HERE Technologies Directors' Report 2021

HERE International B.V.

On time
Capacity: 25%

Tracking   Uploading

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A year in review

HERE Technologies CEO Edzard Overbeek on the 2021 financial year

2021 was a year where resilience and adaptiveness were critical keystones for businesses everywhere. With the impacts of the ongoing pandemic, global chipset shortages and supply chain logjams, HERE and many of our largest customers faced some significant headwinds. However, I am proud of how HERE navigated through the challenges to deliver a 12% increase in revenue and improved profitability, while adding 390 new logos to our client base. During 2021, we also continued to make important strategic investments into our platform to ensure we can meet our customers' evolving needs over the long-term. Going into 2022, I believe HERE is well-positioned for the future.

Those who have followed our company's progress in recent years know that a key element of our strategy has been to broaden and deepen HERE's presence in the automotive sector, while simultaneously extending our platform into other industries. Over 2021, we are pleased our approach continued to yield results.

For one, we were elated to be part of an autonomous driving milestone with Mercedes-Benz, which is deploying our HERE HD Live Map service in vehicles to help enable Level 3 automated driving in Germany under certain conditions. This is the first time we are supporting highly automated driving in production vehicles – a fantastic accomplishment for

the HERE team. It is just the beginning of a journey for our company as we help automakers worldwide deliver automated driving experiences enjoyed by drivers and passengers alike.

Another milestone reached has come through our collaboration with Vietnam's VinFast, which is the first automaker to deploy HERE Navigation, our Software-as-a-Service solution for connected navigation. As vehicle electrification continues to accelerate ahead, VinFast chose us to power the navigation experience in its first three smart electric car models. I look forward to seeing HERE Navigation out there in the world!

Equally exciting, we were pleased to see strong demand for our new ISA map data product, which we introduced to help automakers comply with the European Union's Intelligent Speed Assistance requirements applying to new-model vehicles from July 2022 and to all new vehicles sold in the EU from 2024. We have won the vast majority of ISA contracts, meaning that HERE will deliver speed limit information to an estimated 20 million vehicles across the EU by 2024 and 50 million vehicles by 2027. Additionally, with data feedback loops becoming increasingly important, HERE will also receive lots of data back to help us keep our speed data fresh for driver safety.

Our portfolio has helped enterprises address challenges in other markets too. In 2021, we announced collaborations with several leading brands: Lyft is using HERE data to improve the rideshare experience; Siemens Healthineers is using HERE software to track high-value medical equipment in real time; and Tata Consulting Services (TCS) is leveraging the HERE platform to help its customers address global logistics challenges.

Looking at the world today, these challenges are becoming increasingly complex. The pandemic has put supply chains under severe pressure. More than ever, enterprises need round-the-clock visibility, while fleets need to move as efficiently as possible to reduce emissions and keep a lid on costs as fuel prices rise to record levels. The HERE platform has a vital role to play and this is demonstrated by the strong business pipeline we have built across the transport and logistics ecosystem.

A key focus in 2021 was the development of a new highly automated mapping system that transforms how we create and update map content.

As ever, technology innovation is mission critical for our success. During 2021, we continued to develop our portfolio with the needs of fleets and supply chains front of mind, including ways we can help them reduce their costs and carbon footprint. More specifically, we now offer fleet managers a commercial fleet analytics tool that predicts the amount of carbon dioxide (CO_2) emissions per route, considering factors such as vehicle and fuel type, traffic conditions as well as the topography, curvature, slope and elevation of the roads on any given route. With sustainability high on agendas everywhere, it is a small but significant way we are leveraging location data to help companies transition to CO_2-neutral fleets.

Another key focus for us in 2021 was development of a new highly automated mapping system that transforms how we create and update map content. This is an important investment for us and will ensure that our platform can rapidly ingest and process data from a variety of sources that can tell us how the world is changing. The new mapping system will also be a key capability for us to serve new and emerging 'spatial intelligence' use cases in the future. Spatial intelligence is where our industry is going next – it is all about digital twins, autonomous systems and predictive location services. We are presently preparing to roll out the system over 2022 and 2023 and are excited about the possibilities it will enable for all our customers.

Looking ahead, there continues to be uncertainty in the market associated with the pandemic, chipset supply and rising inflation, not to mention the broader geopolitical unrest and instability in Eastern Europe. We continue to monitor these dynamics carefully and will adjust as necessary. That said, I am optimistic about the prospects for HERE and the underlying trends in our market. We have a strong and continuously evolving product portfolio and I believe we are in a good position to take advantage of the growing need for location content and software. I look forward to HERE's journey ahead.

Thank you for your continued support. On behalf of all our global team at HERE Technologies, we wish you a successful, healthy and happy 2022!

Spatial intelligence is where our industry is going next – it is all about digital twins, autonomous systems and predictive location services.

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Company overview

#1

HERE Technologies is a leading location data and technology platform for businesses, cities and the public sector. Our mission is to enable a digital representation of reality that radically improves the way the world lives, moves and interacts. HERE is backed by a group of leading global brands: Audi, BMW, Bosch, Continental, Mercedes-Benz Group, Intel, Mitsubishi Corporation, NTT and Pioneer.

Founded in 1985, the company started out creating a digital map database of the Californian Bay Area. Today, organizations use the HERE platform to access map and location data as well as create their own maps and customize location-based services, all in a private and secure manner.

HERE employs more than 7,000 people across 52 countries and serves more than 1,300 unique enterprise customers. We also serve a large network of developers directly through the HERE platform as well as indirectly through third-party ecosystems where we make our location data products, services and applications available.

Our largest industry is the automotive sector, where our map data has been installed in more than 160 million vehicles globally. We also serve businesses in other industries, including transport and logistics, technology, media, telecommunications, retail and the public sector.

HERE has been ranked as the number one global location platform in key analyst evaluations for four consecutive years

#1 global location platform

"HERE has become the 'Switzerland of location platforms' with an open, neutral and privacy-centric offering compared to Google or other vertical players" – Counterpoint Research, January 2022

"Forging partnerships, its open platform approach, and tech innovation remain key pillars of [HERE's] strategy and forward looking vision, as location services and location intelligence become democratized beyond core use-cases in automotive, mobility services, on-demand and asset tracking" – Strategy Analytics, May 2021

"HERE has been ahead of Google in the completeness of its offering for some time and, thanks to a growing developer base and a continuously improving open developer framework, has closed the gap with Google in terms of reach" – OMDIA, July 2021

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Market trends

Dozens of use cases have a need for location content and software. Applications range from vehicle navigation and last mile delivery to trip planning and fleet optimization, which together form a market for location intelligence that was worth about €10–12 billion in 2020, according to an external market study. Over the next decade, we see the market growing significantly both in application scope and value.

We project an expansion of this market for two key reasons. One relates to technology: Businesses are accessing ever larger quantities of location data thanks to low-powered sensors and good connectivity, while advanced software, analytics and AI are providing the tools to make greater use of it. The other has to do with motivation. Several market trends are compelling businesses to invest in incorporating location content and software into their business systems, operations and applications.

They include:

ESG and sustainability, with location data assisting in the optimization of the environmental impact of supply chains and enabling electric vehicles' efficiency;

Smart edge, where an increasing number of connected devices are capturing real-time location data

Ubiquitous connectivity, where businesses have continuous awareness of their assets and operations across all locations;

Autonomous assets, where precision location data is required for drone and machine navigation;

Reconfiguring value chains, where location contextual awareness enables more efficient transportation of goods; and

Data privacy and security, where enterprises seek 'trust platforms' for their proprietary data.

Over time, we expect market and technology developments will give rise to potentially dozens of new location-enabled applications. Unlike today's applications, these next generation applications will require larger pools of location data and much deeper access to spatial context. Customers will need a precise understanding of how objects, systems and people interact with one another on the move. We also see the concept of digital twins expanding from machines, factories and buildings to cover our roads and cities and beyond, enabling sophisticated predictions and simulations of traffic and future states in real-world environments.

We characterize this large market shift as one from location intelligence to *spatial intelligence*, and believe it represents a significant opportunity for HERE. By 2025, according to an external market study, the total addressable market for location intelligence and spatial intelligence could be worth €20–25 billion.

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We are HERE Technologies

Location expertise

35+
—
Years in
map making

#1
—
Location
platform
in analyst
evaluations[1]

Developer community

2m+
—
Indirect
developers[2]

500k
—
Direct
developers

Operating at scale

160m+
—
Vehicles with HERE
maps on board

100bn
—
API calls
per month

200
—
Countries &
territories

37k
—
3D
landmarks

197m
—
Points of
interest

141m
—
3D building
footprints

30m+
—
Est. vehicles
providing HERE
real-time sensor &
probe data in 2022

3.8k+
—
Patent
assets

Customers and strategic partnerships

1.3k+
Unique
enterprise
customers

accenture · AT&T · Alibaba.com · DESCARTES · Atos · Bai度百度 · Capgemini · CISCO

mastercard · Microsoft · SAP · SIEMENS · Telefónica · verizon · vodafone · Mahindra

ORACLE · VW · LG · HYUNDAI · HONDA · mazda · TOYOTA · Singtel

SK telecom · aws · PSA GROUPE · Tencent 腾讯 · FUJITSU · experian · T··Mobile· · esri

1. As recognized by Strategy Analytics (04/2021), OMDIA (07/2021), and Counterpoint(12/2021)
2. Defined as developers that can access HERE's Content & Software through integrations with HERE Partner platforms – Source: HERE management

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Strategy

HERE's location platform provides customers with access to map content, platform software, application software, professional services and technical support. With our platform, organizations can:

→ Access the largest set of curated map data with 800 attributes, covering up to 200 countries and territories;

→ Build location-based applications and solutions with standard definition (SD), high definition (HD) and 3D datasets, all in one place;

→ Source, process and use location data with simplified workflow management and a flexible consumption model;

→ Manage privacy risks with HERE anonymization and consent management technology;

→ Adapt HERE standard routing, search, rendering and transit algorithms with their own data and rules;

→ Create a private map grounded in the live context of their own organization; and

→ Track assets and fleets.

Our strategy is to deliver and scale our platform to serve a variety of use cases in the location intelligence market. We also aim to develop our platform and portfolio to address opportunities in the emerging spatial intelligence market.

Scaling our portfolio for location intelligence

We expect market and technology developments to increase demand for location intelligence. For example, automakers are prioritizing the development of connected, electric and autonomous vehicles that will need to interoperate with complex and changing urban mobility and infrastructure solutions. In parallel, transportation and logistics businesses worldwide continue to invest in modern fleet management, supply chain visibility and last mile service and delivery capabilities that can only scale as part of a global location technology ecosystem. We are positioning our platform and product portfolio to capture value from location intelligence use cases in these markets and beyond.

Driving our location platform technology advantage and becoming the trusted enabler for spatial intelligence

Our platform is highly scalable, industrial grade and multi layered. It is architected to capture and process massive volumes of location data, both in standard and high definition, and make that data useful for a wide range of solutions. Over the near and medium term, we seek to build upon and advance our capabilities to further strengthen the company's competitive positioning. During 2022, we are driving several initiatives to meet this goal, including:

→ Enhancing and scaling self-serve capabilities to enable many more customers to use our platform quickly and seamlessly;

→ Developing and deploying a new mapping system that automates the creation of map content from end to end wherever possible and logical; and

→ Leveraging our new mapping system to enhance our customers' ability to create private maps and customize location services using their own data and logic.

We also believe these initiatives will support HERE's strategy to become a central and trusted enabler of the spatial intelligence era over the long term. The development of the spatial intelligence market will be marked by an unprecedented increase in location data and we envision our platform playing a key role in helping our customers leverage this data to develop advanced location services.

Expanding our customer base

We continue to progress our strategy to widen the reach of customers that are using our platform and products. In 2021, we welcomed 390 new customers, expanding our overall customer base to more than 1,300.

Our go-to-market approach is focused on building deep and trusted relationships with customers, partners, and developers. This strategy has yielded opportunities to power various location relevant aspects of some of the world's leading brands in online commerce, logistics and enterprise software.

We also explore innovative uses of location technology together with our customers. Co-creation is a tool for innovating on top of HERE's standard solutions or developing new technology that can also be made available to others.

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Competitive environment

For the past four years, HERE has been ranked by industry analysts as the world's leading location platform. Notable players in the location platform market are HERE, Google, Mapbox and TomTom. There are also additional companies that compete with portions of our portfolio, including content (e.g., HD mapping and niche location data providers), platform software (e.g., big data processing) and application software (e.g., fleet software and supply chain software). Based on our portfolio and competitive positioning, we believe that we are well-positioned to serve enterprise needs across multiple businesses and use cases.

Competitive strengths

We believe that the following strengths differentiate HERE and will enable us to continue our leadership position in our target markets.

→ Location DNA: We bring 35 years of industry recognized location expertise with the largest location data sets covering 200 countries and territories and 800 curated attributes. We have invested significantly in our location platform, including in artificial intelligence and machine learning capabilities to support the curation of geospatial data.

→ Open and customizable: Our platform enables high degrees of configurability to any participant or data set through standardization and data interoperability.

→ Multi cloud: Our multi-cloud architecture operates on a variety of cloud platforms, enabling speed to market as well as full flexibility regardless of where customer data sits.

→ Data ownership: Our platform preserves data ownership and provides customers with complete control to monetize and exchange their data.

