

ACT TODAY, THINK ABOUT TOMORROW!

Hettich Sustainability Report 2023



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Dear sustainability enthusiasts,

at Hettich, we live a collaborative culture in which we can all contribute our strengths, passions and ideas in the best possible way. This naturally also applies to the issue of sustainability. Although principles, guidelines and processes for responsible, sustainable action have been implemented in the Hettich Group for many years, we still have a lot to do to make the future worth living for all of us. But we don't want to leave that to management alone - we employees also want to do our bit and put our heart and soul into driving the issue of "sustainability" at Hettich even further.

At Hettich, we offer many good solutions for magical furnishing solutions - but even we don't have the one solution to counteract climate change or ensure a just and educated society everywhere in the world. Maybe there is no such thing either. But we are helped by many big and small steps that we all take together to achieve these goals. Our Hettich colleagues, at any rate, are highly motivated and have many good concepts and ideas to find solutions for a just world worth living in for us and future generations.

We as the Corporate Responsibility Team, with our particular passion for sustainability, hereby take the opportunity and, like a kind of hinge, open the "door" to our fourth voluntary sustainability report to provide an insight into our sustainability strategy, relevant processes and guidelines, planned and implemented measures as well as difficulties and successes. In addition, of course, we also report regularly on our social media channels or in the annual environmental statements of the EMAS-validated sites about key figures, current activities and progress.

Jana Schönfeld and Sascha Groß, the managing directors of Hettich Holding, will conclude the overview with an epilogue.

We wish you all an interesting read!

The Corporate Responsibility Team at Hettich

Standards for reporting

This sustainability report is voluntary and not subject to any mandatory standard. For better structuring, we have aligned ourselves to the criteria of the [German Sustainability Code](#) (Deutscher Nachhaltigkeitskodex, DNK), which also served as thematic guidelines for our previous sustainability reports. In preparation for the European directive on sustainability reporting, the "Corporate Sustainability Reporting Directive", we have tried to take future requirements into account wherever possible.

We are committed to the [17 "Sustainable Development Goals" \(SDGs\)](#) of the United Nations. The Sustainable Development Goals of the 2030 Agenda are addressed equally to states, civil society, business, science and each and every individual.

They include ecological, economic and social goals that are ensured for the entire global society and are considered as a guideline for a sustainable course of action.

As a company, we want to make our own contribution to the sustainable development of this world and have presented the "SDGs" in this report that we support with our respective activities.





At home in Kirchlengern. At home all over the world.

Hettich was founded in 1888 and is now one of the world's largest and most successful manufacturers of furniture fittings. The company is headquartered in Kirchlengern in the furniture cluster of East Westphalia. The company works together with around 8,000 colleagues in almost 80 countries to provide the furniture industry with sustainable solutions. With its corporate promise "It's all in Hettich", the Hettich brand stands for a comprehensive service portfolio that is consistently geared to the needs of Hettich customers worldwide. Sustainable action in terms of social, societal and ecological aspects has traditionally always been a top priority.

Management

The Hettich Group is divided into independently operating divisions that are strategically managed by Hettich Holding. Dr. Andreas Hettich, a fourth-generation shareholder, moved from operational management of Hettich Holding GmbH & Co. oHG to chair the Hettich Group's Advisory Board on 1 January 2020. After almost 20 years in the operational business, including 13 years as Chairman of the Management Board, Dr. Hettich is now concentrating on the strategic management of the Group and acting as a link between shareholders and management. The Hettich Group is led by Jana Schönfeld and Sascha Groß on an equal footing with all their management team colleagues worldwide.



Global presence

With subsidiaries, branch offices and production sites in Europe, America and Asia, we are always close to our customers all over the world. We are specialists for every market segment, know the different requirements and consistently implement them in our developments – for our joint success. Hettich stands for a strong partnership with the furniture and white goods industry, specialist retailers and craftsmen as well as the Do-It-Yourself sector.

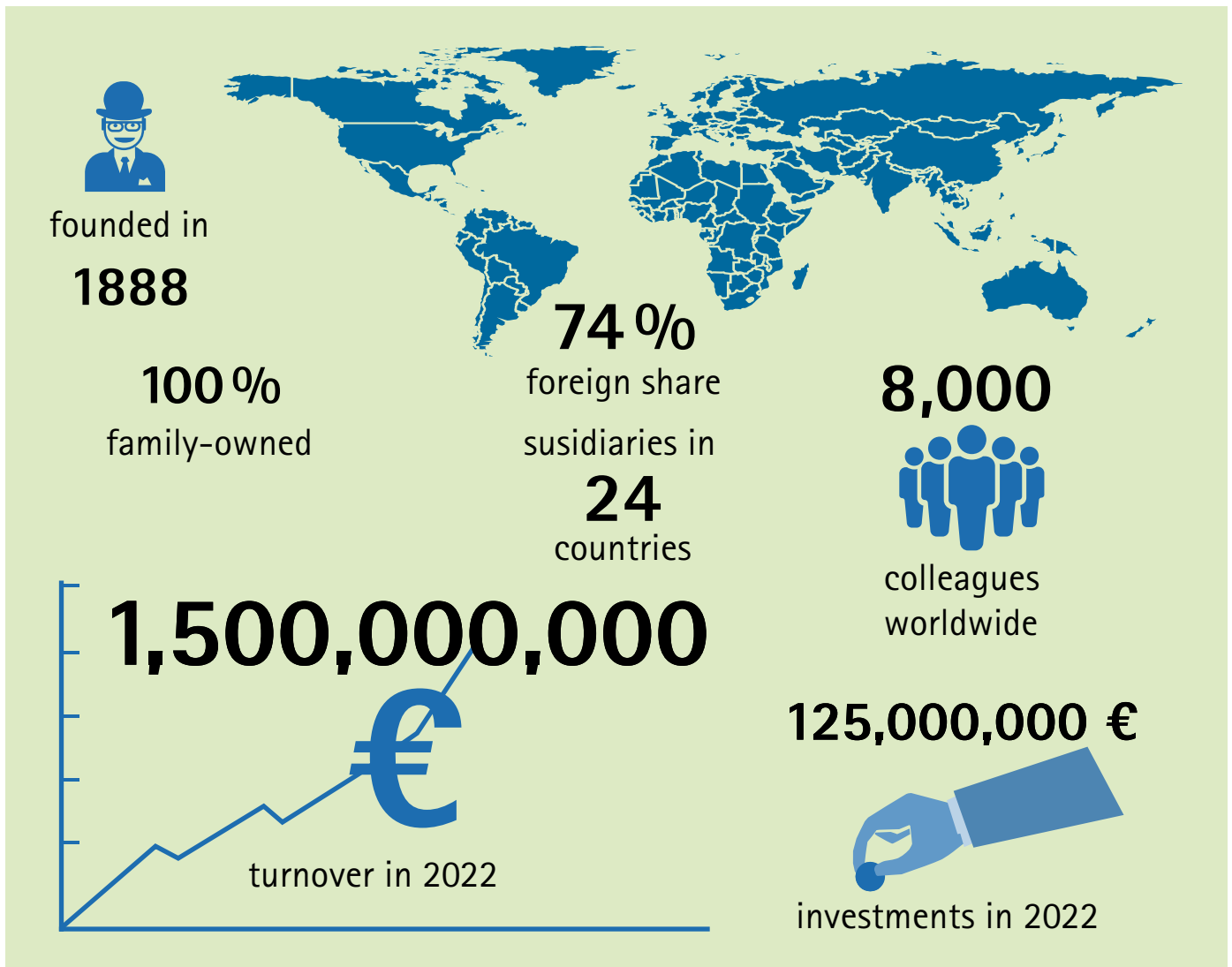
Business development

In the reporting year 2022, we generated a turnover of around 1.5 billion euros. This corresponds to an increase in turnover of almost 10 percent compared to the previous year. The foreign share was 74 percent.

On average, Hettich employed around 8,000 colleagues worldwide in 2022, around 3,800 of them in Germany. Here, 212 apprenticeships were offered and filled in the technical and commercial fields.

Investments

125 million euros was invested by the Hettich Group in 2022 in new products, infrastructure projects, buildings, facilities, software for digitalisation or in capacity expansions.



ROOMS FULL OF JOY



IT'S ALL IN HETTICH





VALUES AND TRADITION

Family business

The Hettich Group is 100 percent family-owned. Entrepreneurial freedom and independence are important and indispensable principles of the Hettich family. The history of the family business is characterised by outstanding engineering achievements and courageous entrepreneurship and shows that heritage has a future. Family businesses are a mainstay of the German economy.

The Hettich brand

We make magical furnishing solutions possible for many people, because we consistently look at spaces from the perspective of their users. Together with customers and partners, we implement sustainable concepts that make furnishing flexible. In doing so, we constantly rethink functionality and resolutely pursue forward-looking paths for the design of fascinating spatial experiences. We are the success driver for our customers and partners. Because Hettich has everything they need to be successful. We encapsulate this with "IT'S ALL IN HETTICH". We take our brand values seriously:

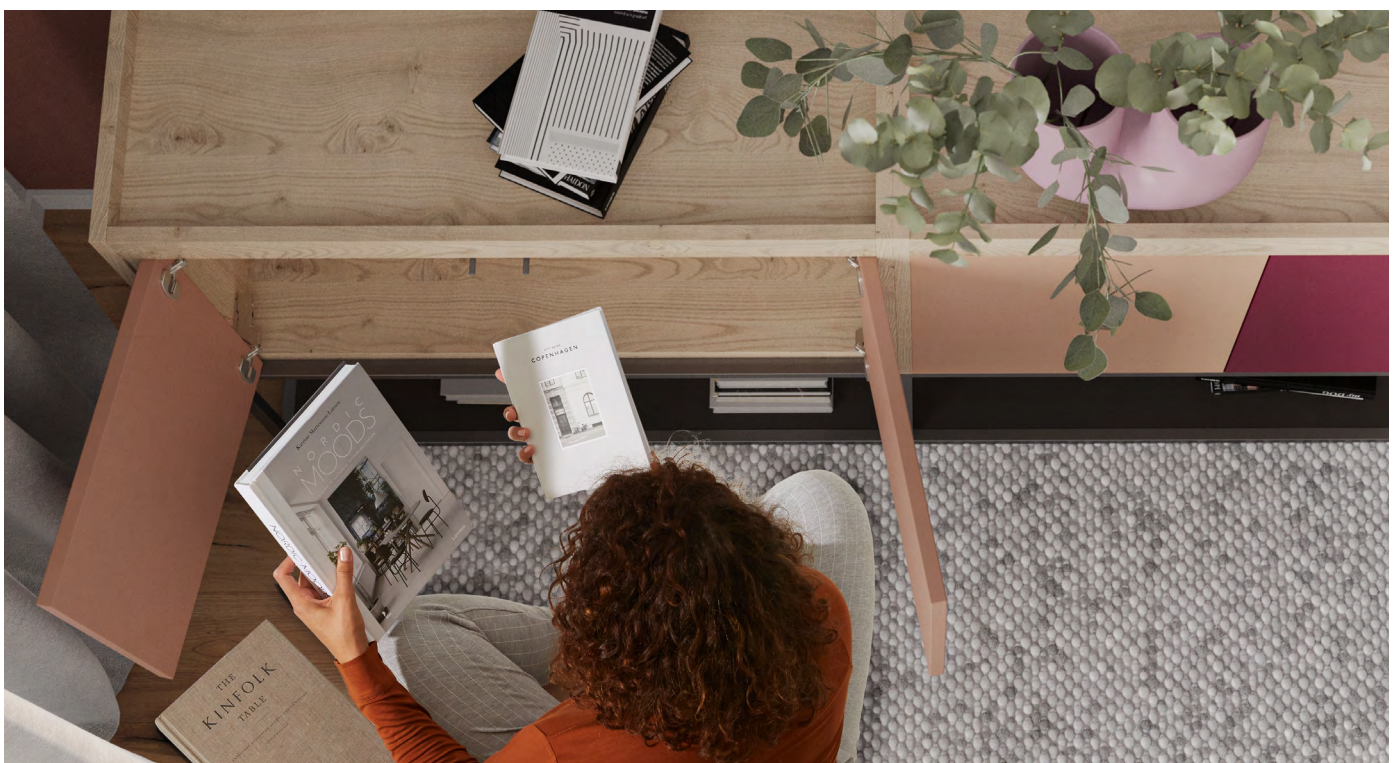
we are courageous and forward looking, passionate about interior and determined, there for each other and sincere.

Our products

Good furniture needs good solutions. We create the perfect combination of intelligent technology, multifunctionality, comfort and design for all furniture worlds. With this quality standard, we develop and produce innovative functional fittings and convertible platforms - from drawer and runner systems to hinges and folding and sliding door systems. Creativity, know-how and outstanding technology; these are our building blocks for the future.

Our Hettich products keep furniture moving and comfortable for a long time. This is how we give our customers long-term satisfaction. - And in this way alone, we send out a clear signal for sustainability.

We have already received many [awards](#) for our products.



SUSTAINABILITY STRATEGY – RESPONSIBLE CORPORATE

As a family business, our strategies are always aimed at lasting existence and not at short-term success. We believe lawfulness and ethical behaviour at home and abroad lead to genuine, sustainable success.

In the fields of action of social, societal and ecological responsibility, we set priorities that are intended to contribute to sustainable development and are in line with the economic success of the Group. In these three areas of action, we have defined principles and established the necessary processes and structures. The energy-efficient, resource-saving production of our high-quality and thus sustainable products, the avoidance of climate-damaging emissions and, as part of our responsibility as an employer, the empowerment of our colleagues to take on more personal responsibility through new ways of working together are of great importance. An equally important area of action in our sustainability strategy is our commitment to a just and educated society. In doing so, we keep an eye on charitable local projects and support them in the long term.

As an internationally active company, we are committed to the Universal Declaration of Human Rights. We voluntarily adhere to the 10 sustainability principles of the United Nations Global Compact to implement the 17 Sustainable Development Goals (SDGs) of the United Nations and we are committed to the core labour standards of the International Labour Organization (ILO). Our internal Code of Conduct communicates the company's values and ethical principles to every colleague at Hettich worldwide. Violations of these are pursued and punished with the help of our compliance management. With our Code of Conduct for Suppliers, we carry our demands into the supply chain.

In addition to our binding sustainability principles and the Hettich Code of Conduct, we invite all Hettich colleagues worldwide to help shape our sustainability management as part of our "live sustainable" initiative.

Hettich Code of Conduct

Every day, our products reach many people around the world – which is not only a privilege, but also a great responsibility. We are proud to lead a company that has a long history of high ethical business practices. This includes ensuring that we are all able to do the right thing.

We therefore implemented our [Code of Conduct](#), which applies to all Hettich companies, as a binding guideline for legally compliant and responsible action in our company back in 2014. A key function of this code is to provide us with guidance in our day-to-day work in order to raise awareness of critical and questionable situations. As a binding guideline for legally compliant and responsible action in our company, this code defines a standard for dealing with each other at Hettich and with our business partners.

To support internal awareness of the Hettich Code of Conduct, we have developed an e-learning unit for initial training and regular follow-up training. In this way, we want to regularly remind ourselves to comply with the principles and values set out therein with the aim of "protecting what we hold dear together".

Sustainability Guidelines

In our [Sustainability Guidelines](#), which are binding for all colleagues at all levels, we have documented the responsibility within the framework of our sustainability strategy. We are committed to providing a safe and trusting working environment, promoting a just and educated society, continuously improving resource and energy efficiency, and reducing environmental impacts – all the way to climate neutrality at our sites.

Our claims are verified, for example, by certification according to internationally recognised standards such as the strict EMAS standard at six European locations, which demands an improvement in environmental performance, certification according to the ISO 14001 environmental management system, the ISO 50001 energy management system or the ISO 9001 quality standard.



Helping to shape sustainability – "live sustainable"

With our internal "live sustainable" initiative, we invite all colleagues to help shape Hettich's sustainability management themselves. In this way, we want to establish sustainable action and thinking in all our activities. Within the "live sustainable" network, ideas and information and best practice examples are shared, workshops are held, action days are planned, newsletters or results of our sustainability activities are communicated. A dedicated community on our internal digital corporate platform "Hettich Connect" simplifies networking and communication.



OUR FOCUS AND GOALS

Materiality

In continuous dialogue with our stakeholders, we identify our key areas for sustainable action. We are currently preparing a comprehensive double materiality assessment ("inside-out" and "outside-in" perspective), as it is the basis for sustainability reporting according to the EU Corporate Sustainability Reporting Directive (CSRD), and will build on it in the future.

Energy and resource consumption as well as measures to limit global warming have a significant influence on our business development on the ecological side. For our production sites, there are therefore clear targets for saving energy and materials, reducing greenhouse gas emissions and meeting our quality standards. The measures towards these goals are supported by a uniform and overarching management system.

In the social field of action within our company, the provision of healthy and safe workplaces, our attractiveness as an employer, diversity and equal opportunities, training and further education and an open corporate culture are of great importance.

In the societal environment outside Hettich, we want to make our contribution to a fair and educated society throughout the value chain.

As a globally active group of companies, the Hettich Group is exposed to various risks that essentially correspond to those of comparable companies. Since entrepreneurial activity and the assumption of appropriate risks are inseparable, it is particularly important for the Hettich Group to identify potential risks in a timely manner so that it can respond to them promptly and appropriately. This is supported by modern business management tools and a timely reporting system. The risk situation is regularly reported to the management of Hettich Holding. By systematically dealing with risks, we are able to identify and assess at an early stage potential events that could jeopardise the company's continued existence as a result of internal or external developments, so that we can then select and implement appropriate measures to deal with the risks.

Due to its international orientation, the Hettich Group is exposed to the effects of changes in the political, legal or tax framework and corresponding regulations in the countries in which we do business. The associated risks and opportunities can have both negative and positive effects on the Group's business and have a significant impact on business development. Through preventive and reactive measures, we try to counter the identified risks in a reasonable manner, as far as this is legally and economically possible for us.

