HEXATRONIC

Sustainability Roadmap 2030

A DECADE OF ACTION

This Sustainability Roadmap guides our journey towards sustainability for the coming decade

The roadmap shows our contribution to the UN 17 Global Goals. It outlines Hexatronic Group's desired position in 2030 and the goals, targets and key actions that will get us there.
These are our six priority areas along the way.

LOW CLIMATE IMPACT

SUSTAINABLE SUPPLY CHAIN

STRONG BUSINESS ETHICS

SOCIAL INVOLVEMENT

GOOD HEALTH, SAFETY & WORKING ENVIRONMENT

DIVERSITY & GENDER EQUALITY

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SUSTAINABILITY POLICY

GOALS 2030

KEY ACTIONS

KEY METRICS & TARGETS

ENABLERS

RESPONSIBILITY & MONITORING

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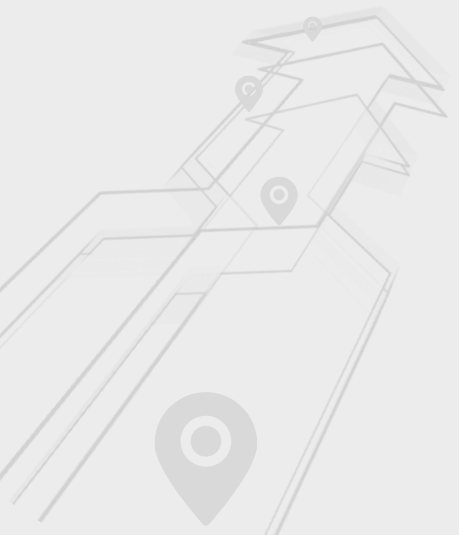
We're here for a good reason

To do good by bringing connectivity to everyone around the world, through outstanding fiber optic solutions.

With smart, reliable product and system solutions for passive fiber infrastructure, we accelerate the digital transformation for the benefit of businesses, individuals, and society at large.

Together, the companies in Hexatronic Group develop products and world-class solutions that create development opportunities for people across the world.

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"As a global player in fiber expansion,
we play an important part in helping to realize
Agenda 2030 and the UN Global Compact's ten
principles for sustainable enterprises.

Together with our employees, customers
and suppliers we want to contribute to a
more sustainable society and make
2020-2030 a decade of action."

Henrik Larsson Lyon
CEO Hexatronic Group

Hexatronic – a top ranked company

Ranked in the top 5% of sustainable listed companies when it comes to anti-corruption 2019.

Among the top 25% listed companies to incorporate the 17 global goals for sustainable development in the business.

Ranked in place 5 of sustainable listed companies – category Capital Goods – in 2020.

Sustainability policy

We take a holistic approach to sustainable development. This means respecting and protecting the environment, human rights, employee rights and business ethics.

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ECONOMIC RESPONSIBILITY

We strive to be a positive force with a local and global presence, whereby the Group works and makes wise investments for the future.

Economic responsibility – for all companies in our Group – means answering for a stable, profitable yet ethically justifiable development over time.

ENVIRONMENTAL RESPONSIBILITY

We shall protect the environment for present and future generations by preventing emissions and minimizing resource use in our product handling.

Environmental work is an integral part of our day-to-day work, and we strive to reduce negative impact both locally and globally.

SOCIAL RESPONSIBILITY

We see differences as an asset. Diversity strengthens our expertise and competitiveness. We aim to offer an inspiring working environment that brings job satisfaction, enjoyment, health and profitability while preventing injury and exclusion from working life. Our workplaces shall be equal, safe and secure, free from drugs and sexual harassment. Locally and globally we support initiatives and operations that strive for a socially sustainable future.

LEGAL REQUIREMENTS & GUIDELINES

We shall comply with applicable laws and requirements on our operation and products. Our code of conduct is to be characterized by a high standard of business ethics.

People working for Hexatronic are entitled, without the risk of reprisal, to report any such conduct that they deem to infringe on legal requirements or our guidelines.

