



Event Marketing Specialists focus on selling to customers and conducting product demonstrations, hosting large-scale sales events, and building relationships with our retail partners.

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About This Report

TTI's Environmental, Social and Governance (ESG) Report shares our initiatives and performance for the calendar year 2020 with reference to previous performance where relevant. This report addresses the Hong Kong Exchanges and Clearing Limited's mandatory "comply or explain" requirements and relevant recommended disclosures as outlined in our HKEX ESG Guide Content Index, which is available on our corporate website. This report has also been prepared in accordance with the GRI* Standards: Core option. Our GRI Content Index, specifying how we fulfill the Standards, is also available on our website. TTI's previous report was endorsed by the Board of Directors (the "Board") on March 4, 2020, as was this report on March 3, 2021.

The data in this report, unless otherwise stated, covers our operations in Asia, Australia and New Zealand (ANZ), Central, North and South America (Americas), and Europe, the Middle East and Africa (EMEA). Environmental information and data from TTI business units is presented by region with data from TTI AIP Dongguan highlighted separately to show progress from previous years. Environmental data for Central and South America is not included as TTI has only 26 staff across the region working in offices with immaterial environmental impact. For a full list of TTI business units covered under each region and abbreviations used in this report, refer to page 144. For any questions regarding this report, please contact our Investor Relations Department at ir@tti.com.hk.

* The Global Reporting Initiative (GRI).

Vice Chairman's Message



“Culture is driven from the top, and every member of our company’s leadership team and our Board of Directors drives TTI to align its core strategic drivers and culture with ESG values.”

2020 challenged the world and its global citizenry perhaps as never before. We are proud that throughout this challenging year, we assiduously maintained our dedication to our people and to their health and safety.

We are equally proud that we strengthened our commitment to be a global leader in environmental sustainability, social responsibility, and ethical corporate governance. While achieving an unprecedented level of growth and success, we intensified our focus on recruiting and retaining a talented and diverse global workforce.

Culture is driven from the top, and every member of our company's leadership team and our Board of Directors drives TTI to align its core strategic drivers and culture with ESG values. By promoting these commitments and beliefs throughout the organization, we have successfully driven initiatives that deliver positive impacts for our employees, customers, suppliers, investors, other partners, and society. The following are examples of just some of those initiatives:

- **Environment:** Even in the face of a global pandemic, we continued to relentlessly invest in talent and R&D to produce revolutionary, environmentally responsible cordless products that will accelerate the world's conversion away from gas-powered products and other legacy technologies. Our industry-leading products are designed and engineered to reduce emissions, noise, vibration, size, and weight and otherwise improve ergonomics for users. These innovative products include our WHISPER series of leaf blowers which substantially reduce the noise produced in residential and commercial neighborhoods, highly efficient brushless motors, and an expanded platform of cordless cleaning, tool and outdoor products. We take immense pride in receiving The Home Depot's Environmental Partner of the year award and will continue to build on our successes. As a whole, we worked to reduce TTI's greenhouse gas (GHG) emissions intensity and as we continue to grow, we are setting environmental targets and incorporating environmental requirements into the design of our new and existing facilities.

- **Social and Community:** The health and safety of our employees are our top priority, and our global facilities adhered to government and health agency guidelines and best practices and provided employee training, personal protective equipment, and other support wherever and whenever needed. The recruitment into our Leadership Development Program (LDP) was unmatched in the record number of exceptional people hired who represent the future leadership of TTI. Our diversity and inclusion initiatives help enable us to attract and retain a global workforce who represent diversity in many dimensions.
- **Governance:** We have expanded our ESG Executive Committee, comprised of Board members and members of our leadership team across geographic regions and functional areas. Additionally, we renewed our membership to Global Reporting Initiative (GRI) which aims to increase transparency in ESG reporting. We joined the Responsible Business Alliance (RBA) as a supporter member to foster human rights, environment protection and overcome potential ethical supply chain challenges.

At TTI, we are and will remain unflinchingly passionate about pursuing our strategic drivers while fulfilling our commitment to a more just, diverse, safe, and environmentally responsible world. I am confident that our exceptional people will continue to meet the challenges and exceed the goals that lay ahead as we continue to lead our industry toward a more sustainable future.



Stephan Horst Pudwill
Vice Chairman
March 3, 2021

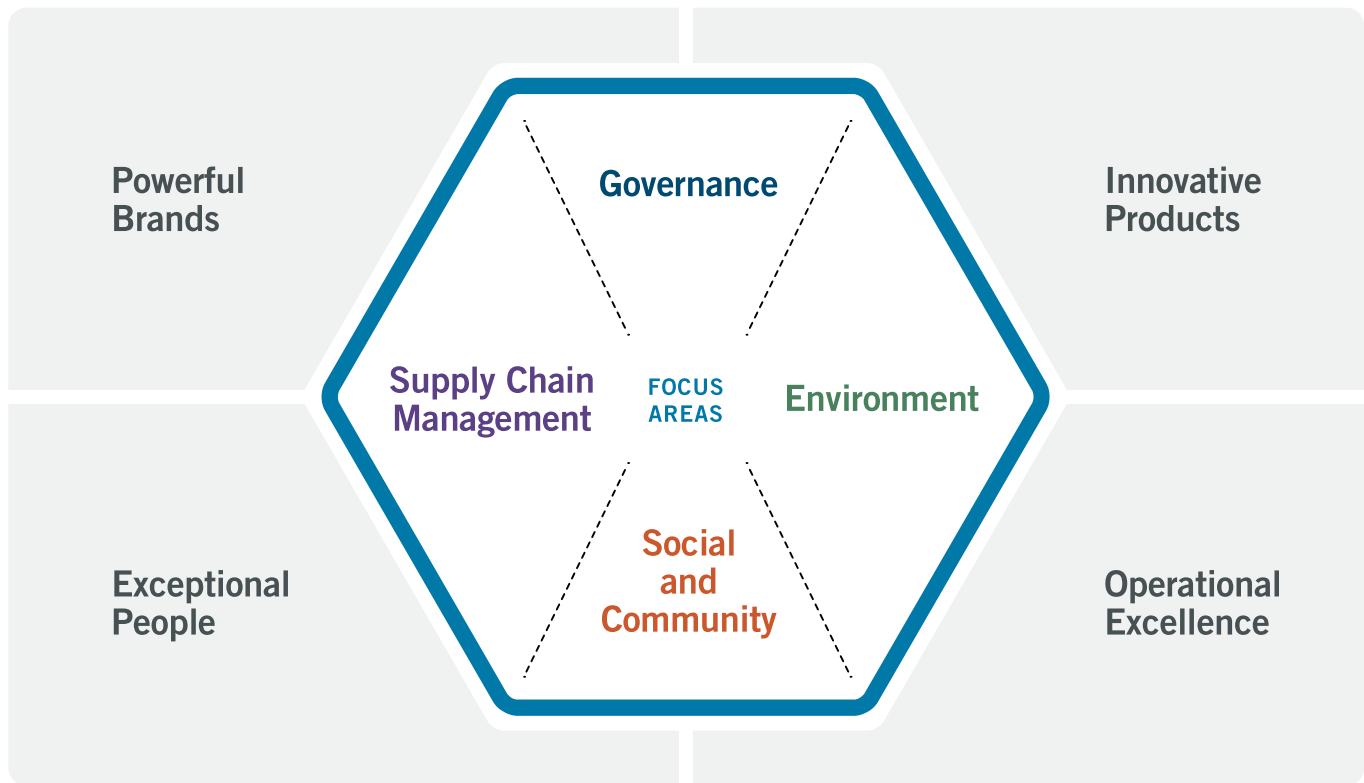
TTI's ESG Approach and Strategic Framework

Instilling ESG best practices along our value chain drives TTI's approach to sustainability in the way we operate, what we produce, how we source and the way we live. Sustainability is at the core of our business today and is the bedrock for both the development of our business and creating shared value for all our stakeholders' future prosperity. Our strategic framework for ESG is based on engagement with our stakeholders to learn what is important to them, their needs and key concerns. Their feedback helps TTI conduct a comprehensive assessment process which allows us to identify our material topics that impact the sustainability of our value chain and business overall.

We understand that our actions are not only of significant importance to the future of our business, but also address collective, global concerns

to make a true difference by aligning with the United Nations Sustainable Development Goals (UNSDGs). We are committed to implementing more initiatives, including setting environmental targets to address our climate impact and enhancing our overall sustainability practices. Accountability and transparency will drive the success of these goals and our vision for ESG.

Our focus areas of Governance, Environment, Social and Community and Supply Chain Management cover each of our material topics and the related initiatives and goals in depth, demonstrating how our four strategic drivers, Powerful Brands, Innovative Products, Exceptional People and Operational Excellence, guide our business in strengthening our sustainability performance.



Stakeholder Engagement

TTI's key stakeholder groups are identified as those that have a vested interest in our company and can either affect or be affected by our operations and performance.* Our sustainability focus areas take into account the priorities and concerns of our key stakeholder groups. We regularly engage with all our stakeholders, including our employees, customers, end-users, suppliers, investors, shareholders, regulatory bodies, industry groups and the broader community.

In 2020, we expanded our partnerships with a number of non-profit organizations to engage with experts and peers, align on best practices and understand our industry's priority issues. Examples of such strategic partnerships include our engagement with the Responsible Mineral Initiative (RMI) and the Global Reporting Initiative (GRI).

Through the year, we actively participated in virtual roundtables and conferences of organizations such as RMI and GRI covering topics including waste, water and supply chain.

We continued to engage with employees to understand the issues that are of utmost concern to them in 2020. We also communicated with our customers to understand their key sustainability-related challenges and maintained a dialogue with suppliers through online platforms, and face-to-face meetings whenever possible. In addition, we continued to interact with shareholders to understand their concerns and the expectations they have of our ESG performance.

The table below summarizes the main issues of concern raised by our stakeholders, which are reflected in our material topics and addressed in this Report. The table also outlines how we engage with our stakeholders and the frequency of this engagement.

Stakeholder Groups	Engagement Channels and Frequency [†]	Key Concerns	Material Topics that Address Key Concerns
Employees	<ul style="list-style-type: none"> • Surveys • Diversity and Inclusion committees • ESG sub-committees • Roundtables • Sessions with speakers • TTI Group Intranet • Training (online and face-to-face) • Annual employee reviews • Engagement with Non-governmental Organizations (NGOs) • Social media • Compliance hotline 	<ul style="list-style-type: none"> • Governance • Climate change • Working terms, conditions and benefits • Training and development • Health, safety and wellness • Equal opportunities, diversity and inclusion • Community engagement 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Talent Attraction and Engagement • Health, Safety and Wellbeing • Diversity and Inclusion • Community Investment and Engagement
Customers and Product End Users	<ul style="list-style-type: none"> • Communication on policies and codes • Audits • Communication on conflict minerals, due diligence and progress • Sustainability programs on decarbonization and greenhouse gas emission reduction • Focus groups on product development • Annual product presentation conferences • Ongoing conferences and meetings • Social media • Compliance hotline • Customer service communication channels 	<ul style="list-style-type: none"> • Climate change • Data privacy • Packaging • Chemical substances • Circular economy • Transport, storage, recycling, end-of-life of products and batteries • Quality of products, including safety and environmental impact • Social and environmental responsibility • Modern slavery (forced and child labor and vulnerable migrant workers) • Conflict minerals 	<ul style="list-style-type: none"> • Climate Change • Data Protection and Cybersecurity • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Product Safety • Responsible Sourcing

* Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).

† Unless stated, engagement is ongoing or periodic.

Stakeholder Groups	Engagement Channels and Frequency [†]	Key Concerns	Material Topics that Address Key Concerns
Suppliers	<ul style="list-style-type: none"> • Compliance hotline and online platform • Onsite presence of our quality and Social and Environmental Responsibility (SER) employees • Regular audits and meetings • Annual training • Annual product presentation conferences • Supplier engagement conferences 	<ul style="list-style-type: none"> • Governance • Anti-corruption • Climate change and extreme weather events • Resource scarcity • Pollution and waste • Social and environmental responsibility 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Product Safety • Responsible Sourcing
Shareholders and Potential Shareholders	<ul style="list-style-type: none"> • Meetings to discuss Social and Environmental Responsibility (SER) expectations • Surveys / interviews conducted by external facilitators • Annual roadshows • Annual General Meeting 	<ul style="list-style-type: none"> • Ethics and governance • Independence and engagement of Board members • Environmental risk management • Climate change strategy and greenhouse gas emission reduction • Diversity and inclusion • Community engagement • Responsible sourcing with focus on human rights, conflict minerals and cobalt 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Diversity and inclusion • Community Investment and Engagement • Responsible Sourcing
Communities	<ul style="list-style-type: none"> • Local and international community engagement with non-profit organizations • School fairs and programs with universities • Mentoring and internship programs 	<ul style="list-style-type: none"> • Climate change • Training and development • Health and safety • Equal opportunities, inclusion and diversity • Safety of products • Poverty • Social and environmental responsibility • Water • Biodiversity 	<ul style="list-style-type: none"> • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Health, Safety and Wellbeing • Diversity and Inclusion • Product Safety • Community Investment and Engagement • Responsible Sourcing

[†] Unless stated, engagement is ongoing or periodic.

Materiality Assessment

We continually strive to enhance how we identify and assess the issues that are most material to our stakeholders and our business. Understanding the concerns of our stakeholders and our global sustainability challenges allows us to align our sustainability strategy and to identify areas of focus to enhance our sustainability performance and reporting. This is also invaluable for identifying our risks and opportunities and deepening our collaboration with our partners for impact.

The matrix below identifies 13 material topics that were selected based on stakeholder concerns as well as the significance of economic, environmental and social impacts on our business in 2020. While all these topics are important to TTI, the relative ranking presented in this assessment is crucial in informing our strategic decision making and

future target setting. Climate change, ethics and governance, data protection and cybersecurity, along with topics in our product-related categories – sustainability and safety – ranked highly, emphasizing the importance of our comprehensive approach to managing our environmental and governance performance. Responsible sourcing, health, safety and wellbeing, and talent attraction and engagement topics followed, reflecting the importance stakeholders place on responsibly engaging with our supply chain and supporting people to thrive. For water and biodiversity, we address these risks along our value chain and believe they are increasingly critical sustainability risks going forward. We will continue to engage stakeholder groups on a regular basis to monitor and refine our assessment in order to ensure our sustainability strategy remains robust.

















Value Chain Impacts, Risks and Opportunities

TTI's operations are global with all of our business units, partners and suppliers playing an invaluable part in our sustainability journey. A thorough assessment of how our material topics impact various parts of our value chain and the risks and opportunities that result remain an important aspect of our sustainability approach and strategy. The table below outlines these impacts, risks and opportunities.