To reduce purchasing-related risks such as supply bottlenecks or supplier defaults, we procure important materials on the basis of longer-term supply contracts and active supplier management.



SOCIALLY
We care for us.



SOCIETALLY
We care for others.

Goals

Our social responsibility

"We care for us": This is about everything we do for each other internally. At Hettich, the focus is on people. Health and safety at work are our top priorities. Our responsibility as an employer also focuses on sound training and further education, promoting diversity and equal opportunities, and empowering our colleagues to take more responsibility for themselves.

Our goals:

- We continuously reduce the number of accidents with the goal of "zero accidents".
- We promote personal responsibility
- We secure long-term employability
- We promote diversity and equal opportunities
- We are moving away - where possible - from a culture of pure presence towards independent work and flexible working hours
- We improve information and communication between all Hettich colleagues

Our societal responsibility

"We care for others": This is about what we do externally for people. As a responsible member of society, our company grants donations in cash and in kind for education and science, art, culture and social causes. At the Hettich locations, we provide support through sponsoring activities and by promoting the voluntary activities of our colleagues. In addition, the German companies generate a significant contribution to tax revenue and social security contributions in Germany.

Our goals:

- We are committed to a just and educated society
- We promote the voluntary activities of our colleagues
- We are committed to local social projects
- We establish contacts with young people at an early stage to inspire them to start a career with us



ECOLOGICALLY We care for the environment.

Our ecological responsibility

"We care for the environment": Energy and resource efficiency as well as the reduction of climate-damaging emissions in production and infrastructure are our key ecological priorities. Our products conserve resources by using as little material as possible, by their high proportion of recycled and recyclable materials – and not least by their long service life.

Our goals:

- We avoid climate-damaging emissions and continuously reduce remaining emissions
- We will become climate neutral at our sites by 2030 (Scope 1 and 2)*
- We conserve resources and continue to systematically increase our energy efficiency
- We further optimise the recyclability of our products
- We promote biodiversity at our sites

[Video Jana Schönfeld, Management Hettich Holding: Sustainability at Hettich](#)

DEPTH OF THE VALUE CHAIN

We maintain a trusting relationship with our business partners throughout the value chain. An important part of our sustainability management in the upstream value chain is to involve all our contractual partners whose activities play a key role in our supply chain in developing ethical standards and building social, economic and environmental responsibility.

As a manufacturer of furniture fittings, we are a supplier and partner to the furniture industry, the specialist trade with the craft sector as well as the DIY sector. We ensure that our products are designed in a way that conserves resources and also take into account the impact on the environment and people in the downstream value chain. We work continuously with our partners to optimise the recyclability of our products.

* Emission categories

Scope 1: direct emissions from sources for which the company is responsible and controlled

Scope 2: indirect emissions from purchased energy (electricity, steam, heat, cooling)

PROCESS MANAGEMENT

RESPONSIBILITY

As a family business with 135 years of history, sustainability is part of our corporate culture and thus a management principle. The management of Hettich Holding, together with all management colleagues worldwide, determines the sustainability strategy, adopts the relevant guidelines and principles and reports regularly to the Advisory Board of the Hettich Group.

The Corporate Responsibility team manages the sustainability aspects in the Hettich Group and reports directly to the Management Board of Hettich Holding. Aligned with Hettich's brand values, corporate culture and corporate objectives, our standards and management processes are developed, implemented, monitored and optimised.

In addition, we empower our colleagues at all levels to act responsibly in terms of successful sustainability management and invite them to participate.

STAKEHOLDER PARTICIPATION

We take into account and respect all stakeholders and their interests in our processes. In our sustainability principles, we commit to building trusting relationships with the public and authorities through sharing information and cooperating and involving our suppliers, service providers and customers in our sustainability measures. Through a continuous exchange with our stakeholders facilitated by open communication methods such as workshops, audits or networks, we identify our sustainable areas of focus in the fields of the economy, ecology and social issues. Our colleagues are actively involved on a daily basis through workshops, our digital corporate platform Hettich Connect, Hettich Ideas Management and our "live sustainable" initiative.

- Sustainability Guidelines, Code of Conduct
- "live sustainable" initiative
- Digital internal communication platform, staff magazine, staff meetings
- Recurring "production week" of the Holding Management: cooperation/dialogue in production
- Occupational Health and Safety and Environment Committee meetings
- Training, instruction, awareness-raising on behaviour-based occupational safety
- Internal Hettich Academy
- Action days on environmental and social sustainability issues
- Hettich Ideas Management
- Induction days for new employees
- Personal development talks

- Monthly talk
- Jour Fixe with Management

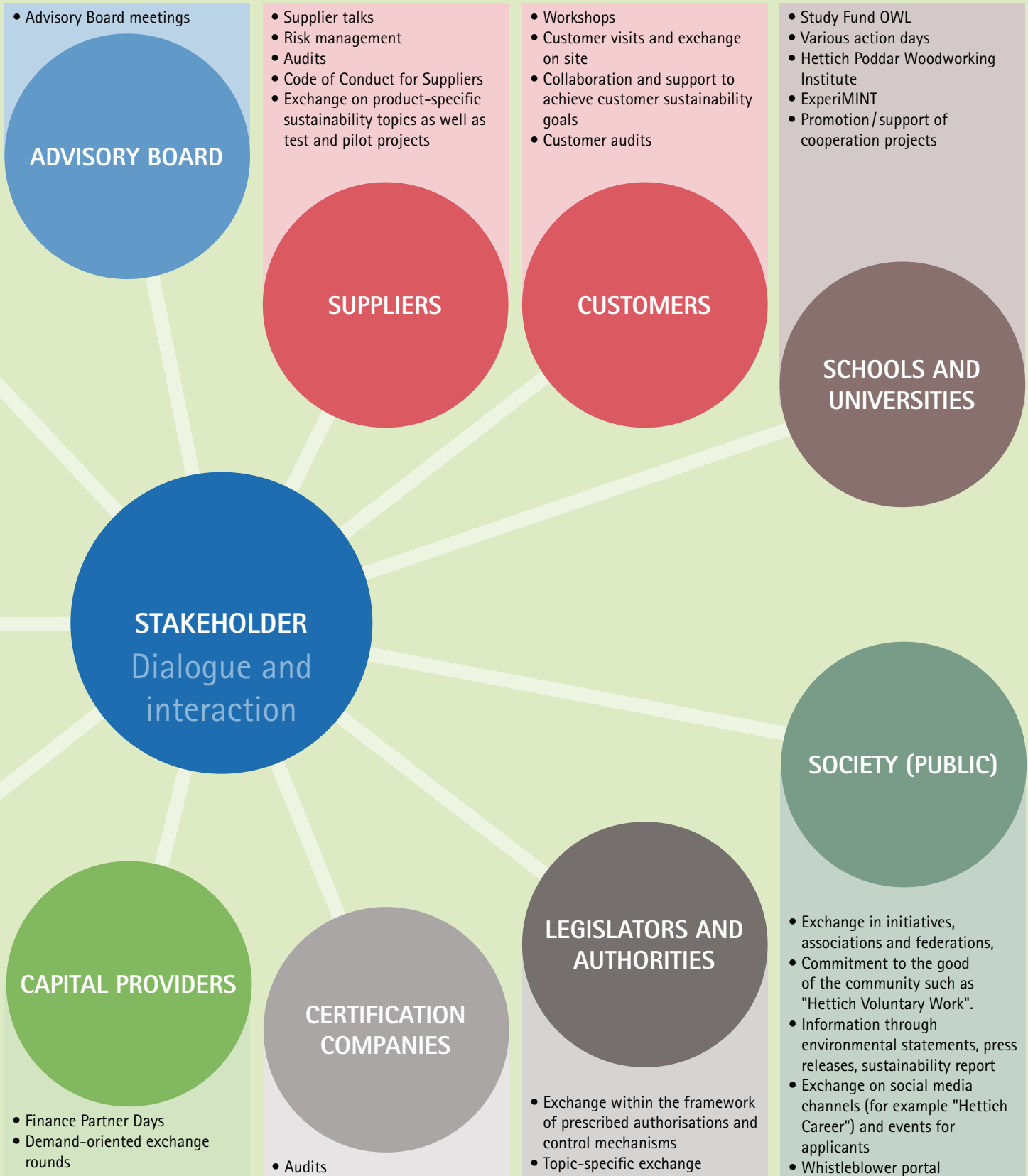
WORKS COUNCIL

EMPLOYEES

MANAGEMENT

Examples of our "sustainable" stakeholder dialogue

- National / international exchange
- Management Review sustainability indicators for managing the Hettich Group



POLITICAL INFLUENCE

We are not party-politically active. We maintain a cooperative and open relationship with political institutions and competent authorities. Activities on our part take place through membership in industry associations as well as initiatives, networks and working groups to deepen knowledge and opportunities and to promote dialogue with the various stakeholders.

As part of our ecological responsibility, we are active in the following associations and initiatives (selection):

- Climate initiative of the East Westphalian Chamber of Industry and Commerce: Our East Westphalian locations are part of the climate initiative with the goal of climate neutrality by 2030 (Scope 1 and 2).
- Klimaneutrales Waldeck-Frankenberg e.V.: Our location in Frankenberg works as part of the association "Klimaneutrales Waldeck-Frankenberg e.V." on the development of decarbonisation strategies and suitable measures.
- PartnersForSustainability: Our Czech company is a member of the sharing platform "PartnersForSustainability" of the Czech-German Chamber of Commerce and Industry, which helps to reconcile competitiveness with environmental and social responsibility, thus contributing to the promotion of the principles of sustainable development.
<https://www.partnersforsustainability.cz/de>
- National DIN standardisation committee: As part of our commitment to more circularity, Hettich is active in the national DIN standardisation committee "Circularity of Furniture".
- Association of German Engineers (VDI): Active participation in the network "Shaping circular transformation in OWL".
- Umbrella organisation of the German wood industry (HDH): Exchange of information on circular economy for the wood processing industry. Development of a circular economy/sustainability roadmap for the furniture industry.

- Industrie Verband Möbelzulieferer (IVM): Participation in the Technical Committee
- Deutsche Gütegemeinschaft Möbel (DGM) - Membership of the Sustainability Advisory Board (creator of the guideline for the implementation of the sustainability strategy in the German furniture industry, consideration of the 17 "Sustainable Development Goals" of the United Nations, provider of various quality seals with regard to emissions and sustainability).

INNOVATION AND PRODUCT MANAGEMENT

Research and development

Early recognition of developments is the basis of the Hettich Group's forward-looking corporate strategy. So that new, functional hardware products are available when they are needed on the market. With foresight, market-changing innovations and a wide range of services, Hettich wants to enable its customers to meet the coming challenges optimistically, creatively and proactively.

That is why we work particularly closely with universities, research institutes and industrial partners. These partnerships are of strategic importance in order to be able to recognise business-relevant trends proactively and play an active role in shaping them.

Our business unit "[ambigence](#)" bundles the know-how, design technology and manufacturing expertise of a wide range of partners in a value-added network.

Numerous research and concept development projects have been carried out with the aim of designing the living environment of the future according to ergonomic and ecological aspects and ensuring the multifunctionality of as many solutions as possible.

Within these projects, long-term social trends as well as new technical developments were always taken into account. In addition, the requirement of improved criteria for a comprehensive circular economy was taken into account.

All research projects initiated by the company were implemented in cooperation with customers or external institutes. The focus of the improvements was on the medium and long-term needs of end consumers with regard to functionality, design and sustainability of products and production processes.

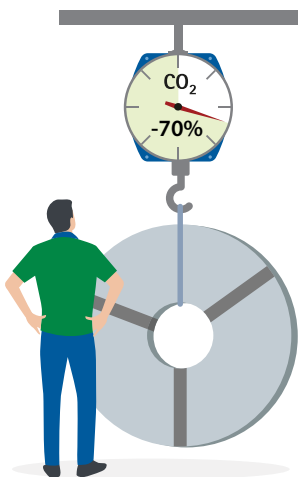
Product management

Hettich products are of high quality, which makes them very durable for consumers - that in itself is a very important contribution to greater sustainability. In our product development, we focus on optimised material management: as much as technically necessary - but as little as possible. And so that the materials can be easily returned to the material cycle at the end of a long product life, we strive to use few different materials or material pairs, and we strive for design systems that allow recycling of as few different types as possible, easy dismantling and tool-free separation of components.

By carrying out tests on alternative materials, using CO₂-reduced steel, using regranulate for material shells, etc., we are continuously building up knowledge for sustainable product design.

We are on the way to green steel

CO₂-reduced steel produces over 70 % less CO₂ emissions over the entire manufacturing process. The quantities available are currently limited.



We have already started a successful pilot project with CO₂-reduced steel in 2021. We are currently working hard to secure initial quantities of CO₂-reduced steel for the next few years and to gradually incorporate it into various product lines.

Use of CO₂-reduced aluminium

Our sliding door specialist Kuhn in Bünde, a Hettich Group company, already uses CO₂-reduced aluminium and thus avoids CO₂e emissions of around 190 tonnes a year.

Environmentally relevant substances

We consider product ingredients and materials for our products not only from the perspective of functionality, performance duration, resource-saving extraction, processing and transport. We additionally consider their impact on the environment and people during and after the use phase.

For almost 20 years, we at Hettich have been voluntarily identifying, assessing and regulating product ingredients that are of concern or harmful to the environment, far beyond legal requirements such as the European REACH Regulation or the RoHS Directive of the European Union.

In a company's own set of rules

- we regulate the fulfilment of national and international product safety requirements with regard to product ingredients,
- we integrate the requirements and wishes of our customers,
- we create awareness among our suppliers and invite them to share our responsibility,
- we regulate the avoidance of non-separable environmentally relevant materials in order to further increase the recyclability of our products.

As research is constantly expanding its knowledge of the influence of substances in the environment, this set of regulations is subject to constant revision, taking into account and implementing customer needs, market requirements and legal requirements.

RULES, PROCESSES AND CONTROL

Compliance

Compliance with laws, rules and internal voluntary commitments is a top priority for the Hettich Group. Legality and integrity in action are the basis of trust, credibility and long-term success.

Based on our legal compliance process, new or amended legal requirements are identified, evaluated and implemented. With regard to sustainability aspects, the implementation of the General Data Protection Regulation (DSGVO), the German Supply Chain Due Diligence Act (LksG) and the preparation for the implementation of the European Corporate Sustainability Reporting Directive (CSRD) are important for us at European level.

At each of our locations around the world, there are designated persons responsible for compliance aspects. This ensures that every Hettich colleague knows how important it is to act in compliance with the law. In the compliance network, colleagues exchange experiences and information.

As part of our compliance management system, it is essential for us to identify potential violations at an early stage and to be able to counter them. For this purpose, we have set up a secure whistleblower portal. Here we offer all employees as well as our business partners and other third parties the opportunity to report possible violations of legal provisions or voluntary commitments of our group of companies, completely anonymously. Violations include, for example, corruption, antitrust violations, human rights violations, violations of environmental regulations, misuse of data, theft, discrimination or a violation of our Code of Conduct.

We protect whistleblowers not only by setting up this secure whistleblower portal on our homepage, but also by promising to treat incoming information

confidentially and to protect whistleblowers acting to the best of our knowledge with all necessary means against any disadvantages resulting from a report. In the course of clarifying the information, we also take into account the interests of the persons affected by a report that are worthy of protection.

Data protection

In order to implement the European General Data Protection Regulation (DSGVO), we have appointed a data protection officer who is supported by data protection coordinators and have established a data protection management system that is continuously reviewed, developed and updated. All colleagues are trained annually on the topic of data protection.

Supplier and purchasing policy

An important part of our sustainability management is also to ensure that our suppliers and service providers comply with our values and requirements for minimum standards in the areas of working conditions, social issues and the environment. We review this commitment before and during our partnerships. We are always working to develop together with our business partners in the long term.

Since 1 January 2023, Hettich has been subject to the German Supply Chain Due Diligence Act (LksG). This commits us to comprehensive risk management in the areas of working conditions, social affairs and the environment, both for our own actions and throughout our entire supply chain.

We have set out our values and the associated expectations of our suppliers and service providers in our Supplier Code of Conduct. Compliance with these values forms the basis for any collaboration. Our own business division is governed by Hettich's internal Code of Conduct.

We carry out regular and ad hoc risk assessments for ourselves as well as for our suppliers and service providers, e.g. when entering into a new

business relationship or in the event of relevant changes in the production process. If we identify increased risks or deviations, we follow a clearly defined process with the aim of eliminating or at least minimising the corresponding risk or deviation together with our contractual partners up to and including termination of the business relationship.

For the risk assessment, we include factors such as region and industry, but also the results of our own social audits, both of ourselves and of our contractual partners.

In addition, we have appointed a human rights officer and set up a whistleblower system on our website through which internal or external persons (e.g. employees of suppliers or third parties) can send us information about possible violations of our guidelines or legal requirements – if desired, completely anonymously.

Quality

Our hardware systems often work in secret and make furniture not only functional and movable, but desirable. With the right mix of innovation and continuity, we offer our customers solutions of high value and quality to bring furniture to life.

Quality is a supporting pillar of our sustainable business. The quality of our products makes a significant contribution to sustainability through their long service life. With our "Quality Mission Statement", we commit ourselves to anchoring this quality awareness in the minds of our colleagues on a daily basis and worldwide. ISO 9001 certifies our continuous improvement. We also expect our suppliers to internalise and fulfil our quality mission statement and quality goals.

Good quality requires the conscious responsibility of each individual. With our internal workshop concept "EVQ" (Attitude and Behaviour towards Quality) we want to shape the behaviour and mindset of all colleagues with regard to quality in a sustainable way. Because quality is not a coincidence, but always the result of personal commitment.