Goals 2030

In 2030 Hexatronic Group aims to…

LOW CLIMATE IMPACT
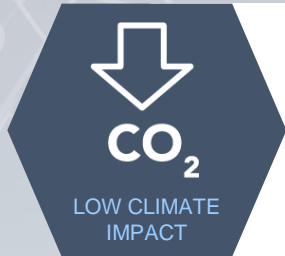
- Reduce scope 1, 2 and 3 GHG emissions by 50%
- Become a climate neutral business - own operations
- Declare the climate footprint for most of our products

GOOD HEALTH, SAFETY & WORKING ENVIRONMENT

- Be a great place to work with Zero Harm to our employees

SUSTAINABLE SUPPLY CHAIN

- Maintain a sustainable supply chain within the areas of: Environment, Human rights, Fair employment conditions, Working environment and Anti-corruption

DIVERSITY & GENDER EQUALITY

- Offer a gender equal and inclusive workplace with a high degree of diversity

STRONG BUSINESS ETHICS

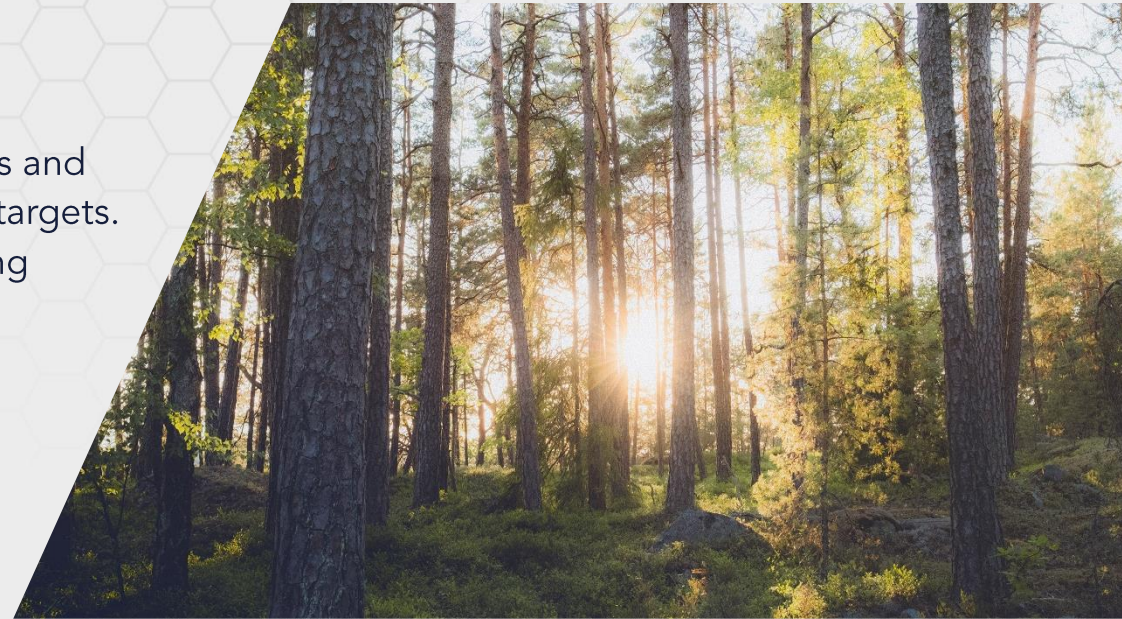- Comply with strong business ethics

SOCIAL INVOLVEMENT

- Make a positive difference in society

Low Climate Impact

Hexatronic recognizes the urgency of the climate crisis and commits to 1.5°C science-based emissions reduction targets. Our main focus is High Resource Efficiency and offering Climate Smart Products and Services.

