilets, and recirculated cooling systems. Monthly tracking enables early identification of anomalies, with local teams investigating and addressing deviations.

Employees are encouraged to report leaks and adopt conservation habits through signage, training, and our sustainability programme, which provides role-specific guidance on reducing water use at work and at home.

Water consumption	Unit	2025
Rainwater & Runoff-water harvesting system available on-site	No. of sites	2.0
Water recycling system available on-site	No. of sites	4.0
Water consumption per revenue	m ³ /€m	37.8
Water consumption per employee	m ³ /No.	8.4
Percentage of sites in high or extremely high-water-stress areas	%	13%

Risk awareness and resilience

In 2025, Hexagon undertook a comprehensive water risk assessment covering 105 facilities worldwide. Using the WRI Aqueduct tool and the WWF Water Risk Filter, each location was screened for basin-level physical, regulatory, and reputational risks. This Level 1 assessment identified one facility in an extremely high-risk basin and 13 in high-risk basins. Level 2 site-level evaluations were then conducted at these 14 facilities, using detailed questionnaires to assess water practices, exposure, and stewardship maturity. This structured process enables prioritisation of interventions where they are most needed.

All 14 sites rely solely on municipal water supply and do not withdraw water from surface or groundwater

sources. Six are assembly-based operations with negligible process water use, while the remainder are office-based. Water is used primarily for sanitation and drinking, with consumption measured monthly. Some sites harvest rainwater, wastewater is discharged to municipal systems, and waste-handling practices prevent contamination.

To strengthen long-term resilience, this assessment was complemented with a scenario-based analysis of Hexagon's 30 most critical sites, focusing on water availability and flood hazards. The analysis identified 12 sites with very high hazard levels. Over the following two years, water will be incorporated as a topic in these sites' business continuity plans.

To translate these insights into action, Hexagon has developed a three-phase Water Stewardship Action Plan.

Phase 1

Focuses on immediate improvements—detecting leaks, installing low-flow fixtures, and raising awareness.

Phase 2

Introduces medium-term initiatives such as expanding rainwater harvesting, installing recirculation systems, and exploring grey-water reuse where feasible.

Phase 3

Aligns with the Alliance for Water Stewardship Standard and WWF/UN guidance, setting context-based targets and assessing certification for facilities in high-risk basins.

Customer and value chain impact



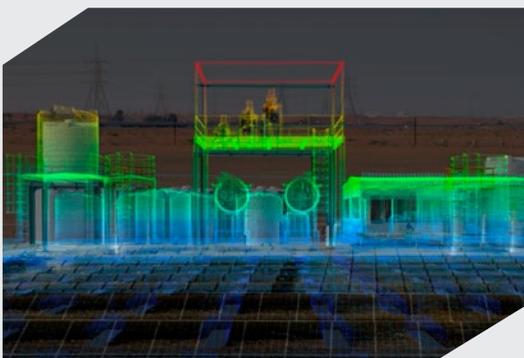
Agriculture

Section Control kit: Automatically controls individual spray sections and adjusts application based on machine movement, reducing overlap, preventing over-application, and ensuring accurate input use during spraying operations.



Irrigation and field operations

HxGN AgrOn Machine Monitoring and AgrOn Control Room: These tools provide centralised, real-time visibility of all field operations by collecting detailed data on machine activity, operational status, and workflow progress across multiple locations. They enable managers to track productivity, detect deviations from planned operations, and coordinate interventions quickly, supporting overall farm efficiency, resource management, and informed decision-making.



Desalination systems

R-evolution's solar-thermal desalination project shows how digital twins and sensor technology can deliver scalable, sustainable water solutions.

Hexagon's solutions help customers optimise resource use and improve operational efficiency.

Transparency and compliance

Hexagon reports water withdrawals, discharges, and practices in accordance with GRI 303, SASB, and CDP guidance. Its operations withdraw only third-party water and discharge wastewater exclusively to municipal treatment systems; no on-site treatment is required. Hexagon recorded zero material non-compliance incidents related to effluent quality or water permits in 2025.

While Hexagon has not set absolute reduction targets, reflecting the low materiality of water in its operations, the company will develop context-specific targets in 2026 for high-risk basins as its stewardship programme matures.



Social

S1 Own Workforce **133**

S2 Workers in the Value Chain **154**



S1 Own workforce

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon's own workforce includes all employees across its global operations. All groups within its own workforce, meaning those in an active employment relationship with the company excluding interns, that could be materially affected by Hexagon's activities are included in the scope.

The material negative impact identified relates primarily to challenges in pay equity, career progression, and workplace inclusion. These issues are considered systemic and reflective of broader sector-wide patterns within technology-driven industries, rather than isolated incidents. Addressing these impacts requires continuous efforts to ensure equitable access to development opportunities, prevent discrimination, and support a culture of inclusion. To mitigate this negative impact, Hexagon invests in employee development, AI-enabled upskilling, leadership training, and initiatives to strengthen an inclusive culture. These measures aim to reduce disparities, enhance professional growth, and support long-term employability and engagement across the workforce. Hexagon has also identified a material risk related to workforce sustainability that may affect costs and compliance, including financial risks from talent shortages, rising recruitment costs, and challenges in adhering to evolving labour laws. Gaps in human rights due diligence could also result in regulatory penalties or reputational concerns. Investments in AI upskilling and fostering an inclusive work culture are essential to mitigate these risks, supporting workforce resilience, productivity, and the company's long-term strategic objectives.



IRO Table

IRO name	IRO type	Description	Time Horizon	Business Model & Value Chain Impacted				Target
				Business Area	Upstream	Own Operations	Downstream	
Working conditions								
Workforce sustainability risks impacting costs and compliance	⚠️	Hexagon may encounter financial risks related to workforce sustainability, including talent shortages, rising recruitment costs, and compliance with evolving labour laws. Investments in AI upskilling and fostering an inclusive work culture are essential to mitigate legal and reputational risks. Failure to adapt could reduce employer attractiveness, increase salary costs, and impact productivity. Gaps in human rights due diligence may also result in regulatory penalties and raise investor concerns.	Short-term	All	–	Own workforce	–	Assessment planned for 2026
Equal Treatment and Opportunities for All								
Challenges in pay equity, career progression, and workplace inclusion	📉	Gender pay gap and disparities in career progression may persist despite equality commitments. Unequal access to training and gaps in workplace accessibility can limit opportunities for some employees. Harassment, discrimination, and a lack of diversity in leadership require ongoing efforts to ensure inclusivity and fair representation.	Short-term	All	–	Own workforce	–	Achieve at least 30% women in leadership positions by 2025

📉 Actual negative impact ⚠️ Financial risk

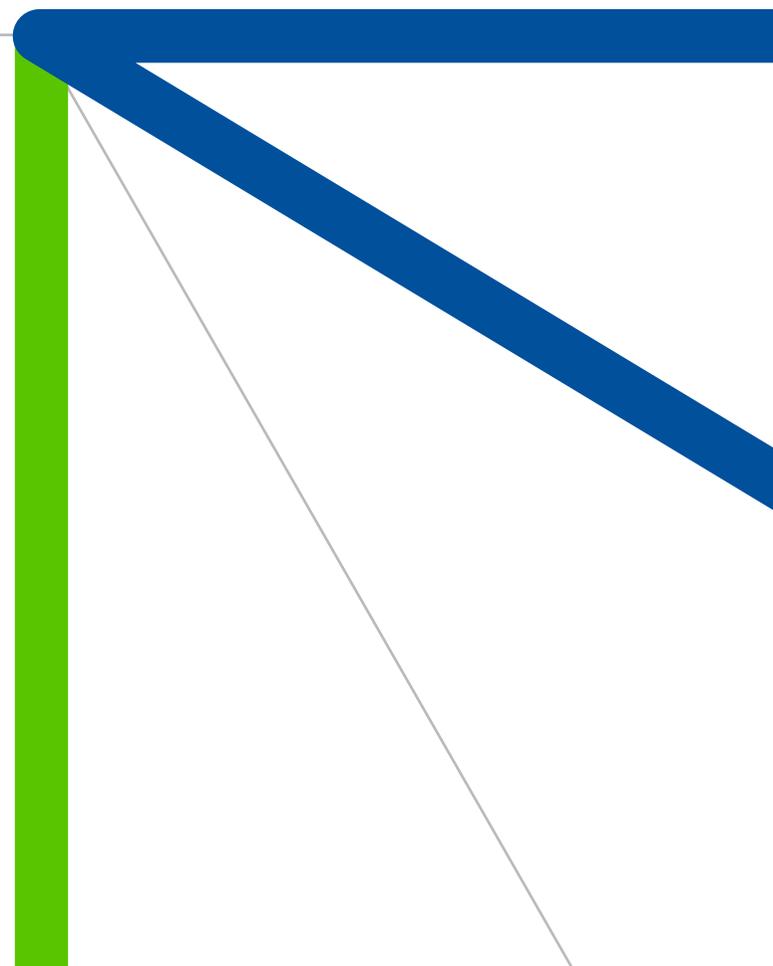
Strategy and business model

The identified impacts and risks are closely linked to Hexagon’s business model and strategy. As a technology-driven company, Hexagon depends on highly skilled employees, strong innovation capacity, and a diverse workforce capable of supporting rapid transformation. The Creating Change strategic pillar emphasises sustainability and inclusion across operations and the value chain, meaning that workforce-related impacts both originate from and influence strategic priorities. Similarly, under the Empowering Change pillar, Hexagon’s ability to deliver sustainability transformation relies on attracting, developing, and retaining talent with advanced digital and AI-related competencies. Workforce impacts therefore inform decisions on capability-building, upskilling programmes and culture development, ensuring long-term competitiveness and alignment with the strategic direction.

No material impacts on Hexagon’s own workforce arising from the company’s climate-related transition plans have been identified. Current transition measures do not involve restructuring, employment

loss, significant reskilling needs, or other material workforce implications. Similarly, no operations have been identified as being at material risk of forced labour or child labour, and such risks are assessed as low given Hexagon’s operational footprint and jurisdictions. Hexagon does not group its workforce into specific sub-groups, and it is therefore not possible to attribute the identified material IROs to particular groups of people. While some employees may experience different levels of exposure to impacts such as pay disparities, career progression challenges, or inclusion issues, the company’s current data does not allow for a systematic assessment. The identified impacts and risks apply broadly across the entire workforce rather than to specific sub-groups.

Hexagon has not yet quantified the financial effects associated with the financial risk. This assessment is planned to be carried out in 2026 and 2027, as part of Hexagon’s ongoing work to strengthen the evaluation and integration of financial effects into its sustainability-related disclosures.



Policies related to own workforce

S1-1 Policies related to own workforce

Hexagon has established several governance documents to respect human rights and labour rights across its operations and to address the identified IROs related to its own workforce. All policies related to its own workforce cover Hexagon AB and its subsidiaries and joint ventures under management control, and apply to employees, contractors, and other personnel providing services on Hexagon's behalf. All policies are approved by the Board of Directors and are communicated through training covering all employees (including part-time) and contractors, internal communications, Hexagon's website, and reporting systems. Barriers to dissemination, such as language or accessibility, are addressed. The policies are publicly available on Hexagon's webpage to potentially affected stakeholders and stakeholders who need help to implement them. All policies have been reviewed and updated during the year, though without significant changes for 2025, to ensure continued relevance and alignment with Hexagon's commitments and evolving expectations. In developing the policies, Hexagon relied on established practices and did not conduct a formal stakeholder engagement process.

Hexagon does not make specific commitments for particularly vulnerable groups beyond its general principles of inclusion and equal treatment. Breaches of these policies are managed in accordance with Hexagon's established procedures for preventing, mitigating, and remediating discrimination and other negative impacts on the workforce. Concerns or suspected violations can be reported confidentially, including the option to report anonymously via Hexagon's Ethics & Compliance Reporting System, or directly to the Chief Compliance Officer. All reports made in good faith are protected from retaliation, and confidentiality is safeguarded wherever possible. Investigations are

conducted promptly and impartially, and corrective or disciplinary measures are taken where appropriate. Significant or repeated breaches, failure to implement corrective actions or provide remedy, and lack of cooperation may result in disciplinary measures. These may include termination of employment or the reduction or termination of Hexagon's business relationship with the party involved. Hexagon ensures compliance with all policies through established routines for preventing, identifying, and addressing discrimination and harassment, and for promoting diversity and inclusion. Hexagon's general approach to remedy for human rights impacts in its own workforce includes maintaining accessible grievance and whistleblowing channels, ensuring concerns can be raised without retaliation, and conducting structured investigations followed by appropriate corrective actions.

Hexagon Code of Business Conduct and Ethics

Hexagon's Code provides the overarching framework for all workplace-related policies, including those on fair treatment, diversity, discrimination, harassment, and health and safety. The Code is binding on all employees and contracted resources and sets out requirements related to ethical behaviour, conflicts of interest, and compliance with applicable laws. All subsequent workforce-related policies are established in accordance with, and are guided by, the principles and expectations set out in the Code. Training on the Code is mandatory, and it serves as a foundation for Hexagon's broader approach to responsible business conduct across the organisation.

Hexagon does not have a separate, standalone workplace accident prevention policy. Health and safety are addressed in the Code, which states that Hexagon strives to minimise the risks of accidents or illness among its personnel, is responsible for maintaining a safe work environment by implementing all legally mandatory health and safety rules and practices within each facility, and prohibits employees from being under the influence of drugs, controlled substances, or alcohol at work, in order to prevent risks to themselves and others.

Hexagon is implementing a comprehensive Health and Safety Management System that encompasses occupational safety and accident prevention measures in high-risk activities. This system is implemented across the Autonomous Solutions Business Area and the manufacturing sites of Geosystems and Manufacturing Intelligence. It currently covers approximately 60 per cent of all employees. The Health and Safety Management System establishes processes to identify, assess, and mitigate workplace hazards, ensures compliance with applicable health and safety regulations, and provides training and guidance to employees to prevent accidents and promote a safe working environment.

> Further information on the Code is presented under ESRS 2 on page 84, E5-1 on page 126 and G1-1 on page 166.

Diversity, Equity and Inclusion Policy

The Diversity, Equity and Inclusion (DEI) Policy outlines Hexagon's commitment to promoting a diverse and inclusive workplace and to ensuring equal opportunities for all personnel. The policy is grounded in the principles

of the Code and aligns with internationally recognised human rights and labour instruments, including the UN Universal Declaration of Human Rights and ILO core labour standards. It also supports Hexagon's broader human rights commitments under the UN Guiding Principles on Business and Human Rights. This includes the responsibility to respect human rights across its operations and value chain and to prevent, address, and remediate potential adverse impacts.

The policy sets out Hexagon's commitment to actively recruit, develop and retain a diverse workforce across all regions, recognising both visible and invisible differences such as race, ethnic origin, colour, sex, sexual orientation, gender identity, age, disability, religion, political opinion, social origin and other protected characteristics. It emphasises the creation of an inclusive environment where all individuals are treated with dignity, feel valued and have fair access to opportunities based on merit, skills and interests.

Hexagon defines inclusion as ensuring that employees feel welcome, can express their ideas and can participate fully in the organisation, while equity refers to identifying and removing barriers that may hinder equal participation or limit access to opportunities. The policy acknowledges that individuals experience the world differently and commits to listening to and valuing diverse perspectives as part of fostering an inclusive workplace.

To support implementation, the policy establishes a framework for promoting diversity, equity and inclusion across all business units. This includes regular training designed to enhance awareness, foster respectful behaviour and promote an inclusive culture throughout the organisation. Clear expectations are set for employees and managers to uphold the policy and to escalate concerns when discriminatory or exclusionary behaviour is observed.

Unfair Discrimination and Harassment Policy

Hexagon prohibits all forms of unfair discrimination and harassment, including sexual harassment and discriminatory harassment, in line with applicable laws across the jurisdictions in which it operates. This prohibition applies not only to employees but also to applicants, interns, volunteers, contractors, vendors, customers and other persons interacting with Hexagon. Unfair discrimination and harassment are not tolerated whether they occur in the workplace, remotely, during working hours or outside of work, and through any communication channels, including electronic and social media platforms.

Sexual harassment constitutes a form of unfair discrimination and is prohibited on the grounds of sex, gender, sexual orientation, gender identity, gender expression, and transgender status. It includes any unwanted conduct of a sexual nature, whether physical, verbal, non-verbal or quid pro quo, which is unwelcome to the recipient. Hexagon explicitly prohibits sexual favouritism, where benefits or opportunities are granted based on submission to sexual advances.

Other discriminatory harassment includes verbal, physical or non-verbal conduct that denigrates, intimidates or shows hostility toward individuals on the basis of protected characteristics such as race, ethnicity, gender, age, disability, religion, sexual orientation, political opinion, or any other characteristic protected by law. This includes offensive remarks, threats, pranks, inappropriate gestures, or the dissemination of derogatory material.

While Hexagon acknowledges that romantic relationships may develop between employees, professional conduct must be maintained at all times, and any impact on work performance may be addressed through appropriate measures, including but not limited to discussions with management, adjustments to reporting lines

or responsibilities, and other actions necessary to ensure that workplace standards, team dynamics, and organisational effectiveness are upheld in a fair and consistent manner.

Employees are required to report instances of unfair discrimination or harassment to Hexagon, without fear of victimisation or intimidation. Managers and supervisors are obliged to report any such claims they are aware of. Hexagon conducts prompt, fair and impartial investigations, which may include a review of allegations, interviews, documentation review, and written reporting. Investigations are confidential to the extent possible, and employees involved must refrain from discussing matters outside authorised parties. Involved employees are not permitted to conduct their own investigations, as this could compromise both the process and the rights of those involved.

Should a breach be confirmed, Hexagon will take appropriate corrective or disciplinary action, which may include dismissal for severe or repeated violations. Employees or other parties involved in investigations may be required to provide truthful accounts of events and present evidence during disciplinary proceedings.

Modern Slavery Statement

Hexagon is committed to preventing modern slavery, forced labour, and human trafficking in all its operations and supply chains. In line with the UK Modern Slavery Act 2015 and Hexagon's Code, Hexagon prohibits the use of forced, involuntary or child labour and ensures that employees are paid fairly and on time, and that their rights to freedom of association and collective bargaining are respected. In addition to its own operations, Hexagon works to prevent modern slavery risks in its supply chain. This is ensured through the Supplier Code, which sets expectations for compliance with labour laws, prohibition of human trafficking, and

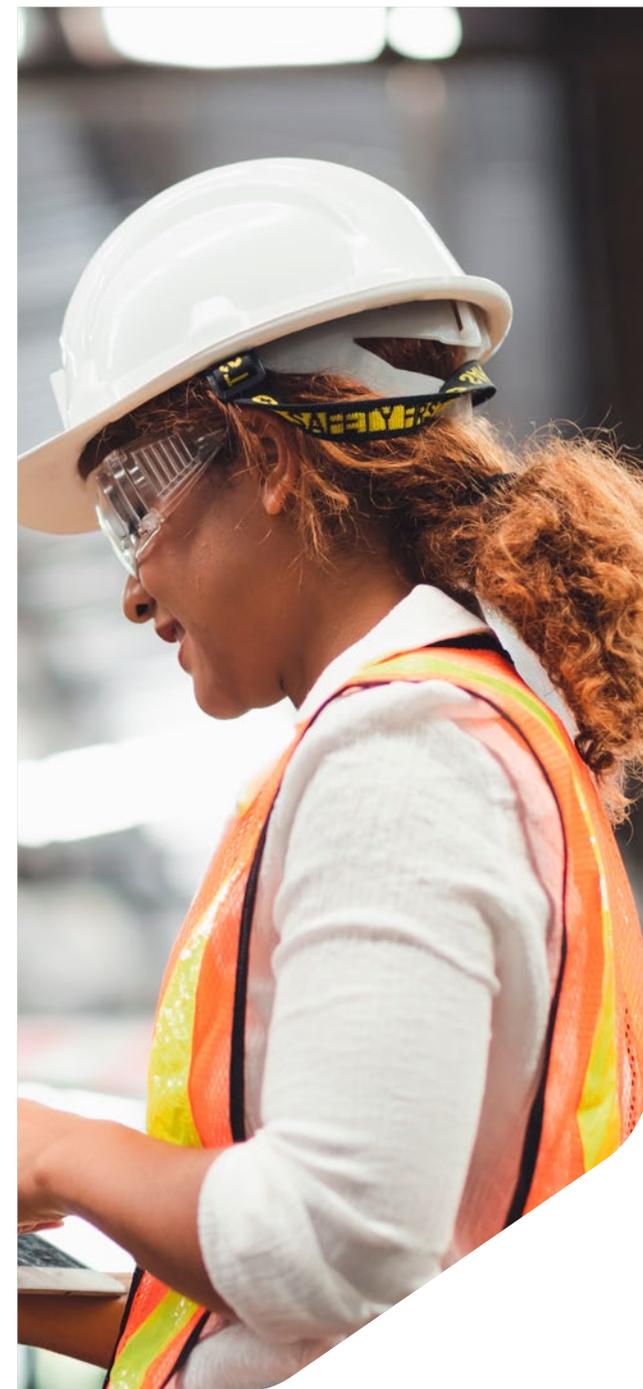
respect for employee rights. The Supplier Code is further described under S2-1 on page 156.

To support awareness and compliance, Hexagon provides regular training for managers and employees on the Code and modern slavery risks, and suppliers are also required to train their personnel accordingly. The effectiveness of these measures is monitored through reporting mechanisms and performance indicators, including the number of credible reports received from employees, suppliers, or external parties. No reports related to modern slavery in the supply chain were received in 2025.

All employees, suppliers, partners, and other stakeholders are encouraged to report suspected violations through Hexagon's Ethics & Compliance Reporting System or directly to the Chief Compliance Officer, as further described under G1-1 on page 168–169.

Hexagon continues to monitor and improve its practices to ensure that modern slavery and human trafficking do not occur in its business or supply chains. Management at all levels is responsible for ensuring that personnel understand this statement, comply with its requirements, and receive adequate and regular training on modern slavery risks and prevention.

> Further information on the Diversity, Equity and Inclusion Policy, the Unfair Discrimination and Harassment Policy and the Modern Slavery Statement is presented under ESRS 2 on page 84.



Engaging with own workforce

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Hexagon engages its own workforce on a yearly basis through structured and recurring processes designed to ensure that employees' perspectives inform the company's management of actual and potential impacts on its workforce. Engagement occurs at all organisational levels, from individual employees to senior leadership, and provides insights that guide both mitigation measures and the evaluation of their effectiveness. This approach supports the company's efforts to ensure fair working conditions, strengthen well-being, enhance retention and talent attraction, and align the organisation with its sustainability ambitions.

Employee engagement also plays a critical role in translating sustainability ambition into innovation, cultural alignment and measurable business value. By actively engaging employees in sustainability-related challenges embedded in daily operations, Hexagon enables innovation and problem solving at the intersection of technology, data and real-world application. This engagement contributes to efficiency gains, the development of new solutions and performance improvements across business areas. Engagement further acts as a catalyst for cultural transformation, providing a shared and practical purpose that aligns a decentralised organisation around the Hexagon Way while preserving local ownership and autonomy. Through this engagement-led approach, sustainability moves from compliance to execution, delivering tangible environmental and business outcomes, including reduced energy use, lower emissions, improved resource efficiency and enhanced competitiveness in regulated markets. By empowering employees as active contributors, Hexagon strengthens organisational resilience and supports long-term value creation for customers, society and shareholders.

Hexagon engages both directly with employees and through representative bodies such as Employee Representatives, which provide structured dialogue and support formalised participation. Engagement takes place at multiple stages of the company's processes and through various formats, including annual activities such as regular employee surveys, and employee satisfaction surveys covering aspects such as job satisfaction, purpose, happiness, and stress, and health and safety data collection, workshops, employee events and business performance reviews at leadership level on a quarterly basis. Regular formal performance reviews for all employees aligned with their career development further support ongoing dialogue between employees and management and provide a structured mechanism to assess employee performance, track individual development, set goals for skill growth and support career progression. These reviews also contribute to the company's broader human capital development and are conducted on an annual basis.

These channels provide systematic insights into employee perspectives on material impacts on the workforce. The collected feedback is summarised and communicated to HR representatives, and the engagement activities are resourced through the ordinary financial planning of human resources activities. Potential impacts on its own workforce that may arise from sustainability-related activities, such as reduction of carbon emissions or inclusion and equity initiatives, are conveyed through internal direct communications, such as meetings, newsletters and emails, where relevant.

Operational responsibility for ensuring that engagement takes place and that resulting insights inform organisational decision-making is shared across several

functions, including Human Resources, business area management teams, senior leadership and ultimately the Executive Management and the Board of Directors. Responsibility is not held by a single position; instead, it is distributed to ensure broad integration of workforce considerations across the organisation.

Sustainability fosters employee engagement at Hexagon through several initiatives, including the ecoCircle initiative launched in Switzerland. Employees participated in the programme to share ideas and develop practical projects that strengthen sustainability across Hexagon's operations and culture. Since 2024, six workshops and more than 200 hours of collaboration have been conducted. The workshops addressed topics such as sustainable procurement, mobility and product packaging, using a combination of creative thinking and hands-on problem-solving.

Within the ecoCircle initiative, one project focused on improving the sustainability of product packaging within the Construction Trade Solutions division. Existing packaging was reviewed and improvement areas were identified to reduce material use, lower environmental impact and maintain customer requirements. In a CLAx pilot, unnecessary printed content was cut, CDs and USBs were replaced with QR codes, and clear

guidance to help scale these improvements across other product lines was created. The 2025 pilot is expected to save several thousand CHF (Swiss francs) and cut CO₂ emissions by several tonnes. The project not only delivered measurable environmental and cost benefits, but also showed how employee-driven sustainability can support collaboration and measurable change.

Hexagon does not currently have a Global Framework Agreement with workers' representatives. Workforce representation is instead facilitated through local Employee Representative councils, town hall meetings and other engagement mechanisms that enable the company to capture workforce perspectives and concerns.

The company evaluates the effectiveness of its engagement processes through employee survey results, participation metrics for training and development initiatives and insights from the whistleblower channel. These sources help assess whether engagement methods remain relevant, accessible and effective.

To gain insight into the perspectives of workforce members who may be particularly vulnerable or marginalised, for example women, migrants or people with disabilities, Hexagon uses employee engagement surveys and anonymised reporting mechanisms. These steps help ensure that the needs and risks affecting these groups are adequately identified and considered.

Channels to raise concerns

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Hexagon's response to misconduct is governed by an established methodology that ensures thorough and impartial investigations of violations of law or Hexagon's internal policies and procedures. All reports undergo preliminary assessments, followed by root-cause identification and the implementation of effective steps to remediate issues and prevent their recurrence.

Employees, suppliers, customers, contractors, freelancers, shareholders, and other business partners, as well as any individuals who become aware of a potential issue involving Hexagon, can raise concerns via several channels established by Hexagon. This includes the Speak-Up reporting system, which is operated by an external provider. The externally managed system has been in use since 2021 and is operational 24/7/365.

It supports reporting in multiple languages, either in writing or by phone, and allows for confidential and anonymous submissions. The system complies with both US and EU legal requirements. In 2022, a Procedure for Internal Reporting and Investigation was introduced, providing a uniform standard for the management of reports and the conduct of investigations. The procedure extends beyond the EU Whistleblower Directive, allowing for a wider range of violations to be reported. Additional channels for reporting misconduct include the Hotline for verbal reporting, Human Resources, the Compliance function, and employee surveys. Together, these serve as Hexagon's formal grievance mechanisms for employee-related matters. The Speak-Up system should only be used if other options are unavailable or inappropriate. Hexagon strictly prohibits any form of retaliation



against individuals who, in good faith, raise concerns or participate in an investigation, as outlined in the Code of Business Conduct and Ethics policy.

Hexagon supports the availability and accessibility of these channels through extensive communication. Insights from the 2023 employee survey provided valuable feedback, prompting the compliance team to review and reinforce communication about the Speak-Up initiative and ensure that employees are informed about the available reporting channels. Furthermore, tailored e-learning modules were introduced in 2024, aligning with Hexagon's Compliance Programme and addressing employees' specific needs for improvement. Informative training sessions for employees were also provided throughout the year.

All reports are logged in Hexagon's case management system and monitored in a manner tailored to each case. Reporters receive acknowledgment within five business days and follow-up updates as appropriate. Depending on the findings, Hexagon may initiate a detailed investigation. The whistleblower system is reviewed anonymously by the Board of Directors and the Audit Committee for oversight and accountability. Efficiency, awareness and trust in these mechanisms are evaluated through employee surveys, the use of reporting channels, and qualitative feedback from employee engagement activities. The system has been reviewed and confirmed compliant with the General Data Protection Regulation (GDPR) to ensure employee trust in the reporting channels. This initiative highlights Hexagon's dedication to transparency, trust, and accountability across its organisation.

> The Hexagon Speak-Up reporting system can be accessed here: <https://hexagon.com/about/ethics-compliance/hexagon-speak-up>

Actions related to own workforce

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Hexagon's material negative impacts on its own workforce relate primarily to challenges in pay equity, career progression, and workplace inclusion. These impacts are considered systemic and reflective of broader trends within technology-driven industries rather than isolated incidents. Addressing these impacts is integral to Hexagon's long-term human capital strategy and informs the actions and priorities described in this section. Hexagon is committed to being a diverse and inclusive workplace, reflecting its global presence in over 50 countries. By focusing on competence development, employee engagement, inclusion, and health and safety, Hexagon strengthens innovation and competitiveness worldwide. The company values diverse perspectives and strives to create an environment where these differences drive the best solutions for a diverse customer base while also expanding access to talent. Hexagon has also identified a material risk related to workforce sustainability, including potential financial impacts arising from talent shortages, increased recruitment costs, and evolving labour-law requirements. Gaps in human-rights due diligence may present compliance or reputational risks. The company's ongoing focus on capability-building, upskilling and an inclusive workplace culture mitigates these risks and strengthens workforce resilience.

The processes for managing material risks related to Hexagon's workforce are integrated into the company's overall risk management framework. Group and business area management jointly handle risks associated with human capital. Hexagon applies a formalised approach to HR management and market-based remuneration to support employee satisfaction, with employee engagement serving as the primary measure in workforce surveys.

To attract and develop skilled employees, Hexagon collaborates with universities and colleges worldwide, aiming to train, develop, and hire students with industry-ready skills. At the same time, challenges in pay equity, career progression, and workplace inclusion are actively addressed as part of the company's ongoing strategy.

To mitigate the negative impacts and risks, Hexagon has identified five key areas with targeted actions, which are described below. They are continuous and form part of Hexagon's ongoing responsibility to ensure fair, safe and inclusive working conditions across all geographies where it operates. They are not time-bound initiatives but long-term, embedded practices that are regularly monitored, adapted and improved to address material impacts and risks related to the workforce.

To mitigate the material impacts, Hexagon continues to invest in employee development, AI-enabled upskilling, leadership training, and initiatives aimed at strengthening an inclusive and accessible culture. These actions support career growth, reduce disparities and barriers, and foster a work environment that promotes equal opportunity across all roles and regions. As part of these actions, Hexagon monitors working hours through time-tracking systems that record overtime and help prevent excessive working hours. Overtime compensation is addressed in accordance with employment contracts, either through salary arrangements or through time off in lieu, supporting work-life balance. The company also ensures that employees take their paid annual leave entitlements as part of its approach to safeguarding employee well-being.

Where relevant, the scope of each action includes both organisation-wide processes and business area-specific measures, coordinated by the global HR function to ensure consistency across regions. These actions do not require significant OpEx or CapEx, and the resources used, both financial and human, remain below material thresholds, with human resources primarily managed by the global HR function.

Equity and inclusion

Building an inclusive workforce is a long-term commitment that spans the full employment cycle, from recruitment to senior management. Hexagon promotes equity and inclusive behaviour through inclusive hiring practices and training for all employees. Career development is supported through mentoring, workshops, awareness campaigns, leadership forums, and employee networks such as Femme Like You, which enable employees to share experiences, exchange ideas, and develop professionally. Senior management are provided with toolkits to help lead by example and foster an inclusive culture.

Hexagon aims for balanced gender representation across all levels of management and continues to take actions that support the company's target of 30 per cent women in leadership positions, although this target was not achieved by 2025. These initiatives strengthen diversity, inclusion, and equity across the organisation while contributing to a more engaged and innovative workforce. Effectiveness is monitored through workforce gender-related KPIs and employee surveys. Read more under S1-5 on page 143, and under S1-9 on page 147.

Discrimination

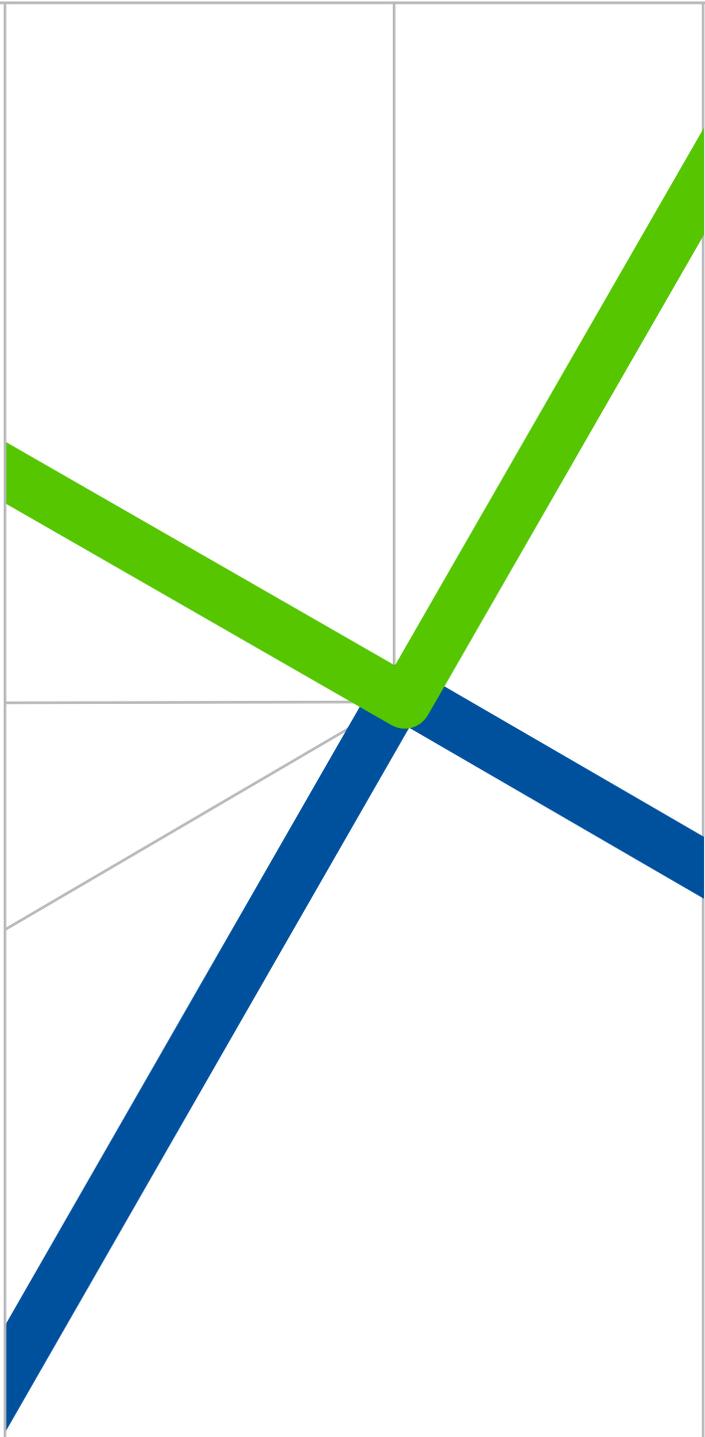
Hexagon does not tolerate discriminatory behaviour and ensures that employees are aware of expectations and obligations regarding diversity, equity and inclusion. Employees who experience or observe discrimination or harassment can report concerns through several channels, including direct contact with their business area HR leader, the HR Executive Vice President, the Compliance team, or via the anonymous third-party Ethics and Compliance reporting system. Processes are in place to ensure reports can be made safely, without fear of retaliation. Effectiveness is monitored through reports in the reporting system and employee surveys. These actions are closely aligned with the objectives of Hexagon's Unfair Discrimination and Harassment Policy, with further details on reporting procedures and grievance mechanisms provided under G1-1 on pages 165–169.

People — transparency builds trust

Hexagon is proud of its diverse workforce and strives to increase transparency in employee data to promote accountability and highlight areas for improvement related to representation and equality. Effectiveness is monitored through Hexagon's employee report, which includes the representation of both women and men at different job levels globally. Hexagon's ambition is to further support initiatives that foster an inclusive culture, enhancing its competitiveness as an employer, where all employees have the same opportunities to grow and prosper.

Community engagement and volunteering

To support and maintain a strong and inclusive culture, Hexagon has established several initiatives reaching internal employees and global industry associations. One example is the Care Programme, a global effort to foster



engagement and teamwork by encouraging employees and managers to participate together in local community and charitable activities. The programme is implemented in three business areas and enables employees to support charitable organisations by providing one day of paid time off per year for volunteer work, thereby benefiting local communities while strengthening an ethical and socially engaged culture. These initiatives contribute to a positive employee experience, help reduce turnover and support competitiveness in recruitment.

Occupational health and safety

The safety of personnel is a top priority for Hexagon. The company strives to provide a workplace free of incidents, promoting hazard awareness, near-miss and incident reporting, and self-accountability. Flexible work arrangements, including the opportunity to work from home, are supported where appropriate. Hexagon maintains a safe work environment by implementing applicable health and safety rules across all entities and provides employees with training and equipment to perform their jobs securely. Employees are responsible for following policies and procedures, participating in safety training, and reporting any issues or hazards to management or relevant internal stakeholders. Effectiveness is monitored through safety KPIs, including work-related injury tracking. Read more under S1-14 on page 151.

Hexagon reports evidence of actions undertaken for its own workforce, as described above. While these actions are intended to support positive workforce outcomes, a clear causal relationship between individual actions and specific employee outcomes has not yet been established.

Employee survey

In 2025, Hexagon conducted an Employee Engagement Survey covering all employees, using an independent third-party survey provider. The survey achieved a response rate of 81.6 per cent of all employees, providing a representative basis for assessing employee engagement and enablement across the organisation. The survey results were benchmarked against a peer group of 60 high-performing organisations across a range of industries.

Hexagon's overall Engagement Score amounted to 74 per cent, compared with 73 per cent in 2023. This result is strong given the overall market benchmark and indicates that employees experience a sense of purpose and belonging, demonstrate initiative and effort, and feel committed to the organisation.

The Enablement Score, which reflects the extent to which employees feel supported, equipped and able to perform their roles effectively, reached 77 per cent, an increase from 75 per cent in 2023.

The Employee Engagement Survey is conducted regularly and, from 2026 onwards, will be carried out on an annual basis to enable more frequent monitoring of employee perceptions and trends over time. Survey results are reviewed by executive management and form part of the basis for setting people-related priorities.

In line with the outcomes of Hexagon's Double Materiality Assessment, the Employee Engagement Survey also functions as a key tool for identifying and addressing risks related to Working Conditions and Equal Treatment and Opportunities for All. Survey insights are used to monitor employee perceptions related to fair treatment, inclusion, workload, support and development opportunities, and to inform targeted actions where potential risks or gaps are identified. Hexagon determines the necessary response to actual or potential negative impacts on its own workforce

by reviewing reported issues, assessing their severity and root causes, and assigning appropriate corrective measures to responsible functions.

Identified improvement areas are incorporated into employee development and management action plans, with the objective of strengthening employee satisfaction, supporting talent development and contributing to employee retention over time. During 2025, Hexagon did not take action to provide or enable remedy in relation to an actual impact related to its own workforce as there were no such reported cases during the year.

Targets related to own workforce

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Hexagon has set a specific target related to its own workforce: to reduce material negative impacts related to gender inequality in leadership positions. This target supports the objective of Hexagon's Diversity, Equity, and Inclusion Policy by addressing gender-related negative impacts and promoting equitable access to leadership opportunities. Hexagon monitors KPIs related to its own workforce and is evaluating, as part of its continuous improvement process, whether setting quantitative targets would be appropriate.

The gender diversity target of 30 per cent women in leadership positions by 2025 was established following an analysis of external benchmarks, and was deliberately ambitious to communicate Hexagon's strong focus on diversity across the company. The target includes all employees in top management (see accounting principles on page 147 for more information on scope). The benchmark assessment included a market analysis of Hexagon peers and best-performing companies in other industries, as well as input from research institutes on how gender diversity supports innovation, growth and retention.

The target aims to strengthen the recruitment and progression of women in the technology sector and

supports a long-term commitment to advancing women in STEM. Performance is tracked through annual data collection on workforce composition. Three main areas have been identified for improvement and will be the focus in the coming years.

- **STEM engagement:** Initiatives have been launched to encourage girls' interest in STEM disciplines from an early age, aiming to build a sustainable talent pipeline for future leadership positions. These programmes include partnerships with schools, mentorship schemes, and STEM-focused outreach campaigns.
- **Function-specific targets:** Recognising that candidate availability varies by functional area, diversity targets will be adjusted based on the talent pool in each functional discipline. This approach ensures realistic and impactful goals while maintaining ambition for improvement.
- **Tiered seniority goals:** Differentiated targets will be implemented for entry-level, middle management, and senior leadership positions, acknowledging the distinct challenges and opportunities at each level.

In addition, Hexagon is evaluating the development of a target related to employee engagement, with the intention of potentially establishing such a target during 2026.

Hexagon increased the proportion of women in leadership positions from 20 per cent in 2020 to 25.5 per cent in 2025. The company did not, however, achieve its target of 30 per cent women in leadership positions by 2025. Hexagon will assess progress and the underlying factors contributing to the shortfall during 2026 and review if the target will be extended further.

Target	Baseline value		Target 2025	Outcome 2025	Outcome 2024
	Baseline year	Total	Total	Total	Total
Women in leadership positions, %	2020	20	30	25.5	22.3

Employee characteristics

S1-6 Characteristics of the undertaking's employees

Hexagon recognises that flexibility in working arrangements is a key component of employee well-being and inclusion. While the workforce includes employees who are not engaged on a full-time basis, this does not reflect reduced commitment but rather a deliberate approach to support diverse needs. Many employees consider the option to work less than 100 per cent a significant benefit, enabling a balance between professional responsibilities and personal circumstances. By offering part-time arrangements, Hexagon promotes work-life balance, fosters retention, and ensures equal opportunity for those who prefer or require flexible schedules. This practice aligns with ESRS S1 disclosure requirements on workforce characteristics and work-life balance, demonstrating a commitment to creating a supportive and sustainable working environment.

