

HILTI GROUP, BCG AND SAP SETTING CIRCULARITY STANDARDS WITH CIRCELLIGENCE

Schaan (FL), November 22, 2023 – Together with Boston Consulting Group (BCG), the Hilti Group has created and applied a score that makes the implementation of circular economy principles measurable.

In the conventional model of a linear economy, a large proportion of the resources used are removed from the material cycle as products are discarded at the end of their life cycle. In a circular economy, materials are kept in circulation which reduces the extraction of raw materials overall. Teaming with Boston Consulting Group (BCG), the Hilti Group has created and applied a Hilti circularity score, leveraging "Circelligence", BCG's new methodology for measuring the implementation of circularity principles in its own operations. The achievements are evaluated by Circelligence and visualized through SAP Business Technology Platform ® (SAP BTP), which provides a user-friendly interface for tracking the materials along the entire value chain.

“There is no internationally recognized standard for measuring circularity as opposed to, for example, measuring greenhouse gas emissions. So, we created one for our purposes. Ultimately, we wanted to set an example for the industry, not only the construction industry but the broader landscape of any company that’s embarking on the journey of circularity,” said Caroline Stern, Head of Circular Economy at the Hilti Group. “It’s about keeping materials in use, but also mitigating supply chain risks and being less dependent on volatile international markets for raw materials.”

Circularity initiatives established around “reduce, reuse, recycle”

Being the first company worldwide to use the Circelligence methodology, Hilti thoroughly evaluates the circularity of its entire product portfolio on a yearly basis. The results that are published in the annual sustainability report serve as a basis to calculate the company’s Scope 3 CO₂ goals and define its initiatives as part of its Science Based Targets commitment to Net Zero.

Hilti’s circularity approach consists of the three core areas “reduce, reuse and recycle.” An important pillar is the "product as a service" offering with Hilti's Fleet Management, where customers are provided a tool park tailored to their needs. This approach ensures that no resources are wasted on duplicate, excess or idle tools. At the end of a Fleet Management contract, Hilti takes the used tools back and assesses them in its Tool Service Centers. Tools in usable condition are refurbished for Hilti’s “Tools on Demand” short-term use program or

for donation to non-profit organizations. Tools that can no longer be used are dismantled and examined to determine if their components can be used as spare parts in repair or separated into recycling fractions.

“Hilti and SAP have a 40-year-long history and today we are writing another chapter by using our cloud solutions to set a new standard for sustainability in the construction industry,” said Scott Russell, member of the Executive Board of SAP SE and lead of Customer Success. “With the help of our partner Boston Consulting Group, Hilti will now be leveraging the power of SAP BTP to use more contextual data across their processes to get closer to their vision of helping to create a circular economy.”

“While working with the Hilti Group and SAP, BCG was able to digitize Circelligence and improve it with a user-friendly web-app interface. These latest evolutions lay the groundwork for streamlining the process of running and updating circularity assessments, integrating interactive scenario assessments, while setting the stage for future automation,” said Alexander Meyer zum Felde, Global Product Lead Circular Economy at BCG. “We’re proud to see how the Hilti Group has pioneered the development and use of this methodology, and we’re looking forward to seeing how Circelligence can help other organizations improve their circularity initiatives, achieving greater resource efficiency by doing more with less.”

The Hilti Group supplies the worldwide construction and energy industries with technologically leading products, systems, software and services. With about 33,000 team members in over 120 countries the company stands for direct customer relationships, quality and innovation. Hilti generated annual sales of more than CHF 6.3 billion in 2022. The headquarters of the Hilti Group have been located in Schaan, Liechtenstein, since its founding in 1941. The company is privately owned by the Martin Hilti Family Trust, which ensures its long-term continuity. The Hilti Group’s purpose is making construction better, based on a passionate and inclusive global team and a caring and performance-oriented culture.

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