



Thinking and acting freely, sustainably and ethically has been important to us as a family business for four generations. We are convinced that socially, ecologically and socially responsible action promotes and secures the economic success of our company.

In accordance with the principle **"protect what we love together"**, the protection of people and the environment is a central concern for us, whether within our group of companies or throughout our entire value chain.

As the Hettich Group, we have been subject to the German Supply Chain Due Diligence Act (LkSG) since 2023; due to the changed threshold values, our subsidiary Paul Hettich GmbH & Co. KG was added as an independently obligated company. Unless otherwise stated, our subsidiary Paul Hettich uses the same processes already established at Group level to fulfil its obligations under the Act.

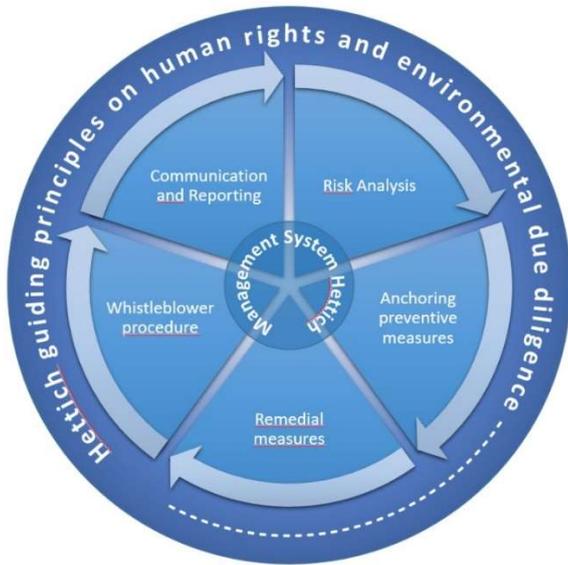
In the following, we explain

- how we fulfil our obligations under the LkSG,
- what our priorities are, and
- what expectations we have of our colleagues and our suppliers as a result.





**How do we fulfil our obligations?**



In accordance with our mission statement on human rights and environmental due diligence, our due diligence process is based on five elements:

- Risk analysis,
- Establishment of preventive measures,
- Complaints procedure,
- Remedial measures and
- Communication.

These elements influence each other, are continuously adapted to each other and are anchored in our management system. We view implementation as a continuous process with the aim of constantly improving ourselves. We welcome dialogue with our stakeholders and will regularly report internally and externally on our progress.

- The **risk analysis** is primarily analysed using an AI-based risk management system. In addition to abstract risks (industry and country risks), this system also provides us with publicly available information relating to individual suppliers. In addition, we draw on internal knowledge that we have gained, for example, through plant inspections or audits, whether by ourselves or by third parties. We combine these two sources in order to obtain the most accurate risk picture possible.
- As **preventive and corrective measures**, we use a coordinated set of tools to continuously advance ourselves and our suppliers in the area of human rights - from topic-related training, exchange and networking formats, audits, to restrictions or, as a last resort, the termination of the business relationship. We use the following key questions to prioritise and select measures:
  - How likely is it that an identified risk will actually materialise and how serious would the consequences be?
  - What influence do we have to minimise an identified risk or to end a breach that has occurred?
  - What contribution do we possibly make directly or indirectly to a risk resulting in an actual violation?

The more likely a risk and the more serious the consequences, the greater our influence and contribution, the more we will focus on these risks or the part of the supply chain where they exist.

- Legally compliant behaviour is the basis of our actions. We have set up a **whistleblower portal** at [www.hettich.com/whistleblowing](http://www.hettich.com/whistleblowing) to report possible violations of legal regulations or voluntary commitments. This can be used in various languages and, if desired, anonymously, and is available to all persons both inside and outside the company.
- We have created **communication and training material** for various target groups (colleagues, suppliers, customers) and for the general public, which we use depending on the function and/or need.



- The requirements of the LkSG are comprehensively implemented in our **internal processes and guidelines**. Particularly noteworthy are
  - Our supplier risk management process. This combines our demands on our suppliers with binding specifications for our purchasing department and defines how the risk level of our suppliers is reflected in their selection, development and management.
  - Our supplier approval process: This sets out the conditions that our suppliers must fulfil with regard to LkSG risks in order to be approved by Hettich.
- Our LkSG risk management is monitored by our Human Rights Officer.

### **What are our priorities?**

As outlined above, we utilise an AI-based risk management system, as well as our own findings from social and environmental audits of our suppliers. In individual cases, this has led to indications of potential for improvement in the area of compliance with local legal requirements regarding working hours and overtime regulations. In addition to the consistent implementation of local action plans drawn up jointly with the suppliers concerned, we are systematically focussing on increasing our ability to influence conspicuous suppliers, for example through increased cooperation within and outside the Hettich Group and an even stronger link between compliance and procurement decisions.

In 2024, we received exactly one enquiry from a person or organisation outside our company via our whistleblower portal (see above). The question was directed at one of our international subsidiaries with regard to working hours and overtime regulations. We answered the question comprehensively following an internal review and implemented improvements to individual processes on site.

### **What expectations do we have of our colleagues and our suppliers?**

Our expectations are derived from our sustainability strategy and are expressed in the following documents in particular:

- Our sustainability principles, according to which we are committed to implementing our claim to respect human rights throughout our entire supply chain.
- Our Code of Conduct for all Hettich employees. In it, we commit ourselves to respecting and protecting the human rights and dignity of all persons with whom we come into contact at Hettich. This includes the creation of a safe and healthy working environment, the right to freedom of association and unionisation, non-discrimination and a commitment to diversity within the company.
- Our Code of Conduct for Business Partners, which forms the basis for working with Hettich. It sets out our expectations of our suppliers, including with regard to legally compliant behaviour and social and environmental sustainability. We expect our suppliers to identify and minimise human rights and environmental risks in their own context and to work with us in a spirit of trust. In our cooperation, we follow the principle of 'empowerment before withdrawal', i.e. our focus is on promoting and qualifying our suppliers. However, the Code of Conduct also sets out possible measures and sanctions in the event of violations and makes it clear that the last resort may be to terminate the business relationship.

If you would like to find out more about our activities in the area of human rights and environmental protection, please take a look at our latest [sustainability report](#).