Headcount by country representing at least 10 per cent of total employees

Countries representing at least 10% of total employees	Headcount	
	2025	2024
USA	4,404	4,641
India	2,927	2,912
China	2,817	2,840
Switzerland	2,053	2,120
Germany	2,035	1,959
Other	10,236	10,330
Total headcount	24,472	24,802

Headcount by gender

Gender identity	Headcount	
	2025	2024
Men	18,554	18,801
Women	5,856	5,933
Other	62	68
Total headcount	24,472	24,802

Employees by contract type and gender

	2025				2024			
	Men	Women	Other	Total	Men	Women	Other	Total
Number of employees	18,554	5,856	62	24,472	18,801	5,933	68	24,802
Permanent employees	18,554	5,856	62	24,472	18,801	5,933	68	24,802
Full-time employees	18,017	5,420	61	23,498	17,960	5,421	63	23,444
Part-time employees	537	436	1	974	841	512	5	1,358

Due to the nature of employment contracts at Hexagon, all employees have a contract specifying their expected working hours (full-time or part-time). Any additional hours worked are paid separately. As a result, Hexagon cannot provide comprehensive data on temporary or non-guaranteed-hours employees, and this group is therefore not included in this year's report. Hexagon defines all employees as permanent employees.

Employee characteristics (continued)

New hires and employee turnover rate

Hexagon recorded a notable increase in new hires in 2025, with growth across all gender categories compared with 2024. Turnover rates remained relatively stable across genders, indicating that the higher hiring volumes did not translate into disproportionate exits for any specific group. Overall, the data suggests a balanced inflow and outflow of talent across the organisation.

	2025				2024			
	New hires		Employee turnover		New hires		Employee turnover	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Men	2,753	14.8	2,192	11.8	1,971	10.5	2,079	11.1
Women	1,035	17.7	678	11.6	808	13.6	709	12.0
Other	38	61.3	45	72.6	30	44.0	6	8.8
Total	3,826	15.6	2,915	11.9	2,809	11.3	2,794	11.3
Under 24	658	46.3	285	20.1	517	18.4	239	24.1
Between 25–40	1,997	15.8	1,490	11.8	1,556	55.4	1,472	11.7
Between 41–56	959	11.5	659	7.9	639	22.8	729	8.4
Over 57	212	10.2	481	23.1	97	3.5	354	13.9

In its initial year of ESRS reporting, Hexagon has applied the phase-in option and has omitted all disclosures under S1-7.

Accounting principles

Number of employees

The methodology used for the social data includes the total headcount at the end of the reporting period, as at 31 December 2025. Headcount data is sourced from the Group's HR systems and is reported as the number of employees at the end of each quarter. For analytical and reporting purposes, the Finance function calculates the average annual headcount as the mean of the headcount at the end of the previous reporting year and the headcount at the end of the current reporting year.

By employees, Hexagon refers to everyone in an active employment relationship with the company, excluding interns.

The most representative number in the financial statements is presented under note 28 Average number of employees on page 210. However, these metrics are shown as averages for 2025, rather than as of 31 December, unlike the figures in this section.

Turnover

The company defines employee turnover as the ratio of voluntary and involuntary attrition during the year to the total number of employees at year-end.

Collective bargaining coverage and social dialogue

S1-8 Collective bargaining coverage and social dialogue

Hexagon is committed to ensuring the health and safety of employees and to upholding fundamental labour rights, including freedom of association and the effective recognition of the right to collective bargaining. The percentage of its total employees covered by collective bargaining agreements is 28.7 per cent. Within the EEA, Hexagon has several collective bargaining agreements in place in different jurisdictions, including but not limited to Sweden, Spain, Portugal, Italy, France and the Netherlands.

Hexagon increased the share of employees covered by collective bargaining agreements from 19.1 per cent in 2024 to 28.7 per cent in 2025. This expansion reflects broader coverage across the workforce and a strengthened alignment with employee representation structures.

Coverage rate	Collective bargaining coverage	
	Global	
	2025	2024
0–19%	-	19.1
20–39%	28.7	-
40–59%	-	-
60–79%	-	-
80–100%	-	-

Accounting principles

Hexagon has identified EEA countries where it has significant employment, defined as at least 50 employees or 10 per cent of the total workforce.

The percentage of employees covered by collective bargaining agreements is calculated by dividing the number of employees covered by such agreements by the total number of employees and then multiplying the result by 100. If an employee is covered by more than one collective bargaining agreement, they are counted only once.

Hexagon recognises the ESRS S1-8 requirement to report collective bargaining coverage and social dialogue for each EEA country representing more than 50 employees or more than 10% of the workforce. At present, the company does not yet have consolidated, country-level data systems that can provide this information to ESRS quality and auditability standards. Work is underway to upgrade internal HR reporting and align data structures across business areas. Hexagon expects to report the full country-level disclosures in future reporting cycles. For the 2025 report, the company is transparently disclosing this data-availability limitation.

In its initial year of ESRS reporting, Hexagon has applied the phase-in option and has omitted certain disclosures under S1-8.

Diversity metrics

S1-9 Diversity metrics

Hexagon strives to be an inclusive workplace across all levels of management, which is reflected in the target for women in leadership positions. Hexagon continues its commitment to foster a diverse, inclusive, and dynamic workplace, and has implemented a set of initiatives for recruiting, retaining, and developing female leaders to meet this target.

Gender distribution in top management

	Senior management				Board of Directors			
	2025		2024		2025		2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Female	140	25.5	118	22.3	4	44.4	4	44.4
Male	409	74.4	409	77.2	5	55.6	5	55.6
Other	1	0.2	3	0.6	0	0.0	0	0.0

Employees by age

Age	2025		2024	
	Number	Percentage	Number	Percentage
Under 24	1,420	6	991	4
Between 25-40	12,626	52	12,601	51
Between 41-56	8,345	34	8,656	35
Over 57	2,081	9	2,554	10

Accounting principles

Hexagon defines management levels according to employees' seniority within the organisation as follows:

- **Executive:** Total number of employees reporting directly to the Business Area President, usually Vice Presidents and C-suite. Excludes the Executive Management Team and administrative functions.
- **Job Level A:** Total number of employees reporting to the Executive group, usually Directors and Heads of Departments. Excludes administrative functions.
- **Job Level B:** Total number of employees reporting to the Job Level A group, usually Managers and Team Leaders. Excludes administrative functions.
- **Rest of the organisation:** Total number of all other employees within the organisation.

Top management is defined as Executive and Job Level A, covering the first two layers below the administrative and supervisory bodies.

For the current reporting year, Hexagon is not able to disclose the number of employees by age in accordance with the ESRS age group requirements of under 30, 30–50, and over 50 years. Instead, employee age distribution is presented based on the age categories currently supported by the Group's reporting systems. Ahead of the next reporting cycle, Hexagon will assess whether relevant systems and processes can be adapted to enable the collection and presentation of data in line with ESRS requirements.

Adequate wages

S1-10 Adequate wages

According to the ILO, an adequate wage is defined as remuneration that enables workers and their families to meet fundamental needs, in line with the economic and social circumstances of each country. Hexagon is committed to upholding the rights to freedom of association and collective bargaining, and ensuring fair and adequate compensation to employees across all its locations. Wages and salaries are paid on time and in compliance with applicable laws in every country where Hexagon operates. Furthermore, recruitment fees or related costs must not be charged to, or otherwise borne by, employees.

To determine adequate wages, Hexagon defines them on a location-specific basis. Where local benchmarks are unavailable, regional benchmarks are applied. The company consistently uses adequate wage benchmarks rather than local minimum wages, unless the minimum wage equals or exceeds the adequate wage. Each market was reviewed in 2025 to assess wage adequacy. The review found that 99.3 per cent of employees earn at or above the applicable adequate wage benchmark, while 0.7 per cent were identified as earning below the benchmark. Hexagon is evaluating the underlying reasons and preparing appropriate steps to achieve full compliance.

Hexagon continuously monitors wage practices and will continue to evaluate compensation levels across its operations to ensure alignment with living wage principles.

Sources for identifying adequate wage benchmarks per country include:

- Global coverage, publicly accessible benchmarks (Valuing Impact / Value Balancing Alliance)
- Country-specific, quarterly updated benchmarks (WageIndicator Foundation)
- Non-EEA country-specific benchmarks (Global Living Wage Coalition)

In its initial year of ESRS reporting, Hexagon has applied the phase-in option and has omitted all disclosures under S1-11 and S1-12.

Talent development

S1-13 Training and skills development metrics

Hexagon fosters continuous learning and development across its workforce. Each Business Area has programmes in place, including skills- and knowledge-based training, to ensure that employees at all career stages, from early career to senior management, have access to knowledge and tools to grow professionally and contribute to an inclusive, equitable and innovative culture. Senior management are supported with toolkits to help lead by example and promote inclusion and collaboration across the organisation.

General management and functional training

Through on-site courses and virtual classes delivered via educational platforms, employees have access to a wide range of specialised courses and functional learning resources. These programmes cover:

- Mandatory compliance training (e.g. ESG training, cyber security, Acceptable Usage Policy)
- Product knowledge and technical training
- Functional training (finance, product development, eco-design, supply chain management)
- Performance management skills (goal setting, feedback, managing upwards)
- Leadership and soft skills (e.g. Effective Leadership)

These programmes are designed to cover all employees, including part-time employees, and, where applicable, contractors.

During 2025, Hexagon delivered 89,240 hours of training, corresponding to an average of 3.6 hours per employee.

Hexagon has not yet set a formal target for employee development but aims to do so by 2027.

Upskilling employees in AI

Hexagon recognises Artificial Intelligence as a transformative force driving innovation and operational excellence across industries. In 2024, Hexagon launched its AI-enabled company programme, demonstrating a strong commitment to upskilling its workforce and integrating responsible and value-driven AI practices across its operations.

To fully harness AI's potential, Hexagon has embedded AI literacy into this initiative, ensuring employees are equipped to leverage AI responsibly and effectively. The comprehensive training programme combines mandatory baseline courses for all staff with advanced learning sessions tailored to specific roles. Structured e-learning, interactive AI Circles, and continuous learning resources such as weekly "AI Fast Facts" support the closing of skill gaps, foster confidence in AI adoption, and promote a culture of innovation and collaboration. Examples of AI Circles include coding and software development, marketing, and general usage of tools such as Microsoft Copilot and Hexagon ChatGPT.

Through these initiatives, over 80 per cent of Hexagon's global workforce has been trained on AI principles, generative AI models, and AI-enabled tools. In 2025, the company had over 12,000 active users of general-purpose AI tools, with 70 per cent using them daily to boost productivity. Engagement continues to grow, building

Accounting principles

Training Hours

Training metrics include all training hours offered to and completed by employees. The average number of training hours is calculated by dividing the total completed training hours by the total number of employees. For the overall average, Hexagon applies the total headcount figures from ESRS S1-6 on pages 144–145.

Metric	Unit	Total
Average training hours per employee	Hours	3.6
Employees receiving regular performance and career development reviews	%	52
Employees completing:		
Hexagon's Compliance Programme	%	94
Sustainability @Hexagon	%	100
AI upskilling	%	80

In its initial year of ESRS reporting, Hexagon has applied the phase-in option and has omitted breakdown by gender in its first reporting year under S1-13.

a culture where AI empowers teams to work smarter, innovate faster, and deliver sustainable value.

Hexagon's strategic focus on AI extends beyond internal productivity, leveraging technology to improve environmental, social, and governance outcomes. For example, in Klagenfurt, Austria, Hexagon's AI-driven geospatial analysis is helping the city identify and increase solar panel potential. By transforming data into actionable insights, Hexagon enables smarter urban planning, optimises solar energy potential, and supports sustainable development.

These efforts advance Hexagon's technological capabilities while reinforcing the company's commitment to responsible AI use and sustainable impact, positioning it as a leader in integrating AI for ESG improvements.

Training, collaborations with universities and research institutes

Hexagon is proud to partner with universities and higher education institutions to support future talent development through involvement in education programmes, advisory panels, and sponsored forums and events. Through collaboration with universities and colleges around the world, graduates gain exposure to Hexagon's technologies and develop industry-ready skills using the company's solutions. Hexagon's partnerships with universities and research institutes also strengthen employee development and academic advancement.

One example is the partnership with Montana Technological University through its Underground Mine Education Centre. Within this partnership, Hexagon accelerates innovation in safety and collision-avoidance technologies while providing students with hands-on exposure to cutting-edge solutions. These collaborations ensure that future professionals learn using the latest industry technologies, while Hexagon benefits from real-



world testing environments. Such partnerships embody a long-standing tradition of supporting the miners of tomorrow and exemplify a commitment to knowledge sharing, talent development, and supporting the next generation of skilled professionals.

Health and safety

S1-14 Health and safety metrics

Hexagon prioritises the safety of its personnel and strives to minimise the risks of accidents and illness. The company implements all legally required health and safety rules within each facility and provides employees with appropriate training and safety equipment. Where appropriate, Hexagon supports a flexible workplace and the opportunity to work from home. Employees are responsible for working safely, following policies, participating in training, and reporting hazards; furthermore, they must not be under the influence of drugs, alcohol, or controlled substances that could impair their performance or endanger others.

Hexagon also reinforced its commitment to public safety and climate resilience by training experts in geospatial technology to monitor risks, enhance disaster preparedness, and support emergency responses, extending its safety focus to customers and partners.

Hexagon saw a decrease in the share of employees covered by a recognised health and safety management system, falling from 68.7 per cent in 2024 to 60.0 per cent in 2025, while work-related accidents increased from 65 to 85 cases, with the injury rate rising from 0.3 per cent to 0.4 per cent. These developments indicate a need to strengthen health and safety coverage and performance. Hexagon will assess how it can improve these figures going forward.

Metric	Unit	2025	2024
Share of employees covered by a recognised health and safety system	%	60.0	68.7
Fatalities as result of work-related injury or ill health	Number	0	0
Fatalities of value chain workers occurred on sites	Number	0	0
Work-related accidents	Number	85	65
Rate of work-related accidents	%	0.4	0.3

In its initial year of ESRS reporting, Hexagon has applied the phase-in option and has omitted disclosures related to non-employees and disclosures related to cases of recordable work-related ill health under S1-14, and all disclosures under S1-15.

Accounting principles

The percentage of employees covered by the health and safety management system is calculated on a head-count basis.

Fatality is defined as loss of life resulting from a work-related injury or ill health.

Recordable work-related injuries are those arising from exposure to workplace hazards that result in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Injuries that occur when working from home are work-related. The rate of work-related injuries is calculated by dividing the number of recordable injuries by the total hours worked by the workforce and multiplying by 1,000,000.

Recordable work-related ill health includes acute, recurring, and chronic conditions caused or aggravated by work conditions or practices. This includes musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents, and mental illnesses, including cases listed in the ILO List of Occupational Diseases. Mental health conditions are considered work-related only if notified voluntarily by the employee and supported by a licensed healthcare professional stating that the illness is work-related. Ill health that occurs when working from home is work-related.

Remuneration and gender pay gap

S1-16 Remuneration metrics

For the first time in 2025, the gender pay gap ratio is being reported for all employees globally. The aim is to gain deeper insights into pay equity across the organisation and to identify the most effective strategies for closing any gaps in the coming years. This approach reflects Hexagon's dedication to fairness, inclusion, and continuous improvement in workforce practices.

In 2025, Hexagon reported a gender pay gap of 7.3 per cent, marking the first year this KPI was measured. The company will continue to monitor and track progress over time to support improved pay equity across the organisation.

Metric	2025
Gender pay gap (%)	7.3
Annual total remuneration ratio	19.4

Accounting principles

Gender pay gap

The gender pay gap is defined as the difference in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees. Remuneration refers to the basic salary plus additional benefits, such as overtime payments, bonuses, or other variable compensation. All employees and their gross salaries are taken into consideration in the calculation.

Remuneration ratio

The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees is calculated by dividing the annual total compensation of the highest-paid individual by the median annual total compensation of all employees, excluding the highest-paid individual. Annual total compensation includes base salary, bonus (including sales commissions), stock awards, option awards, non-equity incentive plan compensation, changes in pension value, and non-qualified deferred compensation earnings provided over the course of the year. The Long-Term Incentive Plan (LTIP) is excluded, and targeted compensation is used instead of actual compensation. All employees of the organisation are included in the calculation.



Incidents related to human rights impacts

S1-17 Incidents, complaints and severe human rights impacts

Hexagon maintains a zero-tolerance approach to discrimination, harassment and victimisation in line with its Code. All employees are expected to treat colleagues, business partners, job applicants, customers, service providers and members of the public with respect and without bias. This applies regardless of age, ancestry, skin colour, marital or civil partnership status, pregnancy or parental status, medical condition, disability, national or ethnic origin, race, religion or belief, political or union affiliation, sex, sexual orientation, gender identity or any other protected characteristic under applicable law.

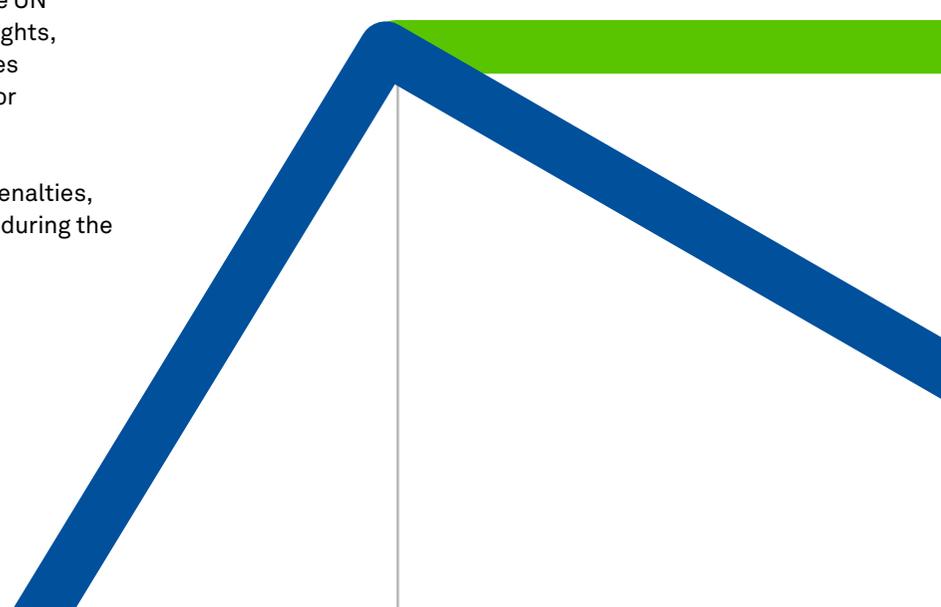
Hexagon's Speak-Up reporting system is used to identify incidents, complaints and severe human rights impacts. The system is confidential, operated by an external provider, and compliant with US and EU legal requirements, ensuring that concerns are heard and addressed promptly and appropriately. Read more about Hexagon's Speak-Up reporting system on pages 139-140.

Hexagon recorded 11 incidents of discrimination or harassment in 2025 and received 48 complaints through its Speak-Up Line from its own workers. Data on the number of incidents reviewed, remediation plans implemented and incidents no longer subject to action will be presented in the upcoming sustainability report. The volume of reported cases indicates that employees are using the Speak-Up system and that the mechanism is functioning as intended. Hexagon will continue to strengthen the system and work proactively to improve these figures going forward.

Metric	Unit	2025	2024
Incidents of discrimination, including harassment	Number	11	-
Complaints filed through the Speak-Up Line from own workers	Number	48	0
Fines, penalties and compensation for damages paid out as a result of above incidents	EUR	0	0
Severe human rights incidents (forced labour, human trafficking or child labour) connected to own workforce	Number	0	0
Complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0	0

During the reporting period, no severe human rights incidents connected to Hexagon's workforce were recorded, including cases related to forced labour, human trafficking, or child labour. As a result, there were no incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Since no such incidents occurred, no fines, penalties, or compensation for damages were imposed during the reporting period.



S2 Workers in the value chain



ESRS amendments

Under the “quick fix” amendments to ESRS, Hexagon has elected to provide brief information on its policies, actions, targets and metrics related to S2, in line with its assessment that the topic is material under the company’s double materiality analysis.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Hexagon’s value chain includes several categories of workers who may be materially affected by the company’s operations, products, and business relationships. All such categories of workers are included in the scope of the disclosure under ESRS 2. In the upstream value chain, workers are involved in the sourcing of raw materials and specialised components and accessories from global suppliers. This includes individuals employed in mineral extraction, smelting, material production, and the manufacturing of components and accessories. These activities often take place in regions with elevated social and environmental risk profiles, where potential negative impacts include labour rights violations, forced and child labour risks, occupational health and safety concerns, and land-use conflicts, as well as environmental degradation linked to resource extraction.

Upstream workers also include those employed in the production of specialised components such as electronic assemblies, batteries, metal and plastic components, and optical elements. These manufacturing activities take place predominantly in Switzerland, Taiwan, China, and Poland. Potential impacts in this segment relate to industrial health and safety risks, exposure to hazardous substances, energy-intensive production processes, and risks concerning working hours, wage conditions, and freedom of association.

IRO Table

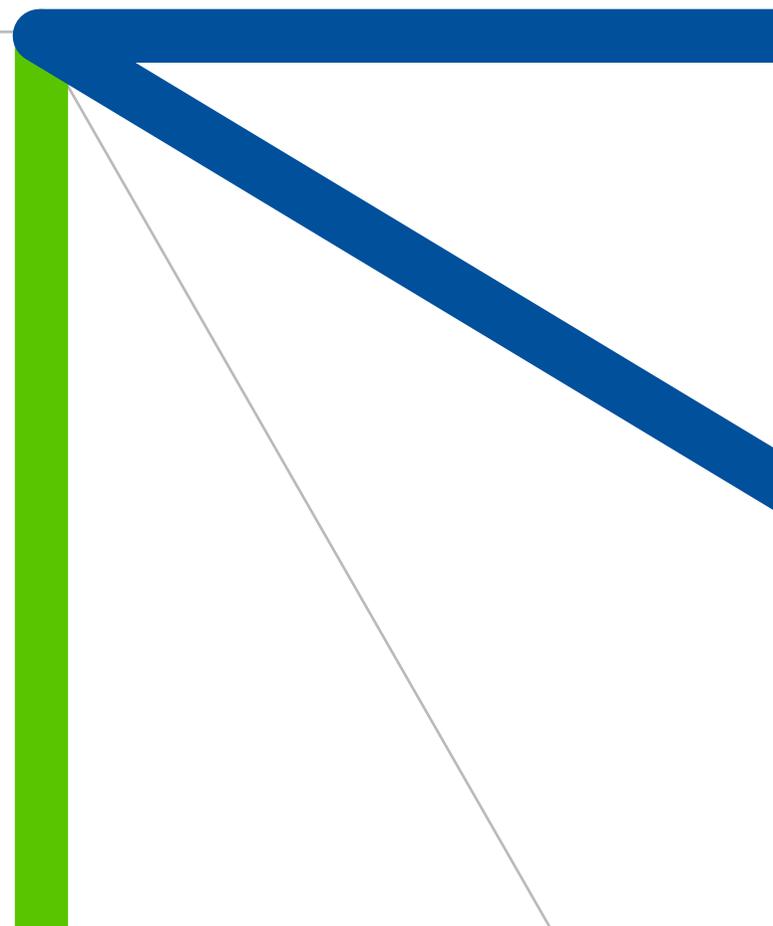
IRO name	IRO type	Description	Time Horizon	Business Model & Value Chain Impacted				Target
				Business Area	Upstream	Own Operations	Downstream	
Other Work-Related Rights								
Labour rights and human rights due diligence gaps in the supply chain	⚠️	Having suppliers and sub-suppliers that operate in regions with limited supply chain transparency increases the risk of labour rights violations, including child and forced labour. Gaps in human rights due diligence make it challenging to fully assess working and living conditions in sub-tier suppliers. Inadequate housing, sanitation, and water access in some supplier facilities remain unverified due to limited oversight. Hexagon has therefore prioritised the mapping of its supply chain with regard to Conflict Minerals to address the risk associated with human rights abuses in the supply chain of electronic components used.	Short-term	MI, GEO, AS	Suppliers and contract manufacturers in high-risk areas	Compliance and procurement teams	Commercial operations and clients	Audit key suppliers in high-risk areas every three years
Human rights due diligence gaps posing legal and reputational risks	⚠️	Gaps in human rights due diligence may result in non-compliance with labour laws, leading to legal, financial, and reputational risks. Limited oversight of housing, sanitation, and worker conditions in supplier facilities could expose Hexagon to human rights controversies. Weak data protection and monitoring may lead to privacy violations, regulatory challenges, and investor concerns.	Medium-term	MI, GEO, AS	Suppliers and contract manufacturers	Compliance and procurement teams managing human rights due diligence	Investors, governments, and clients	Assessment planned for 2026

⚠️ Financial risk ⚠️ Potential negative impact

In the downstream value chain, workers are employed by Hexagon's distribution and installation partners who deliver and deploy the company's solutions globally. These workers may face occupational safety risks linked to installation work, including handling of heavy equipment, working at heights, ergonomic strain, and electrical safety during system integration.

Across both upstream and downstream value chain stages, certain groups of workers may be particularly vulnerable to negative impacts, such as migrant workers, women, and young workers, as well as individuals employed in regions with limited labour protections or institutional instability. Hexagon does not currently have a general process to engage with these groups of workers. Hexagon also monitors geographic areas with heightened risks of child labour and forced labour, based on internationally recognised risk assessments, including countries such as Afghanistan, Myanmar, the Democratic Republic of Congo, Sudan, Uzbekistan, Vietnam, and Yemen, among others.

Hexagon's understanding of material impacts on value chain workers is informed by supply chain mapping, third-party assessments, and continuous engagement with suppliers in high-risk sectors and geographic regions. These insights support the company's efforts to uphold responsible business practices and strengthen human rights due diligence across the value chain. Hexagon conducts due diligence prior to engaging new suppliers, considering risk factors such as the supplier's country of operation, and maintains ongoing oversight through self-assessment surveys, site visits, and, where appropriate, audits. Suppliers are contractually required to comply with the Supplier Code, and non-compliance may result in corrective actions or, in cases of significant or repeated breaches without remedy, the termination of business relationships.



Policies related to value chain workers

S2-1 Policies related to value chain workers

Hexagon has established several governance documents to respect human rights and labour rights across its value chain and to address the identified IROs related to workers in the value chain, all available on the company webpage. These include the Supplier Code, the Code, the Conflict Minerals Policy, the Hexagon Anti-Human-Trafficking Policy and the Environmental Policy. In line with these policy commitments, Hexagon engages with affected stakeholders as part of its human rights due diligence process. This engagement supports Hexagon's human-rights policy commitments by helping identify, assess, and address potential impacts, and ensures that stakeholder insights inform its mitigation and remediation measures. All governance documents are approved by the Board of Directors and are annually reviewed and re-adopted by the Board and Executive Management. In developing the policies, Hexagon relied on established practices and did not conduct a formal stakeholder engagement process.

To address potential violations of the policies, Hexagon provides reporting channels where personnel, suppliers, and partners can report suspected or actual breaches. During the reporting period, no severe human rights incidents connected to Hexagon's value chain workers were recorded; see more under S1-17 on page 153. Hexagon is continuously working to strengthen its approach to human rights and plans to further develop specific remediation and mitigation measures during 2026 to address any potential impacts identified through policy violations.

Hexagon prohibits retaliation against individuals who report in good faith and ensures the integrity and confidentiality of the reporting process. The policies also indicate that failure to report actual or suspected violations may be considered a breach of company

guidelines. The Chief Compliance Officer, together with the central Compliance Team, is the most senior executive responsible for implementation and monitoring of policies.

Supplier Code of Conduct and the Code of Business Conduct and Ethics

Hexagon's Supplier Code and the Code both address human rights and ethical standards within the company and its supply chain. Suppliers are expected to respect human rights within their companies, avoid any form of child labour, and not engage in or tolerate human trafficking, forced or involuntary labour in any form. A child is defined as anyone under the legal working age in the operational location or under the age specified by ILO Convention 138.

Hexagon's Code commits the company to uphold the UN Global Compact principles on human rights and to align its activities with the United Nations Universal Declaration of Human Rights and ILO standards. The Code explicitly prohibits human trafficking and exploitation, enforces a no-tolerance policy for forced or involuntary labour, and requires employees to report any indications of human trafficking, with management expected to take appropriate action where necessary.

Together, these codes ensure that Hexagon and its suppliers operate in accordance with international human rights standards, promoting ethical practices and responsible behaviour throughout the company's operations and supply chain.

> Further information on the Supplier Code and the Code is presented under ESRS 2 on page 84, E5-1 on page 126, S1-1 on page 135 and G1-1 on page 166.

Conflict Minerals Policy

A small part of Hexagon's activities is affected by the regulation of conflict minerals, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Hexagon does not source conflict minerals directly, but some business areas are indirectly affected due to sourcing products and materials from suppliers and sub-suppliers. In such cases, Hexagon works closely with suppliers and applies a rigorous process to collect all necessary data as proof of compliance.

Hexagon maintains a Conflict Minerals Policy outlining its commitment to responsible sourcing and respect for human rights, as well as the actions taken to avoid conflict minerals in its value chain. The policy applies to all legal entities, employees, third-party employees, and business partners acting on Hexagon's behalf. The policy aims to ensure responsible sourcing and respect for human rights, focusing on avoiding raw materials that directly or indirectly are determined by the Secretary of State to be financing conflict in the Democratic Republic of Congo or any of its adjoining countries, as defined by the Dodd-Frank Act.

The policy covers Hexagon's operations and supply chain, including both direct and indirect suppliers of components and products that may contain conflict minerals, across all regions where Hexagon operates. It sets out processes for identifying products that may contain conflict minerals, assessing supplier risks, requiring annual reporting from suppliers, and taking corrective actions in case of breaches. These processes support increased supply chain transparency and help manage risks linked to human rights violations.

The policy outlines Hexagon’s commitment, which goes beyond legal compliance, to source responsibly and respect human rights in its own operations and supply chain. While the principles are not grounded in internationally recognised frameworks, Hexagon further encourages its suppliers to follow the guidelines of OECD Due Diligence to trace the origin and chain of conflict minerals, and to respond to inquiries regarding the use of such minerals in their products. Furthermore, suppliers are trained on sustainability standards related to Conflict Minerals upon request.

Hexagon’s business areas implement processes to ensure compliance with this policy as applicable to each business area’s operations. For example, the Autonomous Solutions Business Area requests current and new suppliers to complete a Conflict Minerals Reporting Template (CMRT) for all parties. The CMRT has been provided by the Responsible Minerals Initiative (RMI) and has been adopted by the industry. The CMRT file is regularly revised by RMI with updated smelter information, and whenever a supplier response is received, the file automatically identifies suspected smelters.

Hexagon, to the best of its knowledge, represents and certifies that it does not source or receive any minerals, materials, or products containing cassiterite (tin), coltan (tantalum), wolframite (tungsten), or gold (known as “3TG minerals”) sourced from the Democratic Republic of Congo or adjoining countries.

	2025	2024
Suppliers possibly handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	706	478
Suppliers handling conflict minerals that have submitted a CMRT	502	282
Eventual smelters or refineries reported by suppliers handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	3,628	955
Eventual smelters reported by suppliers handling conflict minerals that are conformant	1,384	568
Non-compliant or non-conformant smelters reported by suppliers	2,220	372

Hexagon Anti-Human-Trafficking Policy

Hexagon’s Anti-Human-Trafficking Policy demonstrates the company’s commitment to upholding high ethical and compliance standards across its global operations and supply chain. The policy outlines Hexagon’s objectives to prevent forced, involuntary, and child labour, defines what constitutes human trafficking, and describes the expected conduct for personnel, suppliers, and other business partners. It addresses associated risks, including the potential for violations in its supply chain, and establishes monitoring mechanisms through due diligence, risk assessments, supplier audits, and reporting channels to ensure compliance. The policy further applies to all Hexagon personnel including employees, directors, officers, and contractors, as well as suppliers and partners across its global value chain. It covers both direct and indirect suppliers, and identifies the stakeholders affected by these measures, including workers in Hexagon’s operations and supply chain.

The policy addresses human rights and respects internationally recognised human rights standards and principles, supported by the commitments in the Code, and is grounded in the UN Global Compact. Hexagon ensures that employees and suppliers receive training on the policy and the Supplier Code and requires suppliers to train their personnel and sub-suppliers to adhere to the same standards. The company monitors compliance with the policy through audits, self-assessments,

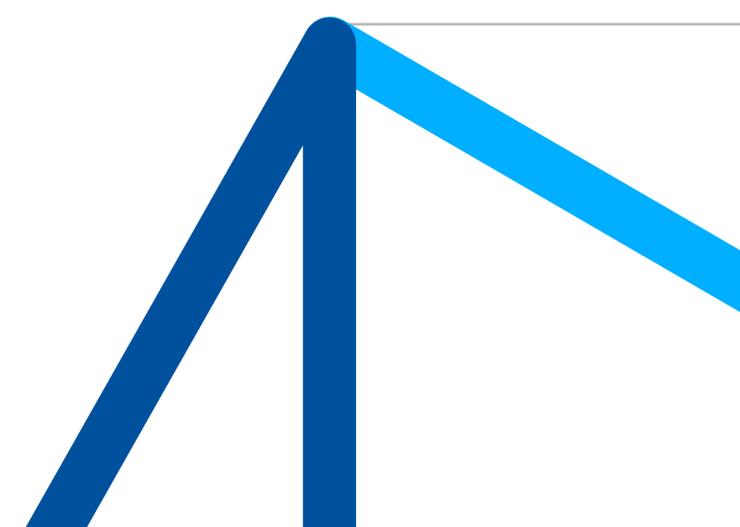
and site visits, integrating these processes into daily operations. In case of breaches, Hexagon engages the responsible party and takes corrective actions, which may include termination of employment or business relationships.

> Further information on the Conflict Minerals Policy and the Hexagon Anti-Human-Trafficking Policy is presented under ESRS 2 on page 84.

Environmental Policy

Suppliers are expected to adhere to the principles in the Environmental Policy. The policy sets clear sustainability requirements for suppliers and includes supplier audits, as well as training and support to help them adopt environmentally responsible practices. Through its implementation, Hexagon is indirectly connected to workers in the value chain. Furthermore, the policy outlines Hexagon’s commitment to respecting communities by preventing any unlawful deprivation of land, forests, or water resources within its operations or supply chain.

> Further information on the Environmental Policy is presented under ESRS 2 on page 84, E1-2 on page 107 and E5-1 on page 126.



Engagement with value chain workers

S2-2 Processes for engaging with value chain workers about impacts

Driving transparency through supplier engagement

Building a sustainable supply chain requires collaboration across the value chain. Hexagon engages with suppliers to ensure that sustainability objectives are communicated, understood and integrated into suppliers' operations.

Supplier engagement supports Hexagon's sustainability objectives by enabling:

- **Data transparency:** Access to reliable information on materials, production processes and environmental footprints, which is necessary for product carbon footprint calculations and sustainability reporting.
- **Risk identification and mitigation:** Ongoing dialogue with suppliers helps identify environmental and social risks at an early stage and supports the implementation of appropriate mitigation measures.
- **Shared value creation:** Engagement supports collaboration and knowledge sharing that enable mutual improvements in suppliers' sustainability practices and operational performance.

Without structured engagement, limitations in data availability or quality may affect the company's ability to manage value chain impacts and meet evolving regulatory and customer requirements.

Hexagon supplier engagement processes

Hexagon has a set of supplier engagement processes designed to identify, prevent and address actual and potential impacts on working conditions throughout the supply chain. These processes combine long-term relationship management, risk-based assessments, targeted monitoring and capacity-building activities that support improved labour and environmental practices among suppliers.

Hexagon selects suppliers based on an assessment of the overall competitiveness of their offering and expects them to uphold the goals and values expressed in the ten principles of the United Nations Global Compact in the areas of human rights, labour rights, environmental impact, and anti-corruption. A supply chain management platform supports these processes, providing traceability and transparency, and ensuring compliance with ESG, human rights, and environmental standards. Hexagon does not currently have a Global Framework Agreement with workers in its supply chain.



Hexagon has made compliance with its Code mandatory in procurement contracts, including clauses on ESG topics, and has introduced a risk-based supplier assessment programme. Suppliers in high-risk geographies are prioritised for enhanced due diligence, and corrective action plans are defined together with the suppliers following their audits.

Supplier engagement occurs both directly and indirectly. Direct engagement, which takes place at least once per year, includes on-site audits, business reviews, formal visits, and workshops. These interactions allow Hexagon teams to engage with suppliers to understand working conditions and production processes, and identify areas for improvement. Indirect engagement leverages performance scorecards, self-assessment questionnaires, third-party verification, and a third-party platform that helps Hexagon monitor and manage suppliers' sustainability and compliance on a yearly basis by automating ESG assessments, risk detection, and regulatory reporting across its supply chain. Hexagon's engagement processes extend across multiple stages of the supplier relationship. Initial onboarding includes qualification plans defined by the Supplier Sourcing and Assessment team. These plans ensure alignment between Hexagon and the supplier on areas requiring development. Throughout the relationship, ongoing monitoring is carried out through surveys, site visits, internal reviews, and audits. Suppliers are regularly assessed on environmental stewardship, human rights, and adherence to the Supplier Code. All key suppliers operating in identified risk areas are audited within a three-year cycle. In 2025, Hexagon conducted 114 supplier audits, including 4 in high-risk areas.

When suppliers fail to meet Hexagon's compliance requirements, the company conducts impact assessments to understand the root cause and implements appropriate corrective actions to prevent recurrence. In cases of significant or intentional infringements, Hexagon may terminate the supplier contract and seek alternative sourcing options. Third-

Supplier engagement in practice: Collaboration with TOTEX

As an example of how Hexagon's supplier engagement approach is applied in practice, the company has worked closely with TOTEX, a key supplier that has demonstrated a high level of commitment to sustainability collaboration.

Through a combination of digital ESG assessments and direct engagement, including follow-up discussions and data-sharing initiatives, TOTEX actively responded to Hexagon's requests for more detailed material, supply chain and footprint data. While not all data points were available at the outset, ongoing dialogue and collaboration enabled

the development of improved data quality and transparency over time.

As a result of this engagement, several improvement actions were implemented, contributing to more accurate product carbon footprint calculations and increased alignment with regulatory and customer requirements, including emerging battery-related disclosure obligations. This collaboration illustrates how proactive supplier engagement can support continuous improvement, strengthen transparency and create shared value across the supply chain.

party assessments are used when issues cannot be verified directly with the supplier.

Assessment and engagement

Hexagon combines digital assessments with direct engagement to involve suppliers in its sustainability efforts. Suppliers are evaluated through a digital supply chain sustainability assessment platform covering key ESG criteria, including environmental performance, social compliance and governance standards.

The assessment results provide a baseline understanding of supplier practices and help identify areas requiring further dialogue. This is complemented by direct engagement through follow-up discussions, workshops and data-sharing initiatives, which allow expectations to be clarified and progress to be monitored over time. Hexagon evaluates the effectiveness of its engagement processes through insights from the whistleblower channel and the sustainability assessment platform.

Financial and developmental incentives

Supplier engagement also includes financial and developmental incentives. Suppliers demonstrating strong performance in areas such as risk management,

sustainable practices, and innovation may receive preferred status in tenders or be integrated into Long-Term Supply Agreements. Online training on the Supplier Code, CO₂ reporting, and ESG expectations is available. On-site audits serve as training opportunities focused on improving production quality, safety practices, and key business processes. In addition, training on human rights and environmental standards is provided to procurement teams and strategic suppliers to strengthen internal and external capacity. Operational responsibility for ensuring that supplier engagement processes function effectively lies with the Supplier Sourcing and ESG team.

Hexagon operates a whistleblower system, managed by an external provider. Through this system, anonymous feedback can be submitted by value chain stakeholders. It provides an additional channel for identifying potential impacts on workers within the supply chain and supports Hexagon's broader efforts to maintain transparency and accountability. The whistleblower system is also used to gain insight into the perspectives of workforce members who may be particularly vulnerable or marginalised, for example, women, migrants or people with disabilities. For further information on how cases submitted through the whistleblower system are managed, see G1-1 on pages 168-169.

Processes for remediation

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Hexagon has established processes to provide for, or cooperate in, the remediation of negative impacts on value chain workers and to enable workers to raise concerns and have them addressed. This process supports Hexagon's human-rights policy commitments by helping identify, assess, and implement its remediation measures. The company's approach is integrated into Hexagon's Ethics & Compliance System and builds on the methodology for investigating, remediating, and monitoring misconduct, including root-cause analysis and corrective actions, as outlined under S1-3 on page 139. This approach ensures that remedial measures are tailored to each case and followed up to prevent recurrence.

Value chain workers can raise concerns through multiple channels. Hexagon relies on the reporting mechanisms described on pages 168-169, including the Speak-Up system and other internal channels, which are available to employees, suppliers, and other stakeholders in

the value chain. Hexagon also requires its suppliers to establish grievance mechanisms in their workplaces and communicate them effectively to employees. Through supplier engagement, audits, and the supplier assessment programme, Hexagon supports the availability and functioning of these channels.

All reports and concerns raised are logged, monitored, and addressed according to the established procedures, as described on pages 168-169. Oversight is provided by the Board of Directors and Audit Committee, ensuring accountability and transparency. Hexagon has not yet undertaken an assessment investigating whether the remedy provided is effective, or whether value chain workers are aware of and trust the processes as a way to raise their concerns. Hexagon also provides training to employees and suppliers to promote awareness and trust in these grievance mechanisms. All individuals who report concerns in good faith are protected by a strict no-retaliation policy.