→ Shared economics: We offer flexible business and consumption models to complement the value chain and monetization preferences of our customers.

→ Privacy by design: Our secure enterprise grade approach provides high levels of data privacy and security.

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Portfolio

Products and Services

HERE delivers location content along with application and platform software, all of which can be coupled with professional services. We continue to invest significantly in both our content and software activities. We expect our content business to remain attractive and profitable in the future, with solid growth over the next years. We expect software to be a high growth business.

Importantly, our content and software activities are integrated and share assets and go-to-market resources. They are also highly complementary. Content provides an important foundation upon which we can build our software business, while our software delivers data and helps us curate our content. We intend to leverage this mutual reinforcement loop as we scale our business and drive value for our customers.

HERE's comprehensive product portfolio and technology stack

Professional Services and Technical Support				

Software

					Self serve and builder experience
Application	Automotive applications	Logistics applications		Consumer applications	**Buy HERE products and build your private location intelligence**
Location Services and Development enablers	SDKs				**Template workflows with low-code tools**
	Routing	Positioning	Geocoding & Search	Rendering	- Visualize data - Generate insights - Build applications - Develop services - Make maps - Monetize assets

Content

	Core Content	Spatial & Dynamic Content	
Map Content	SD Map HD Map ADAS	Places & Points Events (Incidents & Hazards) Parking 3D and Visuals Traffic	Indoor Maps EV Charging	Marketplace
				Studio
Data	Probe data	Lidar data	Vehicle sensor data	Satellite images	Street level images & video	Workspace

Platform Foundation				

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Our content portfolio

(82% of total 2021 revenue)

We offer standard definition (SD) maps, high definition (HD) maps, advanced driver assistance system (ADAS) maps, and dynamic content offerings (real-time traffic and weather, among others). These offerings provide various benefits to our automotive and multi-industry customers. For instance, our SD map content supports navigation and routing for our OEM customers, and our real-time traffic content enables customers to determine highly accurate estimated times of arrival. In addition to an established installed base in the automotive industry, we are experiencing increased demand with customers in other industries and expect that trend to continue.

Our software portfolio

(18% of total 2021 revenue)

Our software leverages our industry leading location content to provide the tools to extract insights from HERE and customers' own data. Our application software consists of vertical solutions tailored towards focus markets including connected driving, automated driving, fleet management and supply chain. For example, HERE Tracking provides multi-modal tracking both indoors and outdoors, and in online and offline mode. Our platform software is composed of location services that consist of APIs and SDKs for geocoding, search, routing, map rendering and more for use within customer applications. Our platform software is also composed of middleware environments, including HERE Workspace which provides tools for developers to build location applications, create maps and customize services. We expect to experience continued growth in our software business through increased adoption of existing and new products through a multi-channel go-to-market approach that integrates market and account driven 'land and expand' models.

New products and services for 2021

During 2021, we announced several new products to expand the possibilities for our customers to create value with location content and software. These included:

→ a private mapping service – HERE Map Making – that enables customers to create and maintain private maps using their own sensor data (software);

→ anonymization solutions, privacy diagnostic tools and blockchain-based consent management technology that can help customers meet their privacy obligations (software);

→ 3D models of 70 city centers around the world that software developers in the logistics, entertainment, automotive and other industries can use to build real-world visualizations of cities (content);

→ a new data service derived from probe data that delivers insights on how road users and vehicles move across the transportation network (content);

→ an advanced real-time traffic service that introduces new lane-level information and expanded inner-city coverage to help drivers reach their destinations more efficiently and stress-free (content); and

→ an Intelligence Speed Assistance (ISA) map that delivers vehicle systems and drivers fresh and accurate speed limit information on any road, and which is designed for automakers to comply with new EU regulation (content).

Revenue model

Across our products, we primarily use three distinct business revenue models:

→ One-time licensing: Includes a typical point of sale (POS) based revenue model where customers purchase the right for perpetual usage of an offline product. This license can include update rights as an upsell, in which case a portion of the revenue recognition is deferred.

→ Recurring: Composed of two types of recurring revenues: subscription based revenue and consumption based revenue. In subscription based revenue, the customer 'rents' software or content from HERE for the duration of the use of these materials and pays an ongoing periodic fee that is typically based on the tier of subscription. In consumption based revenue models, the customer pays a fee per every use or duration of usage. Consumption fees are predominantly driven by number of transactions or service usage.

→ Other: Includes payment as a share of third party revenue or as a one-time consulting fee from professional services. Revenue recurrence is generally volatile depending on services provided.

HERE expects its overall revenue to be increasingly composed of recurring revenue, primarily driven by growth in our software business and our continued expansion into a multi-industry provider.

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HERE WeGo

An important part of our portfolio is HERE WeGo, our free navigation application for consumers. HERE WeGo offers voice-guided turn-by-turn navigation for 126 countries in 38 languages. During 2021, we refreshed the HERE WeGo experience with the aim of making HERE WeGo a comprehensive trip companion.

HERE WeGo is a way for consumers to tap into a wider mobility ecosystem. For example, the application offers ridesharing options with Lyft, accommodation offers with Booking.com, ticketing for inter-city journeys with Flixbus, and fuel payment with ryd.

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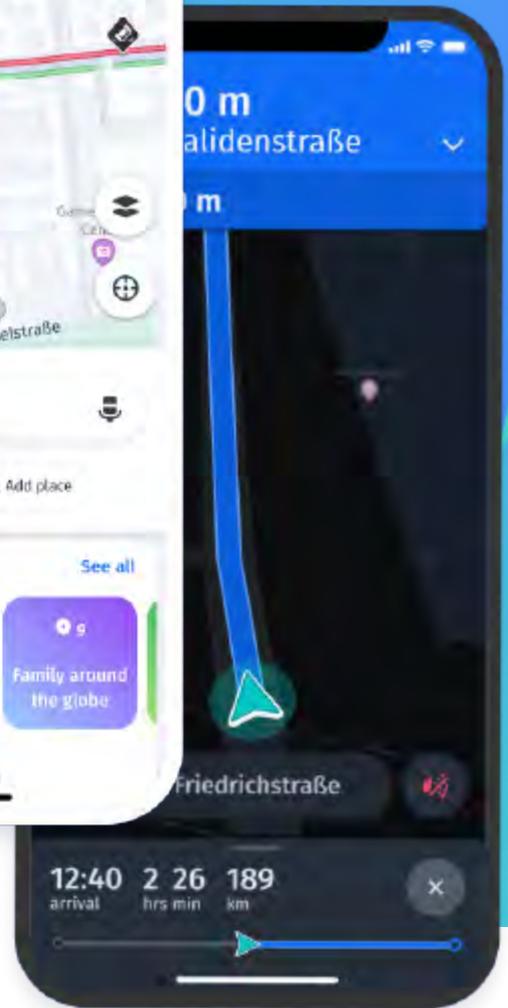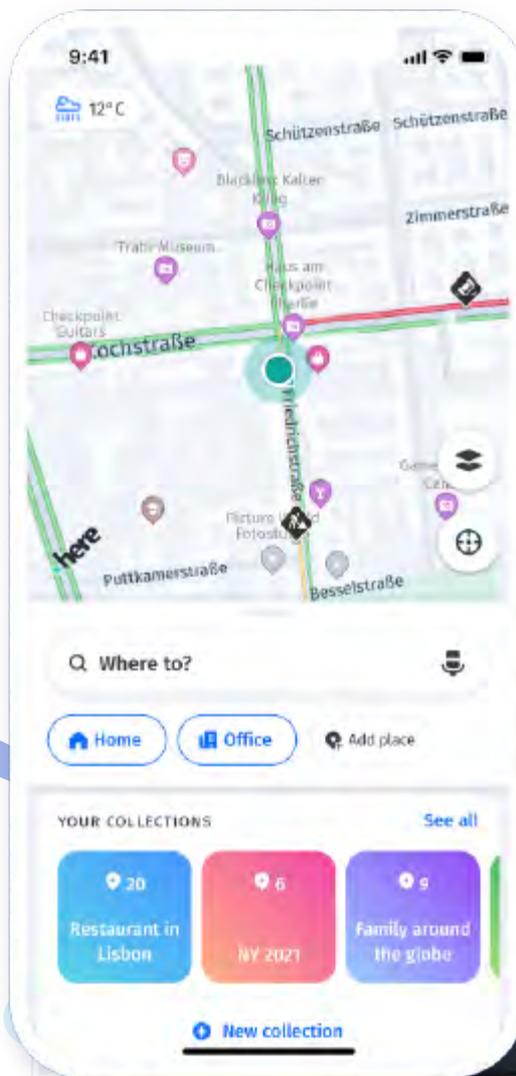
Customers and strategic partnerships

We have more than 1,300 customers in various global industries. Alongside supporting several major automotive OEM brands, the company counts numerous blue chip enterprises and fast growing technology companies among its customers and partners. During 2021, we publicly announced several new and expanded collaborations to extend the reach of HERE location data and technology. These included the following:

→ A collaboration with Deutsche Bahn, which is leveraging the HERE platform to create its own HD maps from proprietary sensor data captured by LiDAR sensors on its trains as part of an effort to boost railway system capacity, efficiency and reliability;

→ A collaboration with Lynk and Co. to power the global mobility brand's first car with HERE's premium map content and connected vehicle services;

→ A partnership with Leia Inc., the leading provider of Lightfield hardware and content services, and Continental, a mobility supplier, to bring 3D maps and navigation onto Lightfield displays for automotive OEMs;

→ A collaboration with Unity, a leading platform for creating and operating real time 3D (RT3D) content, to develop next generation embedded automotive Human Machine Interfaces (HMI) with state of the art, RT3D rendering capabilities;

→ A collaboration with Siemens Healthineers to enhance supply chain visibility of time critical, high value medical equipment;

→ An agreement with Arrival, the electric vehicle group, which has selected HERE to power its in-vehicle HMI navigation solution;

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→ A collaboration with ABAX, a leading telematics company, which has switched to HERE as its default map provider;

→ A partnership with Tata Consultancy Services to enable location-based innovation for its IoT-enabled fleet management solution;

→ A collaboration with Wipro to offer location-based services to customers in a variety of industry verticals, including energy and utilities, manufacturing, transport and logistics, telecom and automotive;

→ A collaboration with Porsche and Vodafone to trial how 5G technology and highly precise location determination can improve traffic safety and reduce road accidents in the future;

→ A collaboration with Lyft, which is using HERE map data and location services to improve the rideshare experience for its customers;

→ A collaboration with Mercedes-Benz, whose DRIVE PILOT technology is leveraging HERE HD Live Map. DRIVE PILOT is the first commercially available SAE (Society of Automotive Engineers) Level 3 automated driving system designed to operate a vehicle under certain conditions in Germany;

→ A collaboration with SAIC Motor Overseas Intelligent Mobility Technology Co., Ltd, the overseas entity of China's largest automaker, which selected HERE to power the connected In-Vehicle Infotainment (IVI) systems of MG cars in Thailand, Oceania and Europe; and

→ A collaboration with Autoliv, the worldwide leader in automotive safety systems, which is using HERE Speed Limits, Fleet Telematics and Weather APIs for its Connected Safety Services.

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During 2021, HERE also announced that multiple organizations have joined the HERE Marketplace, including A1 Telekom Austria Group, CustomWeather, StreetLight Data, Tomorrow.io, Lifesight, Increment P, and Hawa Dawa.

HERE sells its products and services to customers through a multi-channel approach, including field sales, inside sales, professional services, self-service channels, and jointly or indirectly through various partners. Our consulting, professional services and technical support activities are an important source of revenue for HERE and ensure that customers have different options to create value from HERE location services and their own location data.

Our field sales teams are organized across Europe, the Middle East, Africa; the Americas; and Asia-Pacific. We focus marketing efforts on generating opportunities for our sales teams and partners, increasing awareness of the HERE brand and showcasing our offerings' benefits and values. We market our portfolio in a variety of methods and channels, including through industry events such as CES and IAA Mobility, articles, webinars, and joint marketing with partners.