This sustainability area supports SDG :
7.2, 7.3, 8.4, 9.4, 12.2, 12.4, 12.5, 12.8, 13.1, 13.3

| 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION |

KEY ACTIONS

1. Increase the use of renewable energy in our facilities and production sites
2. Map energy savings and implement energy efficiency programs for our buildings and sites
3. Reduce goods transports by optimizing pack sizes, coordinating product deliveries, improving forecasting and establish local production
4. Change mode of goods transportation from air to shipping/train
5. Move towards a zero-emissions vehicle fleet
6. Reduce the use of virgin materials, increase recycling and reuse of material & products
7. Calculate our indirect emissions, scope 3
8. Calculate and present the carbon footprint on our most common products
9. Develop and offer the market CO_2 "friendly" products and services
10. Introduce new climate adapted materials and technologies
11. Replace plastic packaging with renewable/biodegradable materials
12. Increase the number of travel-free meetings, online training and field support
13. Use suppliers with a clear focus on low climate impact

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Sustainable Supply Chain

Securing a sustainable supply chain is a vital part of our strategy to deliver value to our customers and contribute to a sustainable development.

This sustainability area supports SDG:
5.1, 7.2, 7.3, 8.4, 8.5, 8.7, 8.8, 9.4, 10.2, 12.2, 12.4, 12.5, 13.1, 16.5

KEY ACTIONS

1. Ensure that the Code of Conduct for Suppliers is known and respected by the suppliers
2. Evaluate the compliance of our Code of Conduct by doing desk-top and on-site audits on a regular basis
3. Define the criteria for being a sustainability approved Hexatronic supplier
4. Use sustainability as a criteria when selecting new suppliers
5. Ensure sustainability competence among purchasing positions

6. Perform regular risk analysis
7. Ensure internal and external due diligence of existing procedures, training, control mechanisms
8. Collaborate with suppliers in relevant sustainability issues
9. Demand selected suppliers to commit and work towards the 1.5° degree target
10. Use suppliers with a clear focus on low climate impact

Strong Business Ethics

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It is important that our customers, investors and other stakeholders feel trust in Hexatronic and know that we represent a high level of business ethics.

This sustainability area supports SDG:
5.2, 16.5

5 GENDER EQUALITY

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

KEY ACTIONS

1. Ensure that the Code of Conduct is known and respected
2. Conduct refreshing training on Code of Conduct
3. Perform regular risk analysis

4. Implement internal and external control systems
5. Implement systems for due diligence of intermediaries

Diversity & Gender Equality

At Hexatronic Group we believe that a diverse workforce is crucial in creating the innovative climate required for long-term commercial success.

This sustainability area supports SDG:
5.1, 5.5, 8.5, 10.2

KEY ACTIONS

1. Ensure that the Diversity and Gender Equality policy is known and respected
2. Conduct refreshing training on gender equality, diversity and inclusion
3. Train managers in gender equality, diversity and inclusion from a business and leadership perspective
4. Include diversity and gender equality in processes like recruitment, wage setting, competence development, promotion and redundancy
5. Conduct gender pay gap analysis to ensure all employees are paid equally for the same work

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Good Health, Safety & Working Environment

Our employees should feel safe and secure with the way we manage the working environment. Employee wellbeing is always in focus and we care for the work-life balance of our coworkers.

This sustainability area supports SDG:
3.4, 3.5, 3.9, 8.8

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

KEY ACTIONS

1. Expand the coverage of ISO 45001 in the group
2. Ensure that relevant policy documents are known and respected
3. Give Health and Safety priority in our agenda
4. Ensure systematic work for safe working environments, work-life balance and wellbeing

Social Involvement

We shall contribute locally and globally by supporting initiatives and non-profit organizations that strive for a socially and environmentally sustainable future.

This sustainability area supports SDG:
3.4, 4.3, 4.4, 4.5, 4.7, 8.6, 10.2, 12.8, 13.3

KEY ACTIONS

1. Identify and support non-profit organizations which are making a positive difference in society relevant to our employees or businesses

2. Increase the number of training opportunities, including apprenticeship, mentoring and work experience for young people or adults far from the labor market

3. Embed sustainability in our training modules where it is appropriate

4. Communicate internally and externally what we are doing within this area
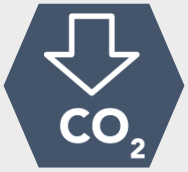
Low Climate Impact

Key metrics & targets

This sustainability area supports SDG :
7.2, 7.3, 8.4, 9.4, 12.2, 12.4, 12.5, 12.8, 13.1, 13.3