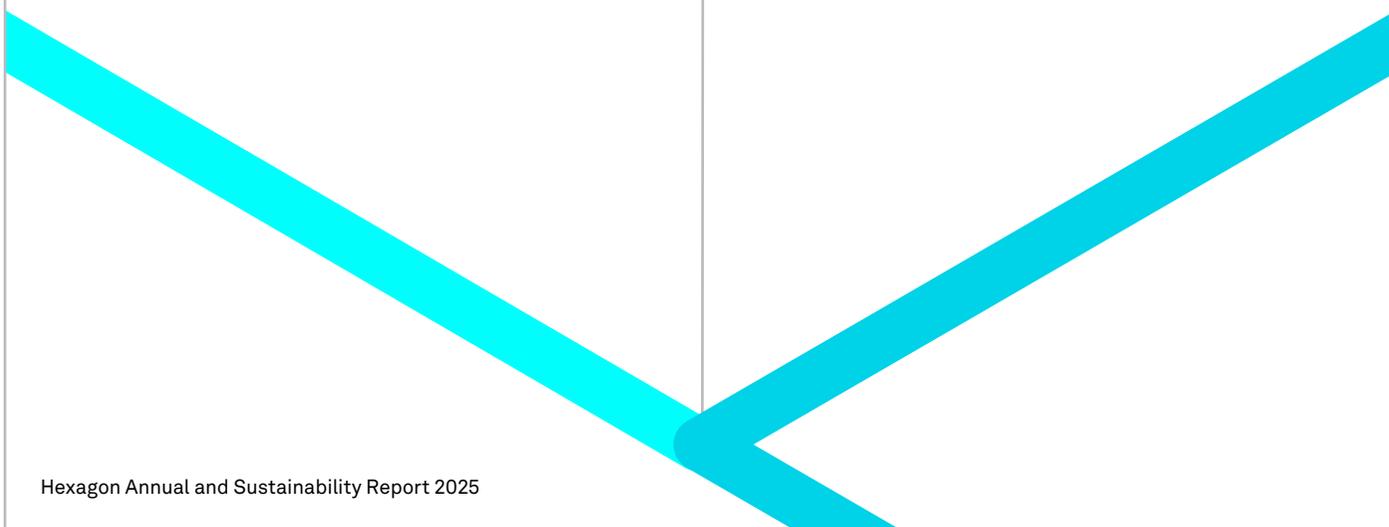
Actions related to workers in the value chain

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Hexagon's supplier due diligence and engagement processes have identified potential negative impacts on value chain workers, including material risks related to labour rights, health and safety, working hours, wages, and exposure to hazardous substances in both upstream and downstream operations. To address these material risks, Hexagon has implemented corrective action plans with suppliers, conducted site visits, audited high-risk suppliers, and provided training to strengthen human rights, environmental, and labour practices in the value chain.

Adherence to the policies related to value chain workers, as described under S2-1 on pages 156-157, ensures that its own practices do not cause or contribute to material negative impact on workers in the value chain. Follow-up on non-conformities ensures that measures are effectively implemented. In cases of significant breaches, Hexagon may escalate actions, including contract termination or alternative sourcing. Corrective actions and their effectiveness are tracked and assessed through the supplier assessment programme, internal reviews, and reporting mechanisms, ensuring accountability and continuous improvement.

The appropriate action for potential negative impact on value chain workers is decided on a case-by-case basis by the compliance team. Resources allocated to these efforts include dedicated compliance and supplier



assessment teams, structured engagement processes, and digital platforms to monitor supplier performance and ESG compliance, to ensure that processes to provide remedy in the event of material negative impacts on value chain workers are available and effective. Hexagon also provides guidance and capacity-building support to suppliers in high-risk regions to prevent further negative impacts.

No severe human rights incidents have been reported in Hexagon's supply chain in 2025. All identified non-conformities are monitored with active remediation plans, and progress is documented to ensure effective outcomes for value chain workers.

Targets related to workers in the value chain

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Hexagon has not yet established time-bound or outcome-oriented targets explicitly for value chain workers. However, the company plans to assess which targets would be most relevant and effective for its value chain, with the aim of setting such targets by 2027. As of fiscal year 2025, no value chain workers, their legitimate representatives or credible proxies were engaged directly in setting targets.

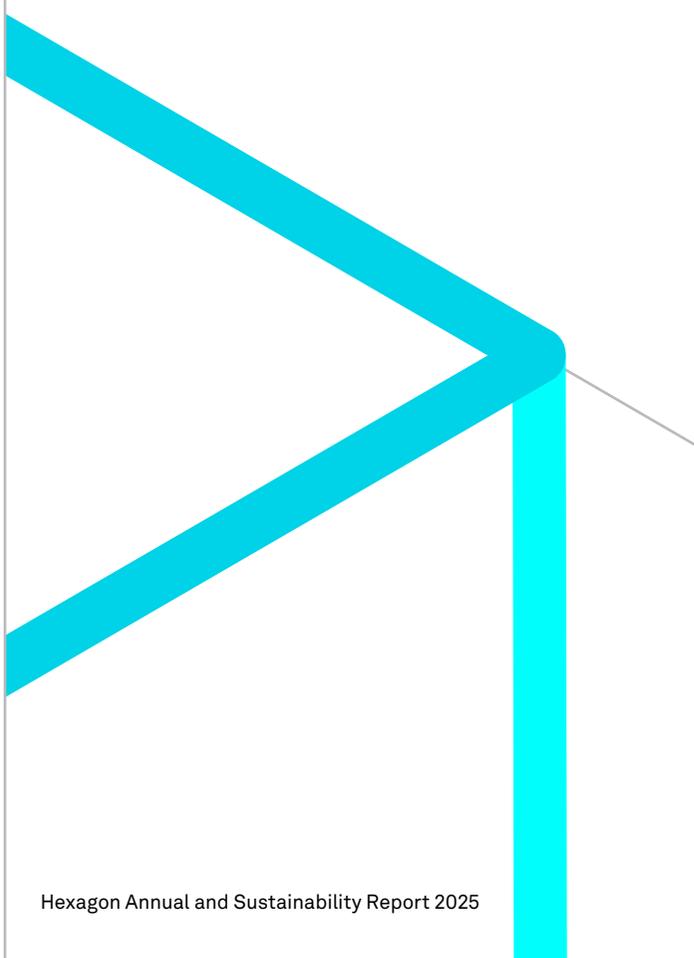
Hexagon does maintain a target to audit key suppliers in high-risk areas at least once every three years. The goal was last reached for fiscal year 2023, and the target is to have audited all key suppliers in risk areas again by the end of 2026. These audits form part of the company's broader human rights due diligence and compliance programme, assessing suppliers' adherence to the Supplier Code, labour practices, human rights protections, anti-corruption requirements, and other governance and operational standards. Insights from supply chain mapping, third-party assessments, and ongoing supplier engagement inform these audits, supporting Hexagon's efforts to identify and mitigate risks to value chain workers, including labour rights violations, inadequate living conditions, and compliance gaps in sub-tier suppliers. The metric and target on ESG audits of key direct procurement suppliers in risk countries are directly tied to the IRO on labour rights and human rights due diligence gaps in the supply chain. The information is collected through Hexagon's third-party supply chain management platform where the audits are requested, ensuring information is transparent and relevant. A limitation of this methodology is that it may miss any supplier audits undertaken outside of

the platform. The measurement of the supplier audits is not validated by an external body other than the assurance provider.

In 2025, Hexagon expanded its ESG due-diligence activities across key direct procurement suppliers. A total of 114 ESG audits were conducted, including 25 on-site assessments and 89 supplier self-assessments (SAQs). Four audits were carried out in risk-classified countries. Overall, the 2025 outcomes reflect a broader application of ESG screening methods within the supplier base.

Hexagon has not adopted targets for its IRO on Human rights due diligence gaps posing legal and reputational risks but aims to conduct a human rights due diligence assessment during 2026 to gain a better understanding of its potential gaps and set targets to close these accordingly.

	2025	2024
ESG audits of key direct procurement suppliers	114	31
ESG audits of key direct procurement suppliers in risk countries	4	15
ESG audits of key direct procurement suppliers that were conducted on-site	25	31
ESG audits of key direct procurement suppliers that were self-assessed (SAQ)	89	0
Third-party ESG audits of key direct procurement suppliers	0	0
Unannounced ESG audits of key direct procurement suppliers	0	0
Number of major non-conformances found in audits of key direct procurement suppliers	0	0
Number of solved major non-conformances in audits of key direct procurement suppliers	0	0





Governance

G1 Business conduct

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G1 Business conduct

Material impacts, risks and opportunities

Hexagon has identified IROs related to business conduct that reflect the company's responsibility to uphold high ethical standards across its global operations and value chain. Operating in diverse regulatory and cultural environments, Hexagon recognises the importance of strong governance, consistent compliance and responsible management of third-party relationships to mitigate ethical, legal and reputational risks.

These insights underpin Hexagon's governance and compliance framework and inform the company's proactive approach to preventing, detecting and addressing misconduct, including corruption and bribery. Through established policies, oversight mechanisms and risk-based controls, Hexagon works to ensure accountability, transparency and ethical decision-making throughout the organisation. The identified IROs also guide the development of training, monitoring and due diligence activities that support a strong corporate culture and foster integrity across all levels of the business.



IRO Table

IRO name	IRO type	Description	Time Horizon	Business Model & Value Chain Impacted				Target
				Business Area	Upstream	Own Operations	Downstream	
Corporate Governance								
Ethical and compliance challenges in a global workforce	⚠️	Ensuring consistent compliance across global operations is complex and increases the risk of ethical and regulatory gaps. Third-party suppliers may pose risks of unethical labour practices, corruption, or non-compliance. Remote work and diverse cultural contexts can challenge the enforcement of DEI principles and corporate ethics engagement, while rapid technological innovation requires ongoing assessment of AI, data privacy, and ethical automation.	Short-term	All	Suppliers, contract manufacturers, and procurement teams	Corporate functions, HR, compliance, R&D, and leadership	Customers using Hexagon's AI and automation technologies, requiring ethical oversight.	Assessment planned for 2026
Financial and reputational risks from governance gaps	⚠️	Weak governance and corporate culture inconsistencies may lead to reputational damage, regulatory scrutiny, and reduced stakeholder trust. Failure to enforce ethical practices, anti-corruption measures, and DEI commitments could result in legal penalties and financial liabilities. Long-term risks include investor concerns, talent retention challenges, and operational disruptions.	Short-term	All	Suppliers and contract manufacturers	Compliance and procurement teams	Commercial operations and clients	Assessment planned for 2026
Corruption and Bribery								
Exposure to corruption-related legal and financial liabilities	⚠️	Exposure to corruption may undermine compliance with labour, health and safety and environmental requirements, leading to adverse impacts on employees, local communities and the environment.	Short-term	All	Third-party suppliers, intermediaries, and joint ventures posing corruption risks in global supply chains	Corporate governance, compliance, and legal teams	Customers and investors	Assessment planned for 2026
Financial and legal risks from third-party corruption	⚠️	Third-party corruption risks require continuous due diligence, supplier audits, and strict policy enforcement. Failure to prevent misconduct could result in legal sanctions, reputational damage, and loss of business partnerships. Strong compliance measures and clear incident management protocols help mitigate these risks, ensuring accountability and ethical business practices.	Short-term	All	Suppliers, intermediaries, and third parties	Corporate governance, compliance, and legal teams	Customers, investors, and government partners affected by legal, reputational, and business risks.	Assessment planned for 2026

⚠️ Financial risk ⚠️ Potential negative impact

Policies related to business conduct

G1-1 Business conduct policies and corporate culture

Governance and oversight

Ethics and Compliance at Hexagon is centrally managed by the Group Compliance Officer through a global compliance organisation spanning the entire Group and extended into each business area and region. The Chief Compliance Officer, together with the central Compliance Team, oversees the Ethics and Compliance framework and its implementation.

The Group Compliance Officer, supported by Business Area and Regional Compliance Officers, is responsible for managing and implementing the Ethics and Compliance Programme across the organisation. A Compliance Strategic Cabinet monitors legal and regulatory developments and supports the development and update of compliance policies. To support day-to-day operations, Hexagon has established a global network of compliance coordinators responsible for administering the Ethics & Compliance System.

The Board of Directors is the highest level of accountability for the implementation of the Ethics & Compliance framework and related policies. Hexagon's administrative, management and supervisory bodies have sufficient expertise in business conduct matters, grounded in relevant professional experience and supported by continuous compliance and ethics training.

Ethics & Compliance framework

Hexagon's Ethics & Compliance System is built on a structured and transparent architecture. At its core are the Code and the Supplier Code, which define the ethical principles governing all business activities and relationships. These core documents are complemented by the Ethics & Compliance Administration Manual, which establishes governance and accountability by defining roles and responsibilities for management and the Compliance Team.

Below this framework, a series of targeted Compliance Programmes address key risk areas and are operationalised through manuals, procedures, instructions, templates and practical tools to ensure consistent implementation across the organisation. Additional policies address areas of heightened risk, strengthening the overall compliance infrastructure.

System documentation is accessible to all employees, often in multiple languages, and key documents are publicly available on Hexagon's website to promote transparency.

Governance documents

All Hexagon personnel are required to comply with the Code and with the specific compliance policies established thereunder. All policies apply globally to all subsidiaries and joint ventures under Hexagon's control and to all categories of personnel, including employees, officers, directors, temporary staff and consultants. Third parties acting on behalf of Hexagon are also required to comply with applicable policies.

Each business area or region is responsible for implementing and communicating the Hexagon Compliance Programme documentation and minimum requirements. Subject to applicable local laws, local management may establish additional local work instructions with support from the Compliance Team.

Senior leadership and management are required to annually certify their adherence to the Ethics & Compliance System. In 2025, 450 (406) senior managers and executives completed this certification.

The Code, the Supplier Code and the Ethics & Compliance Administration Manual form the core framework for managing the four material IROs identified in relation to business conduct, including:

- Ethical and compliance challenges in a global workforce
- Financial and reputational risks from governance gaps
- Exposure to corruption-related legal and financial liabilities
- Financial and legal risks from third-party corruption

Supporting documents, such as the Anti-Corruption Compliance Programme Summary and the Public Contracting Compliance Programme Summary, further strengthen the framework and support the mitigation and prevention of identified risks and impacts.

Hexagon Code of Business Conduct and Ethics

The Code defines Hexagon's values and sets out the expectations and requirements for all activities performed on Hexagon's behalf. It serves as a central guide for personnel in day-to-day decision-making and establishes the foundation of Hexagon's Ethics & Compliance Programme across key legal and ethical areas, including anti-corruption, government procurement, competition, trade, covering export and customs, data protection, and human rights.

The Code reflects Hexagon's corporate culture, where integrity is a cornerstone. It emphasises the protection of the trust placed in Hexagon by customers, partners, investors and colleagues, while promoting respect for human rights, inclusiveness, equal treatment, and sustainability. The Code is mandatory for all employees, officers, and Board members and serves as the basis for training, annual management certification, and compliance monitoring.

Anti-corruption and bribery principles are based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and aligned with the United Nations Global Compact. Hexagon has established mechanisms for identifying and investigating concerns related to unlawful behaviour or breaches of the Code. Compliance with the Code is reinforced through mandatory training and ongoing monitoring, ensuring consistent application across all business functions and geographies.

Supplier Code of Conduct

The Supplier Code sets out the minimum standards expected from Hexagon's suppliers and defines principles for ethical, responsible, and sustainable business practices across the value chain. All suppliers must comply with the Supplier Code and applicable laws, regulations, and internationally recognised standards in all jurisdictions in which they operate.

The Supplier Code aligns with the United Nations Global Compact and ILO conventions, reflecting Hexagon's commitment to human rights, fair labour practices, environmental responsibility, and anti-corruption throughout the supply chain. Compliance with the Supplier Code is a mandatory condition for entering and maintaining a business relationship with Hexagon.

Hexagon applies a risk-based approach to supply chain management, including supplier qualification, ongoing due diligence, and sustainability and compliance assessments. Risk areas include corruption, bribery, anticompetitive behaviour, and other forms of misconduct. Where non-compliance is identified, corrective action plans and follow-up measures are implemented to prevent recurrence, and serious breaches may result in termination of the supplier relationship. Human rights considerations, such as fair treatment, non-discrimination, and the prevention of forced or child labour, are embedded in the Supplier Code and reinforce Hexagon's commitment to responsible business conduct throughout the value chain.

> Further information on the Code and the Supplier Code is presented under ESRS 2 on page 84, E5-1 on page 126, S1-1 on page 135 and S2-1 on page 156.

Anti-Corruption Compliance Programme

Hexagon is committed to complying with all applicable anti-corruption and anti-bribery laws and expects the same from its business partners. The Anti-Corruption Compliance Programme is designed to prevent bribery, fraud, such as improper payments, and conflicts of interest, and to strengthen ethical business conduct globally.

The Programme sets rules prohibiting Hexagon personnel from offering, giving, requesting, or accepting money or anything of value to obtain or retain business, secure an

advantage, or improperly influence public or commercial officials. It addresses risks related to corruption, bribery, undue influence, improper gifts and entertainment, and third-party payments.

The Programme is accessible to all personnel and relevant third parties. Guidance on permitted and prohibited interactions, approval processes, and thresholds enables consistent decision-making and ensures compliance with applicable anti-corruption laws. The Programme also focuses on functions and activities with higher exposure to corruption and bribery risks, including local sales, procurement, and public contracting.

Public Contracting Compliance Programme

Hexagon's Public Contracting Compliance Programme complements the Code and the Anti-Corruption Compliance Programme. It ensures compliance with public procurement laws globally and addresses key business-ethics risks such as corruption, undue influence, misuse of public resources, and false claims.

The Programme establishes principles for procurement integrity, management of conflicts of interest, restrictions on gifts and hospitality to public officials, lobbying controls, accuracy of statements and claims, and rules for hiring government employees. It is designed to guide personnel involved in public contracting and operates in close alignment with the Anti-Corruption Compliance Programme. These measures ensure that public contracting activities are conducted transparently, ethically, and in compliance with legal requirements.

Data Protection Compliance Framework

Hexagon's Data Protection Compliance Programme (DPC Programme) forms a core part of the Ethics & Compliance

System and governs the responsible handling of personal information across the Group. The Programme establishes the policies, controls and processes required to ensure that personal data is managed lawfully, securely and in line with global best practices.

The Programme is overseen by the Group Privacy and Information Security Officer, who reports regularly to the Chief Compliance Officer and the Audit Committee. Business Area Privacy Officers are responsible for operational implementation within each business area, ensuring that data protection requirements are embedded into day-to-day activities.

Hexagon applies the principles of the EU General Data Protection Regulation (GDPR) as its global baseline and has expanded the framework to incorporate new national requirements as they enter into force. Following the European Commission's updated Standard Contractual Clauses (SCCs), Hexagon revised its contracting procedures and introduced a standardised Data Transfer Impact Assessment (DTIA) process for cross-border data transfer.

All employees are required to comply with data protection principles and receive training appropriate to their roles. Employees with elevated data protection responsibilities receive advanced training and may pursue professional certifications. Information security risk assessments are conducted on a continuous basis, and any identified gaps result in corrective actions to ensure ongoing improvement and resilience.

Through the DPC Programme, Hexagon integrates data privacy into its overarching governance framework and reinforces its commitment to responsible and ethical business conduct.

Cyber security

The ongoing autonomous transformation is increasingly data-driven, making the protection, availability and integrity of data central to Hexagon's innovation

process. Cyberattacks and data breaches can lead to operational disruptions, financial losses, legal liabilities, and reputational damage. IT system interruptions may affect production, supply chains, and customer service, resulting in potential revenue loss and contract risks. Compliance with evolving cyber security regulations requires ongoing investment in technology, processes, and resources to maintain an acceptable level of risk.

Hexagon's Group Cyber Council was established in 2019 to provide oversight and governance of all information security matters. The Cyber Council is chaired by the Group Privacy and Information Security Officer and includes executive members representing all major areas of the Hexagon business, including Operations, Legal, Finance, and Product. The objectives of the Cyber Council are to safeguard Hexagon's intellectual property, ensure the cyber resilience of its networks, and protect Hexagon's customers through its position in the supply chain.

During 2025, Hexagon continued to enhance its employee security awareness and training programme, covering all key information security topics. All new employees complete a set of baseline training courses and are subsequently enrolled in the ongoing annual programme of awareness activities. In addition, employees are regularly subjected to phishing simulations designed to both train and assess their ability to identify email-based threats. These simulations are conducted in multiple languages to reflect real-world threat scenarios as closely as possible.

Throughout 2025, Hexagon continued the execution of its cyber security strategy, as defined in 2022. The ongoing replacement of legacy technologies with market-leading solutions strengthens the Group's ability to detect, respond to, and manage cyber threats in a manner that supports business objectives. Increased standardisation across the security technology landscape further ensures that Hexagon is well

positioned to respond effectively and efficiently as the threat environment evolves.

Hexagon's growth strategy includes a significant mergers and acquisitions programme. During 2025, the Group further strengthened cyber risk management related to M&A activities as part of its overall security strategy. This includes early-stage risk assessments, enhanced due diligence processes, and post-acquisition integration measures to ensure that the risk of compromise following an acquisition is maintained at an acceptable level.

To address residual risk, Hexagon continues to complement its internal cyber security capabilities with a comprehensive cyber insurance programme. The Group works with leading cyber insurance brokers and a consortium of underwriters to ensure an appropriate level of coverage is maintained, providing protection against data loss and business continuity disruptions.

Hexagon has not established any cyber security-related targets, and no financial effects related to cyber security were quantified during the reporting period.

	2025	2024
Employees trained in cyber security	24,604	21,990

Responsible AI Governance

Hexagon incorporates responsible AI practices into its Ethics & Compliance System Framework to ensure that AI technologies are developed and used safely, ethically and transparently. AI is generally recognised as both an opportunity and a risk, and therefore Hexagon applies a set of AI guiding principles that govern the design, development, and deployment of AI-enabled solutions.

Hexagon's AI governance is informed by relevant EU regulations, including the General Product Safety

Regulation (GPSR) and the updated Product Liability Directive (PLD), which set requirements for the safety, reliability and accountability of digital and AI-driven products.

The AI guiding principles provide a framework for responsible innovation and outline expectations for personnel involved in AI-related work. They emphasise human-centric design, strong data governance, transparency, inclusivity, accountability and sustainable product development.

Hexagon's AI guiding principles include:

- **Connect people to technology:** Keep humans central to decisions and technology.
- **Artificial intelligence for real-world outcomes:** Build on the legacy of robust AI integration.
- **Engineer with integrity:** Uphold privacy and meet data governance standards.
- **Communicate with transparency:** Inform all parties when using AI and algorithms in development and daily practice.
- **Embed inclusivity:** Maintain diversity initiatives and prevent discrimination.
- **Foster accountability:** Reinforce responsible inputs and outputs of AI systems.
- **Design mindfully:** Empower sustainable outcomes through product development.

These principles integrate AI governance into Hexagon's broader business conduct framework and reinforce the company's commitment to ethical, responsible and trustworthy innovation.

Whistleblowing and reporting of concerns

Hexagon has established mechanisms for identifying, reporting and investigating suspected misconduct across all Ethics & Compliance policies and programmes. All personnel and relevant third parties are required and encouraged to report suspected violations in good faith.

Reports can be made through several channels, including managers, compliance officers, HR, finance or compliance representatives, or directly to the Compliance Team or the Chief Compliance Officer. Hexagon also provides a confidential Ethics & Compliance Reporting System operated by an independent third party, available 24 hours a day, 365 days a year, in multiple languages, which allows for anonymous reporting.

All reports are handled confidentially and shared only with those responsible for assessment and investigation. Hexagon prohibits retaliation against individuals who report concerns in good faith, as stated in the Code of Business Conduct and Ethics policy, while knowingly false reports may result in disciplinary action. Hexagon is subject to the Swedish Act on the Protection of Persons Reporting Irregularities, which transposes Directive (EU) 2019/1937 on whistleblower protection.

Investigations are conducted promptly, objectively and, where appropriate, independently, in accordance with applicable whistleblower protection laws. Regular training and clear procedures support a culture of transparency, accountability and zero tolerance for corruption and unethical behaviour.

Hexagon monitors corporate culture-related KPIs and is evaluating, as part of its continuous improvement

process, whether setting quantitative targets would be appropriate.

Hexagon recorded 97 whistleblower reports in 2025, up from 81 in 2024, and incident reports increased from 3 to 5 over the same period. The rise in reporting across both channels indicates that employees are aware of the mechanisms available and are willing to use them, suggesting that the Speak-Up and whistleblowing systems are functioning as intended. Hexagon will continue to strengthen these processes and work to improve the overall effectiveness of its reporting systems going forward.

	2025	2024
Whistleblower reports	97	81
Solved whistleblower cases	86	73
Discrimination incidents	5	3

	2025	2024
Incidents of non-compliance with regulations concerning the health and safety impacts of products	0	0
Incidents of non-compliance with regulations concerning product information and labelling	0	2
Ethics & Compliance System, executives certified	450	406
Employees that Hexagon's anti-corruption policies and procedures have been communicated to	24,472	23,654
Employees trained in the Code of Business Conduct, including contractors	25,068	24,154

Actions and targets

Hexagon manages its governance-related IROs, including ethical and compliance challenges in a global workforce, governance-gap risks, and corruption-related legal and financial exposures, through a defined compliance and integrity programme. Key actions include the

implementation of mandatory annual compliance and cyber security training, functioning whistleblower and investigation procedures, internal control reviews, and business-integrity audits of key direct procurement suppliers. During 2025, Hexagon received no legal penalties or negative financial impacts related to its governance practices.

While Hexagon has not yet established time-bound or outcome-based targets for its business-conduct IROs, the company has defined a level of ambition centred on continuously improving responsible conduct across the organisation and its value chain, monitored through the below indicators, with the current reporting year as the intended base period. The indicators include cases of corruption, whistleblower reports, employee training completion rates, and supplier audit results, as described in detail under S2-5 on page 161. The metrics are compiled using established internal reporting processes: cases of corruption and whistleblower reports are recorded through the company's incident management and whistleblowing channels, with cases logged at the time of receipt and verified by the Compliance Team. Employee training completion rates are calculated based on data extracted from Hexagon's training platform, and supplier audit results are collected through the supplier engagement platform. Across all metrics, data availability depends on timely internal reporting and system inputs; therefore, limitations include potential under-reporting of incidents and delays in data entry. Hexagon continuously works to improve data quality through updated processes. The measurement of the metrics is not validated by an external body other than the assurance provider.

Hexagon plans to determine and set relevant targets for corporate governance and anti-corruption across the value chain during 2026.

Prevention and detection of corruption and bribery

G1-3 Prevention and detection of corruption and bribery

Hexagon works proactively to prevent and detect corruption and bribery through its Group-wide Anti-Corruption Compliance Programme, together with its Code. The Programme includes policies, procedures, and mandatory training covering potential risk areas such as gifts and entertainment with third parties, recruitment of candidates with government connections, and engaging in business transactions with third parties. These measures aim to systematically mitigate corruption risks and strengthen early detection across the organisation and to address potential breaches in procedures and anti-corruption and anti-bribery standards. For further information on risk management, see pages 42–54.

The compliance function is responsible for investigating allegations of corruption and bribery and operates independently and separately from the chain of management involved in such cases, with direct access to the Board of Directors and Audit Committee. The compliance function is overseen by the Chief Compliance Officer (CCO) and routinely reports on compliance matters, training activities, and regulatory developments to the Board of Directors and the Audit Committee. The CCO is supported by a global team of compliance experts to effectively monitor, audit, and enforce compliance activities. Insights into improvements in the compliance system are evaluated through whistleblower reports and compliance-related KPIs implemented to assess the effectiveness of the System. While the compliance function reports regularly on overall compliance matters

to the Board of Directors and the Audit Committee, there is currently no separate, formalised process for systematically reporting investigation outcomes specifically related to corruption and bribery. Significant matters are handled on a case-by-case basis in accordance with applicable governance procedures.

The Code, the Supplier Code, and the Ethics & Compliance Administration Manual collectively form Hexagon's Ethics and Compliance System. This System is communicated to all employees, third-party personnel, anyone acting on Hexagon's behalf, and suppliers through the relevant policies, ensuring accessibility and understanding.

Hexagon provides comprehensive anti-corruption and ethics training to ensure the global workforce is well-informed and aligned with the company's standards in ethics and compliance. Training is delivered through a combination of in-person sessions, online courses, strategic management meetings, external training opportunities, internal compliance briefings, and ad-hoc guidance addressing emerging risks. The annual

compliance plan defines communication, training, and activities to ensure systematic coverage of essential compliance topics for all employees. Training is tailored to different roles and risk profiles across the organisation, incorporating lessons learned from past compliance matters and insights from internationally recognised advisors.

In 2025, the Compliance Team delivered training to 25,068 employees and contractors, alongside mandatory e-learning modules, supporting Hexagon's ongoing commitment to an informed and compliant workforce. Compliance training is also offered to Hexagon's suppliers to promote adherence to anti-corruption and business ethics standards.

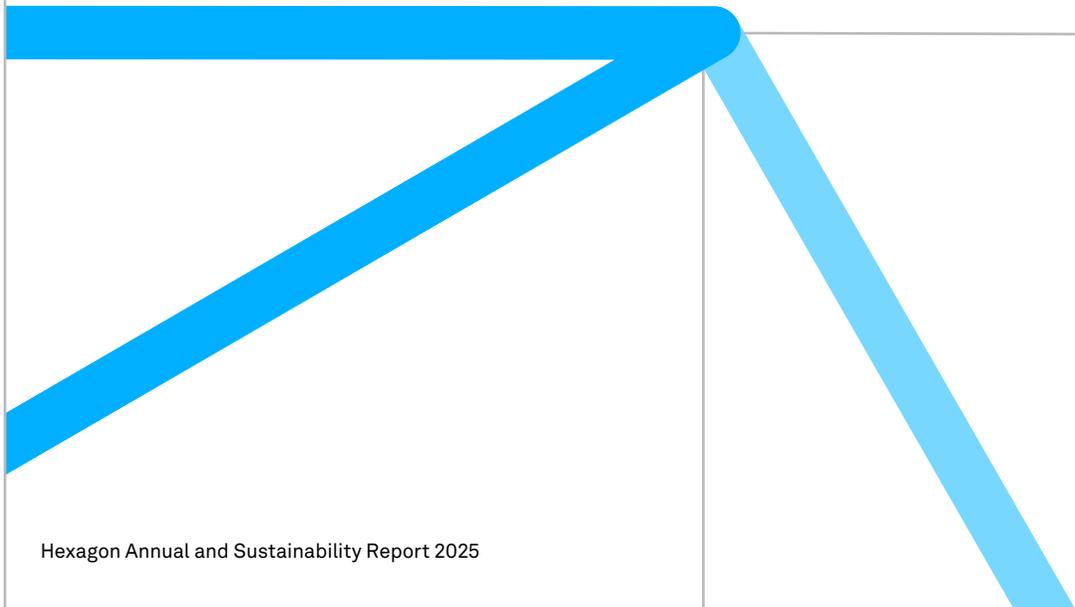
Hexagon does not currently measure the percentage of functions-at-risk covered by training programmes. The company plans to establish the required processes and begin reporting this metric in fiscal year 2026.

Incidents of corruption and bribery

G1-4 Incidents of corruption or bribery

Hexagon assessed 12 operations for corruption-related risks in 2025, compared with 18 in 2024, and recorded two confirmed incidents of corruption during the year. No public legal cases were brought against the company or its employees, and all identified corruption cases were resolved. During 2025, there were no fines for violating anti-corruption laws. Hexagon will continue strengthening its anti-corruption processes and improving performance going forward.

	2025	2024
Operations assessed for risks related to corruption	12	18
Number of confirmed incidents of corruption	2	0
Public legal cases regarding corruption brought against the organisation or its employees	0	0



Appendix

IRO-2 Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement

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G1-4	Incidents of corruption or bribery	170
G1-5	Political influence and lobbying activities	N/A
G1-6	Payment practices	N/A

Datapoints derived from other EU legislation

Disclosure Requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1	21 d	Board's gender diversity	●		●		80
ESRS 2 GOV-1	21 e	Percentage of board members who are independent			●		80
ESRS 2 GOV-4	30	Statement on due diligence	●				82
ESRS 2 SBM-1	40 d i.	Involvement in activities related to fossil fuel activities	●	●	●		N/A
ESRS 2 SBM-1	40 d ii.	Involvement in activities related to chemical production	●		●		N/A
ESRS 2 SBM-1	40 d iii.	Involvement in activities related to controversial weapons	●		●		N/A
ESRS 2 SBM-1	40 d iv.	Involvement in activities related to cultivation and production of tobacco			●		N/A
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				●	105–106
ESRS E1-1	16 g	Undertakings excluded from Paris-aligned benchmarks		●	●		106
ESRS E1-4	34	GHG emission reduction targets	●	●	●		111–112
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	●				N/A
ESRS E1-5	37	Energy consumption and mix	●				113
ESRS E1-5	40 – 43	Energy intensity associated with activities in high climate impact sectors	●				N/A
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	●	●	●		115
ESRS E1-6	53 – 55	Gross GHG emissions intensity	●	●	●		115
ESRS E1-7	56	GHG removals and carbon credits				●	118
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			●		Phase-in
ESRS E1-9	66 a & c	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) & Location of significant assets at material physical risk paragraph 66 (c)		●			Phase-in
ESRS E1-9	67 c.	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		●			Phase-in
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			●		Phase-in
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	●				N/A
ESRS E3-1	9	Water and marine resources	●				N/A
ESRS E3-1	13	Dedicated policy paragraph	●				N/A
ESRS E3-1	14	Sustainable oceans and seas	●				N/A
ESRS E3-4	28 c	Total water recycled and reused	●				N/A
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	●				N/A
ESRS 2 – SBM-3 – E4	16 a i.		●				N/A
ESRS 2 – SBM-3 – E4	16 b		●				N/A
ESRS 2 – SBM-3 – E4	16 c		●				N/A

Datapoints derived from other EU legislation (continued)

Disclosure Requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E4-2	24 b	Sustainable land/agriculture practices or policies	●				N/A
ESRS E4-2	24 c	Sustainable oceans/seas practices or policies	●				N/A
ESRS E4-2	24 d	Policies to address deforestation	●				N/A
ESRS E5-5	37 d	Non-recycled waste	●				129
ESRS E5-5	39	Hazardous waste and radioactive waste	●				129
ESRS 2 SBM-3 – S1	14 f	Risk of incidents of forced labour	●				133–134
ESRS 2 SBM-3 – S1	14 g	Risk of incidents of child labour	●				133–134
ESRS S1-1	20	Human rights policy commitments	●				135–137
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions			●		135–137
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	●				135–137
ESRS S1-1	23	Workplace accident prevention policy or management system	●				135–137
ESRS S1-3	32 c	Grievance/complaints handling mechanisms	●				139–140
ESRS S1-14	88 b & c	Number of fatalities and number and rate of work-related accidents	●		●		151
ESRS S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness	●				151
ESRS S1-16	97 a	Unadjusted gender pay gap	●		●		152
ESRS S1-16	97 b	Excessive CEO pay ratio	●				152
ESRS S1-17	103 a	Incidents of discrimination	●				153
ESRS S1-17	104 a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	●		●		153
ESRS 2 SBM-3 – S2	11 b	Significant risk of child labour or forced labour in the value chain	●				154–155
ESRS S2-1	17	Human rights policy commitments	●				156–157
ESRS S2-1	18	Policies related to value chain workers	●				156–157
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines	●		●		156–157
ESRS S2-4	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions			●		160–161
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	●				160–161
ESRS S3-1	16	Human rights policy commitments	●				N/A
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD Guidelines	●		●		N/A
ESRS S3-4	36	Human rights issues and incidents	●				N/A
ESRS S4-1	16	Policies related to consumers and end-users	●				N/A
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	●		●		N/A

Datapoints derived from other EU legislation (continued)

Disclosure Requirement	Data-point	Name	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S4-4	35	Human rights issues and incidents	●				N/A
ESRS G1-1	10 b	United Nations Convention against Corruption	●				N/A
ESRS G1-1	10 d	Protection of whistleblowers	●				168-169
ESRS G1-4	24 a	Fines for violation of anti-corruption and anti-bribery laws	●		●		170
ESRS G1-4	24 b	Standards of anti-corruption and anti-bribery	●				170

Financial statements

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			NOTE 22	Pension provisions	201			

Consolidated income statement

MEUR	Note	2025	2024
Net sales	3, 5, 24	5,424.6	5,401.1
Cost of goods sold	6, 12	-1,827.9	-1,791.4
Gross earnings		3,596.7	3,609.7
Sales expenses	6, 12	-1,129.0	-1,083.9
Administration expenses	6, 12	-499.2	-426.7
Research and development expenses	6, 12	-924.0	-683.7
Other operating income	7, 12	150.7	186.7
Other operating expenses	7, 12	-270.8	-169.9
Operating earnings¹	3, 13, 22, 29, 30, 31	924.4	1,432.2
Financial income and expenses			
Financial income	10, 24, 25	14.7	13.5
Financial expenses	10, 16, 24, 25	-145.6	-183.6
Earnings before tax	3	793.5	1,262.1
Tax on earnings for the year	11	-166.7	-227.1
Net earnings		626.8	1,035.0
Attributable to:			
Parent company shareholders		617.4	1,023.4
Non-controlling interest		9.4	11.6
1) Of which adjustments	12	-550.5	-170.7
Earnings include depreciation, amortisation and impairment of – of which amortisation of surplus values		-791.2	-577.5
		-110.6	-112.4
Average number of shares, thousands	21	2,684,378	2,684,378
Average number of shares after dilution, thousands	21	2,705,478	2,705,478
Earnings per share, Euro cent		23.0	38.1
Earnings per share after dilution, Euro cent		22.8	37.8

Consolidated statement of comprehensive income

MEUR	Note	2025	2024
Net earnings		626.8	1,035.0
Other comprehensive income:			
Items that will not be reclassified to income statement			
Remeasurement of pensions	22	-4.4	-11.8
Tax attributable to items that will not be reclassified to income statement	11	0.5	2.0
Total items that will not be reclassified to income statement, net of tax		-3.9	-9.8
Items that may be reclassified subsequently to income statement			
Exchange rate differences		-1,224.5	542.0
Tax attributable to items that may be reclassified subsequently to income statement:			
Tax attributable to effect of translation differences	11	39.0	-17.5
Total items that may be reclassified subsequently to income statement, net of tax		-1,185.5	524.5
Other comprehensive income, net of tax		-1,189.4	514.7
Total comprehensive income		-562.6	1,549.7
Attributable to:			
Parent company shareholders		-569.3	1,537.0
Non-controlling interest		6.7	12.7

Consolidated balance sheet

MEUR	Note	2025-12-31	2024-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	8,14	12,136.2	13,767.1
Tangible fixed assets	15	570.2	611.3
Right-of-use assets	16	171.4	192.4
Other long-term securities holdings	17,25	126.4	139.1
Other long-term receivables	17,18,25	15.8	28.2
Deferred tax assets	11	210.6	161.0
Total fixed assets		13,230.6	14,899.1
Current assets			
Inventories	19	539.0	566.4
Customer receivables	5,18,25	1,110.1	1,331.9
Current tax receivables	11	61.5	96.7
Other receivables – interest bearing	25	0.1	0.8
Other receivables – non-interest bearing	18,25	98.2	96.9
Prepaid expenses and accrued income	20,25	199.3	194.9
Short-term investments	24,25	109.8	150.4
Cash and bank balances	24,25	648.4	513.4
Assets held for sale	27	1,111.3	-
Total current assets		3,877.7	2,951.4
TOTAL ASSETS		17,108.3	17,850.5

MEUR	Note	2025-12-31	2024-12-31
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	21	85.8	85.8
Other capital contributions		3,378.4	3,378.4
Revaluation reserve		-4.8	-4.8
Translation reserve		-278.0	907.5
Retained earnings		7,041.3	6,794.0
Shareholders' equity attributable to Parent company shareholders		10,222.7	11,160.9
Non-controlling interest		34.0	35.2
Total shareholders' equity		10,256.7	11,196.1
Long-term liabilities			
Provisions for pensions	22	53.6	63.9
Other provisions	23	5.7	6.1
Deferred tax liabilities	11	483.8	581.6
Long-term liabilities – interest bearing	25	2,291.0	2,959.6
Lease liabilities	16	125.4	140.5
Other long-term liabilities – non-interest bearing	25	62.3	122.5
Total long-term liabilities		3,021.8	3,874.2
Current liabilities			
Accounts payable	25	326.7	328.3
Advance payments from customers	25	102.2	77.5
Current tax liabilities	11	79.3	83.2
Current liabilities – interest bearing	25	1,640.3	667.5
Lease liabilities	16	57.4	63.4
Other liabilities – non-interest bearing	25	139.5	166.7
Other provisions	12,23	119.9	72.9
Deferred income	20	760.7	883.6
Accrued expenses	20,25	412.0	437.1
Liabilities related to assets held for sale	27	191.8	-
Total current liabilities		3,829.8	2,780.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		17,108.3	17,850.5

Consolidated statement of changes in equity

MEUR	Share capital	Other capital contributions	Revaluation reserve	Translation reserve	Retained earnings	Shareholders' equity attributable to parent company shareholders	Non-controlling interest	Total shareholders' equity
Opening shareholders' equity, 2024-01-01	85.8	3,378.4	-4.8	383.0	6,171.5	10,013.9	32.2	10,046.1
Total comprehensive income	-	-	-	524.5	1,012.5	1,537.0	12.7	1,549.7
Transactions with non-controlling interest	-	-	-	-	0.9	0.9	-0.9	-
Share programme	-	-	-	-	-88.8	-88.8	-	-88.8
Dividend	-	-	-	-	-349.0	-349.0	-8.8	-357.8
Share-based programme (LTIP)	-	-	-	-	46.9	46.9	-	46.9
Closing shareholders' equity, 2024-12-31	85.8	3,378.4	-4.8	907.5	6,794.0	11,160.9	35.2	11,196.1
Total comprehensive income	-	-	-	-1,185.5	616.2	-569.3	6.7	-562.6
Share programme	-	-	-	-	-28.6	-28.6	-	-28.6
Dividend	-	-	-	-	-375.8	-375.8	-7.9	-383.7
Share-based programme (LTIP)	-	-	-	-	35.5	35.5	-	35.5
Closing shareholders' equity, 2025-12-31	85.8	3,378.4	-4.8	-278.0	7,041.3	10,222.7	34.0	10,256.7

Share capital is described in detail in Note 21.

Other contributed capital includes, among others, premium reserves and statutory reserves.