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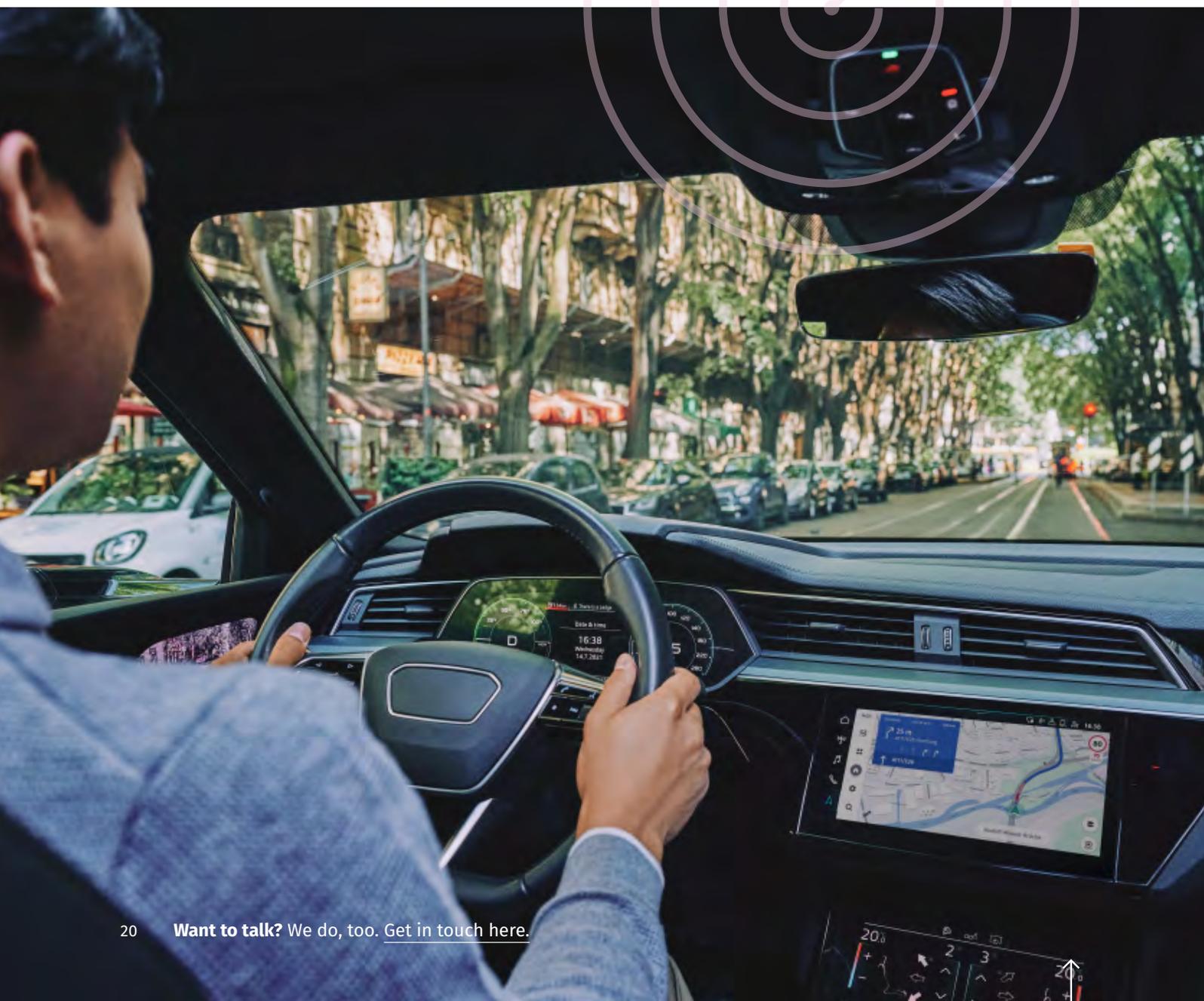
Developer experience

The HERE platform is a place where developers can turn location data into business value quickly, efficiently and at scale. Developers use the platform to access HERE's large portfolio of enterprise-grade map content as well as leverage location services such as routing, geocoding, search and positioning.

HERE has 500,000 developers registered on its platform, ranging from data developers and data scientists to business analysts and map creators. We estimate that a further two million developers access the capabilities of our platform through partner ecosystems such as AWS, Azure, Red Hat, Salesforce's MuleSoft and Alibaba.

Our developer strategy is vital to the success of the HERE platform. We are working extensively to attract developers to the HERE ecosystem, raising awareness through community-building efforts such as hackathons. We also continue to invest in improving the experience developers have across the development lifecycle.

In 2021, and continuing in 2022, a key focus is on the development of a low-code/no-code environment for easy visualization and management of location-centric workflows. For example, we offer dedicated templates to aid developers in tasks such as creating a private map using their own location data or customizing a HERE location service with their own business logic.

Another key focus is on rolling out self-serve functionality. Our aim is to enable developers to view and purchase all HERE offerings and those of our partners via HERE Marketplace quickly and seamlessly, thus supporting our ability to scale.

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Research & Development

HERE's product management, product development and long-term research activities are led by our Product & Technology team. We also have a Platform Foundation team that consolidates our content engineering activities as well as a Data team whose responsibilities include data monetization and the operation of our IT, cloud and security infrastructure.

Product & Technology, Platform Foundation and Data work together to enhance the usability, functionality, reliability, quality, security and performance of our portfolio, as well as ensure that our platform caters to our customers' needs and expectations. The teams have embedded key principles of customer centricity, quality and productivity in their ways of working. They also employ DevOps practices and agile methodologies to help ensure that HERE collaborates effectively both internally and externally. Co-creation with customers is a powerful engine for innovation at HERE as it allows us to apply our content and software to their unique context, while continual feedback loops guide development and iteration throughout the development lifecycle.

Ongoing development of our new highly automated mapping system

During 2021, a key focus for HERE was on the development of a highly automated, real-time content creation system that automates map content creation end to end wherever possible and logical. The system leverages our platform's service-oriented architecture and microservices to manage content and mapmaking efficiently and at scale. We have been developing the system in a co-creation model together with selected customers that have demanding requirements for map content. The approach has allowed us to incorporate their needs both today and in the future into the system's design. Work continues ahead of a planned rollout for all HERE customers in 2022 and 2023.
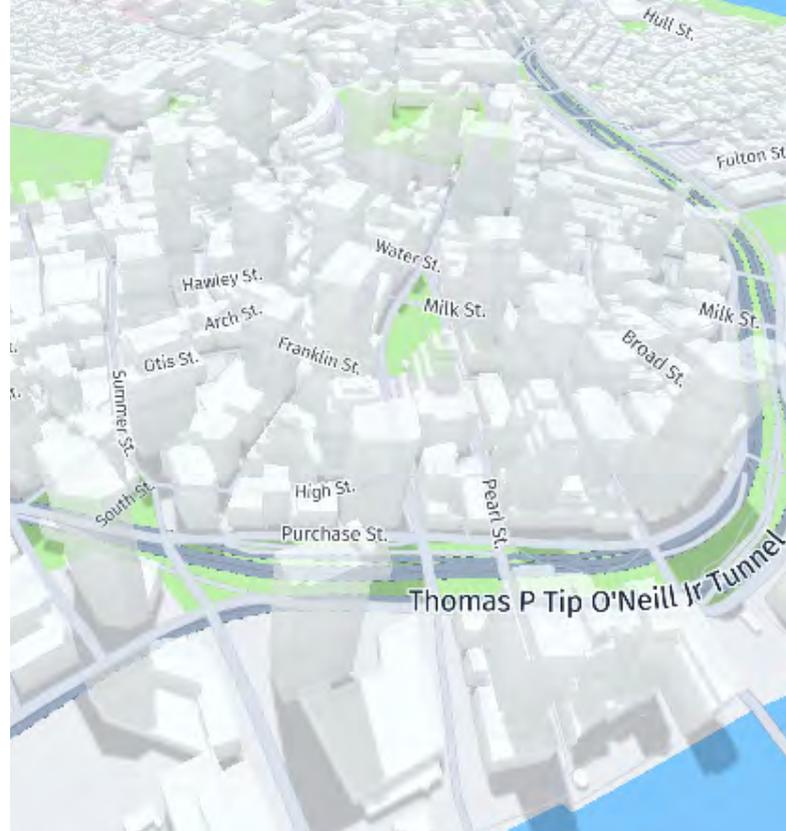
Building a best-of-breed technology stack

We also continue to invest in the development of several other technologies that each have a vital role to play in the location development lifecycle. These include artificial intelligence (AI), which is employed in various parts of our technology stack to process real-world location, and blockchain technology, which we use in our privacy solutions and as an enabler for 'trusted location' solutions. We also operate a Kubernetes layer as a key part of our platform, which enables HERE to serve certain customers that want to run their operations and applications on different public clouds.

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**Powering location content
and software with the help of AI**

AI is crucial to our success. At HERE, we apply machine learning and AI to better understand how the world around us has changed and how it might change a minute, day or month from now. Altogether, we have more than 140 engineers and researchers actively building with AI and machine learning.

A key focus is applying deep learning methods to automate the processing of data from sources we use to produce maps – such as vehicle sensor data, cameras, LiDAR and aerial imagery.

Advanced data processing like this is becoming especially important for HERE as we roll out our new highly automated mapping system.

We also develop AI systems with a sophisticated capacity to learn and adapt independently of human design. Our longer-term research explores the utility of neural networks in predicting traffic and future states. Real-world environments are inherently complex and AI is indispensable for accurate and efficient projections about traffic scenarios. HERE applies machine learning and AI to altogether dozens of different problems, some in collaboration with customers and institutions like IARAI (Institute for Advanced Research in Artificial Intelligence). We believe our AI and machine learning capabilities will help HERE play a leading role in the spatial intelligence market.

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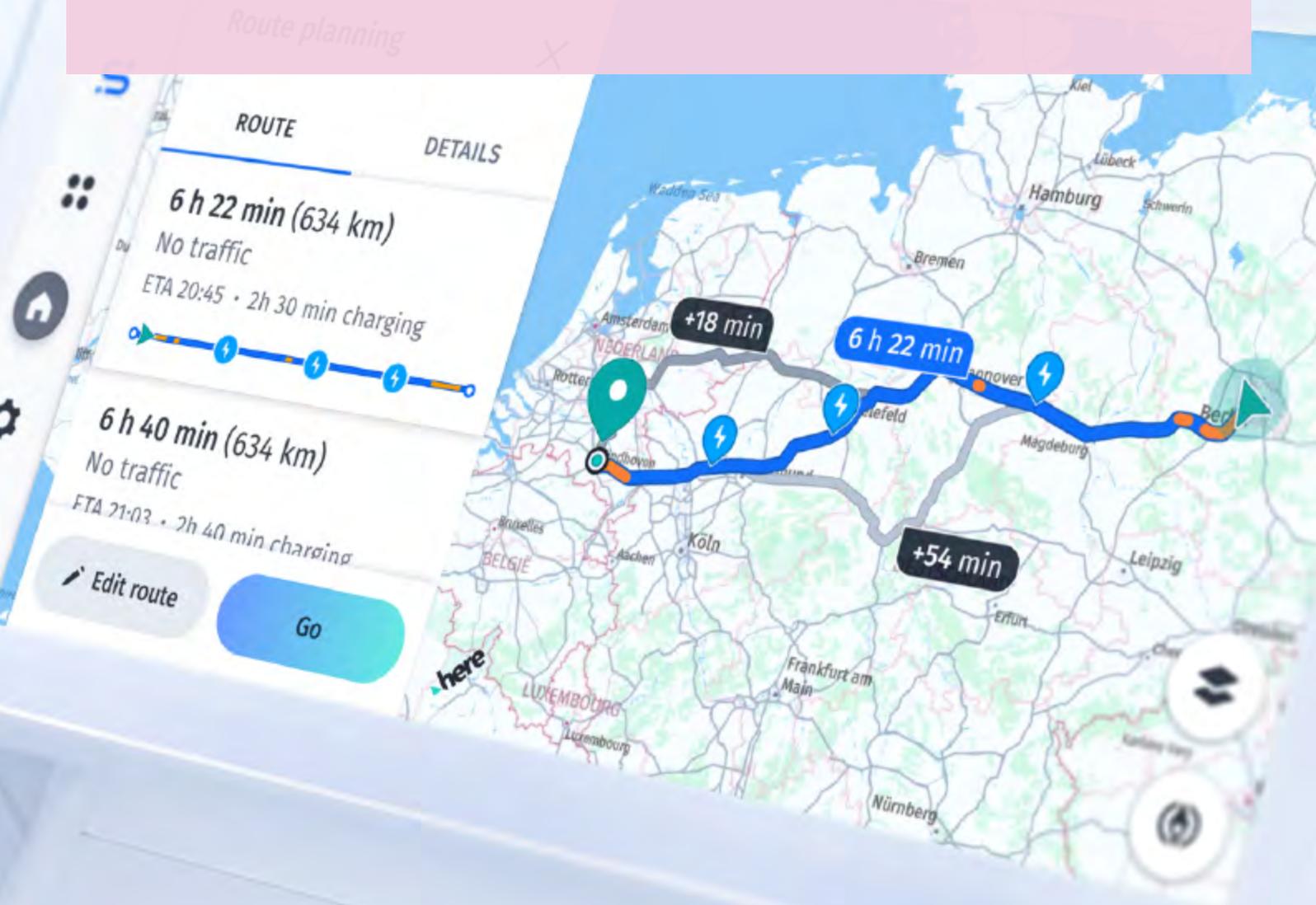
Today, HERE uses AI/ML primarily to reproduce and automate our existing representation of the world, which our customers can then consume

For tomorrow, HERE is developing location-aware AI to enable customers to act in an autonomous world

→ Category and location aware semantic similarity for the removal of duplications in points of interests (POIs)

→ Dynamic existence pattern derivation and operational status confidence estimation for place listings

→ Deep Learning-based computer vision and NLP (natural language processing) techniques for map feature extractions such as 2D and 3D positioning of signs, streets and places to enhance standard and high definition maps

→ Neural embeddings-based multi-source fusion (aggregation, conflation and alignment) of disparate observation sources such as sensor, street imagery, satellite imagery for continuous map learning and updates

→ Event-based real-time congestion detection to predict and estimate traffic incidents

→ AI/ML at the edge that enables device-level detection of 'location contextual signals'

→ Flexible routing algorithms that incorporate user-defined constraints

→ Semantic searches based on Location Graph APIs

→ Predicting future road traffic states and Estimated Time of Arrival (ETA)

→ Simulating and predicting movement and future states in real-world environments

→ Object detection and localization at perception stack level

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2021 Financial overview

Year ended December 31 (€ million)	2021	2020	Change %
Net automotive sales	721	613	17.6%
Net non-automotive sales	225	230	-2.2%
Total net sales	**946**	**843**	**12.2%**
Cost of sales	**(219)**	**(181)**	**21.0%**
Gross profit	**727**	**662**	**9.8%**
Gross margin	**76.8%**	**78.5%**	
Research and development expenses	(496)	(508)	-2.4%
Selling, general and administrative expenses	(342)	(307)	11.4%
Other expenses, net	(2)	(4)	-50.0%
Operating income	**(113)**	**(157)**	**28.0%**
Financial expenses, net	(24)	(54)	-55.6%
Income before tax	**(137)**	**(211)**	**35.1%**
Income tax expense	(22)	(11)	100%
Net income for the year	**(159)**	**(222)**	**28.4%**
Adjusted EBITDA*	**106**	**64**	**65.6%**
Adjusted EBITDA margin*	**11.2%**	**7.6%**	

*A non-IFRS measure, Adjusted EBITDA is defined as EBITDA adjusted for the impact of certain non-cash and other items. These items include share-based compensation, transaction expenses and unrealized foreign exchange gains or losses that we do not believe reflect our underlying business performance.