Material Topics & Impact along the Value Chain	Risks	Opportunities
Ethics and Governance		
Manage risk and maintain trust of stakeholders	<ul style="list-style-type: none"> • Change in trade regulations • Non-compliance with international and local laws to the broad scope of TTI's group operations • Risks of corruption 	<ul style="list-style-type: none"> • Diversification of manufacturing footprint with opportunities for TTI to promote ethical conduct and robust governance practices as well as sustainable buildings and renewable energy generation, job creation, and health and safety standards for local workers and employees • Training employees and suppliers on compliance with Code of Conduct and other TTI policies, promoting a culture of ethics, respect for human and labor rights, environmental protection and good governance
Maintain employee loyalty, reduce turnover and increase productivity		
Retain customer loyalty thereby boosting business development		
Foster respect and goodwill of surrounding communities		
Data Protection and Cybersecurity		
Protect supplier data, reduce business process disruption	<ul style="list-style-type: none"> • Breach of Intellectual Property (IP) • Breach of data privacy • Cyberattacks and risk of data loss 	<ul style="list-style-type: none"> • Promote innovation and increase the number of TTI's IP rights • Safeguard valuable assets (e.g. logos, patents, trademarks, copyrights, software) • Protect customer data, business strategy and IP • Protect TTI and customer information data, IP and TTI's systems and operational integrity
Maintain business continuity, protect assets and innovation		
Protect customer data and privacy, maintain trust		
Maintain trust and business continuity to benefit local communities		
Climate Change		
Material sourcing, manufacturing processes and transportation	<ul style="list-style-type: none"> • Physical damage to assets from climatic events • Productivity impact from temperature change and disease proliferation • Supply chain disruption • Financial impact • Regulatory change 	<ul style="list-style-type: none"> • Strategic mitigation to future-proof the business for operational and supply chain resilience to boost TTI's competitive advantage • Develop partnerships
Employee commuting, travel, manufacturing processes, product transportation and distribution		
Product usage, end-of-life treatment of products		
Product usage, product transportation and distribution		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Water		
 Manufacturing, sanitation, wellbeing	<ul style="list-style-type: none"> • Water quality and scarcity • Supply chain disruption • Ecosystem impact 	<ul style="list-style-type: none"> • Resource conservation and cost savings • Positive recognition as a responsible global citizen
 Manufacturing, sanitation, employee wellbeing		
 Sanitation, wellbeing		
 Sanitation, wellbeing		
Resources, Chemicals and Waste		
 Regulatory risk, safety, environmental footprint, pollution	<ul style="list-style-type: none"> • Commodity pricing and sourcing • Scarcity of resources • Environmental impact 	<ul style="list-style-type: none"> • Research and development of new technologies, recyclable materials, biodegradable materials and eco design
 Regulatory risk, safety, environmental footprint, pollution	<ul style="list-style-type: none"> • Financial management of recycling programs 	<ul style="list-style-type: none"> • Resource conservation and cost savings • Leadership in environmental and health and safety performance
 Customer safety and trust	<ul style="list-style-type: none"> • Availability of recycling programs in new markets and distribution networks 	<ul style="list-style-type: none"> • Partnerships to implement recycling programs and new technologies and materials
 Ecosystem health, degradation and loss of biodiversity and pollution		
Sustainable Products		
 Pollution reduction, decreased resource consumption and waste, reduced supply chain risk	<ul style="list-style-type: none"> • Consumer trends in purchasing products with environmental attributes/certifications • Regulatory change 	<ul style="list-style-type: none"> • Innovation • Eco-design opportunities • Improve the end of useful life of products and push for circular economy • Sustainable consumption and marketing • Reduce supply chain risk • Meet market demand for sustainable products
 Employee satisfaction, reduced environmental risk, pollution reduction, decreased resource consumption and waste		
 Pollution reduction, decreased resource consumption and waste results in customer wellbeing and trust		
 Pollution reduction, decreased resource consumption and waste furthers community wellbeing and trust		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Biodiversity		
 Sourcing of raw materials and business processes can cause ecosystem degradation	<ul style="list-style-type: none"> • Environmental impact, including ecosystem degradation and species loss 	<ul style="list-style-type: none"> • Biodiversity/restoration • Resource conservation and cost savings • Positive recognition as a responsible global citizen • Develop partnerships
 Manufacturing and other business processes affect ecosystem health		
 Product end-of-life management, producer meeting responsibility expectations		
 Environmental wellbeing, habitat loss and degradation, erosion, species loss, air and water pollution, soil and water contamination		
Talent Attraction and Engagement		
 Exceptional and engaged employees are able to maintain strong business relationships with all external parties	<ul style="list-style-type: none"> • Turnover/recruitment/salary cost • Not finding qualified candidates • Investment costs • Skill and experience of workforce • Succession planning 	<ul style="list-style-type: none"> • Development of long-term career opportunities • Development of partnerships with universities/trade associations • Development and training of TTI employees
 Well-trained, satisfied employees lead to higher productivity and business continuity and success		
 Superior customer service and trust in TTI		
 Employment opportunities and economic growth		
Health, Safety and Wellbeing		
 Fair working conditions, satisfied employees maintain strong business relationships with external parties	<ul style="list-style-type: none"> • Safety of end users, job sites and TTI employees 	<ul style="list-style-type: none"> • Fair, safe and healthy workplace practices at TTI and along the supply chain • Promote health in the community
 Employee health, wellbeing and satisfaction boosts productivity		
 Healthy and engaged employees deliver superior customer service and promote trust in TTI		
 Productivity and growth for TTI is beneficial for the communities where we operate		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Diversity and Inclusion		
 A diverse workforce is able to maintain strong business relationships with external parties	<ul style="list-style-type: none"> • Male dominated industry: challenging to attract female employees and minorities and to achieve gender and racial diversity at management levels 	<ul style="list-style-type: none"> • Attracting talent from different cultures to achieve diverse thinking, methods, values and perspectives • Engage in initiatives to promote diversity and inclusion and make a real impact internally and externally
 Inclusion and equal opportunities boost productivity and creativity		
 A productive, engaged workforce encourages customer trust		
 Inclusive employment opportunities support license to operate		
Product Safety		
 High standards improve quality across the supply chain leading to upskilling and growth	<ul style="list-style-type: none"> • Safety of end users • Litigation, fines from product claims or recalls • Reputational damage • Commercial risk • Cost of claims or recalls 	<ul style="list-style-type: none"> • Develop innovative tools with safety functions • Positive recognition for safe products • Improvements in the quality of products and customer service capability
 Employee loyalty, growth of the business		
 Health, safety, loyalty and trust		
 Trust		
Community Investment and Engagement		
 Environmental, social and economic stability in the supply chain	<ul style="list-style-type: none"> • Reputational risk of not being engaged in industry initiatives or from not supporting local community needs • Risk of not meeting expectations of customers and potential employees/young talent • Corruption risk 	<ul style="list-style-type: none"> • Create shared value for both TTI and community • Positive impact on the environment, social and human rights and recognition as a responsible corporate citizen • Global engagement • Support work of NGOs • Give back to the community through volunteering and donations • Build brand loyalty
 Sustainable growth, loyal, engaged employees		
 Trust, social stability		
 Economic, social and environmental wellbeing		
Responsible Sourcing		
 Business continuity, working conditions, human rights, wellbeing, reduced environmental footprint	<ul style="list-style-type: none"> • Reputational risk of not being engaged in industry initiatives • Risk of not meeting the same level of environmental management standards across global manufacturing sites and the supply chain • Disruption of supply chain due to human rights conditions: fines from violations/claims, reputational damage, commercial risk 	<ul style="list-style-type: none"> • Contribute to policy and program development to affect change across the industry and supply chain • Diversification of manufacturing and supply chain • Champion human rights: positive recognition as a responsible corporate citizen • Establish our position as a responsible employer and supply chain partner • Supplier capacity building
 Minimize ESG risk, ensure product quality and business continuity		
 Maintain trust in TTI		
 Economic, social and environmental wellbeing		

Our Goals and Progress

TTI is committed to maintaining transparency and tracking the progress of the various initiatives that address our material topics. To ensure our sustainability strategy aligns with greater global concerns, we are working towards aligning our initiatives with 14 of the 17 United Nations Sustainable Development Goals (SDGs) that are most relevant to our operations. The table below outlines the SDGs that relate to our material topics, highlighting our goals and progress in these areas.

Progress Status

Progressed Regressed Unchanged

Focus Areas	Material Topics	TTI Goals	Progress 2020 vs. 2019
Governance	Ethics and Governance  	<ul style="list-style-type: none"> Compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary No cases of corruption among TTI Group and its business partners 	
	Data Protection and Cybersecurity 	<ul style="list-style-type: none"> Protect and enforce TTI's IP rights Data privacy: compliance with new regulations, GDPR, California Consumer Privacy Act and other privacy regulations Cyberattacks: minimize risk of business disruption. No breaches or incidents 	
Environment	Climate Change     	<ul style="list-style-type: none"> Reduce energy consumption and GHG emissions (Scope 1 and 2) and set ambitious 2030 environmental targets Increase our renewable energy procurement Implement a climate resilience strategy 	
	Water   	<ul style="list-style-type: none"> Reduce water consumption at TTI's operations Increase the portion of recycled water 	
	Resources, Chemicals and Waste  	<ul style="list-style-type: none"> Reduce packaging and increase adoption of reduced impact packaging and packing Reduce usage and safely manage chemicals and waste Develop further circular business models focusing on use of recycled materials 	↑
	Sustainable Products  	<ul style="list-style-type: none"> Reduce environmental impact through innovation in product design, packaging design, manufacturing, use and end of useful life phases Design to easily repair, refurbish and recycle Promote circular business models by increasing service, repair, maintenance and refurbishment services 	↑
	Biodiversity    	<ul style="list-style-type: none"> Partner with our supply chain and promote responsible sourcing Partner with organizations to protect and restore biodiversity 	↑

Focus Areas	Material Topics	TTI Goals	Progress 2020 vs. 2019
Social and Community	Talent Attraction and Engagement 	<ul style="list-style-type: none"> • Attract and retain the best talent • Promote employee engagement • Continuous training and development 	
	Health, Safety and Wellbeing 	<ul style="list-style-type: none"> • Promote healthy and safe workplaces • Zero fatal accidents in our workplaces • Promote and support physical and mental wellness of employees 	
	Diversity and Inclusion 	<ul style="list-style-type: none"> • Promote respect, diversity and inclusion in the workplace • Promote diversity and inclusion in surrounding communities • Maintain compliance with TTI's policies and codes 	
	Product Safety 	<ul style="list-style-type: none"> • Innovative product design to enhance user experience with improved quality, safety and environmental/health benefits 	
	Community Investment and Engagement 	<ul style="list-style-type: none"> • Establish strategic partnerships with industry partners and NGOs • Develop impact metrics to track and increase our community investment and engagement activities 	
Supply Chain Management	Responsible Sourcing 	<ul style="list-style-type: none"> • Enhance training to raise awareness and improve human rights and environmental impact in the supply chain • Effective partnerships with NGOs in major countries of operations and where there is a greater risk of human rights violations within the supply chain • Train to promote compliance with TTI's policies and codes with transparency in reporting • Educate and train our supply chain on the risks of forced and child labor and other human rights risks • Mapping the environmental risks in our supply chain to reduce GHG emissions, energy and water consumption in the supply chain • Set environmental targets for suppliers 	

Governance

Our material topics have wide-ranging impacts along our value chain, therefore embedding sustainability across our business by utilizing a strong governance structure and robust risk management strategy is key. Embedding sustainability in the business means operating responsibly by adhering to sound ethics and governance practices in accordance with codes and policies that emphasize accountability. These codes and policies address both offline and online risks. As such, securing the integrity of some of our most valuable assets – our online data systems and intellectual property – is also an important focus of our governance strategy.

Operating responsibly necessitates engaging in global initiatives to enhance our performance and transparency to create a more sustainable world. In addition to progress on alignment with key UNSDGs and our participation in effective multi-stakeholder forums, such as the Global Reporting Initiative (GRI), our global efforts include partnerships with a number of organizations that are working actively to promote sustainability and tackle sustainability challenges.





93.1%

of employees trained on anti-corruption practices

Global Cyber Policy

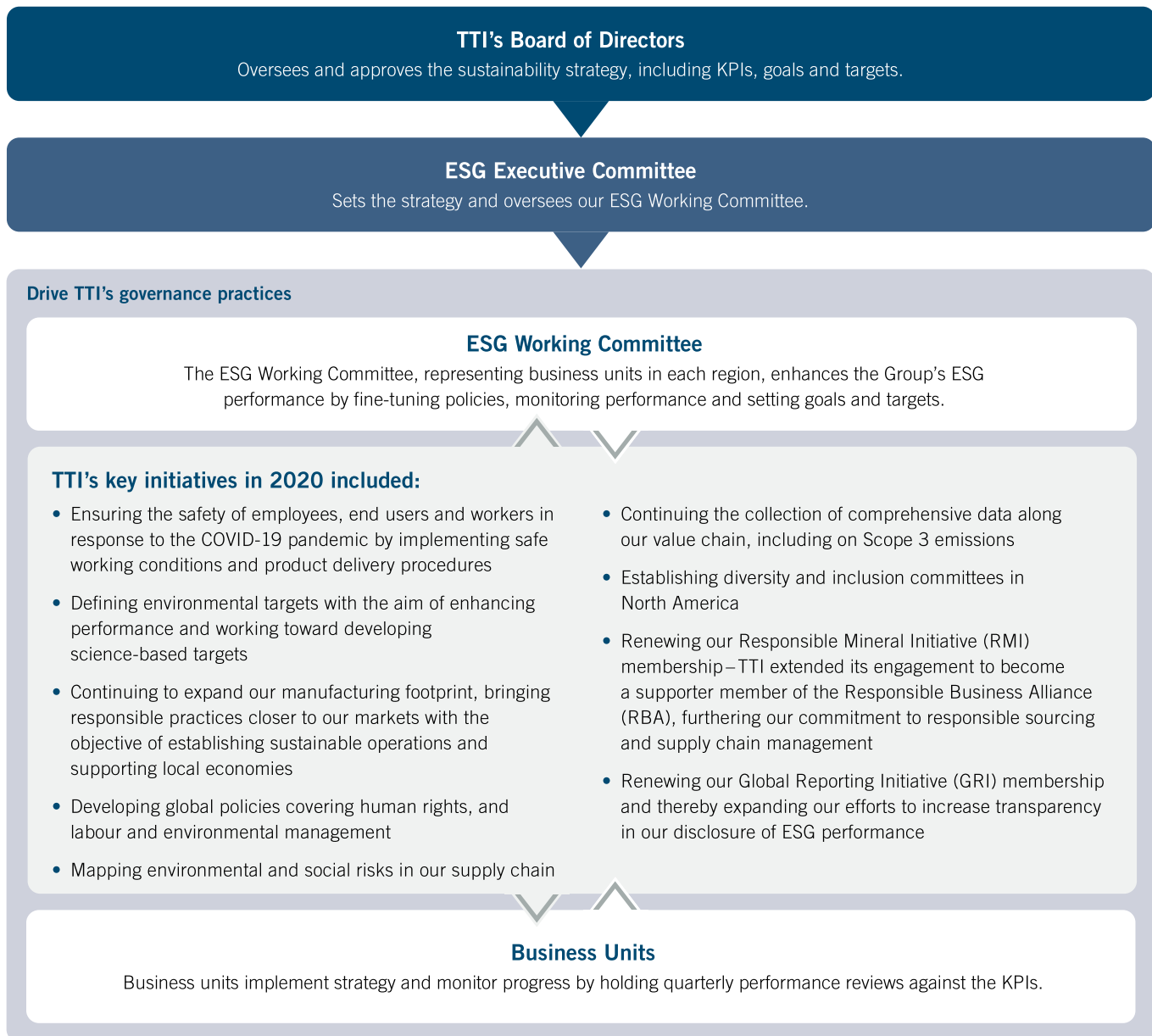
review successfully conducted with remediation efforts
accomplished for identified gaps

Governance Structure

A well-defined governance structure provides direction for managing sustainable practices by assigning clear responsibilities within the Company. The TTI Board of Directors together with our ESG Executive Committee drive our governance practices. In 2020, increased commitment to sustainable practices led to the expansion of our ESG Executive Committee which comprises Board members as well as executives from different regions and functions. The ESG Executive Committee met once in 2020 and will increase its frequency of meetings to four times a year in 2021. This Committee works with the Board to approve TTI's sustainability strategy, which is subsequently implemented by the ESG Working Committee and each business unit.

The ESG Working Committee includes representatives from different business functions and from each region and reports to the ESG Executive Committee. The ESG Working Committee enhances the Group's ESG performance by fine-tuning policies, monitoring performance and setting goals and targets according to the Company's approved strategy. The ESG Working Committee met five times in 2020.

Leaders of regional business units across the company and the globe report on their ESG performance and challenges to the CEO on a quarterly basis.



Risk Management

Good governance also means managing economic, environmental and social risks and capitalizing on opportunities. First and foremost, we manage risk by ensuring compliance with regulations and standards pertaining to all aspects of our value chain. Responsibility for risk management is held locally at the business unit level and by business function, with some areas of governance being handled at the corporate level. Our internal audit team, which acts independently and reports to the Audit Committee, coordinates efforts across functions and follows a comprehensive risk assessment process for all business units and levels of the Company.

Key elements of our overarching risk mitigation process are outlined below.

Of particular note, we are assessing climate risk and managing it across our operations through the diversification of our global manufacturing base and localization of our supply chain. An assessment to identify potential climate risk scenarios, including financial impacts and mitigation strategies, is underway and will inform our strategy going forward.



Ethics and Governance

Why it's Important

Championing integrity in every part of our business is simply the right thing to do. It helps us reduce risk throughout our value chain and maintain trust across TTI's range of Powerful Brands.

Impact along the Value Chain



Goals

We aim to eliminate ethical violations across our value chain through both global multi-stakeholder partnerships and initiatives within our own operations.



▶ **Promote compliance and aim for zero incidents of non-compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary**

▶ **Zero cases of corruption among TTI Group and its business partners**

KPIs

- # of employees trained on CoC
- # of cases of corruption
- # of cases of non-compliance with CoC
- # of hotline cases addressed in a timely manner with corrective action

- # of memberships in good standing
- % of global ESG data collected
- Transparency in accordance with GRI

Management Approach

Code of Ethics and Business Conduct and Compliance Policies

Sound governance requires a commitment to ethical principles, as outlined in TTI's Code of Ethics and Business Conduct (CoC). This CoC, which is available in 21 languages and communicated to all employees, provides guidelines for conducting business with transparency and in accordance with all legal requirements. The CoC includes TTI's commitment to ethical behavior and provides guidance on how to manage insider information, along with acceptance of gifts and other items of value while outlining how to avoid conflicts of interest. The CoC also demonstrates TTI's commitment to social responsibility, particularly in relation to the protection of human rights, including the prohibition of forced and child labor. In addition to the CoC, we have a number of global and local policies covered in our Employee Handbook, which clearly sets out governance practices and expectations for all aspects of our business.

A list of significant policies is summarized on page 91. One key guideline is the Anti-corruption Policy, which outlines how we maintain anti-corruption standards and prevent bribery internally and externally as well as regularly assess our operations for corruption risk. As part of these efforts, TTI refrains from making any political contributions in any of our markets. In China, TTI has been a member of the China Enterprise Anti-Fraud Alliance (CEAFA) since 2017. We remain committed to working with this non-governmental and non-profit cooperative organization to maintain a clean

business environment. All TTI's policies are communicated to our employees globally through our e-learning platform or face to face and are regularly reviewed to ensure compliance with laws and regulations. A full list of legal and regulatory requirements related to anti-corruption practices that have the potential to have a significant impact on our operations and performance can be found in Appendix A of our HKEX ESG Guide Content Index on our website.