The revaluation reserve relates to fair value adjustments related to financial assets measured at fair value through other comprehensive income.

The translation reserve is the net of currency translation differences related to foreign subsidiaries and the translation differences after tax of the net investments in foreign subsidiaries.

Retained earnings include all historical net earnings after tax excluding non-controlling interest less dividends paid, including remeasurements of pensions posted in other comprehensive income.

Non-controlling interests are the shares of equity that pertain to non-controlling interest (minority) in certain subsidiaries.

Consolidated statement of cash flows

MEUR	Note	2025	2024
Cash flow from operating activities			
Operating earnings		924.4	1,432.2
Adjustments for items in operating earnings not affecting cash flow:			
Depreciation, amortisation and impairment		791.2	577.5
Write-off inventory		29.4	-
Change in provisions		-17.5	-161.4
Capital gain/loss on divestments of fixed assets		-1.9	1.2
Capital gain from sale of shares in group companies		-6.1	-1.7
Share programme expenses		35.5	46.9
Other		0.0	1.0
Interest received		14.5	13.8
Interest paid		-143.9	-172.1
Tax paid		-244.9	-243.2
Cash flow from operating activities before changes in working capital		1,380.7	1,494.2
Cash flow from changes in working capital			
Change in inventories		-43.8	2.7
Change in current receivables		3.6	15.7
Change in current liabilities		126.4	75.6
Cash flow from changes in working capital		86.2	94.0
Cash flow from operating activities¹		1,466.9	1,588.2
Cash flow from ordinary investing activities			
Investments in intangible fixed assets	14	-510.4	-516.8
Investments in tangible fixed assets	15	-104.8	-115.5
Divestments of tangible fixed assets	15	17.2	9.9
Cash flow from ordinary investing activities		-598.0	-622.4
Operating cash flow		868.9	965.8

MEUR	Note	2025	2024
Cash flow from other investing activities			
Investments in subsidiaries	27	-549.4	-112.4
Divestments of subsidiaries		44.3	27.8
Investments in financial fixed assets	17	-3.8	-10.0
Divestments of financial fixed assets	17	4.8	6.9
Cash flow from other investing activities		-504.1	-87.7
Cash flow from financing activities			
Borrowings	24,25	967.4	1,162.6
Repayment of debt	24,25	-732.5	-1,480.1
Share programme		-28.6	-88.8
Dividend to parent company shareholders		-375.8	-349.0
Dividend to non-controlling interests in subsidiaries		-7.9	-8.8
Cash flow from financing activities		-177.4	-764.1
Cash flow for the year		187.4	114.0
Cash and cash equivalents, beginning of year²			
Effect of translation differences on cash and cash equivalents		663.8	547.1
Cash flow for the year		-63.2	2.7
Cash and cash equivalents, end of year²		187.4	114.0
Cash reported as assets held for sale	27	788.0	663.8
Cash and cash equivalents, in balance sheet		758.2	663.8
1) Of which non-recurring cash flow		-153.3	-89.5
2) Cash and cash equivalents include short-term investments and cash and bank balances			

Parent company income statement

MEUR	Note	2025	2024
Net sales	4	84.7	30.3
Administration expenses	4,6,29,30,31	-71.0	-50.0
Operating earnings		13.7	-19.7
Financial income and expense			
Earnings from shares in group companies	9	4,208.4	5,199.2
Financial income	10	203.2	254.2
Financial expenses	10	-554.5	-305.5
Earnings before tax and appropriations		3,870.8	5,128.2
Appropriations			
Group contribution, net		6.2	8.5
Earnings before tax		3,877.0	5,136.7
Tax on earnings for the year	11	67.3	36.9
Net earnings		3,944.3	5,173.6

Parent company statement of comprehensive income

MEUR	2025	2024
Net earnings	3,944.3	5,173.6
Other comprehensive income	-	-
Total comprehensive income	3,944.3	5,173.6

Parent company balance sheet

MEUR	Note	2025-12-31	2024-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	14	10.4	7.9
Tangible fixed assets	15	0.4	0.4
Total intangible and tangible assets		10.8	8.3
Financial fixed assets			
Shares in group companies	17	17,412.9	17,323.2
Receivables from group companies	17	2,030.9	1,183.3
Other financial fixed assets	17	1.4	1.4
Deferred tax assets	11	114.6	40.7
Total financial fixed assets		19,559.8	18,548.6
Total fixed assets		19,570.6	18,556.9
Current assets			
Current receivables			
Receivables from group companies		3,096.5 ¹	2,692.6
Tax receivables	11	5.4	0.1
Other receivables		0.3	0.4
Prepaid expenses and accrued income	20	13.7	1.3
Total current receivables		3,115.9	2,694.4
Cash and bank balances		180.4	123.6
Total current assets		3,296.3	2,818.1
TOTAL ASSETS		22,866.9	21,374.9

MEUR	Note	2025-12-31	2024-12-31
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	21	85.8	85.8
Reserve for capitalised development expenses		10.3	7.9
Statutory reserve		314.3	314.3
Total restricted equity		410.4	408.0
Non-restricted equity			
Premium reserve		2,903.1	2,903.1
Retained earnings		11,382.9	7,802.3
Total non-restricted equity		14,286.0	10,705.4
Total shareholders' equity		14,696.4	11,113.4
Provisions			
Other provisions		1.4	1.4
Total provisions		1.4	1.4
Long-term liabilities			
Liabilities to credit institutions	25	2,288.4	2,957.1
Liabilities to group companies		-	6.9
Total long-term liabilities		2,288.4	2,964.0
Current liabilities			
Liabilities to credit institutions	25	1,635.7	662.7
Accounts payable		1.7	1.4
Liabilities to group companies		4,220.5 ¹	6,608.7
Current tax liabilities	11	5.0	-
Other liabilities		1.5	0.7
Accrued expenses and deferred income	20	16.3	22.6
Total current liabilities		5,880.7	7,296.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		22,866.9	21,374.9

1) Of which 0.1 MEUR of the receivables and 90.6 MEUR of the liabilities are related to the Design & Engineering business that has been divested during the first quarter of 2026

Parent company statement of changes in equity

MEUR	Restricted shareholders' equity				Unrestricted shareholders' equity		Total shareholders' equity
	Share capital	Paid-in, non-registered share capital	Reserve for capitalised development expenses	Statutory reserve	Premium reserve	Retained earnings	
Opening balance 2024-01-01	85.8	-	7.0	314.3	2,903.1	3,023.1	6,333.3
Total comprehensive income	-	-	-	-	-	5,173.6	5,173.6
Capitalisation of development expenses	-	-	0.9	-	-	-0.9	-
Dividend	-	-	-	-	-	-349.0	-349.0
Share programme	-	-	-	-	-	-44.5	-44.5
Closing balance 2024-12-31	85.8	-	7.9	314.3	2,903.1	7,802.3	11,113.4
Total comprehensive income	-	-	-	-	-	3,944.3	3,944.3
Capitalisation of development expenses	-	-	2.4	-	-	-2.4	-
Dividend	-	-	-	-	-	-375.8	-375.8
Share programme	-	-	-	-	-	14.5	14.5
Closing balance 2025-12-31	85.8	-	10.3	314.3	2,903.1	11,382.9	14,696.4

Parent company statement of cash flows

MEUR	Note	2025	2024
Cash flow from operating activities			
Operating earnings		13.7	-19.7
Adjustment for operating earnings items not affecting cash flow:			
Depreciation, amortisation and impairment		1.6	1.6
Change in provisions		-	6.8
Unrealised exchange rate gains and losses		56.3	-89.2
Dividends received		796.2	503.2
Financial income received		202.8	253.5
Financial expense paid		-385.0	-302.4
Tax paid		-6.7	0.0
Cash flow from operating activities before changes in working capital		678.9	353.8
Cash flow from changes in working capital			
Change in current receivables		-560.5	-1,160.0
Change in current liabilities		274.4	1,234.7
Cash flow from changes in working capital		-286.1	74.7
Cash flow from operating activities		392.8	428.5
Cash flow from investing activities			
Investments in intangible fixed assets	14	-4.1	-2.4
Investments in tangible fixed assets	15	0.0	-0.1
Investments in financial fixed assets	17	-9.0	-0.1
Divestment of financial fixed assets	17	8.7	-
Change in long-term receivables, group companies		-282.9	254.3
Change in long-term payables, group companies		-6.9	4.2
Cash flow from investing activities		-294.2	255.9
Cash flow from financing activities			
Borrowings		967.0	1,163.5
Repayment of debt		-662.5	-1,407.8
Provisions		0.0	0.1
Share programme		14.5	-44.9
Dividend to shareholders		-375.8	-349.0
Cash flow from financing activities		-56.8	-638.1
Cash flow for the year		41.8	46.3
Cash and cash equivalents, beginning of year ¹		123.6	60.2
Effect of translation differences on cash and bank		15.0	17.1
Cash flow for the year		41.8	46.3
Cash and cash equivalents, end of year¹		180.4	123.6

1) Cash and cash equivalents include cash and bank balance

Notes

NOTE 1

Accounting policies

The consolidated accounts of Hexagon have been prepared in accordance with the IFRS Accounting Standards issued by the IAS Standards and Interpretations developed by the IFRS Interpretations Committee, which have been approved by the European Commission for application within the EU.

Furthermore, the recommendation RFR 1 Supplementary accounting rules for corporate groups issued by the Swedish Corporate Reporting Board has been applied.

The Parent Company applies the Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities. The recommendation means that the Parent Company applies the same accounting policies as the Group, except in those cases when the Annual Accounts Act or current tax rules limit the opportunities to apply IFRS. Differences between the accounting principles applied by the Parent Company and the Group are outlined under Accounting Policies in the Parent Company on the next page.

The accounting policies and calculation methods applied by the Group are consistent with those of the previous financial year except as below.

On 20 March 2026, the Board of Directors and the President and CEO approved this annual report and consolidated accounts for publication and they will be presented to the Annual General Meeting on 24 April 2026 for adoption.

Application of new and amended standards from 2025

The following accounting standard amendment was applicable from 1 January 2025; IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The standard amend-

ment has not had any material impact on the Hexagon Group financial statements.

Application of new standards from 2026

The following amendments to accounting standards have been endorsed by the EU in 2025 and are applicable from 1 January 2026; Amendments to IFRS 7 and IFRS 9 issued on 30 May 2024, and on 18 December 2024, and Annual Improvements Volume 11.

The following new accounting standards and amendments to accounting standards effective from 1 January 2027 have been published but not yet endorsed by the EU; IFRS 19 Subsidiaries without Public Accountability disclosures (including amendments issued on 21 August 2025) and amendments to IAS 21 The effects of Changes in Foreign Exchange Rates: Translation to Hyperinflationary Presentation Currency. IFRS 18 Presentation and Disclosure in Financial Statements was endorsed by the EU on 13 February 2026 and is effective from 1 January 2027.

The standard amendments and new standards listed above are not expected to have a material impact on the Hexagon Group financial statements in the current or future reporting periods, or on foreseeable future transactions. However, IFRS 18 will impact the presentation of the financial statements.

IFRS 18 is applicable from 1 January 2027 and will replace IAS 1 Presentation of financial statements, introducing new requirements on presentation and disclosures in interim reports and annual reports. The new standard will not impact the recognition or measurement of items in the financial statements, but will have a noticeable impact on presentation and disclosures, such as the statement of financial performance and management-defined perfor-

mance measures within the financial statements. The detailed implications of applying the new standard on the Group's consolidated financial statements are still being assessed; some conclusions have not yet been drawn due to missing guidance on e.g foreign exchange effects on group balances. Such guidance is expected in the first quarter of 2026. Based on the preparatory work already performed the following conclusions and impacts have been identified:

- The adoption of IFRS 18 will not impact the Group's net income, but the grouping of income and expenses in the statement of profit and loss into new categories (operating, investing and financing) will affect how operating income is defined and presented.

- The line items presented on the primary financial statements might change from the introduction of the concept "useful structured summary" and the new principles for aggregation/disaggregation. Final decisions on such changes will be made during 2026.

- No significant changes are expected in the information currently disclosed in the notes to the financial statements as the requirements to disclose material information are unchanged. However, the grouping of the information might change from the aggregation/disaggregation principles under IFRS 18. New disclosures will be introduced for management-defined performance measures, a breakdown of certain nature of expenses for line items presented by function in the operating category of the income statement, and for the first annual period of application a reconciliation for each line item in the income statement between the restated amounts under IFRS 18 and the amounts previously presented under IAS 1.

- Interest received and interest paid are part of operating cash flow in the current cash flow statement. The adoption of IFRS 18 leads to interest received being part of investing cash flow and interest paid being part of financing cash flow.

The Group will apply the new standard from 1 January 2027, the mandatory financial date. IFRS 18 requires retrospective application, meaning that comparative information for the financial year ending 31 December 2026 will be restated.

Basis of reporting for the Parent Company and the Group

The functional currency of the Parent Company is EUR as is the presentation currency for the Parent Company and the Group. The financial reports are presented in EUR. All amounts, unless indicated otherwise, are rounded off to the nearest million with one decimal.

Assets and liabilities are reported at historical cost except for certain financial instruments which are reported at fair value.

Receivables and liabilities or income and expenses are only offset if required or explicitly permitted by an accounting standard.

Preparing the financial statements in compliance with IFRS requires that Management make judgements and estimates as well as make assumptions that affect the application of accounting principles and the amounts recognised as assets, liabilities, income and expenses. The actual outcome may diverge from these estimates and assumptions. Estimates and assumptions are reviewed continuously. Changes of estimates are recognised in the period when the change is made if the change only affects the current period or in that period

NOTE 1 cont.

when the change is made and coming periods if the change affects both current period and coming periods.

Judgements made by Management for the application of IFRS that have a substantial impact on the financial reports and estimates made that may lead to significant adjustments in coming years' financial reports are described in more detail in Note 2.

Classification

Fixed assets and long-term liabilities essentially consist of amounts expected to be realised or settled after twelve months from the balance sheet date. Current assets and short-term liabilities essentially consist only of amounts expected to be realised or settled within twelve months from the balance sheet date. The Group's operating cycle is assessed to be less than one year.

Consolidated financial statements

The consolidated financial statements consolidate the Parent Company and the other companies in which the Parent Company has a controlling influence, that is, is exposed or has a right to variable returns from its involvement and has the ability to affect those returns through its involvement.

Companies or businesses acquired (acquisitions) are accounted for under the purchase method. The method involves a business combination to be regarded as a transaction in which the Group indirectly acquires the assets of the business and assumes its liabilities. The Group's acquisition cost is determined through a purchase price allocation in connection with the acquisition. The acquisition cost is the sum of the fair value at the acquisition date of what is paid in cash, assumed liabilities or issue of own shares.

Contingent considerations are often conditional on future goals on sales or performance. At acquisition date, an estimation of the fulfilment of the goals is made. The contingent consideration is measured at fair value and included in the acquisition cost and recognised as a financial liability in accordance with IFRS. Long-

term contingent considerations are discounted to present value. The measurement to fair value is initially based on the expected outcome of the acquired company's sales or performance. Contingent considerations are subsequently measured at fair value and essential effects of remeasurements are recognised in the income statement in accordance with IFRS. If a revenue is recognised as a consequence of a change in estimation, the surplus values from the acquisition will be tested for impairment. If the impairment test results in an impairment, the expense will meet the revenue from the remeasurement of the contingent consideration. Transaction costs are expensed in the income statement when incurred.

Identifiable assets acquired and liabilities assumed are recognised initially at their fair values at the acquisition date. Exceptions are made for acquired tax assets and liabilities, employee benefits, stock-based compensation and assets held for sale, valued in accordance with the principles described for each item in each standard.

Goodwill recorded represents the difference between the acquisition cost of group companies' shares, the value of non-controlling interest in the acquired business and the fair value of previously owned shares and on the other hand, the purchase price allocation of the assets acquired and liabilities assumed. For goodwill disclosures, see Note 14 Intangible fixed assets. Non-controlling interests are recognised at the acquisition date, either at their fair value or at their proportionate share of the carrying value of the acquires identifiable assets and liabilities. Acquisitions of non-controlling interests are reported as transactions between shareholders, i.e. within equity.

Group companies' financial statements are included in the consolidated accounts as of the date when control occurs (acquisition date) until the control ceases.

When control of the Group company ceases, but the Group retains shares in the company, remaining shares are initially reported at fair value. The gain or loss from remeasurement is recorded in the income statement.

Translation of financial reports to EUR

Assets and liabilities in operations with a functional currency other than EUR are translated at the closing day exchange rate and income statements are translated at average exchange rates for the period. The resulting translation differences are recognised directly in other comprehensive income. The amount is recognised separately as a translation reserve in equity. In case of divestment of an operation with a functional currency other than EUR the accumulated translation differences related to the divested operation are reclassified from equity to the income statement at the time of recognition of capital gain or loss from the divestment.

Monetary long-term items towards businesses with a functional currency other than EUR, for which settlement is not planned or will probably not occur within the foreseeable future, are part of the company's net investment. Translation differences on such monetary items, which comprise part of the company's net investment are recognised in other comprehensive income and accumulated in the translation reserve in equity.

Transactions, assets and liabilities other currencies than EUR

Transactions in non-EUR currencies are recognised in the functional currency at the exchange rate on the transaction day. Monetary assets and liabilities are translated to the functional currency on the closing day at the exchange rate then in effect. Exchange rate differences that arise through these translations are recognised in the income statement.

Eliminated transactions

Intra-Group receivables and liabilities, revenue or expenses and gains or losses that arise from transactions between group companies are eliminated in their entirety in the preparation of the consolidated accounts. Losses are eliminated in the same way as gains, but only to the extent that there is no impairment loss.

Earnings per share

The calculation of earnings per share is based on net earnings attributable to the Parent Company shareholders and on the weighted

number of shares outstanding during the year. The calculation of earnings per share after dilution takes into account the quarterly calculated dilutive effect from any potential common shares.

Accounting policies in the Parent Company

The Parent Company applies the same accounting principles as the Group with the following deviations:

- In the Parent Company, the exemption in RFR 2 for IFRS 9 Financial Instruments is applied. This means, among other things, that financial instruments are valued based on acquisition value and the principles of impairment testing of loss risk provisions in IFRS 9 are applied to the Parent Company's short-term receivables and financial fixed assets.
- In the Parent Company, the exemption in RFR 2 for IFRS 16 Leasing Agreements is applied and the costs for all leasing agreements are reported on a straight-line basis over the leasing period.
- In the Parent Company participations in group companies are reported at acquisition value less any impairment.
- Acquisition value of shares in subsidiaries includes transaction costs and contingent consideration.
- Non-monetary assets acquired in a currency other than EUR are reported at historical exchange rates. Other assets and liabilities in currencies other than EUR are reported at the exchange rate on the balance sheet date.
- The Parent Company applies the alternative rule for group contributions and reports both submitted and received group contributions and appropriations in the income statement.

Dividends

The dividend proposed by the Board of Directors reduces earnings available for distribution and is recognised as a liability when the Annual General Meeting has approved the dividend.

Approval of accounts

The Parent Company's and the consolidated financial statements will be presented to the Annual General Meeting for adoption on 24 April 2026.

NOTE 2

Critical accounting estimates and assumptions

The critical accounting estimates and assumptions that are addressed in this section are those that Company Management and the Board of Directors regard as the most important for understanding Hexagon's financial reporting. The information is limited to areas that are significant considering the degree of impact and underlying uncertainty. Hexagon's accounting estimates and assumptions are based on historical experience and assumptions that company management and the Board of Directors regard as reasonable under the current circumstances. The conclusions based on these accounting estimates constitute the foundation for the carrying amounts of assets and liabilities, in the event that they cannot be established through information from other sources. The actual outcome may differ from these accounting estimates and assumptions.

Customer contracts

Parts of Hexagon's sales derive from major and complex customer contracts. The critical estimates of customer contracts include establishing the amounts that are to be recognised as income and when the income should be recognised. For example, company management makes estimates of completed performance in relation to the contractual terms and conditions, the estimated total contractual costs and the proportion of the contract that has been completed at a certain point in time. The degree of completion is established by setting incurred cost in relation to total costs required to complete the contract. The estimations are also the base for any loss provision, if any.

Hexagon also enters into revenue agreements that contain multiple elements, such as hardware, software and/or services. For these agreements, Hexagon needs to assess if revenue should be allocated to each element as different accounting principles apply for these elements.

Intangible assets

Intangible assets within Hexagon concern essentially pertain to goodwill, trademarks and other assets as a result of acquisition, such as customer relationships and technology. Goodwill and other acquired intangible assets with an indefinite lifetime are not subject to annual amortisation, while other intangible assets are amortised. Insofar as the underlying operations develop negatively, an impairment requirement may arise. Impairment test is implemented if necessary, but at least once a year. Such intangible assets are subject to annual impairment testing, which is essentially based on the value in use, making assumptions about the sales trend, the Group's profit margins, on-going investments, changes in working capital and discount interest rate. Company management considers the assumptions applied to be compatible with the data received from external sources of information or from previous experience. Hexagon's goodwill on 31 December amounted to 9,000.0 MEUR (10,159.0). Other intangible assets not subject to amortisation amounted to 944.9 MEUR (1,110.9) as of this date. Performed impairment tests demonstrate that reported values are defensible.

Tax assets and liabilities

The Board of Directors and Company Management continuously assess the carrying amount of both current and deferred tax assets and liabilities. For deferred tax assets, Hexagon has to assess the probability of whether it will be possible to utilise the deductible temporary differences that give rise to deferred tax assets to offset future taxable profits. In addition, in certain situations, the value of the deferred tax assets and liabilities may be uncertain due to ongoing tax processes, for example. Accordingly, the value of deferred tax assets and liabilities may deviate from these estimates due to a change in future earning capacity, changed tax regulations or the outcome of examinations by authorities or tax courts of issued or not yet issued tax returns. When assessing the value of deferred tax assets and liabilities, Hexagon has to form an opinion of the tax rate that will apply at the time of the reversal of the temporary differences. Hexagon recognised deferred tax liabilities, net in an amount of 273.2 MEUR (420.6), at the end of 2025. At the same date, the Group had tax-loss carry-forwards with a value of 36.6 MEUR (47.5) that were not recognised as assets. These assets could not be capitalised based on assessments of the opportunity to utilise the tax deficits. In comparison with the final outcome, the estimates made concerning both deferred tax assets and liabilities could have either a positive or a negative impact on earnings.

Pension obligations

Within Hexagon, there are defined-benefit pension schemes based on significant assumptions concerning future benefits pertaining to either the current or prior workforce. Pension obligations amounted to 50.7 MEUR (59.1) at the end of 2025. When calculating the pension liability, a number of actuarial assumptions are of major significance to the outcome of the calculation. The most critical pertain to the discount interest rate on the obligation, the rate of pay increases, employee turnover and estimated length of life. A reduced discount interest rate increases the recognised pension liability. The actual outcome could deviate from the recognised amount if the applied assumptions prove to be wrong.

Business combination

Hexagon acquires companies on a continuous basis. In connection with the acquisitions, acquired assets and assumed liabilities are valued to fair value in a purchase price allocation analysis. The valuation is to a certain extent based on management assessment of the future earnings of the acquired company. Many of the acquisition deals contain contingent consideration which is based on the outcome of the acquired company's earnings for a predetermined period. The fair value of contingent considerations recognised as a liability is reviewed on a regular basis, which requires management to assess the future performance of the acquired company. An inaccurate assessment of this might result in overstated acquired assets or liabilities for contingent considerations.

NOTE 3

Segment reporting

Hexagon's Board of Directors is responsible for determining the Group's overall objectives, developing and monitoring the overall strategy, decisions on major acquisitions, divestments and investments and ongoing monitoring of operations.

The President is responsible for leading and controlling Hexagon's operations in accordance with the strategy determined by the Board. The President is therefore the Group's chief operating decision maker (CODM) and is the function that internally within the Hexagon Group allocates resources and evaluates results. The Group's chief operating decision maker assesses the performance in the operating segments based on earnings before financial items and adjustments (EBIT1). Financial items and taxes are reported for the Group as a whole.

Hexagon's operations are organised, governed and reported based on the four operating segments Manufacturing Intelligence, Geosystems, Autonomous Solutions and Octave.

Hexagon's Manufacturing Intelligence Business Area provides advanced solutions that integrate metrology (measurement) systems, production software, and data analytics to optimise manufacturing processes.

Hexagon's Geosystems Business Area provides tools for capturing and visualising the physical world, creating digital twins to enhance efficiency and decision-making in construction and mapping.

Hexagon's Autonomous Solutions Business Area develops technologies for autonomy in agriculture, mining, and transportation, using positioning systems, perception technologies, and AI tools to enhance productivity, safety, and precision.

Hexagon's Octave Business Area includes the former Asset Lifecycle Intelligence (ALI) and Safety, Infrastructure & Geospatial (SIG) businesses, as well as ETQ and Bricsys, previously part of Manufacturing Intelligence and Geosystems respectively. It offers tools for managing critical infrastructure, emergency

2025	Manufacturing Intelligence	Geosystems	Autonomous Solutions	Octave	Total segments	Group expenses and eliminations	Group
Net sales	1,853.5	1,459.7	692.7	1,408.1	5,414.0	10.6	5,424.6
Operating expenses	-1,377.5	-1,061.1	-457.6	-1,010.3	-3,906.5	-43.2	-3,949.7
Operating earnings (EBIT1)	476.0	398.6	235.1	397.8	1,507.5	-32.6	1,474.9
Adjustments	-98.2	-93.6	-124.1	-169.2	-485.1	-65.4	-550.5
Operating earnings (EBIT)	377.8	305.0	111.0	228.6	1,022.4	-98.0	924.4
Net interest income/expenses						-130.9	-130.9
Earnings before tax						-228.9	793.5
Operating assets	3,455.8	3,156.7	2,080.2	7,110.8	15,803.5	82.1	15,885.6
Operating liabilities	-739.0	-421.8	-158.4	-557.2	-1,876.4	-11.3	-1,887.7
Assets held for sale	-900.1	-	-	-	-900.1	-	-900.1
Net operating assets	1,816.7	2,734.9	1,921.8	6,553.6	13,027.0	70.8	13,097.8
Investments in fixed assets	134.2	273.8	111.4	141.2	660.6	21.9	682.5
Average number of employees	8,280	6,037	2,825	7,141	24,283	354	24,637
Number of employees at year-end	8,325	5,832	2,844	7,066	24,067	405	24,472
Depreciation, amortisation and impairment	-185.6	-275.0	-160.5	-162.5	-783.6	-7.6	-791.2

2024	Manufacturing Intelligence	Geosystems	Autonomous Solutions	Octave	Total segments	Group expenses and eliminations	Group
Net sales	1,879.0	1,512.6	558.0	1,448.3	5,397.9	3.2	5,401.1
Operating expenses	-1,373.0	-1,033.7	-366.0	-996.1	-3,768.8	-29.4	-3,798.2
Operating earnings (EBIT1)	506.0	478.9	192.0	452.2	1,629.1	-26.2	1,602.9
Adjustments	-28.9	-11.6	-5.1	-68.4	-114.0	-56.7	-170.7
Operating earnings (EBIT)	477.1	467.3	186.9	383.8	1,515.1	-82.9	1,432.2
Net interest income/expenses						-170.1	-170.1
Earnings before tax						-253.0	1,262.1
Operating assets	3,608.9	3,330.8	1,846.5	7,966.5	16,752.7	8.8	16,761.5
Operating liabilities	-732.8	-424.5	-130.6	-560.7	-1,848.6	-20.1	-1,868.7
Net operating assets	2,876.1	2,906.3	1,715.9	7,405.8	14,904.1	-11.3	14,892.8
Investments in fixed assets	143.1	279.8	111.4	146.4	680.7	14.2	694.9
Average number of employees	8,620	6,104	2,559	7,157	24,440	252	24,692
Number of employees at year-end	8,235	6,242	2,805	7,216	24,498	304	24,802
Depreciation, amortisation and impairment	-143.5	-209.0	-68.9	-151.2	-572.6	-4.9	-577.5

NOTE 3 cont.

Geographical markets

	Net sales by country ⁴		Operating assets							
			Assets		Liabilities		Net		Fixed assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
EMEA ¹	1,919.0	1,870.0	6,231.1	6,002.9	-1,192.2	-1,201.7	5,038.9	4,801.2	4,814.9	4,472.1
Americas ²	2,116.1	2,091.7	9,667.8	10,816.3	-1,182.3	-1,219.7	8,485.5	9,596.6	8,512.9	9,618.9
Asia ³	1,391.4	1,439.4	1,266.4	1,307.9	-792.9	-812.9	473.5	495.0	496.0	479.8
Elimination of intra-group items/adjustments	-1.9	-	-1,279.7	-1,365.6	1,279.7	1,365.6	-	-	-	-
Assets held for sale	-	-	-1,061.6	-	161.5	-	-900.1	-	-946.0	-
Group	5,424.6	5,401.1	14,824.0	16,761.5	-1,726.2	-1,868.7	13,097.8	14,892.8	12,877.8	14,570.8

1) Sweden is included in EMEA with net sales of 66.5 MEUR (65.5) and fixed assets of 52.6 MEUR (46.3)
 2) USA is included in Americas with net sales of 1,621.9 MEUR (1,588.6)
 3) China is included in Asia with net sales of 666.7 MEUR (698.2)
 4) Relates to the country where the customer has its residence. No single customer represented more than 0.7% (0.8) of net sales

response, and urban planning. It supports public safety, utilities, transportation, and government by transforming complex data into actionable insights, enhancing safety, efficiency, and sustainability.

The four segments have separate product offerings and customer groups and hence differentiated risk composition. There are marginal sales between the four operating segments. The segments are applying the same accounting principles as the Group. Hexagon's internal reporting, representing the base for detailed review and analysis, is designed in alignment with the described operating segments. Sales within each operating segment are additionally analysed geographically.

NOTE 4

Parent company intra-group purchases and sales

Of the Parent Company's net sales, 100% (100) refers to sales to other group companies. Of the year's purchases in the Parent Company, 75% (88) refers to purchases from group companies.

NOTE 5

Revenue from contracts with customers

Hexagon sells information technology solutions in which hardware and software are integrated as well as services, licenses and other assignments. Revenue from agreements with customers is reported in the income statement as net sales.

Sale of goods

Revenue is recognised when control of the goods is transferred to the customer, which coincides with the goods being delivered to the customer and Hexagon has objective evidence that the customer will approve the goods. The amount of the revenue will equal the consideration stated in the contract minus rebates. There is no financing component in the contract as the expected credit do not exceed one year. The Group's obligation to offer a repayment for defected goods in accordance with standard warranty terms, is accounted for as a provision, see Note 23.

Sale of services, licenses and other assignments

Parts of contracts with customers not being sale of goods compose sale of installations, service, training, licenses and software subscriptions.

Revenue from sale of services such as installations, services and training are recognised in the period when the services are performed. Licenses are classified either as a license that gives the right to use the underlying immaterial asset as it is constituted at the issuing of the license (right-to-use) or as a license that gives the right to access the underlying intangible asset during the license period (right-to-access). Revenue from sale of right-to-use licenses is recognised when the license is transferred to the customer. Revenue from sale of right-to-access licenses is recognised during the license period. Revenue from sale of software subscriptions is recognised straight-line as the performance obligation is fulfilled, during the subscription period. Since the customer has access to the license or subscription throughout the term, a straight-line recognition of revenue is considered to best reflect the fulfillment of the performance obligation.

Revenue from contracts where there is no alternative use of Hexagon's performance and where Hexagon has right to cost compensation if the customer cancels the contract is recognised over time. The degree of completion is determined by comparing the expenditure that has arisen in relation to the total estimated expenditure for the assignment. If the degree of completion cannot be reliably

determined, only those amounts corresponding to the expenditure that has arisen are recognised as revenue, but only to the extent that it is likely that they will be remunerated by the buyer. If it appears likely that all the expenditure for an assignment will exceed total revenue, the probable loss is accounted for immediately and fully, as an expense.

Some contracts contain several performance obligations. A performance obligation that does not contain an integration service with the other obligations in the contract, does not lead to a significant modification or adaptation of the other obligations in the contract and that is not strongly dependent on or integrated with the other obligations in the contract is distinct and represents a separate performance obligation. The transaction price of the contract, including any rebates, is allocated to the separate performance obligations according to their stand-alone selling prices. The stand-alone selling prices are based on prices according to public price lists. Revenue from each performance obligation is recognised as the obligation has been fulfilled.

Estimation of revenue, cost and degree of completion is being revised if conditions change. Changes in estimations are recognised in the income statement in the pe-

NOTE 5 cont.

riod when the Executive Management has knowledge of the circumstances causing the change.

In fixed price contracts, the customers pay a fixed price according to an agreed payment plan. If the value of the services performed by Hexagon exceeds the payments, a contract asset will be recognised, which is recognised as accrued income. If the payments exceed the value of the performed services, a contract liability will be recognised, which is recognised as deferred income.

If the contract contains a fee per hour, revenue is recognised to the extent Hexagon has the right to invoice the customer. Customers are invoiced on a monthly basis and right to consideration exists when the invoice has been generated.

The main part of recognised revenue reflects performance obligations fulfilled during the current year. The performance obligations are usually fulfilled within 12 months, why disclosure about transaction price allocated to the remaining performance obligations is exempted.

Contract costs

Additional costs to obtain a contract are recognised as an asset if the Group expects to recover those costs. If time of depreciation of the asset that would have been recognised is below one year, the additional costs are recognised as cost when they occur.

Financing component

The Group does not expect any material contracts with customers where the period between transferring of goods and services to the customer and payment from the customer exceeds one year. As a consequence of this, the Group does not adjust transaction prices for time value of money.

Disaggregation of revenue from contracts with customers

No other revenue than revenue from contracts with customers is recognised in Net sales, in the income statement. The Group derives revenue from the transfer of goods and services in operating segments and customer segments.

Net sales in 2025 of 5,424.6 MEUR (5,401.1) were distributed according to the following customer segments per operating segments:

Manufacturing Intelligence	2025	2024
General manufacturing	35%	34%
Automotive	21%	23%
Aerospace & Defence	18%	19%
Electronics	11%	9%
Energy & Power	4%	3%
Healthcare & Life sciences	2%	3%
Other	9%	9%
Total	100%	100%

Geosystems	2025	2024
Surveying	28%	18%
Heavy construction	23%	29%
Buildings	22%	27%
Mining	8%	8%
Utilities	5%	5%
Mapping	4%	6%
Public safety	2%	2%
Other	8%	5%
Total	100%	100%

Autonomous solutions	2025	2024
Mining	47%	53%
Aerospace & Defence	27%	17%
Agriculture	12%	17%
Marine	5%	6%
Other	9%	7%
Total	100%	100%

Octave	2025	2024
Public safety	19%	17%
Oil & Gas	16%	15%
Chemicals	10%	11%
Transportation	7%	6%
Energy & Power	6%	6%
Heavy construction – industrial facilities	6%	6%
Aerospace & Defence	5%	7%
Other	31%	32%
Total	100%	100%

Contract balances

Group	2025-12-31	2024-12-31
Customer receivables	1,110.1	1,331.9
Contract assets	65.2	61.2
Contract liabilities	862.8	961.1
Assets held for sale		
Customer receivables	-88.2	-
Contract assets	-0.7	-
Contract liabilities	-138.3	-

For information on impairment of receivables and contract assets, see Note 18.

Contract assets include accrued income from fulfilling performance obligations over time. Contract liabilities include advance payments and deferred income. Deferred income relates to revenue from service, installation and training. The main portion of contract liabilities at the beginning of the year has been recognised as revenue during 2025.

NOTE 6

Operating expenses

	Group		Parent company	
	2025	2024	2025	2024
Cost of goods sold				
Cost of goods	859.9	852.2	-	-
Personnel cost	580.2	572.6	-	-
Depreciation, amortisation and impairment	87.7	90.4	-	-
Other	300.1	276.2	-	-
Total	1,827.9	1,791.4	-	-
Sales expenses				
Personnel cost	826.6	797.7	-	-
Depreciation, amortisation and impairment	88.1	80.4	-	-
Other	214.3	205.8	-	-
Total	1,129.0	1,083.9	-	-
General and administrative cost				
Personnel cost	345.5	303.1	15.1	13.3
Depreciation, amortisation and impairment	51.8	48.6	1.7	1.6
Other	101.9	75.0	54.2	35.1
Total	499.2	426.7	71.0	50.0
Research and development cost				
Personnel cost	337.4	305.5	-	-
Depreciation, amortisation and impairment	512.9	319.8	-	-
Other	73.7	58.4	-	-
Total	924.0	683.7	-	-

NOTE 7

Other operating income/expenses

Other operating income and operating expenses consist of exchange rate gains and exchange rate losses of an operating nature. In addition, items that do not belong to the primary business are reported in this function, such as impairments and fair value changes.

Group	2025	2024
Other operating income		
Capital gain on divestment of fixed assets	1.5	0.5
Exchange rate gains	83.6	109.7
Government grants	5.4	13.4
Reversal of unutilised amounts	54.1	61.4
Other	6.1	1.7
Total	150.7	186.7
Other operating expenses		
Capital loss on divestment of fixed assets	-0.5	-0.5
Exchange rate losses	-107.1	-109.1
Impairment	-50.7	-42.9
Acquisition related expenses	-17.8	-10.8
Octave spin-off related expenses	-60.4	-
Other	-34.3	-6.6
Total	-270.8	-169.9

NOTE 8

Impairment

Cash-generating units

Goodwill and other intangible assets with indefinite useful lifetime acquired through business combinations have been allocated to five (five) cash generating units (CGUs). The cash-generating units consist of Hexagon's four business areas: Geosystems, Manufacturing Intelligence, Autonomous Solutions and Octave, as well as Other.

Hexagon performed its annual impairment test for goodwill and other intangible assets with indefinite useful lifetime during the fourth quarter 2025 and tested if the carrying value of the CGU's exceed their recoverable value. The recoverable value is the higher of the unit's net realisable value and value in use, which is the discounted present value of future cash flows.

Carrying amount of goodwill and other intangible assets allocated to each of the CGUs:

	Geosystems		Manufacturing Intelligence		Autonomous Solutions		Octave		Other		Total	
	2025	2024 ³	2025	2024 ³	2025	2024 ³	2025	2024 ³	2025	2024 ³	2025	2024
Goodwill	1,354.5	1,416.0	1,778.2	1,812.7	1,370.8	1,103.3	5,208.4	5,823.6	3.8	3.4	9,715.7	10,159.0
Other intangible assets with indefinite useful lifetime ¹	428.5	432.6	153.3	166.2	42.8	46.6	404.4	465.5	0.0	0.0	1,029.0	1,110.9
Intangible assets subject to amortisation ²	581.0	612.3	436.7	502.2	263.2	250.6	994.1	1,110.1	53.3	22.0	2,328.3	2,497.2
Assets held for sale												
Goodwill	-	-	-715.7	-	-	-	-	-	-	-	-715.7	-
Other intangible assets with indefinite useful lifetime	-	-	-84.1	-	-	-	-	-	-	-	-84.1	-
Intangible assets subject to amortisation	-	-	-137.0	-	-	-	-	-	-	-	-137.0	-
Total	2,364.0	2,460.9	1,431.4	2,481.1	1,676.7	1,400.5	6,606.9	7,399.2	57.1	25.4	12,136.2	13,767.1

1) Comprises brands

2) Comprises capitalised development costs, patents, technology and other intangible assets, which are amortised linearly based on estimated useful lifetime

3) 2024 numbers have been restated as ETQ and Bricsys businesses have been transferred from Manufacturing Intelligence and Geosystems respectively to Octave

Calculation of recoverable value

The recoverable values of the cash-generating units consist of their value in use. The utilisation values are calculated using cash flow forecasts based on budgets approved by the management that extend over a period of five years. The after-tax discount rates applied to cash flow forecasts are shown in the table below. The annual growth rate for extrapolating cash flows beyond the five-year period was 2.0% (2.0) for all cash-generating units. Annual growth is a conservative assessment and is set equal to expected inflation. The result of a write-down test has resulted in the management not identifying any write-down need for any cash-generating unit.

	Discount rate after tax	
	2025	2024
Geosystems	7.6%	7.2%
Manufacturing Intelligence	9.4%	9.0%
Autonomous Solutions	10.0%	9.3%
Octave	8.2%	8.6%

Key assumptions

The calculation of value in use for all CGUs is most sensitive to the following assumptions:

- Forecasts, including operating margins and sales growth
- Discount rates
- Growth rates used to extrapolate cash flow beyond the forecast period

Forecasts

Projected cash flows, approved by management, are based on an analysis of historic performance as well as a best estimation regarding the future. Hexagon has since 2001 mainly shown rising operating margins and virtually continuous good organic growth.

The operating margins are based on average values achieved historically. The margins are increased over the period to reflect anti-

ipated efficiency improvements. The organic growth is based on an analysis of how the competition situation is judged to develop over time.

Discount rates

Discount rates represent the current market assessment of the risks specific to the respective CGU, taking into consideration the time value of money as well as individual risks. The discount rate calculation is based on the specific circumstances of the respective CGU and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group investors. The cost of debt is based on the interest-bearing borrowings. Specific risks are incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Discount rate before tax is approximately 10–13%.

Growth rates used to extrapolate cash flow

To extrapolate cash flows over the forecast period, growth figures start based on published research of each respective industry.

The long-term rate is conservatively estimated as equal to the expected long-term inflation rate.

Sensitivity to changes in assumptions

A sensitivity analysis including all key assumptions is performed and management believe that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed the recoverable value. For all cash generating units except Octave there is a significant headroom before any changes in key assumptions would cause a valuation adjustment, since the recoverable value totally is nearly double the book value. The performed sensitivity analysis demonstrates that the value of goodwill and other intangible assets with indefinite useful lifetime is more than defensible even if the discount rate is increased by one percentage point or if the growth rate after the forecast period is decreased by one percentage point for all cash generating units except Octave. For Octave the recoverable amount would equal the carrying value if the discount rate would be increased by 0.3 percentage points or the terminal growth rate would be decreased by 0.4 percentage points. Forecasts for sales growth and operating margin are included in the sensitivity analysis and a change in the EBITDA margin of 5% would cause a need for impairment.

