



STATEMENT ON MODERN SLAVERY 2025

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1. INTRODUCTION AND OVERVIEW

Disclosure Under the UK Modern Slavery Act 2015

Disclosure Under the Australian Modern Slavery Act 2018

Disclosure Under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023

Disclosure Under the Norwegian Transparency Act 2022

As a globally active company with complex value chains, Hilti is exposed to human rights-related impacts. We strive to avoid adverse human rights impacts throughout our business operations and in the communities in which we engage. We are committed to the ten principles of the UN Global Compact and to respecting internationally recognised human rights, as set out in the Universal Declaration of Human Rights and the Declaration of the International Labor Organization on fundamental principles and rights at work, and we are committed to protecting these rights. They are reflected in our Code of Conduct, our internal policies, and our Code of Conduct for Suppliers, our Sustainable Sourcing Policies, and our Human Rights Policy for Supply Chain Due Diligence on Human Rights and the Environment.

Hilti (Gt. Britain) Ltd. is required to prepare a modern slavery and human trafficking statement for each financial year under section 54 (1) of the UK Modern Slavery Act 2015 (UK Act). Hilti (Aust.) Pty. Ltd. is required to prepare a similar statement under section 14 (1) of the Australian Modern Slavery Act 2018 (CH) (Australian Act). Hilti (Canada) Corp. is required to prepare a similar statement under section 11 (1) of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act S.C. 2023, c. 9 (Canadian Act). Øglænd System Group, which includes the entities Øglænd System AS, Øglænd Industrier AS, and Øglænd Group Holding AS, is required to prepare a similar statement under section 5 of the Norwegian Transparency Act (Norwegian Act).

As such, our Modern Slavery Statement 2025 (Statement) serves as a voluntary statement under the UK Act, as a joint statement under the Australian Act and under the Canadian Act, and as due diligence account under the Norwegian Act for the financial year 2024/25.

For the purposes of this Statement, we have considered the definitions of modern slavery in the UK, Australian, Canadian, and Norwegian Acts, which cover various forms of exploitation including but not limited to:

- slavery, servitude, and forced or compulsory labour;
- human trafficking;
- sexual exploitation and forced marriage;
- child labour;
- deceptive recruiting practices; and
- debt bondage.

In addition, for the purposes of the Norwegian Act we regarded decent working conditions as relevant to this Statement, and we have considered their definition as work that safeguards fundamental human rights and health, safety, and environment in the workplace, and that provides at least a minimum wage according to ILO standards.

The table below maps the recommended reporting criteria under the UK Act and the mandatory reporting criteria under the Australian Act, the Canadian Act, and the Norwegian Act to the sections of our Statement.

UK Act reporting criteria	Australian Act reporting criteria	Canadian Act reporting criteria	Norwegian Act reporting criteria	Sections of our Statement
Reference to in-scope entities.	Identify the reporting entities.	Identify the legal name of in-scope entities.	Identify the reporting entities.	Introduction and overview
The organisation's structure, its business and its supply chains.	Describe the structure, operations, and supply chains of the reporting entity.	The organisation's structure, activities, and supply chains.	The organisation's structure and area of operations.	Business structure, operations, and supply chains
The organisation's part of its business and supply chain where there is a risk of slavery and human trafficking taking place.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	The parts of the organisation's business and supply chains that carry a risk of forced labour or child labour being used.	Information regarding actual adverse impacts and significant risks of adverse impacts that the organisation has identified through its due diligence.	Identifying modern slavery risks in our operations and supply chains
The organisation's policies in relation to slavery and human trafficking. The organisation's due diligence processes in relation to slavery and human trafficking in its business and supply chains. The steps the organisation has taken to assess and manage the risks of slavery and human trafficking taking place identified in parts of its business and supply chain. The organisation's training and capacity building about slavery and human trafficking available to its staff.	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	The organisation's policies and due diligence processes in relation to forced labour and child labour. The steps the organisation has taken to prevent and reduce the risk that forced labour or child labour is used at any step of production of goods in its business and supply chain. The organisation's training provided to employees on forced labour and child labour.	The organisation's guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions. Information regarding measures the organisation has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	Hilti policies and values Addressing modern slavery risks in our operations and supply chains
		In particular, measures taken by the organisation to remediate any forced labour or child labour. Measures taken by the organisation to remediate the loss of income to the most vulnerable families that results from any		Identifying modern slavery risks in our operations and supply chains