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Sales/Gross profit

In 2021, HERE's net sales were €946 million, an increase of 12.2% compared to €843 million in 2020. Our sales are primarily derived from the licensing of our digital location content to customers. Net sales in our automotive vertical were €721 million (2020: €613 million) and in our non-automotive vertical €225 million (2020: €230 million).

Overall sales increased from the prior year but were below pre-pandemic levels. We faced headwinds in our automotive revenue primarily stemming from microchip shortages and supply chain constraints experienced by many of our customers. Despite these constraints, we increased automotive revenue 17.6% year-on-year. Our non-automotive sales decreased 2.2% due to timing and realization of opportunities in the pipeline.

HERE's cost of sales were €219 million in 2021, a 21% increase from €181 million in 2020. This increase is in line with the increase in automotive sales. Our cost of sales consist of costs to deliver our data to our customers, partners and developers in a physical format as well as to provide access via our cloud-based platform. Cost of sales also includes royalties to be paid to third-party data providers.

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€946m
net sales

€727m
gross profit

€106m
adjusted EBITDA

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Operating expenses

Our total operating expenses were €840 million in 2021 (2020: €819 million). Our operating expenses consist of costs to develop and sell current and future products, services and applications as well as general and administrative costs. During 2020, HERE implemented a series of effective countermeasures to strengthen our operating model, reduce costs, and drive efficiencies where possible, including renegotiating more favorable contracts and discontinuing third party spend. These measures continue to have a positive impact on our bottom line in 2021. Our overall operating expenses increased in 2021, reflecting how one-time personnel cost-savings generated in 2020 did not repeat in 2021. The net result from the previous year increased 28.4% despite sales increasing only 12.2%.

Research and development expenses include the costs of developing our digital map content database, our new highly automated mapping system, our platform, and software and services to support our customers across the automotive and non-automotive segments. HERE was able to maintain this focus while being more efficient. HERE invested €496 million in R&D during 2021, of which €156 million was related to capitalized development costs.

Financial expenses decreased 55.6% from the prior year. Interest expense remained the same from the prior year. The primary driver in the decrease is related to the revaluation of the monetary assets and liabilities. 2020 brought about an unrealized loss of €16 million while in 2021 we benefited from an unrealized gain of €17 million as a result of the USD:EUR exchange rate.

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Cash flow from operations

€ million	2021	2020
Net cash used in operating activities	(25)	(160)
Net cash used in investing activities	(69)	(74)
Net cash provided by financing activities	43	252
Effect of movements in exchange rates on cash held	3	(7)
Increase (decrease) in cash and cash equivalents	**(48)**	**11**

Cash used in operating activities was €25 million in 2021 (2020: €160 million).The year-on-year trend is positively impacted by an overall increase in sales of €99 million. In addition, cost saving measures and increased efficiencies put into place last year continue to benefit the company.

Cash used in investing activities primarily consisted of capitalized development costs and the purchase of property, plant and equipment and other intangible assets. The capitalized development costs were €63 million in 2021 (2020: €59 million). The year-on-year increase was primarily due to higher capitalization of our new highly automated mapping system and platform assets. On December 31, 2021, the balance of capitalized development costs was €138 million. We have continued to invest in property and equipment to meet the demands of growing our business by providing the necessary infrastructure. Capital expenditures were €22 million in 2021 (2020: €38 million).

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Cash provided by financing activities was €43 million in 2021. Net debt amounted to €597 million as of December 31, 2021. HERE has access to a €125 million revolving credit facility. As of December 31, 2021, €91 million has been borrowed against this facility. The debt imposes covenants on HERE. Due to continued adverse global market conditions as a result of the chip shortage and supply chain disruptions and its impact on HERE's financial results, HERE requested and received support from the the facility agreement's lenders to amend the relevant terms of the covenants. HERE has complied with the amended covenants during the 2021 reporting period.

HERE International B.V. entered into a subordinated shareholder loan agreement in May 2020 with There Holding B.V. and Intel Holdings B.V. to provide liquidity support. In 2020, HERE had borrowed €125 million, received in three tranches: €60 million in May 2020, €40 million in June 2020, and €25 million in August 2020. The last €25 million tranche was drawn in January 2021. The loan is payable at the earlier of July 31, 2023 or the date falling six months after all outstanding balances on its external debt agreement are repaid in full. HERE International B.V. entered into a new €200 million subordinated shareholder loan agreement in December 2021 with There Holding B.V., Intel Holdings B.V. and COCO Tech Holding B.V. to invest in our product development and day-to-day business operations. The first tranche of €100 million was borrowed in December 2021.

HERE's owners and banking partners continue to show confidence to support HERE during the continued challenges created by the COVID-19 pandemic by providing additional funding and contractual adjustments.

On December 31, 2021, HERE's total equity was €1,086 million.

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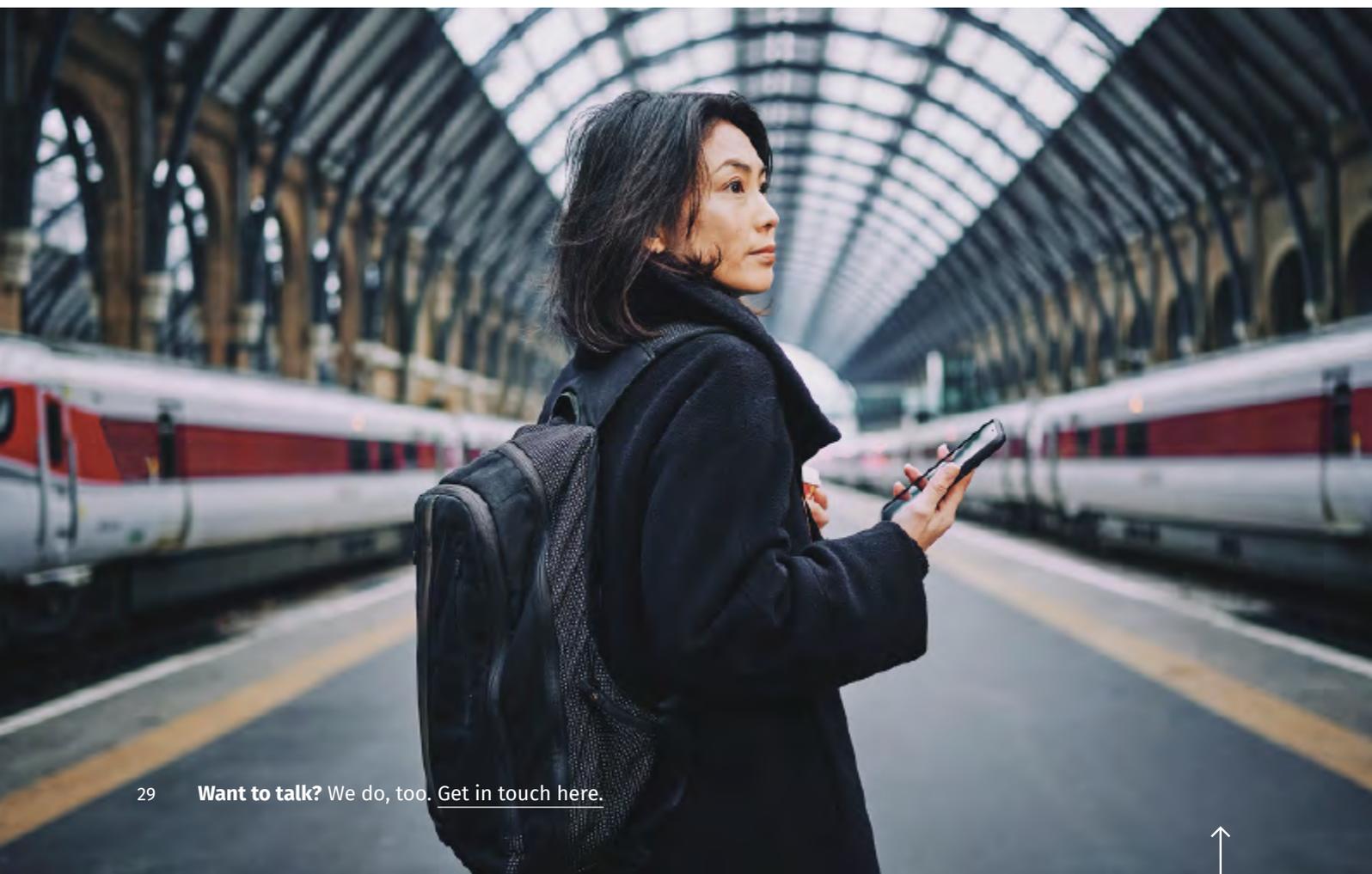
Risk management and control

Risk management

HERE has a systematic and structured approach to risk management across business operations and processes, laid down in its Global Enterprise Risk Management (ERM) Policy. ERM is a group-wide framework applied to HERE strategy planning, long-term plans and annual business planning, as well as operational decision making. The goal is to capitalize on opportunities and treat risks that may prevent achievement of HERE's performance objectives. HERE defines risk as: "the possibility that an event will occur and adversely affect the achievement of HERE objectives". ERM is designed to identify potential events that may affect HERE, resulting in a deviation from HERE's objectives. The Supervisory Board together with the Management Board agree to HERE's risk appetite by means of specific Supervisory Board approvals on (amongst others) HERE's Strategic Execution Plans, Long Term Plans, Annual Plans, Incentive Plans, Acquisitions, External Financing Agreements, Management Board nominations and the like as stipulated in the Shareholders' Agreement relating to HERE International B.V. and its Articles of Association.
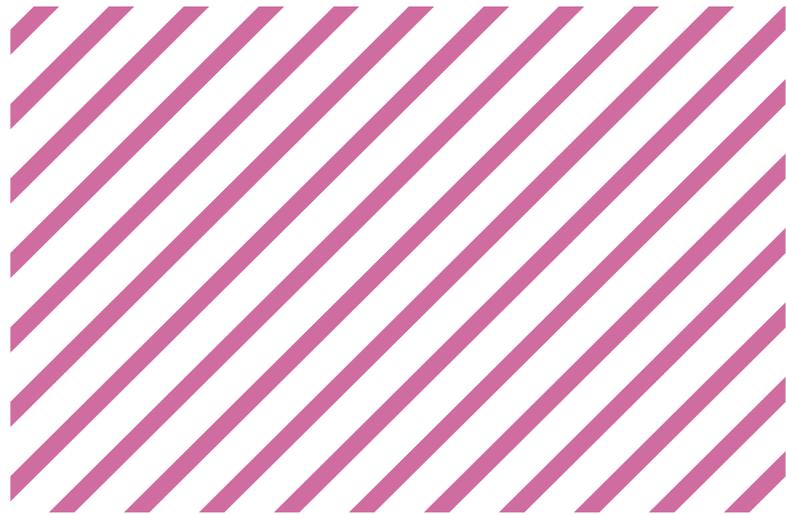
HERE's ERM helps it to:

→ drive risk mitigation and exploitation of opportunities based on informed decisions;

→ encourage proactive management and increase the likelihood of achieving objectives;

→ improve operational effectiveness, incident management, and loss prevention;

→ comply with relevant legal and regulatory requirements and international norms; and

→ build/contribute to customer and stakeholder confidence and trust.

Risks are managed through the components of Risk Assessment, Risk Treatment, Risk Monitoring and Risk Communication/ Reporting. Business units and functions are required to document specific standards and guidelines that define how the Risk management has been applied in the context of each business unit and functions. Risk management processes are part of HERE's quality management systems (QMS) that are documented according to the QMS guidelines into respective repositories.

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Key risks and risk management

Our business faces various risks and uncertainties. These risks, either individually or together, could adversely affect our business, sales, profitability, results of operations, financial condition, costs, expenses, liquidity, bank covenants, market share, brand and reputation from time to time. It is important to understand the nature of these risks and the impact they may have.

Some of the more relevant risks and the steps we have implemented to manage these risks are described below. Although we have a good understanding of potential risks, there may always be unknown risks and certain risks currently classified as not material that could become material in the future, and our efforts to mitigate the risks we have identified may not be successful.