NOTE 9

Earnings from shares in group companies

	Group		Parent company	
	2025	2024	2025	2024
Earnings from shares in group companies				
Dividend from subsidiaries	-	-	4,206.3	1,417.7
Capital gains from divestment of subsidiaries	6.1	1.7	2.1	3,781.5
Total	6.1	1.7	4,208.4	5,199.2

NOTE 10

Financial income and expenses

	Group		Parent company	
	2025	2024	2025	2024
Financial income				
Interest income	13.2	12.7	3.0	2.7
Interest income, intercompany receivables	-	-	156.6	136.0
Other financial income	1.5	0.8	43.6	115.5
Total	14.7	13.5	203.2	254.2
Financial expenses				
Interest expenses	-126.5	-160.9	-123.2	-154.7
Interest expenses, lease liabilities	-9.1	-9.1	-	-
Interest expenses, intercompany liabilities	-	-	-254.7	-95.8
Net interest on pensions	-1.3	-1.5	-	-
Other financial expenses	-8.7 ¹⁾	-12.1 ¹⁾	-176.6	-55.0
Total	-145.6	-183.6	-554.5	-305.5

1) Mainly bank costs

NOTE 11

Income taxes

Income taxes comprise:

- Current tax, meaning the tax calculated on taxable earnings for the period and adjustments regarding prior periods and;
- Deferred tax, meaning the tax attributable to taxable temporary differences to be paid in the future and the tax that represents a reduction of future tax attributable to deductible temporary differences, deductible loss carry-forwards and other tax deductions.

The income tax expenses for the year consist of current and deferred tax. Transactions recognised in other comprehensive income including tax effects, i.e. tax related to these transactions is also posted in other comprehensive income. Tax related to transactions directly recognised in equity is posted in equity.

GROUP

Tax on earnings for the year

	2025	2024
Current tax	-273.8	-239.0
Deferred tax	107.1	11.9
Total tax on earnings for the year	-166.7	-227.1

Specification of deferred tax

	2025-12-31	2024-12-31
Deferred tax assets (liabilities) comprise:		
Fixed assets	-657.9	-714.2
Inventories	48.5	66.1
Receivables	8.3	13.2
Provisions	26.7	14.8
Other	109.3	125.5
Unutilised loss carry-forwards and similar deductions	235.2	121.5
Less items not satisfying criteria for being recognised as assets	-36.6	-47.5
Assets and related liabilities held for sale	-6.7	-
Total	-273.2	-420.6
According to the balance sheet:		
Deferred tax assets	210.6	161.0
Deferred tax liabilities	-483.8	-581.6
Total, net	-273.2	-420.6

Unutilised loss carry-forwards and similar deductions not satisfying criteria for being recognised as assets have not been recognised. Deferred tax assets that depend on future taxable surpluses have been valued on the basis of both historical and forecast future taxable earnings. Hexagon is striving for a corporate structure that enables tax exemption when companies are divested and favourable taxation of dividends within the Group. Certain potential tax on dividends and divestments remains within the Group.

NOTE 11 cont.

Reconciliation of the year's change in current and deferred tax assets/liabilities

Deferred tax	2025	2024
Opening balance, net	-420.6	-400.7
Change via income statement		
Deferred tax on earnings	89.6	-36.1
Change in reserve for deductions not satisfying criteria for being recognised as assets	-1.9	2.0
Change in tax rates and tax reforms	2.5	1.6
Items pertaining to prior years	16.9	44.4
Total	107.1	11.9
Change via other comprehensive income		
Deferred tax on other comprehensive income	39.5	-15.5
Total	39.5	-15.5
Change via equity		
Change via acquisitions and divestments	-15.8	-2.7
Reclassification	-	-0.6
Translation difference	23.4	-13.0
Assets held for sale	-6.7	-
Closing balance, net	-273.2	-420.6
Current tax	2025	2024
Opening balance, net	13.5	6.3
Change via income statement		
Current tax on earnings	-258.6	-248.8
Items pertaining to prior years	-15.2	9.8
Total	-273.8	-239.0
Change via acquisitions and divestments	-0.5	-1.1
Payments, net	244.9	243.2
Reclassification	-	2.2
Translation difference	-1.9	1.9
Closing balance, net	-17.8	13.5

The Group's unutilised loss carry-forwards and similar deductions mature as follows:

	2025-12-31
2026	31.1
2027	1.8
2028	0.0
2029	0.2
2030 and later	264.2
Indefinitely	343.1
Total	640.4

The difference between nominal Swedish tax rate and effective tax rate arises as follows:

	2025	2024
Earnings before tax	793.5	1,262.1
Tax pursuant to Swedish nominal tax rate 20.6%	-163.5	-260.0
Difference in tax rates between Swedish and foreign tax rate	1.4	10.3
Revaluation of loss carry-forwards, etc.	55.0	18.2
Income not subject for tax	14.3	41.7
Expenses not tax-deductible	-35.8	-30.0
Change in tax rates and tax reforms	2.5	1.6
Items not included in the booked result	-38.3	-32.1
Items pertaining to prior years	-2.3	23.2
Tax, income statement	-166.7	-227.1

Pillar Two

The Group is covered by the OECD's model rules for Pillar Two, and applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group will incur top-up taxes due to the Pillar Two legislation that became effective 1 January 2024. Under the legislation, the group is required to pay an additional tax for the difference between the effective tax rate calculated according to the GloBE rules for each jurisdiction and the minimum tax rate of 15%.

Hexagon has estimated that the effective tax rate exceeds 15% in all jurisdictions in which it operates, except certain jurisdictions

where Hexagon has very limited operations. Hexagon's assessment is that the estimated additional tax has a minimal impact on the tax expense for the year.

**PARENT COMPANY
Tax on earnings for the year**

	2025	2024
Current tax	-6.6	-0.4
Deferred tax	73.9	37.3
Total tax on earnings for the year	67.3	36.9

Reconciliation of the year's change in current and deferred tax assets/liabilities

	2025	2024
Deferred tax		
Opening balance, net	40.7	3.4
Change via income statement		
Deferred tax on earnings	66.2	11.1
Items pertaining from prior years	5.1	26.8
Translation difference	2.6	-0.6
Total	73.9	37.3
Closing balance, net	114.6	40.7
Current tax		
Opening balance, net	0.1	-
Change via income statement		
Current tax on earnings	-1.4	-0.4
Items pertaining to prior years	-5.2	-
Total	-6.6	-0.4
Payments, net	6.7	0.0
Translation difference	0.2	0.5
Closing balance, net	0.4	0.1

NOTE 12

Adjustments

Adjustments consist of expenses related to the share programme (LTIP), amortisation of surplus values (PPA) and items affecting comparability which refer to income and expenses that are not expected to appear on a regular basis and impact comparability between periods. In 2025 adjustments consist of share-based programme expenses (LTIP), amortisation of surplus values (PPA), acquired deferred revenue and items affecting comparability reflecting impairment of overlapping technology, transaction and integration costs in relation to the acquisitions of Septentrio and Geomagic in the first quarter, the restructuring programme in the third quarter and costs related to the potential spin-off of Octave.

Group	2025	2024
Acquired deferred revenue	-1.9	-
Cost nature		
Personnel costs	-112.8	-6.4
Transaction costs	-11.7	-3.0
Impairments	-206.1	-
Amortisation of surplus values	-110.6	-112.4
Share-based programme	-39.2	-48.9
Other	-68.2	-
Total cost nature	-548.6	-170.7
Total adjustments	-550.5	-170.7
Function		
Net sales	-1.9	-
Cost of goods sold	-46.0	-4.1
Sales expenses	-79.3	-71.8
Administration expenses	-53.3	-25.7
Research and development expenses	-236.4	-68.7
Other operating expenses	-133.6	-0.4
Total adjustments	-550.5	-170.7

NOTE 13

Government grants

During the year some of the subsidiaries within the Group have received government grants in their country. Government grants have been recognised in accordance with IAS 20. Receivables and revenues are recognised when there is a reasonable assurance that the terms and conditions will be met, and it is reasonably certain that the grant will be received. The government grants received were primarily related to education of employees and R&D funding. The table below shows how the grants are allocated to functions.

Group	2025	2024
Function		
Research and development expenses	0.8	0.7
Other operating income	5.4	13.4
Total	6.2	14.1

NOTE 14

Intangible fixed assets

Intangible fixed assets could be acquired separately, as part of a business combination or internally generated. The Group's intangible fixed assets include mainly capitalised development expenses, trademarks and goodwill. Trademarks, goodwill, technology and customer relations are often acquired as part of a business combination, while capitalised development expenses are internally generated. Any impairments are reported as other operating expenses in the income statement.

The impairment for the year relates to restructuring programme and impairment in connection with release of earn-out liabilities. See Note 8 for further disclosures about impairment.

Capitalised development expenses

An internally generated intangible asset that is expected to generate a future economic benefit and whose cost could be determined reliably must, according to IAS 38, be recognised as an asset in the balance sheet. To assess if those criteria are fulfilled, the generation of the asset is classified into a research phase and a development phase. The research phase includes activities such as obtaining new knowledge, new products, systems, methods or materials. At a certain point in time, the activities change and include design, construction and testing of chosen alternatives. This point in time differs between different projects and constitutes the inflection point between the research phase and the development phase. Hexagon expenses expenditure on research in the income statement and expenditures arising in the development phase must be recognised as an intangible asset in the balance sheet. If the research phase cannot be distinguished from the development phase, all expenditures will be reported as expenses in the income statement.

Total expenditures for research and development during 2025 amounted to 885.1 MEUR (855.7), whereof capitalised 486.5 MEUR (491.8) and expensed (excluding amortisation) 398.6 MEUR (363.9).

Capitalised development expenses are measured at cost less accumulated amortisations and impairment. Amortisation is accounted for linearly based on estimated useful lifetime and expensed as a research and development expense. Useful lifetime for capitalised development expenses is 2-10 years. The average amortisation period is less than six years. The assets' residual value and useful lifetime are tested on each closing date and are adjusted if necessary.

Trademarks

Separately acquired trademarks are measured at cost. Trademarks acquired as part of a business combination are measured at fair value at acquisition date. In cases where the assets have a limited useful lifetime,

amortisation is estimated to 5 years. The asset's residual value and useful lifetime are tested on each closing date and are adjusted if necessary. If the trademark can be used without any time limitations, it is not subject to amortisation according to plan. A new assessment is done yearly. The right to use the name Leica derives from a contractual useful lifetime under an agreement that expires in 78 years' time. The agreement contains clauses stipulating extension opportunities. Since Hexagon is of the opinion that there is reason to believe that it will be possible to extend the agreement without considerable expenditure, the value of the right to use the name Leica is not subject to amortisation.

Goodwill

Goodwill comprises the difference between the acquisition cost and fair value of the Group's share of acquired business' identifiable net assets on the date of acquisition. Goodwill is not amortised, but an impairment test is performed annually or more often if events or changes in circumstances indicate a possible need for impairment. Goodwill is recognised at acquisition value less accumulated impairment losses.

Other intangible assets

Both acquisition-related and separately acquired intangible assets are reported at acquisition value less accumulated amortisation and impairment losses, if any. Other intangible assets consist of patents, customer relations and technology identified upon acquisitions. Amortisation is linear and is calculated on the original acquisition value and based on the asset's estimated useful lifetime. For other intangible assets, the estimated useful lifetime varies between 2 and 20 years. Both the residual value of the assets and the useful lifetime are tested each closing date and adjusted if necessary.

NOTE 14 cont.

Group 2025	Capitalised development expenses	Trademarks	Goodwill	Other intangible fixed assets	Total
Acquisition value, opening balance	3,723.6	1,133.4	10,168.1	2,241.8	17,266.9
Investments	486.5	0.2	-	23.7	510.4
Investments/divestments of business	0.1	-9.9	469.0	71.7	530.9
Sales/disposals	-387.0	-0.2	-	-139.4	-526.6
Reclassification	-5.9	0.0	-	161.7	155.8
Translation differences	-114.8	-73.3	-913.4	-186.0	-1,287.5
Assets held for sale	-165.8	-84.1	-715.7	-163.1	-1,128.7
Acquisition value, closing balance	3,536.7	966.1	9,008.1	2,010.3	15,521.2
Amortisation, opening balance	-1,927.2	-	-	-1,015.8	-2,943.0
Amortisation for the year	-289.4	-0.2	-	-128.8	-418.4
Investments/divestments of business	-0.1	-	-	10.6	10.5
Sales/disposals	349.8	0.2	-	141.1	491.1
Reclassification	6.1	-	-	-161.4	-155.3
Translation differences	58.9	-	-	70.2	129.1
Assets held for sale	90.6	-	-	101.3	191.9
Amortisation, closing balance	-1,711.3	0.0	-	-982.8	-2,694.1
Impairments, opening balance	-443.5	-22.5	-9.1	-81.7	-556.8
Impairment for the year	-200.0	-	-	-	-200.0
Sales/disposals	37.6	-	-	0.1	37.7
Translation differences	18.6	1.3	1.0	7.3	28.2
Impairments, closing balance	-587.3	-21.2	-8.1	-74.3	-690.9
Carrying value	1,238.1	944.9	9,000.0	953.2	12,136.2

Amortisation of intangible fixed assets allocated by function:

Group	2025	2024
Cost of goods sold	-9.4	-9.1
Sales expenses	-60.5	-55.6
Administration expenses	-2.3	-2.4
Research and development expenses	-346.2	-304.4
Total	-418.4	-371.5

Other intangible fixed assets

Parent company	2025	2024
Acquisition value, opening balance	11.2	8.8
Investments	4.1	2.4
Disposals	-0.5	-
Acquisition value, closing balance	14.8	11.2
Amortisation, opening balance	-3.3	-1.8
Amortisation for the year	-1.6	-1.5
Disposals	0.5	-
Amortisation, closing balance	-4.4	-3.3
Carrying value	10.4	7.9

Group 2024	Capitalised development expenses	Trademarks	Goodwill	Other intangible fixed assets	Total
Acquisition value, opening balance	3,281.4	1,096.6	9,625.2	2,101.8	16,105.0
Investments	491.8	-	-	25.0	516.8
Investments/divestments of business	-8.5	0.8	99.6	21.5	113.4
Sales/disposals	-80.3	-	-	-1.6	-81.9
Reclassification	-2.4	-1.0	-	7.2	3.8
Translation differences	41.6	37.0	443.3	87.9	609.8
Acquisition value, closing balance	3,723.6	1,133.4	10,168.1	2,241.8	17,266.9
Amortisation, opening balance	-1,748.3	-	-	-845.4	-2,593.7
Amortisation for the year	-242.3	-	-	-129.2	-371.5
Investments/divestments of business	5.1	-	-	-0.8	4.3
Sales/disposals	78.1	-	-	1.6	79.7
Reclassification	1.0	-	-	-10.0	-9.0
Translation differences	-20.8	-	-	-32.0	-52.8
Amortisation, closing balance	-1,927.2	-	-	-1,015.8	-2,943.0
Impairments, opening balance	-406.2	-22.7	-8.6	-80.1	-517.6
Impairment for the year	-33.1	-0.3	-	-1.1	-34.5
Sales/disposals	2.1	-	-	-	2.1
Reclassification	1.5	1.0	-	2.2	4.7
Translation differences	-7.8	-0.5	-0.5	-2.7	-11.5
Impairments, closing balance	-443.5	-22.5	-9.1	-81.7	-556.8
Carrying value	1,352.9	1,110.9	10,159.0	1,144.3	13,767.1

NOTE 15

Tangible fixed assets

Tangible fixed assets are recognised at acquisition value less accumulated depreciation and impairment losses. Acquisition value includes expenditure that is directly attributable to acquisition of the asset.

Gains and losses on the divestment of a tangible fixed asset are recognised in the income statement as other operating income or expenses and comprise the difference between the sales revenue and the carrying amount. Amounts that can be depreciated comprise acquisition value less estimated residual value. The assets' carrying value and useful lifetime are impairment tested on every balance sheet date and adjusted if necessary.

Depreciation and amortisation

Depreciation and amortisation are calculated on the original acquisition value and based on the asset's estimated useful lifetime. The depreciation terms for various asset classes are:

Computers	3–8 years
Machinery and equipment	3–15 years
Office buildings	20–50 years
Industrial buildings	20–50 years
Land improvements	5–25 years

Depreciation of tangible fixed assets allocated by function:

Group	2025	2024
Cost of goods sold	-60.1	-63.4
Sales expenses	-8.7	-7.7
Administration expenses	-17.6	-17.6
Research and development expenses	-8.2	-8.1
Total	-94.6	-96.8

Equipment

Parent company	2025	2024
Acquisition value, opening balance	0.5	0.5
Investments	0.0	0.1
Disposals	-	-0.1
Acquisition value, closing balance	0.5	0.5
Depreciation, opening balance	-0.1	-0.1
Depreciation for the year	0.0	-0.1
Disposals	-	0.1
Depreciation, closing balance	-0.1	-0.1
Carrying value	0.4	0.4

Group 2025	Buildings	Land and other real estate	Machinery and other technical plants	Equipment, tools and installation	Construction in progress and advances to suppliers	Total
Acquisition value, opening balance	435.1	33.8	445.3	490.3	10.7	1,415.2
Investments	6.5	-	30.0	57.6	10.7	104.8
Investments/divestments of business	-	-	1.5	1.4	-	2.9
Sales/disposals	-2.6	-0.2	-6.1	-49.2	-	-58.1
Reclassification	-4.0	-	-1.8	9.8	-0.4	3.6
Translation differences	-25.7	-1.7	-11.8	-31.3	-0.7	-71.2
Assets held for sale	-3.5	-	-0.5	-12.9	-	-16.9
Acquisition value, closing balance	405.8	31.9	456.6	465.7	20.3	1,380.3
Depreciation, opening balance	-180.5	-1.4	-304.0	-309.1	0.1	-794.9
Depreciation for the year	-13.8	0.0	-26.4	-54.4	-	-94.6
Investments/divestments of business	-	-	-0.8	1.1	-	0.3
Sales/disposals	1.9	0.1	5.6	32.9	-	40.5
Reclassification	4.8	1.0	1.4	-5.0	0.2	2.4
Translation differences	8.4	0.1	8.8	21.2	-	38.5
Assets held for sale	1.9	-	0.3	10.3	-	12.5
Depreciation, closing balance	-177.3	-0.2	-315.1	-303.0	0.3	-795.3
Impairment, opening balance	-1.1	-0.1	-7.5	-0.3	-	-9.0
Impairments of the year	-	-	-6.3	-0.3	-	-6.6
Sales/disposals	-	0.1	-	-	-	0.1
Translation differences	0.1	-	0.1	-	-	0.2
Assets held for sale	0.4	-	-	0.1	-	0.5
Impairments, closing balance	-0.6	0.0	-13.7	-0.5	-	-14.8
Carrying value	227.9	31.7	127.8	162.2	20.6	570.2

Group 2024	Buildings	Land and other real estate	Machinery and other technical plants	Equipment, tools and installation	Construction in progress and advances to suppliers	Total
Acquisition value, opening balance	431.7	33.2	438.8	474.1	11.5	1,389.3
Investments	8.5	-	35.8	68.2	3.0	115.5
Investments/divestments of business	-3.7	-	-20.9	-0.1	-0.4	-25.1
Sales/disposals	-4.8	-	-12.4	-51.5	-	-68.7
Reclassification	-1.4	-	-0.1	-9.1	-3.5	-14.1
Translation differences	4.8	0.6	4.1	8.7	0.1	18.3
Acquisition value, closing balance	435.1	33.8	445.3	490.3	10.7	1,415.2
Depreciation, opening balance	-171.4	-1.1	-310.2	-298.9	-2.4	-784.0
Depreciation for the year	-16.3	-0.1	-27.0	-53.4	-	-96.8
Investments/divestments of business	2.7	-	18.9	-	0.1	21.7
Sales/disposals	4.2	-	11.9	41.4	-	57.5
Reclassification	0.2	-	5.2	8.2	2.4	16.0
Translation differences	0.1	-0.2	-2.8	-6.4	-	-9.3
Depreciation, closing balance	-180.5	-1.4	-304.0	-309.1	0.1	-794.9
Impairment, opening balance	-1.0	-0.1	-3.8	-0.2	-	-5.1
Impairments of the year	-0.1	-	-3.7	-	-	-3.8
Sales/disposals	-	-	-	-	-	-
Translation differences	-	-	-	-0.1	-	-0.1
Impairments, closing balance	-1.1	-0.1	-7.5	-0.3	-	-9.0
Carrying value	253.5	32.3	133.8	180.9	10.8	611.3

NOTE 16

Leasing

Hexagon as lessee

Hexagon has the role of lessee mainly in contracts regarding real estate, vehicles and office equipment. The leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Lease payments are allocated to interest payments and repayment of debt. The interest part is presented as paid interest in the cash flow analysis. The right-of-use asset is depreciated on a linear basis over the shorter of the asset's useful lifetime and the lease period.

Assets and liabilities arising from lease contracts are measured on a present value basis. Lease liabilities include the net present value of fixed payments, variable payments based on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of purchase options that will reasonably certainly be exercised and payments of penalties for terminating the lease, if such option will be exercised.

The future payments are discounted using the implicit interest rate in the contract. If that rate could not be determined, the group's incremental borrowing rate could be used. The discount rate is updated semi-annually.

The right-of-use asset is measured at cost and comprises, besides the amount of the initial measurement of the lease liability, payments (less incentives received) made before the date of commencement, initial indirect costs and restoration costs.

Payments of lease contracts with a lease period below 12 months and lease contracts of low value assets are expensed straight-line in the income statement. Low value assets are mainly IT-equipment, office furniture and other office equipment.

Group 2025	Real estate	Vehicles	Machinery	Office equipment	Total
At the beginning of the year	350.1	59.0	0.5	2.6	412.2
New contracts	50.1	21.1	2.1	0.7	74.0
Termination of contracts	-77.1	-15.2	-0.1	-1.1	-93.5
Remeasurements	9.9	-0.6	0.0	0.1	9.4
Reclassification	-1.2	-0.3	0.0	0.0	-1.5
Translation differences	-20.0	-0.9	0.0	-0.1	-21.0
Assets held for sale	-19.7	-2.4	0.0	0.0	-22.2
Acquisition value, closing balance	292.1	60.7	2.5	2.2	357.4
Depreciation, opening balance	-189.7	-28.0	-0.3	-1.8	-219.8
Depreciation for the year	-52.6	-18.0	-0.5	-0.5	-71.6
Termination of contracts	60.2	14.5	0.1	1.1	75.9
Remeasurements	0.3	0.0	0.0	0.0	0.3
Reclassification	1.0	0.2	0.0	0.0	1.2
Translation differences	10.9	0.3	0.0	0.0	11.2
Assets held for sale	15.6	1.2	0.0	0.0	16.8
Amortisation, closing balance	-154.3	-29.8	-0.7	-1.2	-186.0
Carrying value	137.7	30.9	1.8	1.0	171.4

Group 2024	Real estate	Vehicles	Machinery	Office equipment	Total
At the beginning of the year	347.3	54.0	1.6	3.7	406.6
New contracts	43.1	19.3	0.1	0.1	62.6
Termination of contracts	-55.1	-12.6	-0.9	-1.1	-69.7
Remeasurements	10.4	-1.4	0.0	0.0	9.0
Reclassification	-1.6	-0.4	-0.3	0.0	-2.3
Translation differences	6.0	0.1	0.0	-0.1	6.0
Acquisition value, closing balance	350.1	59.0	0.5	2.6	412.2
Depreciation, opening balance	-178.2	-24.7	-1.1	-2.1	-206.2
Depreciation for the year	-53.9	-16.0	-0.2	-0.8	-70.9
Termination of contracts	44.1	12.5	0.9	1.1	58.6
Remeasurements	-0.5	0.2	0.0	0.0	-0.3
Reclassification	2.0	0.1	0.1	0.0	2.2
Translation differences	-3.2	-0.1	0.0	0.0	-3.3
Amortisation, closing balance	-189.7	-28.0	-0.3	-1.8	-219.8
Carrying value	160.4	31.0	0.2	0.8	192.4

Agreements where a group entity is lessor

Group 2025-12-31	Machinery, equipment, etc.
Lease payments due in	
2026	0.9
2027-2030	1.1
Total	2.0

Group 2024-12-31	Machinery, equipment, etc.
Lease payments due in	
2025	2.5
2026-2029	1.1
Total	3.6

Depreciation of right-of-use assets allocated by function:

Group	2025	2024
Cost of goods sold	-18.2	-17.9
Sales expenses	-18.9	-17.1
Administration expenses	-28.4	-28.6
Research and development expenses	-6.1	-7.3
Total	-71.6	-70.9

Set out below are the carrying amounts of the lease liabilities and the movements during the period

Group	2025	2024
At the beginning of the year	203.9	211.5
Additions	73.2	62.6
Remeasurement	-7.6	-2.5
Interest	9.1	9.1
Payments	-79.4	-78.6
Translation difference	-10.8	1.8
Liabilities related to assets held for sale	-5.6	-
Closing balance	182.8	203.9
Of which current liabilities	57.4	63.4
Of which non-current liabilities	125.4	140.5

The maturity structure of the lease liabilities is presented in the table Group's maturity structure of interest bearing financial liabilities – undiscounted cashflows in Note 24.

The Group had total cash outflows for leasing of -79.4 MEUR (-78.6) in 2025.

Expenses regarding short-term leases and leases of low value are insignificant in relation to the Group as a whole.

Hexagon as lessor

There are a few contracts in which Hexagon is the lessor and which are classified as finance lease contracts. The revenue of such contracts is allocated to sale of hard- and software and service. Revenue from sale is recognised at the commencement date. Revenue from service is recognised during the lease term.

NOTE 17

Financial fixed assets

Group	Other long-term securities holdings		Other long-term receivables	
	2025	2024	2025	2024
Opening balance	139.1	129.0	28.2	29.1
Investments ¹	2.4	3.5	3.3	7.5
Sales ¹	0.0	-0.1	-6.4	-7.3
Impairments	-	-1.0	-	-
Reclassification	0.0	-	-3.4	-4.1
Translation differences	-15.1	7.7	-1.4	3.0
Assets held for sale	-	-	-4.5	-
Closing balance	126.4	139.1	15.8	28.2

1) Includes changes in pension assets

Parent company	Shares in group companies		Receivables from group companies		Other financial fixed assets	
	2025	2024	2025	2024	2025	2024
Opening balance	17,323.2	13,541.7	1,183.3	1,365.5	1.4	1.3
Shareholder's contribution	96.3	7,000.0	-	-	-	-
Divestments	-6.6	-3,218.5	-	-	-	-
Increase/decrease in receivables	-	-	847.6	-182.2	0.0	0.1
Closing balance	17,412.9	17,323.2	2,030.9	1,183.3	1.4	1.4

Other long-term securities holdings

Group	2025-12-31	2024-12-31
Baukunst LLC	2.4	2.0
CICV Co Ltd	12.2	13.2
Clothing Tech LLC	11.8	12.1
Divergent Technologies Inc	85.1	96.3
Hangzhou Unitree Technology Co	2.4	2.6
Huixin Quanzhi Gongye Hulian Keji Co Ltd	0.9	1.0
Martlet Capital	5.0	4.8
Paperless Parts Inc	4.3	4.8
Shenzhen Shengchao Intelligent Information Technology Co., Ltd.	0.9	1.0
Other	1.4	1.3
Total	126.4	139.1

Subsidiaries of Hexagon AB

	Corp ID. No.	Reg. Office/ Country	No. of shares	Portion of share capital and voting rights, %	Carrying amount	
					2025-12-31	2024-12-31
Clever Together AB	556070-5138	Stockholm, Sweden	2,500	100	87.3	0.0
D&E Sweden Parent AB	559520-6672	Stockholm, Sweden	500	100	9.0	-
Hexagon Capability Center India Pvt Ltd	-	Hyderabad, India	-	-	-	6.6
Hexagon Intergraph AB	556370-6828	Stockholm, Sweden	1,000	100	226.5	226.5
Hexagon Position Intelligence Ltd	-	Cobham, UK	3	100	261.0	261.0
Hexagon Smart Solutions AB	556394-3678	Stockholm, Sweden	1,439,200	100	3,888.1	3,888.1
Hexagon Solutions AB	556083-1124	Stockholm, Sweden	100,000	100	1.6	1.6
Hexagon Technology Center GmbH ¹	-	Heerbrugg, Switzerland	583	79.8	1,859.6	1,859.6
Intergraph Corporation Inc.	-	Madison, USA	1,000	100	4,047.5	4,047.5
Octave Intelligence Limited	-	Dublin, Ireland	100	100	0.0	-
R-evolution AB	556016-3049	Stockholm, Sweden	200,000	100	21.0	21.0
Tecla AB	556068-1602	Stockholm, Sweden	160,000	100	7,001.6	7,001.6
Östgötaeken Aktiebolag	556197-2380	Stockholm, Sweden	2,000	100	9.7	9.7
Total					17,412.9	17,323.2

1) The remaining part of share capital and voting rights in the company are owned by wholly owned subsidiaries in the Group.

NOTE 18

Receivables

Group	Not due	Due less than 30 days	Due between 30–60 days	Due between 61–90 days	Due between 91–120 days	Older than 120 days	Total
Aging analysis of receivables, 31 December 2025, net of impairment losses							
Other non-current receivables	12.5	6.3	-	-	0.1	1.4	20.3
Accounts receivable	797.3	187.7	52.3	36.3	20.4	104.4	1,198.4
Other current receivables – non-interest bearing	91.4	5.1	2.0	0.1	0.4	3.7	102.7
Assets held for sale							
Other non-current receivables							-4.5
Accounts receivable							-88.3
Other current receivables – non-interest bearing							-4.5
Total	901.2	199.1	54.3	36.4	20.9	109.5	1,224.1
Aging analysis of receivables, 31 December 2024, net of impairment losses							
Other non-current receivables	20.5	6.3	-	-	-	1.4	28.2
Accounts receivable	915.8	202.1	51.9	25.6	24.6	111.9	1,331.9
Other current receivables – non-interest bearing	86.1	5.7	1.6	0.2	-	3.3	96.9
Total	1,022.4	214.1	53.5	25.8	24.6	116.6	1,457.0

The Group applies the simplified approach to measuring expected credit losses. The method uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets too, as the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and for-

ward-looking information on macroeconomic factors affecting the ability of the consumers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses are presented within operating profit. Any recoveries of amounts previously written off are credited against the same line item.

The closing loss allowances for trade receivables reconcile to the opening loss allowances as follows:

Reserve for expected credit loss

Group	2025-12-31	2024-12-31
Opening balance	36.1	41.1
Reserve for anticipated losses	20.2	11.2
Adjustment for actual losses	-8.0	-9.8
Reclaimed expected losses	-7.5	-7.1
Increase through acquisition	5.1	-0.2
Translation differences	-3.3	0.9
Assets held for sale	0.7	-
Closing balance	43.3	36.1

NOTE 19

Inventories

Inventories are accounted for according to the FIFO (first-in first-out) principle. Raw materials and purchased finished and semifinished goods are recognised at the lower of cost and net realisable value. Manufactured finished and semi-finished goods are recognised at the lower of manufacturing cost (including a reasonable portion of indirect manufacturing costs) and fair value. Market terms are applied for intra-group transactions. The necessary provisions and eliminations are made for obsolescence and intra-group gains respectively.

Group	2025-12-31	2024-12-31
Raw materials and supplies	256.3	253.8
Work in progress	49.7	41.3
Finished goods and goods for sale	233.0	271.3
Total	539.0	566.4
Value adjustment reserve includes provisions for obsolescence of	-74.8	-60.3

NOTE 20

Prepaid expenses and accrued income/accrued expenses and deferred income

Prepaid expenses and accrued income

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued invoicing	33.9	24.6	-	-
Accrued interest income	0.5	0.3	-	-
Work in progress	26.2	33.0	-	-
Prepaid maintenance costs	16.8	17.8	-	-
Prepaid license costs	41.0	33.0	-	-
Prepaid products and services	68.9	50.7	-	-
Prepaid rent	5.5	6.9	0.1	0.1
Prepaid insurance	3.5	8.1	0.2	-
Other items	25.8	20.5	13.4	1.2
Assets held for sale	-22.8	-	-	-
Total	199.3	194.9	13.7	1.3

Accrued expenses and deferred income

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued personnel-related expenses	261.3	277.0	2.6	8.8
Accrued sales commission	17.4	27.3	-	-
Accrued installation and training expenses	0.4	0.6	-	-
Accrued R&D expenses	7.4	7.2	-	-
Accrued fees	17.7	13.3	0.0	0.0
Accrued royalties	4.0	4.7	-	-
Accrued interest expenses	12.6	13.3	12.6	13.1
Work in progress	14.3	16.7	-	-
Prepaid revenue	896.9	883.6	-	-
Other items	86.3	77.0	1.1	0.7
Liabilities related to assets held for sale	-145.6	-	-	-
Total	1,172.7	1,320.7	16.3	22.6

NOTE 21

Share capital and number of shares

Parent company

	Quota value per share, EUR	Number of shares							Share capital, MEUR
		Outstanding			Repurchased		Total issued		
		Class A	Class B	Total	Class B	Class A	Class B	Total	
Opening balance 2024	0.03	110,250,000	2,574,127,888	2,684,377,888	21,100,000	110,250,000	2,595,227,888	2,705,477,888	85.8
Closing balance 2024	0.03	110,250,000	2,574,127,888	2,684,377,888	21,100,000	110,250,000	2,595,227,888	2,705,477,888	85.8
Closing balance 2025	0.03	110,250,000	2,574,127,888	2,684,377,888	21,100,000	110,250,000	2,595,227,888	2,705,477,888	85.8

Each series A share entitles the holder to ten votes and each series B share to one vote. All shares entail the same right to share of profits in Hexagon. Dividend per share paid in 2025 regarding the financial year of 2024 amounted to 0.14 EUR (0.13).

Average number of shares before and after dilution, thousands

	2025	2024
Average number of shares before dilution	2,684,378	2,684,378
Estimated average number of potential shares pertaining to warrants plans	21,100	21,100
Average number of shares after dilution	2,705,478	2,705,478

NOTE 22

Pension provisions

Within the Group there are defined contribution plans as well as defined benefit plans.

For the defined contribution plans, Hexagon pays a fixed amount. Expenditure for defined contribution plans is expensed as incurred.

Expected expenditure under defined benefit plans is recognised as a liability calculated in accordance with actuarial models, consisting of an estimate of future benefits that employees have earned through their employment during the current and prior periods. This benefit is discounted to its present value. The discount rate is the yield on high-quality corporate bonds or if there is no deep market for such bonds, government bonds – that have maturity dates approximating the terms of the Group's obligations.

Changes of the defined benefit obligation related to changed actuarial assumptions including currency revaluation on defined benefit obligation in another currency than functional currency and experience-based adjustment are reported in other comprehensive income. Pension expense for the year consists of pensions earned in the current period and pensions earned from prior periods resulting from any changes in the plan. Net of pension liabilities and assets is multiplied with discount rate and accounted for as a financial expense. Obligations related to defined benefit plans are recognised net in the balance sheet as a provision, meaning after a deduction of the value of any plan assets.

Defined benefit plans for which the insurer (Alecta) cannot specify Hexagon's share of the total plan assets and pension obligations, pending this information becoming available, are recognised as defined contribution plans. This only exists in limited extent in Sweden.

GROUP Provisions – defined-benefit plans

	2025-12-31	2024-12-31
Pension obligations	841.6	804.3
Fair value of plan assets	-857.0	-811.1
Pension obligations less plan assets	-15.4	-6.8
Unrecognised assets	74.6	65.9
Pension obligations, net	59.2	59.1

Pension expenses – defined-benefit plans

	2025	2024
Current service cost	24.3	17.5
Interest expense	11.7	16.4
Calculated interest income	-10.9	-17.0
Change in terms and conditions	0.3	1.2
Total	25.4	18.1

Total pension expenses impact on the income statement

	2025	2024
Operating expenses		
– defined benefit plans	24.3	17.5
Operating expenses		
– defined contribution plans	50.6	61.1
Operating earnings impact	74.9	78.6
Net interest expenses		
– defined benefit plans	0.8	-0.6
Earnings before tax impact	75.7	78.0

NOTE 22 cont.

Defined-benefit obligations

2025-12-31	Plan assets	Pension obligations	Net
Switzerland	813.0	-763.3	49.7
Other countries	44.0	-78.3	-34.3
Total (fair/present value)	857.0	-841.6	15.4
Unrecognised assets	-74.6	-	-74.6
Pension provisions, net	782.4	-841.6	-59.2
Of which:			
Reported as asset (other non-current receivables) ¹			4.9
Reported as liability ¹			-64.1

1) In reported as asset, assets held for sale of 2.0 MEUR are included. In reported as liability, liabilities related to assets held for sale of -10.5 MEUR are included

2024-12-31	Plan assets	Pension obligations	Net
Switzerland	764.7	-721.8	42.9
Other countries	46.4	-82.5	-36.1
Total (fair/present value)	811.1	-804.3	6.8
Unrecognised assets	-65.9	-	-65.9
Pension provisions, net	745.2	-804.3	-59.1
Of which:			
Reported as asset (other non-current receivables)			4.7
Reported as liability			-63.9

Three-year summary

	2025-12-31	2024-12-31	2023-12-31
Fair value of plan assets	857.0	811.1	779.6
Pension obligations	-841.6	-804.3	-746.5
Net	15.4	6.8	33.1
Unrecognised assets	-74.6	-65.9	-85.8
Recognised value	-59.2	-59.1	-52.7

Pension obligations

	2025-12-31	2024-12-31
Opening balance	804.3	746.5
Change in terms and conditions	-0.5	0.4
Current service cost	24.3	17.5
Interest expense	11.7	16.4
Benefits paid	-27.1	-28.8
Acquired/divested subsidiaries	-1.3	-12.0
Settlement of pension obligations	0.0	0.0
Actuarial gains/losses – Financial assumptions	-4.2	61.2
Actuarial gains/losses – Demographic assumptions	0.0	-0.3
Actuarial gains/losses – Experience adjustments	30.5	12.1
Currency translation differences	3.9	-8.7
Closing balance	841.6	804.3

Plan assets

	2025-12-31	2024-12-31
Opening balance	811.1	779.6
Change in terms and conditions	-1.3	-1.6
Calculated interest income	10.9	17.0
Contributions – employer	28.9	23.9
Contributions – employee	19.7	19.3
Benefits paid	-46.0	-46.5
Acquired/divested subsidiaries	-1.3	-12.6
Return on plan assets excluding calculated interest income as above	29.2	41.5
Currency translation differences	5.8	-9.5
Closing balance	857.0	811.1

Fair value of plan assets

	2025-12-31	2024-12-31
Equities and similar financial instruments	236.0	216.8
Interest bearing securities, etc.	332.1	323.9
Real estate	288.9	270.4
Total	857.0	811.1

For 2026, the contributions to defined benefit plans are estimated at 45.0 MEUR, of which employer's contribution is 24.7 MEUR.

NOTE 22 cont.

Characteristics of the pension obligations

The following applies for the Swiss plans which represent 91% of the total pension obligations. The Swiss plans include the following sub-plans: retirement pension (main plan), disability pension, management plan, early retirement plan and jubilee plan. The main plan, retirement pension, is financed through an individual savings account. The plan defines a retirement credit in per cent of insured salary depending on the age of the plan member and it guarantees an interest rate, which is annually determined by the Pension Fund. The minimum legal rate as fixed by the Swiss government has to be credited to the minimum savings account. The interest is not allowed to be negative, even if the actual return on assets is negative (capital protection). The other kinds of plans in Switzerland are of similar nature.

Shortfall in the schemes in Switzerland must be covered by the employer, while surpluses can only become due to the beneficiaries. The value of plan assets has been reduced accordingly.

Remaining duration is on average 20 year.

Actuarial assumptions for the defined-benefit pension schemes

(weighted average, where applicable)	2025	2024
Discount interest rate, %	1.5	2.2
Inflation, %	0.7	0.7
Future salary increase, %	1.0	1.0

For 91% of the defined benefit obligation, the Swiss BVG 2020 tables have been used for the actuarial assumptions regarding employee turnover and life expectancy.

Sensitivity analysis

The table below describes the effect on the value of the defined benefit obligations of an isolated change in assumptions as described.

	Change in assumption, %	Effect, MEUR	Change in assumption, %	Effect, MEUR
Discount rate	-0.3	+36.6	+0.3	-33.9
Salary increase	-0.5	-14.5	+0.5	+15.4
Employee turnover	-1.0	-7.2	+1.0	+6.7

	Change in assumption, no. of years	Effect, MEUR	Change in assumption, no. of years	Effect, MEUR
Life expectancy	-1.0	-22.8	+1,0	+23.0

NOTE 23

Other provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes with their associated probabilities.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been

publicly announced. No provision is posted for future operating losses.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group are lower than the unavoidable cost of meeting its obligations under the contract.

Group	Restructuring provisions	Warranty provisions	Other provisions	Total
Opening balance 2024-01-01	140.1	16.7	10.7	167.5
Provision for the year	0.0	12.8	2.7	15.5
Increase through acquisition of businesses	0.0	0.1	1.9	2.0
Utilisation	-88.4	-13.5	-4.2	-106.1
Reversal of unutilised amounts	0.0	-1.1	0.0	-1.1
Reclassification	2.3	0.0	-2.0	0.3
Translation difference	0.8	0.2	-0.1	0.9
Closing balance 2024-12-31	54.8	15.2	9.0	79.0
Provision for the year	133.2	12.5	3.8	149.5
Increase through acquisition of businesses	0.0	0.1	0.0	0.1
Utilisation	-91.2	-11.9	-3.1	-106.2
Reversal of unutilised amounts	-0.4	-0.6	-1.7	-2.7
Reclassification	0.0	0.0	13.0	13.0
Translation difference	-2.0	-0.8	-0.4	-3.2
Liabilities related to assets held for sale	-2.4	-	-1.5	-3.9
Closing balance 2025-12-31	92.0	14.5	19.1	125.6

NOTE 23 cont.

Restructuring provisions

Restructuring provisions primarily relate to a cost savings programme that was introduced in the third quarter of 2025 and to transaction costs. The remaining part of restructuring provisions are mainly related to personnel and are expected to become due within 12 months.

Warranty provisions

Warranty provisions are estimated based on previous years' statistical data and are evaluated on a regular basis. Since the warranty provisions are based on historical statistical data, the provided amount has a low uncertainty regarding the amount and timing of outflow. The majority of warranty provisions run over a period of 1–3 years. Estimated costs for product warranties are recognised when the products are sold.