The principles and values in our Code and other policies are also applicable to our business partners and set-forth in our Business Partner Code of Conduct (BPCoC). Key policies applicable to partners include the Anti-corruption Policy, Policy Against Modern Slavery and Human Trafficking, Conflict Mineral Policy and the Cobalt Procurement Policy. Details can be found in the Responsible Sourcing section of this Report on page 128.

Compliance

Our Group Vice President General Counsel and Chief Compliance Officer heads compliance globally and reports to the CEO and the Audit Committee of the Board of Directors. The compliance function supports many TTI functions and sets our policies, trainings and regulatory interpretation. The compliance program is regularly updated and ongoing monitoring is conducted by the internal audit team. At the regional level, the Group Vice President General Counsel and Chief Compliance Officer is assisted by local legal and compliance departments.

Management Approach **Global Trade Compliance**

An invaluable part of our compliance program is the Global Trade Compliance function, which is managed by a team of trade compliance professionals across the globe, with our Group Vice President of Trade Compliance in the United States (U.S) setting policy, strategy and regulatory interpretation. The Trade Compliance function is wholly supported by TTI's Executive Management Team and recognized as vital to our Company's global compliance and success.

Global Trade Compliance supports many TTI functions by screening entities and persons with whom TTI does business to ensure that none of the parties is denied, debarred or otherwise proscribed or embargoed by any relevant government. Global Trade Compliance also assists Compliance and other functions in the analysis of procurement of certain raw materials, namely conflict minerals, and helps to identify regions known for forced labor and anti-corruption, to mitigate risk.

Complaints and Concerns

To ensure our codes are effective, active reporting of all violations is highly encouraged. TTI's Group Vice President, General Counsel and Chief Compliance Officer receives complaints and concerns directly. These are then investigated

as appropriate by our internal audit team, the legal or human resources departments or an independent third party. Complaints can also be made using a third-party operated compliance hotline, available 24 hours a day, 7 days per week. This allows employees, suppliers and customers, or anyone concerned, to report issues. All complaints are addressed in confidentiality, anonymity is maintained, and remedial actions are then taken, as needed.

Compliance Training and Communication

TTI maintains good governance practices by striving to prevent violations through ongoing communication and training. Employees and suppliers are required to complete training on all codes and policies and to acknowledge their understanding of their responsibilities. Every year key personnel are required to sign compliance certifications and suppliers are requested to sign compliance declarations. Communication on compliance is key. We conduct regular training through our e-learning platform and in person with our compliance and legal departments or external firms. Awareness on compliance is also built through periodic quizzes and by placing posters in local languages in conspicuous locations at all our sites.

A list of TTI's key policies and codes are included below.

TTI Policies

● Governance ● Social and Community ● Environment

- Code of Ethics and Business Conduct: states the actions and ethical behavior expected of our employees.
- Complaint Resolution Policy and Procedure: encourages any person to report any action, situation or circumstance that appears to be in violation of the Code of Conduct or any laws, regulations or our other internal policies (including internal policies and codes of conduct of TTI's subsidiary companies)
- Business Partner Code of Conduct: outlines TTI's requirements and expectations for all suppliers and partners (it was updated and relaunched on our supply chain platform in 2020, with further expansion on TTI's requirements in relation to trade compliance)
- Anti-corruption Policy, updated (2019)
- Anti-trust Policy, updated (2019)
- Trade Compliance, updated (2020)
- Data Privacy, Data Security and Incident Reporting Policies
- Policy Against Modern Slavery and Human Trafficking: states TTI's expectations in relation to human rights and the eradication of modern slavery and consequences of non-compliance, updated (2019)
- Conflict Minerals Policy: outlines expectations and guidelines in the sourcing of tin, tungsten, tantalum and gold ("3TG")
- Cobalt Procurement Policy: provides guidelines in cobalt sourcing (launched 2019)
- Social & Environmental Responsibility (SER) Compliance Program: comprehensive scorecard to track compliance with ESG policies in the supply chain
- Environmental Management Policies
- Environmental, Health & Safety (EHS) and Occupational Hazard Management Policies
- Product Safety and Consumer Product Regulatory Compliance Policy, updated (2019)

Key Initiatives

- Mandatory training on the Code of Conduct (CoC) is organized for all new hires through TTI's e-learning platforms or in person
- Copies of the CoC along with handouts and posters with key points about our policies and details on how to report violations are available in local languages at all premises, including offices, factories and dormitories, for those without computer access
- In 2020, we released new e-learning training on anti-trust and a new policy on trade compliance to all employees globally

Progress in 2020

In 2020, once again no legal cases of corruption, anti-trust, anti-competitive or monopoly practices were brought against TTI. As per our established approach, we continued to educate employees about ethical practices with the global launch of our new anti-trust training course. 89.3% of our employees have been trained on this new material in 2020 through our e-learning platform and through in-person sessions to ensure the delivery of required training to all impacted employees. Also, 93.1% of our employees have been trained on anti-corruption through our e-learning platform and through in-person sessions to ensure the delivery of required training to all impacted employees. We also established a new Trade Compliance Policy. We are in the process of revising our Human Rights and Environmental Policies to reflect changing conditions. These updated policies will be put forward to the Board in 2021.

Our complaint reporting system remained effective, with a total of 38 complaints received and investigated in a timely manner in 2020. All complaints were resolved in 2020 except

one, which remained open in 2021. The sales revenue of the company grew by 28% in 2020 over 2019, so the fact that the number of complaints increased over 2019 can be attributed to our growth. Of the 38 complaints, 18 were reported through the complaint hotline, 9 were anonymous emails, 4 complaints came from TTI employees and 7 came from TTI management. One complaint was made directly to the Group Vice President, General Counsel and Chief Compliance Officer and all complaints were investigated thoroughly. Of the complaints, 2 alleged fraud, 12 were employment-related claims or regarding violations of company policy, 2 alleged collusion, 1 alleged corruption, 3 alleged bribery, 5 complaints were against suppliers, 1 was from a customer complaining about brand upgrades and 12 complaints were with insufficient evidence and information for further investigation. Complaints with merit were managed with appropriate corrective action, including termination of employment, payment of penalties or immediate remediation. Detailed information about complaints and corrective measures were reported to both management and the Audit Committee.

Zero legal cases

of corruption, anti-trust, anti-competitive or monopoly practices brought against TTI.

89.3% of employees

have been trained on anti-trust.

93.1% of employees

have been trained on anti-corruption.

Data Protection and Cybersecurity

Why it's Important

Our data and intellectual property are some of TTI's most valuable assets. Sound management means the protection of customers and employees as well as safeguarding our Powerful Brands, Innovative Products and Operational Excellence in order to minimize the risk of business disruption.

Impact along the Value Chain



Goals

We aim for zero breaches or incidents in cybersecurity to minimize disruption to our operations and to protect the data privacy of our employees, customers, suppliers and business partners.



▶ **Protect and enforce TTI's IP rights**

▶ **Minimize any risk of business disruption from cyberattacks and aim for no breaches or incidents**

▶ **Comply with all new data privacy regulations, such as the General Data Protection Regulation and the California Consumer Privacy Act**

KPIs

- # of employees trained on IP protection
- # of breaches of IP rights

- # of breaches of data privacy
- # of employees trained on cybersecurity (cyberattacks, phishing)

Management Approach

Data Security Policies and Procedures

Strong data protection and cybersecurity management are essential as the risk of cyberattacks is evolving and increasing. TTI continues to invest in programs around cybersecurity and in enhancing our Information Technology (IT) systems around the globe. A number of training workshops to raise awareness about cybersecurity were conducted in 2020.

To ensure that all collected data is protected, we comply with relevant legal requirements including Europe's General Data Protection Regulation, which TTI has been compliant with since 2018. Our IT department monitors all computer systems to ensure they are covered by sound authorization management processes. Procedures protecting our data systems are outlined in eight separate global security policies.

TTI follows the National Institute of Standards and Technology Cybersecurity Framework, which defines our approach to

cybersecurity—including the protection of customer data, the growth of our business and management of IP. Led by our Group Director Cybersecurity, our Informational Technology Steering Committee (ITSC) meets monthly to ensure that TTI's systems are well managed.

Intellectual Property

Our security protocol covers TTI's intellectual property portfolio, which includes patents, trademarks, logos, copyrights, software and trade secrets. Management of our IP is conducted according to procedures outlining proper usage and protection from infringement by and of others. We champion innovation among our employees by encouraging inventions, discoveries, new ideas and concepts. Our patent invention award mechanism serves to further drive creativity. We continue to support the documentation of ownership of all such IP and train our employees not to use protected IP out of respect for the IP rights of others.

Key Initiatives

- Each business unit completed a comprehensive cyber policy review with remediation efforts accomplished for identified gaps
- Our 'Global Cybersecurity Managed Detection and Response' platform went live in North America, Asia Pacific and Europe
- Cloud-based as well as local services that handle both internal and customer information are properly managed through stringent practices, including rights management and multifactor authentication
- A comprehensive vulnerability reporting program enhances our ability to proactively address risk before loss occurs

Progress in 2020

Ensuring compliance with the California Consumer Privacy Act from January 2020 was a key focus for TTI in 2019. This led to the launch of a new training program and the review of our data privacy policies and websites. Important cybersecurity projects initiated in 2020 included cybersecurity assessments of all businesses, Managed Detection and Response (MDR) roll outs, multifactor authentication for email and VPN as well as vulnerability scanning and reporting.

In 2020, there was one substantiated complaint concerning breaches of customer privacy and data. TTI identified unauthorized access to one of our business unit's systems. Through quick action via our internal teams and in coordination with our security partners, TTI did not experience loss of customer data or IP. TTI complied with all applicable laws and regulations in addressing the incident.

Environment

Protecting our planet for the long-term sustainability of our business and communities is critical. At TTI, we recognize the responsibility we have to positively impact our communities and we are committed to do our part to improve environmental performance within our operations, along our value chain, through our products and for the community. Our approach to environmental sustainability is closely tied to our drive for innovation, conservation of resources, reduction of waste, energy efficiency and renewable energy technology. These are fundamental as we move toward setting environmental targets. Our commitment to help protect the planet and tackle climate change remains foundational to the strategic drivers – Powerful Brands, Innovative Products and Operational Excellence – that guide our business.





14% and 20%

decrease in AIP consumption and intensity per production value US\$ million of natural gas

14%

reduction in GHG emission carbon dioxide equivalent (Scope 1, 2 and 3) intensity per production value US\$ million globally

Environmental Management

In 2020, our environmental management strategy has continued to focus on developing climate resilience, managing our footprint responsibly and creating products that further circularity in our operations. We have established goals and initiatives to address the impacts associated with each of our material topics of climate change, water, resources, chemicals and waste, sustainable products and biodiversity.

TTI's ESG Executive Committee is responsible for setting our environmental management strategy, with oversight provided by the Board. The Committee also ensures sufficient resources are allocated for strategy implementation across our global business units. Progress in achieving our goals is monitored and evaluated, with actions for improvement identified where needed. The success of our strategy is based on ensuring that our goals are well understood and key initiatives are implemented across our markets. Our ESG Working Committee and global Environment, Health and Safety (EHS) teams, are responsible for coordinating environmental management efforts and leading the development and implementation of awareness-raising and training programs internally.

All our manufacturing sites have comprehensive Environmental Management Systems (EMS) in place. In 2020, TTI AIP, our primary manufacturing site, along with TTI ELC, our largest warehouse and distribution center and TTI GMBH, respectively, in EMEA were all EMS certified and remained compliant with International Organization for Standardization (ISO) 14001 EMS and 9001 quality standards. Our environmental management policies encourage employees to champion sustainable practices across offices and manufacturing sites. Employees receive training so they are able to play an active part in improving our environmental performance. Training on EMS and EHS is delivered through both e-learning platforms and in-person sessions.

All of our operations and business partners are required to meet regulatory requirements, ensuring TTI's performance is in line with the environmental expectations of our stakeholders. For a full list of legal and regulatory requirements that have the potential to have a significant impact on our operations and performance, please refer to Appendix A of our HKEX ESG Guide Content Index on our website. We have comprehensive grievance mechanisms in place, which are available to all stakeholders who wish to raise issues, concerns or complaints. More details can be found in the Ethics and Governance section of this Report.

With the aim of increasing transparency and accountability, a large part of our effort is focused on measuring environmental performance across our markets using ESG data collection and analysis software. Detailed metrics for GHG emissions, energy, water and packaging consumption and hazardous and non-hazardous waste, can be found in the Performance Metrics of this Report.

In 2020, we continued to enhance our environmental management strategy across the company with the following priorities:



TTI has implemented a number of circularity initiatives as follows. Details are included throughout the Environment section of this Report:

- Promoting battery recycling through global partnerships
- Assessing product components for possible reuse in the value chain
- Adjusting attributes such as the weight and shape of parts and choice of materials through our value engineering programs
- Undertaking R&D projects to increase adoption of recyclable materials
- Repairing and refurbishing to extend product lifecycles

Climate Change

Why it's Important

In 2020, the top five global risks in terms of likelihood published by the World Economic Forum were all related to climate and environmental issues. The planet has limited resources and global warming has irreversible impacts. Climate resilience and a reduction of greenhouse gas emissions is paramount for the long-term health of our business, suppliers, partners, communities and the planet.

Impact along the Value Chain



Goals

We strive to work with global partners to strengthen our capacity to mitigate climate change and climate-related impacts.

▶ Reduce energy consumption and GHG emissions

▶ Develop strategy for climate resilience



▶ Adopt renewable energy

KPIs

- Energy consumption, intensity and GHG emissions data
- Renewable energy procurement and initiatives across the value chain
- # of fuel efficient and electric vehicles
- # of people trained on climate impact
- # of cases of environmental non-compliance
- # of partnerships and accomplishments

Management Approach

Climate change is one of the most crucial challenges facing society today. TTI is in the process of thoroughly assessing our climate risk, sharing information and strategizing how we can reduce our environmental impact. We are building climate resilience along the value chain and focusing on reducing GHG emissions and consuming energy efficiently with the aim of transitioning to renewable sources. While we plan to announce science-based targets for GHG emission reduction in our next report, we took steps in 2020 to diversify our manufacturing and supply chains to manage climate risk, including extreme weather events over the long term. Our diversification strategy manages risk by cultivating close relationships with our business partners to maintain high environmental and safety standards across our value chain. It also enables us to reduce the transportation journey of goods and to integrate sustainability features into new facilities.

Energy and Emissions

Reducing air and GHG emissions is fundamental to addressing our contribution to climate change. The main sources of these emissions arise from our manufacturing processes, office energy consumption, transportation and the supply chain. Air emissions include carbon dioxide (CO₂), methane (CH₄),

nitrous oxide (N₂O), sulphur oxide (SO_x) and fine particulate matter (PM) emitted from cars, trucks and other small machinery, and from combustion processes to generate electricity for manufacturing, lighting, building management systems, heating and cooling, fluorinated gases, such as R-404a, are also consumed as refrigerants.

We continue to expand our disclosure of GHG emissions as we strive to track metrics across all markets. Our Scope 1, 2 and part of 3 emission data is included in our Performance Metrics for those business units where data is available. Scope 1 emissions arise from onsite sources identified above and Scope 2 indirectly from purchased electricity. Part of Scope 3 emissions arise from business travel and other forms of transportation, as well as our consumption of water and generation of waste. We are setting a carbon reduction target and roadmap for TTI's Scope 1 and 2 emissions based on analysis of energy efficiency and renewable energy technology and procurement opportunities. We are also mapping Scope 3 emissions along our value chain and identifying opportunities for the business to engage in GHG emission reduction initiatives beyond our direct operations.

Management Approach Managing our energy footprint is a substantive challenge. Our priorities are to adopt renewable sources of energy and manage energy efficiently as increased production levels require higher levels of consumption. As such, our approach continues to include timely maintenance of air-conditioning, heating, ventilation and building management systems to ensure efficient consumption and healthy indoor air quality. We also adopt efficient LED lighting and adjust lighting

levels based on occupancy and availability of natural light. TTI is working toward adopting further renewable sources of energy across some of our key manufacturing operations. At new sites, such as our factory in Vietnam, we are introducing environmental requirements in the design and construction of buildings, as well as systems and equipment, taking into consideration measures on energy efficiency, renewable energy procurement and water conservation.

Key Initiatives Our business units took the following measures to decrease GHG emissions and improve energy efficiency in 2020:

- Transitioning to electric vehicles at some of our sites in Australia, New Zealand and EMEA
- Incorporating environmental features into new and existing buildings
- Conducting external energy audits to monitor progress
- Installing LED lights and light sensors in meeting rooms and offices

- Turning down heating, ventilation and air conditioning (HVAC) when not in use, resealing windows and updating equipment for energy and noise reduction
- Using a low carbon electricity supply such as nuclear, solar PV, wind and hydropower
- Replacing equipment with energy-efficient smart boilers that have variable speed pumps. One operation in EMEA uses around 11% less gas to heat premises as a result
- Utilizing rail instead of petrol-fueled trucks to move goods across borders and avoiding airfreight when possible

Progress in 2020 A lockdown of non-essential services in many of our markets around the globe resulted in a portion of office-based employees transitioning to remote working environments in 2020. This resulted in a 14% reduction in GHG emission carbon dioxide equivalent tCO₂e (Scope 1, 2 and 3) intensity per production value US\$ million globally.