Macroeconomic, systemic and other external risks could impact our ability to execute our strategy, including the following key risks:

→ We derive the majority of our revenue (77% in 2021) from sales to the automotive industry, which is mostly based on a license fee per vehicle produced. This concentration makes our sales volume dependent on overall developments in that industry. In times of economic decline, global automotive production decreases as a response to lower demand. Production levels also can be impacted by operational difficulties, such as when production levels decreased due to employee safety measures implemented in response to COVID-19 in 2020 and 2021, or supply chain production shortages or disruptions such as the ongoing semi-conductor shortage or the ongoing

Russia-Ukraine conflict. It is uncertain how this situation will develop. The continuing disruption from these global events is likely to continue to negatively impact our revenue into 2022. To address the impact of lower global automotive industry production, we expanded the implementation of a cost reduction program, obtained waiver relief from some of the 2021 year-end bank covenants, and received additional financial support from our owners through a subordinated shareholder loan.

→ Some of our offerings may no longer be competitive, or another participant may provide a more competitive new offering or introduce a new, more efficient or affordable way of providing map content creation that may require us to reduce our prices or change our business model. Through our research and development activities, we actively search for ways in which to translate our customer preferences into new technologies for incorporation into future products, while our innovation management process deploys tools, technologies and resources to convert strategies into projects and plans, develop products and relevant communication, and successfully roll out new products to our customers. Competitive factors also may reduce the prices that our customers are willing to pay for our products, which is managed in the short term due to the long-term contractual commitments our customers agree to buy our products, especially in our automotive business.

Our business is exposed to various risks and uncertainties affecting our effectiveness and efficiency of our operations, including the following key risks:

→ Our goal is to expand the breadth and scope of the products and services we offer our customers by making HERE a key player in new and upcoming location-based services market, offering products such as augmented reality, new vehicle software systems, and autonomous driving systems. We are also working to build products and solutions that would deeply integrate our products in vehicle driver assistance systems. Our competitiveness may be adversely affected if we are unable to effectively collate, process and analyze data, such as end-user behavioral data or sensor data, and to derive high-quality intelligence from that data that we can use to enhance our product offering. To mitigate these impacts, our business plans are designed to ensure that resources are prioritized towards those products and markets that we believe can generate the greatest long-term revenue potential . We regularly review our ways of working and organization structures to ensure that we drive speed and simplicity through our business to remain agile and responsive to marketplace trends.

→ The performance of the parties we partner and collaborate with may not meet our expectations, and our efforts to continuously review the performance of our third-party outsourced providers may not prevent the time and cost associated with installing alternative providers if our out-sourced providers are not performing adequately at an acceptable cost and service level.

→ We may fail to retain, motivate, develop and recruit appropriately skilled employees. To mitigate, we have targeted programs which include the Talent Development Process (TDP) to attract and retain top talent, and we actively monitor our performance in retaining talent within HERE. We have policies and procedures designed to ensure the health and safety of our employees and to deal with major incidents including business continuity and disaster recovery. We also continue to implement lessons learned from events that have happened. During the COVID-19 pandemic, the health and safety of our employees has been top priority. We have embraced and successfully adapted to remote working, and we have developed infrastructure to support effective remote working, which we believe will be effective to reduce negative impacts from future disruptions.

→ We may be subject to IT issues or cybersecurity breaches, which could disrupt our online service continuity, cause privacy breaches and compromise our data security. We fully back up our hardware and core operating data, and we operate separate contingency systems to provide real-time back-up operations if required. In addition, we maintain a global system to control and report access to our critical IT systems, which is reviewed annually.

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Risks relating to law, legislation and taxes include the following key risks:

→ Our products, services and business models depend on Intellectual Property Rights (IPR) in technologies that we have developed as well as technologies that are licensed to us by certain third parties. Evaluating the rights related to the technologies we use or intend to use is increasingly challenging, and we may face claims of alleged infringement of third parties' IPR. The use of these technologies may also result in increased licensing costs for us, restrictions on our ability to use certain technologies in our products or costly and time-consuming litigation. We have an active IP protection program for our innovation efforts through patents, copyrights and trade secret protection. Our patent assets can be used assertively when we identify an infringement of our IPR and defensively should we be accused of infringement. Our vendors also contractually affirm their freedom of action when acquiring rights to use third party assets in our product.

→ Our products and services may generate product liability and warranty claims and associated adverse publicity. Warranty claims may cause field actions and serial damage and may generate the risk of recall of products. Responding to such claims could be costly. We maintain what we believe to be an appropriate insurance portfolio to protect against hazard risks that cannot be internally managed effectively and efficiently and where insurance markets offer acceptable terms and conditions.

→ Our products and services will increasingly depend on the use of a broad range of types of data, including in some instances personally identifiable information. Regulations governing the collection, storage and use of data are dynamic – with new legislation being introduced around the world and existing regulation subject to differing interpretations. Legislation, regulation and regulatory interpretation may restrict our and our customers' ability to carry out or develop planned business activities. Regulatory infractions could generate penalties and other costs and give rise to reputational damage. Further, our products and services, or the products and services of our customers, may become the target of cyber-attacks. If we or our customers were to experience a cyber-attack, the repercussions could be costly and give rise to adverse publicity. We have established procedures to ensure company-wide adherence to the EU's General Data Protection Regulations (GDPR) and other applicable data protection laws. We have standardized ways of hosting information on our public website, and we have processes in place to monitor compliance with appropriate privacy laws and regulations, as well as with our own policies in these areas.

→ We operate globally, which exposes us to complex tax, privacy, trade compliance, or other local regulatory issues. We could be subject to tax or other regulatory disputes that could result in additional taxes or penalties or restrictions on our activity. Our legal specialists monitor and review our practices to remain aware of and in line with all relevant laws and legal obligations in the countries in which we operate. We may also be required to take action that affects our operations in order to comply with trade sanctions, which are continuing to evolve in response to geopolitical events.

→ Our ability to utilize our deferred tax assets could be reduced by changes in our ownership or financial performance, among other factors, which could result in increases in the taxes we owe or our effective tax rate. Changes in the application of tax laws, policies and interpretations could also adversely affect our global tax position. We monitor proposed changes in taxation legislation and take these into account in our global operations.

Risks impacting our financial position and reporting include the following key risks:

Market risks

→ Foreign exchange risk: Our global operations expose us to transaction and translation foreign exchange risks. Transaction risk arises from foreign currency denominated assets and liabilities together with foreign currency denominated future cash flows. Transaction exposures are managed in the context of various functional currencies of foreign HERE Group companies. We use financial derivatives to hedge our transaction exposure where we deem appropriate. As of December 31, 2021, no financial derivatives were outstanding. While our group consolidated functional currency is the euro, some of our entities do not use the euro as their functional currency, which exposes our consolidated shareholders' equity to fluctuations in foreign exchange rates. Equity changes caused by movements in foreign exchange rates are shown as currency Translation differences in our consolidated financial statements. We do not hedge foreign exchange exposure arising from our global net investments.

→ Inflationary currency impact: In 2021, our Argentina subsidiary met the criteria for inflationary accounting. We did not make any adjustments on our consolidated group results, as the impact did not meet the materiality thresholds of IAS 29. While there are no other entities where the functional currency is the currency of a hyperinflationary economy, if other entities were to operate in such economic environments, the inflationary accounting rules could impact our consolidated group results.

→ Other market risks: In certain emerging market countries, local exchange control regulations restrict cross-border fund transfers, which together with other related regulations, impact our ability to control our entities' net assets in those countries, which could expose us to broader market and financial risks to our operations.

Credit risk

→ Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. Credit risk arises from credit exposures to customers related to outstanding receivables, as well as financial institutions related to cash and cash equivalents. Credit risk is managed separately for business-related and financial credit exposures.

→ Business-related credit risk: Our credit policy and the related procedures lay out the framework for managing our business-related credit risks. Our credit policy provides that we apply defined rating principles when evaluating our credit decisions. We aim for high quality accounts receivable, and as of December 31, 2021, our accounts receivable did not include any significant concentrations of credit risk by customers.

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→ Financial credit risk: Our treasury team measures and monitors financial credit risk by actively limiting our financial counterparties to major banks and financial institutions, and we regularly monitor the creditworthiness and the size of our exposure to these institutions. Our primary financial credit risk exposure relates to our cash and cash equivalents held with banks. As of December 31, 2021, 98.2% of our deposited cash is held with banks of investment grade credit rating.

Liquidity risk

→ Liquidity risk is defined as financial distress or extraordinarily high financing costs arising from a shortage of liquid funds in a situation where outstanding debt needs to be refinanced or where business conditions unexpectedly deteriorate and require financing. Transactional liquidity risk is defined as the risk of executing a financial transaction below fair market value or not being able to execute the transaction at all within a specific period of time. The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is available fast enough without endangering its value in order to avoid uncertainty related to financial distress at all times. As of December 31, 2021, we had access to a €125 million revolving line of credit to satisfy our short-term liquidity needs. A portion of this revolving credit facility has been reserved for outstanding financial guarantees. As of December 31, 2021, we had borrowed €91 million against this facility. The first tranche of the €200 million subordinated shareholder loan agreement, in the amount of €100 million, has been made available by HERE's shareholders in December 2021. The remaining committed portion of €100 million is available to fund some of our 2022 activities.

This term loan debt is payable over a four-year term and will mature in January 2023. If HERE is not in compliance with the debt covenants and/or is not able to repay its term loan at the maturity date in January 2023, this potentially leads to significant finance and continuity risks for the company. The company has started a well-coordinated effort with involvement of the shareholders and financial institutions to secure appropriate funding to meet the redemption obligations of the term loan.

HERE acknowledges the importance of internal controls and risk management systems. Under the supervision of its Chief Financial Officer, HERE's Accounting team conducts an annual evaluation of the effectiveness of HERE's internal control over financial reporting based upon its internal control framework. In addition HERE's internal audit function performs audits at different office sites around the world and reports its findings to the Chief Financial Officer and HERE's Audit Committee.

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Leadership and corporate governance

HERE has an experienced Management Team (MT) that brings diverse experience from map making technology, platform technology, application software, finance, sales, intellectual property rights licensing, consumer services, operations and many other areas. The MT is responsible for the strategic and operative management of HERE.

Edzard Overbeek
Chief Executive Officer

Denise Doyle
Chief Data Officer and interim Chief Financial Officer

Kristina Bohlmann
Chief Marketing Officer

Werner Buskermolen
Chief Human Resources Officer

Fred Hessabi
Chief Customer Officer

David Kenzer
Chief Legal & Compliance Officer

Damandeep Kochhar
Senior Vice President, Platform Foundation

Giovanni Lanfranchi
Chief Product & Technology Officer

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HERE has a two-tier board structure consisting of a Supervisory Board (SB) and a Management Board (MB). The current MB members are our Chief Executive Officer and our Chief Human Resources Officer.

HERE's long-term strategy is secured through a governance structure, safeguarded by a Supervisory Board. The Supervisory Board supervises and advises the MB in the execution of its tasks and responsibilities, while the MB provides the Supervisory Board with the information, in writing or otherwise, necessary for the Supervisory Board to fulfill its duties. The Supervisory Board attaches great importance to its composition, independence and diversity.

There is a clear separation between our automotive shareholders' roles as customers, suppliers and investors. In addition, HERE is continuing to support customers and grow its business in several industries beyond automotive and is open to other investors who would create an even broader shareholder structure. All this ensures that HERE's unequivocal commitment to openness and independence is firmly established.
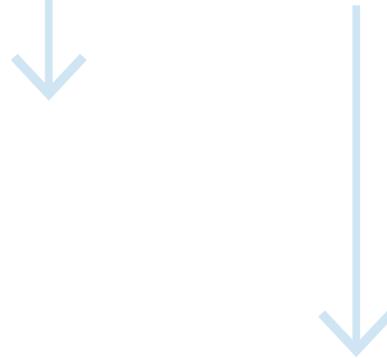
The Supervisory Board consists of:

→ Three members appointed by the general meeting of shareholders of HERE International B.V. upon binding nomination of There Holding B.V.

→ One member appointed by the general meeting of shareholders of HERE International B.V. upon binding nomination of Mitsubishi Corporation

→ One member appointed by the general meeting of shareholders of HERE International B.V. upon binding nomination of Nippon Telegraph and Telephone Corporation (NTT)

→ Three independent members appointed by the general meeting of shareholders of HERE International B.V.

Our Supervisory Board is composed of the following members:
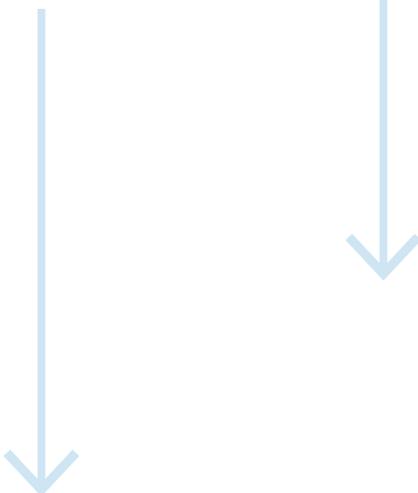
Mr. Pekka Ala-Pietilä is the Chairman of the Board of packaging company Huhtamäki and learning company Sanoma. He was also co-founder and CEO of Blyk Services Oy from 2006–2011. Between 1985–2005, he held several leadership positions at Nokia and was previously Chairman of the EU Commission's High-Level Expert Group on Artificial Intelligence (AI HLEG). He acts as a mentor for many young future experts and decision makers, and holds an honorary Doctor in Technology from Tampere University of Technology and in Science from the University of Helsinki. Mr. Ala-Pietilä was appointed as Chairman of the HERE Supervisory Board, effective as of February 17, 2021.