Creating sustainable foundations – document management system

Sub-areas of sustainability are organised in our document management system. The system provides support for all our colleagues, as it maps the essential corporate processes, tasks and goals of the following areas:

- Occupational safety
- Facility Management / Real Estate
- Health management
- IT security and data protection
- Human Resources Management
- Product development
- Production, procurement, logistics
- Quality management
- Legal compliance
- Strategy, Finance and Risk Management
- Environmental management

Our document management system complies with international standards and specifications and is continuously developed in consultation with the management. In doing so, we attach importance to lean and efficient processes.

Worldwide production network

At our production sites around the globe, we are constantly learning with and from each other. In order to achieve our corporate goals, we have also committed ourselves to the continuous optimisation of our production. Since 1999, we have been involved with the Total Productive Management (TPM) optimisation programme and have had good success since then.

In addition to the efforts of the individual plants for effective savings measures, we have established our own energy working groups for the exchange of energy efficiency topics across locations. In this way, we want to make better use of synergy effects and further advance the topic of energy saving.

Networking takes place via regular meetings and the internal digital corporate platform "Hettich Connect".

Standardised information and key figures enable us to show the necessity and effects of optimisation measures. This helps to motivate our colleagues to contribute themselves and their ideas to the optimisation processes, thus ensuring the company's success in the long term. Improvement initiatives such as the internal "Hettich Ideas Management" play a major role in our company. They help us as a company to share in the knowledge and ideas of our colleagues and thus to further develop our production with an eye to the future.

Control

We monitor the performance of our sustainability management using key figures as part of a monthly monitoring system. All production companies worldwide report key figures on quality, greenhouse gas emissions, energy consumption, use of resources, water consumption and accident figures. The status of implementation of sustainability management is reported to the management of Hettich Holding in a "Corporate Responsibility Report" on a quarterly basis and targets are monitored, deviations identified and measures derived.

Systems for managing and controlling our sustainability processes also include regular audits in the areas of quality management, environmental management, energy management or occupational safety management with regular inspections and "Safety Excellence" audits, as well as in the calculation of our greenhouse gas emissions for the first time in 2022.

SOCIAL RESPONSIBILITY



SOCIALLY
We care for us.

"We provide a safe working environment. Our own health and that of our colleagues is our top priority ... We build a trusting environment, free of prejudice and exclusion, where personal responsibility, creative freedom and the courage to try things out have their place..."

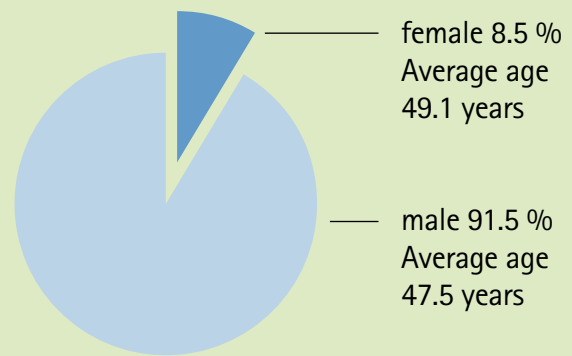
(Extract from the Hettich Sustainability Guidelines)

HETTICH AS AN EMPLOYER

Our strategy includes a sustainable and healthy Hettich culture, including specific requirements for the management of tomorrow, as well as reliable human resources planning and development for all colleagues. We show them prospects and create an attractive working and living environment that allows people to grow in a strength-oriented way. In this way, we want to promote colleagues and attract new talents.

We promote digitalisation for a sustainable working world with exciting tasks. We achieve flexibility through task-oriented work that builds on existing competencies and creates future competencies to be proactively prepared for the challenges of an increasingly complex world.

Managers Hettich Germany:

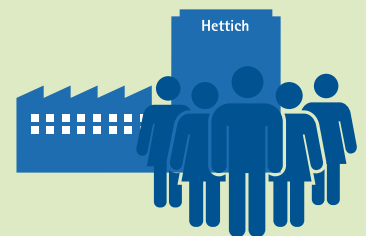
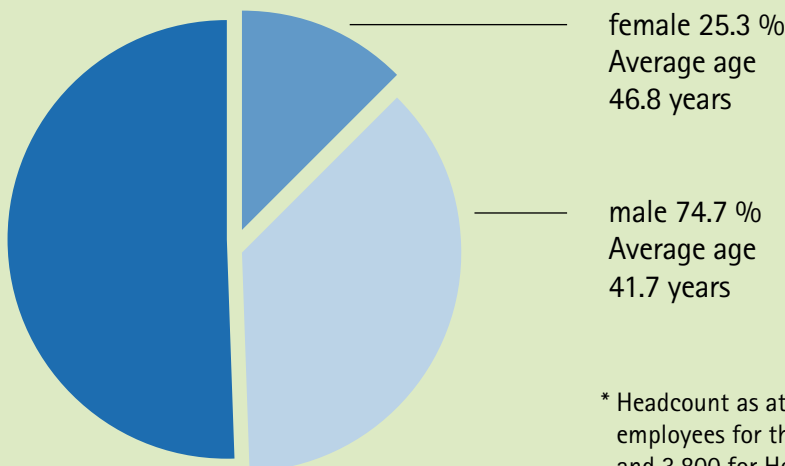


We would like to increase the proportion of female junior staff and skilled workers in the future, also in the technical and production-related areas, supported by specifically planned measures. In addition, we offer family-friendly working time models where possible in order to attract and retain as many qualified women as possible.

Staff structure*

Employees
Hettich Group:
8,395

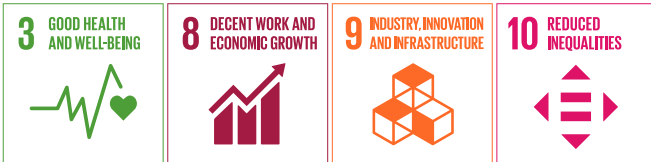
Employees
Hettich Germany:
4,141



* Headcount as at 31.12.2022. The average number of employees for the year was 8,000 for the Hettich Group and 3,800 for Hettich Germany.



CORPORATE CULTURE



New forms of cooperation

We want to create a particularly attractive and fair working environment for our colleagues, where personal responsibility, creative freedom and the courage to try things out have their place and where everyone can contribute their strengths, passions and ideas in the best possible way. At Hettich, we promote our culture of collaboration, respect and openness with numerous measures such as cross-company network structures, agility or self-organised teams. We prioritise equal communication, not in hierarchical structures. We focus on integration in every respect, which manifests itself in many significant and minor initiatives. Our motto is: We are all one "Hettich".

One of the focal points of our sustainability management is the promotion and development of our colleagues towards more personal responsibility. We accomplish this with the help of various programmes and modules: In addition to our "new forms of cooperation" concept, these include, for example, individual working time models and the possibility of mobile working.

Digitisation

We consider digitisation to be an essential foundation supporting modern collaboration and the creation of a sustainable working environment. Consequently, we actively promote the development of digital competence. We standardise, automate and digitalise our processes – for the best possible efficiency – also in terms of sustainability. Examples of the sustainable benefits of digitalisation within the company include the possibility of mobile working, video conferencing or digital communication platforms that enable international cooperation without the CO₂ emissions caused by travel.

Hybrid working environments

Hybrid working is here to stay. We offer our employees with VDU workstations the option of "mobile office", which has become the new normal for many since the Corona pandemic. Our colleagues decide, based on the needs of their clients, how, when and where they want to work together in the best possible way.

However, regular office days are also important to many colleagues. In addition to fixed workplaces, there are also workplaces that can be booked via a portal. For personal exchange and learning opportunities on site, we offer "desk sharing", a concept that breaks down fixed structures and makes working more flexible.

At the Kirchlengern site, the "dynamic office", among other things, offers the opportunity to meet spontaneously and enter into dialogue with each other. Colleagues from other Hettich locations are also always welcome to spend time here between meetings. The rooms are designed to encourage "out-of-the-box" thinking. The furniture is therefore deliberately kept flexible.

Since August 2022, the Hettich Group has been an official member of the "[Pioneers Club](#)" a co-working space in the eastern Westphalian metropolis of Bielefeld, which serves as a contact point for talents in the region, a decentralised workplace, an alternative to the home office and a hotspot for the exchange of new ideas. As a neutral platform, the club connects organisations from business, science and the start-up world.

Flexible working time models

In addition to offering the option of flexible, mobile working in our office areas, we have also implemented the first flexible working models in the production and logistics areas. For example, our colleagues at our logistics site in the USA now work a 4-day week, rotating to continue to meet all business and customer needs. This leads to a reduction in emissions caused by commuting to work, a reduction in energy consumption through reduced use of lighting and machinery, and ensures that our employees come to work fresh and motivated knowing that they have 3-day weekends.



Corporate Benefits



Far beyond compliance with international standards and statutory requirements, we offer our colleagues a wide range of "corporate benefits": These range from the company pension scheme, addiction prevention, employee counselling, job ticket, job bike, work-life balance, the Hettich Bistro, company parties or family days, discounts for employees to Christmas baking or Easter egg painting with the children of our Hettich staff.

Involvement of colleagues

We promote an open corporate culture and use different instruments of communication. Care is also taken to ensure that all our colleagues have equal access to information – regardless of their field of activity.

Hettich Ideas Management

Hettich Ideenmanagement



As diverse as our colleagues are, so are their ideas. "Hettich Ideenmanagement" is open to all suggestions for improvement. Constructive suggestions are encouraged both for existing ways of working and for the introduction of new, modified organisational processes. The ideas are evaluated and, if necessary, implemented with the relevant department. Particularly good suggestions for improvement are awarded prizes.

Hettich Connect

"Hettich Connect" is our internal digital communication platform. It is used by all colleagues

around the world to obtain information quickly and easily and to exchange information, and it paves the way for sustainable digitalisation.

One Hettich – One Voice

Our digital employee magazine "One Hettich – One Voice" not only regularly informs our colleagues about news from the world of Hettich, we also use it to promote digital transformation. The video format can be viewed not only on the company computer but also on private devices.

Coffee Talks

Networking events such as our "Coffee Talks" bring employees from all areas together in a very uncomplicated way "for a virtual coffee" to talk about certain topics at eye level and without hierarchies, to discover different perspectives and to learn from each other.

Joint video message

In the past, our Christmas video message was created by management. But since our colleagues contribute so much to the success of the Hettich Group, they can tell the Christmas story much better together: After an internal call, 230 colleagues from all over the world came forward to write and film the official "Hettich Christmas Story 2022" together.

Inter|Action

Since 1994, Inter|Action has been a networking programme for talented Hettich colleagues to build professional networks, get to know the diversity of the Hettich Group and develop their intercultural communication and project management skills. There, international projects are worked on in teams. The events and training courses at Inter|Action are generally held in English. In 2022, projects were worked on in the areas of further training, international exchange, quality and sustainability, among others, and the results were presented to managing directors and stakeholders in a hybrid format.

Donate your talent

What makes Hettich unique and so valuable are the people. That's why we want to encourage our colleagues to contribute their unique talents –



with enthusiasm and joy. With our "Donate your talent" format, we promote the search for talent within the company and offer Hettich employees the opportunity to contribute their strengths in a holistic way. An exchange platform supports the talent search of employees who want to get involved and support other colleagues. Anyone can start calls in the community to receive or offer support on specific topics.

2022 Hettich won the "Queb HR Innovation Award" with the "Donate your Talent" format. "Queb", the federal association for employer branding, HR marketing and recruiting, awards this prize annually to outstanding ideas and projects with innovative strength in the fields of employer branding, HR marketing and recruiting.



OCCUPATIONAL SAFETY



As part of Hettich's applicable sustainability guidelines, the health and safety of our colleagues is our top priority. We reduce the risk of occupational accidents by taking extensive preventive measures. These include, for example, carrying out risk assessments and implementing and reviewing the resulting measures, defined procedures for emergency situations, occupational safety inspections and "Safety Excellence" audits or the regular assessment of the occupational safety organisation by the management boards. Responsible persons such as occupational safety specialists in Germany and "safety officers" or compliance officers in the international companies

advise and support the top management at our sites in the implementation of occupational safety and health management.

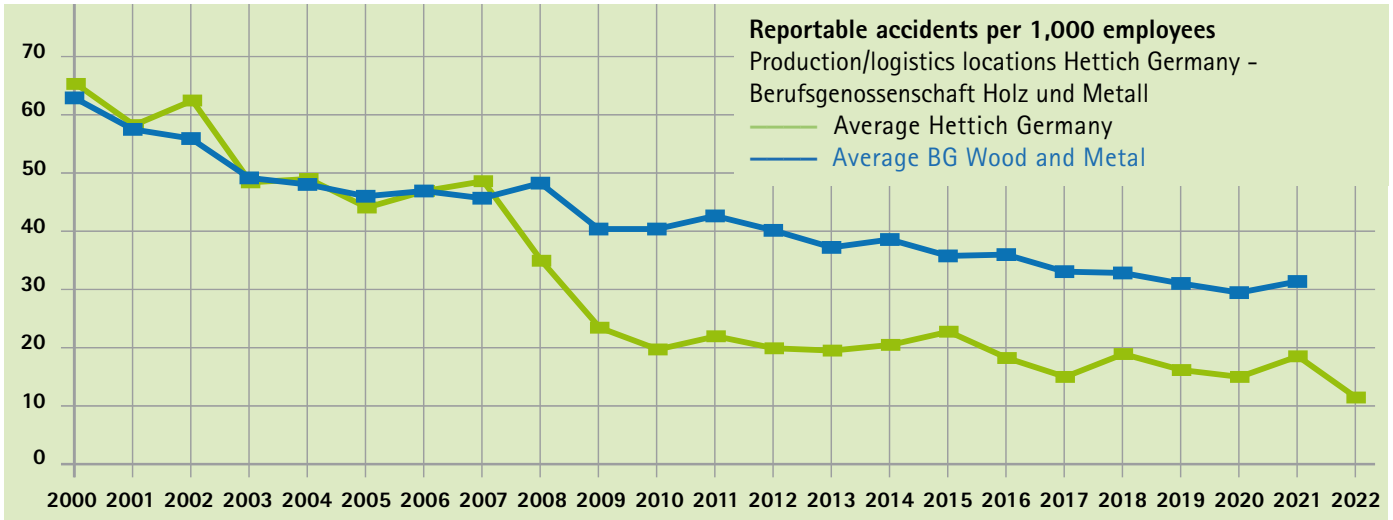
Safety Excellence

However, the safety-conscious behaviour of all colleagues is just as important for successful occupational safety management, because approximately 80 % of all accidents are caused by a behavioural fault on the part of the persons involved in the accident. With our self-developed method "Safety Excellence", which supplements the classical elements of occupational safety with the building block of behaviour-based occupational safety, we strive for a continuous reduction of accidents with the goal of "zero accidents". Our guiding principle "Safety without Compromise" brings the measures and activities of the "Safety Excellence" method down to a common denominator. In this way, we provide all Hettich colleagues with assistance in making the safety-relevant decisions they have to make every day, so that they can choose the clearly safe course of action in case of doubt. – Even if at first glance this appears to be time-consuming or complex. Our "Safety" guiding figure points out safe behaviour for various hazardous situations so that accidents do not occur. Hettich employees undergo specialized workshops on behavior-based occupational safety to raise awareness and promote safe practices.

The result is clear: before the launch of "Safety Excellence" in 2007, the average annual accident-related downtime per Hettich employee at domestic and foreign production companies was around 0.80 days. Within a few years, this key figure was significantly improved: In 2022, the lowest value to date was achieved with only 0.23 days – far below the average of the figures before the introduction of our "Safety Excellence" method.



The number of accidents at Hettich's German production and logistics sites, expressed as the 1,000-man rate (notifiable



accidents per 1,000 full-time employees), was around 64 % below the industry average of the German Employer's Liability Insurance Association (BG Holz und Metall) for Wood and Metal in 2022.

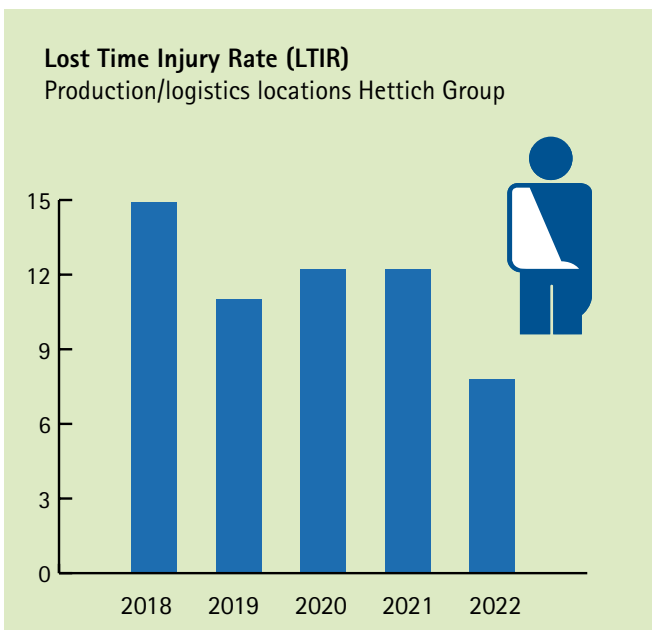
With the increasing internationalisation of the Hettich Group, we have introduced a new occupational accident indicator and thus created the possibility of comparison with other globally active companies. With the Lost Time Injury Rate (LTIR), we record the number of accidents with at least 1 day of lost time per 1,000,000 hours worked. The LTIR for all Hettich production and logistics sites worldwide in 2022 was 7.8.

During the Corona pandemic, key classroom training to strengthen behaviour-based occupational safety

was suspended, leading to an increase in accident occurrence during this period. In 2022, we resumed the well-established attitude and behaviour change trainings: The significant decrease in accident figures in 2022 impressively demonstrates the importance of behaviour-based occupational safety.

Pit stop – One hour for occupational safety

Our production company in Kirchleugern has started a one-hour awareness-raising measure called "pit stop in the factory" in addition to the established, full-day training courses on behaviour-based occupational safety. This format is aimed at individual teams in production and is intended to position the topic of occupational health and safety as a central joint task with the participation of the respective manager, commissioned persons and, if possible, all colleagues from a shift.