2% per production value and Scope 3 emissions intensity decreased by 2% per production value.

Air and GHG Emissions

In 2020, TTI did not have any incidents of non-compliance with emission regulations. Our total GHG emissions in 2020 amounted to 220,379 tonnes of carbon dioxide equivalent (tCO₂e), an increase of 22% in absolute emissions and a decrease of 14% based on production value US\$ million over 2019. As part of our upstream and downstream assessment within our value chain, TTI is working to set and disclose science-based targets for reducing our Scope 1, 2 and 3 GHG emissions by 2030.

TTI AIP GHG Emissions In Depth

In 2020, TTI AIP's total GHG emissions (Scope 1, 2 and 3) decreased by 3% intensity per production value US\$ million. AIP's GHG Scope 1 emissions intensity decreased by 13% per production value US\$ million due to our Continuous Improvement Program (CIP) which is designed to reduce energy consumption in our operations despite an increase in production of 7%. TTI AIP's Scope 2 emissions intensity decreased by

Energy

TTI's total electricity consumption in 2020 amounted to 228,126,948 kWh. This was 12% higher than 2019 figures due to higher levels of production to meet demand.

Consumption figures by region are included in the Performance Metrics.

TTI AIP Energy In Depth

At TTI AIP, manufacturing output increased by approximately 7% between 2019 and 2020. As a result, overall electricity consumption increased by approximately 6% in 2020 over the previous year, however, intensity decreased by 1%. The consumption and intensity per production value US\$ million of natural gas also decreased by over 14% and 20% respectively compared to 2019 due to our CIP.

Our global locations consist of leased and owned properties where a number of them have been certified in Leadership in Energy and Environmental Design (LEED). At our Hong Kong headquarters, the site received the LEED certificate from the US Green Building Council in 2020. Looking forward, we aim to achieve a LEED certification for our new factory site in Vietnam.

Progress in 2020

New Sites

An increasingly important practice when it comes to managing risk is the diversification of our manufacturing base across the globe. This involves developing closer ties to new markets by working with local suppliers. TTI is expanding new sites in Vietnam, Mexico and the United States. Details of our operations in these markets in 2020 and going forward are as follows.

Ho Chi Minh City, Vietnam. In June 2020 we announced an investment of US\$650 million to build a plant and also establish a new innovation center in Ho Chi Minh City. The plant and the R&D center will be LEED certified by the US Green Building Council and will enable us to tap into increased renewable energy sources to meet our energy needs, increasing the global percentage of energy procured from renewable sources.

Torreón, Mexico. Our new facility in Mexico covers an area of 70,606 square meters and employed 1,785 people as of December 2020.

United States

Anderson County, South Carolina. Our new manufacturing plant and warehouse in Anderson County will cover an area of over 92,903 square meters. The new facility will support production and assembly operations and include a reconditioning plant. This US\$100 million investment will create 525 new jobs over the next several years.

Greenwood, Indiana. Our 13,935 square meter facility is scheduled to open in Spring 2021 as a service hub, which will house a tool repair and warehousing space. Our MILWAUKEE brand’s investment in this facility, which will employ more than 450 people, is US\$6.75 million.

West Bend, Wisconsin. In 2020, plans were announced to build a new hand tool manufacturing plant in West Bend.

Greer, South Carolina. A new distribution center for TTIFC is expected to be operational by March 2021 and completed in the latter half of 2021. This investment will create 134 new jobs.

Through diversification we aim to maintain high standards across our supply chain and reduce our environmental impact by, for example, minimizing the transportation of goods and prioritizing key elements of environmental design when planning our new buildings. Furthermore, as we become deeply entrenched in these markets, we are able to have a positive impact on the living conditions, educational prospects and the economic development of local communities. For example, in Vietnam TTI is already working with local universities to recruit potential talent for our R&D center.

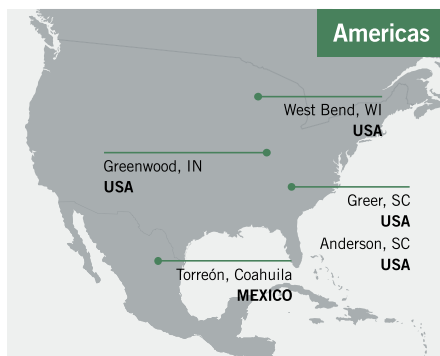
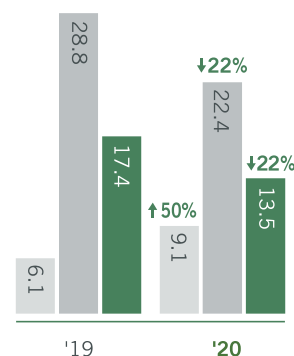
A reduction in GHG emission intensity carbon dioxide equivalent tCO₂e (Scope 1, 2 and 3) of

-14%
per production value
US\$ million globally

TTI’s AIP GHG Scope 1,2 and 3 emissions intensity per production value US\$ million decreased by

-3%

TTI Group Emissions Intensity per production value US\$ million



Water

Why it's Important

Water quality and security is essential to TTI's manufacturing, operations and the health of our people and communities. Proper management of this resource is imperative for our shared future.

Impact along the Value Chain



Water Withdrawal vs. Wastewater (m³)

1,327,701
Withdrawal

710,518 Discharged **219,017** Recycled

Goals

We aim to increase water use efficiency and ensure the proper management of wastewater.



▶ **Reduce water consumption at TTI's operations**

▶ **Increase the use of recycled water**

KPIs

- Water consumption data across all operations
- Water conservation metrics

Management Approach

Recognizing that water is a scarce, shared global resource, TTI is committed to its responsible consumption. An important step in our overall water management strategy is understanding which areas are most affected by water scarcity. Accordingly, we aim to reduce absolute water withdrawal at the sites where water scarcity is a risk. Efficient usage of water and the proper management of wastewater discharge remain our main focus. We continue to improve our approach to water management by implementing conservation initiatives and monitoring usage and potential leakage. All our water needs are adequately met by local, municipal sources, and we stringently comply with relevant regulations pertaining to water withdrawal and wastewater discharge.

The breakdown of TTI's water consumption by type is shown on the right side of this page. Sources of the water consumed by

region are also shown in the Performance Metrics table on page 132.

Our water conservation efforts and goals are set at the group level and are implemented through water saving plans. Measures include using recycled water for flushing, collecting rainwater for gardening and cleaning outdoor areas, carrying out regular inspections to check for hidden water leakage along buried water pipe networks and installing motion sensors and timercontrolled taps on washbasins. We also do extensive work in providing access to safe water resources while providing sanitation training in the communities where we operate. These community efforts are especially important given the heightened need for clean water and proper hygiene to manage the COVID-19 pandemic. More details on these programs can be found in the Community Investment and Engagement sections of this Report.

Key Initiatives

Examples of water conservation and sanitation initiatives include:

- Using treated greywater to flush toilets
- Collecting rainwater for reuse
- Inspecting ground dampness along water supply pipe networks and performing ultrasound detection tests annually to monitor deep water leakage

Progress in 2020

In 2020, there were no incidents of non-compliance with water management regulations across our operations. TTI's total water consumption amounted to 617,183 m³. The 10% increase in consumption when compared to the previous year was due to higher levels of production in our manufacturing facilities. Total wastewater produced also went up by 10% representing a 9% increase in the discharge of treated effluent, with a 12% increase in the consumption of recycled water, when compared to 2019. TTI Group's water consumption intensity (m³ per production value) decreased by 23%.

TTI AIP Water In Depth

TTI AIP's water consumption rate was 430,889 m³, this was a 17% decrease in usage and a 22% decrease in intensity compared to 2019. TTI AIP continued to implement its wastewater recycling initiatives, which reduce consumption of fresh water and wastewater discharge to the municipal sewage system. A total of 219,017 m³ of water was reused through this system in 2020, representing a 12% increase in the recycling of water.

Resources, Chemicals and Waste

Why it's Important

Reusing and recycling materials, managing chemicals and disposing of waste in a responsible and safe manner ensures the safety of colleagues, business partners and communities, and reduces adverse impacts on the environment.

Impact along the Value Chain



Goals

We aim to achieve responsible consumption and production through proper material management.



▶ Reduce resources consumption and waste

▶ Reduce usage and safely manage chemicals

▶ Reduce packaging and increase adoption of reduced impact packaging and packing

▶ Increase the volume of battery and tool collection at end of life and recycling

KPIs

- Adopt circular economic models
- Packaging use (volume/impact)
- Paper use (volume/impact)
- Volume of battery and tool recycling
- Volume of refurbished tools being sold to end users
- # of service and repair centers globally
- # of training events on waste management programs
- # of cases of environmental non-compliance

Management Approach

The proper management of resources, chemical substances and waste is another key focus of our environmental strategy. Our efforts aim to reduce consumption, produce defect-free products, recover and reuse materials, products and components where possible and ensure that unavoidable waste is safely disposed of. We consistently invest in R&D projects, new materials, technology and equipment to achieve these objectives.

Waste

We continue to monitor the types of waste generated by our business units to identify opportunities to improve our management of materials. Building management facilities across our markets provide recycling and proper disposal options for hazardous and non-hazardous waste. In addition, we always ensure that hazardous waste is picked up by licensed professionals, for safe disposal. Our waste management policies apply to all our operations globally. At each site, employees are trained on the appropriate handling of waste and members of our EHS teams ensure that resources are provided to comply with these policies and any new regulations. For example, in 2020, 750 employees in China received training on EHS and hazardous waste regulations and compliance requirements following the introduction of new PRC laws on hazardous waste. We also conduct regular waste management audits internally and over the years have appointed independent auditors to review our waste management processes.

In 2020, we initiated a review of waste generated globally to set reduction targets. We also expanded our partnerships with a number of recyclers. This not only diverts waste from disposal, but establishes circular economy practices for the capture and reuse of valuable resources.

Packaging and Paper

Packaging and paper management remains a global priority for TTI. As production volumes increase, our focus is on utilizing less material to conserve resources and make the transportation of products more efficient. We also strive to adopt reduced-impact materials where possible. The most common materials we use for packaging include paper for boxes, cartons and die cut sheets, and plastic for polybags, bubble bags, clamshells and tool bags. We continue to expand our usage of biodegradable packaging and paper in packaging products and opt for recycled materials, using corrugated cardboard, 70% of which is made of recycled paper pulp, honeycomb board, chipboard, paperboard and/or molded pulp where possible.

Reducing the use of polybags continues to be a priority. Other efforts in 2020 have been a program to remove Expanded Polystyrene (EPS) foam from our packaging, implementing soya ink printing which is more environmentally responsible and initiating a packaging material weight reduction program. As part of our packaging initiatives, we continue to use 100% recycled paper and manage the volume of instruction

Management Approach

manuals and safety literature. To reduce page count and manual volume, we have eliminated redundant content, implemented new templates, replaced text with graphics, adopted simpler instructions for spare parts and consumables and decreased paper weight.

Batteries

Batteries are core to the functionality of our products and reducing our environmental footprint along the value chain. Our batteries are designed to be interchangeable within each network to avoid the production and wastage of multiple batteries. Our global recycling partnerships are critical for increasing the capture and recycling rate of batteries and products, which have reached the end of their useful lives. Our batteries, and products containing batteries, continue to be recycled through various organizations across our markets. One such organization, Call2Recycle®, recycles our rechargeable batteries in North America. More information on this partnership can be found in the TTI and Call2Recycle® Sustainability Partnership section on page 104. In addition, battery recycling partnerships continue with other partners in North America, Australia and New Zealand, EMEA, and Asia.

Chemicals

While our approach prioritizes reducing chemical consumption, we have stringent policies to ensure the safe and proper management of unavoidable chemicals and hazardous waste, in compliance with all relevant regulations. We are subject to a variety of legal, industry-specific requirements covering chemical use, including the Restriction of Hazardous Substances (RoHS) in Europe and parts of Asia, the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) in the EU and the Toxic Substances Control Act (TSCA) in the United States. Hazardous Substances Free (HSF) initiatives are fully integrated into our product development process and local as well as customer-specific HSF requirements are part of the product evaluation and acceptance criteria for our engineering

teams. A list of high-risk materials and components is maintained as part of our operating instructions and is periodically reviewed and amended when necessary.

TTI avoids the use of REACH's substances of very high concern in our products whenever possible. We have our own in-house accredited chemical testing laboratory, which enables verification testing for RoHS substances. When starting a new development project, our teams carry out a thorough risk analysis to identify potentially hazardous components. For these components, suppliers are required to provide test reports from TTI-approved, third-party accredited testing laboratories, verifying the safety of components.

Circularity and Sustainable Materials

While minimizing resource use is our priority, we also have initiatives for reusing, recycling and promoting circularity in our operations and along our value chain whenever we can. In the PRC, our processes have been modified to include the dismantling of all surplus products and those used for reliability testing so the components can be assessed for possible reuse or recycling. In 2020, we entered into new partnerships with recyclers having patented technology to recover valuable materials that can be repurposed. We also hope to introduce these recovered components into our own supply chain when possible.

Another initiative in nascent stages is the testing of biodegradable materials for use in plastic cases that carry our power tools. This initiative at TTI factories involves extensive work by our R&D teams who are striving to reduce waste at all stages of our product lifecycle. More information on our circularity initiatives and use of biodegradable materials can be found in our Sustainable Products section.



Key Initiatives

Local regulations and building management procedures determine how our resources, chemicals and waste are managed in each of our locations. Initiatives include:

- Providing recycling training for employees and working with trade associations to develop content on proper recycling of our products
- Implementing programs for recycling, including for paper, cardboard, scrap metal, bottles and cans, plastic, oil, wood pallets, lightbulbs, printer cartridges and toners, coffee grounds and food waste

- Utilizing electronic filing systems to save paper where possible
- Returning paint containers to suppliers for reuse
- Recycling batteries and power tool skins to recover materials such as steel, copper and aluminium which is then returned to the manufacturing sector to produce mixed metal dust
- Participating in government initiatives for the safe disposal of WEEE electrical equipment

Progress in 2020

Waste

In 2020, there were no incidents of non-compliance with waste management regulations. TTI produced 51,756 tonnes of non-hazardous waste and 2,244 tonnes of hazardous waste. Our non-hazardous waste increased by 36% due to increases at our Americas, Asia and EMEA operations. The increase was due to an increase in manufacturing and production activities. Our overall hazardous waste decreased by 30% reflecting decreases in most regions due to our many initiatives to minimize waste. Data on our waste by region can be found in our Performance Metrics.

At TTI AIP, non-hazardous waste generation increased by 4% and hazardous waste decreased by 7%. Overall this represented a decrease in total waste intensity of 3%. This was due to our comprehensive waste reduction efforts. TTI made some progress in recycling waste, with a 25% increase in recycling. This represented a 28% increase in non-hazardous waste recycling and a 0.5% increase in hazardous waste recycling across operations. TTI AIP also saw a 15% increase in waste recycling, mostly attributable to the recycling of non-hazardous waste products.

Packaging and Paper

In 2020, TTI saw a significant increase in packaging used due to a surge in products manufactured. While TTI AIP had an increase in packaging volume, 92.5% of materials in our packaging in 2020 were from recycled material compared to 91.4% in 2019.

While an increased number of products invariably means more packaging, we made important progress in minimizing impact through eco-measures that resulted in significant cost savings for our business. Some examples include:

- Changing our EPS foam packaging to molded pulp packaging, which saved 1.42 tonnes of plastic and 2.5 tonnes of CO₂ per year
- Implementing half sleeve instead of full sleeve packaging designs which resulted in annual savings of 180 tonnes of paper, the equivalent of 4,147 trees and 1,800 tonnes of water per year. This contributed to a CO₂ reduction of 147 tonnes per year
- New design elements replacing carton flaps in place of pulp mold which led to a decrease in package size by 38% resulting in savings of 46 tonnes of paper, 909 trees and 379 tonnes of water, with a CO₂ reduction of 38 tonnes per year
- Changing the material and size of die cut sheets for tool packaging, resulting in savings of 66.8 tonnes of paper (a 29% reduction for this particular packing), 1,603 trees, 668 tonnes of water and a CO₂ reduction of 54.7 tonnes

Batteries

In 2020 we collaborated with partners to collect and recycle more than 530 tonnes of batteries.

ECO Responsible Packaging



Old Design
(Full Sleeve)
Sleeve Weight: 220g



New Design
(Half Sleeve)
Sleeve Weight: 28g

GHG Emission Reduction

Paper Weight Savings (tonnes)

180

Total CO₂ Reduction (tonnes)

147

Progress in 2020

TTI and Call2Recycle® Partnership for Sustainability

For over 20 years, TTI has partnered with Call2Recycle® to ensure that our batteries and products containing batteries are responsibly recycled when they reach their end of life. TTI pays stewardship fees to Call2Recycle® based on North American battery and battery product sales. Call2Recycle®'s North American collection network has over 25,000 collection sites, including local household hazardous waste sites and national retailers where consumers can drop-off their batteries for recycling.

