

NON-FINANCIAL ASPECTS OF CORPORATE RESPONSIBILITY



HUMAN RIGHTS

Code of Conduct

Hilti strives to consistently improve ethical and social conditions associated with business. The company also mandates that its suppliers observe international requirements and ethical standards. In case of serious violations of the Code of Conduct for Suppliers, such as employing child or forced labor, Hilti is authorized to terminate any agreement.

Anti-discrimination

Hilti believes there is an inseparable connection between business success and corporate responsibility. Building on the existing Code of Conduct and a culture of integrity, respect and anti-discrimination, Hilti has implemented specific anti-discrimination guidelines in 2017 which will generate increased transparency and further reduce the risk of workplace discrimination. The guidelines were communicated to all employees worldwide to promote inclusive behavior across the company.



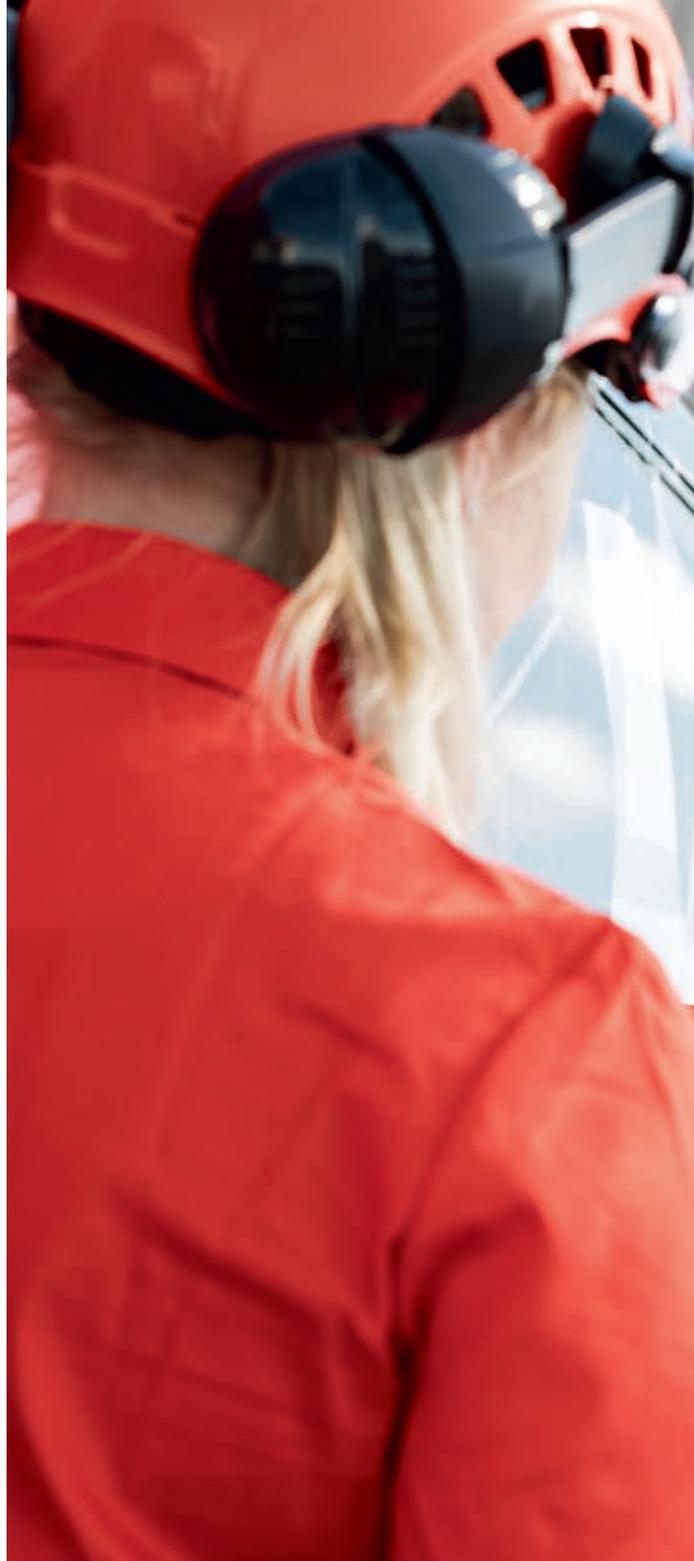
ANTI-CORRUPTION ACTIVITIES

Organization

The Compliance Management System (CMS) that was established over previous years was further institutionalized in 2017. It is further developed in close cooperation with the various regions on an ongoing basis. In strategic terms, the CMS is based on the guidelines contained in ISO 19600 and ISO 37001.

Prevention

Hilti employees are regularly trained to observe the company's internal anti-corruption guidelines. During the year under review, Hilti further strengthened its Compliance unit and studied new approaches in prevention and detection. Additionally, possible corporate acquisitions are subject to appropriate prevention and inspection measures which meet the company's high level of compliance requirements.



Significant non-financial performance indicators

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| <p>LA8 Health and safety topics covered in formal agreements with trade unions</p> | <p>taken to contribute to the effective abolition of child labor</p> |
| <p>HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained</p> | <p>HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor</p> |
| <p>HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures</p> | <p>EN3 Energy consumption within the organization</p> |
| | <p>EN6 Reduction of energy consumption</p> |



ENVIRONMENTAL PROTECTION

Reducing CO₂ emissions

Hilti works to reduce its ecological footprint in a targeted manner. Emissions per employee were reduced in the year under review by 5.3 percent across the entire Group. The most significant factors influencing CO₂ emissions are energy usage at the various locations and the fuel consumption of Hilti's worldwide vehicle fleet.

Energy efficiency

Energy efficiency also plays a significant role at Hilti. The company's Kaufering, Germany, location, for example, introduced energy management software which is capable of quickly identifying abnormally high energy usage which may be caused by defective production machinery. In addition to many other direct energy-saving measures the company has implemented, this leads to a reduction in energy consumption. Several hundred thousand kWh of energy were saved in Hilti's production facilities alone in 2017.

You can find an overview of the most significant environmental figures online under www.hilti-companyreport.com.



SOCIAL AND EMPLOYEE MATTERS

Corporate culture

The Hilti Way describes the employee- and performance-oriented corporate culture that is characterized by common values, exemplary management and the conviction that corporate growth and employee development go hand in hand. In 2017, employees spent 32,000 working days on corporate culture workshops.

Occupational safety

Accident prevention is a central point of occupational safety. Over the past several years, a program known as "near-miss management" was established in the manufacturing facilities, warehouses and tool service centers as part of a comprehensive lean initiative. The target is to identify dangerous situations or near misses and to implement corresponding preventive measures. The consistent implementation has resulted in a reduction of the severity of accidents and in the number of lost workdays.

Employee health

In 2017, Hilti once again implemented a number of measures and campaigns aimed at promoting better health at various locations around the world. In addition to measures which are required legally, many local organizations also offer proactive initiatives focusing on sport, nutrition and medical and psychological counselling.

EN 8 Total water withdrawal by source

EN 15 Direct greenhouse gas (GHG) emissions

EN 16 Energy indirect greenhouse gas (GHG) emissions

EN 19 Reduction of greenhouse gas (GHG) emissions

EN 23 Total weight of waste by type and disposal method

EN 27 Extent of impact mitigation of environmental impacts of products and services

DMA General information on the management approach

SO 4 Communication and training on anti-corruption policies and procedures