Dr. Rainer Feurer, Senior Vice President, Corporate Investments at BMW Group. Since joining BMW Group in 1998, Dr. Feurer has held various strategic planning positions and was deeply involved in the strategic set-up of the BMW Group in China. In 2019 Dr. Feurer became responsible for BMW's equity stakes in joint ventures in China, and investments in Mobility, Energy, Digital & Professional Service companies. Dr. Feurer was appointed as member of the HERE Supervisory Board effective as of February 18, 2020.

Mr. Koji Tashiro, General Manager, HERE Project Office, Mitsubishi Corporation. Based in the Netherlands and in his second stint at Mitsubishi Corporation, Mr. Tashiro previously served as Group CIO of its Machinery Group and has been in charge of promoting company-wide digital strategies since 2019. Mr. Tashiro was appointed as member of the Supervisory Board on February 5, 2021.

Mr. Katsuichi Sonoda is Senior Vice President, Head of Strategic Business Development of Nippon Telegraph and Telephone Corporation (NTT). He previously served as Senior Vice President of NTT DATA Corporation and drove the business in the healthcare and public sector. He has been demonstrating leadership in accelerating various smart city projects at NTT. Mr. Sonoda was appointed as member of the HERE Supervisory Board effective as of May 10, 2021.

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Mr. Magnus Östberg is Chief Software Officer at Mercedes-Benz AG, with overall responsibility for the Mercedes-Benz Operating System. In his position, Mr. Östberg oversees the in-house development of Mercedes-Benz's own vehicle architecture, centrally focusing on the customers' needs. Mr. Östberg has deep expertise in vehicle software, infotainment and telematics gained through various management positions at Delphi in the U.S. and Germany. Mr. Östberg was appointed as member of the Supervisory Board on October 14, 2021.

Ms. Adine Grate is a well-known and respected professional in the European investment community. She spent 13 years at Investor AB where she was an EVP and Executive Director on the Executive Board. Ms. Grate has extensive investment, strategy and corporate finance expertise and has been intimately involved with some of Europe's largest M&A deals of the last 20 years. She has carved out a reputation as a highly effective Non-Executive Director, Committee Chair, Chair and Advisor. Her board experience ranges from large FTSE 100 companies to smaller private equity-backed businesses. She has deep domain knowledge, in particular in TMT (technology/media/ telecom), financial services and turn-arounds. Ms. Grate is currently, amongst other things, Advisor to CK Hutchison Holdings, board member for KOKO Ltd. and co-founder of Skiff Capital Advisors Ltd. She is chair of the HERE Audit Committee and was appointed as HERE Supervisory Board member on February 16, 2021.

Mr. Axel Dewitz is vastly experienced across the automotive industry, currently holding the position of EVP and Head of Taxes, Customs and M&A at Audi Group. Prior to this, Mr. Dewitz was Director, Mergers and Acquisitions at Audi, as well as Director, Controlling at Volkswagen Group Italia. He has a successful track record in tax and customs management, transactions, M&A, board relations, strategy, and business development. Mr. Dewitz was appointed as member of the HERE Supervisory Board effective as of August 18, 2020.

Dr. Neil Hunt is co-founder and Chief Product Officer of Vibrant Planet, a public benefit corporation developing sustainable tech solutions for forest management and carbon markets. Prior to this, Dr. Hunt co-founded and led Curai Health, developing AI solutions for healthcare. Dr. Hunt served nearly 20 years as Chief Product Officer at Netflix. He is a Board Member of Logitech and Roku, and also holds advisory roles with several healthtech and media startups, Scotiabank digital advisory council, and the University of Durham (UK) CS advisory board. Dr. Hunt was appointed as member of the HERE Supervisory Board effective as of July 29, 2020.

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Supervisory Board committees:

The Supervisory Board, while retaining overall oversight and responsibility, has installed two committees: The Audit Committee (AC) and the Nomination and Compensation Committee (NCC). The AC and NCC advice and support the decision-making of the full Supervisory Board.

→ Audit Committee (AC)

The AC advises and supports the Supervisory Board in overseeing the integrity and quality of HERE's financial reporting and the effectiveness of internal risk management and internal controls. The AC has four members: Ms. Grate (Chair); Mr. Dewitz; Dr. Feurer; and Mr. Sonoda.

→ Nomination and Compensation Committee (NCC)

The NCC advises and supports the Supervisory Board with the preparation of the selection criteria, appointment and remuneration of Management Board and EVPs and with the set-up of variable remuneration plans for HERE's employees like bonus and long-term incentive plans, including the corporate goals and objectives relevant for those plans. The NCC has two members: Dr. Hunt (Chair) and Mr. Tashiro.

Industry Advisory Board

Promoting industry insights, collaboration and innovation.

HERE is dedicated to enabling an autonomous world for everyone. Given that no company or individual can solve this alone, we have assembled acclaimed international experts and global thought leaders to create the HERE Industry Advisory Board (IAB).

The HERE IAB is a regular dialogue focused on sharing insights, igniting innovation and promoting collaboration that improves the way everyone and everything lives, moves and interacts with location data.

External Audit

KPMG Accountants N.V. ("KPMG") is the external auditor of the Company for the financial year 2021. In accordance with Dutch law, KPMG has been appointed by the general meeting of shareholders, based on a nomination of the Supervisory Board. The Company's financial statements for the financial year 2021 have been audited by KPMG.

Corporate Responsibility and ESG at HERE

For HERE Technologies, Environment, Social and Governance (ESG) is both a responsibility and an opportunity. On the one hand, we have a duty to run our business operations in a way that is environmentally and socially responsible to ensure we meet the expectations of our stakeholders. Our approach involves evaluating and reducing the impact our business has on the environment; ensuring every decision we make reflects our high ethical business standards; and developing HERE as a great place to work.

At the same time, HERE has an opportunity to use location data and technology to shape sustainable outcomes for our customers and wider society. In a world that faces the threat of virus pandemics, urban congestion and climate change, the HERE platform has a vital role to play - helping businesses and the public sector to model and understand change, reduce energy use, improve asset management, and promote better usage of scarce resources.

In the following pages, we outline some of the company's ESG actions and accomplishments in 2021.

In 2021, HERE took significant steps to advance our sustainability proposition and investments. The HERE Management Team (MT) approved investing in certain sustainability efforts to bring HERE into alignment with stakeholder expectations, reduce business and reputational risk, align with developing regulatory requirements and position ourselves for increased growth.

Within the past year, the MT has committed to operating the company in a sustainable way by:

→ Supporting a HERE carbon footprint assessment and carbon reduction approach expected to be completed in 2022

→ Appointing an Executive Sponsor for HERE Sustainability

→ Establishing a Sustainability Advisory Committee

→ Providing an elevated focus on sustainability with www.here.com/company/sustainability

→ Moving towards integrating sustainability into our value propositions across the portfolio, throughout our strategies and in our messaging

With these steps, HERE is continuing to elevate sustainability, not just by focusing on emissions and waste, but by taking a wider approach including social contributions, holistic efforts and sharing our internally recognized competencies with external audiences.

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Our Core Values

Our Core Values enable us to conduct our business with integrity as well as build and preserve trust with customers, governments, partners, representatives, developers and each other. These values lead the "how" in all things we do. They support our vision, shape our culture and reflect our company principles and beliefs:

→ Be Bold. Act with eagerness and fearlessness to deliver game-changing products, services and solutions that make the world better.

→ Be True. Engage our customers, partners, developers and one another with trust, integrity and respect.

→ Learn Fast. Be responsive and flexible to outrun the ever-evolving pace of emerging technologies.

→ Give Back. Embrace our responsibility to safeguard the environment and give back to society, starting with the places where we work and live.

→ Win Together. One team united, made greater by the sum of our knowledge, experience, passion and talent.

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Responsible operations

HERE Code of Conduct

At HERE, our core foundation is how we conduct ourselves in the everyday. Our Code of Conduct is the single source of truth that our team around the globe turns to as our guide to making decisions that reflect our high ethical business standards. Our Code of Conduct applies to everyone at HERE; each of us is responsible for conducting ourselves with integrity in our interactions with colleagues, customers, business partners and the wider community in which we operate.

We take our responsibilities seriously. The technologies we create are a powerful force for good, helping to make our roads safer, logistics networks more efficient and our air cleaner. At the same time, we know that new technologies can bring rapid change and new risks. We must always be responsible stewards of our industry, respecting people's privacy, ensuring that our solutions enhance quality of life and championing diversity and inclusion.

HERE is active in nearly every country in the world, and we sometimes encounter ethical challenges and environments where standards differ from our own. No matter the circumstances, we must always set an example for others and uphold the standards that make us who we are.

The HERE Code of Conduct keeps us strong and builds trust by explaining the expected behavior and responsibilities of all HERE personnel, as well as those of our affiliates, suppliers and partners:

→ We follow the laws of the countries where we do business, and we adhere to HERE's policies and procedures;

→ We set an example for each other, our stakeholders and all of those with which we do business by being honest and fair;

→ We maintain the confidentiality of information entrusted to us, except when disclosure is authorized or legally mandated;

→ We disclose promptly any conflicts of interest that might influence our business judgment and avoid any appearance of impropriety in our dealings with others;

→ We promote a culture of integrity through mutual respect, trust and highly ethical behavior; and

→ We hold each other accountable to this Code and our core values. If we become aware of potential violations, we promptly report them.

Want to talk? We do, too. Get in touch here.

Human rights

We are committed to the principles of The Universal Declaration of Human Rights and the United Nations' Global Compact. We don't tolerate, contribute to, or facilitate any activity that restricts, conflicts with, or violates human rights or the right to exercise these rights. In summary:

→ HERE conducts due diligence in the pre-sales process and follows the applicable laws and international standards to support human rights, and HERE participates in industry initiatives to help ensure that our products are used to enhance, and not infringe upon, human rights;

→ HERE doesn't tolerate child or forced labor of any kind; and

→ HERE conducts due diligence on suppliers and business partners to ensure they share HERE's commitment to human rights.

Want to talk? We do, too. Get in touch here.

Sustainability & public policy

Governments have shifted their approach to sustainability from "a nice to have" to being an integral part of policymaking. This shift is evident by the global approach to net zero. More than 50 countries, accounting for well beyond half of the world's emissions, have mid-century net-zero targets, many of which are already legally binding. These long-term climate goals represent significant changes to almost every sector and facet of the global economy and require significant regulatory development.

To translate sustainability and net-zero targets into achievements within this decade, fundamental adjustments impacting many parts of the economy must be implemented. Therefore, policymakers are addressing emissions, waste, equity, ecology and sustainability in the regulations they develop.

Measures vary from country to country. Some approaches focus on nature-based solutions, enriching existing, indigenous or traditional practices through reforestation, farming, biodiversity, land and water management and more. Other measures focus on market-driven reinforcements, for example, expanding carbon pricing through carbon markets and emissions trading, enabling circularity by design through monetized recycling, regulating and defining sustainable investment definitions. These measures are in addition to year-on-year increases in installed renewable energy capacity and technology transitions away from emissions-intensive production, much of which is propelled by regulations.

Policymakers are acutely aware that the technology changes from emissions-intensive industries and pollutive practices towards sustainability will birth innovative and novel solutions. They seek transformative methods which can change the impact our cities and regions have on the planet's sustainability. In that sense, HERE has been able to deploy several solutions, such as using our highly digitized technologies to better develop mobility, build smart cities and increase energy efficiency (including fuel economy).

Of course, it is essential to keep in mind that the stated policies are not fully aligned with their targets. The global ambition gap between emissions reductions targets and actual measures for 2030 accounts for approximately 14 Gt CO_2-eq. Other critical instruments in sustainable policymaking, like the movement towards zero waste and ecological restoration, are in their infancy and adolescence. These differences cannot be solved by regulations alone and require a fully integrated approach. Immediate and potential solutions through technology transitions must work alongside market-driven measures to achieve these ambitious targets.

As legislative proposals are designed around emissions and circularity challenges, HERE continues to engage with policymakers as a sustainability enabler, by contributing to data-led solutions.

Want to talk? We do, too. Get in touch here.

Supplier management

Supplier management is a crucial part of our Corporate Responsibility program. HERE continues the push to implement corporate responsibility and ethical practices into every aspect of its supply chain, including the many external vendors, suppliers and service providers with which we collaborate and do business. HERE has committed to only working with vendors who share our high ethical standards when it comes to the environment, diversity and inclusion and abiding the laws and policies of the countries in which we operate. And, to monitor our suppliers' performance with HERE's expectations, we established a supplier audit program in 2019.

Supplier Management Framework

HERE's Supplier Management Framework aims to effectively measure and manage supplier performance to ensure that quality standards are met at the fairest possible value. This framework manages performance and costs and aims to reduce supply chain risks.

The Supplier Management Framework consists of four pillars:

1. Segmentation of the supply base based on spend and criticality factors;

2. Governance of how suppliers are being managed and who is responsible for managing them;

3. Performance measurement: for example, using scorecards with key performance indicators and service levels reported for our strategic and key suppliers (these scorecards also include Risk and audit scores); and

4. Continuous improvement tracks, increased efficiency and productivity.

Our Supplier Management program focuses on our most strategic and key suppliers and partners. In 2021, we managed the performance of our strategic and key suppliers representing approximately 46% of our spend.