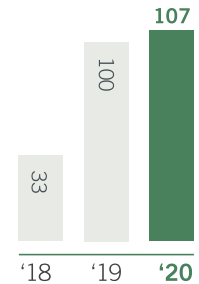
TTI has also implemented a number of recycling incentive schemes in partnership with Call2Recycle®. These have included issuing battery safety and recycling guides to customers, developing infographics

showing end users the impact of battery recycling over the years and creating a pilot 'at home' recycling kit for online battery purchases through retailers. Our RYOBI line also created a safe battery disposal video, viewed by thousands of committed battery recyclers on our website and on YouTube. In 2020, Milwaukee worked with Call2Recycle® to provide an at-home battery recycling solution for customers. Call2Recycle® sent 1,186 recycling kits directly to customers and 50% of the kits were returned for recycling. This program resulted in close to one additional tonne of end-of-life batteries being transported compliantly and recycled responsibly. Looking forward, we are planning to expand this program to all our brands.

In recognition of our recycling efforts, Milwaukee was designated as a 2020 Top 100 Leader in Sustainability for diverting more than 106 tonnes of batteries through the Call2Recycle® battery collection and recycling program. Call2Recycle® recognized all award recipients with a tree donation to the National Forest Foundation's '50 Million for their Forests' campaign.



↑224%
Increase in battery collection between 2018 and 2020 (tonnes)



Sustainable Products

Why it's Important

Environmentally-responsible products that are safe, long-lasting, repairable and can be effectively recycled, help us contribute to a more sustainable future and build the trust of customers and the community. Our efforts to develop sustainable products move us toward a circular economy model that reduces pressure on our environment, improves the security of our raw material supply chain, stimulates further innovation and boosts economic development across our value chain.

Impact along the Value Chain



Goals

We aim to support sustainable product innovation, which improves responsible consumption and production.



▶ Reduce environmental impact through innovation in product design

▶ Promote reuse of components

▶ Promote a circular economy and sustainable consumption

▶ Promote sustainable materials innovation

▶ Promote use of recycled material

KPIs

- Environmental features incorporated into products and impact measurement
- # of clean tech and energy-efficiency projects
- # of tools refurbished and repaired
- # of partnerships and accomplishments

Management Approach

Our product development process – from identifying next generation of products, to designing and manufacturing through to after sales – aims to reduce environmental impact and improve social conditions along our value chain. Our priority has always been on R&D and in the past few years, our focus is increasingly on developing energy-efficient, clean technologies and adopting sustainable materials.

Responsible Products

In developing products, our R&D teams consider recyclability, repairability and longevity of the products. In 2020, we continued our value engineering programs and expanded the number of lifecycle assessments within our key product categories. As a result of these initiatives, we aim to achieve reductions in shape, weight and use of materials while utilizing more sustainable options, driving innovation, reducing GHG emissions and improving resource efficiency and durability.

We have a number of sustainable products and initiatives that utilize clean technology options. These include:

- Gas to cordless innovations, for example our MILWAUKEE light equipment system (MX FUEL), along with our M18 and M12 systems, and the RYOBI 40V cordless system containing 52 products, lawn mowers and outdoor power equipment

- The launch and expansion of the RYOBI WHISPER Brushless Jet Fan Blower products in 2020, which deliver GAS-LIKE POWER™ performance with reduced noise pollution
- Low-emission generators
- MILWAUKEE line of LED lights
- Next generation of RYOBI ONE+ HP brushless series with subcompact design

Championing Innovation

A key area where we continue to champion innovation is through our gas to cordless initiative. TTI is an industry leader in the conversion of gas-powered tools to cordless tools. The development of cordless tools is driving both environmental and safety improvements. Our cordless products include the MILWAUKEE MX FUEL equipment system and the RYOBI Cordless Lawn Mower along with our range of other outdoor power equipment. The RYOBI Lawn Mower in particular is well known for its environmentally-responsible features.

TTI's pioneering lithium battery pack technology, which powers our cordless tools, performs even better and more efficiently today through battery pack construction, lithium-ion cells within the pack and the electronics within the battery pack. The TTI battery packs are engineered to

Management Approach enable maximum battery compatibility among tools. As a result of this compatibility feature, batteries and tools from a previous generation can also be used with newly-launched batteries and tools. This allows a customer to use the same battery pack with all the tools of each network, which include 213 tools for the MILWAUKEE M18 system, 125 tools for the MILWAUKEE M12 system, 10 products for the MILWAUKEE MX FUEL range, and over 182 tools for the RYOBI ONE+ system. In many cases, our batteries have a gauge that displays the remaining charge available, and can operate at sub-zero temperatures. These unique features serve to not only enhance functionality, but also minimize waste and excess consumption.

Product Repair and Refurbishing Program

We have also expanded our product reconditioning program, which supports

repair and refurbishment of tools. This is an important aspect of our circularity effort as it extends the lifecycle of our products without compromising on quality. In 2020, 808,004 products were repaired through service centers and 495,793 refurbished products were sold.

Product refurbishment allows 80% of the original product to be reused. As a first step, all products, including batteries and chargers, are carefully inspected for any mechanical issues. These are then repaired by manufacturer-trained technicians, who use replacement parts from TTI's factory. After this, testing is conducted to ensure products are working at optimal standards before they are packaged as certified, pre-owned units. Refurbished products are sold through our Direct Tool Factory Outlets with a one-year warranty. In 2020, the number of factory outlets expanded to 37.

Key Initiatives

Our business units are taking action to integrate environmental attributes into product portfolios by:

- Setting material efficiency targets and reporting on key materials used in products
- Incorporating recycled materials where possible in plastic, cardboard and metal components

- Striving to reduce the number of parts and components in products
- Ensuring all key product categories undergo lifecycle assessment
- Designing all products with ease of repair, simple disassembly features and with recyclability and longevity in mind

Progress in 2020

In 2020, we continued to look holistically at our product lifecycle to integrate sustainability attributes and actions along the value chain. In Asia, this involved a thoroughly collaborative and cross-sectional team effort to analyze and understand the relative impacts of our products through lifecycle assessment and carbon footprint analysis. The information gathered will be used to create a sustainable design guide for future products.

As we make strides toward innovations that reduce environmental impact, we also continue to prioritize the safety of our employees and customers and develop products that meet the need for heightened health and safety in the community. We will continue to develop sustainable products to meet the needs of customers and the wider community in the future.



Direct Tool Factory Outlet
Anderson, South Carolina, USA

Total number of refurbished products in 2020

495,793

Total number of repaired products in 2020

808,004



RYOBI 40V HP Brushless
Lawn Mower

TTI was named **Environmental Partner of the Year by The Home Depot in 2020** for our expanding line of RYOBI lithium-ion battery-powered tools and outdoor power equipment

Biodiversity

Why it's Important Healthy ecosystems, supporting air, soil and water quality, as well as species and habitat diversity, are key to the long-term survival of our business and the wellbeing of the communities where we operate.

Impact along the Value Chain



Goals We aim to protect the ecosystems around us by committing to responsible production and consumption and impact reduction through the adoption of global best practices and promotion of partnerships.



- KPIs**
- Source reduced impact materials
 - Promote eco-certified buildings

- Promote reuse of materials and increase recycling

Management Approach Protecting biodiversity and healthy ecosystems, for both species and habitats, are necessary in order to help safeguard our planet. Responsibly managing our footprint – from material selection and sourcing, resource conservation and adopting renewable energy, to redesigning products and processes for circularity – is an opportunity for us to do things differently, to lead and to effect change. Integrating factors that contribute to restoring and protecting biodiversity in our operations and our engagement with suppliers, customers and consumers, is essential across our value chain.

As outlined in the Sustainable Products section of this Report, whenever we can, we are designing our products and processes to incorporate sustainable materials, adopting or providing clean technology, and embedding circularity principles to recover valuable resources and reduce pollution. We strive to develop our manufacturing and operating locations in a way that minimizes impacts on local ecology, including habitat and species diversity. We aim to accomplish this at our new factory site in Vietnam by attaining LEED

certification for our facility. We also work to conserve biodiversity and protect habitats in our supply chain by responsibly sourcing materials, minerals and metals in particular, and amplifying this through collective industry engagement with suppliers and partners such as the Responsible Minerals Initiative (RMI) and Responsible Business Alliance (RBA).

In 2020, TTI renewed our RMI membership and expanded it to become a supporter member of the RBA, a coalition of leading companies working to improve efficiency and social, ethical and environmental responsibility in the global supply chain. We fully support the vision and the goals of the RBA, which involve driving sustainable value for workers, the environment and business by adopting best practices. Through our partnership with organizations such as the RBA, we hope to collaborate with like-minded companies and other stakeholders to improve environmental conditions in ecosystems throughout our value chain.

Key Initiatives

- Our operation in Mexico has analyzed the direct and indirect impacts of manufacturing plants and the associated transport infrastructure on biodiversity and determined there is no flora or vegetation that is impacted by the development of this facility

- Aiming for LEED certification at our new factory site in Vietnam

Progress in 2020 TTI is aware of the threat to global biodiversity, and we have taken steps in 2020 to begin the process of setting

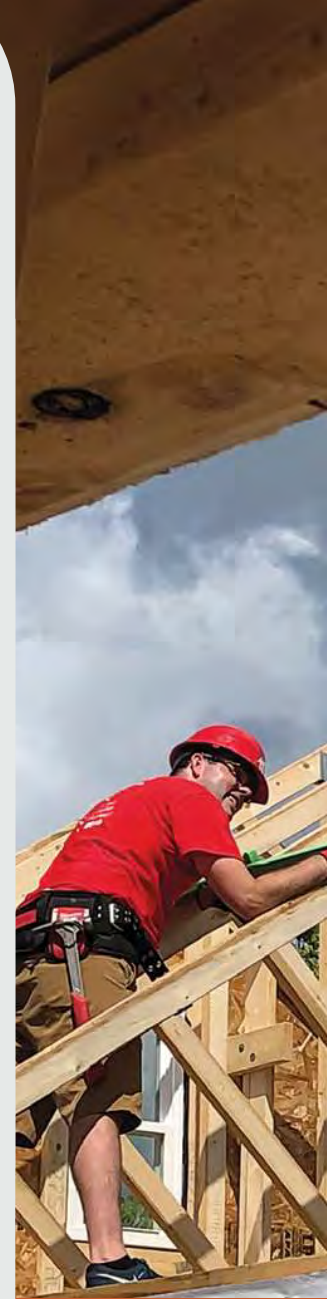
science-based targets for reducing our Scope 1, 2 and 3 GHG emissions.

Social and Community

In 2020, our global workforce comprised of more than 48,000 people, an increase of 45% compared to 2019. Many factors contributed to our substantial growth, including the expansion of our global manufacturing operations. Customer demand across all our brands propelled the development of new products and resulted in increased hiring.

Throughout this period, our mission has been to create positive social impacts through comprehensive employee initiatives, robust customer-centric policies and active community partnerships. In 2020, the emphasis on health, safety and wellbeing played an even greater role due to the COVID-19 pandemic.

The following sections on talent attraction and engagement, health, safety and wellbeing, diversity and inclusion, product safety and community investment and engagement discuss how we have managed these material topics in 2020.





464,196

training hours provided to employees

Mental Health First Aid

programs established in response to COVID-19 pandemic

Talent Attraction and Engagement

Why it's Important

Our talent attraction and engagement initiatives help us develop **Exceptional People**—a key strategic driver for TTI's success.

Impact along the Value Chain



Goals

We aim to keep our people motivated and engaged, and also strive to increase the number of skilled workers in our communities, thereby contributing to educational employment opportunities and economic stability.



▶ **Attract and retain the best talent**

▶ **Continuous training and development**

▶ **Promote employee engagement**

KPIs

- # of employees who received training and development
- # of LDPs hired and promoted
- # of programs focusing on youth development and internships
- # of employees trained on CoC
- # of cases of non-compliance with CoC
- # of complaints received through compliance hotline

Management Approach

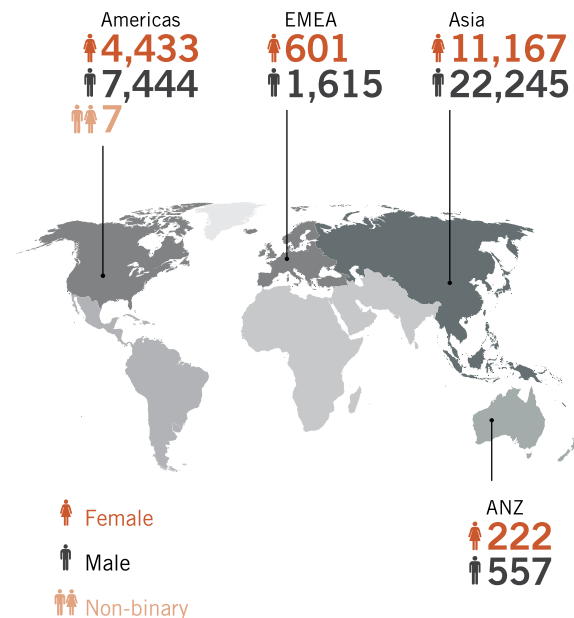
TTI's focus on recruiting and retaining Exceptional People remains the cornerstone of our strategy. We employ over 48,000 people globally and believe strongly in treating them equally, nurturing their skills and supporting their health, safety and wellbeing, while promoting diversity across the workforce in alignment with our overarching focus on improving lives.

Detailed information on the profile of our workforce can be found in our Performance Metrics.

Our Core Values

TTI's new hires are introduced to our core values through communication and specific training on the Code of Ethics and Business Conduct (CoC) and e-learning courses on our policy of addressing modern slavery and human trafficking. In person and online training workshops on human and labor rights, which include examples of real-life scenarios of discrimination and harassment, equip employees to identify potential issues and report them immediately.

Global Employees Headcount by Region and Gender



Total workforce: 48,291

All employees are required to keep abreast of TTI's core values through our Employee Handbooks or equivalent procedures and policies written specifically for their location. These materials are updated annually or when important changes occur and incorporate all laws and regulations along with employment procedures. The Handbooks and policies also outline employees' responsibilities with regard to our CoC and the procedures they must follow to actively report potential violations if needed.

Management Approach Global Full-time and Part-time Employee Headcount by Geographic Region

	Full-time	Part-time	Total
Americas	11,840	44	11,884
ANZ	736	43	779
Asia	33,410	2	33,412
EMEA	2,124	92	2,216
TTI Total	48,110	181	48,291

Global Permanent and Temporary Employee Headcount by Geographic Region

	Permanent	Temporary	Total
Americas	11,758	126	11,884
ANZ	750	29	779
Asia	27,238	6,174	33,412
EMEA	2,147	69	2,216
TTI Total	41,893	6,398	48,291

A Fair Work Environment

Employee Benefits and Compensation

We consider employee benefits to be a valuable part of working at TTI. The wellbeing of our employees is very important and this is reflected in our practice of ensuring employees receive benefits above and beyond what is legally mandated. Each of our business units puts special emphasis on providing incentives that are competitive and relevant to their local employees.

Human and Labor Rights

TTI takes human and labor rights very seriously. We comply with all international, national, state and local employment laws, in addition to International Labour Organization (ILO) core labor standards, to ensure our workers are treated fairly. This means proper oversight of legal working age, hours and working permits across our markets and supply chain. We have policies in place that stipulate our zero-tolerance approach to forced and child labor. Measures to support policy implementation include checking identification cards and drivers' licenses to confirm the age of workers, as

well as ensuring young individuals above the legal working age have limited working hours, receive adequate training and are not exposed to hazardous work. In addition, we ensure freedom of association and collective bargaining rights are respected according to local regulations. Workers can express their concerns and opinions through trade unions as well as through TTI's established channels.

Training and Development

Employee training needs and targets are determined during annual performance reviews conducted by managers. Professional development plans are created according to job function, with training sessions covering a variety of subjects from compliance, leadership, management skills to product technical training, marketing and customer service skills. TTI supports a wide range of training opportunities from coaching and mentorship, seminars and conferences to continuing education. We provide financial support including sponsorships and full reimbursement of fees for employees who embark on learning initiatives.

Total
464,196

hours of training were conducted globally



175,826

hours of e-learning training

9.6

training hours per employee on average

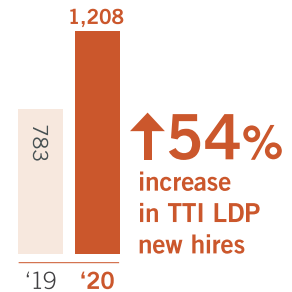
Management Approach

Many in-house employee development programs are conducted using our online platform, Learn TTI and other e-learning platforms. These platforms provide a spectrum of learning opportunities from mandatory courses on compliance to job-specific training. In addition to e-learning, we provide development opportunities through Lunch-n-Learn sessions conducted by employees or outside speakers.

Leadership Development Program (LDP)

Our investment in employee development is also reflected in our longstanding recruitment practices that have brought college graduates from over 100 global

campuses to join our challenging, flagship LDP. For over 13 years, the LDP has recruited and trained highly sought after individuals to move through sales, marketing, finance, product development, supply chain management and various other roles, giving them exposure to different parts of our business. The program sets the foundation for success and provides fantastic career progression opportunities for rising stars. Many of our most senior management team members started with TTI through the LDP. They were able to gain invaluable skills through this opportunity and develop their careers to become leaders of the company. In 2020, there was a 54% increase in new hires who joined the TTI LDP.