		measure taken to eliminate the use of forced labour or child labour in its activities and supply chains. Where no measures have been taken to remediate the above, a statement by the organisation confirming the same.		
The organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Describe how the reporting entity assesses the effectiveness of such actions.	How the organisation assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.		Measuring our effectiveness and performance
	Describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14 of the Australian Act – the entity giving the statement.			Internal consultation process and engagement with stakeholders
	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.			Addressing modern slavery risks in our operations and supply chains

2. BUSINESS STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

All three Hilti sales organizations mentioned above – **Hilti (Gt. Britain) Ltd.**, **Hilti (Aust.) Pty. Ltd.**, and **Hilti (Canada) Corp.** – are part of the global **Hilti Corporation** (“Hilti” or “we” or “our”) based in Liechtenstein. Hilti supplies the worldwide construction and energy industries with technologically leading products, systems, software, and services. With about 34,000 team members in over 120 countries, Hilti stands for direct customer relationships, quality, and innovation. Hilti generated annual sales of CHF 6.4 billion in 2024. The headquarters of Hilti have been in Schaan, Liechtenstein, since

its founding in 1941, and it is privately owned by the Martin Hilti Family Trust, which ensures its long-term continuity. Hilti's purpose is making construction better, based on a passionate and inclusive global team and a caring and performance-oriented culture. For more information about our governance, organization, and leadership, please refer to our [homepage](#).

Hilti works with roughly 820 core direct suppliers to purchase the material that goes directly into our products. Approximately 65 percent of these suppliers are based in Europe, 28 percent in the Asia/Pacific region and 7 percent in the western hemisphere outside Europe. We procure more than 42 percent of our direct purchase volume locally in the sales regions where the product will eventually be sold.

In addition, [Øglænd System Group](#) ("Øglænd"), alongside its sub-entities, is a wholly owned subsidiary of Hilti Corp. and is a member of the Hilti Group. Øglænd is a global solution provider of multidiscipline support systems, cable ladders, cable trays, and associated services with more than 40 years of experience. It serves customers within oil & gas, shipbuilding, wind energy, infrastructure, marine farming, and many other industries. The headquarter and main production of steel products is located in Norway, with around 270 employees, with further factories located in Malaysia and China. Hilti includes references to Øglænd unless specified otherwise.

Øglænd works with roughly 13 core direct suppliers to purchase the material used in Øglænd's products. Approximately 78 percent of these suppliers are based in Europe and 22 percent in the Asia/Pacific region. The remaining direct suppliers are also part of the due diligence process.

A dedicated global process manager is in place to coordinate sustainability in our supply chain and product design (see: Due diligence processes and remediation processes). This enables an effective and aligned global approach for sustainable sourcing and development activities. Our Operational Excellence unit is responsible for the topic of supplier sustainability for direct materials. The global Procurement Indirect Materials function leads the topic of supplier sustainability for indirect materials. The function is responsible for ensuring that processes for supplier selection and supplier relationship management exist and are adhered to. Procurement Indirect Materials drives successful projects that are at the top of the sustainability agenda for Hilti, such as global renewable energy sourcing, travel demand management, offsetting projects for CO2 compensation, shifting to lower emission vehicles, and many more.