The program goals for Supplier Management include:

→ Identify key business goals consistent with HERE's vision and strategy;

→ Define and regularly review HERE's strategic suppliers based on spend and criticality of their services;

→ Collaborate with the Quality, Trust Foundation, and the business, define the right set of key risk indicators and criteria to monitor performance and drive improvements of supplier performance;

→ Cascade customer requirements in line with HERE standards and policies;

→ Ensure consistent supplier governance activities based on the type of supplier;

→ Develop action plans with suppliers to correct or mitigate any identified issue or risk; and

→ Obtain executive support to drive program success and compliance.

Want to talk? We do, too. Get in touch here.

Ethical Sourcing

HERE's Ethical Sourcing program aims to promote sustainability throughout our entire supply chain. Despite launching during the COVID-19 pandemic in the second half of 2020, the program was well received by our critical suppliers.

Back in 2020, the program's first step was to establish a baseline and assess the sustainability status of HERE's suppliers. Team members sent an ESG (environmental, social and governance) survey to 17 critical HERE suppliers. Based on the answers received, we were then able to share scores and recommendations with the suppliers to improve their sustainability ratings.

In 2021, the Ethical Sourcing program's goal was to survey a wider portion of HERE's supply base using NQC to administer the ESG survey. NQC is an agency who owns a platform that is used by the automotive industry to assess their Supplier's ESG compliance and associated risk. The ESG survey was sent to 31 suppliers, representing 47% of HERE's total spend. We're also integrating our supplier procurement process with NQC to improve the coverage and reviews of suppliers building on the initial 17 surveyed.

Finally, to help further drive the Ethical Sourcing program's vision, HERE will host its first Sustainability Summit for its suppliers in 2022. The summit will be led by senior leaders at HERE and attendees will be the key contacts in charge of sustainability for our strategic and critical suppliers. The main objective is to communicate sustainability goals and encourage suppliers to engage in more sustainable business practices.

Want to talk? We do, too. Get in touch here.

Environment, Health and Safety

Improving our environment and the well-being of those around us is a responsibility we all share. This focus is central to our mission at HERE, and it's important to our customers, partners, developers and other key stakeholders. Simply put, it is how we do business.

During 2021, HERE renewed and reinvigorated its focus on Environment, Health and Safety (EHS). HERE envisions an integrated approach to manage the EHS aspects of its activities, products, services and operations. This approach, which will form an essential part of HERE's management systems, is intended to provide efficient quality and business management, satisfying the needs of internal and external stakeholders. The EHS Management System is part of HERE's wider sustainability strategy and will impact all employees and products within our company.

In January of 2021, HERE hired a dedicated EHS Manager to lead these efforts, coordinating all key activities with numerous HERE stakeholders and driving us to the goal of an externally certified EHS Management System to ISO14001 and ISO45001 by the end of 2022.

Our workforce's commitment to the environment continues to be a motivating factor and source of inspiration. As always, we encourage and support employee participation and volunteer work in environmental awareness campaigns. Additionally, all HERE employees, contractors and partners uphold our environmental management guidelines as outlined in the HERE Code of Conduct and reaffirm their understanding on an annual basis.

HERE remains invested in reducing the environmental impact of our business. We aim to achieve our sustainability goals by continuously minimizing waste, increasing reuse and recycling of materials, conserving energy, promoting renewable energy use and reducing all related greenhouse gas emissions. We continue to seek out and invest in new, cutting-edge solutions in the pursuit of greater sustainability.

Along with the health of our planet, HERE is just as committed to the health and safety of our employees, suppliers and communities. HERE creates and upholds standards that make for a safe and healthy workplace. We continuously work to reduce hazards and risks and strive to prevent workplace injuries and illnesses. During 2021, the health and safety focus was on ergonomics; some offerings included:

→ Several informational sessions around ergonomics while working from home;

→ Creating an explanatory video around ergonomics; and

→ Commencing work on an IT tool for our employees to evaluate and optimize their work-from-home setups.

Want to talk? We do, too. Get in touch here.

Greenhouse Gas Emissions

Like many other companies, HERE is developing an emissions reporting regime. Beginning in 2019, HERE has undertaken a retrospective review of greenhouse gas emission.

The impact of the pandemic is reflected in our overall emissions for both 2020 and 2021. Adapting to a changed work environment has significantly reduced greenhouse gas emissions during those years, in comparison to 2019.

Before the pandemic, our biggest direct CO_2 emissions were caused by our business travel, which significantly decreased. Since the onset of the pandemic a majority of our emissions are derived from our energy use, particularly electricity, however these metrics do not account for energy used in a working from home environment. Going forward, HERE will seek to increase the renewable energy it sources as a part of a developing emissions reductions strategy and will consider ways to encourage renewable energy sourcing.

| Scope 1, 2 and 3 Emissions Summary | GHG Emmisions (tCO₂e) | | | Change | |
This summary table describes HERE's scope 1, 2 & 3 footprint for 2019, 2020 and 2021.	2019	2020	2021	2019-20	2020-21
Scope 1	**1,629**	**1,935**	**2,134**	**19%**	**31%**
S1 Leased cars	855	1,268	1,363	48%	59%
S1 True cars	723	619	736	-14%	2%
S1 Generators	4	2	1	-59%	-72%
S1 Fugitives	46	47	34	0%	-27%
Scope 2	**20,576**	**7,529**	**9,138**	**63%**	**-55%**
S2 Office electricity	7,821	4,255	3,150	-46%	-60%
S2 DC electricity	1,605	1,421	1,192	-11%	-26%
S2 District heating	10,528	1,486	4,122	-86%	-61%
S2 District cooling	622	367	720	-41%	16%
Scope 3	**150,060**	**87,846**	**99,314**	**-41%**	**-34%**
S3 Purchased goods and services	104,485	72,807	87,470	-30%	-16%
S3 Capital goods	10,956	6,634	4,789	-39%	-56%
S3 Fuel- and energy related activities	6,054	2,835	2,922	-53%	-52%
S3 Waste	3,630	2,589	2,505	-29%	-31%
S3 Business travel	20,587	1,594	205	-92%	-99%
S3 Employee commuting	2,342	604	696	-74%	-70%
S3 Upstream leased assetts	1,479	629	486	-57%	-67%
S3 Downstream leased assets	73	46	43	-38%	-41%
S3 Investments	453	139	197	-69%	-57%
Scope 1+2+3 Total	**172,265**	**97,310**	**110,631**	**-44%**	**-36%**

Want to talk? We do, too. Get in touch here.

Environmental footprint of infrastructure

Over the last 12 months, HERE's infrastructure has been centered on optimizing technology. On the one hand, HERE has accelerated value delivery through new or modified business processes, infrastructure and customer experiences. On the other hand, HERE met changing business and market requirements.

One of the challenges has been developing an understanding of our infrastructures' environmental footprint. Because of the nature of our business, the most significant factor to consider is our energy use. We have assessed our data centers' power usage and the carbon emissions from our cloud services. We have reviewed the total energy consumed, and the sources used. However, these metrics have identified areas of weakness that

we seek to improve upon. As a starting point, HERE has been able to achieve emission savings through renewable energy purchases and will seek to incorporate other tools where applicable.

When we look at our optimization programs as we source cloud service providers, we currently focus on cost, architecture, security and feature delivery. This strategy has been revised in 2021, and HERE will now include sustainability as one of the primary pillars of our optimization programs. In the future, we will be able to provide these metrics to our teams to consider along with other factors like cost optimization opportunities.

Integrating a better understanding of our environmental footprint in our business practices is a key goal for HERE. As HERE matures in its reporting journey, sustainable practices will become increasingly ingrained into our business.

Want to talk? We do, too. Get in touch here.

Accelerate EV Hackathon

EES worked with HERE's product team to organize the online Accelerate EV Hackathon, which sought not only to engage with customers, but to also link the goals of reducing carbon emissions to customer use cases in EV charging infrastructure. The event hosted over 750 campaign visitors, 21 volunteers and had nearly 70 idea submissions from over 7 countries, resulting in 14 ideas shortlisted and 7 teams working on proof of concepts. The winning idea was "Non-Idle Charging Stations", and the proof-of-concept winner was "EV Charging at 300 km/h". Both ideas have the potential to optimize the utilization of charging stations in a way that is already integrated into HERE infrastructure as well as being integrated into the grid.

Non-Idle Charging Stations would initiate the search for local charging stations as soon as a vehicle used 50% of its charge, looking for a free or available charging station. This could be streamlined with a network preference or an energy provider. The feature could be a premium product.

Employees for Environmental Sustainability

Formed in July 2020, the HERE Employees for Environmental Sustainability (EES) group is an international collection of HERE employees with a deep personal commitment to sustainability and a vision to deliver strategies, priorities, action and impact throughout HERE. The group started with 71 members and reached over 300 members by the end of 2021. EES organizes internal annual awareness campaigns and events for Earth Day and Environment Week.

In 2021, EES had several key successes, including:

→ Establishing a senior HERE management leader as Executive Sponsor;

→ Forming a Steering Committee; and

→ Continuously improving group governance.

Want to talk? We do, too. Get in touch here.

HERE's impact

At HERE, we strive to positively impact where we live and work. And with HERE offices and employees around the globe, we have many opportunities to make a difference. Not only are HERE's location-powered tools and solutions being used hand in hand with emission reduction initiatives, since 2020, we have used our technology to support governments initiatives tracking COVID-19. In addition, we also worked on the following social initiatives during 2021.

Partnering with Migros

In January of 2022, HERE announced a new commercial fleet analytics tool called CO_2 Insights, which predicts the amount of carbon dioxide (CO_2) emissions per route. It takes into consideration factors such as vehicle, fuel type, traffic conditions and the road networks' physical attributes, including topography, curvature, slope and elevation. It also recommends the most appropriate commercial vehicle along with the most appropriate engine (diesel, electric, biogas or hydrogen) to produce the least CO_2 for a given route. CO_2 Insights , which is certified by an organization that helps calculate and

offset emissions called myclimate, works to reduce pollution and supports the transition to CO_2 neutral commercial fleets. To make the offset possible as well as accurate, the CO_2 calculation considers the energy consumed for transportation (tank-to-wheel) and emissions from fuel production (well-to-tank). Also taken into account are the indirect emissions from vehicle manufacturing, maintenance and disposal, and the emissions produced to build the infrastructure used by the vehicle.

CO_2 Insights was developed by leading Swiss retailer Migros and its strategic partner, Empa. Migros has used the tool to investigate the environmental impact of its own fleet and drive the transition from diesel vehicles to alternate fuel options. They built their CO_2 analytical tool with the HERE Routing API, which enables fleet managers to deliver optimized navigation routes incorporating the attributes of the roadway, legal and physical restrictions and adjusted road hierarchy and topology via HERE Map Attributes API.

Transport for London/Bosch

Transport for London (TfL) engaged HERE and Bosch to help find innovative ways to gauge air quality and target local traffic congestion in Brixton, south London

Probe data from HERE was essential to understanding the dynamic flow of vehicles passing through the Brixton neighborhood and to model the emissions released. The HERE team installed 17 air quality sensors that detected a range of pollutants including nitrogen dioxide (NO_2) and ozone (O3). HERE probe data and TfL traffic volumes were then collected for traffic analysis and included in a dispersion calculation that considered the impact of topology and weather on air quality, which HERE used to produce a highly accurate emission heatmaps of Brixton town center. These heatmaps, which can be updated hourly, are accurate down to 20 meters and allow traffic managers to better understand and adapt their traffic mitigation solutions.

HERE data enables the analysis of congestion on a micro-level for improved traffic management and city planning. HERE aggregates data on traffic flow and congestion from hundreds of sources, including anonymized data from connected vehicles and mobile applications. The insights HERE provided on vehicle speeds, down to a specific road segment, generated the model of real-time driving behavior and traffic dynamics throughout Brixton and the wider London Borough of Lambeth.

TfL reported that combined efforts resulted in a marked improvement in localized air quality, smoother traffic flow, reduced traffic congestion and a greater understanding of how wind and the weather affect the dispersion of pollutants.

Want to talk? We do, too. Get in touch here.

Rise Against Hunger Kahoot event

In 2021, HERE continued its partnership with Rise Against Hunger, a global organization on a mission to end hunger by empowering communities, nourishing lives and responding to emergencies.

As in-person employee volunteering wasn't possible, Rise Against Hunger created an interactive virtual experience called Gather for Good. This event brought 98 globally dispersed HERE employees together for a fun and fast-paced trivia game. Employees learned about the causes of global hunger and the impact HERE and Rise Against Hunger have made through our years of partnership.

HERE donated US$5,692 to support Rise Against Hunger's 2021 COVID-19 relief and resilience efforts, which equates to 16,741 nutritious meals for people facing hunger. Rise Against Hunger's priority related to COVID-19 relief and resilience in 2021 was to support 600,000 people worldwide, 325,000 of whom were students in 15 countries. The two key facets of the effort were Local food procurement and Empower communities through sustainable agriculture.