Key metric	2019 Baseline	2022	2025	2030
Climate intensity, scope 1-2, tonnes CO_2e/MSEK sales	2.5	2	1.75	1.25
Climate intensity, scope 3, tonnes CO_2e/MSEK sales	No data	-20%	-40%	-50%
Energy intensity, MWh/MSEK sales	11.7	9	7	6
Calculated carbon footprint on products, % of total volume of products produced inhouse	0	75	100	100
Recycled materials in production, kg/MSEK sales	1,950	2,500	4,000	10,000

* A scope 3 inventory will be done during 2021

Sustainable Supply Chain

Key metrics & targets

This sustainability area supports SDG:
5.1, 7.2, 7.3, 8.4, 8.5, 8.7, 8.8, 9.4, 10.2, 12.2, 12.4, 12.5, 13.1, 16.5

Key metric	Baseline 2019	2022	2025	2030
Percentage of spend * from sustainability approved suppliers	0	30	60	90

* Direct materials and goods transports

Strong Business Ethics

Key metrics & targets

This sustainability area supports SDG:
5.2, 16.5

Key metric	Baseline 2019	2022	2025	2030
Percentage of employees who have signed the internal code of conduct	93	100	100	100
Percentage of selected positions who have received training on Code of Conduct	*	100	100	100
Number of confirmed instances of corruption	0	0	0	0

* A sustainability week was organized regarding strong business ethics in December 2018

Diversity & Gender Equality

Key metrics & targets

This sustainability area supports SDG:
5.1, 5.5, 8.5, 10.2

Key metric	Baseline 2019	2022	2025	2030
Gender equality, per cent (board, GMT, managers, all employees)	27*	30	35	40
Percentage of employees who have had an annual performance review	96	100	100	100
Percentage of employees who find that Hexatronic is an equal and inclusive workplace	91**	95	97	100
Number of confirmed instances of discrimination	1	0	0	0
Equal pay index	No data	93	95	100

* An average number based on the per cent of women in different positions in the group
** Employee survey 2020
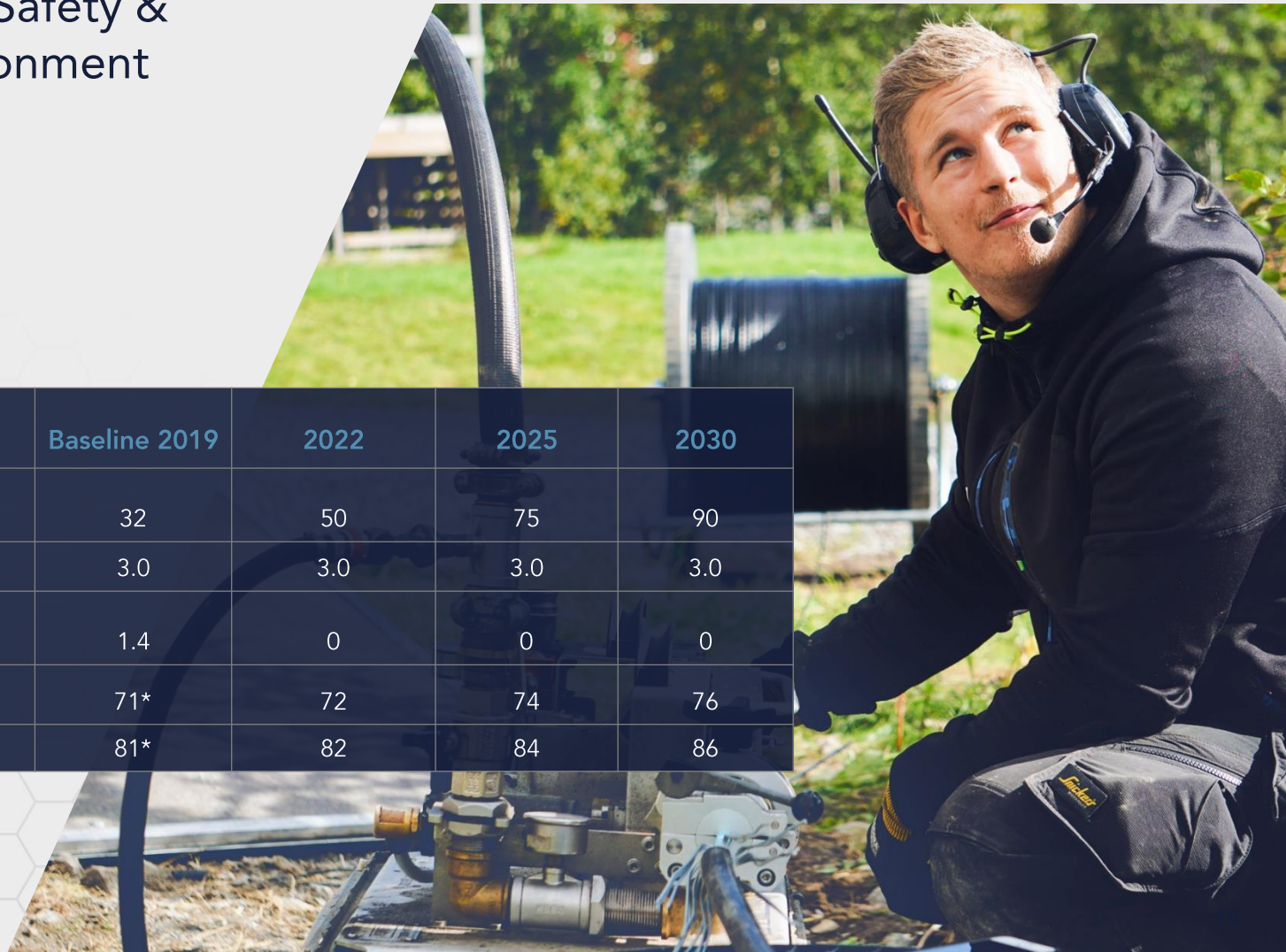
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Good Health, Safety & Working Environment