3. HILTI POLICIES AND VALUES

As part of the Hilti Group, Hilti (Gt. Britain) Ltd., Hilti (Aust.) Pty. Ltd., Hilti (Canada) Corp., and Øglænd System Group are vigilant to ensure our business and supply chains are free of slavery, operate with integrity and in line with Hilti's corporate values and Code of Conduct. The Hilti Group is committed to the ten principles of the UN Global Compact and to respecting human rights as set out in the Universal Declaration of Human Rights and the Declaration of the International Labor Organization (ILO) on fundamental principles and rights at work. This commitment is further demonstrated through the Human Rights Policy for Supply Chain Due Diligence on Human Rights and the Environment, which details the human rights section of the Code of Conduct. Besides Hilti's top-down and bottom-up risk assessment procedures, a due diligence framework is established to prevent or remedy any human rights violations in the context of Hilti's supply chain. Grievance procedures and reporting, as well as training and capacity building, are also set out in this policy. The resulting requirements, expectations and escalation mechanisms are set out in the Code of Conduct for Suppliers and Third-Party Intermediaries and defined in the relevant business processes. We report on our progress by publishing our annual Sustainability Report.

We are aware that our global operations come with an inherent risk of adverse impacts on human rights standards and that we must be diligent to provide decent working conditions in our own facilities and supply chain. Before entering into a business relationship with Hilti, both direct and indirect suppliers must contractually agree to adhere to the Hilti Group's principles against bribery, corruption, and human rights violations. They must also commit to humane working conditions, minimum wages, environmental protection, and the proper handling of hazardous substances as outlined in the Code of Conduct for Suppliers. Specifically, Hilti's suppliers pledge to eschew slave labour, servitude, forced or compulsory labour, and human trafficking, to pay minimum wages according to ILO standards, and refrain from using child labour. Alternatively, suppliers may have their own established principles or codes that meet our requirements.

New and existing suppliers, based on a risk assessment, undergo a third-party code of conduct assessment before or during their business relationship with Hilti. These regular assessments are conducted to evaluate compliance with the Hilti Group's Code of Conduct for Suppliers and local legislation. To uphold the supplier standards, the Code of Conduct for Suppliers stipulates a risk-based approach, and Hilti has established Sustainable Sourcing Policies for both direct and indirect material sourcing. The Sustainable Sourcing Policies mandate comprehensive due diligence, for example in the form of background checks and screening of third parties.

The abovementioned policies are established by the Chief Compliance Officer, by the Head of Sourcing Excellence, and by the Head of Procurement Indirect Materials, and are applicable to the Hilti Group. These documents have been approved by the Executive Board of Hilti Corp., which has the overall accountability for developing, implementing, maintaining, and monitoring compliance with the corporate policies. The Chief Compliance Officer, the Head of Sourcing Excellence, and the Head of Procurement Indirect Materials are responsible for ensuring that applicable policies are implemented effectively within their scope of responsibility.

Suppliers can expect Hilti to abide by and actively live by the core values set out in our Code of Conduct, which is mandatory for all Hilti employees. Vice versa, Hilti expects suppliers to abide by all applicable national and international laws and regulations, as well as by the requirements of the Code of Conduct for Suppliers. Furthermore, Hilti expects its suppliers and business partners to also communicate the rules set out in the Code of Conduct for Suppliers and the Sustainable Sourcing Policies to their own suppliers, sub-suppliers, and service providers when placing orders related to Hilti, and requests them to monitor compliance in their own supply chains. In case of refusals to comply or any instances of non-compliance with the stated rules, suppliers must promptly notify Hilti.

In addition, Øglænd's commitment to human and labour rights for all Øglænd employees is covered by the national framework agreement between Øglænd System AS and the Norwegian trade unions Fellesforbundet, Tekna, and NITO. Furthermore, all Øglænd productions facilities are ISO 9001, ISO 14001, and ISO 45001 certified.

4. IDENTIFYING MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

We are very critical of our human rights due diligence, as we are constantly reviewing industry best practices and statements from government and non-governmental agencies. We not only aim to tackle, but also to prevent and foresee possible dangerous situations. We looked for and identified risks in some areas of our business. Based on our findings and on public press releases, we primarily discerned risks in:

- the production of Hilti branded clothing;
- the supply of indirect material;
- the extraction of raw materials and minerals required for the production of various components, especially of electrical and electronic components.

The risk assessment was based on reports of human rights violations from the media and government and non-governmental organizations. In addition, in the case of Øglænd System AS, the Norwegian DFØ overview of high-risk products was used as a source to identify the highest risks.

