

STATEMENT ON MODERN SLAVERY

Disclosure Under the Australian Modern Slavery Act 2018: Slavery and Human trafficking statement

This Modern Slavery Statement is issued pursuant to the Australian Modern Slavery Act 2018 (the **Australian MSA**), which requires that certain mandatory criteria be included in this statement. The reporting entity for the purposes of the Australian MSA is Hilti (Aust.) Pty. Ltd.

Business structure, operations and supply chains

[Hilti \(Aust.\) Pty. Ltd.](#) is part of the global [Hilti Corp.](#) based in Liechtenstein. We offer solutions for the professional construction industry – supplying products, system solutions, software, and services worldwide and employ around 30,000 persons in more than 120 countries. For more information about our governance, organisation, and leadership, please refer to our [homepage](#).

Hilti Policies and values

As part of the international Hilti group of companies, Hilti (Aust.) Pty. Ltd. is 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](#). Since 2012 we have formally required each of our suppliers to commit to compliance with our [Code of Conduct for Suppliers](#) as well as [Hilti's Sustainable Sourcing Policy](#), which clearly sets out Hilti's expectations and requirements.

In 2006 we joined the UN Global Compact and have promoted the principles and values set out herein ever since. We report on our progress by publishing our [Sustainability Report](#).

Suppliers can expect Hilti to abide by and actively live by the core values set out in its 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. Beside that Hilti suppliers participate in external platform service providers assessment regarding sustainability, business ethics and human rights.

Risks of modern slavery in our operations and supply chains

We identified risks in electronic components and raw materials extractions and minerals. Beside that Hilti branded clothing production is included in the monitoring. The risk assessment was based on actual reports of Human rights violations of media, government and non-government agencies. The clothes production topic is addressed in collaboration with the

internal procurement process and the supplier for such clothing globally. The later was also assessed by an external inspection and certification provider regarding the occupational safety and working conditions. Regarding the raw material extraction an in-scope material short-list was created and will be the starting point to address modern slavery and other relevant human rights and labour standard risks. In a first step all direct suppliers have been required to provide insight in their supply chain based on a standard risk assessment. Sustainability assessments such as those of EcoVadis or Integrity Next are consulted, which are 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 review
Bauxite (Aluminum)
Cobalt
Copper
Lead
Lithium
Muscovite
Conflict Mineral Monitoring
Gold
Tin (cassiterite)
Tantal (Coltan)
Tungsten

From the list you can see that we currently process the minerals tungsten and cobalt in our products, especially in the tips of our drills and chisels as well as to a much smaller extent in batteries. These elements are also contained in many machines in our plants. Now, there is no equivalent replacement for tungsten and cobalt for our purposes. However, our long-term goal is to replace conflict materials with less problematic substances. We are conducting a multi-year internal research project to replace cobalt with nickel or iron in the medium term.

Actions taken to address modern slavery risks: Due diligence processes and remediation processes

As described, we actively participate in international efforts aimed at improving ethical and social standards in business life.

We operate regular, standardized, and announced on-site audits as mentioned above. Moreover, our direct suppliers undergo the evaluation audit above before we enter into a business partnership with them. If we become aware of a violation, we take appropriate steps

and measures to assure supplier compliance, including remedial measures and maintain an anonymous grievance mechanism for third parties. Hilti will terminate the business relationship for violation of the Code of Conduct, where the supplier does not show the desire and will to improve the situation, or where there is not sufficient improvement after repeated violations. Beside the third-party grievance mechanism, internal confidential reporting procedures are adopted and published for employees to report any violations of the Code of Conduct, within Hilti or our supplier network.

What Hilti expects of suppliers:

- To ensure healthy and safe working conditions
- To effectively prevent and control hazards and to ensure product safety
- To pay at least the legal minimum wage and to provide the overtime compensation specified under applicable laws and regulations

What suppliers may not do:

- Make use of child or forced labour (according to ILO Conventions 138 and 182 as well as 29 and 105)
- Discriminate on the basis of ethnicity, nationality, sex, cultural background, race, age, disability, religious beliefs or sexual orientation
- Exceed the maximum legal working hours excessively and for long periods (according to ILO Conventions 1 and 30)
- Obstruct their workers' rights to assembly, association and collective bargaining
- make use of any type of mental and/or physical forms of disciplinary action and engage in systematic harassment.

Effectiveness of actions taken to address modern slavery

Sustainability assessments such as those of EcoVadis or IntegrityNext are consulted, which are entered into a bonus malus system in our supplier rating. A total of 80 audits were carried out at our suppliers in 2020. These direct supplier audits are repeated every three to five years and include working conditions and safety standards.

Training on modern slavery and trafficking

Comprehensive and target-group oriented compliance training concepts ensure that we inform our employees about modern slavery as well as trafficking. 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 1,500 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. Moreover, especially for direct suppliers in countries with less established sustainability practices and within material groups with substantial sustainability impact, we offer and provide training on social practices on a regular basis, thereby promoting positive social impact action.

This statement was approved by the board of Hilti (Aust.) Pty. Ltd. on 19 August 2021.

A handwritten signature in black ink, appearing to read 'Scott Clifton', with a long horizontal flourish extending to the right.

Scott Clifton

General Manager & Director

20 August 2021