Want to talk? We do, too. Get in touch here.
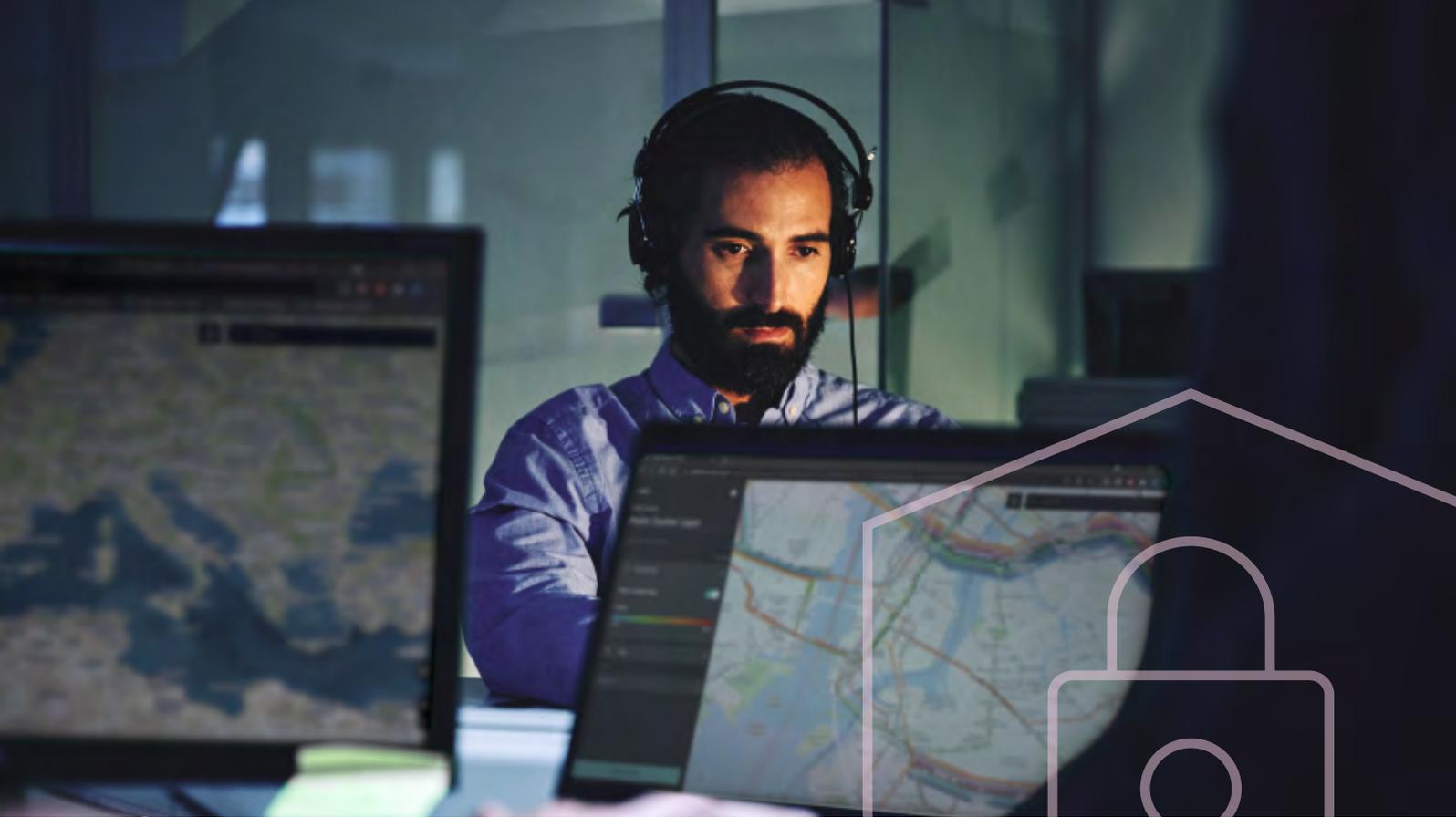
Data security

HERE has worked to develop an approach to identify and address data security risks, including the use of third-party cybersecurity standards. Using a risk-backed approach to the governance, implementation, maintenance and continual improvement of a global, certified Information Security and Privacy Information Management System (i.e., ISO 27001 and 27701 certified ISMS and PIMS), HERE demonstrates its commitment to security and privacy through several compliance certifications and attestations including: ISO 27001, ISO 27701, ISO 27017, ISO 27018, TISAX, CSA Star Level 1, and SOC 2 Type 2 for platform services. HERE contracts with an external third-party penetration test partner annually to conduct pen tests of its platform products and services. Controls supporting both best practices and HERE's compliance portfolio are based on OWASP, NIST, MITRE, ISO, COSO and other industry or governmental frameworks for technical security controls. Among those controls, HERE regularly conducts SAST, DAST dependency scanning and secret detection scanning for services. For more information about security at HERE, please refer to: https://legal.here.com/en-gb/security

HERE utilizes a 24x7x365 SOC (security operations center). The SOC monitors alerts for security incidents, which can be from scanners, internal emails, external emails, and so on. When an alert or notification is confirmed, it is prioritized. Each priority level has service level agreements (SLA) for responding. SOC also maintains playbooks for various incidents to handle them quickly.

We are happy to report that in 2021, HERE experienced zero data breaches – no personally identifiable information was involved, and zero users were affected.

Want to talk? We do, too. Get in touch here.

Privacy at HERE

As a data-driven location platform company, data privacy is of fundamental importance to HERE, our customers, partners and developers and our other key stakeholders. It is a cornerstone of our human rights policy and of our evolution and growth as a location platform. The key tenets of our approach are the following:

→ We have built the HERE platform to enable our partners to always be in control of their data. We combine these controls with strong data security practices and processes.

→ We practice data minimization. We do not collect data beyond what we need to provide our services.

→ We promote pseudonymity for data subjects wherever a service does not require personal information to function. We employ privacy by design in services we develop.

→ We strive to go beyond regulatory compliance and make privacy an integral part of our corporate culture. We know that our approach to privacy is vital to earning and retaining the trust of our customers and other stakeholders – and the bedrock of our future success as a data-driven location platform.

→ We provide annual training on privacy, security and data protection to all employees.

→ HERE is also committed to engagement on privacy issues with external stakeholder groups and we are members or sponsors of several organizations that promote responsible privacy and security practices. These include the International Association of Privacy Professionals (with several of our key employees certified as Information Privacy Professionals), and Future of Privacy Forum. We also engage with working groups of industry associations focused on privacy and security issues, such as the U.S. Chamber of Commerce, the Consumer Technology Association, 5GAA and others.

Managing systemic risks from technology disruptions

HERE operates as a platform company with numerous APIs and services to deliver mapping information. HERE has business continuity plans compliant with ISO 27001, TISAX, and SOC2 for each type of service. Applications and services adhere to business continuity plans and recovery points/times according to their priority level, data, and customer requirements. Business continuity plans are reviewed and updated at least annually.

Want to talk? We do, too. Get in touch here.

Inclusion, Diversity and Belonging

I belong HERE

HERE is for everybody. HERE is a place where all employees can be their authentic selves. We promise to continue to advocate for all and to champion underrepresented voices.

We are committed to creating inclusive and diverse work environments internally and externally. We believe diverse perspectives, backgrounds and experiences are essential for driving meaningful change.

We strive to make HERE an open and welcoming place for anyone and everyone and we commit to attract and cultivate as much diversity of perspectives and experiences as possible.

At HERE, we want everyone to feel that they belong and are a valued and integral part of our company, our mission and our future.

"I belong HERE" means…

→ You can Be True to who you are at work

→ You can freely speak up and share your point of view

→ Your opinions and perspectives matter

→ Your ideas and contributions are recognized

→ You feel included and cared about

Employee Resource Groups

HERE's Employee Resource Groups (ERGs) enable communities and their allies to connect, be inspired and grow. These ERGs create and take part in activities that embody HERE values and culture and drive business goals forward.

Women's Initiative Network

The Women's Initiative Network (WIN) is an ERG formed in 2016 to promote gender equality and support the career development of our female and non-binary employees.

In 2021, WIN hosted many events and celebrated accomplishments, such as:

→   A five-part Lunch with Leaders series sponsored by WIN Chicago;

→   A Power Speaker event and multiple events for Women's History Month and International Women's Day;

→   A three-day event of 27 Ted Talk-like sessions featuring 36 speakers with the goal of amplifying women's voices at HERE via specific skillsets and discussing mental health, career paths and lessons learned; and

→   Sponsoring two Chicago-area families for the holidays in addition to broader fundraising totaling US$3,200 in donations and US$500 in goods.

Want to talk? We do, too. Get in touch here.

Unity & Power

Unity & Power is an ERG that is committed to the representation and advancement of Black and African culture, communities and talent. Members connect HERE solutions to the Black community, increasing representation at every level of the organization. In addition to hosting events and discussions, Unity & Power also gives back to Black communities and promotes careers in technology with the support of local organizations. In 2021, Unity & Power accomplished the following:

→ Sponsored an impactful video viewing in collaboration with WIN;

→ Hosted a Juneteenth Celebration of Culture and Freedom Social Hour;

→ Participated in a panel on STEM (science, technology, engineering and mathematics) education;

→ During Black History Month, hosted a series of events with internal and external ERG partners around the national theme The Black Family: Representation, Identity, and Diversity honoring the resilience of the Black family and highlighting a rich culture that transcends geographic boundaries. Unity & Power was joined by Vamos, WIN and Pride to bring content and conversations around Black History: A Shared History with an Afro-Latinx and LGBTQ+ intersection; and

→ Joined HERE Talent & Acquisition for a panel event featuring guest panelists from historically Black colleges and universities (HBCU) to explore HBCU history, culture and to learn how HERE can collaborate and strengthen our relationship with this pipeline of Black talent.

Want to talk? We do, too. Get in touch here.

Vamos

Vamos is an ERG that aims to foster an inclusive culture of belonging by committing to the representation and advancement of Latinx/Hispanic heritage, communities and talent, thereby enabling an Autonomous World for everyone. The group promotes inclusion by giving back to local communities and supporting Latinx and Hispanic team members. Vamos connects HERE solutions to Latinx and Hispanic markets with the support of partners and allies.

In 2021, Vamos hosted their first Latinx Tech Cohort. This meeting featured a group of HERE colleagues and external participants from companies including Microsoft, The Walt Disney Company, Uber, Esri, Groupon and LinkedIn throughout the United States who shared challenges with their respective resource groups, what it means to be Latinx in tech, and how they can continue to be better allies to those in other affinity groups.

Also, during Hispanic Heritage Month in October, the group hosted Vamos por un cafecito, where a Latina health and wellness expert shared the importance of daily physical activity to create a better work-life balance.

HERE is committed to equality and opportunity for all. The championing of underrepresented voices, ERGs and their members is instrumental in fostering an inclusive culture at HERE and helping to positively impact local communities. The spirit of 'I belong HERE' is amplified through our ERGs.

Want to talk? We do, too. Get in touch here.

PRIDE

HERE Pride

HERE Pride is a ERG focused on allyship, inclusion and uplifting the Lesbian, Gay, Bisexual, Transgender, Questioning, Pansexual, Non-binary, Intersex and Asexual community, both inside and outside the company. HERE Pride provides a forum for LGBTQ+ employees, offering professional development opportunities, championing issues and exploring new business ideas. Additionally, through partnerships with LGBTQ+ and ally communities, the group supports local charities and organizations. In 2021, Pride enjoyed successes including:

→ HERE North America and Mexico earned scores of 100 on the Human Rights Campaign Foundation's Corporate Equality Index;

→ Pride India celebrated LGBTQ+ History Month by educating colleagues on LGBTQ+ history and movements in India, culminating in a session attended by over 180 participants that highlighted heroes of the movement and discussed allyship and the need to combat prejudice;

→ In June, we commemorated Pride Month with the theme "Chosen Family." The celebration included virtual volunteering sessions, open discussions on topics impacting the LGBTQ+ community, a presentation on LGBTQ+ Identities and the Pride Flag and a collaboration with Esri's LGBTQ+ ERG Prism; and

→ Participated in first LGBTQ+ Special Interest Group panel at Esri UC 2021.

Want to talk? We do, too. Get in touch here.

By the numbers

Innovation thrives in a diverse workforce. HERE works to educate our people and increase representation of diversity at all levels of our organization. HERE collects data on gender at all levels, globally. In the United States, our employee ethnicity informs trends that might be relevant in other regions. Our diversity data holds us accountable and ensures that we are on track for a culture where everyone feels a sense of belonging.

As of December 2021

Our 7,000+ employees are located as follows:

- → Asia – 54%
- → EMEA – 23%
- → Americas – 23%

As of 2021 HERE Pulse conducted 22 November – 3 December

- → Company's Engagement Index is 73% favorable

As of December 2021

Gender (percent female)

- → Management – 21%
- → Technical – 15.5%
- → All other – 34.2%

Ethnicity – U.S. only

White – 65.5%
Non-white – 34.5%

- → Black/African American – 3.5%
- → Hispanic/Latinx– 4.7%
- → Asian – 24.3%

Want to talk? We do, too. Get in touch here.

E. J. C. Overbeek
Chief Executive Officer / Managing Director

W. L. M. Buskermolen
Chief Human Resources Officer / Managing Director

Want to talk? We do, too. Get in touch here.

HERE, a location data and technology platform, moves people, businesses and cities forward by harnessing the power of location. By leveraging our open platform, we empower our customers to achieve better outcomes - from helping a city manage its infrastructure or a business optimize its assets to guiding drivers to their destination safely. To learn more about HERE, please visit **here.com** and **360.here.com**.