Key Initiatives

In 2020, it was imperative that our talent engagement efforts include appropriate measures during the COVID-19 pandemic. This involved instituting Work From Home (WFH) measures for all employees for whom this arrangement was appropriate, resulting in shifting many of our sales and marketing offices to remote working arrangements, while safely maintaining office access for a small percentage of employees who were needed onsite. More details on our comprehensive measures to address the COVID-19 pandemic can be found in the Health, Safety and Wellbeing section of this Report.

Apart from COVID-19 pandemic response management, our talent engagement initiatives centered on learning and development opportunities such as:

- Providing online and face-to-face courses on topics that range from legal, safety and compliance issues to behavioral, soft

skills, communications and leadership, as well as product knowledge, data analysis and IT training such as anti-phishing

- Conducting webinars and workshops on the latest market trends and industry best practices
- Implementing transitional assistance programs including training on cultural sensitivity and market specific laws
- Providing competency assessments that identify skill gaps in order to develop appropriate employee development plans
- Setting training targets for specific job roles and job rotation programs to develop well-rounded skill sets
- Encouraging informal mentoring and coaching sessions
- Facilitating internal hiring for all vacancies and transferring employees to different business units to maintain full employment
- Providing unemployment insurance for employees in certain markets

Progress in 2020

Our commitment to developing Exceptional People remained steadfast despite the challenges presented by the COVID-19 pandemic. While some external and onsite training initiatives were re-scheduled in 2020, we continued to champion learning initiatives. Our recruitment programs also forged ahead even while third-party services had to be minimized.

In 2020, TTI employees engaged in 2,362 courses through the e-learning platforms, this was equivalent to 175,826 training hours. Average training hours completed by region can be found in our Performance Metrics.

Health, Safety and Wellbeing

Why it's Important

The health, safety and wellbeing of our people is important to attract talent, retain a productive workforce and ensure business continuity and innovation.

Impact along the Value Chain



Goals

We aim to maintain a fair and safe working environment where our people remain engaged and productive.



▶ **Promote healthy and safe workplaces**

▶ **Promote and support physical and mental wellness of employees**

▶ **Zero fatal accidents in our workplaces**

KPIs

- # of people trained in OSH
- # of wellbeing programs for staff

- # of accidents and fatalities in workplaces
- # of substantiated human and labor rights violation cases within own operations

Management Approach

Our policies on wellbeing, health and safety are designed to improve lives and build on our approach to championing human and labor rights.

Employee Wellbeing

Employee health and safety go hand in hand with wellbeing. Enhancing employee wellbeing entails offering competitive benefits including parental leave and healthy lifestyle initiatives that go beyond legal requirements. Details on the number of TTI employees who took parental leave can be found in our Performance Metrics. Each of our business units provides benefits to support healthy and motivated employees.

Safety at Work

Fair treatment of all workers extends to assurance of safety at work. Our Environmental Health & Safety (EHS) and Occupational Hazard Management Policies ensure we comply with all legal requirements, identifying risks and hazards to minimize the potential injury or harm that may result. These policies also include provisions for investigating any violations and taking appropriate remedial actions. In line with our practice of meeting high industry standards, our new factories in Vietnam were the latest facilities to achieve ISO 45001 occupational health and safety management system certification in 2020.

A key part of our safety protocol is implementing thorough Occupational Health and Safety (OHS) training in all markets. A complete list of relevant human and labor rights, along with health and safety legal and regulatory requirements that have the potential to have a significant impact to TTI's operations and performance can be found in Appendix A of our HKEX ESG Guide Content Index on our website.

In 2020, our health and safety efforts were focused on managing the COVID-19 pandemic. Our efforts included innovative ways to distribute information about the COVID-19 pandemic and communicate protocols on health concerns and travel, as well as conducting contact tracing. Our business units set up committees and crisis management teams that regularly met and implemented preventive measures such as body temperature checks, mask wearing, social distancing, installing plastic barriers for safety, placing hand sanitizing stations in work areas and maintaining healthy indoor air quality and adequate ventilation. We also provided masks and gloves to manufacturing, distribution, sales and other employees, and increased daily cleaning protocols for all offices and manufacturing sites and closed facilities when necessary.

Key Initiatives



In 2020, the health and wellbeing of our employees became an even bigger focus. Some measures taken by business units to address the COVID-19 pandemic were as follows:

- Setting up effective and real-time health declaration and reporting mechanisms for TTI's employees and visitors
- Instituting temperature checks and requiring completion of a COVID-19 pandemic screening questionnaire for employees and others before entering any facility
- Developing online fitness classes, virtual games and social events to promote employee wellness
- Implementing enhanced mental health programs to ensure employees have support within the workplace
- Keeping close contact with local authorities and health departments to understand requirements, institute policies and seek support
- Establishing a crisis management response strategy to ensure both business continuity for TTI as well as job security and safety for employees
- Increasing wages temporarily to essential manufacturing and distribution facility employees
- Compensating employees exposed to COVID-19 pandemic by other employees in the workplace

Other ongoing health and safety measures that continued to be implemented, included:

- Holding periodic Health & Safety (H&S) Committee meetings with dedicated representatives to address concerns, communicate and carry out measures to improve safety for workers
- Ensuring provision of adequate Personal Protective Equipment (PPE) for workers
- Assessing machinery, equipment and new products to ensure safety
- Conducting training using multimedia tools to ensure workers are well versed in safety awareness and procedures including the handling of hazardous materials
- Providing employees with First Aid, CPR and fire-fighting training where relevant
- Continuing frequent internal inspections to ensure there were no H&S policy breaches and check that safety equipment such as eye washing stations and defibrillators function well
- Conducting departmental, line and management H&S audits
- Continuing risk assessment and inspections by third-party experts and implementing corrective and prevention measures for potential hazards

Key Initiatives

In addition to health and safety, TTI continued to prioritize the wellbeing of employees and provide support to them and their families. A snapshot of initiatives across our markets, some of which were limited by the COVID-19 pandemic in 2020, include:

- Ensuring employees and their family members had access to our various specialized employee assistance programs such as Lifeworks in Australia and New Zealand, which provides free, confidential counseling 24 hours a day, 7 days a week
- Providing medical, life, personal accident and travel insurance, critical illness coverage and income protection plans, as appropriate in different markets
- Providing annual health check-ups, offering healthy food choices, such as fruit bowls and juices, yoga sessions, massages and access to exercise equipment, as well as social clubs
- Offering workplace and working hour flexibility in response to personal needs
- Allowing education, maternal, paternal, marriage, compassionate and emergency leave
- Designating a lactation room for female staff with all necessary facilities and support
- Organizing family days and celebrations
- Offering internships for employees' children and scholarships for those entering colleges and universities

Progress in 2020

Across the Group in 2020, there were no incidents of non-compliance with health and safety regulations or voluntary codes as we continued to strive to improve our practices in line with business, operational and legislative requirements.

In response to the COVID-19 pandemic, we established a mental health first aid program in our Australia and New Zealand operations to ensure employees have access to emotional support within the workplace. By implementing one-to-one check-ins for employees and managers across our sales teams, this program created a structured approach for managers to engage with onsite employees to see how they are feeling both professionally and personally. Similarly, our HR department in the PRC offered a counseling service hotline to employees to help with managing mental health concerns around the COVID-19 pandemic. During the month of February in PRC, counsellors talked to 360 employees from all levels of the Company. Our ongoing face-to-face counseling service was also enhanced in 2020 to meet employee needs.

While managing our COVID-19 pandemic response, TTI's business units also continued to address the risks to health and safety that

occur across our operations on a day-to-day basis. In 2020, there were 136 recorded work-related injuries. There were 17 high-consequence injuries recorded and 3,804 lost days due to injury across our global operations. Work injuries typically faced by TTI employees include strains caused by manual handling of boxes, cuts, burns, blood and respiratory ailments from soldering and chemicals, ergonomic risks, potential injuries from electrical contact, fire, traffic accidents, lumbar discomfort due to long driving hours as well as musculoskeletal disorders and eyestrain associated with extended screen time. Details on specific injuries that occurred in 2020 can be found in our Performance Metrics. There was one work-related fatality reported in our operations this year due to a car accident.



In response to the COVID-19 pandemic, we established a

mental health first aid program

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PRC offered a

counseling service hotline

to employees to help with managing mental health concerns around the COVID-19 pandemic.

Diversity and Inclusion

Why it's Important

Diversity, inclusion and equal opportunities are the underlying tenets that make the TTI workforce creative, productive and motivated.

Impact along the Value Chain



Goals

We aim to treat everyone with dignity while strengthening gender equality and promoting inclusion for all.



▶ **Promote respect, diversity and inclusion in the workplace and in the surrounding communities**

▶ **Zero incidents of non-compliance with TTI's policies and codes with reporting and remediation when necessary**

KPIs

- # of people trained in Diversity and Inclusion (D&I)
- % of women in workforce/management

- # of cases of non-compliance addressed in a timely manner

Management Approach

TTI's emphasis on fair labor practices and human rights reinforces our approach to the importance of inclusion. Our diverse, global teams are a true asset, contributing to creativity and fresh thinking that enhances our performance. Our diversity and inclusion initiatives are yet another way in which we strive to improve lives.

race, national origin, gender or gender identity, sexual orientation, pregnancy, age, religion, military service, status as an individual with varying abilities or as a veteran, or any other status protected by applicable laws. As described in the Talent Attraction and Engagement section of this Report, our CoC clearly outlines our zero-tolerance policy on harassment, discrimination and retaliation.

We are committed to ensuring equal opportunities for all those joining our teams. We do not discriminate by

Key Initiatives

D&I initiatives at some of our business units include:

- Implementing a Respect in the Workplace policy and conducting a webinar on this topic in North American locations
- Running special recruitment campaigns to hire employees with varying abilities, retirees and minorities
- Arranging elevators and other user-friendly amenities for colleagues with special needs

- Organizing D&I programs to promote awareness including the virtual Homewood Lunch-n-Learn in North America, the #ClimbwithRio competition celebrating inclusion in Dubai, (see the Community Investment and Engagement section of this Report for more information) and Inclusion Day activities in the PRC

Progress in 2020

In 2020, there were no reported incidents or of discrimination across TTI. The year was marked by an expansion of diversity campaigns and programs with significant strides made by our North American operations. As a direct result of a 2019 employee survey conducted by our Milwaukee team, employees expressed a desire for more D&I initiatives within the company, and thus, a D&I Subcommittee was created. This subcommittee not only worked to re-define Milwaukee’s culture through our “One Team” framework, but also proceeded to establish an objective statement. This statement affirms the team’s “...commitment to creating, sustaining and celebrating a workplace and community that promotes respect and cultural humility, and values diversity and equality for all.” Top level support for this D&I initiative was established by Milwaukee’s President through a video presentation, accessible to all employees, about Milwaukee’s evolving cultural expectations.

Other business units, including TTIPE and TTIFC, also made progress with D&I initiatives in 2020. TTIPE developed a subcommittee for employees and another for leadership, communicating a plan of action to Division Presidents. This plan includes the launch of an employee survey and outlines next steps for 2021. Similarly, TTIFC formed a 15-member D&I Council

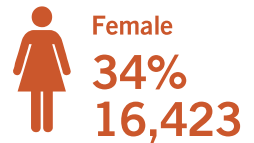
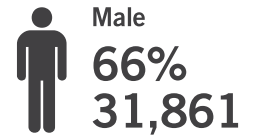
which brought outside speakers to TTI as part of Lunch-n-Learn sessions and is working to prepare a D&I planning statement.

In 2021, TTI businesses across the globe will participate in quarterly D&I meetings and work to integrate D&I into our corporate culture through further training and education. TTI is also looking to partner with external experts to further promote inclusion programs across our value chain.

In addition to our newer initiatives on D&I, TTI continues to champion inclusion in our recruiting practices. In the Americas, Milwaukee accomplished this by establishing national partnerships with diverse networking groups such as the National Society of Black Engineers (NSBE), the Society of Women Engineering (SWE) and the Society of Hispanic Engineering (SHPE). We also strengthened diversity in recruitment by dedicating a Milwaukee employee to spend time at university campuses to engage student organizations focused on promoting diversity and to establish diverse interview teams for candidate engagement.

In 2020, 27% of our employees in the role of assistant manager or above were women. More details on the diversity of our workforce can be found in the Performance Metrics.

Our Workforce



Product Safety

Why it's Important

Safety and superior quality contribute to high customer satisfaction levels and trust in TTI's Powerful Brands and Innovative Products.

Impact along the Value Chain



Goals

We aim to continue producing safe and durable products in a responsible manner.



► **Innovative product design to enhance user experience with improved quality, safety, environmental and health benefits**

KPIs

- # of product recalls
- customer satisfaction ratings
- % of staff trained on product safety and policy
- # of product safety related complaints
- # of collaborations with industry organizations and impact investment in R&D
- # of patents

Management Approach

We continue to ensure that our customers have access to safe, high-quality products that meet their needs and improve their lifestyles. Our Product Safety and Consumer Product Regulatory Compliance Policies outline all our safety measures. Managed by a committee of Product Safety Directors from different business units, our internal audit investigations and compliance monitoring procedures ensure that high standards are maintained across TTI and immediate corrective actions can be taken if required.

TTI's comprehensive quality assurance process encompasses quality control of incoming materials, in-process products and inspection and reliability testing of our outgoing products. Our legal teams along with our safety and regulatory departments oversee any product recalls if they should occur, ensuring compliance with regulations until their safe disposal. TTI's product safety initiatives are focused on building continuous improvement into our processes to provide customers with the best possible user experience. Continual enhancement of quality, compliance and safety at individual business units is the responsibility of Product Safety Directors, committees and teams.

Customer satisfaction is our key objective. This applies to all products designed, manufactured, distributed or licensed by TTI. As a result, we actively monitor social media and online sales channels for customer comments. We consider and act on all customer feedback, in addition to recording and analyzing all service requests and complaints to use in improving product design. Furthermore, our product warranty policy ensures that customers have a satisfactory after-purchase experience.

TTI meets or exceeds all applicable and voluntary industry standards globally. Relevant legal and regulatory requirements related to health and safety, advertising, labeling and privacy matters associated with our products that have the potential to significantly impact our operations and performance are listed in Appendix A of our HKEX ESG Guide Content Index on our website.

Key Initiatives

Examples of initiatives taken across business units to ensure product safety and customer satisfaction are as follows.

- Implementing design improvements based on end user feedback on product samples
- Ensuring phone, web and retail level inquiries from customers are well managed and customer service lines for all tool brands are staffed seven days per week
- Providing technical training at product information centers for customers, including dealers and OEM partners
- Offering customers product safety training conducted by sales and Jobsite Solution teams
- Training Field Service and Customer Service Representatives on building customer relationships
- Providing repair and warranty services to customers at product service centers
- Replacing gas engine products with MX FUEL line tools so they can be used safely in enclosed or confined spaces without the risk of carbon monoxide emissions
- Expanding our line of PPE to keep people safe on job sites
- Developing a line of tool lanyards to prevent tools from falling on coworkers or others when used from heights
- Expanding and providing improvements in lithium-ion battery technology in our tools to reduce the usage of cord connected and gasoline powered products
- Ensuring global alignment and collaboration of our safety teams

Progress in 2020

In 2020, there were no recalls of TTI products due to health and safety reasons and no violations of labeling and advertising regulations across markets. The COVID-19 pandemic, while posing some grave challenges, led to the development of new product lines. We have long been producing PPE products, including masks, and continued to do so to meet the needs of workers at job sites.

In addition to new products, in 2020, we continued to develop cordless tools that are not only environmentally responsible, but also safer for end users. Cords pose a risk as they present a number of hazards such as the possibility of injury from tripping. Damaged and frayed cords can also potentially cause electrocution or injury at job sites and homes. Looking forward, our focus remains on continuous improvement to enhance safety for employees and customers alike.

Community Investment and Engagement

Why it's Important

Healthy, thriving communities are essential for the wellbeing of people, promoting social equity and justice, the sustainability of our business and inclusive economic prosperity.

Impact along the Value Chain



Goals

We aim to contribute to economic wellbeing, access to education, good health and greater equality, as well as safe and sustainable living conditions in the communities where we operate.



▶ Establish strategic partnerships with industry partners and NGOs

▶ Develop impact metrics for and increase our community investment and engagement activities

KPIs

- \$ donated to causes
- # and value of tools donated
- # of employees volunteering
- # and impact of community programs to address poverty

- # and impact of community health and wellbeing programs
- # of community youth and adult education programs
- # of individuals trained and impact achieved
- # and impact of programs for the community

Management Approach

Across our global operations, our businesses and colleagues are committed to improving the livelihoods and sustainability of local communities. To achieve our goals, we implement robust initiatives that continue to focus on:

- Helping vulnerable people in need, including actions to fight poverty and modern slavery, build adequate shelter, and support veterans and healthcare needs
- Improving protection of local environments
- Providing disaster relief where needed
- Promoting women's rights and education
- Inspiring younger generations to develop careers in technology
- Supporting other important needs in local communities

Leveraging our resources and collaborating with local Non-Governmental Organizations (NGOs) to support these strategic areas, enables us to create a more substantive impact in the communities where we operate.