Other provisions

Other provisions primarily consist of provisions for buildings, tax and legal disputes and also legally required personnel-related provisions. The personnel-related provisions are considered as long-term.

NOTE 24

Financial risk management

Risk management

Hexagon is a net borrower and has extensive international operations and is therefore exposed to various financial risks. The Group Treasury Policy, approved by the Board, stipulates the rules and limitations for the management of the different financial risks within the Group. Hexagon's treasury operations are centralised to the Group's internal bank, which is in charge of coordinating the financial risk management. The internal bank is also responsible for the Group's external borrowing and its internal financing. Centralisation entails substantial economies of scale, lower financing cost and better control and management of the Group's financial risks. The internal bank has no mandate to conduct independent trading in currencies and interest rate instruments. All relevant exposures are monitored continuously and are reported to the Executive Management and the Board of Directors on a regular basis.

Currency risk

Currency risk is the risk that exchange rate fluctuations will have an adverse effect on income statement, balance sheet and cash flow. Furthermore, the comparability of Hexagon's earnings between periods will be affected by changes in currency exchange rates. Hexagon's operations are mainly conducted internationally and sales, costs and net assets are therefore denominated in a number of currencies. As of 1 January 2011 the presentation currency is EUR for the Group. The change decreases the currency exposure in both the income statement and balance sheet as well as in other comprehensive income. It also allows the Hexagon Group to better match debt to net assets. Currency exposure originates both from transactions in non-domestic currencies in the individual operating entities, i.e. transaction exposure and from translation of earnings and net assets into EUR upon consolidation of the Group, translation exposure.

Transaction exposure

Sales and purchase of goods and services in currencies other than the respective subsidiary's functional currency give rise to transaction exposure. Transaction exposure is, as far as possible, concentrated to the countries where manufacturing entities are located. This is achieved by invoicing the sales entities in their respective functional currency.

In accordance with the Group Treasury Policy the transaction exposure should not be hedged.

Translation exposure – Balance sheet

Translation exposure arises when the net assets are translated into EUR upon consolidation. Translation differences from net assets in other currencies than EUR reported in other comprehensive income during 2025 were -1,224.5 MEUR (542.0).

Net exposure per currency

	2025-12-31	Hedging rate
USD	8,381.3	0%
CAD	446.8	0%
CNY	426.5	-
GBP	420.6	-
AUD	275.8	-
SEK	185.7	17%
BRL	138.7	0%
Other	517.3	1%
Total	10,792.7	0%

Translation exposure – Income statement

The consolidated operating income and expense is mainly generated in subsidiaries outside the Euro-area. Changes in exchange rates therefore have a significant impact on the Group's earnings when the income statements are translated into EUR. Translation exposure related to actual and forecasted earnings is not hedged.

Net sales per currency

	2025	2024
USD	2,204.3	2,169.0
EUR	1,187.2	1,148.6
CNY	613.2	633.5
GBP	177.2	210.2
JPY	156.8	168.1
AUD	144.2	131.7
Other	941.7	940.0
Total	5,424.6	5,401.1

Interest rate risk

The interest rate risk is the risk that changes in interest rates will adversely affect the Group's net interest expense and/or cash flow negatively. Interest rate exposure arises primarily from the external interest bearing debt. In accordance with the Group Treasury Policy the average interest rate duration for the external debt should be in a range from 6 months to 3 years.

During 2025 interest rate derivatives were used in order to manage the interest rate risk.

Financial income and expenses

	2025	2024
Interest income	13.2	12.7
Interest expense	-136.9	-171.5
Other financial income and expense	-7.2	-11.3
Net	-130.9	-170.1

Credit risk

Credit risk is the risk that counterparts may be unable to fulfil their payment obligations. Financial credit risk arises when investing cash and cash equivalents and when trading in financial instruments. To reduce the Group's financial credit risk, surplus cash is only invested with a limited number by the company approved banks and derivative transactions are only conducted with counterparts where an ISDA netting agreement has been established.

NOTE 24 cont.

As the Group is a net borrower, excess liquidity is primarily used to amortise external debt and therefore the average surplus cash invested with banks is kept as low as possible.

Credit risk also includes the risk that customers will not pay receivables that the company has invoiced or intends to invoice. Through a combination of geographical and business segmental diversification of the customers the risk for significant customer credit losses is reduced. An aging analysis of the receivables can be found in Note 18.

Liquidity risk

Liquidity risk is the risk of not being able to meet the Group's payment obligations in full as they fall due or can only do so at materially disadvantageous terms due to lack of cash resources. To minimise the liquidity risk, the Group Treasury Policy states that total liquidity reserves should at all times be at least 10% of the Group's forecasted annual net sales.

On 31 December 2025, cash and unutilised credit limits totalled 1,885.2 MEUR (1,835.2).

The Group's maturity structure of interest bearing financial liabilities – undiscounted cash flows

The table presents the undiscounted cash flows of the Group's interest bearing liabilities related to financial instruments based on the remaining period at the balance sheet date to the contractual maturity date. Floating interest cash flows with future fixing dates are based on the actual interest rates at year-end. Any cash flow in foreign currency is translated to EUR using the exchange rate at year-end.

	2026		2027–2028		2029 and later		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
Liabilities to credit institutions								
Revolving Credit	-	-	0.0	-	-	-	0.0	-
Term loan	1,300.0	30.1	600.0	7.8	-	-	1,900.0	37.9
Lease liability	60.0	7.0	77.9	7.4	50.5	5.4	188.4 ¹	19.8
Bond loans	303.0	37.7	511.5	54.1	531.2	13.7	1,345.7	105.5
Commercial paper ²	-	16.8	645.8	32.6	-	-	645.8	49.4
Other lenders	36.7	0.6	0.4	0.0	-	-	37.1	0.6
Total liabilities to credit institutions	1,699.7	92.2	1,835.6	101.9	581.7	19.1	4,117.0	213.2
Other interest bearing liabilities	0.6	0.0	2.1	0.0	-	-	2.7	0.0
Total interest bearing liabilities	1,700.3	92.2	1,837.7	101.9	581.7	19.1	4,119.7³	213.2

1) Including liabilities related to assets held for sale of 5.6 MEUR

2) The Commercial Paper Programme is supported by the long-term revolving credit facility as back-up and therefore classified as long-term

3) Interest bearing liabilities in the Parent Company, 3,924.1 MEUR

There were interest rate derivatives pertaining to borrowing on 31 December 2025. The agreement governing the Revolving Credit Facility includes a financial covenant for Net debt/EBITDA to be fulfilled to avoid additional financing costs.

Currency composition pertaining to interest bearing liabilities

	2025-12-31	2024-12-31
EUR	99%	99%
SEK	1%	1%
INR	0%	0%
CHF	0%	0%
Other	0%	0%
Total	100%	100%

Refinancing risk

Refinancing risk refers to the risk that Hexagon does not have sufficient financing available when needed to refinance maturing debt, due to existing lenders not extending or Hexagon has difficulties in procuring new lines of credit at a given point in time. Securing these requirements demands a strong financial position in the Group, combined with active measures to ensure access to credit.

In order to ensure that appropriate financing is in place and to decrease the refinancing risk, no more than 20% of the Group's gross debt, including unutilised credit facilities, is allowed to mature within the next 12 months without replacing facilities agreed.

Following a refinancing in 2021, Hexagon's main sources of financing consist of:

- 1) A multicurrency revolving credit facility (RCF) established during Q4 2021. The RCF amounts to 1,500 MEUR with a tenor of 5+1+1 years.
- 2) A Swedish Medium Term Note Programme (MTN) established during Q2 2014. The MTN programme enables Hexagon to issue bonds up to a total amount of 20,000 MSEK. On 31 December 2025, Hexagon had issued bonds of a total amount of 13,150 MSEK (13,150).
- 3) A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme enables Hexagon to issue commercial paper up to a total amount of 15,000 MSEK. Commercial paper with tenor up to 12 months can be issued under the programme. On 31 December 2025, Hexagon had issued commercial paper of a total amount of 6,160 MSEK (6,020) and 89.0 MEUR (96.5). The 1,500 MEUR multicurrency

revolving facility support the commercial paper programme.

During Q2 2022 Hexagon issued a private placement bond to SEK (Swedish Export Credit Corporation) of 2,000 MSEK with a tenor of 7 years.

A term loan of 200 MEUR with a tenor of 2+1+1 years was established during Q3 2021, of which 200 MEUR was utilised as per 31 December 2025.

Three term loans of 250 MEUR each with a tenor of 2+1+1 years was established during Q1 2022, of which 750 MEUR was utilised as per 31 December 2025.

A term loan of 350 MEUR with a tenor of 15 months+1 year was established during Q1 2024, of which 350 MEUR was utilised as per 31 December 2025.

A term loan of 300 MEUR with a tenor of 2+1 years was established during Q3 2024, of which 300 MEUR was utilised as per 31 December 2025.

A term loan of 300 MEUR with a tenor of 2 years was established during Q2 2025, of which 300 MEUR was utilised as per 31 December 2025.

NOTE 24 cont.

Group's capital structure

	2025-12-31	2024-12-31
Interest bearing liabilities and provisions	4,183.9	3,894.9
Cash, bank and short-term investments	-788.0	-663.8
Net debt	3,395.9	3,231.1
Shareholders' equity	10,256.7	11,196.1

Sensitivity analysis

The Group's earnings are affected by changes in certain key factors, as described below. The calculations proceed from the conditions prevailing in 2025 and the effects are expressed on an annualised basis. Earnings in non-EUR subsidiaries are converted into EUR based on average exchange rates for the period when the earnings arise.

During the year there have been significant changes to the exchange rates of currencies that have the biggest impact on Hexagon's earnings and net assets, CHF, CNY and USD. Compared to last year the EUR has weakened against CHF and strengthened against CNY and USD. Since Hexagon has a majority of the

operating earnings denominated in CNY and USD, this had a negative impact on operating earnings. The strengthening of the CHF had a negative impact since a considerable part of the costs are denominated in CHF. An isolated strengthening in the exchange rate for EUR by 5% for all assets and liabilities denominated in non-EUR currencies would have had an immaterial effect on net income but a negative effect on equity of 537.9 MEUR (558.0) net, and vice versa, after the impact of hedging.

During 2025, total operating earnings, excluding adjustments, from operations in other currencies than EUR amounted to an equivalent of 1,404.3 MEUR (1,278.8). An isolated change in the exchange rate for EUR by 5% against all other currencies would have a net effect on operating earnings of approximately 70.2 MEUR (63.8).

The average interest fixing period in the Group's total loan portfolio as of year-end 2025 was less than one year. A simultaneous 1 percentage point change in interest rates in all of Hexagon's funding currencies would entail a pre-tax impact of about 24.4 MEUR (22.1) in the coming 12 months earnings.

NOTE 25

Financial instruments

Financial instruments mainly comprise customer accounts receivable, loans, cash and cash equivalents and accounts payable.

Classification

The Group classifies financial assets in the following categories:

- Financial assets measured at fair value (through other comprehensive income or profit or loss)
- Financial assets measured at amortised cost

Classification depends on the Group's business model and on the contractual cash flows the Group will obtain from the financial asset.

Gains and losses from assets measured at fair value will be recognised either through comprehensive income or through profit or loss. For debt instruments, this depends on the Group's business model. For equity instruments not available for sale, recognition depends on if the Group initially has chosen to measure the equity instrument at fair value through other comprehensive income. Re-classification does only occur if the business model is changed.

Measurement

Financial assets are initially measured at fair value plus, if financial assets are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial assets. Transaction cost for financial assets measured at fair value through profit or loss is recognised in the income statement. Purchases and sales of financial assets are recognised on settlement date.

Subsequent measurement of debt instruments depends on the Group's business model and the cash flows generated by the financial asset. Financial instruments are classified in three different measurement categories:

Amortised cost: assets held for obtaining contractual cash flows and those cash flows consist of compensation for capital and interest, are measured at amortised cost. Gains or losses when debt instruments are derecognised or impaired are recognised in profit or loss. Interest income is classified as financial income according to the effective rate method.

Fair value through other comprehensive income: assets held for obtaining contractual cash flows and for sale and where the contractual cash flows exclusively are compensation for capital and interest on outstanding capital are measured at fair value through other comprehensive income. Changes in recognised value are recognised in other comprehensive income except for impairments, interest income and currency effects recognised in profit or loss. When the financial asset is derecognised the accumulated profit or loss is reclassified from other comprehensive income in equity to the income statement. Interest income is recognised as financial income according to the effective rate method. Currency effects are recognised as other operating income or other operating cost and any impairment is recognised as other operating cost.

Fair value through profit or loss: assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Assets measured at fair value through profit or loss consist of other long-term security holdings. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial instruments held for trading consist of short term and long-term swap contracts. Gain or loss from a debt instrument measured at fair value through profit or loss is recognised in the income statement at net value, together with other profits and losses in the period they arise.

NOTE 25 cont.

Derivatives are initially measured at fair value on the day of entering the contract and are subsequently measured at fair value at the end of every reporting period.

Impairment

The Group estimates on a forward-looking basis expected loss from debt instruments measured at amortised cost and fair value through other comprehensive income. The applied methodology for impairment depends on if there is a significant increase in credit risk.

For customer receivables, the Group applies the simplified methodology according to IFRS 9, which requires an initial provision for expected losses.

Financial instruments – Fair value

Assets	2025-12-31		2024-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets measured at fair value through profit or loss				
Other long-term securities holdings	126.4	126.4	139.1	139.1
Assets measured at amortised cost				
Long-term receivables	20.3	20.3	28.2	28.2
Accounts receivable	1,198.4	1,198.4	1,331.9	1,331.9
Other current receivables	102.7	102.7	97.7	97.7
Accrued income	60.1	60.1	57.6	57.6
Accrued interest	0.5	0.5	0.3	0.3
Short-term investments	109.8	109.8	150.4	150.4
Cash and cash equivalents	678.2	678.2	513.4	513.4
Assets held for sale	-127.2	-127.2	-	-
Total	2,169.2	2,169.2	2,318.6	2,318.6

Liabilities	2025-12-31		2024-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities measured at fair value through profit or loss				
Estimated supplementary payments for acquired companies	66.0	66.0	133.5	133.5
Currency forward and swap contracts – short term	-2.4	-2.4	22.1	22.1
Currency forward and swap contracts – long-term	-51.8	-51.8	21.9	21.9
Financial liabilities measured at amortised cost				
Long-term liabilities – interest bearing ¹	2,419.4	2,408.9	3,100.1	3,088.9
Other long-term liabilities – non-interest bearing	62.4	62.4	122.5	122.5
Current liabilities – interest bearing ¹	1,700.3	1,698.6	730.9	730.5
Accounts payable	330.1	330.1	328.3	328.3
Other current non-interest bearing liabilities	255.6	255.6	244.2	244.2
Accrued expenses	408.8	408.8	423.8	423.8
Accrued interest	12.6	12.6	13.3	13.3
Liabilities related to assets held for sale	-32.6	-32.6	-	-
Total	5,168.4	5,156.2	5,140.6	5,129.0

1) Commercial papers and bonds have with currency forward and swap contract being swapped from SEK to EUR. The fair value of the derivatives is in the balance sheet included in current and long-term interest bearing liabilities.

NOTE 25 cont.

Supplier Finance Arrangements

One of the business areas within the Group has a supplier finance arrangement where the extended credit period is up to 180 days. The credit period for trade payables included in the supplier financing arrangement ranges from 30-180 days, whereas the credit period for trade payables not included in the arrangement is in the range 30-60 days. The supplier financing arrangement does not result in any significant change in the nature of the liability, and is therefore reported in trade payables in the balance sheet and classified within operating activities in the statement of cash flow. As of 31 December 2025 the liabilities included in the arrangement constitute

14% of the total Hexagon Group's payables. There were no material business combinations or foreign exchange differences that would affect the liabilities under the supplier finance arrangement in the period, and the carrying amount of the liability is considered to be a reasonable estimate of its fair value, as they are short-term in nature.

Carrying amount	2025	2024
Supplier finance arrangement liabilities	46.6	49.0
- of which suppliers have received payment from a financial institution	10.1	3.4

Financial instruments valued at fair value

	2025-12-31			2024-12-31		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
- Currency forward and swap contracts	-	54.2	-	-	-44.0	-
- Estimated supplementary payments for acquired companies	-	-	66.0	-	-	133.5
- Other long-term securities holdings	-	-	126.4	-	-	139.1
Total	-	54.2	192.4	-	-44.0	272.6

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For further information about estimated supplementary payments for acquired companies see below.

During the reporting period ending 31 December 2025, there were no transfers between levels.

Estimated supplementary payments for acquired companies

	2025	2024
Opening balance	133.5	175.8
Present value adjustment	2.5	3.1
Increase through acquisition of businesses	11.3	35.9
Payment of supplementary acquisition considerations	-6.8	-23.1
Fair value change from contingent consideration	-54.1	-61.4
Reclassification	-13.0	-
Translation difference	7.4	3.2
Closing balance	66.0	133.5

The fair value of the estimated supplementary payments for acquisitions are evaluated regularly and includes management's assessment of future financial performance of the acquired companies. Estimated supplementary

payments for acquired companies have been discounted to present value using an interest rate that is judged to be in line with the market rate at the time of acquisition. Adjustments for changes in market interest rates are not made on a regular basis, as this effect is considered to be immaterial.

The valuation method is unchanged compared to the previous period. In connection with the valuation of contingent considerations the assets acquired and liabilities assumed in the purchase price allocation are reviewed. Any indication of impairment due to the revaluation of contingent considerations is considered and adjustments are made to offset the impact from revaluation.

Changes in liabilities arising from financing activities

	Group	Parent company
Opening balance 2024-01-01	4,083.4	3,864.0
Cash flow	-317.5	-244.3
Lease liabilities	56.5	-
Acquisitions	6.0	-
Translation differences	2.6	0.1
Closing balance 2024-12-31	3,831.0	3,619.8
Cash flow	234.9	304.5
Lease liabilities	59.2	-
Acquisitions	6.5	-
Translation differences	-11.8	-0.2
Closing balance 2025-12-31	4,119.8	3,924.1

NOTE 26

Assets pledged and contingent liabilities

Pledged assets to credit institutions for loans, bank overdrafts and guarantees

December 31	Group		Parent company	
	2025	2024	2025	2024
Pledged assets	0.3	3.0	-	-
Total	0.3	3.0	-	-

Contingent liabilities

December 31	Group		Parent company	
	2025	2024	2025	2024
Guarantees in favour of group companies	-	-	16.2	17.0
Other contingent liabilities	12.6	8.5	0.1	0.1
Total	12.6	8.5	16.3	17.1

NOTE 27

Net assets in acquired and divested businesses

The fair values of assets and liabilities in businesses acquired and total cash flow from acquisitions is divided as follows:

	2025	2024
Intangible fixed assets	84.0	22.1
Tangible fixed assets	10.3	3.9
Right-of-use assets	1.3	-
Other fixed assets	0.0	0.1
Total fixed assets	95.6	26.1
Current receivables, inventories, etc.	18.5	18.4
Cash and cash equivalents	41.9	7.5
Total current assets	60.4	25.9
Total assets	156.0	52.0
Provisions	15.8	4.3
Long-term liabilities	31.1	5.5
Total long-term liabilities	46.9	9.8
Current liabilities, etc.	16.4	9.9
Total liabilities	63.3	19.7
Identifiable net assets at fair value	92.7	32.3
Goodwill	481.4	102.9
Total purchase consideration transferred	574.1	135.2
Less cash and cash equivalents in acquired group companies	-41.9	-7.5
Less unpaid acquisition price	-6.2	-38.7
Payment of unpaid portion of acquisition price from prior acquisitions	23.4	23.4
Cash flow from acquisitions of group companies, net	549.4	112.4

During 2025, Hexagon acquired the following companies:

- CAD Service, a developer of advanced visualisation tools
- Scasa, a provider of 3D point cloud data processing software
- Septentrio, a leading OEM provider of Global Navigation Satellite System (GNSS) technologies
- 3D Systems' Geomagic software, a suite of interoperable software packages, used to create high quality 3D models
- Unified Communications Radio Suite (UCRS) software assets from CONET Communications GmbH (CCOM), a part of CONET Group
- Drill assist technology from Arizona-based Phoenix Drill Control, LLC
- APEI, a French company specialising in aerial mapping
- IconPro, a German industrial AI solutions provider specialising in intelligent as-set maintenance

Acquisition of Septentrio

In March 2025, Hexagon acquired Septentrio, a leading OEM provider of Global Navigation Satellite System (GNSS) technologies.

Septentrio, headquartered in Leuven, Belgium, has around 150 employees, and generated revenues of over 50 MEUR in 2024, with strong growth rates and margins in line with the Hexagon Group. From the date of acquisition, Septentrio has contributed 62.2 MEUR of net sales in 2025. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 71.7 MEUR. The contribution to the group operating margin has been accretive.

The acquisitions are individually assessed as immaterial from a group perspective which is why only aggregated information is presented. The analysis of the acquired net assets is preliminary and the fair value might be subject to change. Contingent considerations are recognised to fair value (level 3 according to definition in IFRS 13) each reporting period and based on the latest relevant forecast for the acquired company. The valuation method is unchanged compared to the previous period. The estimated liability for contingent considerations amounted to 66.0 MEUR (133.5) as of 31 December, whereof the fair value adjustment in 2025 amounted to 54.1 MEUR (61.4). In connection with the valuation of contingent considerations the assets acquired and liabilities assumed in the purchase price allocation are reviewed. Any indication of impairment due to the revaluation of contingent considerations is considered and adjustments are made to off-set the impact from revaluation.

NOTE 27 cont.

Divestments

MEUR	2025	2024
Carrying value of divested assets and liabilities, net		
Intangible fixed assets	25.2	5.8
Other fixed assets	0.7	4.0
Total fixed assets	25.9	9.8
Total current assets	15.8	41.8
Total assets	41.7	51.6
Total long-term liabilities	-	1.9
Total current liabilities	3.5	16.3
Total liabilities	3.5	18.2
Carrying value of divested assets and liabilities, net	38.2	33.4
Capital gain (+) / loss (-)	6.1	1.7
Total purchase consideration transferred	44.3	35.1
Less cash and cash equivalents in divested companies	-	-7.3
Cash flow from divestment of companies/businesses	44.3	27.8

Assets held for sale

MEUR	2025	2024
Assets held for sale		
Intangible fixed assets	936.8	-
Other fixed assets	25.0	-
Total fixed assets	961.8	-
Current assets	119.7	-
Cash and cash equivalents	29.8	-
Total current assets	149.5	-
Total assets classified as held for sale	1,111.3	-
Total long-term liabilities	19.0	-
Total current liabilities	172.8	-
Total liabilities associated with assets classified as held for sale	191.8	-
Net book value of assets classified as held for sale	919.5	-

Divestments

On 2 July 2025, Hexagon announced the divestment of certain non-core assets within Safety, Infrastructure & Geospatial to sharpen its focus on core software, particularly its growing public safety business, ahead of the potential separation of Octave. The business was carved out and deconsolidated during July 2025.

On 4 September 2025, Hexagon announced that it has entered into a definitive agreement to sell its Design & Engineering business ("D&E"). Under the terms of the definitive agreement, Cadence will pay approximately 2.7bn EUR for the business, with 30% of the

consideration to be paid through the issuance of Cadence common stock to Hexagon AB and the remainder to be paid in cash. Upon closing, the divestment is expected to result in a gain of around 1.4bn EUR after tax, transaction costs and currency impacts. The transaction closed on 23 February 2026. Proceeds from the transaction will be used for general corporate purposes, which may include de-leveraging and funding future acquisitions aligned with the strategies for long-term profitable growth at both Hexagon and Octave, which if approved is still on track to be separated during the first half of 2026.

NOTE 28

Average number of employees

	2025			2024		
	Men	Women	Total	Men	Women	Total
Parent company	10	12	22	8	12	20
Subsidiaries	18,647	5,968	24,615	18,785	5,887	24,672
Total, Group	18,657	5,980	24,637	18,793	5,899	24,692
Average number of employees by country						
Nordic region	476	134	610	510	141	651
Rest of Europe	6,566	1,871	8,437	6,494	1,890	8,384
Total, Europe	7,042	2,005	9,047	7,004	2,031	9,035
North America	4,281	1,634	5,915	4,433	1,658	6,091
South America	1,140	421	1,561	1,066	342	1,408
Africa	147	55	202	142	49	191
Australia and New Zealand	356	132	488	348	110	458
Asia	5,691	1,733	7,424	5,800	1,709	7,509
Total, Group	18,657	5,980	24,637	18,793	5,899	24,692

NOTE 29

Employee benefits

Salaries and remuneration	2025	2024
Parent company	10.8	7.9
(of which performance related pay and bonus)	(6.2)	(0.5)
Subsidiaries	1,886.7	1,785.3
(of which performance related pay and bonus)	(194.9)	(205.5)
Total, Group	1,897.5	1,793.2

Social security expenses	2025	2024
Parent company	4.2	3.2
(of which pension expenses)	(0.8)	(1.3)
Subsidiaries	410.2	393.9
(of which pension expenses)	(74.9)	(76.7)
Total, Group	414.4	397.1
(of which pension expenses)	(75.7)	(78.0)

At year-end, the board of directors in Hexagon AB consists of five men and four women. The President and Chief Executive Officer and other senior executives consist of 13 men and one woman.

NOTE 30

Remuneration to senior executives

Pursuant to resolutions by the Annual General Meeting, the Chair of the Board and Board members were paid remuneration totalling 1,132.7 KEUR (843.1). The Chair of the Board received 254.4 KEUR, Vice Chair of the Board 180,7 KEUR and other Board members 76.8 KEUR each. The President and Chief Executive Officer of Hexagon AB did not receive any director fees. In addition to ordinary director fees, remuneration is paid for work on committees. The Chair of the Remuneration Committee received 10.4 KEUR and each member received 7.6 KEUR. The Chair of the Audit Committee received 38.4 KEUR and each member received 28.5 KEUR. No board member received any remuneration in addition to director fees or remuneration for committee work. Remuneration to the President and Chief Executive Officer, as well as the Other senior executives, comprises basic salary, variable remuneration, other benefits and pension. Anders Svensson, President and Chief Executive Officer, receives his remuneration from the Parent company. In addition, the Board has decided to temporarily deviate from the remuneration guidelines and has granted Anders Svensson a compensatory payment for anticipated lost equity earned from his former employer.

Other senior executives are Burkhard Böckem, Chief Technology Officer, Norbert Hanke, Group Executive Vice President and Interim Chief Financial Officer, Gordon Dale, President of Autonomous Solutions Business Area, Thomas Haring, Group Executive Vice President, Li Hongquan, President of China Region, Ben Maslen, Executive Vice President, Octave, Andreas Wenzel, Chief Strategy Officer, Madlen Nicolaus, Chief Marketing Officer, Henning Sandfort, President of Geosystems Business Area, Mattias Stenberg, President Asset Lifecycle Intelligence and Safety, Infrastructure & Geospatial (Octave), Andreas Renulf, President of Manufacturing Intelligence Business Area, Tony Zana, General Counsel and Chief Compliance Officer

and Arnaud Robert, President of Robotics Business Area.

Variable remuneration is based on operational performance. Pensions and other benefits received by the president and other senior executives are paid as part of their total remuneration.

Pension

Pension expense comprises defined-contribution pension schemes and is the expense affecting earnings for the year. The President's and CEO's pension premiums are payable at 20% of pensionable salary. Pension premiums for the Other senior executives are not higher than 25% of pensionable salary. Pensionable salary means basic salary.

Severance pay

The notice period for the President and CEO is six months. Upon termination by the Company or in case of change of principal ownership the President and CEO is entitled to severance pay equal to 18 months of salary. The period of notice for senior executives is a maximum of 24 months. During the notice period, basic salary is the only severance pay. In connection with the potential spin-off, Ben Maslen and Tony Zana each have entered into a transition agreement, dated 22 August 2025, with Hexagon setting forth certain role transition and severance arrangements. These arrangements were provided to facilitate an orderly transition of their roles at Hexagon, including the recruitment, retention and training of successors who would continue to serve in those roles at Hexagon even if the spin-off were not consummated.

Advisory and resolution model

Remuneration and other benefits to the Group's senior executives are regulated by the Remuneration Committee, which is appointed by the Board of Directors, comprising the Chair of the Board and one additional Board member.

NOTE 30 cont.

Remuneration and other benefits

KEUR	Basic salary/ Director fees		Variable remuneration		Other benefits/ remuneration ¹		Pension expenses		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Ola Rollén, Chair of the Board	254.4	214.3	-	-	-	-	-	-	254.4	214.3
Björn Rosengren, Vice Chair of the Board	180.7	-	-	-	-	-	-	-	180.7	-
Annika Falkengren	115.2	97.1	-	-	-	-	-	-	115.2	97.1
Ralph Haupter	76.8	64.7	-	-	-	-	-	-	76.8	64.7
Erik Huggers	105.3	88.8	-	-	-	-	-	-	105.3	88.8
Gun Nilsson	105.3	88.8	-	-	-	-	-	-	105.3	88.8
Märta Schörling Andreen	76.8	64.7	-	-	-	-	-	-	76.8	64.7
Sofia Schörling Högberg	113.0	95.3	-	-	-	-	-	-	113.0	95.3
Tomas Eliasson	105.3	-	-	-	-	-	-	-	105.3	-
John Brandon	-	64.7	-	-	-	-	-	-	-	64.7
Brett Watson	-	64.7	-	-	-	-	-	-	-	64.7
Anders Svensson, President and Chief Executive Officer ²	770.1	-	858.0	-	4,518.2	-	156.6	-	6,302.9	-
Norbert Hanke, interim President and Chief Executive Officer	617.8	130.8	414.1	70.0	22.9	60.9	124.3	28.2	1,179.1	289.9
Other senior executives (14 people) ³	11,399.9	12,226.7	7,780.4	5,810.6	2,329.2	6,450.3	961.5	1,425.9	22,471.0	25,913.5
Total	13,920.5	13,200.6	9,052.5	5,880.6	6,870.3	6,511.2	1,242.4	1,454.1	31,085.7	27,046.5

1) Other benefits/remuneration mainly comprises compensatory payment for anticipated lost equity earned from the President and CEO's former employer, company car and insurance (excluding pension insurance). Expenses during 2025 for all share programmes amounted to 0.2 MEUR for the President and CEO and to 6.7 MEUR for Other senior executives (current and former)

2) Started in July 2025

3) Including costs for senior executives who acceded and resigned their positions during the year.

Share Programme

Hexagon's share programme is accounted for according to IFRS 2 and is classified as an equity-settled share-based payment transaction, which means the programme is reported within equity. Social fees are reported as a liability in the balance sheet. At the Annual General Meeting 29 April 2022 it was decided to implement the Share Programme 2022/2025, at the Annual General Meeting 2 May 2023 it was decided to implement the Share Programme 2023/2026, at the Annual General Meeting 29 April 2024 it was decided to implement the Share Programme 2024/2027 and at the Annual General Meeting 5 May 2025 it was decided to implement the Share programme 2025/2028 for key employees in the company. Participants in the share programmes are offered to be granted, free

of charge, performance awards which may entitle to shares of Class B if performance conditions are met during the measurement periods 1 January 2022 to 31 December 2025, 1 January 2023 to 31 December 2026, 1 January 2024 to 31 December 2027 and 1 January 2025 to 31 December 2028. The purpose of the share programme is to strengthen Hexagon's ability to retain and recruit competent employees, provide competitive remuneration and to align the interest of the shareholders with the interest of the employees concerned. The total cost of the share-based incentive programmes is estimated at 60 MEUR each and is recognised as a personnel expense in the profit or loss statement during the vesting period.

The measurement period for the performance-based condition of Share Programme

2022/2025 was 1 January 2022 until 31 December 2025. The performance-based condition for the Share Programme 2022/2025 related to the development of Hexagon's earnings per share compared to a level set by the Board for target fulfillment during the measurement period, where the last financial year during the measurement period (2025) is compared with the financial year immediately preceding the measurement period (2021). The Board has confirmed fulfillment of the performance-based condition, an increase in the company's profit per share during the financial year 2025 compared to the financial year 2021, which pursuant to the duly adopted terms and conditions of Share Programme 2022/2025 entitles eligible participants to receive shares of Class B in the company.

Allocated performance awards in Share Programme 2022/2025¹

	Number of awards	Market value, EUR
President and Chief Executive Officer	-	-
Other senior executives (8 people)	281,194	2,845,330
Other employees	4,247,903	42,983,448
Total	4,529,097	45,828,778

1) Relates to allocated performance awards which may entitle to shares of Class B to be received during year 2026.

Allocated performance awards in Share Programme 2023/2026¹

	Number of awards	Market value, EUR
President and Chief Executive Officer	-	-
Other senior executives (8 people)	285,227	2,886,139
Other employees	4,354,059	44,057,613
Total	4,639,286	46,943,752

1) Relates to allocated performance awards which may entitle to shares of Class B to be received during year 2027 if the performance conditions are met.

Allocated performance awards in Share Programme 2024/2027¹

	Number of awards	Market value, EUR
President and Chief Executive Officer	-	-
Other senior executives (11 people)	482,284	4,880,109
Other employees	5,219,213	52,811,886
Total	5,701,497	57,691,995

1) Relates to allocated performance awards which may entitle to shares of Class B to be received during year 2028 if the performance conditions are met.

NOTE 30 cont.

Allocated performance awards in Share Programme 2025/2028¹

	Number of awards	Market value, EUR
President and Chief Executive Officer	205,816	2,082,600
Other senior executives (13 people)	653,963	6,617,285
Other employees	5,436,490	55,010,456
Total	6,296,269	63,710,341

1) Relates to allocated performance awards which may entitle to shares of Class B to be received during year 2029 if the performance conditions are met.

NOTE 31

Remuneration of the Group's auditors

	Group		Parent company	
	2025	2024	2025	2024
PwC				
Audit ¹	15.3	5.0	0.7	0.6
Tax assignments ²	1.7	1.7	-	-
Other fees	-	0.2	0.0	-
Audit, related fees	0.4	-	0.3	-
Total, PwC	17.4	6.9	1.0	0.6
Audit, others	1.2	1.3	-	-
Total	18.6	8.2	1.0	0.6

1) Including audit fees related to the potential separation of Octave

2) Tax assignments mainly relate to tax return compliance, transfer pricing and questions relating to tax legislation

NOTE 32

Related-party disclosures

Remuneration of senior executives, meaning both the Board of Directors and Executive Management, is presented in Note 30. The Group's holdings in associated companies and receivables from and liabilities to associated companies are immaterial. There were no significant transactions between Hexagon and its associated companies. Similarly, there were no significant transactions between Hexagon Group and Schörling Group.

NOTE 33

Subsequent events after the financial year's end

On 10 November 2025, Hexagon announced an agreement to acquire Inertial Sense, a provider of tactical-grade global navigation solutions and inertial navigation systems (GNSS+INS), to strengthen the breadth of its positioning portfolio. Completion of the transaction is subject to regulatory approvals and other customary conditions and is expected to be finalised in the first half of 2026.

On 13 January 2026, Hexagon announced the appointment of Enrique Patrickson as Chief Financial Officer (CFO) of Hexagon. Enrique will take office in July 2026 at the latest, succeeding Norbert Hanke, who will remain as interim CFO until then. Enrique will report to Anders Svensson, President & CEO of Hexagon, and will be a member of Hexagon's Executive Management Team.

On 12 February 2026, Hexagon announced that its potential spin-off company, Octave Intelligence Limited, publicly filed a Regis-

tration Statement on Form 10 under the U.S. Securities Exchange Act of 1934 with the U.S. Securities and Exchange Commission. Hexagon anticipates that completion of the potential spin-off and trading in Octave shares will begin in the late part of the second quarter of 2026 with stock exchange listings on the Nasdaq Global Select Market in New York and Nasdaq Stockholm. Completion of the spin-off is subject to market, regulatory and certain other conditions, including approval by the Board and the general meeting of Hexagon, effectiveness of the Registration Statement, and approvals by the stock exchanges relating to the listings. Further updates regarding the spin-off will be made by Hexagon in due course.

On 16 February 2026, Hexagon announced the appointment of Renée Rädler as Chief People Officer (CPO). Renée will assume this newly created position on 1 April 2026. She will join Hexagon's Executive Management Team and report to Anders Svensson, President and CEO of Hexagon.

On 23 February 2026, Hexagon announced the completion of the previously announced sale of its Design & Engineering business ("D&E") to Cadence Design Systems, Inc. for an aggregated purchase price of approximately 2.7 bn EUR in cash and Cadence stock.

On 12 March 2026, Hexagon announced the appointment of the board of directors of its potential spin-off company, Octave Intelligence plc.

Projectmates, which previously was reported within Business Area Geosystems, has from 1 January 2026 been transferred to Octave.

NOTE 34

Appropriation of earnings

The following earnings in the Parent Company are at the disposal of the annual general meeting (KEUR):

Premium reserve	2,903,123
Retained earnings	7,438,547
Net earnings	3,944,254
Total	14,285,924

The Board of Directors proposes that these funds are allocated as follows:

Cash dividend to shareholders of 0.14 EUR per share	375,813
Balance remaining in the premium reserve	2,903,123
Balance remaining in retained earnings	11,006,988
Total	14,285,924

Signing of the annual report

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards IFRS as adopted by the EU and give a true and fair view of the Group's financial position and performance. The annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's financial position and performance. The director's report for the Group and Parent company provides a fair overview of the development of the operations, financial position and performance of the Group and Parent company, and describes the material risks and uncertainties faced by the Parent company and its subsidiaries within the Group. The Board of Directors and CEO also certify that the consolidated financial statements and the annual report have been prepared in accordance with the European Sustainability Reporting Standards ESRS and the specifications adopted pursuant to the EU Taxonomy Regulation.

The annual report, including the sustainability report, was approved by the Board of Directors and dated 20 March 2026

Ola Rollén
Chair of the Board

Björn Rosengren
Vice Chair of the Board

Tomas Eliasson
Member of the Board

Annika Falkengren
Member of the Board

Ralph Haupter
Member of the Board

Erik Huggers
Member of the Board

Gun Nilsson
Member of the Board

Märta Schörling Andreen
Member of the Board

Sofia Schörling Högberg
Member of the Board

Anders Svensson
President and CEO

Our Audit Report and assurance report on the sustainability was submitted on 20 March 2026
PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Auditor in charge

Helena Kaiser de Carolis
Authorised Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Hexagon AB (publ), corporate identity number 556190-4771.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Hexagon AB for the year 2025 except for the corporate governance statement and the sustainability statement on pages 55–64 and 66–70, 76–129 and 132–175, respectively. The annual accounts and consolidated accounts of the company are included on pages 33–54 and 176–214 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual

Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 55–64 and 66–70, 76–129 and 132–175, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis of Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services

referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes

Auditor's report cont.

and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts

and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter

Hexagon customer offerings contain solutions in which hardware and software are integrated as well as services and licenses. The critical management estimates of customer contracts include establishing the amounts that are to be recognised as income and when the income should be recognised.

For integrated customer contracts management needs to assess if revenue should be allocated to each revenue type as different accounting principles apply for these revenue types. Management makes estimates of completed performance in relation to the contractual terms and conditions as these performance obligations are or can be fulfilled at different points in time.

Part of Hexagon's business comes from major long-term, complex and fixed-price customer contracts. Management makes estimates of completed performance in relation to the contractual terms as a base for recognizing revenue on every reporting date, these estimations are also the base for any potential loss provision.

Due to the degree of management judgment in arrangements containing multiple performance obligations, these

types of arrangements have been a key audit matter in our audit.

Accounting principles for revenue recognition are included in Note 5 and key estimates and assumptions used for customer arrangements are included in Note 2.

How our audit addressed the Key audit matter

Our audit included, amongst others, a combination of testing of internal controls over financial reporting including procedures to test key application configurations, analytical procedures including analysing complete transactional data sets with software tools to identify large transactions, anomalies, unexpected trends or variation. We have, in order to validate revenue for existence and accuracy performed detailed tests of new major contracts in the Hexagon subsidiaries. We have also assessed that disclosures are appropriate.

Goodwill and other intangible assets with indefinite useful lives

Key audit matter

The carrying value of goodwill, and other intangible assets with indefinite useful lives represent some 62 percent of reported total assets. IFRS requires annual impairment tests or when there is an indication that values could be impaired given that the carrying value of these assets is not amortised.

Market data, Hexagon's business plans and forecasts on future development form the expectations on sales, earnings and cash flows that are central in the model to calculate a recoverable value to be compared to the booked carrying value.

We have focused on the valuation of goodwill and intangible assets with indefinite useful lives as these items involve a large degree of judgment on behalf of management in assessing future cash flows.

The key assumptions used and management's sensitivity analysis for how changes in key assumptions would affect the value in use are presented in Note 8. As stated in Note 2 the impairment test requires management estimates and assumptions such as projected cash flows, future market conditions and discount rates.

How our audit addressed the Key audit matter

Our audit procedures included amongst others a review of management impairment tests of goodwill and intangible assets with indefinite lives. We have examined whether Hexagon's impairment test is based on the divisions' (cash generating units) financial forecasts approved by management. We also evaluated the sensitivity analysis for changes in significant parameters, which, individually or on a collective basis, could imply the existence of an impairment requirement. Valuation

Auditor's report cont.

experts have been involved to challenge the assumptions and estimates made by management. We have also assessed that disclosures are appropriate.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–32, 55–64, 66–70, 130–131, 223–243 and the statutory sustainability statement on pages 76–129 and 132–175. The other information also contains the Remuneration report which we expect to receive after the release of the Auditor's Report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate

the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Hexagon AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Auditor's report cont.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and

handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility

section. We are independent of Hexagon AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Auditor's report cont.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies

or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the

circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report

with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Hexagon AB (publ) by the general meeting of the shareholders on the 5 May 2025 and has been the company's auditor since 29 April 2021.

Stockholm 20 March 2026

PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Auditor in charge

Helena Kaiser de Carolis
Authorised 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.

Auditor's limited assurance report of Hexagon AB (publ)'s statutory sustainability statement

Unofficial translation

To the general meeting of the shareholders of Hexagon AB (publ), corporate identity number 556190-4771.

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Hexagon AB (publ) for the financial year 2025. The sustainability statement is included on page 76–129 and 132–175 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 of the sustainability statement,

- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 has therefore been performed.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–75, 130–131, 176–214 and 223–243. The

Board of Directors and the Managing Director are responsible for this other information.