"Safety Award" ceremony

Likewise, at our production company at the Kirchleugern site, the "Safety Award" is presented annually as a monetary incentive for active accident prevention. The area with the longest accident-free record is rewarded with a financial bonus from the management.





HEALTHY WORKING



In 2022, 42 employees celebrating their 25th, 40th or 50th anniversary at Hettich locations in East Westphalia-Lippe celebrated a total of 1,200 years of loyalty to the company. That means an average of over 28 years with the company. A number that makes us particularly happy. We are already doing a lot to maintain and actively promote the physical and mental health of our staff.

Especially in today's context, demographic change and longer working lives are presenting companies and their employees with new challenges. The Hettich Group is meeting the challenges this brings with preventive health promotion measures to maintain and actively promote the physical and mental health of colleagues. "Healthy Working" at Hettich brings together all health promotion measures. These include the internal areas of company health management (BGM), company integration management (BEM), work-life balance (VFB), company medical care and addiction prevention.

Occupational health management

Occupational health management (BGM) is a cross-company position in the Hettich Group. Tasks include supervising and supporting the individual companies in setting up and implementing company health activities in the Hettich Vital programme. The aim of Hettich Vital is to inform colleagues, support them in living and working in a health-conscious way and strengthen the health competence of the individual.

The needs-based offers of the Hettich Vital programme are drawn up in constant consultation with the personnel managers and works councils of the individual companies, the occupational safety specialist and the company doctor.

Corporate integration management

Hettich has implemented company integration management (BEM) through its own officer and secretariat with the support of an external health service provider. The aim is to prevent possible incapacity to work among colleagues by means of individual and tailor-made company measures. Preventive measures and health promotion programmes are derived from the practical findings of the company integration management. The initial focus is on all colleagues who have been ill for more than six weeks within a twelve-month period.

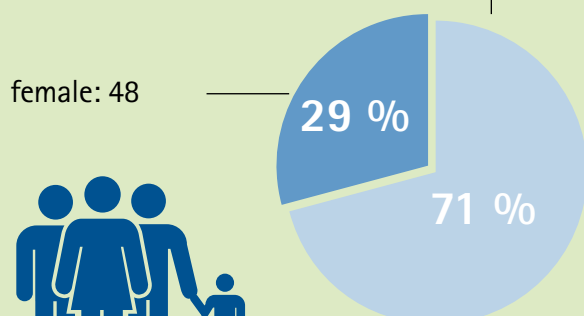
Reconciling family and career

Many of our colleagues perform a balancing act between work, family and partnership every day. In unforeseen circumstances, such as the need for care of a parent or the lack of childcare, this can become a real challenge. We also want to provide support in these situations and work with an external service centre for the reconciliation of family and work (VFB).

Number of employees on parental leave 2022 Hettich Germany: 163

male: 115

female: 48





Health counselling

We also offer our colleagues assistance in mental health promotion. For some years now, Hettich has been working with an external health counselling service: Those who wish to do so receive anonymous and free initial counselling for problems in their professional and private environment. To support this, we also offer regular seminars on the basics of psychological safety, for example, via the internal "Hettich Academy".

Mental risk assessment

Mental risk assessment is enshrined in German law and is an important component of healthy working at Hettich. Its aim is to design work in such a way that employees are not unnecessarily exposed to mental stress. In addition to physical stress, mental stress is therefore also documented by occupational safety in the risk assessment. Hettich relies on a participatory culture here: more than 50 workshops have been held throughout Germany so far and colleagues have been invited to actively participate. In the workshops, mental stress and potential risk factors are identified and forwarded to so-called expert teams, specialist departments or other projects and initiatives for further processing. Goals are formulated and sensible measures are derived to improve working conditions. The implementation and the entire process are documented. This is how we ensure that the measures are actually effective.

Resilience training

The last two Corona years in particular have brought many challenges. Not only in the company, but also in our private lives, the pandemic has been very demanding. In order to integrate even more mindfulness into everyday life and to get through stormy times in a more goal-oriented and calm manner, we offer our colleagues resilience training.

Ergonomics

Every person has individual characteristics and abilities: Differences exist between men and women, younger and older people, in terms of body height, physical strength, degree of exercise and many other criteria. In order for this diversity to complement each other to achieve the highest possible performance of the entire work system, ergonomic workplaces are an important goal. As part of workplace and area inspections, the ergonomic aspects of various workstations are assessed.

Sitting/standing workstations with the help of height-adjustable desks are becoming increasingly popular in office and contract furnishing. Alternating between sitting and standing helps to prevent back pain and illness.

The aim of ergonomic work design in production is to enable occasional alternation between sitting, standing and walking in order to avoid one-sided stress. This also includes the selection of work equipment according to ergonomic aspects, as well as the provision of standing aids, seating or anti-fatigue mats.

The "Healthy Working" team conducted ergonomics training for engineers in 2022. Based on these training sessions, an ergonomic list was created, which is also used, for example, in the early stages of ergonomic planning in the new production facilities for our hall extension in Kirchlengern. When all ergonomic solutions in production have been exhausted, we look for aids to support our colleagues. Current projects are, for example, testing exoskeletons and cooling waistcoats.

Health training in shifts

The health training "Shift by Shift" is an offer specially tailored to the needs of our colleagues with shift work. During a one-day seminar, they learn ways to better deal with specific challenges regarding sleep patterns, exercise, nutrition or shift work-life balance. In addition to professional input and suggestions, colleagues can engage in direct exchange and try out practical tips.



Health scouts

Our health team is supported by the health ambassadors. These are "multipliers" for "healthy working" at Hettich. They communicate to all areas of the company, present offers, serve as a source of information for all interested colleagues and are initiators or companions of health events in the company.

Digital offers such as the "Health Impulse" (monthly "food for thought" on the topic of health), the forum "From Colleagues for Colleagues" for the exchange of ideas, tips and event information on the topic of health or the "Active Lunch Break" - a weekly (digital) offer of a 20-minute exercise programme for colleagues at computer workstations - are further possibilities within the framework of "Healthy Working".

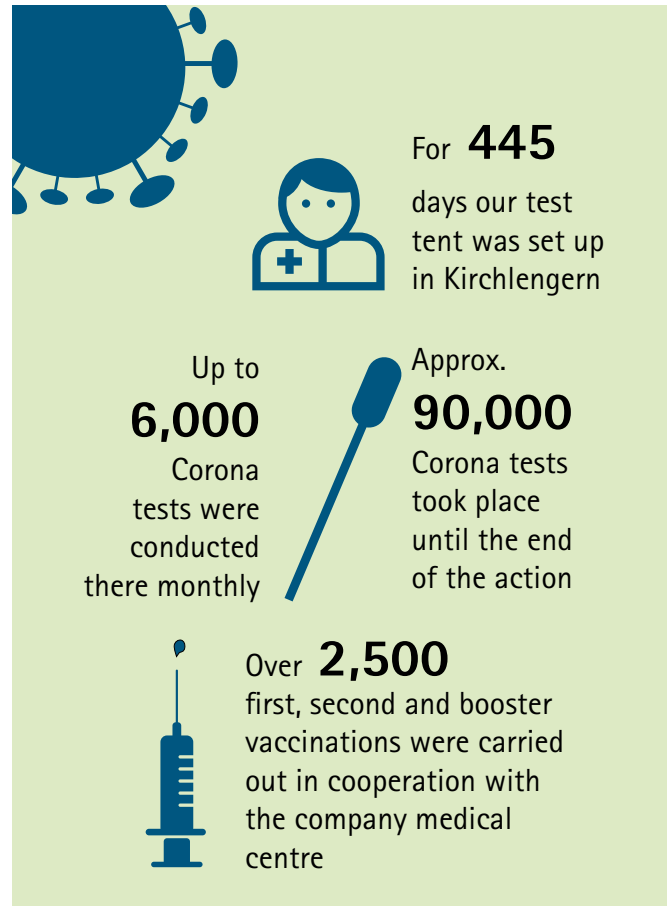
Pandemic management

The Corona pandemic has placed great demands on all of us. In order to be able to meet this challenge, we at Hettich set up an overarching pandemic team at short notice comprising management and specialists from HR management and occupational health and safety, which coordinated the necessary measures quickly and decisively. With the help of notices and our internal communication platform "Hettich Connect", all necessary information, needs for action or answers to burning questions were communicated promptly.



We succeeded in averting greater damage to the company by taking numerous measures, such as hygiene instructions and action aids in the event of infection, distance regulations, free provision of masks and rapid tests, disinfection dispensers, carbon dioxide or fever measuring devices at the

entrances or our own testing and vaccination centre on the company premises in Kirchlegern. We have shown that we are a strong team at Hettich, with all our colleagues showing great solidarity for each other and for Hettich. As a sign of gratitude, also for understanding the



exceptional situation caused by Corona, all employees worldwide received a voluntary special payment of EUR 1,000 (adjusted for purchase price abroad) in December 2020.



Other "healthy" examples from our companies

Campaign "Companies keep on running"



We didn't let the pandemic-related restrictions demotivate us either. In 2021, a total of 95 colleagues from various Hettich locations in Germany took part in the "Firmen laufen weiter" ("Companies keep running") campaign, an online platform for virtual running events. Within two weeks, they could walk or run a distance of six kilometres, track it, upload it and see the results afterwards. True to the motto: Get out of the home office, into nature - each for themselves, but all together.

Sponsoring Widufix Run



Hettich is the main sponsor of the "Widufix Run", a fundraising run to promote vocational training

in the Herford district. In 2022, the run took place hybrid. This means that you could either take part in the presence run on 21 August or collect kilometres online until 28 August. "Team Hettich" was also represented at the Widufix run in 2022 with just over 100 participants. To ensure the right team feeling, Hettich running shirts were distributed in advance to all participating colleagues.

Health Day Hettich Czech Republic



After two years of suspension due to the pandemic, the traditional Health Day was held again at our Czech subsidiary in 2022. With the support of health insurers as well as doctors and health experts, colleagues were able to take advantage of various offers such as measuring blood pressure or blood sugar levels, checking birthmarks, eye tests or physiotherapy services.

"Walkathon Challenge" Hettich India

More than 50 enthusiastic colleagues from Hettich India actively participated in the month-long "Walkathon Challenge" in 2022, doing their best to walk 10,000 steps a day. They were particularly proud of reducing their environmental footprint by walking to work instead of driving. The challenge ended with a commitment to continue walking and lead a healthier lifestyle.



DIVERSITY AND EQUAL OPPORTUNITIES



Equal opportunities are the essential prerequisite for diversity to become a tool for success for an international company. By signing the ["Diversity Charter \(Charta der Vielfalt\)"](#), Hettich is committed to creating a working environment free of prejudice and exclusion. Our climate of acceptance is designed to optimally promote diversity in our workforce.



"We are all shaped differently by our origins, our environment, our personal values, experiences, knowledge, skills and approaches. Recognising each other in this diversity and complementing each other in a strength-oriented way makes us successful. The individual strengths that we all bring to our common goal unfold an enormous potential together".

(Jana Schönfeld, Management Hettich Holding)

"Diversity and inclusion are not just buzzwords. We live them every day."

(Catherine Courcel, Hettich Marketing and Sales Management)

To mark the 10th German "Diversity Day" in May 2022, we held an entire "Diversity Week" with various activities. These included social media posts, internal exchange formats such as virtual

"Coffee Talks" in German and English, for example on "The role of women at Hettich or "Diversity as an opportunity to become even better", as well as a knowledge quiz on the topic of diversity, a "gender guide" for the German language and interviews with colleagues in management positions on the topics of disability, inclusion and integration or different cultures.



Various campaigns on the annual "International Women's Day", such as a video shoot on the theme "Women at Hettich - We are visible, we are indispensable", are also regularly intended to promote a world free of stereotypes, prejudices and discrimination. A world that is diverse, equal and inclusive and where differences are appreciated and celebrated. At Hettich and all over the world.

"Girls' Day" is a nationwide orientation day for girls to find out about careers and studies. Here, various German locations offer interested girls a whole day to get a taste of the various technical apprenticeship professions, to get to know the company and the products and to try their hand at different technical tasks.



EDUCATION AND TRAINING

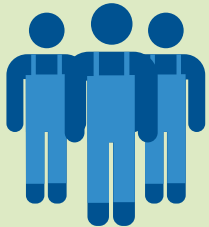
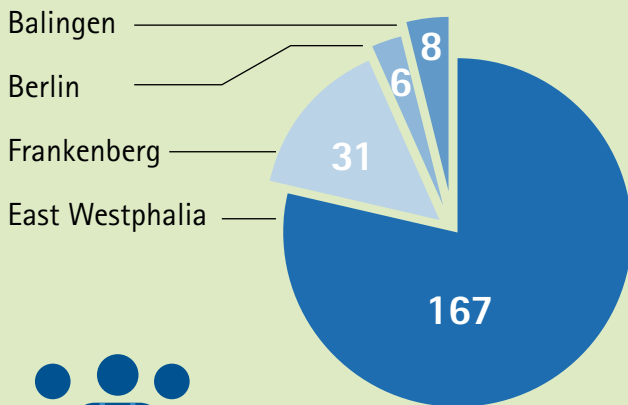


Career entry made easy

2022

Apprentices at German sites: 212

Sites



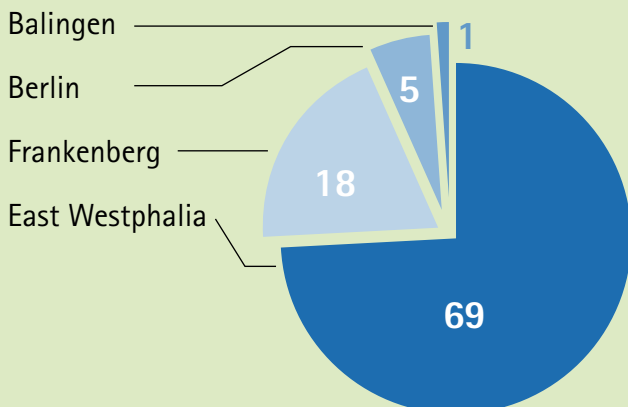
85%

apprenticeships
in technology

2023

New apprentices at German sites: 91

Sites



Vocational training has always been a high priority at Hettich. In doing so, we are investing in the future of the next generation – and of course in our successful future as a group of companies. In December 2022, we had 212 apprentices at our German sites, 167 of them in East Westphalia-Lippe in Kirchlengern, Spenge and Vlotho-Exter and a further 45 in Frankenberg, Berlin and Balingen. 85 % of our trainees are technical apprentices. In the summer of 2023, a total of 91 more trainees will be added.

Anyone interested in training at Hettich has the opportunity, for example, to take a look behind the scenes at the Kirchlengern site as part of "Training live@Hettich" and find out about 15 different technical and commercial professions. The dual courses of study "Bachelor of Science Business Informatics" and "Bachelor of Engineering Mechanical Engineering" are also part of the Hettich Group's portfolio.

Hettich Education Academy

Anyone starting an apprenticeship at Hettich in East Westphalia starts out in a small company of their own, the "Hettich Education Academy". It comprises all apprentices in East Westphalia, their trainers and our colleagues from Hettich Training and Further Education at the "Hettich Academy", who are committed to lifelong learning at Hettich. With this company, we want to unite and efficiently use the existing potential of all those involved by building up a generation network. And here, in addition to completing a training plan, we also want to give people room to help shape the company in an entrepreneurial way right from the start, to take responsibility for their own company, to complete their own projects with their own budgets and to get involved beyond their own training plan.



Hettich in East Westphalia: "Best Place to learn" 2022 - 2025



For its training in East Westphalia, Hettich was awarded the "Best Place To Learn" seal of quality for the third time in a row by the company AUBI-Plus GmbH in 2022. It is valid for three years and certifies Hettich's above-average in-company training quality for young people. The scientifically recognised quality model analyses and evaluates all important aspects of training, involves trainers, trainees - including former ones - and is only awarded on the basis of representative results. AUBI-Plus carries out an assessment in a total of seven quality areas. These include, for example, the in-company training process, vocational learning, integration in the in-company process and the competence of the training staff.

Hettich France: "Qualiopi" certificate for excellent quality in vocational training

In December 2021, Hettich France successfully passed the compulsory audit for the quality review of vocational training providers in France and has been officially entitled to carry the "Qualiopi" certificate since 1 January 2022. This certifies Hettich France's excellent quality in vocational training and further education - a core competence that is becoming increasingly important, especially in times of a shortage of skilled workers. The French "Qualiopi" seal is awarded by accredited certification bodies on the basis of a uniform, national quality reference system and can only be renewed after three years by another audit. The audit procedure is complex: in order to obtain the national certification, each company must meet seven criteria and 32 quality indicators set by the "Référentiel National Qualité" (RNQ) for vocational education and training.

Future Day 2022: "Girls' & Boys" Day 2022, the "Future Day @Hettich (Girls' & Boys' Day)" was once again held at the Kirchlengern site for all Hettich companies in East Westphalia. A varied programme awaited the participants aged between 13 and 15 at the training centre with insights into our exciting range of training opportunities. Among other things, a birdhouse was built in the metal area or a template for our 3D printers was created by the technical product designers. A rally was held to explore the factory premises and explain the production process at Hettich. Afterwards, they went together to our Hettich Forum, where the exhibition was shown.

Further education

We want to be sustainably competitive as a company. This requires competent and committed colleagues. After (career) entry, we therefore ensure long-term prospects and development opportunities in the Hettich family business with various elements of personnel development.

Hettich Academy

At Hettich, we believe that it is not enough to learn a profession once in your life and then practise it unchanged for decades. That's why we believe lifelong learning is so important.

Number of internal training courses Hettich Germany 2022, rounded

Workshops
behaviour-based
safety

400

E-learning
training courses

4000

Instructions in
production and
logistics

8000



The "Hettich Academy" is our internal service provider for international personnel development and, as a network for knowledge transfer within the Hettich Group, makes many offers for further training and lifelong learning. Our employees at the



Kirchlengern site who do not have their own work computer, are unsure about using digital technology or simply want to take part in a digital event in peace and quiet can reserve a place with a laptop in the relaxed learning environment of the "Hettich Academy Walk-in" and - if necessary - receive start-up help from colleagues on site.