Regarding the raw materials extraction, an in-scope material short-list was created and was the starting point to address modern slavery and other relevant human rights and labour standard risks in this area. In a first step, all direct suppliers were required to provide insights into their supply chains, based on a standard risk assessment. As a second step, third-party sustainability assessments were consulted, and their results were entered into a bonus malus system in our supplier rating. After evaluating our entire supplier portfolio, we plan to focus more on sustainability initiatives for individual material groups in a third step.

Under active monitoring	To be added to active monitoring in 2025	Under review
Tin (derived from cassiterite)	Lithium	Aluminium

Tantalum (derived from columbite-tantalite)	Nickel	Copper
Tungsten (derived from wolframite)	Graphite	Magnesium
Gold	Natural rubber	Platinum group metals (PGM)
Cobalt	Wood (mainly in the form of wood pulp for paper production)	Rare earth elements (REE)
Mica		

During the reporting year, there were no identified instances of forced labour or child labour in Hilti (Canada) Corp.'s operations or the Hilti Group's supply chain. Therefore, Hilti (Canada) Corp. has not needed to take any remediation measures. During the reporting year, Hilti (Canada) Corp. has not identified any instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

5. ADDRESSING MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

5.1 Actions taken to address modern slavery risks

As described, we drive our own efforts and actively participate in international efforts aimed at improving ethical and social standards in business life. We strive to have policies encompassing the entirety of our business structure, e.g. the Human Rights Policy for Supply Chain Due Diligence on Human Rights and the Environment. This policy further details the human rights section of the Hilti Code of Conduct, refers to the Code of Conduct for Suppliers, is linked to the group-wide Compliance Management System (CMS), based on the ISO 37301:2021 framework, and considers multiple national legislations. It further refers to environmental aspects in our framework of policies to align with global Supply Chain Act reporting requirements.

The aforementioned risks associated with the production of Hilti branded clothing are addressed in collaboration with our global suppliers for clothing as part of our internal procurement process. This topic was also assessed by an external audit and certification provider regarding the occupational safety and working conditions.

Considering the public reports on incidents linked to indirect material, e.g. tea, coffee, or solar panels, we decided to put in place a system whereby our suppliers working in this sector are now subject to new ad-hoc requirements and standards. The main novelty resides in the introduction of the duty to submit additional evidence of the suppliers' respect of and compliance with human rights and of the duty to guarantee that they fulfil this obligation respecting our standard approach in such instances.

Within the scope of raw materials due diligence, we are critically aware that we currently process various materials in our products, which may originate from minerals sourced from Conflict-Affected and High-Risk Areas (CAHRAs). At present, there is no equivalent substitute for these minerals, the extraction of which may help finance armed conflicts or may lead to political instability, insecurity, widespread violence, and widespread human rights violations in CAHRAs.

To mitigate associated risks, we ask our suppliers about the origins of their materials, and we require them to critically assess their own supply chains and to ensure that no materials derived from regulated conflict minerals are present in our products. By using the [Conflict Minerals Reporting Template \(CMRT\)](#), developed and maintained by the [Responsible Minerals Initiative \(RMI\)](#), we gather information throughout the supply chain regarding the countries of origin and the smelters and refiners utilized for processing tin, tantalum, tungsten, and gold (commonly abbreviated as "3TG"). In addition, by using the [Extended Minerals Reporting Template \(EMRT\)](#) from RMI, we also gain clarity on our

cobalt and mica supply chains. Both the CMRT and EMRT standards are aligned with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Our suppliers either declared that 3TG minerals, cobalt, and mica are not contained in the products they supply to us; or that any 3TG minerals, cobalt, and mica contained have been adequately sourced, as evidenced by an attached CMRT and/or EMRT. Furthermore, we have established a clear process flow in which a supplier is contacted directly through our Sourcing Excellence team, if they do not respond to our CMRT and EMRT requests, or if the requested CMRT and EMRT have not been completed sufficiently.