TTI business units across all our markets donate tools that are useful to the community, provide financial support to worthy causes and facilitate volunteering. Some business

units have a formal mechanism to select community engagement projects for employees. Others commit to annual sponsorships of projects while considering new engagement opportunities as needs arise. Some provide employees with paid volunteer time, allowing employees to volunteer for the charity of their choice. Our ESG Working Committee regularly reviews our progress in supporting communities to ensure our initiatives both align with our strategic priorities and are effectively implemented to achieve overall goals.

In 2020, we continued our corporate partnership with Habitat for Humanity by focusing on homelessness and the global response to COVID-19 pandemic.

Many of our initiatives in 2020 focused on health, safety and hygiene projects or involved home-bound activities to meet the specific needs of communities faced with the COVID-19 pandemic. In the face of COVID-19 pandemic restrictions and adapting to virtual programs when needed, we continued to be active in the fight against modern slavery, the promotion of women's rights and in supporting educational initiatives for youth.

Key Initiatives

Some of our key community engagement activities in 2020 are highlighted below.

Helping People in Need Poverty Relief

While always a focus of our community support, poverty relief initiatives were even more critical during 2020 with communities impacted by the COVID-19 pandemic globally.

Asia

Our Hong Kong team participated in the Skip Lunch Day Program, benefiting street sleepers and residents in caged homes and cubicles, organized by the Community Chest. As part of this initiative, staff were encouraged to donate the equivalent of their lunch cost to those in need and received a coupon to redeem a complimentary drink at a local eatery as a reward for their donation.

Key Initiatives

Americas

To address hunger in the community, our Milwaukee office in Brookfield donated US\$75,000 to the Hunger Task Force of Milwaukee and 50 employees from Olive Branch donated non-perishable food to a hunger relief NGO for its Food Drive Project. Milwaukee Brookfield also provided the United Way charity with tools worth US\$17,960 for its community programs.

In Mexico, 35 colleagues participated in the Elderly Nursing Food Can Campaign. Employees were invited to donate canned and dry food, soup, personal hygiene items and adult diapers as part of a drive for those in need at a nursing home.

Our colleagues at TTIFC helped another important cause by making a cash donation, matched by TTI, to Classroom Central. This NGO helps students in need by providing free learning supplies to teachers. In addition, virtual events, food drives and monetary donations were made for other causes, ranging from youth in crisis and housing for low-income families, to parenting classes run by the NGO, The Relatives.

Eradicating Modern Slavery

Our responsible sourcing partnerships are critical not only for the sustainability of our business and supply chain, but to further social justice in vulnerable communities. We contributed US\$50,000 to the Better Mining Cobalt Due Diligence and Impact Program run by the RCS Global Group, which funds the monitoring of cobalt and copper mines in the Democratic Republic of Congo (DRC). This monitoring program ultimately improves the sustainability practices of the mines, thereby enhancing the socio-economic conditions of the wider community.

A partnership with



TTI also contributed US\$10,000 to the RMI Audit Fund which helps smelters and refiners that source from conflict-affected and high-risk areas (CAHRAs) conduct due diligence with capacity building or the help of a consultant. Enhancing the sustainability practices in CAHRAs contributes to the economic development of the surrounding local communities.

TTI has developed a relationship with the Mekong Club, a business association whose mission is to end modern slavery.

We are becoming an Association Member in 2021 in order to collaborate and gain support on our journey to eradicate forced labor.

Home-building Projects

Our home-building projects continue to be a key focus of our community outreach. Home improvement projects around sanitation and hygiene were particularly important due to these needs being heightened in response to the COVID-19 pandemic.

A global partnership with



Asia

In Asia, our ongoing projects with Habitat for Humanity support renovation programs and COVID-19 pandemic response projects, as well as house construction and sanitation activities. As part of these initiatives, we pledged power tools and cash worth US\$250,000 for programs that provide safe and decent shelter for families in need. In Hong Kong, TTI supported Project Home Works, which provided basic home repairs and renovation work for 12 low-income elderly families, single-parent families and physically-challenged people in 2020. We also supported a Deep Cleaning Program that provided home hygiene kits and deep cleaning services to 40 elderly families during the year. This also benefitted 20 low-income women by providing cleaning jobs.



Key Initiatives

In Vietnam, we supported programs that helped three families in need to build new houses and eight others to renovate their homes in 2020. We also funded the installation of two hand washing facilities and a waste management system to serve 500 students and teachers at a primary school. This was an extremely well-received renovation project given the hygiene concerns posed by COVID-19 pandemic.



Americas

Our housing initiatives with Habitat for Humanity continued in North America with Milwaukee Brookfield contributing tools worth US\$170,848 to projects. We also donated US\$33,032 worth of tools to the Manatee County Habitat project. Apart from cash donations, 59 employees volunteered to help with various building tasks for a house in Waukesha County and six volunteers assisted with tasks such as stocking, sorting donations and assisting customers and full-time staff at Habitat ReStore locations. In addition, nine employees volunteered to help with building and finishing tasks for a house in Milwaukee County and 23 volunteers helped to build storage sheds to be transported to different Habitat for Humanity locations. Five employees contributed 175 volunteer hours to Habitat for Humanity for a project in Anderson, South Carolina with TTI PE donating tools for the project.

Other than Habitat for Humanity, we also assisted 2x4 for Hope, a global NGO that provides shelter to those in need with a donation of tools worth US\$63,868. Other housing NGO projects that were supported with tools or cash donations include: Acts Housing (US\$11,621), The North Central Regional Council of Carpenters (US\$9,293), ReNew for Communities (US\$5,851), Revitalize Milwaukee (US\$30,000) and Acts Community Development Corporation (US\$30,000).

Support for Veterans

Supporting veterans has also been a longstanding commitment for TTI in North America. In 2020, we provided donations to various projects including the Center for Military Recruitment Veterans Employment (US\$25,000), the Milwaukee Homeless Veterans Initiative (US\$15,000) and the Veterans Outreach of Wisconsin (US\$15,000).

Healthcare Initiatives

In Mexico, N95 facemasks were donated to those in need, in response to the COVID-19 pandemic. Ten employees from TTI Mexico participated in this operation. In addition, Milwaukee Brookfield and TTIPE both donated US\$25,000 to the Morehouse School of Medicine. In Canada, our support took the form of fundraising activities. 15 employees participated in an indoor volleyball tournament to raise funds for Sick Kids Foundation, 30 employees participated in a running marathon benefiting the Canadian Red Cross, while 17 employees joined the National Cycling Challenge to raise money for the Heart Stroke Foundation, with the donation being tripled by Manulife Financial. TTIPE supported children battling cancer and their families through donations and in-kind contributions to help fund family programs, along with food and supplies donated to the NGO, Pinky Swear.

Environmental and Disaster Relief Initiatives

Environmental Projects

Asia

We partnered with Habitat for Humanity to provide education, access and systems providing clean and safe water resources for community members living in remote areas of Vietnam. Through our partnership, new latrines and water tanks were built, as well as a water pipeline connecting families to communal water stations. As part of the WASH program, training workshops for families and school children were organized to teach the importance of water and sanitation hygiene for 72 families and 300 children.

As part of our environmental efforts, we also donated tools and equipment to the arboriculture program at the Open University of Hong Kong Li Ka Shing School of Professional and Continuing Education. Our donation enabled an Arboriculture Workshop to be set up, providing hands-on training for tree management personnel.

In addition, and to promote sustainable product design initiatives, TTI partnered with the Low Carbon Design Society of Hong Kong (HKMMDA). As part of this engagement, TTI showcased examples of creative and structured approaches to corporate design strategy and management to encourage young scholars and entrepreneurs in the field.

Key Initiatives

Our contribution to the Better Mining Initiative and the RMI Audit Fund also had an environmental benefit as the programs run by these organizations improve the sustainability practices of mines, thereby improving the environmental management of these operations and thereby also benefitting the surrounding communities.

Disaster Relief Efforts

Americas

Our disaster relief initiatives centered on TTIFC’s support of the Cookeville-Putnam County Tornado Relief Fund for victims of a tornado. We donated US\$10,000 for impacted community members as well as 100 RYOBI generators and two pallets of tools to help with rebuilding. A TTIFC Cookeville Employee Relief Fund was also set up on gofundme.com with funds going directly to employees who were affected by the tornado. Our Milwaukee Olive Branch operation also supported the Northcentral Electric Power Association by donating specific tools and accessories. As part of this effort, ten employees volunteered to assist areas struck by hurricanes to regain power.

Supporting Women and Girls

A partnership with



Asia

Our focus on programs for women continued with our partnership with the Asian University for Women (AUW). In 2020, TTI joined a mentorship program designed to provide upper-year students and alumni with the opportunity to enhance their academic experience and personal growth. AUW draws students from 18 countries in Asia and the Middle East, including from marginalized groups including Rohingya refugees, Bangladeshi textile factory workers, women from high-conflict zones including Afghanistan, Syria and Yemen, and women from tea plantations in India and Sri Lanka. By supporting this program, TTI is proud to champion the cause of women’s education and help drive AUW’s efforts to create international networks of women leaders and their supporters.



Americas

TTI Canada has continued its support of women in the skilled trades through Build a Dream, which spotlights career opportunities under skilled trades, STEM, emergency response, entrepreneurship and advancing women in society. Milwaukee Canada has contributed to Build a Dream at trade shows and virtual showcases through donations and is currently working with Build a Dream to develop a co-branded toolbox for women entering the trades.

Milwaukee Canada also supports Girls Can Too (GCT), a program focused on providing women with opportunities to learn about the environment and skilled trades in their communities and supporting hands-on training at job sites. Three female Milwaukee Canada representatives continue to be responsible for the program’s power tool safety demonstrations. Milwaukee Canada has donated or subsidized all the tools used in the program.

Nurturing the Next Generation

Our business units support a number of educational initiatives for youth across the globe.

Asia

In Hong Kong, TTI is involved with the Scholarship for Future Stars program organized by The Commission on Poverty (CoP) and the Hong Kong Council of Social Service (HKCSS). Through this initiative we offered scholarships valued at US\$10,000 to youth from less-privileged backgrounds, helping them achieve upward social mobility through education. TTI provides design technology workshops for high school students from the English School Foundation’s, West Island School (WIS). In 2020, in place of the student experience week in Dongguan, China. TTI facilitated a three-day interactive virtual study program from China to Hong Kong, presenting design, manufacturing, and engineering topics to the BTEC Engineering students. This experience allowed students to see the manufacturing theory they learned in school, applied at a professional level on actual machines.



Key Initiatives

The WIS program was similar to the TTI Summer Internship Program, which also provided presentations on design, manufacturing and engineering to students.



TTI executives also supported youth in the design industry by participating as:



- Final judges of product design for the DFA (Design for Asia) Awards at the Hong Kong Design Centre



- Virtual external examiners reviewing young talent at Technical and Higher Education Institute of Hong Kong



- Virtual external examiners reviewing young talent at the Ngee Ann Polytechnic in Singapore



- Virtual external examiners at the Technology-Online Design Talk at Queensland University

In addition, 92 TTI employees participated in a design competition run by the Guangdong University of Technology.

Australia and New Zealand

In Australia, 29 employees spent 1,479 hours with Technical and Further Education (TAFE) organizations to support apprentices. This involved conducting safety presentations, supporting TAFEs with loaned tools, providing new tools to try and trade out, as well as sharing knowledge around tools.

Americas

Our education initiatives in North America consisted of donations to NGOs including FIRST Robotics (US\$5,000) and the Milwaukee Science Education Consortium (US\$250,000). In addition, Milwaukee held an open career day session with Kids Building Wisconsin for school age children interested in learning about careers in the trades. Seventeen volunteers helped with management of the Milwaukee booth while ensuring the safety of participants and protection of Milwaukee's intellectual property. In addition, 13 volunteers from Milwaukee held a regional event with FIRST Robotics to provide local teams from various high schools the opportunity to test out their skills and the robots they created in a competitive environment.

Key Initiatives

Other Community Programs

Other community initiatives we supported by region are outlined below.

EMEA

In Dubai, employees, customers and community members participated in an online challenge to promote inclusion. The event titled, #ClimbwithRio was created by a TTI employee named Nick Watson who carried his son Rio, a 17-year old with physical challenges, on his back for the event. As part of the challenge, Nick climbed the equivalent height of the Burj Khalifa, the world's largest tower, on stairs at home. Thousands of people around the world joined in the challenge, safely from their homes due to stay at home directives in response to the COVID-19 pandemic. Ten participants from TTI took part in their own way, on their own time and using their own landmarks for their goal height. People of all ages and abilities found a way to get involved, embracing inclusion and raising funds for the organization Team Angel Wolf. This has motivated the team to expand the program further.

Americas

At TTI Canada, 17 employees worked with the Toronto Star Santa Claus Fund to deliver gifts to children in the Greater Toronto area, 90 employees sold cupcakes to raise funds for animals as part of the Canada Society for the Prevention of Cruelty to Animals (SPCA) and Humane Society Cupcake Day, and 64 employees raised money through their Virtual CN Tower Climb Event to support World Wide Fund for Nature (WWF).



Total donations to community initiatives amounted to

US\$1,463,000

606

TTI employees contributed

1,654

hours of their time to help with community projects

Progress in 2020

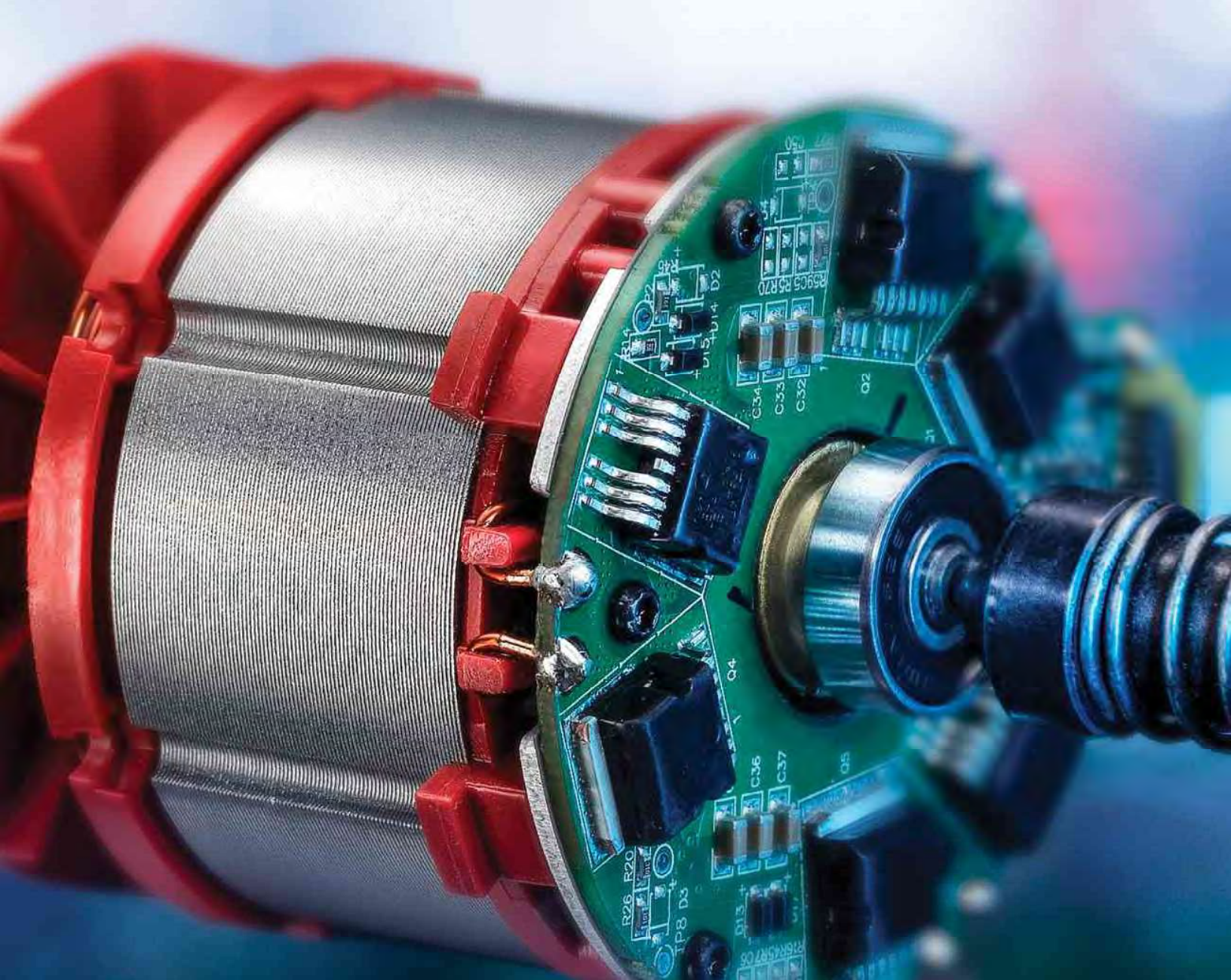
In 2020, our total donations to community initiatives amounted to US\$1,463,000. Over the course of the year, 606 TTI employees contributed 1,654 hours

of their time to help with community projects, which is quite remarkable given the COVID-19 pandemic restrictions.