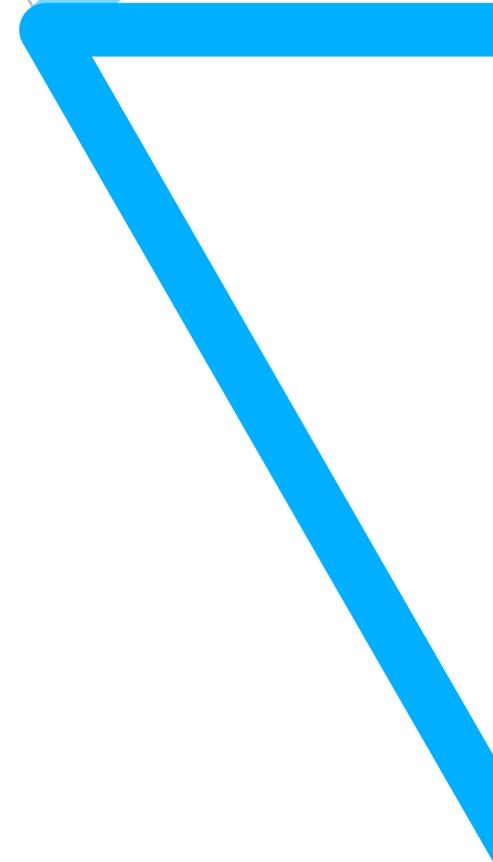
Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors, and the Managing Director, are responsible



Auditor's limited assurance report of Hexagon AB (publ)'s statutory sustainability statement cont.

for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisornas översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This

means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Hexagon AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

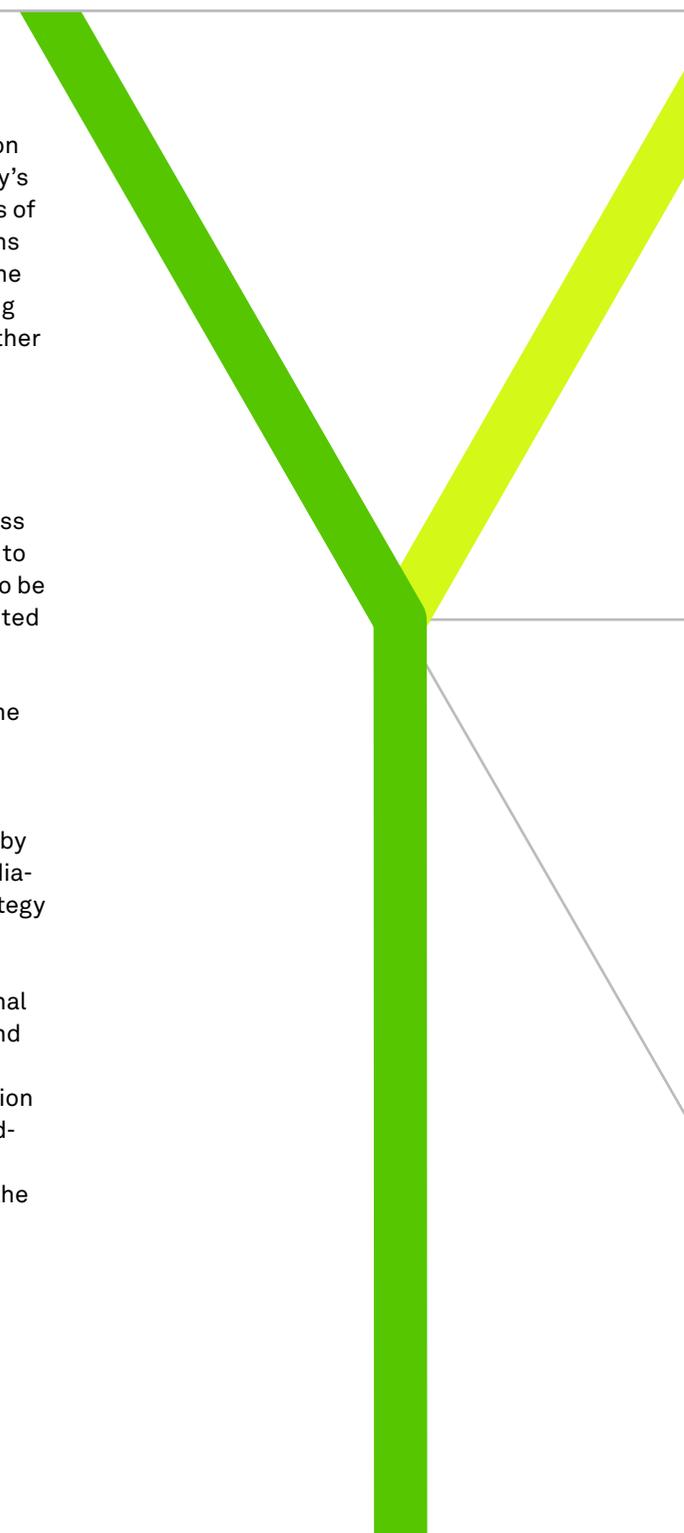
A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for

the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.



Auditor's limited assurance report of Hexagon AB (publ)'s statutory sustainability statement cont.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;

- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the

corresponding disclosures in the sustainability statement.

- The review of taxonomy disclosures included, but was not limited to, the following review procedures:

- Perform substantive assurance procedures on selected information in the sustainability statement on the taxonomy disclosures.

- Perform inquiries with management and other individuals in the company to obtain an understanding of the process and the sources of information used in the taxonomy disclosures.

- Perform analytical review procedures regarding selected taxonomy disclosures.

- Evaluate whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Hexagon AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Hexagon AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm 20 March 2026

PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Auditor in charge

Helena Kaiser de Carolis
Authorised 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.

Other information

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The share

Share price development and trading

In 2025, the Hexagon share price increased by 3.7% to 109.50 SEK as of 31 December. The share price reached the 52-week high of 129.85 SEK on 17 February and the 52-week low on 11 April at 84.68 SEK. Hexagon's total market capitalisation as of 31 December 2025 was 296,249.8 MSEK.

Ownership structure

At year-end 2025, Hexagon had 70,095 registered shareholders (64,906). Shareholders in the USA accounted for the largest foreign holding, representing 22.3% (21.0) of total shares followed by the UK, representing 4.5% (4.8). The ten largest owners held 55.7% (55.7) of the share capital and 67.6% (67.6) of the votes.

Share capital

At year-end 2025, Hexagon's share capital amounted to 85,761,451 EUR, represented by 2,705,477,888 issued shares, of which 110,250,000 outstanding of Class A with ten votes each and 2,595,227,888 outstanding of Class B with one vote each. Each share has a quota value of 0.03 EUR. Hexagon AB holds 21,100,000 of the company's own shares of Class B. No shares were repurchased during 2025. The purpose of repurchased shares is to ensure Hexagon's undertakings in respect of the long-term incentive programmes (other than delivery of shares to participants

in the incentive programmes), including social security costs.

Incentive programmes

At the Annual General Meeting on 5 May 2025, it was decided to implement the Share Programme 2025/2028. Participants in the share programme are offered to be granted, free of charge, performance awards that may entitle them to receive shares, provided that the performance conditions are fulfilled. The performance condition is related to the development of Hexagon's earnings per share compared with the target level set by the Board during the measurement period 1 January 2025 to 31 December 2028, where the last financial year during the measurement period is compared with the financial year preceding the measurement period. The fulfilment of the performance-based condition will be presented in the annual report for the financial year 2028.

Shares allotted are acquired by a third party, in its own name, and transferred to the participants in accordance with the Share Programme 2025/2028. The total costs for the share programme upon full fulfilment of the performance condition are estimated to amount to a maximum of approximately 60 MEUR allocated over the vesting period.

Dividend and share split

The dividend policy of Hexagon provides that, over the long-term, dividends should comprise between 25–35% of earnings per share after tax, assuming that Hexagon satisfies its equity ratio objective. Dividends are resolved upon by the Annual General Meeting and payment is administered by Euroclear Sweden.

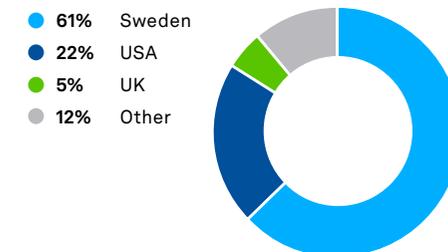
The Board of Directors proposes a dividend of 0.14 EUR (0.14) per share for 2025. The proposed dividend amounts to 61% of the year's earnings per share after tax.

4%

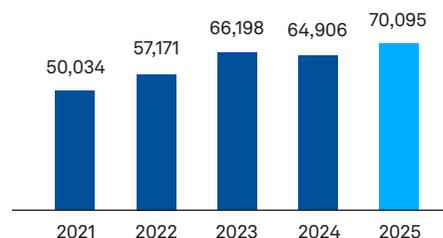
Share price increase 2025

ISIN SE0000103699
 Nasdaq OMX Stockholm
 HEXA B
 Reuters HEXAb.ST
 Bloomberg HEXAB SS
 Sector Technology
 Segment Large Cap

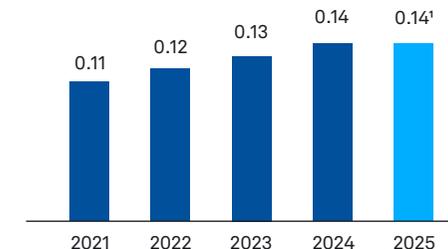
Geographic distribution of shareholdings



Number of shareholders



Cash dividend per share, EUR



1) According to the Board of Directors' proposal

Class of shares	Number of shares	Number of votes	% of capital	% of votes
A shares	110,250,000	1,102,500,000	4.1	29.9
B shares	2,574,127,888	2,574,127,888	95.1	70.1
Holding of treasury B shares	21,100,000	-	0.8	-
Total	2,705,477,888	3,676,627,888	100.0	100.0

Largest shareholders

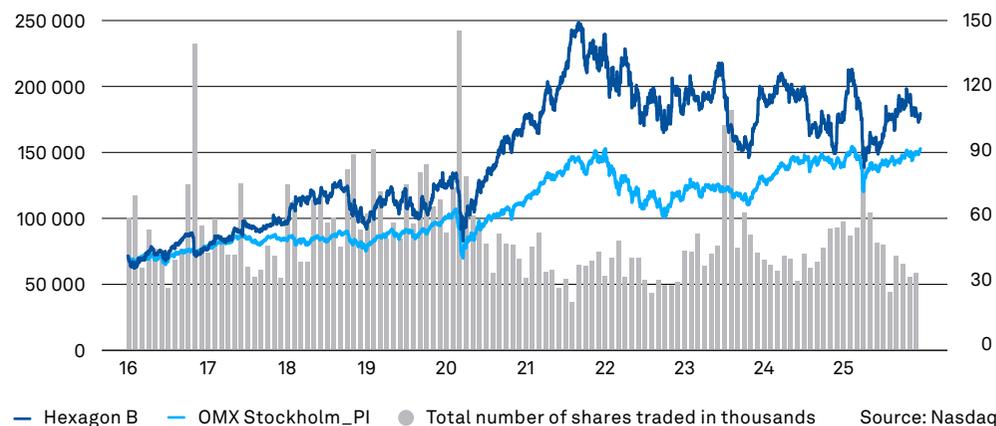
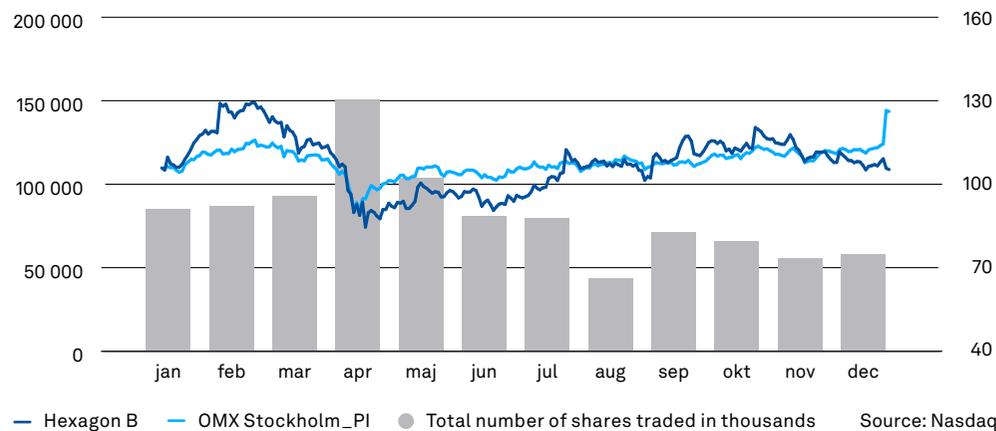
Owner/manager/deposit bank	A shares	B shares	% of capital	% of votes
Melker Schörling AB	110,250,000	471,081,440	21.49	42.56
Swedbank Robur Fonder		210,003,405	6.93	5.07
BlackRock		187,643,065	3.70	2.71
Vanguard		100,685,250	3.53	2.58
AMF Pension & Fonder		91,018,536	3.05	2.23
Wood River Capital, LLC		82,559,614	2.49	1.82
SEB Funds		65,281,324	2.41	1.77
Handelsbanken Fonder		64,283,911	2.34	1.71
Alecta Tjänstepension		63,158,307	2.14	1.57
Fidelity Investments (FMR)		60,985,264	1.60	1.17
Norges Bank Investment Management		58,000,000	1.54	1.12
Nordea Funds		41,484,230	1.46	1.07
Folksam		37,880,435	1.30	0.95
Janus Henderson Investors		35,081,028	1.20	0.88
Carnegie Fonder		31,903,140	1.19	0.87
Ramsbury Invest AB		30,887,939	1.11	0.81
Spiltan Fonder		30,071,050	1.11	0.81
Harris Associates		30,000,000	1.09	0.80
Länsförsäkringar Fonder		29,238,638	0.91	0.67
Avanza Fonder		27,433,662	0.91	0.67
Subtotal, 20 largest shareholders¹	110,250,000	1,748,680,238	61.50	71.83
Summary, others		825,447,650	37.69	28.17
Total number of outstanding shares	110,250,000	2,574,127,888	99.19	100.00
Holding of treasury B shares		21,100,000	0.81	-
Total number of issued shares	110,250,000	2,595,227,888	100.00	100.00

1) The concentration corresponds to the 20 largest shareholders presented in the list
Source: Monitor, Modular Finance AB as of 31 December 2025

Key data per share

	2025	2024	2023	2022	2021
Shareholder's equity, EUR	3.81	4.16	3.73	3.65	3.24
Net earnings, Euro cent	23.0	38.1	32.0	37.4	30.8
Cash flow, Euro cent	60.4	62.5	54.0	51.0	52.0
Cash dividend, EUR	0.14 ¹	0.14	0.13	0.12	0.11
Pay-out ratio, %	61.0	37.0	41.0	32.1	35.7
Share price, EUR	10.12	9.22	10.90	9.80	14.02 ²
P/E ratio ³	44	24	34	26	46

- 1) According to the Board of Directors' proposal
- 2) Share split 7:1 2021, historical data has not been restated
- 3) Based on the share price on 31 December and calendar year earnings



The Hexagon share

Year Transaction	Nominal value, SEK/EUR	A shares, change	B shares, change	A shares, total	B shares, total	Share capital, SEK/EUR
2000	10			840,000	13,953,182	147,931,820
2002 Rights issue	10	210,000	3,488,295	1,050,000	17,441,477	184,914,770
2004 New issue, warrants exercised	10		10,170	1,050,000	17,451,647	185,016,470
2005 New issue, warrants exercised	10		722,635	1,050,000	18,174,282	192,242,820
2005 Bonus issue	12			1,050,000	18,174,282	230,691,384
2005 Split 3:1	4	2,100,000	36,348,564	3,150,000	54,522,846	230,691,384
2005 New issue, warrants exercised	4		154,500	3,150,000	54,677,346	231,309,384
2005 Issue in kind of consideration shares ¹	4		11,990,765	3,150,000	66,668,111	279,272,444
2005 Issue in kind of consideration shares ¹	4		82,000	3,150,000	66,750,111	279,600,444
2006 Rights issue	4	787,500	16,687,527	3,937,500	83,437,638	349,500,552
2006 New issue, warrants exercised	4		508,933	3,937,500	83,946,571	351,536,284
2006 Compulsory redemption, Leica Geosystems	4		198,635	3,937,500	84,145,206	352,330,824
2006 New issue, warrants exercised	4		309,119	3,937,500	84,454,325	353,567,300
2007 New issue, warrants exercised ²	4		58,170	3,937,500	84,512,495	353,625,470
2007 Bonus issue	6			3,937,500	84,512,495	530,699,970
2007 Split 3:1	2	7,875,000	169,024,990	11,812,500	253,537,485	530,699,970
2008 New issue, warrants exercised ²	2		169,785	11,812,500	253,707,270	531,039,540
2008 Repurchase of shares	2		-1,311,442	11,812,500	252,395,828	531,039,540
2009 Sale of repurchased shares, warrants exercised	2		138,825	11,812,500	252,534,653	531,039,540
2010 Sale of repurchased shares, warrants exercised	2		20,070	11,812,500	252,554,723	531,039,540
2010 Rights issue	2	3,937,500	83,845,572	15,750,000	336,400,295	707,284,354
2011 Rights issue	2		339,335	15,750,000	336,739,630	707,284,354
2011 Change of functional currency to EUR	0.22			15,750,000	336,739,630	78,471,187
2012 Sale of repurchased shares, warrants exercised	0.22		185,207	15,750,000	336,924,837	78,471,187
2013 Sale of repurchased shares, warrants exercised	0.22		967,340	15,750,000	337,892,177	78,471,187
2013 New issue, warrants exercised	0.22		1,354,800	15,750,000	339,246,977	78,771,810
2014 New issue, warrants exercised	0.22		2,392,236	15,750,000	341,639,213	79,302,633
2015 New issue, warrants exercised	0.22		2,947,929	15,750,000	344,587,142	79,956,762
2016 New issue, warrants exercised	0.22		106,000	15,750,000	344,693,142	79,980,283
2018 New issue, warrants exercised	0.22		2,481,550	15,750,000	347,174,692	80,530,925
2019 New issue, warrants exercised	0.22		4,614,810	15,750,000	351,789,302	81,554,881
2020 New issue, warrants exercised	0.22		11,500	15,750,000	351,800,802	81,557,432
2020 Repurchase of treasury shares	0.22		-646,000	15,750,000	351,154,802	81,557,432
2021 Split 7:1	0.03	94,500,000	2,105,704,812	110,250,000	2,456,655,614	81,557,432
2021 Issue in kind of consideration shares ³	0.03		132,622,274	110,250,000	2,587,877,888	85,761,451
2021 Repurchase of shares	0.03		-4,828,000	110,250,000	2,595,227,888	85,761,451
2022 Repurchase of shares	0.03		-6,450,000	110,250,000	2,579,427,888	85,761,451
2023 Repurchase of shares	0.03		-5,300,000	110,250,000	2,574,127,888	85,761,451
Total number of outstanding shares	0.03			110,250,000	2,574,127,888	85,761,451

1) Issues in kind in connection with the acquisition of Leica Geosystems whereby shares in Leica Geosystems were contributed in exchange for B shares in Hexagon

2) Issue in kind in connection with annual block exercise in Leica Geosystems' warrant programme whereby shares in Leica Geosystems received by the programme participants based on the exercise of warrants were contributed in exchange for B shares in Hexagon

3) Issue in kind in connection with the acquisition of Infor's EAM business

Ownership structure

Holding per shareholder	Number of shareholders	Number of A shares	Number of B shares
1-500	47,160	-	5,476,641
501-1,000	7,055	-	5,452,222
1,001-2,000	5,347	-	7,975,860
2,001-5,000	5,095	-	16,569,275
5,001-10,000	2,330	-	17,040,268
10,001-20,000	1,261	-	17,903,139
20,001-50,000	896	-	27,329,003
50,001-100,000	352	-	25,221,432
100,001-500,000	328	-	70,386,592
500,001-1,000,000	71	-	50,757,487
1,000,001-5,000,000	130	-	307,040,269
5,000,001-10,000,000	25	-	184,387,516
10,000,001-	45	110,250,000	1,859,688,184
Total	70,095	110,250,000	2,595,227,888

Source: Euroclear Sweden AB as of 31 December 2025 (issued)

Analysts following Hexagon AB

Organisation	Name
ABG Sundal Collier	Simon Granath
BNP Paribas Exane	Ben Castillo-Bernaus
Barclays	Alice Jennings
Berenberg	Nay Soe Naing
Bernstein	Nicholas Green
Bank of America Securities	Benjamin Heelan
Citi	Balajee Tirupati
DNB Carnegie	Mikael Laséen
Danske Bank Markets	Viktor Trollsten
Deutsche Bank	Johannes Schaller
Goldman Sachs	Mohammed Moawalla
Handelsbanken Capital Markets	Daniel Djurberg
JP Morgan	Joseph George
Morgan Stanley	Adam Wood
Nordea Markets	Magnus Kruber
Pareto	Patrik Schwartz
SB1 Markets	Johan Eliason
SEB	Fredrik Agardh
Stifel	Valentin-Paul Jahan
UBS	Andre Kukhnin

Quarterly income statements

MEUR	2025					2024				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Net sales	1,322.8	1,369.9	1,303.1	1,428.8	5,424.6	1,299.9	1,353.4	1,299.8	1,448.0	5,401.1
Gross earnings	888.9	917.3	841.0	949.5	3,596.7	863.5	910.0	870.9	965.3	3,609.7
Sales expenses	-278.5	-285.1	-292.6	-272.8	-1,129.0	-264.6	-273.4	-262.4	-283.5	-1,083.9
Administration expenses	-108.9	-119.8	-146.5	-124.0	-499.2	-104.3	-104.8	-103.3	-114.2	-426.7
Research and development expenses	-191.6	-186.9	-365.0	-180.5	-924.0	-165.4	-171.5	-171.0	-175.8	-683.7
Other income and expenses, net	-42.7	-12.3	-49.8	-15.3	-120.1	6.7	0.2	0.2	9.6	16.8
Operating earnings¹	267.2	313.2	-12.9	356.9	924.4	335.9	360.5	334.4	401.4	1,432.2
Financial income/expenses net	-33.3	-35.4	-32.0	-30.2	-130.9	-42.7	-42.1	-44.2	-41.1	-170.1
Earnings before tax	233.9	277.8	-44.9	326.7	793.5	293.2	318.4	290.2	360.3	1,262.1
Tax	-42.1	-50.0	13.0	-87.6	-166.7	-52.8	-57.3	-52.2	-64.8	-227.1
Net earnings²	191.8	227.8	-31.9	239.1	626.8	240.4	261.1	238.0	295.5	1,035.0
1) of which adjustments	-77.5	-47.4	-362.2	-63.4	-550.5	-40.6	-39.0	-42.2	-48.9	-170.7
2) of which non-controlling interest	2.7	2.6	2.0	2.1	9.4	2.6	3.1	2.8	3.1	11.6
Earnings include depreciation/ amortisation and impairments of	-167.8	-145.7	-313.5	-164.2	-791.2	-134.8	-136.6	-140.5	-165.6	-577.5
Earnings per share, Euro cent	7.0	8.4	-1.3	8.8	23.0	8.9	9.6	8.8	10.9	38.1
Earnings per share after dilution, Euro cent	7.0	8.3	-1.3	8.8	22.8	8.8	9.5	8.7	10.8	37.8
Earnings per share excl. adjustments, Euro cent	9.4	9.8	9.6	11.8	40.7	10.1	10.8	10.1	12.4	43.3
Average number of shares (thousands)	2,684,378									
Average number of shares after dilution (thousands)	2,705,478									

10-year summary

	MEUR	2016	2017	2017 ²	2018	2019 ³	2020	2021	2022	2023	2024	2025
Income statement												
Net sales		3,149.2	3,448.4	3,448.1	3,760.7	3,907.7	3,764.4	4,341.1	5,160.5	5,435.2	5,401.1	5,424.6
Operating earnings (EBITDA)		970.0	1,109.5	1,107.0	1,197.7	1,339.1	1,411.6	1,654.1	1,877.1	2,026.6	2,068.0	1,978.8
Adjusted operating earnings (EBIT1) ⁴		771.3	880.2	877.7	978.0	1,023.6	1,009.5	1,269.6	1,517.8	1,596.7	1,602.9	1,474.9
Operating earnings		736.1	762.1	759.6	925.1	892.2	787.0	1,009.8	1,286.7	1,216.0	1,432.2	924.4
Earnings before tax		714.3	739.4	736.9	902.3	865.3	759.6	983.6	1,248.0	1,060.7	1,262.1	793.5
- of which adjustments		-35.2	-118.1	-118.1	-52.9	-131.4	-222.5	-259.8	-231.1	-380.7	-170.7	-550.5
Net earnings		578.6	673.8	671.2	738.1	708.6	624.7	810.0	1,019.1	871.8	1,035.0	626.8
- of which non-controlling interest		5.3	7.1	7.1	8.1	6.2	6.6	8.4	11.5	12.9	11.6	9.4
Balance sheet												
Current assets		1,672.4	1,815.4	1,799.8	2,061.6	2,118.4	1,894.1	2,271.7	2,643.7	2,752.1	2,951.4	3,877.7
Fixed assets		6,241.7	6,813.8	6,813.8	7,622.5	8,482.2	8,809.5	11,823.3	13,833.3	14,131.7	14,899.1	13,230.6
Non-interest bearing liabilities and provisions		1,474.5	1,666.8	1,664.7	1,901.0	1,939.7	1,981.1	2,317.4	2,684.4	2,697.4	2,759.5	2,686.0
Interest bearing liabilities and provisions		1,848.8	2,344.3	2,344.6	2,463.9	2,584.0	2,773.3	3,012.9	3,928.0	4,140.3	3,894.9	4,165.6
Shareholders' equity		4,590.8	4,618.1	4,604.4	5,319.2	6,076.9	5,949.2	8,764.7	9,864.6	10,046.1	11,196.1	10,256.7
Total assets		7,914.1	8,629.2	8,613.4	9,684.1	10,600.6	10,703.6	14,095.0	16,477.0	16,883.8	17,850.5	17,108.3
Key ratios												
Adjusted operating margin, %		24	26	25	26	26	27	29	29	29	30	27
Return on capital employed, %		13	13	13	14	13	12	13	12	11	11	10
Return on equity, %		14	15	15	15	12	10	12	11	9	10	6
Investments		257.6	275.6	275.6	389.1	399.1	383.3	419.4	552.7	598.3	622.4	598.0
Equity ratio, %		58	54	54	55	57	56	62	60	60	63	60
Share of risk-bearing capital, %		64	59	59	60	62	60	66	63	63	66	63
Interest coverage ratio (times)		27.9	27.1	27.0	31.9	26.8	23.5	32.4	27.3	7.3	7.9	6.4
Net debt/equity ratio (times)		0.30	0.40	0.40	0.35	0.31	0.37	0.27	0.33	0.33	0.26	0.30
Cash flow before changes in working capital and excluding items affecting comparability		832.1	882.3	879.7	1,004.8	1,125.5	1,153.2	1,372.8	1,546.5	1,530.1	1,583.7	1,534.0
Cash flow after changes in working capital and excluding items affecting comparability		782.1	907.2	907.2	944.1	1,103.6	1,374.5	1,351.4	1,372.7	1,451.9	1,677.7	1,620.2
Earnings per share, Euro cent		22.7	26.4	26.3	28.9	27.4	24.0	30.8	37.4	32.0	38.1	23.0
Earnings per share after dilution, Euro cent		22.7	26.3	26.3	28.7	27.4	24.0	30.8	37.2	31.7	37.8	22.8
Cash flow per share before changes in working capital and excluding items affecting comparability, Euro cent		33.0	35.0	34.9	39.7	44.0	44.9	52.8	57.4	56.9	59.0	57.1
Cash flow per share after changes in working capital and excluding items affecting comparability, Euro cent		31.0	36.0	36.0	37.4	43.1	53.4	52.0	51.0	54.0	62.5	60.4
Equity per share, EUR		1.81	1.83	1.82	2.09	2.36	2.31	3.24	3.65	3.73	4.16	3.81
Closing share price, SEK		326	411	411	408	525	750	144	109	121	105.60	109.50
Cash dividend per share, EUR		0.07	0.08	0.08	0.08	0.09	0.09	0.11	0.12	0.13	0.14	0.14 ¹
Average number of shares (thousands)		2,523,031	2,523,101	2,523,101	2,526,594	2,554,286	2,572,780	2,599,293	2,693,019	2,687,690	2,684,378	2,684,378
Average number of shares after dilution (thousands)		2,526,153	2,531,123	2,531,123	2,536,107	2,556,694	2,573,914	2,606,291	2,706,294	2,706,141	2,705,478	2,705,478
Number of shares, closing balance (thousands)		2,523,101	2,523,101	2,523,101	2,540,475	2,572,773	2,568,335	2,696,128	2,689,678	2,684,378	2,684,378	2,684,378
Average number of employees		16,460	17,543	17,543	19,249	20,250	20,343	21,291	23,196	24,548	24,692	24,637

1) As proposed by the Board of Directors

2) Restated – IFRS 15

3) IFRS 16 is applied from 2019, comparison numbers have not been restated

4) From 2021 adjusted operating earnings (EBIT1) is excluded from amortisation of surplus values in the purchase price allocation (PPA), comparison numbers have been restated
The share-related key financial ratios have been calculated considering all historical share issues and splits.

Alternative performance measures

Operating net sales and gross earnings

	2025	2024
Net sales	5,424.6	5,401.1
Acquired deferred revenue	1.9	-
Operating net sales	5,426.5	5,401.1
Cost of goods sold	-1,827.9	-1,791.4
Adjustments related to cost of goods sold	46.0	4.1
Adjusted gross earnings	3,644.5	3,613.8

Adjusted operating earnings (EBITDA, EBIT and EBT)

	2025	2024
EBIT	924.4	1,432.2
Depreciations, amortisations and impairments	791.2	577.5
EBITDA	1,715.6	2,009.7
Share-based programme (LTIP)	39.2	48.9
Acquired deferred revenue	1.9	-
Items affecting comparability	222.1	9.4
Adjusted EBITDA	1,978.8	2,068.0
Depreciations, amortisations and impairments	-791.2	-577.5
Amortisation of surplus values	110.6	112.4
Items affecting comparability	176.7	-
Adjusted EBIT (EBIT1)	1,474.9	1,602.9
Financial income	14.7	13.5
Financial expenses	-145.6	-183.6
Adjusted Earnings before tax (EBT)	1,344.0	1,432.8
Adjustments related to tax	-242.7	-257.8
Adjusted net earnings	1,101.3	1,175.0
Attributable to non-controlling interest	9.4	11.6
Adjusted net earnings excluding non-controlling interests	1,091.9	1,163.4

Adjusted Earnings per share, Euro cent

	2025	2024
Adjusted net earnings excluding non-controlling interests	1,091.9	1,163.4
Average number of shares, thousands	2,684,378	2,684,378
Adjusted Earnings per share, Euro cent	40.7	43.3

Cash flow per share excluding items affecting comparability, Euro cent

	2025	2024
Cash flow from operating activities	1,466.9	1,588.2
Items affecting comparability	153.3	89.5
Cash flow from operating activities excluding items affecting comparability	1,620.2	1,677.7
Average number of shares, thousands	2,684,378	2,684,378
Cash flow per share, Euro cent	60.4	62.5

Cash flow from operations before changes in working capital	1,380.7	1,494.2
Non-recurring cash flow	153.3	89.5
Cash flow from operations before changes in working capital excluding items affecting comparability	1,534.0	1,583.7
Cash flow per share before changes in working capital, Euro cent	57.1	59.0

Equity ratio

	2025	2024
Shareholders' equity including non-controlling interest	10,256.7	11,196.1
Total assets	17,108.3	17,850.5
Equity ratio	60.0%	62.7%

Cash conversion

	2025	2024
Operating cash flow	868.9	965.8
Items affecting comparability	153.3	89.5
Tax paid	244.9	243.2
Interest received and paid, net	129.4	158.3
Operating cash flow excluding interest, tax and adjustments	1,396.5	1,456.8
Adjusted EBIT/EBIT1	1,474.9	1,602.9
Cash conversion	95%	91%

Capital employed

	2025	2024
Total assets	17,108.3	17,850.5
Non-interest bearing liabilities	-2,667.6	2,759.5
Capital employed	14,440.6	15,091.0

Capital turnover

	2025	2024
Operating net sales	5,426.5	5,401.1
Average capital employed	14,677.7	14,502.5
Capital turnover	0.4	0.4

Net indebtedness

	2025	2024
Interest bearing liabilities	4,117.6	3,831.0
Pensions	64.1	63.9
Interest bearing current assets	-274.0	-304.5
Cash and cash equivalents	-788.0	-663.8
Interest bearing liabilities minus interest bearing current assets and cash	3,119.7	2,926.6
Shareholders' equity including non-controlling interest	10,256.7	11,196.1
Net indebtedness	0.30	0.26

Interest coverage ratio

	2025	2024
Earnings before tax	793.5	1,262.1
Financial expenses	145.6	183.6
Earnings before tax and financial expenses	939.1	1,445.7
Interest coverage ratio	6.4	7.9

Return on capital employed, 12-month average, %

	2025	2024
Adjusted earnings before tax	1,344.0	1,432.8
Financial expenses	145.6	183.6
Adjusted earnings before tax, plus financial expenses	1,489.6	1,616.4
Average capital employed over 12 months	14,677.7	14,502.5
Return on capital employed, 12-month average, %	10.1%	11.1%

Return on shareholders' equity, 12-month average, %

	2025	2024
Net earnings excluding non-controlling interest	617.4	1,023.4
Average shareholders' equity over 12 months	10,408.6	10,397.4
Return on shareholders' equity, 12-month average, %	5.9%	9.8%

Sustainability four-year overview

Reporting name	Unit		FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
General Disclosures								
Organizational details	Qualitative	Section: General basis for preparation; Strategy						ESRS 2 BP-1; ESRS 2 SBM-1 / GRI: 2-1
Entities included in the organization's sustainability reporting	Qualitative	Section: General basis for preparation						ESRS 2 BP-1; ESRS 17.6 / GRI: 2-2
Reporting period, frequency and contact point	Qualitative	Sections: Accounting principles						ESRS 16.1; ESRS 2 BP-1; ESRS 2 BP-2 / GRI: 2-3
Restatements of information	Qualitative	Section: Disclosures in relation to specific circumstances						ESRS 17.4; ESRS 17.5; ESRS 2 BP-2 / GRI: 2-4
External assurance	Qualitative	Section: Auditor's report						ESRS 19.1; ESRS 2 GOV-5 / GRI: 2-5
Economic Performance								
Direct economic value generated (revenues)	Million €		5,424.6	5,401.1	5,435.2	5,160.5	0%	ESRS 2 SBM-3; ESRS 19.2 / GRI: 201-1
Economic value distributed	Million €		5,281.8	4,721.6	4,905.2		12%	ESRS 2 SBM-3; ESRS 19.2 / GRI: 201-1
Economic value retained	Million €		142.8	679.5	530.0	5,160.5	-79%	ESRS 2 SBM-3; ESRS 19.2 / GRI: 201-1
Financial implications and other risks and opportunities due to climate change	Qualitative	Section: Operational Risk Management; Impacts, risks and opportunities						ESRS E1-9; ESRS 2 SBM-3 / GRI: 201-2
Defined benefit plan obligations and other retirement plans	Qualitative	Section: Note 22 Pension provisions						ESRS S1-11; ESRS 2 SBM-1 / GRI: 201-3
Activities and workers								
Activities, value chain and other business relationships	Qualitative	Section: Value chain						ESRS 2 SBM-1; ESRS 1 ch.5 / GRI: 2-6
Total number of employees	No.		24,472.0	24,802.0	24,581.0	24,001.0	-1%	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Breakdown by gender								ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Female	%		23.9	23.9	23.6	23.7	0 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Male	%		75.8	75.8	76.2	76.3	0 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Other gender	%		0.3	0.3	0.2	-	-1 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Breakdown by type of contract and gender								0 pp. ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Full-time female	%		22.1	21.9	21.9	-	0 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Full-time male	%		73.6	72.4	74.4	-	1 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Full-time other gender	%		0.2	0.3	0.2	-	-1 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Part-time female	%		1.8	2.1	1.7	-	-1 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Part-time male	%		2.2	3.4	1.8	-	-2 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Part-time other gender	%		0.0	0.0	-	-	-1 pp.	ESRS 2 SBM-1; ESRS S1 / GRI: 2-7
Total number of contractors	No.		2,327.0	1,527.0	2,694.0	-	52%	ESRS S1-7 / GRI: 2-8
Governance								
Governance structure and committees	Qualitative	Section: The Board's and Management's role and responsibilities						ESRS 2 GOV-1 / GRI: 2-9
Diversity and composition of governance body:								ESRS 2 GOV-1 / GRI: 2-9
Male	No.		5.0	5.0	4.0	6.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Female	No.		4.0	4.0	3.0	4.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Other gender	No.		-	-	-	-	-	ESRS 2 GOV-1 / GRI: 2-9

Reporting name	Unit		FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Gen Z	No.		-	-	-	-	-	ESRS 2 GOV-1 / GRI: 2-9
Gen Y	No.		1.0	1.0	1.0	1.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Gen X	No.		4.0	4.0	3.0	5.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Boomers	No.		4.0	4.0	3.0	4.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Executive members	No.		-	-	-	-	-	ESRS 2 GOV-1 / GRI: 2-9
Non-executive members	No.		9.0	9.0	7.0	10.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Independence	Yes		6.0	6.0	3.0	6.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Independence	No		3.0	3.0	4.0	4.0	0%	ESRS 2 GOV-1 / GRI: 2-9
Nomination and selection of the highest governance body	Qualitative	Section: Corporate Governance Report; The Board's and Management's role and responsibilities						ESRS 2 GOV-1; ESRS 2 Appendix A AR-3-AR-5 / GRI: 2-10
Chair of the highest governance body	Qualitative	Section: Corporate Governance Report; The Board's and Management's role and responsibilities						ESRS 2 GOV-1 / GRI: 2-11
Role of the highest governance body in overseeing the management of impacts	Qualitative	Section: The Board's and Management's role and responsibilities						ESRS 2 GOV-1; ESRS 2 GOV-2 / GRI: 2-12
Delegation of responsibility for managing impacts	Qualitative	Section: The Board's and Management's role and responsibilities						ESRS 2 GOV-1; ESRS 2 GOV-2; ESRS 2 IRO-1 / GRI: 2-13
Role of the highest governance body in sustainability reporting	Qualitative	Section: The Board's and Management's role and responsibilities						ESRS 2 GOV-5; ESRS 18-9 / GRI: 2-14
Conflicts of interest	Qualitative	Section: Policies related to own workforce						ESRS 2 GOV-1; ESRS G1 / GRI: 2-15
Communication of critical concerns	Qualitative	Section: Channels to raise concerns						ESRS 2 GOV-2; ESRS 2 GOV-4 / GRI: 2-16
Collective knowledge of the highest governance body	Qualitative	Sections: GOV-1 and GOV-2						ESRS 2 GOV-1 / GRI: 2-17
Evaluation of the performance of the highest governance body	Qualitative	Section: Corporate Governance Report; Risk management and internal controls						ESRS 2 GOV-5 / GRI: 2-18
Remuneration policies	Qualitative	Section: Corporate Governance Report; Sustainability in incentive schemes						ESRS 2 GOV-3 / GRI: 2-19
Process to determine remuneration	Qualitative	Section: Corporate Governance Report; Sustainability in incentive schemes; The Board's and Management's role and responsibilities; Board and Management sustainability oversight						ESRS 2 GOV-3; ESRS 2 GOV-1; ESRS 2 GOV-2 / GRI: 2-20
Strategy, policies and practices								
Sustainable development strategy	Qualitative	Section: Sustainability at Hexagon						ESRS 2 SBM-1; ESRS 2 SBM-3 / GRI: 2-22
Policy commitments	Qualitative	Section: Sustainability policies and governance documents						ESRS 2 MDR-P; ESRS G1 / GRI: 2-23
Embedding policy commitments	Qualitative	Sections: E1-2, E5-1, S1-1, S2-1 and G1-1						ESRS 2 MDR-A; ESRS 2 GOV-1 / GRI: 2-24
Processes to remediate negative impacts	Qualitative	Section: Processes for remediation						ESRS 2 MDR-A; ESRS S1; ESRS S2; ESRS S3; ESRS S4 / GRI: 2-25
Mechanisms for seeking advice and raising concerns	Qualitative	Section: Channels to raise concerns						ESRS G1-1; ESRS 2 GOV-5 / GRI: 2-26
Number of significant instances of non-compliance with laws and regulations for which fines were incurred	No.		0.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27
Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	No.		0.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27
Number of fines for instances of noncompliance with laws and regulations that were paid during the reporting period and occurred in the current reporting period	No.		1.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27