Our long-term objective remains to replace materials potentially linked to CAHRAs and to reduce the use of CRMs, as part of larger-scale efforts to make our product designs more sustainable. Within this scope, we would like to highlight several currently ongoing R&D activities.

1. We recently replaced some of the hard materials used for saw blade applications from traditional tungsten carbide – cobalt (WC-Co) hardmetals to titanium carbonitride (TiCN) based cermets. Not only does this lead to considerable reductions in the content of tungsten, cobalt, and tantalum, but also to a substantial performance improvement in terms of lifetime, thus considerably reducing the cost-per-cut for our customers. Our novel line of X-Cut circular saw blades for thin and structural metal cutting applications launched in 2022 already benefits from this substitution, and we are investigating possible extensions to other product lines. In addition, we kicked off R&D projects with academic partner institutions to develop custom cermets for our applications, thus further driving product differentiation and sustainable product design.
2. We are conducting an extensive internal project to reduce, or even obviate, the use of cobalt and nickel in our diamond inserts. We are investigating the use of cobalt- and nickel-free metal matrix composites (MMCs) and of alternative thick coatings for these inserts, while ensuring their best-in-class cutting performance remains unchanged, and while also establishing reliable manufacturing process chains in collaboration with our plant engineering colleagues.
3. We are actively researching novel alternatives to traditional tungsten carbide – cobalt (WC-Co) hardmetals for percussion drilling applications, in collaboration with academic partner institutions. Several cobalt-free candidate materials emerged from a sponsored PhD project in partnership with the Technical University of Vienna which concluded in 2023. These grades are currently being refined in collaboration with external suppliers and will soon enter a testing and optimization phase.
4. Through our involvement in wider-scale R&D projects, which are jointly funded by public institutions, by private companies, and by industry consortia and trade associations, we are supporting long-term, cutting-edge scientific research. Within this scope, two EU- and industry-funded projects that have recently started are worth highlighting.
 - a) The AIM-NEXT project (Accelerate the Design and Insertion of non-CRM Hard Materials for Next Generation Extreme Applications) will focus on establishing new experimental methods and computational approaches for the design of tools without critical raw materials such as tungsten or cobalt, which are currently essential for high-performance applications like percussion drilling. This 4-year-long project kicked off in May 2024 and will fund 10 researchers at institutions across the EU. Hilti will host 2 researchers as part of AIM-NEXT, who will focus on: 1) strengthening the binder phase for percussion drilling applications, without the inclusion of cobalt, and 2) microstructural design for damage tolerant components exposed to wear.
 - b) The RESQTOOL project (Recycling of High Quality CRM Resources from Machining Tools for Re-use Applications) will focus on establishing sustainable and energy efficient solutions for the recycling and responsible supply of several CRMs (cobalt, tungsten, tantalum, titanium, niobium) from End-of-Life products in metal and wood cutting, construction, and manufacturing industries. Areas of investigation will include: 1) improving the automated sorting of hardmetal scrap using standardized coding, 2) optimising the efficiency and the carbon footprint of the metallurgical processes used to recycle hardmetals, and 3) investigating alternative recycling methods based on bio-derived chemicals. Just like AIM-NEXT, RESQTOOL is also a 4-year-long project, and it kicked off in December 2023. Within both projects, our internal experts will play a key advisory role, in close collaboration with our research and industry partners.

5.2 Due diligence processes and remediation processes

A comprehensive action plan is in place, in line with the Hilti Group's enterprise-wide risk management.

Hilti carries out comprehensive due diligence through background checks and screening of third parties. We screen direct suppliers using three different IT-supported mechanisms. These screenings include topics such as ethical behaviour, health and safety management, and compliance with human rights. The related supplier self-assessment is a mandatory condition for initiating or maintaining a business relationship with Hilti, as outlined in the Hilti Group's Sustainable Sourcing Policies. Hilti excludes suppliers with human rights violations, evaluating and addressing incoming alerts daily. The Hilti Group maintains a stringent policy for business partner onboarding.