Key metrics & targets

This sustainability area supports SDG:
3.4, 3.5, 3.9, 8.8

Key metric	Baseline 2019	2022	2025	2030
Percentage of employees covered by ISO 45001 or similar in the Group	32	50	75	90
Sick leave, %	3.0	3.0	3.0	3.0
Work-related accidents with absence more than 24 hours, frequency	1.4	0	0	0
Employee Satisfaction Index	71*	72	74	76
Employee Loyalty Index	81*	82	84	86

Employee survey 2020

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Social Involvement

Key metrics & targets

This sustainability area supports SDG:
3.4, 4.3, 4.4, 4.5, 4.7, 8.6, 10.2, 12.8, 13.3

Key metric	Baseline 2019	2022	2025	2030
Percentage of employees who find that Hexatronic is making a positive difference in society	No data	75	80	100

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Enablers

These enablers are crucial to reach the goals, targets and key actions defined in our sustainability roadmap

INTEGRATED PART OF THE BUSINESS

Sustainability needs to be a natural and integrated part in our decision-, steering-, monitoring-, acquisition- and planning processes.

INVOLVEMENT & COLLABORATION

To find the best solutions we need to involve and collaborate with our employees, customers, suppliers and other stakeholders.

COMPANY CULTURE

Besides setting up good structures we also need to achieve a beneficial company culture. The management and sales force are leading the way, "walk the talk".

INSPIRATION AND AWARENESS

To foster creativity and support positive action we need to inspire and create awareness through training, communication and best practice.

Responsibility & monitoring

RESPONSIBILITY

Each subsidiary in the Group is responsible for contributing to a positive development of the sustainability roadmap.

Relevant targets and key actions should be embedded into the business plan of each company. The commitment from the Board, Group Management Team and CEO is crucial for our success.

MONITORING

We measure our progress on a regular basis. Responsibility for driving, supporting and monitoring developments lies at the group-wide level. We report our performance annually and make it available in our sustainability report and on our website: www.hexatronicgroup.com

READ MORE IN OUR ANNUAL SUSTAINABILITY REPORT

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Become a part of our sustainability journey!

READ MORE: hexatronicgroup.com/en/sustainability/