Future Days

One example of a global Hettich learning event is our newly established format of the annual "Future Days": in November 2022, we took three days to focus on learning and new impulses together. The event took place "hybrid", i.e. it was possible to participate from all over the world via video conference, and there were also face-to-face events at various Hettich locations. Special learning content was provided for colleagues in 60 digital presentations. This ranged from the topic of sustainability to digitalisation and corporate culture. We also received impetus from external experts, for example on the topics of futurology and disruption, or recommendations from successful start-up founders. There were workshops and opportunities to reflect on personality development and modern leadership styles. We were all very enthusiastic about the event, especially since the complementary on-site classroom events gave us the opportunity to offer the topics not only in German and English, but also in the respective national languages.

Hettich Learning Journey

Our learning is as diverse as travelling: we have different starting points and destinations, prefer different means of transport and our luggage is also diverse. That's why, in addition to traditional training courses or seminars, we offer the "Hettich Learning Journey", another opportunity to learn from and with each other in a self-directed way and according to your own ideas. Knowledge on a wide range of topics can be offered and requested in a digital marketplace. Learning groups can also be set up here and learning objectives and regular meetings can be defined.

SOCIETAL RESPONSIBILITY



SOCIETALLY
We care for others.

We are committed to a just and educated society. We promote the voluntary activities of our colleagues. As an expression of our societal responsibility, we support education, science and social causes through monetary and in-kind donations.

(Extract from the Hettich Sustainability Guidelines)

As a company, we are committed to benefiting society beyond our corporate boundaries: we provide targeted support to charitable organisations as well as site-specific organisations that contribute to the common good or get involved together with us.

SOCIETAL COMMITMENT



OWL STUDY FUND FOUNDATION

Hettich supports the „Studienfonds OWL“ foundation, a cooperative project between the universities of the state of North Rhine-Westphalia in East Westphalia-Lippe. The aim of the foundation is to provide sustainable material and non-material support for students in East Westphalia-Lippe, to build up a network between sponsors and sponsored students and thus to strengthen East Westphalia-Lippe as a university and business location in the long term. In the 2021/2022 funding year, we have again supported three scholarship holders with a one-year scholarship in recognition of their social commitment and outstanding achievements. Half of the scholarship is funded by the federal government and half by Hettich. In addition to financial support, we also offer non-material support: In an introductory meeting, we find out more about the interests and wishes of the students and exchange ideas about a possible internship, mentoring or participation in Hettich workshops.

Anton Hettich Foundation

The company-affiliated Anton Hettich Foundation has been promoting the education and training of children and young people since 1992. Initially, the foundation only supported music schools at the Hettich Group's German locations. Today, regional institutions that support disadvantaged children and young people in particular are also pleased to receive donations. In 2022, we were able to celebrate 30 years of the Anton Hettich Foundation.

Hettich Poddar Woodworking Institute in India

With the "Hettich Poddar Woodworking Institute" we are investing in training and further education of local carpenters in India, a country where vocational training is not as highly valued as in Germany, for example. During the training, both theoretical and practical content is taught on relevant machines and tools, and it is designed to enable learners to set up their own businesses on completion.

Support for innovative companies



After 2017, Hettich participated as an investor in the „High-Tech Gründerfonds“ (HTGF) for the second time in 2022. With the first closing, this fund already reached a committed volume totalling over 400 million euros. More than 130 million euros of this came from private investors, who participated in HTGF's fourth fund alongside the Federal Ministry of Economics and Climate Protection (BMWK) and KfW Capital. With its early financing, the new fund



supports young companies from the digital tech, industrial tech, life sciences and chemicals sectors. In doing so, the analysis and selection methods are even more strongly oriented towards the aspect of sustainability. "For us at Hettich, strengthening sustainability also means investing in future generations and ideas. That is why we are proud to be part of the HTGF network," says Jana Schönfeld, Managing Director of the Hettich Group. Together with HTGF and other established companies, Hettich wants to witness the future of innovative companies and learn from the entrepreneurial ideas of the start-up founders in the network. In this way, investments are made in around 40 innovative technology start-ups per year in the start-up phase, thus making an important contribution to Germany as a business location.

Joint aid for the flood victims of the flood disaster

The consequences of the storm disaster in July 2021 in the Ahr valley in Germany deeply affected. Colleagues donated a total of around 25,000 euros individually. In an anonymous survey, Hettich colleagues were able to name their personal donation amount along with the recipient institution. This enabled the company donation to be transferred to the four aid organisations to which the Hettich team members had also predominantly donated. Topped up by the company, the donations totalled more than 50,000 euros.

Hettich team supports those affected by the earthquakes

The consequences of the earthquakes in Turkey and Syria at the beginning of 2023 with their high casualty figures and devastating destruction have also caused us great consternation. Hettich colleagues have donated around 50,000 euros individually to humanitarian aid organisations worldwide. The Hettich Group has taken this sum as a model and also provided emergency aid. Together as a team, Hettich has thus handed over a total of around 100,000 euros in donations to humanitarian aid organisations to support those affected by the earthquakes.

Joint aid for the victims of the war in Ukraine

Our full solidarity goes out to all the people affected by the war and we hope that diplomacy will regain the upper hand as soon as possible to avoid further suffering. Together with our colleagues, we at Hettich have launched extensive aid campaigns to support the suffering population in Ukraine, from direct donations in kind to complete aid shipments and the necessary monetary donations.

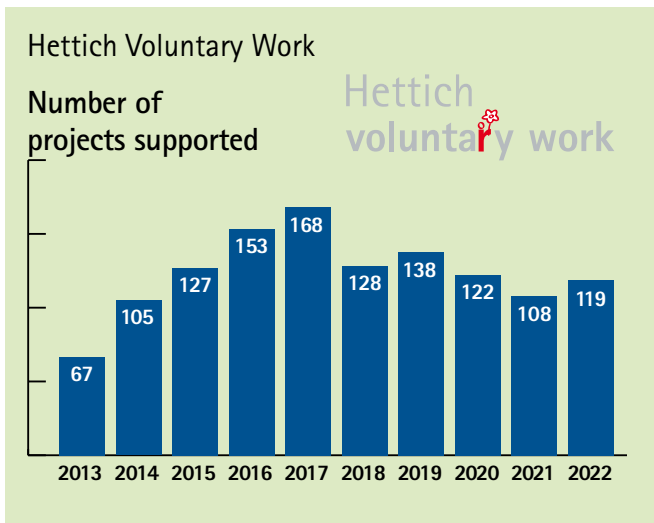
PROMOTION OF VOLUNTEERING



Many colleagues at Hettich worldwide are involved in social projects on a voluntary basis alongside their jobs. We would like to express our appreciation to all of them for contributing their free time to various activities in the social sector and have therefore been promoting this commitment since 2013: once a year, colleagues can apply with their project. Their commitment is diverse: they support children and young people, the sick and those in need of care, local associations, rescue services or sporting institutions. Since the launch of the "Hettich Ehrenamt" (Hettich Voluntary Work) campaign to



mark the company's 125th anniversary in 2013, more than 1,200 of our colleagues' projects have already received funding totalling more than 700,000 euros. In 2022, a total of 119 projects in Germany, the Czech Republic, Australia and England were supported with a total of 60,000 euros. There is regular detailed information on the individual projects on our social media channels.



USA: "Give back campaign"



Hettich America has launched the "Give Back" campaign in 2021. Financial support under this programme is intended to help improve basic human needs such as medical care, shelter and food. Colleagues can nominate charities to which they would like to give the funds. In the period July 2021 to July 2022, 32 organisations in the fields of disaster relief, education, health and sustainability have already been supported with more than 61,000 US dollars.

COOPERATION WITH SCHOOLS AND UNIVERSITIES



We want to give young people an insight into the world of work at an early stage and support them as they embark on their careers. If we can get school leavers excited about training at Hettich in this way - all the better! At some German locations, we cooperate with selected schools in school and internship partnerships. School fairs, job application training and many other activities are held jointly.



experiMINT

As a member of the experiMINT association, we organise annual four-day "camps" for pupils interested in technology at the Kirchlengern site. 2022 groups drew their own LED lamp, built it themselves and then successfully put it into operation.

Hettich Experience

"Hettich Experience" is our cooperation programme with universities in East Westphalia, which enables an intensive linking of studies and practice. For one semester, students work on various problems and then present the results both at the university and at Hettich. The project work is recognised as academic achievement. Under the professional guidance of a Hettich mentor, the groups work and manage themselves largely independently. The project work helps the students to form their own picture of the technical requirements, to develop their skills and to



LOCAL COMMITMENT



As a company, we act globally, always keeping local projects in mind and supporting them in the long term. The Hettich Group supports various charitable projects at its respective locations. These include sports clubs, community festivals, kindergartens and retirement homes.

Commitment at our locations – examples

Hettich Kirchlengern: Selling Advent calendars for the „Kinderschutzbund“ (Child Protection Association)

Our trainees in Kirchlengern have been involved with the Kinderschutzbund Bünde since 2011 by helping to sell Advent calendars. These are filled with prizes from the regional business community. The proceeds from the sale of the calendars go directly to the Kinderschutzbund.

Hettich East Westphalia: Donation of Father Christmas bags

In 2022, many Hettich colleagues once again gave up their well-filled Father Christmas parcels, which Hettich has been distributing via the works councils for many years. The sum thus raised was additionally supplemented by monetary donations from colleagues and donated to regional facilities of the "Tafel". The "Tafeln" have a clear mission: to save food and help people. As non-profit organisations, they are at the same time places of encounter for all people who come to them.

Hettich Australia: "Jeans for Genes"

In addition to supporting local sports clubs and schools, our Australian office is involved in numerous charitable events, such as the "Walk for Women's Cancer" in support of cancer research for women or campaigns

like "Australia's Biggest Morning Tea" in support of cancer patients. In 2023, colleagues are involved in the "Jeans for Genes" campaign, a fundraiser for medical research for children with genetic disorders.

Hettich USA: Christmas donations



Hettich USA's Sustainability Committee collected a number of much-needed items for charitable local organisations for those in need in 2022, so that parents in need, for example, could give their children a special Christmas present.

Hettich India: Donation week

As part of "The Joy of Giving" week in India in November 2022, our colleagues in Mumbai donated school supplies, food, medicine or toys to the local children's home Krupa Ghar.

Hettich Kirchlengern: New fire-fighting vehicle for daytime standby



Our colleagues belong to various volunteer fire brigades and are called up directly from their workplace as part of the daytime alarm service if there is an operation nearby – i.e. not only in the event of a fire at Hettich. Even though many firefighters of the fire brigades live on site at our Kirchlengern headquarters, some of them work elsewhere. As a result, the journey to the scene of the fire is often too long during the day. The mayor of



Kirchlengern approached Dr. Andreas Hettich about ten years ago, and so the "daytime alarm team" was born. It is directly on site and quickly ready for action in an emergency. A hall was built on the company premises to house the fire engine and the necessary equipment as well as the changing rooms. In 2021, a new auxiliary fire-fighting group vehicle was handed over to the municipality of Kirchlengern. We are very pleased that Hettich can now support the municipality even better with the new vehicle and would like to thank the daytime fire brigade for their great work!

Hettich Logistics Service Bünde: DRK Winter Service



At the beginning of 2021, our Kirchlengern/Bünde site was surprised by a severe onset of winter and literally sank into the snow. The colleagues of our logistics company, together with the local German Red Cross (DRK), quickly and pragmatically set up a supply station with warm food and hot drinks for the drivers of our logistics service providers, which was gratefully taken up after the traffic chaos and the experiences of the previous hours. In December 2021, we presented the head of operations and the chairman of the German Red Cross Bünde with a donation as a thank you for the quick and pragmatic implementation.

ECOLOGICAL RESPONSIBILITY



ECOLOGICALLY
We care for the environment.

We are committed to the target of becoming climate-neutral in direct and indirect greenhouse gas emissions at our Hettich sites. In doing so, we give priority to avoidance and reduction of environmentally harmful emissions over offsetting them.

(Extract from the Hettich Sustainability Guidelines)

ENVIRONMENTAL POLICY

We take responsibility for the world in which we live. We understand legal regulations as minimum requirements.

We assume special responsibility for the preservation of the natural foundations of life. We are aware that the environmental framework conditions will change fundamentally in the future, for example due to price increases for energy and materials caused by scarcity, comprehensive environment-related customer requirements, or far-reaching legal standards.

For many years, we have considered the continuous improvement of resource efficiency, reduction of energy consumption and avoidance of environmental pollution as an obligatory part of our corporate culture. One of the greatest challenges is to limit the negative ecological, social and economic effects of global warming caused by greenhouse gas emissions that are harmful to the climate. Together with all Hettich colleagues worldwide and with our stakeholders and partners, we want to make our best possible contribution to keeping our planet liveable for us and for future generations.

Ecology has been an integral part of our corporate strategy since the 1990s.

This is reflected, among other things, in the "Sustainability Guidelines", which have applied to the entire corporate group since 1993 and which formulate the sustainability requirements and the path to implementation. At the end of 2022, we once again adapted these principles to our strategy and added the goal of climate neutrality at our locations for direct and indirect greenhouse gas emissions (Scope 1 and 2)*. In doing so, we give priority to avoidance and reduction over compensation of environmentally harmful emissions.

Since 1996, we have been practising the recognised environmental management system in accordance with the European EMAS regulation (Eco-Management and Audit Scheme). For this purpose, we regularly undergo the strict EMAS validation procedures at several production sites.

The Code of Conduct binding on the Hettich Group also sets out our responsibilities and duties under the aspect of "environmental protection" in concrete terms: all colleagues must act in an energy- and resource-conserving manner in their own working environment and thus help us as a company to meet the global ecological challenges of the near future.

* Scope 1: direct emissions from sources for which the company is responsible and controlled
Scope 2: indirect emissions from purchased energy (electricity, steam, heat, cooling)

WE ASSUME RESPONSIBILITY FOR THE WORLD WE LIVE IN



"Our aim is to link business success with environmental and civic responsibility."

Dr. Andreas Hettich
Chair of the Hettich Group's
Advisory Board

CERTIFIED ENVIRONMENTAL MANAGEMENT



ENERGY

2021

Procurement of green electricity at all German production bases

2021/22

Photovoltaic systems installed at our Vlotho-Exter (Germany), Aizarnazabal (Spain) and Indore (India) operating bases

2023

Kirchlengern operating base, Germany: photovoltaic system on building B7 extended by a further 230 kWp³, with a 2,000 kWp³ photovoltaic system being planned on the new C3 building



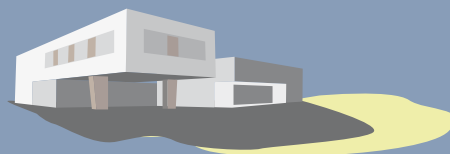
ON THE WAY TO GREEN STEEL

Successful pilot project with CO₂ reduced steel

2021

CO₂ reduced steel generates over 70% fewer CO₂ emissions across the entire production process

ENERGY EFFICIENT ARCHITECTURE



2008

Newly constructed Hettich Forum, Kirchlengern, Germany

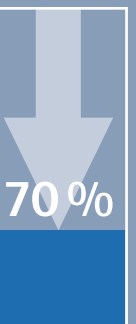


EU Green Building certified



2011

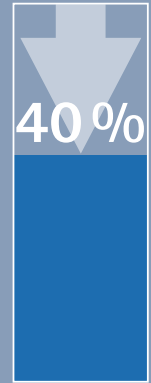
Newly constructed C2 production facility, Bünde, Germany, falls below the primary energy requirement defined in the German Energy Saving Regulation (EnEV) from 2009 by



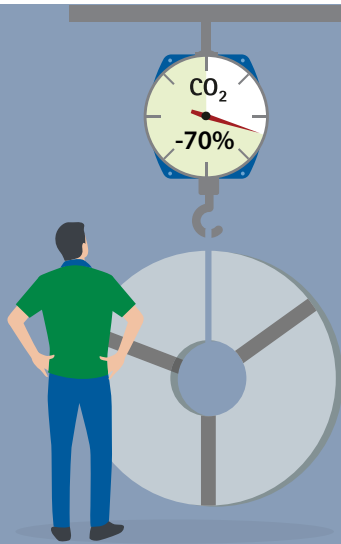
- 1996** First EMAS validation of our operating bases Berlin, Germany
- 1997** Kirchlegern and Frankenberg, Germany
- 2003** Aizarnazabal, Spain
- 2004** Balingen, Germany
- 2013** Žďár nad Sázavou, Czech Republic

CUTTING GREENHOUSE GAS EMISSIONS

2016 to 2022

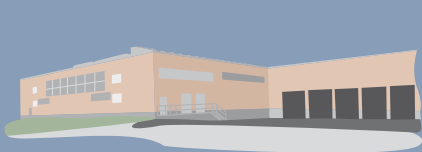


cutting greenhouse gas emissions¹ (CO₂e)² at production bases worldwide by more than



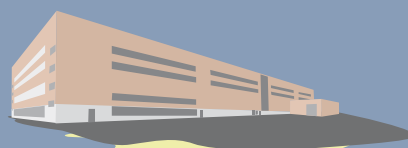
LOCAL ACTIVITIES

Planting of flowering meadows at operating bases



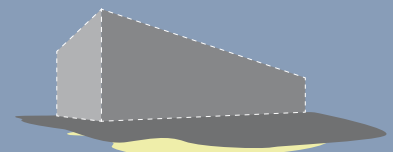
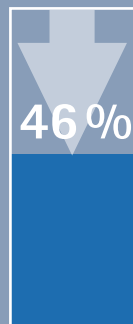
2016

Newly constructed production facility, Vlotho-Exter, Germany, falls below the primary energy requirement defined in the German Energy Saving Regulation (EnEV) from 2009 by



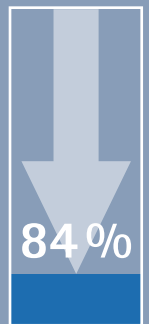
2017

Newly constructed B7 production facility, Kirchlegern, Germany, falls below the primary energy requirement defined in the German Energy Saving Regulation (EnEV) from 2016 by



2023

Newly constructed C3 production facility, Kirchlegern, Germany, falls below the annual primary energy requirement defined in the German Building Energy Act (GEG) from 2020 by



¹ Total direct and indirect production related greenhouse gas emissions (CO₂e Scope 1 and 2, without vehicle fleet emissions as per internal calculation)

² CO₂e = CO₂ equivalent

³ kWp = kilowatt peak



Environmental impact of our activities

Resource conservation and energy efficiency as well as the reduction of climate-damaging emissions are the core issues for production and logistics at Hettich.