Reporting name	Unit		FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period and occurred in the current reporting period	EUR		1,500.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27
Number of fines for instances of noncompliance with laws and regulations that were paid during the reporting period and occurred in previous reporting period	No.		0.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27
Monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period and occurred in previous reporting period	EUR		0.0	0.0	0.0	0.0	-	ESRS G1-1 / GRI: 2-27
								- ESRS G1-5 / GRI: 2-28
Stakeholder Engagement								
Approach to stakeholder engagement	Qualitative	Section: Stakeholders' interests and views						ESRS 2 SBM-2 / GRI: 2-29
Employees covered by collective bargaining agreements	%		28.7	19.1	22.5	-	9 pp.	ESRS S1-8 / GRI: 2-30
Material Topics								
Process to determine material topics	Qualitative	Section: Double materiality assessment process						ESRS 2 IRO-1; ESRS 1 ch.3 / GRI: 3-1
List of material topics	Qualitative	Section: Integration and reporting						ESRS 2 IRO-2 / GRI: 3-2
Management of material topics	Qualitative	Section: Integration and reporting						ESRS 2 MDR-P; ESRS 2 MDR-A; ESRS 2 MDR-M; ESRS 2 MDR-T / GRI: 3-3
Environmental Indicators								
Number of manufacturing sites	No.		33.0	31.0	29.0	24.0	6%	ESRS 2 SBM-3 /
Sites with Environmental Management System								
ISO 14001 certified production sites	No.		23.0	23.0	24.0	22.0	0%	ESRS 2 SBM-3; ESRS S1-14 /
Share of ISO 14001 certified production sites	%		69.7	71.9	82.8	75.9	-3 pp.	ESRS 2 SBM-3; ESRS S1-14 /
Area of manufacturing facilities	m ²		299,937.8	285,259.0	302,000.0	-	5%	ESRS E5-1; ESRS E1-5 / SASB: TC-HW-000.B
Percentage of facilities that are production sites	%		32.0	23.0	24.0	-	9 pp.	ESRS E5-1; ESRS E1-5 / SASB: TC-HW-000.C
Energy								
Total stationary combustion energy consumption	MWh		21,082.8	23,540.8	21,090.5	19,062.9	-10%	ESRS E1-6 / GRI: 302-1 / SASB: TC-SI-130a.1
Natural gas	MWh		17,937.6	18,507.2	14,507.3	14,487.6	-3%	ESRS E1-6 / GRI: 302-1
Crude oil	MWh		417.5	523.1	2,301.3	483.3	-20%	ESRS E1-6 / GRI: 302-1
Diesel	MWh		24.4	124.9	75.2	644.8	-80%	ESRS E1-6 / GRI: 302-1
LPG	MWh		51.6	22.8	22.8	29.6	126%	ESRS E1-6 / GRI: 302-1
Estimated stationary combustion of sites not covered*	MWh		2,651.8	4,362.7	4,184.0	3,417.7	-39%	ESRS E1-6 / GRI: 302-1
Electricity Consumption and other utilities								
Purchase heating	MWh		4,739.8	5,537.4	-	-	-14%	ESRS E1-6 / GRI: 302-1
Total Electricity Consumption	MWh		78,468.1	82,340.0	90,194.9	102,995.9	-5%	ESRS E1-6 / GRI: 302-1 / SASB: TC-SI-130a.1
Electricity consumption from grid	MWh		55,039.4	56,894.3	68,371.0	69,943.3	-3%	ESRS E1-6 / GRI: 302-1
of which purchased renewable electricity	MWh		35,177.0	14,551.1	16,672.0	10,462.1	142%	ESRS E1-6 / GRI: 302-1
Renewable electricity produced and consumed on-site	MWh		4,926.5	1,676.3	1,607.6	1,263.8	194%	ESRS E1-6 / GRI: 302-1
Estimated electricity of sites not covered*	MWh		18,502.3	23,769.4	20,216.3	31,788.8	-22%	ESRS E1-6 / GRI: 302-1
Green electricity and REC consumed	MWh		40,103.5	16,227.4	18,279.6	11,725.9	147%	ESRS E1-6 / GRI: 302-1
Renewable electricity produced	MWh		35,492.9	32,490.7	34,833.5	25,883.8	9%	ESRS E1-6 / GRI: 302-1
Share of purchased or produced renewable electricity out of total electricity consumption	%		74.4	49.0	46.2	42.2	25 pp.	ESRS E1-6 / GRI: 302-1 / SASB: TC-SI-130a.1

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Greenhouse gas (GHG)							
Direct (Scope 1) GHG emissions	tCO ₂	4,383.5	4,727.1	4,339.4	3,620.2	-7%	ESRS E1-6 / GRI: 305-1
Natural gas	tCO ₂	3,703.0	3,690.9	2,895.5	2,696.7	0%	ESRS E1-6 / GRI: 305-1
Crude oil	tCO ₂	108.4	135.8	597.3	125.4	-20%	ESRS E1-6 / GRI: 305-1
Diesel	tCO ₂	6.5	31.5	18.9	163.3	-79%	ESRS E1-6 / GRI: 305-1
LPG	tCO ₂	11.8	5.2	5.2	6.8	126%	ESRS E1-6 / GRI: 305-1
Estimated Scope 1 GHG emissions of sites not covered*	tCO ₂	553.8	863.8	822.3	628.0	-36%	ESRS E1-6 / GRI: 305-1
Indirect (Scope 2) GHG emissions from grid electricity (market-based)	tCO ₂	17,392.3	29,598.0	31,710.3	37,024.4	-41%	ESRS E1-6 / GRI: 305-2
Indirect (Scope 2) GHG emissions from grid electricity (location-based)	tCO ₂	25,871.8	29,948.3	33,239.1	38,426.4	-14%	ESRS E1-6 / GRI: 305-2
Scope 1 & Scope 2							
GHG emissions from owned vehicles fleet (Scope 1)	tCO ₂	9,770.3	10,305.5	9,912.4	10,941.5	-5%	ESRS E1-6 / GRI: 305-1
GHG emissions from owned electric vehicles (Scope 2)	tCO ₂	311.3	380.1	219.2	76.2	-18%	ESRS E1-6 / GRI: 305-2
Electric Vehicles share of company car fleet	%	13.1	12.6	6.9	3.9	0 pp.	ESRS E1-6 / GRI: 302-1
Total Direct (Scope 1) GHG emissions	tCO ₂	14,153.9	15,032.6	14,251.8	14,561.7	-6%	ESRS E1-6 / GRI: 305-1
Total Indirect (Scope 2) GHG emissions (market-based)	tCO ₂	18,540.6	30,972.7	31,929.5	37,100.6	-40%	ESRS E1-6 / GRI: 305-2
Total Indirect (Scope 2) GHG emissions (location-based)	tCO ₂	27,020.1	31,323.0	33,458.3	38,502.6	-14%	ESRS E1-6 / GRI: 305-2
Direct and Indirect GHG emissions (Scope 1 + 2, market-based)	tCO ₂	32,694.5	46,005.3	46,181.3	51,662.4	-29%	ESRS E1-6 / GRI: 305-1
Direct and Indirect GHG emissions (Scope 1 + 2, location-based)	tCO ₂	41,174.0	46,355.6	47,710.1	53,064.3	-11%	ESRS E1-6 / GRI: 305-1
Scope 3							
Indirect (Scope 3) GHG emissions	tCO ₂	295,039.7	357,878.2	359,804.9	349,331.2	-18%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Upstream	tCO ₂	233,152.9	289,624.9	284,144.2	277,056.8	-19%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Purchased goods and Services	tCO ₂	135,953.9	177,716.6	177,634.8	170,483.6	-23%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Capital goods	tCO ₂	14,111.4	23,028.2	29,236.2	36,502.6	-39%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	tCO ₂	7,891.7	9,454.9	9,568.4	12,427.0	-17%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Upstream transportation	tCO ₂	16,959.4	14,539.2	14,532.5	14,256.8	17%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Waste generated in operations	tCO ₂	974.7	814.8	541.5	797.5	20%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Business travel	tCO ₂	34,476.4	38,504.7	28,348.7	22,053.9	-10%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Employee commuting	tCO ₂	22,785.5	25,566.6	24,282.1	20,535.5	-11%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Downstream	tCO ₂	61,886.8	68,253.3	75,660.7	72,274.4	-9%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Downstream transportation	tCO ₂	13,390.7	10,158.1	11,267.1	10,514.6	32%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Use of sold products	tCO ₂	48,196.0	57,782.2	64,090.3	61,470.0	-17%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
End-of-life treatment of sold products	tCO ₂	165.9	165.2	166.2	157.8	0%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Investments	tCO ₂	134.2	147.7	137.0	132.0	-9%	ESRS E1-6; ESRS 1Appendix C / GRI: 305-3
Intensity Ratio's							
Revenues	MEUR	5,424.6	5,401.1	5,435.2	5,160.5	0%	ESRS 2 SBM-3; ESRS 19.2 / GRI: 201-1
GHG intensity ratio Scope 1 & Scope 2 (market-based) per million EUR	tCO ₂ / Mio €	6.0	8.5	8.5	10.0	-29%	ESRS E1-7 / GRI: 305-4
GHG intensity ratio Scope 1 & Scope 2 (location-based) per million EUR	tCO ₂ / Mio €	7.6	8.6	8.8	10.3	-12%	ESRS E1-7 / GRI: 305-4
GHG intensity ratio Scope 1 per million EUR	tCO ₂ / Mio €	2.6	2.8	2.6	2.8	-6%	ESRS E1-7 / GRI: 305-4

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
GHG intensity ratio Scope 2 (market-based) per million EUR	tCO ₂ / Mio €	3.4	5.7	5.9	7.2	-40%	ESRS E1-7 / GRI: 305-4
GHG intensity ratio Scope 2 (location-based) per million EUR	tCO ₂ / Mio €	5.0	5.8	6.2	7.5	-14%	ESRS E1-7 / GRI: 305-4
GHG intensity ratio Scope 2 (market-based) per electricity in MWh	kgCO ₂ / MWh	236.3	376.2	354.0	360.2	-37%	ESRS E1-7 / GRI: 305-4
GHG intensity ratio Scope 3 per million EUR	tCO ₂ / Mio €	54.4	66.3	66.2	67.7	-18%	ESRS E1-7 / GRI: 305-4
Energy intensity ratio per million EUR	MWh / Mio €	19.2	20.6	20.5	23.7	-7%	ESRS E1-7 / GRI: 302-3
Waste							
Total waste generated	MT	2,980.6	2,735.8	2,696.3	2,504.7	9%	ESRS E5-5 / GRI: 306-3
Hazardous waste generated	MT	176.7	38.5	159.5	264.8	359%	ESRS E5-5 / GRI: 306-3
Waste recycled	MT	1,479.9	1,213.1	1,690.6	1,472.1	22%	ESRS E5-5 / GRI: 306-4
Residual waste, recycled	MT	643.5	816.5	625.2	1,356.2	-21%	ESRS E5-5 / GRI: 306-3, 306-4
Hazardous waste, recycled	MT	29.2	7.7	110.5	116.0	280%	ESRS E5-5 / GRI: 306-3, 306-4
Non-hazardous waste, recycled	MT	807.2	388.9	954.9	-	108%	ESRS E5-5 / GRI: 306-3, 306-4
Residual waste, landfill	MT	532.9	524.1	178.5	636.3	2%	ESRS E5-5 / GRI: 306-3, 306-5
Residual waste, incinerated	MT	168.9	422.3	235.8	247.4	-60%	ESRS E5-5 / GRI: 306-3, 306-5
Hazardous waste, landfill	MT	23.6	26.9	46.5	0.8	-12%	ESRS E5-5 / GRI: 306-3, 306-5
Hazardous waste, incinerated	MT	123.9	4.0	2.6	148.0	3,023%	ESRS E5-5 / GRI: 306-3, 306-5
Non-hazardous waste, landfill	MT	392.9	246.9	354.4	-	59%	ESRS E5-5 / GRI: 306-3, 306-5
Non-hazardous waste, incinerated	MT	258.5	298.6	187.9	-	-13%	ESRS E5-5 / GRI: 306-3, 306-5
Water							
Water consumption	m ³	205,073.8	232,695.8	240,640.1	221,482.8	-12%	ESRS E3-4 / GRI: 303-5 / TC-SI-130a.2
Rainwater & Runoff-water harvesting system available onsite	No. of sites	2.0	1.0	1.0	-	100%	ESRS E3-1 / GRI: 303-1
Water recycling system available onsite	No. of sites	4.0	4.0	3.0	-	0%	ESRS E3-1 / GRI: 303-1
Water consumption per revenue	m ³ / Mio €	37.8	43.1	44.3	42.9	-12%	ESRS E3-1 / GRI: 303-1
Water consumption per employee	m ³ / No.	8.4	9.4	9.8	9.2	-11%	ESRS E3-4 / GRI: 303-1
Materials							
Weight of non-renewable materials that are used to produce and package our primary products	MT	19,284.8	-	-	-	-	ESRS E5-4 / GRI: 301-1
Weight of renewable materials that are used to produce and package our primary products	MT	2,159.9	-	-	-	-	ESRS E5-4 / GRI: 301-1
Weight of materials that are used to produce and package our primary products	MT	21,444.7	-	-	-	-	ESRS E5-4 / GRI: 301-1
Recycled input materials used	MT	150.3	-	-	-	-	ESRS E5-4 / GRI: 301-2
Share of recycled input materials used to manufacture the products	%	0.7	-	-	-	-	ESRS E5-4 / GRI: 301-2
Products and their packaging materials reclaimed within the year	No.	3,590.0	-	-	-	-	ESRS E5-5 / GRI: 301-3
Products sold within the year	No.	362,930.0	-	-	-	-	ESRS E5-5 / GRI: 301-3
Percentage of reclaimed products and their packaging materials for each product category	%	1.0	-	-	-	0 pp.	ESRS E5-5 / GRI: 301-3
Social Indicators							
Employee engagement level	%	74.0	73.0	73.0	73.0	1 pp.	ESRS S4-1; ESRS G1-1 / SASB: TC-SI-330a.2
Voluntary turnover, of total workforce	%	8.0	6.3	7.8	10.4	1 pp.	ESRS S1-6 /

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Benefits provided to full-time employees	Qualitative	Section: S1 Own workforce					ESRS S1-11 / GRI: 401-2
New employee hires and employee turnover							
<i>Newly hired by gender and generation</i>							
Female	No.	1,035.0	808.0	928.0	-	28%	ESRS S1-6 / GRI: 401-1
Male	No.	2,753.0	1,971.0	2,584.0	-	40%	ESRS S1-6 / GRI: 401-1
Other gender	No.	38.0	30.0	13.0	-	27%	ESRS S1-6 / GRI: 401-1
Gen Z	No.	658.0	496.0	521.0	-	33%	ESRS S1-6 / GRI: 401-1
Gen Y	No.	1,997.0	1,492.0	2,202.0	-	34%	ESRS S1-6 / GRI: 401-1
Gen X	No.	959.0	613.0	672.0	-	56%	ESRS S1-6 / GRI: 401-1
Boomers	No.	212.0	93.0	129.0	-	128%	ESRS S1-6 / GRI: 401-1
<i>Involuntary attrition breakdown by gender and generation</i>							
Female	No.	214.0	302.0	297.0	150.0	-29%	ESRS S1-6 / GRI: 401-1
Male	No.	738.0	992.0	848.0	489.0	-26%	ESRS S1-6 / GRI: 401-1
Other gender	No.	12.0	4.0	3.0	-	200%	ESRS S1-6 / GRI: 401-1
Gen Z	No.	75.0	111.0	143.0	-	-32%	ESRS S1-6 / GRI: 401-1
Gen Y	No.	456.0	608.0	449.0	-	-25%	ESRS S1-6 / GRI: 401-1
Gen X	No.	249.0	370.0	356.0	-	-33%	ESRS S1-6 / GRI: 401-1
Boomers	No.	184.0	207.0	199.0	-	-11%	ESRS S1-6 / GRI: 401-1
<i>Voluntary attrition breakdown by gender and generation</i>							
Female	No.	464.0	407.0	470.0	604.0	14%	ESRS S1-6 / GRI: 401-1
Male	No.	1,454.0	1,087.0	1,336.0	1,914.0	34%	ESRS S1-6 / GRI: 401-1
Other gender	No.	33.0	2.0	4.0	-	1,550%	ESRS S1-6 / GRI: 401-1
Gen Z	No.	210.0	128.0	122.0	-	64%	ESRS S1-6 / GRI: 401-1
Gen Y	No.	1,034.0	862.0	1,077.0	-	20%	ESRS S1-6 / GRI: 401-1
Gen X	No.	410.0	359.0	418.0	-	14%	ESRS S1-6 / GRI: 401-1
Boomers	No.	297.0	147.0	193.0	-	102%	ESRS S1-6 / GRI: 401-1
Turnover rate, of total workforce	%	11.9	11.8	12.7	13.1	0 pp.	ESRS S1-6 /
Parental Leave							
Female employees that were entitled to parental leave	No.	5,094.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Male employees that were entitled to parental leave	No.	16,583.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Other employees that were entitled to parental leave	No.	91.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Female employees that took parental leave	No.	256.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Male employees that took parental leave	No.	359.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Other employees that took parental leave	No.	2.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Female employees that returned to work after parental leave ended	No.	170.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Male employees that returned to work after parental leave ended	No.	305.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Other employees that returned to work after parental leave ended	No.	2.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Female employees that returned to work after parental leave ended that were still employees 12 months after their return to work	No.	119.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3

Reporting name	Unit		FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Male employees that returned to work after parental leave ended that were still employees 12 months after their return to work	No.		183.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Other employees that returned to work after parental leave ended that were still employees 12 months after their return to work	No.		-	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Female employees due to return to work after taking parental leave	No.		104.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Return to work rate of female employees after parental leave	No.		163.5	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Male employees due to return to work after taking parental leave	No.		23.0	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Return to work rate of male employees after parental leave	No.		1,326.1	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Other employees due to return to work after taking parental leave	No.		-	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Return to work rate of other employees after parental leave	No.		-	-	-	-	-	ESRS S1-11; ESRS S1-15 / GRI: 401-3
Occupational health and safety management system								
Occupational health and safety management system	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-1
Hazard identification, risk assessment and incident investigation	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-2
Occupational health services	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-3
Worker participation, consultation and communication on occupational health and safety	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-4
Worker training on occupational health and safety	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-5
Promotion of work health	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-6
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Qualitative	Section: Occupational health and safety						ESRS S1-14 / GRI: 403-7
Employees who are covered by an occupational health and safety management system	No.		14,684.0	17,047.0	17,134.0	-	-14%	ESRS S1-14 / GRI: 403-8
Contractors who are covered by an occupational health and safety management system	No.		967.0	-	-	-	-	ESRS S1-14 / GRI: 403-8
ISO 45001 certified production sites	No.		2.0	2.0	2.0	2.0	0%	ESRS 2 SBM-3; ESRS S1-14 /
Share of ISO 45001 certified production sites	%		6%	6.9	6.9	6.9	-7 pp.	ESRS 2 SBM-3; ESRS S1-14 /
For all employees:								
Proportion of senior management hired from the local community	%		93.3	68.9	79.9	0.0	24 pp.	ESRS S1-16 / GRI: 202-2 / SASB: TC-SI-330a.1
Total hours worked by all employees	No.		43,220,562.0	37,854,538.8	36,330,702.1	-	14%	ESRS S1-14 / GRI: 403-9
Fatal accidents	No.		0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9
High consequence work-related injuries	No.		1.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9
Recordable work-related injuries	No.		85.0	65.0	31.0	0.0	31%	ESRS S1-14 / GRI: 403-9
Fatalities accidents Rate	No.		0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9
Rate of high consequence work-related injuries	No.		0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9
Rate of recordable work-related injuries	No.		0.4	0.3	0.2	0.0	15%	ESRS S1-14 / GRI: 403-9
For contractors:								
Total hours worked by all contractors	No.		3,376,662.0	2,026,300.8	2,278,961.9	-	67%	ESRS S1-14 / GRI: 403-9

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard	
Fatal accidents	No.	0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9	
High consequence work-related injuries	No.	0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9	
Recordable work-related injuries	No.	1.0	0.0	1.0	0.0	-	ESRS S1-14 / GRI: 403-9	
Fatalities accidents Rate	No.	0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9	
Rate of high consequence work-related injuries	No.	0.0	0.0	0.0	0.0	-	ESRS S1-14 / GRI: 403-9	
Rate of recordable work-related injuries	No.	0.1	0.0	0.1	0.0	-	ESRS S1-14 / GRI: 403-9	
Trainings								
Programs for upgrading employee skills and transition assistance programs	Qualitative	Section: Talent development						ESRS S1-13 / GRI: 404-2
Training hours provided to employees	No.	89,239.7	-	-	-	-	ESRS S1-13 / GRI: 404-1	
Average hours of training per year per employees	Hours	3.6	-	-	-	-	ESRS S1-13 / GRI: 404-1	
Percentage of employees receiving regular performance and career development reviews	%	52.00				51 pp.	ESRS S1-13 / GRI: 404-3	
Diversity of Employees by category								
Employees trained in Diversity, Equity & Inclusion	No.	19,384.0	18,421.0	10,791.0	19,562.0	5%	ESRS S1-4 /	
Share of women at top management level	%	25.5	22.3	22.7	23.1	3 pp.	ESRS S1-9 / GRI: 405-1 / SASB: TC-SI-330a.3	
Share of women employed in relation to the whole organization	%	23.9	23.9	23.6	23.7	0 pp.	ESRS S1-9 / GRI: 405-1	
<i>Group Management</i>							ESRS S1-9 / GRI: 405-1	
Male	%	92.9	86.7	92.3	92.3	6 pp.	ESRS S1-9 / GRI: 405-1	
Female	%	7.1	13.3	7.7	7.7	-7 pp.	ESRS S1-9 / GRI: 405-1	
Other gender	%	-	-	-	-	0 pp.	ESRS S1-9 / GRI: 405-1	
Gen Z	%	-	-	-	-	0 pp.	ESRS S1-9 / GRI: 405-1	
Gen Y	%	-	6.7	7.7	7.7	-7 pp.	ESRS S1-9 / GRI: 405-1	
Gen X	%	78.6	73.3	69.2	69.2	5 pp.	ESRS S1-9 / GRI: 405-1	
Boomers	%	21.4	20.0	23.1	23.1	1 pp.	ESRS S1-9 / GRI: 405-1	
<i>Executives</i>							ESRS S1-9 / GRI: 405-1	
Male	%	75.9	81.8	80.4	80.0	-6 pp.	ESRS S1-9 / GRI: 405-1	
Female	%	24.1	18.2	19.6	20.0	5 pp.	ESRS S1-9 / GRI: 405-1	
Other gender	%	-	-	-	-	0 pp.	ESRS S1-9 / GRI: 405-1	
Gen Z	%	-	-	-	-	0 pp.	ESRS S1-9 / GRI: 405-1	
Gen Y	%	19.0	6.1	5.4	-	12 pp.	ESRS S1-9 / GRI: 405-1	
Gen X	%	60.3	66.7	73.2	-	-7 pp.	ESRS S1-9 / GRI: 405-1	
Boomers	%	20.7	27.3	21.4	-	-7 pp.	ESRS S1-9 / GRI: 405-1	
<i>Job level A</i>							ESRS S1-9 / GRI: 405-1	
Male	%	73.6	76.2	76.2	75.6	-3 pp.	ESRS S1-9 / GRI: 405-1	
Female	%	26.2	23.2	23.4	24.4	2 pp.	ESRS S1-9 / GRI: 405-1	
Other gender	%	0.2	0.7	0.4	-	-1 pp.	ESRS S1-9 / GRI: 405-1	
Gen Z	%	-	0.2	0.2	-	-1 pp.	ESRS S1-9 / GRI: 405-1	
Gen Y	%	20.5	18.5	18.8	-	2 pp.	ESRS S1-9 / GRI: 405-1	
Gen X	%	62.3	63.7	62.7	-	-2 pp.	ESRS S1-9 / GRI: 405-1	
Boomers	%	17.2	17.6	18.3	-	-1 pp.	ESRS S1-9 / GRI: 405-1	
<i>Rest of the Organization</i>							ESRS S1-9 / GRI: 405-1	
Male	%	75.9	75.9	76.2	76.3	0 pp.	ESRS S1-9 / GRI: 405-1	

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard	
Female	%	23.9	23.9	23.6	23.7	0 pp.	ESRS S1-9 / GRI: 405-1	
Other gender	%	0.2	0.3	0.2	-	-1 pp.	ESRS S1-9 / GRI: 405-1	
Gen Z	%	5.9	4.1	4.2	-	1 pp.	ESRS S1-9 / GRI: 405-1	
Gen Y	%	52.3	51.6	51.1	-	0 pp.	ESRS S1-9 / GRI: 405-1	
Gen X	%	33.5	34.2	34.4	-	-1 pp.	ESRS S1-9 / GRI: 405-1	
Boomers	%	8.3	10.1	10.4	-	-2 pp.	ESRS S1-9 / GRI: 405-1	
Basic salary of women to men in Executive positions	%	15.3	-	-	-	15 pp.	ESRS S1-16 / GRI: 405-2	
Basic salary of women to men in Job level A positions	%	18.4	-	-	-	18 pp.	ESRS S1-16 / GRI: 405-2	
Basic salary of women to men in Job level B positions	%	11.6	-	-	-	11 pp.	ESRS S1-16 / GRI: 405-2	
Basic salary of women to men in Rest of the Organization	%	17.1	-	-	-	17 pp.	ESRS S1-16 / GRI: 405-2	
Remuneration of women to men in Executive positions	%	12.4	-	-	-	12 pp.	ESRS S1-16 / GRI: 405-2	
Remuneration of women to men in Job level A positions	%	23.3	-	-	-	23 pp.	ESRS S1-16 / GRI: 405-2	
Remuneration of women to men in Job level B positions	%	13.2	-	-	-	13 pp.	ESRS S1-16 / GRI: 405-2	
Remuneration of women to men in Rest of the Organization	%	16.9	-	-	-	16 pp.	ESRS S1-16 / GRI: 405-2	
Remuneration and gender pay gap								
Entry level wage ratio (female/male)	No.	0.9	-	-	-	0 pp.	ESRS S1-16 / GRI: 202-1	
Ratio of standard entry level female wage compared to local minimum wage	No.	1.6	-	-	-	1 pp.	ESRS S1-16 / GRI: 202-1	
Ratio of standard entry level male wage compared to local minimum wage	No.	1.8	-	-	-	1 pp.	ESRS S1-16 / GRI: 202-1	
Annual total remuneration ratio	No.	19.4	-	-	-	-	ESRS S1-16 / GRI: 2-21	
Percentage of employees paid below the applicable adequate wage benchmark	%	0.7	-	-	-	0 pp.	ESRS S1-10 /	
Governance Indicators								
Incidents of non-compliance with regulations concerning the health and safety impacts of products	No.	0.0	0.0	0.0	0.0	-	ESRS S4-4 / GRI: 416-2	
Incidents of non-compliance with regulations concerning product information and labeling	No.	0.0	2.0	0.0	0.0	-100%	ESRS S4-4 / GRI: 417-2	
Ethics & Compliance System, executives certified	No.	450.0	406.0	411.0	230.0	11%	ESRS G1-1 /	
Whistleblower reports	No.	97.0	81.0	66.0	25.0	20%	ESRS G1-1 /	
Solved whistleblower cases	No.	86.0	73.0	53.0	25.0	18%	ESRS G1-1 /	
Discrimination incidents including harassment, reported in the reporting period	No.	11.0	3.0	0.0	0.0	267%	ESRS S1-17 / GRI: 406-1	
Complaints filed through channels for people in the undertaking own workforce to raise concerns (including grievance mechanisms)	No.	48.0	-	-	-	-	ESRS S1-17 /	
Monetary value of fines as a result of the incidents, penalties, and compensation for damages as a result of the incidents and complaints	MEUR	-	-	-	-	-	ESRS S1-17 /	
Severe human rights incidents (such as forced or child labour, human trafficking or modern slavery, or systematic discrimination or harassment) connected to own workforce	No.	-	-	-	-	-	ESRS S1-17 /	
Employees trained in cyber security	No.	24,604.0	21,990.0	26,736.0	22,560.0	12%	ESRS G1-1 /	
Policies and practices relating to targeted advertising and user privacy	Qualitative	Section: Data Protection Compliance Framework						ESRS S4-4 / SASB: TC-SI-220a.1

Reporting name	Unit		FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard
Approach to identifying and addressing data security risks	Qualitative	Section: Cyber security						ESRS 17.7; ESRS G1-1; ESRS S4-1 / SASB: TC-SI-230a.2
Business continuity risks related to disruptions of operations	Qualitative	Section: Operational risk management; Impacts, risks and opportunities						ESRS E1/E4; ESRS 2 SBM-3 / SASB: TC-SI-550a.2
Child Labor and Forced or Compulsory Labor								
Operations and suppliers at significant risk for incidents of child labor	Qualitative	Section: S2 Workers in the value chain						ESRS 2 SBM-3; S2-1 / GRI: 408-1
Operations and suppliers at significant risk for incidents of forced labor	Qualitative	Section: S2 Workers in the value chain						ESRS 2 SBM-3; S2-1 / GRI: 409-1
Rights of indigenous peoples								
Number of incidents of violations involving the rights of indigenous peoples	No.		0.0	0.0	0.0	0.0	-	ESRS 2 SBM-2; S3-1 / GRI: 411-1
Anti-Corruption								
Operations assessed for risks related to corruption	No.		12.0	18.0	4.0	-	-33%	ESRS G1-3 / GRI: 205-1
Employees that the company's anti-corruption policies and procedures have been communicated to	No.		24,472.0	23,654.0	22,525.0	-	3%	ESRS G1-4 / GRI: 205-2
Employees trained in Code of Business Conduct, including contractors	No.		25,068.0	24,154.0	24,695.0	23,531.0	4%	ESRS G1-4 / GRI: 205-2
Number of confirmed incidents of corruption	No.		2.0	0.00	3.0	0.0	-	ESRS G1-4 / GRI: 205-3
Number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.		2.0	-	-	-	-	ESRS G1-4 / GRI: 205-3
Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.		1.0	-	-	-	-	ESRS G1-4 / GRI: 205-3
Public legal cases regarding corruption brought against the organization or its employees	No.		0.0	0.0	0.0	0.0	-	ESRS G1-4 / GRI: 205-3
Procurement Practices								
Key direct procurement suppliers	No.		1,078.0	1,085.0	1,053.0	929.0	-1%	ESRS G1-2 /
Key direct procurement suppliers in high risk countries	No.		9.0	10.0	93.0	51.0	-10%	ESRS G1-2 /
Key direct procurement suppliers in medium risk countries	No.		38.0	0.0	5.0	5.0	-	ESRS G1-2 /
Key direct procurement suppliers having approved or signed the Hexagon Supplier Code of Conduct	No.		214.0	231.0	903.0	802.0	-7%	ESRS G1-2 /
Suppliers assessed for negative social impacts	No.		345.0	130.0	47.0	-	165%	ESRS S2-1 / GRI: 414-2
Suppliers assessed for negative environmental impacts	No.		345.0	118.0	27.0	-	192%	ESRS S2-5 / GRI: 308-2
Suppliers identified as having significant actual and potential negative social impacts	No.		19.0	-	-	-	-	ESRS S2-1 / GRI: 414-2
Suppliers Audits								
ESG audits of key direct procurement suppliers	No.		114.0	31.0	93.0	-	268%	ESRS E5-5 / SASB: TC-HW-430a.1
ESG audits of key direct procurement suppliers in risk countries	No.		4.0	15.0	45.0	-	-73%	ESRS G1-2 /
ESG audits of key direct procurement suppliers that were conducted on-site	No.		25.0	31.0	56.0	-	-19%	ESRS G1-2 /
ESG audits of key direct procurement suppliers that were self-assessed (SAQ)	No.		89.0	0.0	37.0	-	-	ESRS G1-2 /
Third-party ESG audits of key direct procurement suppliers	No.		0.0	0.0	4.0	-	-	ESRS G1-2 /

Reporting name	Unit	FY 2025	FY 2024	FY 2023	FY 2022	Variance (+/-)	Standard	
Unannounced ESG audits of key direct procurement suppliers	No.	0.0	0.0	0.0	-	-	ESRS G1-2 /	
Number of major non-conformances found in audits of key direct procurement suppliers	No.	0.0	0.0	3.0	-	-	ESRS E5-5 / SASB: TC-HW-430a.2	
Number of solved major non-conformances in audits of key direct procurement suppliers	No.	0.0	0.0	0.0	-	-	ESRS E5-5 / SASB: TC-HW-430a.2	
Conflict minerals								
Management of risks associated with the use of critical materials	Qualitative	Section: Policies related to resource use and circular economy						ESRS E5-2 / SASB: TC-HW-440a.1
Suppliers possibly handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	No.	706.0	478.0	257.0	149.0	48%	ESRS E5-2 /	
Suppliers handling conflict minerals that have submitted a CMRT	No.	502.0	282.0	234.0	177.0	78%	ESRS E5-2 /	
Eventual smelters or refineries reported by suppliers handling conflict minerals (3TG: tin, tantalum, tungsten, gold)	No.	3,628.0	955.0	1,324.0	823.0	280%	ESRS E5-2 /	
Eventual smelters reported by suppliers handling conflict minerals that are Conformant	No.	1,384.0	568.0	761.0	760.0	144%	ESRS E5-2 /	
Non-compliant or non-conformant smelters reported by suppliers	No.	2,220.0	372.0	85.0	48.0	497%	ESRS E5-2 /	

Sustainability reporting standards

Hexagon’s ESG reporting covers its own operations and value chain, and its goals are aligned with the company’s strategic objectives to generate value and lower risks. Several reporting standards form the basis of the reporting. The climate targets are aligned with the Paris Agreement goals and are verified by the Science Based Targets initiative (SBTi). The sustainability report is prepared in accordance with the CSRD reporting frameworks and the United Nations’ Global Compact, and also takes into account the SASB and Global Reporting Initiative (GRI) Standards.

regarding the environment, labour practices, human rights, and anti-corruption in its operations and in relation to external stakeholders. This also means that Hexagon seeks to conduct business in a responsible and ethical manner and to support the UN Sustainable Development Goals (SDGs). To further increase transparency, Hexagon has also publicly submitted its climate impact data to the Carbon Disclosure Project (CDP).

Hexagons Sustainability Statement can be found on pages 76–175.

Hexagon is a signatory of the United Nations Global Compact (UNGC), which means that the company supports and actively promotes its ten principles



Financial definitions

In addition to the financial measures as required by the financial reporting framework based on IFRS, this report also includes other measures and indicators that are used to follow-up, analyse and manage the business. These measures also provide Hexagon stakeholders with useful financial information on the Group's position, performance and development in a consistent way. Below is a list of definitions of measures and indicators used in this report.

Amortisation of surplus values (PPA)

When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortisation of surplus values is defined as the difference between the amortisation of such identified intangible assets and what the amortisation would have been in the acquired company had the acquisition not taken place at all.

Adjustments

Adjustments consists of expenses related to the share programme (LTIP), amortisation of surplus values (PPA) and items affecting comparability which refers to income and expenses that are not expected to appear on a regular basis and impact comparability between periods.

Adjusted earnings per share

Net earnings excluding adjustments and non-controlling interest divided by average number of shares.

Adjusted operating earnings (EBIT1)

Operating earnings excluding adjustments. Adjustments are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods.

Adjusted operating earnings (EBITDA)

Adjusted operating earnings (EBIT1) excluding amortisation, depreciation and impairment of fixed assets. The measure is presented to give depiction of the result generated by the operating activities.

Adjusted EBITDA-margin

Adjusted operating earnings (EBITDA) as a percentage of operating net sales.

Adjusted operating margin

Adjusted operating earnings (EBIT1) as a percentage of net sales for the year."

Capital employed

Total assets less non-interest bearing liabilities.

Capital turnover rate

Net sales for the year divided by average capital employed.

Cash conversion

Operating cash flow excluding interest, tax payments and non-recurring items divided by operating earnings (EBIT1).

Cash flow

Cash flow from operations before change in working capital and excluding items affecting comparability.

Cash flow per share

Cash flow from operations, after change in working capital, excluding items affecting comparability divided by average number of shares.

Commercial paper

An unsecured promissory note with a fixed maturity of 1 to 365 days.

Earnings per share (EPS)

Net earnings excluding non-controlling interests divided by average number of shares.

Equity ratio

Shareholders' equity including non-controlling interests as a percentage of total assets.

Gross margin

Gross earnings divided by operating net sales.

Interest coverage ratio

Earnings after financial items plus financial expenses divided by financial expenses.

Investments

Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries.

LTIP Long Term Incentive Programme

Net debt

Interest bearing liabilities including pension liabilities and interest bearing provisions less cash and cash equivalents.

Net indebtedness

Interest bearing liabilities less interest bearing current receivables and liquid assets divided by shareholders' equity including non-controlling interests.

Operating net sales

Net sales adjusted by the difference between fair value and book-value of deferred revenue regarding acquired businesses.

Organic growth

Net sales compared to prior period excluding acquisitions and divestments and adjusted for currency exchange movements.

Pay-out ratio

Dividend per share as a percentage of earnings per share.

P/E ratio

Share price divided by earnings per share.

Profit margin before tax

Earnings after financial items as a percentage of net sales.

Return on capital employed (12-month average)

Twelve months to end of period earnings after financial items, excluding adjustments, plus financial expenses as a percentage of twelve months to end of period average capital employed. The twelve months average capital employed is based on average quarterly capital employed.

Return on shareholders' equity (12-month average)

Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months. The twelve months average equity is based on quarterly average equity.

Revolving credit facility

A loan facility where the borrower may increase and reduce the size of outstanding debt up to the available limit during the term of the loan.

Shareholders' equity per share

Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end.

Share of risk-bearing capital

Shareholders' equity including non-controlling interests and provision for taxes as a percentage of total assets.

Share price

Last settled transaction on Nasdaq OMX Stockholm on the last business day for the year.

Term loan

A fixed amount loan with a maturity date of more than one year and with a specified repayment schedule where the borrower is not entitled to borrow any amount which it has repaid.

Business definitions

AI Artificial intelligence

Americas North America, South America and Central America

Asia Asia (excluding Middle East), Australia and New Zealand

CAD Computer-Aided Design, software for creating technical drawings

CAE Computer-Aided Engineering, simulation software

CAM Computer-Aided Manufacturing, software for controlling machine tools

CMM Coordinate Measuring Machine

CPEC Certified Pre-Owned Equipment Center, refurbished second hand product sales

Digital Reality Workflow-driven feedback that fuses the physical and digital worlds into one reality

EMEA Europe, Middle East and Africa

EEMEA Eastern Europe, Middle East and Africa

Emerging markets Eastern Europe, Middle East, South America, Africa and Asia excluding Australia, New Zealand, Japan and Korea

ESG Environmental, Social and Governance

EV Electric vehicles

GDPR General Data Protection Regulation

GNSS Global Navigation Satellite Systems

GPS Global Positioning System

ISDA International Swaps and Derivatives Association

M.App Enterprise A cloud platform for creating geospatial apps for organisations

OECD Organisation of Economic Co-operation and Development

OEM provider An original equipment manufacturer

R&D Research and development

RADAN A CAD-CAM solution for sheet metal cutting

SaaS Software as a service

UAV An unmanned aerial vehicle

Sustainability definitions

CAGR Compound annual growth rate

CSRD Corporate Sustainability Reporting Directive, a European Union directive

DEI Diversity, equity and inclusion, an American framework

EAC Energy Attribute Certificates, instruments used to track renewable energy consumption

ESRS European Sustainability Reporting Standards, a European Union standard

GHG Greenhouse Gas Protocol, a global standard for measuring and reporting greenhouse gas emissions

GRI Global Reporting Initiative, a standard to understand one's impact on climate change, human rights and corruption

H&S Health and safety

IRO The Impacts, Risks, and Opportunities framework, a key part of sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD)

LCA Life cycle assessment, a methodology for assessing the environmental impacts associated with the life cycle of a commercial product, process or service

SASB The Sustainability Accounting Standards Board, a non-profit organisation to develop sustainability accounting standards

SBTi The Science Based Targets initiative, guiding companies to set emission reduction targets in line with climate science and the Paris Agreement

SDG United Nations Sustainable Development Goals, a plan for peace and prosperity for the planet and its people

TCFD Task Force on Climate-related Financial Disclosures, a framework for organisations to communicate climate-related risks and opportunities

WBCSD The World Business Council for Sustainable Development, a global organisation of 200 leading businesses working together to accelerate the transition to a sustainable world

Currency codes

AUD Australian Dollar

BRL Brazilian Real

CAD Canadian Dollar

CHF Swiss Franc

CNY Chinese Yuan

EUR Euro

GBP British Pound

INR Indian Rupee

JPY Japanese Yen

SEK Swedish Kronor

USD US Dollar

Shareholder information

Annual General Meeting 2026

The Annual General Meeting (AGM) will be held on Friday 24 April 2026 at 10:30 CET at IVA Konferenscenter, Grev Turegatan 16 in Stockholm, Sweden. Shareholders who wish to attend the AGM in person, by proxy or by postal voting must

- be registered in the share register maintained by Euroclear Sweden AB on Thursday 16 April 2026. Shareholders with nominee-registered holdings should temporarily have their shares registered in their own names through the agency of their nominees so that they are recorded in the share register well before 16 April 2026.
- give notice to the Company of their intention to participate no later than Monday 20 April 2026 in accordance with the instructions below.

Participation in person or by proxy

Notification of participation in the AGM can be made via Hexagon's website [hexagon.com](https://www.hexagon.com), by post to Hexagon AB, "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 8 402 92 21 no later than 20 April 2026.

Upon notification, the shareholder shall state name, personal or corporate identity number, address, telephone number (daytime) and shareholding. Proxies and representatives of legal entities must submit relevant

authorisation documents before the meeting. Proxy forms are available on the Company's website and will be sent by post to shareholders who contact the Company and state their address.

Participation by postal voting

A special form must be used for postal voting. The form is available on the Company's website. Notification to the meeting does not need to be made separately as the postal voting form is also valid as notification.

The completed and signed postal voting form can be sent by post to Hexagon AB, "Annual General Meeting", c/o Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, Sweden or by e-mail to GeneralMeetingService@euroclear.com. The completed and signed form must be received by Euroclear Sweden AB no later than 20 April 2026. Shareholders may also, no later than 20 April 2026, cast a postal vote electronically by verifying with BankID via Euroclear Sweden AB's website <https://www.euroclear.com/sweden/generalmeetings/>. The shareholder may not provide the postal vote with special instructions or conditions. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and on <https://anmalan.vpc.se/EuroclearProxy>.

Dividend

The Board of Directors proposes that a dividend of 0.14 EUR per share be declared for the financial year 2025. As record day for right to receive dividend, the Board of Directors proposes Tuesday 28 April 2026. If the AGM resolves in accordance with the proposal, the dividend is expected to be paid through Euroclear Sweden AB starting on Wednesday 6 May 2026. Payment is made in EUR, provided that EUR can be received on the shareholder's yield account; if not, payment will be distributed in SEK, whereby currency exchange is made in accordance with Euroclear Sweden AB's applicable procedures.

Financial information 2026

Hexagon will issue financial information concerning the business year 2026 on the following dates:

Q1 Interim Report	23 April 2026
Q2 Interim Report	29 July 2026
Q3 Interim Report	23 October 2026
Year-End Report	28 January 2027

Distribution policy

The Hexagon Annual Report is distributed digitally. The annual report can be downloaded at the website where Hexagon's Annual Reports from 1997 and onwards are available. For a printed copy please contact Hexagon AB.

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