Hilti collaborates with an external partner to assess compliance with domestic regulations and high standards for employee treatment. In addition, the Hilti Group reserves the right to monitor existing and new business partners for compliance with the Code of Conduct for Suppliers on a regular or ad-hoc basis, if necessary. If there is a suspicion or indication of a violation of the Code of Conduct for Suppliers, such as non-compliance with local regulations, human rights abuses, or the use of child labour, Hilti initiates follow-up actions, either internally or through the external partner, for on-site verification. In the event of serious or repeated infringements, Hilti terminates the business relationship. Hilti has established an internal IT-supported dashboard to monitor the transparency created within our direct supplier network, focusing on the sustainability performance of our suppliers.

Our IT-based supplier relationship management system is the basis for handling all supplier-related information digitally on one platform. We already connected with almost all of our roughly 820 core suppliers via this system. These core suppliers handle 76 percent of our total purchasing volume of direct materials. This centralized contract documentation and communication will also be established for all indirect suppliers. This enables us to document our described due diligence efforts and standards, product compliance statements, agreements, and audit results, helping us in systematically cultivating our supplier relationships.

Hilti's approach to addressing the concerns and grievances of workers in the value chain is based on enabling the workers to report incidents of non-compliance with the Code of Conduct, the Code of Conduct for Suppliers, and associated policies. This is done through the Hilti Group's anonymous "SpeakUp for Business Partners" whistleblowing hotline, publicly available on all Hilti websites and referenced in documents relevant for suppliers, or directly through supply managers. Each reported incident undergoes an initial review, conducted or supervised by the compliance office. Upon completion of this review, the compliance office provides recommendations and/or advice regarding any necessary actions.

Hilti has a non-retaliation policy in place to ensure that the rights of both the whistleblower and the involved party are not compromised. People who, in good faith, report known or presumed violations will be protected from retaliation. Any kind of reprisal against people who report violations in accordance with these principles is a clear, severe breach of the Code of Conduct and will be handled accordingly.

5.3 Training on modern slavery and human trafficking

Comprehensive and target-group oriented compliance training concepts ensure that we raise awareness and inform our employees about modern slavery as well as human trafficking globally. On-site training courses serve both the general introduction to compliance issues and to deal with individual aspects in more depth and are attended by about 1600 employees annually. All new general managers of a market organization are trained on compliance issues in their area of responsibility as part of comprehensive training for general managers immediately after taking office.

All Hilti employees in sourcing and in purchasing-related functions are responsible for complying with our Code of Conduct, our Human Rights Policy for Supply Chain Due Diligence on Human Rights and the Environment, our Prohibited Practices Policy, our Sustainable Sourcing Policies for direct and indirect materials, and any supplementing policies, instructions, and guidelines. They are receiving appropriate ongoing training in this regard. To ensure the correct application of our policies, we are training our internal supply community new joiners on the topic of sustainable sourcing annually face to face in a full-day workshop. In addition, we have systematically introduced mandatory e-trainings to educate the supply community on (product) compliance topics related to procurement (see: Hilti policies and values).

Moreover, especially for direct suppliers in countries with less established sustainability practices and within material groups with substantial sustainability impact, we offer and provide trainings on social practices on a regular basis, thereby promoting positive social impact action.

6. EFFECTIVENESS OF ACTIONS TAKEN TO ADDRESS MODERN SLAVERY

To critically assess the effectiveness of our actions, we consult third-party supplier audits and sustainability assessments, which are then entered into a bonus malus system in our supplier rating. More than 180 audits have been carried out since 2020, primarily in the Asia/Pacific region. Such direct supplier audits are repeated every three to five years to ensure ongoing compliance with our Code of Conduct for Suppliers, our Human Rights Policy for Supply Chain Due Diligence on Human Rights and the Environment, and our Sustainable Sourcing Policies. They include 14 audit categories, namely: Local Laws and Regulations, Child Labor, Forced Labor, Harassment, Wages and Benefits, Hours of Work, Health and Safety, Non-Discrimination, Women's Rights, Freedom of Association and Collective Bargaining, Environment, Sub-Contracting, Communication, and Monitoring and Compliance.