Essential components of our furniture fittings are metals, especially steel and zinc. In addition, we process plastics for injection moulded components and in the form of powder coatings. The production and processing of these product ingredients is associated with environmental impacts. We can only influence these processes to a very limited extent.

We are therefore always looking at alternative options to manufacture our products with the most environmentally friendly materials possible. We continuously improve the recyclability of our products and work with our partners to find alternative sustainable materials and manufacturing methods. Our essential product ingredient steel, for example, is 100 % recyclable.

In the production processes at our production sites, cooling lubricants, oils and various chemicals are currently used, some of which are classified as water-polluting substances and hazardous materials. The corresponding safety precautions apply here.

For all Hettich production and logistics sites, operational energy consumption is a key environmental consideration. The manufacturing processes at our production sites include stamping, waste-free forming, powder coating and assembly. We treat the waste water generated in the pre-treatments of the powder coating plants in our own waste water treatment plants. In addition, energy-intensive melting processes such as plastic injection moulding and metal die-casting are carried out. Our hardening plants also have a high energy demand. The finishing of prefabricated components in electroplating plants by applying metallic surfaces also acquires a special environmental significance due to the chemicals used in electroplating processes and the subsequent waste water treatment.

At our sales companies, in addition to logistics, packaging and transport, the use of company vehicles by our sales force team is a significant factor in environmental impact. We are counteracting

this with the expansion of the electrification of the company car fleet as well as incentives for sustainable travel management. At our logistics sites, the environmental aspects arise from the processing of incoming goods, the storage of products and the formation of packages through to shipment to customers. The main direct environmental relevance of our logistics companies therefore lies in the use of transport packaging. Here, our packaging engineers work on sustainable packaging solutions. The indirect environmental impact can be influenced primarily through the selection of suitable logistics service providers.

EMAS environmental management system

We are improving our environmental performance – evidenced by the world's most rigorous environmental management system.

The Hettich Group is the only leading furniture fittings manufacturer to meet the voluntary, stringent European EMAS requirements – and has been doing so for over 25 years.

Effective anchoring in the company



In the mid-1990s, the company management decided that the three largest German Hettich sites should participate in the newly developed EMAS environmental management system (Eco Management and Audit Scheme), which the European Community had designed for voluntary participation with strict criteria. To date, the number of Hettich companies participating in EMAS has increased: We are now EMAS-validated at four German sites and at our foreign sites in Spain and the Czech Republic.

As part of the EMAS review cycles, the sites are audited annually by a state-approved environmental verifier for improvement of environmental performance and complete legal compliance. This audit also includes the environmental statement, in which we make our environmental aspects and improved environmental performance transparent.



According to EMAS, the annual signing of the environmental statement by the verifiers may only take place if the environmental performance has actually been increased, i.e. the pollution has been reduced.

The environmental statements of our EMAS-validated sites with detailed environmental programme points as well as target achievements can be found [here](#).

Opportunities and benefits of the system

By participating in the world's strictest environmental management system EMAS, which also includes ISO 14001, we achieve legal certainty, economic, environmentally friendly measures, credible environmental management and at the same time make a contribution to achieving the 17 sustainability goals of the United Nations.

A quarter of a century of EMAS validation



2022, the Hettich Group's largest site Kirchleugern/Bünde as well as the Frankenberg site have already passed the independent, external validation by the state-approved environmental auditors for the 25th time.

Environmentally relevant certifications of other sites include the ISO 50001 energy management



system or the ISO 14001 environmental management system. In addition to the ISO 14001 certification, our Vadodara (India) site also holds a "Green Company" certificate issued by DQS CFS GmbH - Deutsche Gesellschaft für Nachhaltigkeit.

ENVIRONMENTAL PROGRAMME AND OPERATIONAL ENVIRONMENTAL PERFORMANCE



To achieve improved environmental performance, we set ourselves ambitious targets.

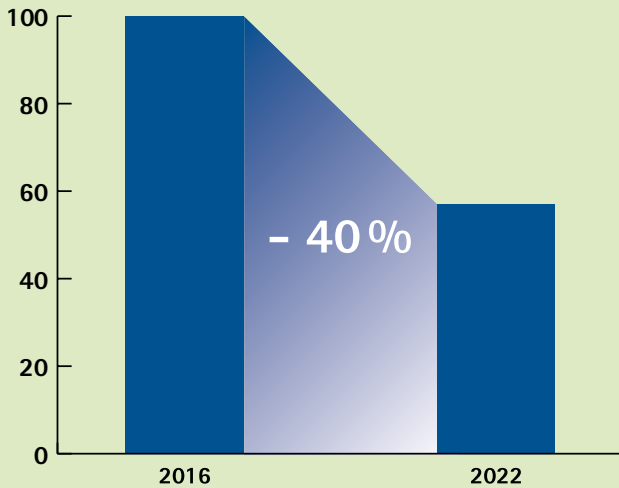
Climate-relevant emissions

We have been recording and monitoring our direct and indirect production-related greenhouse gas emissions for many years. In our internal calculation, we take into account direct emissions from combustion processes of stationary plants and emissions of fugitive gases as well as indirect emissions from purchased electricity or district heating. Since emissions from mobile facilities such as the vehicle fleet are not directly related to the manufacturing processes and account for a very small share of total emissions, they are not included in our internal methodology - unlike in the Greenhouse Gas Protocol, the external transnational standard series for accounting greenhouse gas emissions.

As part of our internal greenhouse gas balancing, direct and indirect production-related emissions in the Hettich Group were reduced by around 40 % in 2022 compared to the base year 2016. This is mainly due to the purchase of certified green electricity at all German sites and process-related optimisation measures.



Reduction of CO₂e emissions (Scope 1* and 2 Hettich production sites) 2016 - 2022 in %



* Scope 1 based on internal greenhouse gas inventory, excluding emissions from vehicle fleet.

Determination of greenhouse gas emissions according to the Greenhouse Gas Protocol

In 2020, we had our greenhouse gas emissions calculated for our largest production site in Kirchlengern with the help of the company "ClimatePartner GmbH" in accordance with the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

The Greenhouse Gas Protocol (GHG Protocol) is an internationally recognised standard for the accounting of corporate emissions. It was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Scope 1 according to the Greenhouse Gas Protocol includes emissions from combustion processes in mobile facilities such as the vehicle fleet, in addition to the direct emissions from stationary facilities such as the use of natural gas in boilers and fugitive gases from e.g. air conditioning leaks, which we have been calculating for years.

Scope 2 calculates indirect emissions from the upstream value chain that arise from purchased electricity, district heating/cooling or steam.

Finally, Scope 3 captures all indirect emissions from upstream and downstream value chain that are a consequence of the entrepreneurial activities but originate from sources that are not owned or controlled by the company. Some examples of Scope 3 activities are the extraction and production of purchased materials, the transport of purchased fuels or the use of sold products and services.

In 2021, with the support of "Climate Partner GmbH", we have extended this calculation to our sales, logistics and production sites worldwide for emissions according to Scope 1, Scope 2 and parts of Scope 3.

In 2022, we developed our own procedure for recording our greenhouse gas emissions according to the Greenhouse Gas Protocol. We use emission factors from databases such as DEFRA, ADEME or Ecoinvent. "Operational control" was chosen as the accounting approach. It therefore also includes companies that are not included in the consolidated presentation. In the "operational control" approach, a company records 100 % of the emissions from activities over which the company or one of its subsidiaries has operational control.

In 2022, the greenhouse gas emissions (Scope 1 and 2) of the Hettich Group calculated in this way amounted to:

Emission category	t CO ₂ e
Scope 1	12,911
Scope 2	20,894*
Total Scope 1 + 2	33,805

*Note: The value given refers to the emissions from electricity generation calculated according to the market-based method. These include emissions from actual contracts with the electricity supplier. When calculated according to the location-based method, Scope 2 emissions amount to 54,542 tonnes of CO₂e.



The calculation for the year 2022 was audited by "BDO AG Wirtschaftsprüfungsgesellschaft" with limited assurance.

The calculation of parts of the Scope 3 emissions is still in progress at the time of preparing this report. In the future, we will calculate our relevant Scope 3 emissions – also with regard to the requirements from the current draft of the European directive on sustainability reporting "Corporate Sustainability Reporting Directive".

We have set ourselves the goal of achieving climate neutrality in Scope 1 and 2 (according to the Greenhouse Gas Protocol) for all Hettich locations worldwide by 2030. We are aware that this will not be easy for a globally manufacturing company. Nevertheless, we want to avoid emissions as far as possible by taking measures to expand the use of renewable energies. What cannot be avoided, we will reduce as much as possible with the help of consistently implemented measures. The remaining emissions that cannot be reduced by 2030 because the technology for decarbonisation is either not available or very expensive, we will offset by supporting climate-friendly projects to reduce global greenhouse gas emissions. We consider offsetting climate-damaging emissions only as a last resort and have therefore set a target that is achievable for us, also in view of available economic technologies in a global environment.

Our targets to reduce emissions in our supply chain (Scope 3) are currently under discussion as we explore low-carbon technologies and partnership models to help us reduce our emissions in the value chain globally.

We are working intensively in networks to achieve



Wir sind Mitglied der Klimainitiative der IHKs und der Wirtschaft in Ostwestfalen-Lippe

the goal of climate neutrality in Scopes 1 and 2 (according to the Greenhouse Gas Protocol) by 2030. The Hettich sites in East

Westphalia, for example, have already joined the

voluntary climate initiative of the East Westphalia-Lippe Chambers of Industry and Commerce.

The next measures planned in the near future include the expansion of photovoltaic systems to generate our own electricity, concept developments for additional heat pumps, the installation of a pyrolysis system at the Kirchlengern site, the further electrification of our vehicle fleets and the search for alternatives for the use of natural gas.

Climate-neutral trade fair presence



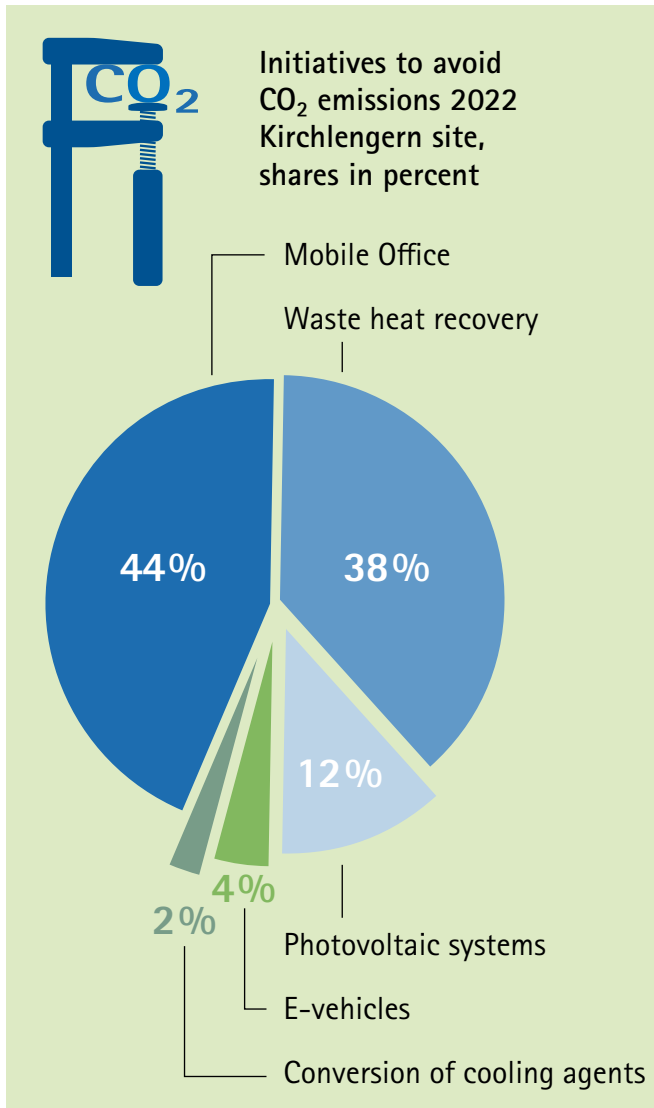
Our sales team has already taken a small climate-neutral step at the Cologne furniture fair Interzum 2023. True to our orientation "avoid, reduce and compensate as a last resort", the sustainable trade fair appearance already started with the journey of the colleagues: Here, the train journey or the formation of car pools of at least 3 people was pushed. But also accommodation, catering etc. were evaluated and selected in a sustainable way. When designing the stand, special attention was paid to the selection of materials and their reuse. We offset the remaining emissions with MyClimate GmbH. The construction of a biogas plant for approx. 9,000 households in India was chosen as the [compensation project](#).

Measures to avoid emissions – example Kirchlengern site

At our main site in Kirchlengern, a total of 17,563 tonnes of CO₂ emissions were avoided in 2022 through various measures. The greatest influence, at over 90 %, is the use of certified green electricity, which has been purchased at the site since 2017.



The remaining share of avoided emissions could be achieved through subsequent measures:



TRANSPORT AND TRAFFIC

Transport logistics

Our logistics company in Kirchlengern/Bünde handles incoming goods for finished goods and merchandise, their storage, order picking and packaging for shipment. The goods are delivered exclusively by external forwarders. With regard to the indirect environmental impact, the special significance lies in the selection of the transport routes and the logistics service providers commissioned. With a lot of commitment and various activities, colleagues make important contributions to the topic of sustainable transport logistics. The focus here is on avoiding

and reducing CO₂ emissions. At the same time, we are establishing a transparent database to make developments more measurable.

We check delivery frequencies and loading space utilisation. In the case of land transport by truck, this is supplemented by the use of a "36-place long trailer". All in all, this leads to a reduction in transports and thus to the avoidance of CO₂ emissions.

Together with our logistics service providers, test phases with electrically driven tractors and/or electrically assisted semi-trailers are planned. However, the actual market availability is currently still very limited.

We shift the transport of our sea containers to the North Sea port - where possible - from road to rail. The current rate here is 18 %.

A newly implemented central warehouse in Malaysia not only brings us the necessary proximity to our customers, but it has also enabled us to significantly reduce our air freight to Australia, New Zealand, Japan and Korea.

Mobility management

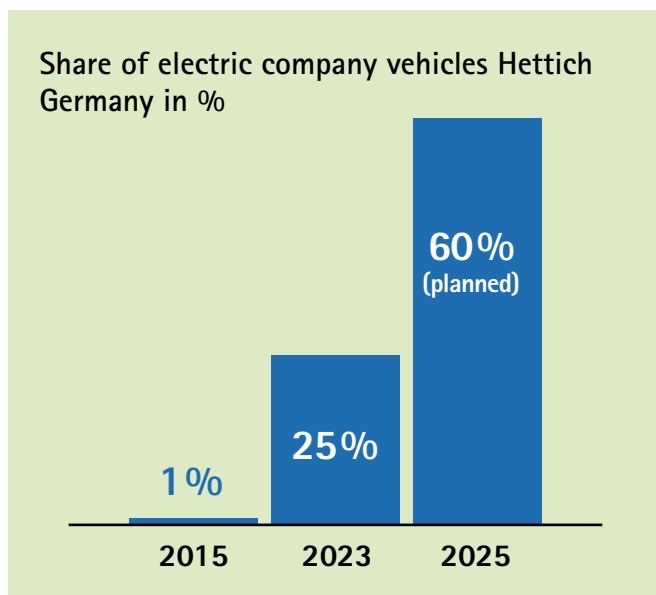
The often long distances to our customers and to major projects mean that our company vehicle fleet has to be maintained. The Hettich mobility team has set itself the task of using the vehicle fleet even more effectively and in a more environmentally friendly way in future by redesigning and mainly electrifying it.

The first tests on the topic of e-mobility in the vehicle pool were already carried out in 2015. The additional participation in a scientific study led to further tasks after the evaluation of the data. In the next step, a keyless digital car sharing system was implemented for the pool vehicles in 2018.

As of April 2023, 25 % of our vehicle fleet was electrified (48 out of 190 company vehicles, Hettich Germany). In the next two years, 60 % of company vehicles are expected to be electrified. In addition to the use of electric vehicles, including home charging solutions for company vehicle users and the establishment of an electric charging



infrastructure at company sites, the Hettich company car policy has also been continuously revised with regard to CO₂ emissions and drive technology. We have thus created further incentives for more climate-friendly mobility behaviour. The mobility budget now offers the possibility to use the unused budget from the company car for other mobility offers, for example bicycle leasing. At the Kirchlengern site, one e-scooter and five fully electric commercial vehicles are used for internal company transport. Further activities to make mobility management more environmentally friendly are being planned, such as motivational leasing for electric vehicles or a fuel-saving competition.



We support environmentally friendly mobility behaviour of our colleagues with "corporate benefits" such as the offer of discounted tickets for public transport (Job Ticket) or the possibility of leasing a bicycle through deferred compensation (JobRad). In addition, we plan to conduct a voluntary employee survey on mobility behaviour in order to optimise the company mobility concept and implement further needs-based and sustainable mobility offers.

"Trainee Car" electric



At the end of 2021, our trainees at the Kirchlengern site received an early Christmas present in the form of the "Hettich Trainee Car" and have since had the opportunity to drive a brand new, fully electric Mini Cooper SE.