During 2024, a total of 33 direct supplier audits were carried out. A majority of these audits resulted only in minor findings and showed a good overall performance of our supplier base. Nonetheless, the minor findings are communicated to suppliers, and they are included in longer-term supplier monitoring and evaluation plans, to ensure that the findings are taken up and converted into improvement plans, and that the necessary improvements have been implemented. A few audits resulted in findings that required short-term measures, primarily in the categories of Wages and Benefits, Hours of Work, and Health and Safety. For such findings, suppliers are required to implement the necessary changes and improvements during a period of maximum 6 months, and to provide adequate and clear evidence for completion. The responsible supply managers are monitoring the implementation progress and check the provided evidence. Furthermore, the remediation measures are checked again in follow-up audits carried out by trained Hilti professionals or by the third-party that was assigned with the initial audit, to ensure that the measures are effective not only in the short term, but that they instead provide resilient and robust benefits.

Øglænd executed a full background check for 59 suppliers in 2024. Suppliers are evaluated based on multiple aspects of their operations such as country, industry, and commodity risk to identify the severity and likelihood of adverse impacts on human rights and working conditions. Two checks required additional deep dive assessments to ensure that suppliers comply with the signed Code of Conduct for Suppliers.

7. INTERNAL CONSULTATION PROCESS AND ENGAGEMENT WITH STAKEHOLDERS

Hilti puts great emphasis on regular communication and dialogue with internal and external stakeholders. The Hilti Group's key stakeholders are customers and employees. Other relevant stakeholders are our large base of suppliers.

Direct and regular on-site contact with customers is a key element of Hilti's business model. In Hilti's sales model, there are typically no intermediaries between the company and end users, fostering long-term relationships with customers. In addition to direct contact through account managers, Hilti interacts with customers on a daily basis via customer service, by phone and e-mail, in Hilti Stores, and through digital channels like the Hilti Online websites and social media.

Hilti systematically asks for customers' opinions as part of regular customer surveys, which include specific questions on sustainability. Engagement on sustainability-related topics with key accounts has intensified, supported by a dedicated Corporate Sustainability Business Development Team and regional or local customer sustainability managers. These roles were newly established in recent years. Insights from these numerous customer exchanges help Hilti better understand evolving needs and trends and contribute to the Hilti's goal of being our customers' best partner for sustainability.

Regular exchanges with employees are promoted not only in the daily working environment, but also through various internal media and event formats. Hilti conducts its annual Global Employee Opinion Survey (GEOS), covering topics such as team members' engagement, perception of working conditions, equal treatment and opportunities, and sustainability efforts. GEOS is an anonymous online survey facilitated by an external provider, with results segmented by teams, departments, and functions for targeted insights. Open-ended comments are analysed globally, and leadership teams define action plans based on findings, ensuring continuous and transparent updates on the implementation of employee feedback. The action plans are globally guided to ensure a uniform approach. The Head of Global Human Resources oversees the survey process, and the results are presented to the Executive Board and the Board of Directors. GEOS serves to better understand employees' needs, concerns, and overall engagement with Hilti. Additionally, Hilti encourages employee involvement through events and open dialogues.

Internationally, Hilti works with many suppliers and business partners. It is important for Hilti to build partnerships on equal terms and to engage in regular personal discussions. Cooperations are based on the highest ethical standards, which are set out in the Hilti Group's Code of Conduct for Suppliers.

The close collaboration with our suppliers makes it possible to directly incorporate feedback and common insights. During the reporting year, we continued the exchange with suppliers, conducting workshops to identify potential for product improvements. We started with an exchange exploring our common sustainability strategy, our values and goals, proceeded with deep dives into the sourcing strategy, elaborating our expectations towards our suppliers, and finally conducted a workshop resulting in concrete actions and initiatives at a product level.

This report was approved pursuant to the UK Act, the Australian Act, the Canadian Act, and the Norwegian Act by the Boards of Directors of Hilti (Gt. Britain) Ltd., Hilti (Aust.) Pty. Ltd., Hilti (Canada) Corp., and Øglænd System Group, respectively.

This document was signed by the entities management in accordance with the rights of representation.