E-car India

Hettich India has also taken a big step towards sustainability and purchased an electric company vehicle at our office location in Mumbai. Because the charging infrastructure is not yet so well developed, colleagues will charge the vehicle at the office and use it primarily for urban transport.

Participation in city cycling



STADTRADELN
Radeln für ein gutes Klima

"STADTRADELN" is a campaign

of the "Climate Alliance", a network of European municipalities in partnership with indigenous peoples that develops local responses to global climate change. STADTRADELN is about cycling as many everyday journeys as possible in a climate-friendly way for 21 days to set an example for sustainable mobility and climate protection. Committed colleagues at our site in Frankenberg already set an example in 2022 and also motivated many employees at the Kirchlengern site in 2023, so that together 21,322 km were covered in 21 days in a climate-friendly manner by bicycle.



INCENTIVE SCHEMES

Expansion of charging infrastructure



In addition to the infrastructure already in place at the Kirchlegern site (6 double charging points and 6 wallboxes with a total of 18 charging points for company vehicles), Hettich has invested in 6 new charging points in 2023 to offer Hettich employees a charging option for their private electric vehicles at a reduced charging rate.



In 2021, our site in the Czech Republic received the first two charging points for electric cars. We have also been offering our colleagues at Hettich USA a charging station for electric vehicles at our office building since 2023.

JobTicket

With the JobTicket, we offer our colleagues the opportunity to travel to work in a relaxed manner by bus, tram and train at a reduced price. With the bulk customer subscription, we want to give incentives to use public transport and save CO₂ emissions.

JobRad

With the JobRad, we offer the possibility of leasing a bicycle against deferred compensation.



Cycling not only keeps you fit and clears your head, there is probably no better means of transport for the environment. Because everyone who decides to leave their car behind and come to work by bike instead is making a positive contribution to the CO₂ balance sheet and thus to the environment. At the end of 2022, we had a total of 713 bicycles at start.

Bicycle parking with charging facilities Kirchlegern



We are pleased that many of our colleagues have made use of the JobRad offer in recent years and now come to work by bike. Many of the new bikes are now e-bikes and the value of these bikes has increased significantly. To counteract theft, specially secured bicycle parking spaces and lockers were installed at the Kirchlegern/Bünde site in 2022. There is also the possibility to charge e-bike batteries during working hours.

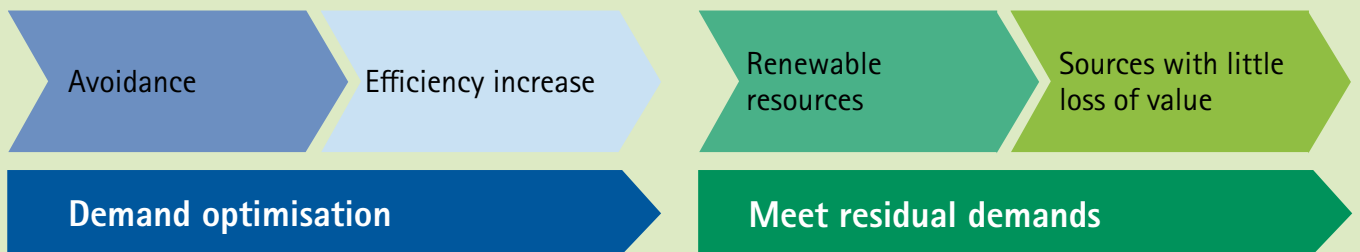
E-bike charging station Vlotho-Exter

E-bike charging stations were already set up at our site in Vlotho-Exter in 2021.



ENERGY AND RESOURCE MANAGEMENT

Our action priorities for energy and resource efficiency



Two priorities for action

In the long term, entrepreneurial activity cannot be decoupled from ecological framework conditions. Our environmental strategy for the sensible use of energy and resources comprises two major priorities for action. These are taken into account at all stages of the product life cycle: Development, production, logistics, product use and disposal.

- Preceding "demand optimisation": Examination of avoiding or at least increasing the efficiency of the energy and resources used.
- Subsequent "residual demand coverage": by using renewable sources or at least sources with low value loss. The particular challenge is to significantly reduce the specific energy demand for our production and logistics. The remaining residual energy demand must be covered with renewable energy sources and with the support of efficient energy systems such as heat recovery.

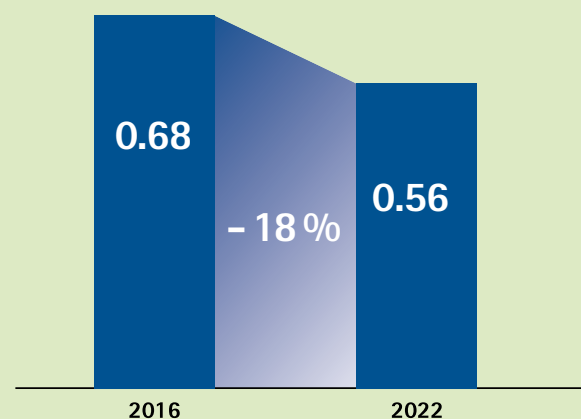
of gross raw material input at Hettich production sites worldwide could be reduced by 18 %. With measures such as waste heat recovery, conversion to energy-efficient LED lighting, automatic shutdown of machines and systems during breaks, incentive schemes and employee motivation, we want to continue to drive forward the issue of energy efficiency in the Hettich Group.

ENERGY



We want to continuously improve our energy efficiency. The energy consumption of our production companies worldwide is reported monthly and presented to the management of Hettich Holding on a quarterly basis. From 2016 to 2022, the specific energy consumption per tonne

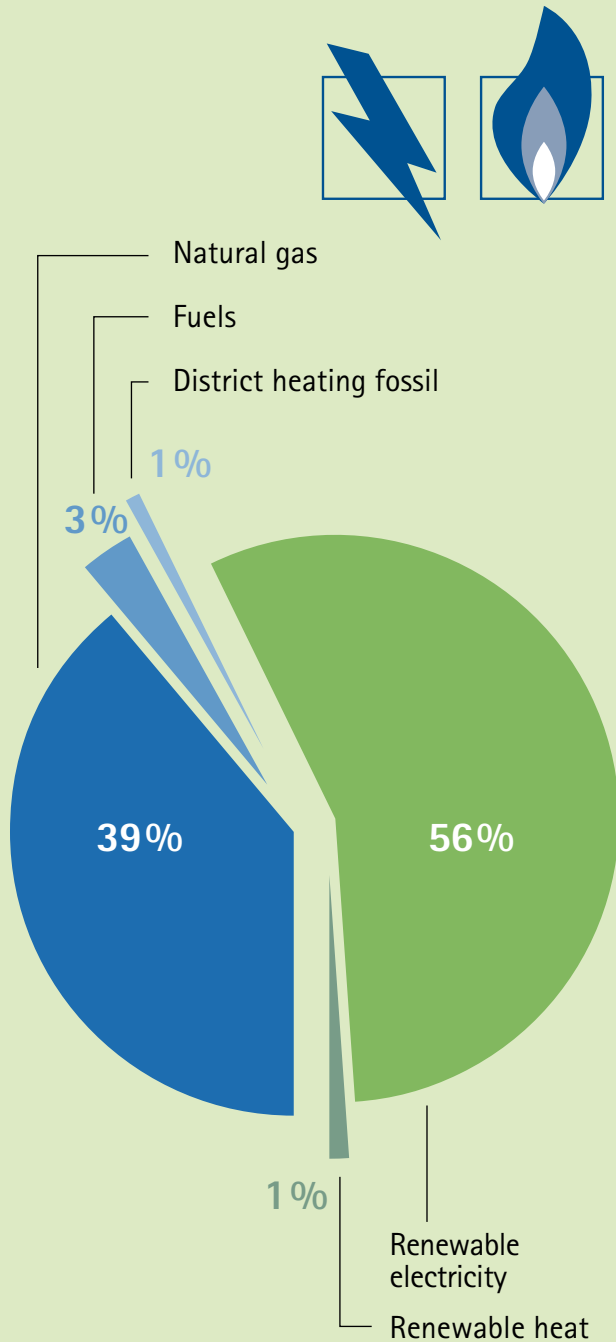
Specific energy consumption at Hettich Group production sites



in MWh per tonne of gross raw materials used (excluding rejects)



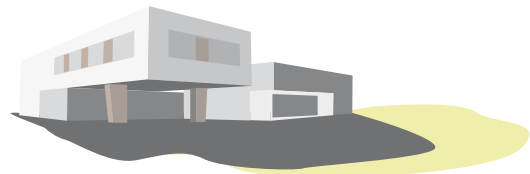
Energy use at our Hettich sites in East Westphalia in 2022



EXAMPLES OF ENERGY EFFICIENCY MEASURES

Energy-efficient architecture

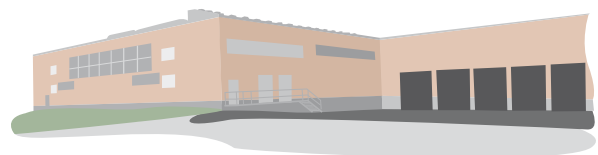
In 2008, we focused on environmental aspects for the first time on buildings and properties.



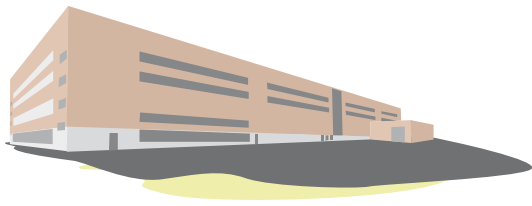
The "Hettich Forum" exhibition and administration building at the Kirchlengern headquarters, opened in 2009, was designed as a zero-energy building on balance and received the European Community's "Green Building Award" for it at national level.



In 2011, an approximately 14,000 sqm production hall was built for the production of the ArciTech drawer system at the Kirchlengern/Bünde site. The Hettich Group was awarded the NRW Wood Construction Prize in 2014 for the energy-efficient industrial building, which was largely constructed from wood materials and at the time had a heating requirement that was a full 72 % below the building code requirements (German Energy Saving Ordinance EnEV 2009). The building was also awarded the "Best Practice Energy Efficiency" label of the nationwide "Initiative Energieeffizienz" campaign of the Deutsche Energie-Agentur GmbH.

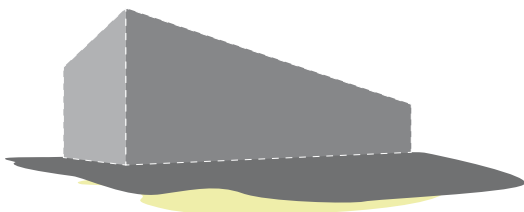


The production hall built in 2016 at our site in Vlotho-Exter is also an example of energy-efficient building architecture with regenerative heating systems, a ventilation system with heat recovery and the primary energy requirement being 32 % lower than the Energy Saving Ordinance (EnEV 2013) in force at the time. 2021, the roof of the hall was equipped with a 750 kWp photovoltaic system that covers 10 % of the annual electricity consumption.



The new building of Hall B7 at the Kirchlengern site, completed in 2017/2018, is also a sustainable contribution to responsible industrial construction in terms of production logistics, energy technology and building typology. In a rather rural environment, it was a particular challenge to limit the amount of sealed land. This was ensured by the two-storey industrial hall. The ecological footprint of the building was halved and the space efficiency increased accordingly. The highly thermally insulated timber construction with a total of 1,500 tonnes of wood created a CO₂ reduction of 70 kg CO₂/m². This corresponds to the energy demand (according to EnEV 2016) of a total of 3 years. More than 60 % of the energy for heating and hot water is provided by waste heat from production. The roof is fully covered with a photovoltaic system. With an output of 285 kWp and an area of 1,750 sqm, the system provides approx. 25 % of the building's total energy requirements (heating, cooling, ventilation and lighting). In 2022, the photovoltaic system was expanded by another 230 kW peak and will provide even more yield in the future.

In 2018, the sustainable properties of the building led to the award of the "Industrial Construction Prize for Sustainable Construction", offered by Messe Essen on the occasion of the special construction trade fair "Baufachtag West".



Part of our sustainability concept is also the construction of a new multifunctional hall at the Kirchlengern/Bünde site, the foundation stone for which was laid in June 2022.

In addition to 12,000 m² wooden wall, 2,000 m² reused wooden lamella facades, use of waste heat

from the processes, free coolers, a heat pump for simultaneous cooling and heat generation or ventilation technology with displacement air flow, 770 m² green facades as well as replacement habitats are also planned. A total of 4,880 photovoltaic modules with a total output of 2,000 kWp will be installed on the roof of the new building. The annual primary energy demand is 84 % below the requirements of the German Building Energy Act (GEG 2020). The CO₂ emission reduction compared to the reference building (according to GEG 2020) is 593,180 kg/a.

A further contribution to sustainability is the planned construction of a pyrolysis plant to fire the baking ovens in the powder coating department with wood gas, which is obtained from waste wood from a waste disposal company in the immediate vicinity.

Lighting conversion

The continuous switch to energy-saving LED lighting at all locations is another component of our energy efficiency measures. At the Kirchlengern headquarters, for example, this has saved over 920,000 kWh of electricity since 2018.

Heat recovery

By using a heat recovery system for the compressor system, adjusting temperatures and consistently switching off the heating system manually, we saved around 620 MWh of thermal energy at our Hettich site in Frankenberg from May 2022 to April 2023, for example, compared to the previous year, and around 900 MWh of thermal energy compared to the years before 2018. If you compare this amount with a 150 m² single-family house, this is a saving of more than 100 single-family houses, depending on the building standard. At the Kirchlengern headquarters, 2,022 MWh of compressor waste heat was used in 2022.

Further energy efficiency measures

Energy efficiency measures such as the central switching on and off of interlinked production facilities are expected to save up to 293,800 kWh of electricity at the Kirchlengern site in the future (based on a 15-shift week).



Our US site has reduced its electricity consumption by 25 % since 2021 through various measures. The biggest impact has been the elimination or replacement of less energy-efficient machinery and equipment, as well as the disconnection of power in unused areas and the installation of motion detectors in offices. In addition, the thermostats on heating and cooling systems were set to an optimised temperature range.

We communicate detailed information on energy efficiency measures annually in the [environmental statements](#).

USE OF RENEWABLE ENERGIES

Purchase of certified green electricity

At our production sites in Kirchleugern and Spenge, we have been sourcing 100 % electricity from renewable energies since 2017. Since 2021, we have been sourcing 100 % electricity from renewable energies at all German production and logistics sites. In 2022, this led to an avoidance of around 30,000 tonnes of CO₂ (emission factor according to the Federal Environment Agency; German electricity mix 2021). Our foreign locations are also increasingly using certified green electricity.

Electricity from solar energy

Photovoltaics generate electricity from renewable energy sources without releasing CO₂. Photovoltaics thus contributes to the overarching SDG 13 "Climate Action" and directly contributes to SDG 7 "Affordable and Clean Energy".



Kirchleugern



With the photovoltaic systems already in place on buildings B1 and B7 in Kirchleugern, the PV system on B7 has been extended by a further 230 kWp. The installation of 4,880 modules on the new multifunctional hall C3 in Kirchleugern is another example of our efforts to further advance the topic of renewable energies.

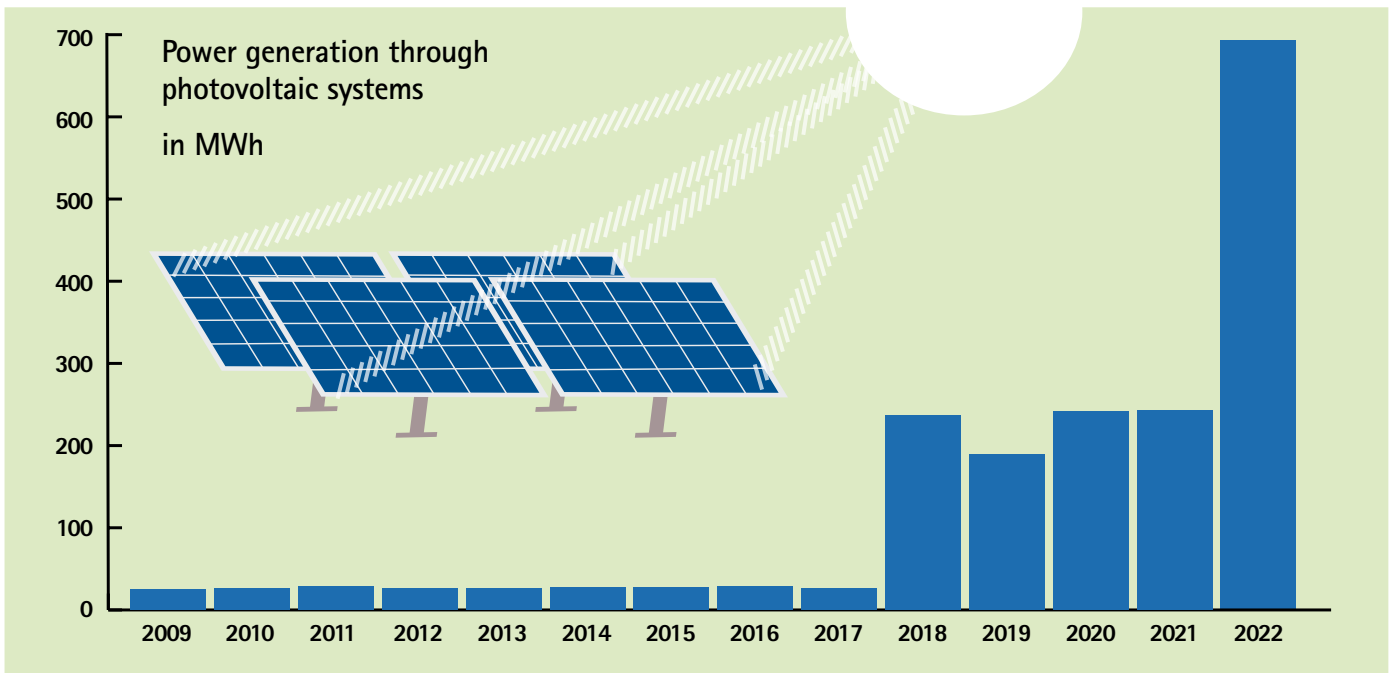
Vlotho-Exter



With the installation of more than 2000 photovoltaic modules at the Vlotho-Exter site in 2021, more than 160 single-family homes with 4 people each could be supplied for 1 year. The peak power is enough to cook lunch on 750 electric cookers. The generator area is 3,747 m², which is about half a football field.

Yield of the photovoltaic systems

From 2009 to 2022, the photovoltaic systems in Kirchleugern and, since 2022, in Vlotho Exter have generated a total of 1,842,195 kWh of electricity through the power of the sun.



Indore (India)

2022, our production site in Indore (India) was equipped with more than 2,000 photovoltaic modules and a capacity of 1,124 kWp. The energy generated in this way, an expected 1,485 MWh of electricity/year, will be used to operate the production facilities in the future.

Aizarnazabal (Spain)

In 2022, photovoltaic panels were also installed on the roof of our site in Spain, and so since January 2023, 15 % of electricity consumption has come from 100 % renewable energy.

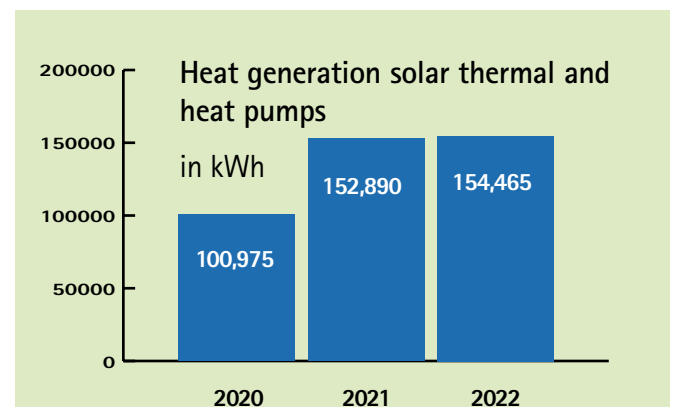


Heat generation through solar thermal energy and heat pumps

Heat pump technology makes a direct contribution to SDG 7 "Affordable and Clean Energy" and SDG 13 "Climate Action".

In Kirchlengern, three heat pumps are installed in production hall B7: Two water-water heat pumps use the waste heat from cooling for heating processes. An air-water heat pump is used for cooling and heating processes, depending on the weather.

The amount of heat generated in this way - including the heat generated by the solar thermal system in building B1 - amounted to 154,465.00 kWh in 2022.





RESOURCES



Protecting our environment, protecting the health of our colleagues and conserving natural resources are components of our corporate goals in the pursuit of economic success. In addition, we conserve resources by further optimising our products and packaging in terms of weight, material and recyclability.

Examples of resource conservation

Use of recycled materials

We are continuously working on opening up the remaining fields of action in the material cycles. In the process, many small parts add up to a big whole. For the material tray of our "Systema Top 2000" drawers, we are in the transition phase to using 100 % high-quality recycled plastic. We are thus contributing to the conservation of resources and energy as well as to closed material cycles through 100 % recyclability.

Trays made from regenerated material

At our site in Frankenberg, too, the switch to transport boxes made of 100 % recycled material leads to conserving resources and saving approx. 50 % of CO₂ emissions through the use of regenerate. In 2022, 2000 KLT containers (small load carriers) made of recycled material have already been procured.

Social-ecological commitment "Corporate IT"

Our Corporate IT division also makes a valuable contribution to the conservation of resources through its long-standing partnership with a non-profit company and promotes the inclusion of people with disabilities in the process. In 2022, we were again able to avoid 27,601 kg of iron equivalents,



135,861 kWh of primary energy and 34,058 kg of CO₂ equivalents by processing and remarketing 89 % of our decommissioned IT and mobile devices. In addition, the sponsorship of a job for people with disabilities was taken over at the same time.

Through this partnership, we are contributing to the achievement of seven of the seventeen United Nations Sustainable Development Goals (SDGs): Quality Education, Clean Water and Sanitation, Decent Work and Economic Growth, Reduced Inequalities, Responsible Consumption and Production, Climate Action, and Partnerships for the Goals.

Resource conservation through optimisation processes

At the Kirchlengern site, we profile drawer casings that are conveyed through a powder process by means of circular conveyors and the bars attached to them. During the powdering process, not only the casings but also the rods are powderd. In order to be able to guarantee a consistent quality of the powdered sleeve surface, the paint on the bars must be removed for the next cycle.

In the past, this was done by chemical paint stripping. We are continuously converting this process to a new technology. From 2023, in another large production area, the bars will be inductively and conductively decoated, i.e. we apply heat to the bars with the help of electricity and then brush off the powder residues. The conversion from chemical to inductive paint stripping leads to a 100 percent saving of chemical paint stripping agents and at the same time to an improvement in occupational safety.

We communicate detailed information on the use of resources and savings measures annually in the [environmental statements](#).



Sustainable packaging solutions

Our packaging engineers develop customised packaging for all sectors of industry. When designing and dimensioning packaging materials and supplies, the packaging effort is limited according to the criteria "avoid, use, recycle".

In addition to stringent packaging tests and transport simulations, meeting legal, customer-specific, logistical and high quality requirements, Hettich's environmental goal is "mono-material packaging: as little as possible, as much as necessary". This means avoiding composite packaging materials, reducing the use of plastics and using only one packaging material within a packaging unit wherever possible.

For many years now, we have been using environmentally friendly, biodegradable and recyclable moulded fibre inlays for our drawer frames, back panels and side panels. We use recyclable corrugated cardboard and waste paper for boxes, intermediate layers, pads and fillers.

Where feasible, we replace plastics with paper. If plastics are really necessary, recyclable materials such as polyethylene and polypropylene are used.

In order to further reduce the amount of plastic, we are currently testing a material thickness reduction for film bags. In pallet shipping, the use of high-quality stretch film with better pre-stretching reduces the use of film material.

In addition, we use reusable packaging such as lattice boxes, stanchion pallets and plastic trays. To secure loads with large gaps, we use corrugated cardboard fillers or wooden pallets that have become unusable. Otherwise, we strive for form-fit packing and a high degree of pallet utilisation during loading.

In order to ensure conformity with national and international packaging laws, efficient master data management is also of great importance to us.

Waste prevention

We work in accordance with forward-looking sustainability principles and thus make a contribution to the protection of nature and life. We want to avoid waste wherever possible. Unavoidable waste is disposed of in an environmentally friendly way.

For example, at our largest site in Kirchleugern, a high proportion of the waste produced can be returned to the economic cycle through recycling. The separate collection rate of municipal waste in accordance with the German Commercial Waste Ordinance was 98 % here in 2022. The comprehensive waste separation took place in 36 waste fractions. Until collection by the waste disposal company, the waste is collected and made available in containers suitable for the type of waste. The annual waste quantities are recorded in a waste balance sheet, and we have the current certificates of all companies involved in disposal and the disposal certificates for hazardous waste.

We communicate detailed information on waste generation and major types of waste annually in the [environmental statements](#).

We are continuously digitising our processes to avoid wasting paper. With the option of digital invoicing, we also invite our suppliers to conserve resources. For the rest of our needs, we have been using recycled paper as much as possible for many years.

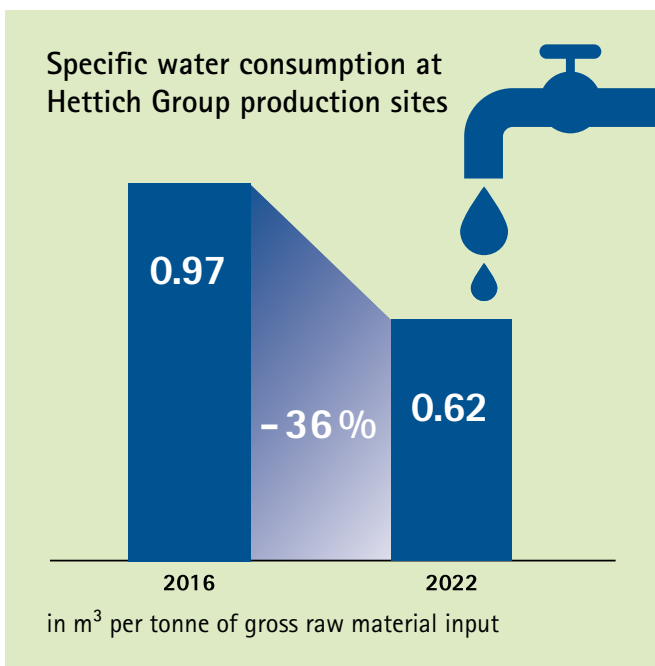
Our foreign sites also aim to reduce their waste generation beyond the legal requirements and thus protect the environment. Some examples:

- Our warehouse in Australia has been using a cardboard shredder since 2021. The shredded material is reused as filling material for wrapping loose products, for example.
- In addition to eliminating single-use plastic bottles and thus 70,000 bottles a year, our sales companies in South East Asia have also banned all products containing palm oil from both showrooms and office kitchens.
- Our distribution in Mexico now only uses thermos containers made from biodegradable wheat fibre.
- Our site in the USA has also done away with disposable water and coffee cups and only uses recyclable cups. In addition, colleagues are striving for paperless warehousing.



Water and wastewater

Water is required at our sites for cleaning and rinsing in production, for example. Wastewater is generated in the form of production and sanitary wastewater. The production wastewater is treated in our own wastewater treatment plants.



As part of a monthly management monitoring system, the water consumption of all Hettich production sites is monitored, analysed and measures derived. The specific water consumption (m³ water consumption per tonne of gross raw material input) of Hettich production sites worldwide could be reduced by 36 % from 2016 to 2022.

We communicate detailed information on water consumption and wastewater generation and treatment annually in the [environmental statements](#).

Well for rainwater treatment

In 2022, a well was completed at our site in Vadodara/India to treat rainwater, especially during the rainy season. The rainwater, which was removed in the past through a drainage process, now passes through various filter media to subsequently recharge the groundwater table.

In 2023, based on the annual rainfall, the topography and the capacity of the plant site, further injection wells are to follow with a planned annual collection capacity of 22,500,000 litres of water.

BIODIVERSITY



Biodiversity is a significant factor in keeping the earth liveable for us and future generations. We want to further promote biodiversity as part of our sustainability strategy.



To enrich the unused lawns at our East Westphalian site in Spenge, a 500 m² bee pasture was created in 2018 at the suggestion of a committed colleague. In 2019, an "insect hotel"

was set up there as a nesting aid for wild bees in cooperation with a workshop for the disabled. To publicise this initiative among bee enthusiasts in the other Hettich subsidiaries, a dedicated community was created in "Hettich Connect". Here is information and exchange on the idea of converting existing green spaces at Hettich into wildflower meadows and possibly starting a bee project.

Currently, we have established around 7,000 m² of bee pastures or flowering meadows for insects at the Spenge, Vlotho-Exter, Zdar (Czech Republic), Frankenberg and Kirchlengern sites and intend to expand these in the future.



To counteract soil sealing, the roof of the Hettich Forum at the Kirchlengern site was designed as a green roof back in 2008. A green roof relieves the strain on the sewage system because the green roof stores and evaporates 40-99 % of the annual precipitation, depending on the structure and vegetation. Green roofs thus contribute efficiently to cooling the building, humidifying the air and filtering fine dust. The near-natural area of 1,643 m² used in this way also provides a protected habitat for numerous creatures such as bees, beetles and birds.

A nesting box for birds of prey was installed on the roof of our high-bay warehouse in Bünde 10 years ago. After initially remaining unoccupied for three years, it has since been used every year by breeding pairs of birds of prey.

At our site in Indore (India), our colleagues and visitors plant new seedlings every year on "Environment Day". Meanwhile, more than 500 trees have been planted to compensate for CO₂ emissions.

Sustainable activities of our colleagues

All colleagues worldwide are invited to help shape sustainability management at Hettich as part of our internal "live sustainable" initiative.

Here are some examples of the global commitment:



Beach cleaning in Mumbai/India: India has a coastline of 7,000 km, but sometimes it resembles a rubbish dump. This is also the case in Mumbai. Our

local Hettich team took part in a comprehensive beach clean-up campaign in October 2022 in collaboration with WWF. 22 committed colleagues collected more than 70 kg of rubbish to preserve the land and life on the coast. Especially the life of turtles and other crustaceans that inhabit the beach during their breeding season.

Clean-up day in the USA: Colleagues from Hettich



USA volunteered to use a Friday afternoon to clear the grounds around the site of litter and take personal responsibility for environmental protection

as part of our "live sustainable" initiative.

Environment Day in Bünde: Our logistics company in Bünde organised an "Environment Day" in September 2022 with an information show on the company's CO₂ footprint, the presentation of employee ideas for improving environmental protection as well as expert presentations on the background, interrelationships and possible solutions for achieving the goal of climate neutrality.

Planting campaign in Frankenberg/Eder: To mark



the 10th anniversary of "Hettich Voluntary Work" in 2023, our trainees in Frankenberg also wanted to make a special contribution to the region where they live

and work. Together with the responsible employees of the town, they planted beds in the region with perennials.

Fruit tree campaign Kirchlengern: In order to reduce plastic waste and raise awareness of the issue of environmental pollution, a cup deposit was introduced for the coffee vending machines at the Kirchlengern/Bünde site in 2020. In order to put the money collected through the deposit to good use, the amount was donated to various charitable organisations in 2021. In 2022, the works council invested the amount in fruit trees and distributed them to employees. The amount was enough for over 730 trees. Colleagues could pick up the fruit tree of their choice to plant in Kirchlengern and thus do something for the protection of the environment in their private environment.



AFTERWORD BY THE MANAGEMENT

Three eventful years have passed since our last sustainability report. In that time, a global pandemic, strained supply chains, potential energy shortages and the geopolitical situation have kept us in constant activity.

But we at Hettich have been proving for 135 years that we are able to operate sustainably and face the respective challenges together.

We have used the past years to sharpen our strategy and to anchor sustainability as an elementary building block. The "we" is not just the management team, but also the colleagues who work passionately every day for more sustainability in our products, processes and behaviour; the colleagues who ensure a safe and healthy working environment and also those who work for the common good beyond Hettich's corporate boundaries. We have been able to show many examples and impressions of this on almost 60 pages.

Sustainability is an ongoing process that requires continuous effort. Dialogue with our colleagues, clients and partners is therefore essential for us.

We would like to take this opportunity to thank all those who have supported us on our path to greater sustainability. Together, we can shape a future worth living and have a positive impact on our world in order to preserve the earth's resources in the best possible way for future generations.

Jana Schönfeld

Sascha Groß

Management Hettich Holding

Independent Auditor's Report on a Limited Assurance Engagement on selected disclosures regarding greenhouse gas emissions*
To Hettich Holding GmbH & Co. oHG, Kirchleugern

We have performed a limited assurance engagement on the disclosures regarding the greenhouse gas emissions calculated for the financial year 2022 (Scope 1 und 2) in the section "Climate-relevant emissions" subsection "Determination of greenhouse gas emissions according to the Greenhouse Gas Protocol" on page 44 of the Sustainability Report of Hettich Holding GmbH & Co. oHG, Kirchleugern, (hereinafter referred to as „Hettich“ or „Company“) for the period from January 1, to December 31, 2022.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the disclosures regarding greenhouse gas emissions in accordance with the reporting principles and for the selection of the disclosures to be evaluated. For the selected disclosures regarding greenhouse gas emissions Hettich applies the Corporate Accounting and Reporting Standard (Scope 1 und 2) of the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) as reporting principles (hereinafter: „reporting principles“).

This responsibility of the executive directors includes the selection and application of appropriate methods of the reporting regarding greenhouse gas emissions in the Sustainability Report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Declaration Relating to Independence and Quality

We have complied with the German professional regulations on independence as well as other professional conduct requirements.

Our audit firm applies the German national legal requirements and the German profession's pronouncements, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW), and accordingly maintains a comprehensive quality management system that includes documented regulations and measures relating to compliance with professional conduct requirements, professional standards, and authoritative statutory and other legal requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a limited assurance conclusion on the selected disclosures regarding greenhouse gas emissions in the Sustainability Report, based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3410: „Assurance Engagements on Greenhouse Gas Statements“, issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the selected disclosures regarding greenhouse gas emissions in the Company's Sustainability Report for the period from January 1, to December 31, 2022 has not been prepared, in all material aspects, in accordance with the relevant reporting principles. This does not mean that a separate conclusion is expressed on each selected disclosure. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgement.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Inquiries of personnel involved in the preparation of the greenhouse gas balance in order to evaluate the preparation process, the methods of the collection and processing the data and the internal control system relevant to conduct the limited assurance engagement of selected disclosures regarding greenhouse gas emissions
- Identification and assessment of the likely risks of material misstatement in the selected disclosures regarding greenhouse gas emissions
- Analytical evaluation of selected disclosures based on the calculation of the greenhouse gas emissions
- Inspection of selected internal and external documents
- Evaluation of the presentation of the selected disclosures regarding greenhouse gas emissions

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that cause us to believe that the selected disclosures regarding greenhouse gas emissions in the Sustainability Report of Hettich for the period from January 1, to December 31, 2022 has not been prepared, in all material aspects, in accordance with the relevant reporting principles.

Restriction of Use of the Assurance Report

We draw attention to the fact that the assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms

This engagement is based on the "Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" of March 1, 2021, agreed with the Company, as well as the "General Engagement Terms and Conditions for Auditors and Auditing Firms" of January 1, 2017, issued by the IDW (www.bdo.de/auftragsbedingungen).

Munich, 28 th September 2023

BDO AG Wirtschaftsprüfungsgesellschaft

Carmen Auer

Viola Moeller

* We have performed a limited assurance engagement on the German version of the sustainability report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.