Supply Chain Management

TTI's relationships with an extensive global range of diverse suppliers are vital to our long-term success. Transparency, accountability and efficiency in our supply chain are essential as we strive to make our procurement more sustainable. Our commitment extends beyond simply complying with regulations, to supporting the long-term social, environmental and economic health of the communities along our supply chain. We are proud to partner with a number of organizations helping us in this journey.





Zero

high risk concerns identified in our Conflict Minerals and Cobalt Procurement Campaigns

Responsible Business Alliance

TTI became a supporter member of the RBA

Responsible Sourcing

Why it's Important

The sourcing of raw materials and all other activities along our supply chain have lasting environmental, social and economic impacts. Sustainable sourcing practices allow us to manage supply chain risk, ensuring business continuity and trust in our Innovative Products and Powerful Brands.

Impact along the Value Chain



Goals

We aim to maintain a sustainable sourcing strategy whereby our suppliers are in compliance with all ethical, social and environmental standards.



▶ Substantive initiatives to train, raise awareness, improve human rights and environmental impact in the supply chain

▶ Effective partnerships with NGOs in major countries of operations and where there is a greater risk of human rights violations within the supply chain

▶ Zero incidents of non-compliance with TTI's policies and codes with transparency in reporting and remediation when necessary, including incidents and reporting of child and forced labor

▶ Work with our suppliers to collect environmental data and set reduction targets for GHG emissions, energy and water consumption and set targets

▶ Partner with our suppliers in managing waste and promote reuse and use of recycled materials to further circularity in our supply chain

▶ Increase the traceability of key raw materials in our supply chain

KPIs

- # of supplier audits conducted
- # of suppliers given access to education/training/ sustainability enhancement programs
- # of suppliers trained on BPCoC
- # of cases of corruption
- # of cases of non-compliance with BPCoC
- # of cases of human or labor rights violations in the supply chain
- # of hotline cases addressed in a timely manner
- # of cases of environmental non-compliance in the supply chain
- Conflict minerals, cobalt and raw materials traceability
- # of training initiatives on responsible procurement
- # of partnerships and accomplishments

Management Approach

The nature of our global business means that TTI is dependent on an incredibly complex international supply chain. Given that we operate in a multi-polar economic system, risks such as trade tensions, extreme weather events, social and human rights violations and cyberattacks have long been factors we must consider. However, the occurrence of the COVID-19 pandemic in 2020 brought unprecedented challenges to both the health of people in our supply chain and the movement of goods across borders. Recent events have reinforced TTI's focus on enhancing sustainability practices across our value chain. Our responsible sourcing strategy is therefore built around preparing for future impacts and recognize that it is imperative we act now to ensure our business continuity.

Maintaining Accountability and High Standards

Responsible sourcing starts with transparency and a commitment to holding all our suppliers accountable to the same standards that we follow internally. Just as employees must adhere to a strict code of conduct and compliance policies, suppliers must acknowledge and comply with all TTI policies. Our main requirements for suppliers are outlined in our contractual and standard purchase order terms as well as our Business Partner Code of Conduct (BPCoC), which was re-launched in 2020 to address revised trade sanction provisions. Our Code is also consistent with the Code of Conduct of the Responsible Business Alliance (RBA), a multi-stakeholder organization that we joined as a supporter member in 2020.

Management Approach

The selection of suppliers at TTI is a process that involves careful oversight by our trade compliance, finance, legal, general compliance, procurement and quality teams. This process takes into consideration several criteria such as quality and reliability as well as environmental, social and governance factors, in addition to cost. All our business partners are checked against sanction lists and other compliance criteria. We mandate that our suppliers comply with labor standards, including no forced or child labor, discrimination or prevention of freedom of association for workers. Our suppliers must also comply with minimum wage requirements as per applicable local laws. In addition, we request that our suppliers have environmental management system certifications or systems that are in accordance with the principles of ISO standards. Our suppliers must comply with local laws when it comes to environmental protection and handling of waste.

Key Compliance Policies Accessible to Suppliers

● Governance ● Social and Community ● Environment

- Business Partner Code of Conduct
- Anti-corruption Policy (updated 2019)
- Policy Against Modern Slavery and Human Trafficking (updated 2019)
- Conflict Minerals Policy
- Cobalt Procurement Policy
- Social & Environmental Responsibility (SER) Compliance Program (launched 2019)

TTI's environmental and social responsibility standards and expectations are available to all our suppliers online and discussed in person when new suppliers are engaged. These requirements are also frequently reiterated, specifically during conferences and when suppliers are being assessed and audited. We consider our suppliers to be true partners and assist them in enhancing their sustainability practices, this helps TTI achieve our own sustainability goals.

Supplier Compliance

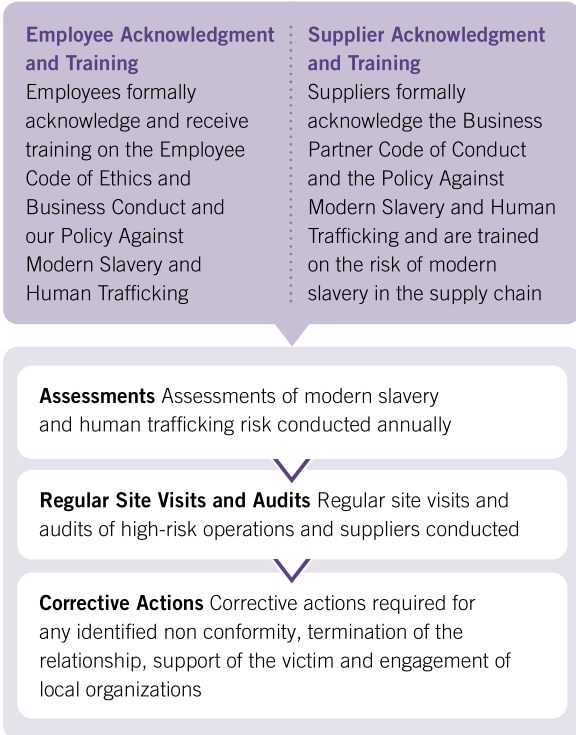
Suppliers are actively engaged in our Social & Environmental Responsibility (SER) Compliance Program. Suppliers can access training materials and acknowledge their acceptance of key compliance requirements and policies via our Online Compliance Platform. This platform also enables TTI to carry out a quick online review of supplier performance and any risks associated with particular suppliers. New suppliers are audited before they are engaged and assessed on a regular basis. More details on supplier engagement can be found in the section on Supplier Assessment and Auditing below.

TTI sees corruption and bribery in the supply chain as key risks, and misconduct is not tolerated. In addition to championing anti-corruption, our mandate extends to ensuring responsible social and environmental practices. We engage with suppliers to maintain accountability on pollution mitigation, resource, chemical and waste management and factory security as well as labor and human rights, and health, and safety conditions.

Human Rights Focus

We are continuously mapping the human rights risks in our supply chain and this has enabled us to prioritize and focus our strategy on countries and raw materials that pose the highest risk of human rights violations. Our Policy Against Modern Slavery and Human Trafficking specifically addresses TTI's expectations on upholding human rights standards and the consequences of non-compliance. All global suppliers are made aware of this policy and it is accessible across markets in local languages. This policy, the BPCoC and our policies on Conflict Minerals and Cobalt Procurement are available through our online platform and on our website (<https://www.ttigroup.com/our-company/about-tti/our-policies>). The communications around these materials ensure that our suppliers are clear on TTI's position of no child or forced labor.

Management Approach Steps to achieve supplier compliance on human rights standards and TTI's related policies are outlined below.



Suppliers and business partners are encouraged to report violations of our Code or policies, or any social or environmental non-compliance or issue. They can utilize our third-party operated, compliance hotline to proactively voice concerns or areas for improving overall performance. TTI is diligent about conducting thorough investigations if we receive complaints. In 2020, there were no complaints reported by our suppliers.

Supplier Assessment and Auditing

An important part of our SER Compliance Program is its ongoing auditing function. Audits are conducted before engaging any new supplier to establish their ESG practices are in accordance with TTI's policies, international standards and applicable local laws and regulations. Onboarding and ongoing compliance audits conducted by the SER Compliance, quality and sourcing teams or external auditors follow a detailed supplier scorecard. This scorecard is used to monitor wide-ranging issues pertaining to responsible sourcing including:

- Ethics, governance and anti-corruption
- Social standards, human rights, labor laws, as well as health and safety

- Environmental standards, hazardous substance management, compliance with ISO 14001 or other environmental management system requirements
- Factory security

If a supplier's previous audit resulted in an acceptable score, they are audited every 12 to 18 months, depending on the level of risk assessed. More frequent audits are required for suppliers that have corrective action plans (CAPs) that require completion. TTI monitors the implementation of CAPs on an ongoing basis and assists suppliers to demonstrate continuous improvement. Suppliers are then reassessed and terminated if major compliance issues are not corrected.

Conflict Minerals and Cobalt Procurement

TTI does not source directly from mineral sourcing companies, but our products, and in particular the electronics used in our products contain certain minerals. Our efforts to uphold human rights and responsible sourcing are reflected in TTI's Conflict Minerals Policy and Cobalt Procurement Policy and in the risk assessments of our supply chain, due diligence on our suppliers, and in our industry collaboration. Our policies outline requirements that all mined tantalum, tin, tungsten or gold (3TG) and cobalt used in our products must be from conflict-free, reputable sources, or from sources currently working with international bodies like the Responsible Mineral Initiative (RMI) to become certified as conflict-free. First initiated in 2015, our conflict minerals program continues to evolve. In 2019, we added oversight of cobalt and we are now considering other materials to meet the same stringent requirements.

Suppliers must acknowledge and implement these policies and provide details about their sources in prescribed declaration forms, specifically the Conflict Minerals Reporting Template and the Cobalt Reporting Template, which are completed annually. We also continue to work with a US-based, third party to collect and validate data from our suppliers and conduct analysis of compliance data and risk assessments when it comes to conflict minerals and cobalt procurement. In addition, we have been a member of the RMI since 2019 and became a supporter member of the RBA in 2020. RMI and RBA provide us with tools and the opportunity to exchange information as well as forge partnerships with other like-minded members as we work to strengthen responsible procurement in the global supply chain. Through RMI, TTI has access to Reasonable Country of Origin (RCOI) data validated through the Responsible Minerals Assurance Process (RMAP), an online smelter database and a country risk assessment platform to identify high-risk areas. These resources have enabled TTI to make increasingly responsible sourcing decisions and enhance the transparency of our procurement. More details about our memberships can be found in the Building Partnerships section below.

Management Approach **Building Partnerships**

In 2020, we continued the mapping of human rights risk in our supply chain as part of our membership commitment to the RBA. RBA is a coalition of leading companies working to improve efficiency and social, ethical and environmental

responsibility in the global supply chain. TTI fully supports the vision and the mission of the RBA, which drive sustainable value for workers, the environment and business through the collaborative efforts of members, suppliers and other stakeholders in alignment with leading standards and practices.

Key Initiatives

In addition to our ongoing actions to implement our SER Compliance Program, the key initiatives we undertook in 2020 to enhance how we address ESG risks in the supply chain are highlighted below.

- Putting in place a system of desktop audits for suppliers that could not be audited onsite due to COVID-19 pandemic restrictions
- Increasing the number of audits
- Training additional auditors to conduct SER compliance as part of our annual audits
- Continuing onsite audits as normal within markets like PRC, Taiwan and Vietnam, where there were no travel restrictions
- Conflict Minerals and Cobalt Procurement Campaign
- Launch our revised BPOC

We are aiming at partnering with our key suppliers in the value chain to reduce GHG emissions, water usage and waste. In the future we aim to monitor the following key indicators to enhance sustainable practices in our supply chain:

- Amount of energy consumed
- Amount of GHG emissions
- Amount of water consumed
- Amount of waste to landfill
- Amount of waste recycled
- Renewable energy projects

Progress in 2020

There were no high risk concerns identified in our Conflict Minerals and Cobalt Procurement Campaigns. Of the smelters identified in the Conflict Minerals Campaign, 15% indicated sourcing from the DRC and 96% were conflict-free certified. This brought the total amount of low-risk smelters to 98%, when considering those engaged in the Responsible Minerals Assurance Process (RMAP), RMI's assessment which validates smelters' management processes for responsible mineral procurement. Our Cobalt Procurement Campaign was run separately, and of the smelters identified, 86% were either certified or were engaged in RMAP.

Better Mining

Since December 2020, TTI has also supported the RCS Global Group by donating to and participating in the implementation of the Better Mining initiative. Better Mining is a mineral agnostic assurance and impact program that continuously improves conditions on and around Artisanal and Small-scale

Mining (ASM) sites. Advocacy organizations and media reports have identified ASM in the DRC as one of the key sources for potential human rights and other responsible sourcing risks in the cobalt supply chain. As per our Cobalt Procurement Policy, we are taking action to tackle this risk.

Through Better Mining, TTI receives in-depth due diligence data on risks at ASM sites. Measures implemented at ASM sites include training on security and human rights, as well as sensitization campaigns around child labor, corruption, theft and gender-based violence. These continuous improvement practices on ASM sites illustrate the benefits of our engagement with Better Mining. Considering that approximately two million people in the DRC count on ASM for their livelihoods, we believe that supporting Better Mining and the improvement of ASM conditions is paramount. TTI has taken on this action in accordance with the principles of the RBA and to fulfill our commitment to support communities.

Performance Metrics

Consolidation of Sustainability Data

Environmental Performance

	Unit	Americas		ANZ	
		2019	2020	2019	2020
Production Value	US\$ million	435.0	560.6	–	–
GHG Emissions¹					
Scope 1	tCO ₂ e	8,432*	33,931	1,817	3,123
Scope 2	tCO ₂ e	40,945	44,966	2,250	2,293
Scope 3 [†]	tCO ₂ e	11,597	13,599	823	848
Total GHG Emissions	tCO ₂ e	60,974	92,496	4,890	6,264
GHG Emission Intensity					
Scope 1	tCO ₂ e per production value (US\$ million)	19.4	60.5	–	–
Scope 2	tCO ₂ e per production value (US\$ million)	94.1	80.2	–	–
Scope 3 [†]	tCO ₂ e per production value (US\$ million)	26.7	24.4	–	–
Total GHG Emission Intensity	tCO ₂ e per production value (US\$ million)	140.2	165.1	–	–
Energy²					
Electricity (Grid)	kWh	106,236,720*	117,366,987	2,744,740*	2,822,072
Electricity (Non-grid)	kWh	–	–	–	–
Fuel	kWh	10,639,718	14,935,520	–	1,572,023
Total Energy Consumption	kWh	116,876,438	132,302,504	2,744,740	4,394,096
Electricity intensity	kWh per production value (US\$ million)	244,222	209,360	–	–
Fuel intensity	kWh per production value (US\$ million)	24,459	26,642	–	–
Water					
Water 'withdrawal'	m ³	97,779	131,756	262	127
<i>Wastewater</i>					
Discharged	m ³	435	745	–	–
Recycled	m ³	–	–	–	–
Total Wastewater	m ³	435	745	–	–
Total Water Consumption³	m ³	97,344	131,011	262	127
Water consumption intensity ³	m ³ per production value (US\$ million)	223.8	233.7	–	–

Asia		EMEA		Total		2020 vs. 2019 % Difference
2019	2020	2019	2020	2019	2020	
2,906.0	4,241.7	111.0	83.4	3,451.4	4,885.7	–
5,771	5,107	5,061	2,479	21,081*	44,641	113%
51,435	57,299	4,850	5,012	99,480*	109,569	10%
28,772*	32,642	18,705*	19,078	59,897*	66,169	10%
85,978	95,049	28,616	26,569	180,458	220,379	22%
2.0	1.2	45.7	29.7	6.1	9.1	50%
17.7	13.5	43.8	60.1	28.8	22.4	-22%
9.9	7.7	169.0	228.6	17.4	13.5	-22%
29.6	22.4	258.5	318.4	52.3	45.0	-14%
82,097,774*	95,163,500	11,851,196*	12,774,389	202,934,419	228,126,948	12%
–	–	4,056	4,270	4,056	4,270	5%
13,892,880	7,389,311	16,581,006	5,057,514	41,113,604	28,954,368	-30%
96,538,546	102,552,812	28,436,190	17,831,902	244,595,914	257,081,314	5%
28,443	22,435	107,056	40,105	379,721	271,658	-28%
4,781	1,742	149,783	15,883	179,024	44,267	-75%
1,106,456	1,184,407	11,425	11,411	1,215,922	1,327,701	9%
646,975	705,405	5,067	4,368	652,477	710,518	9%
195,955*	219,017	–	–	195,955	219,017	12%
842,930*	924,422	5,067	4,368	848,432	929,535	10%
459,481	479,002	6,358	7,043	563,445	617,183	10%
158.1	112.9	57.4	84.4	163.3	126.3	-23%

Consolidation of Sustainability Data (continued)

Environmental Performance (continued)

	Unit	Americas		ANZ	
		2019	2020	2019	2020
Paper Consumption (Office)					
Paper	Tonnes	96.0	40.8	4.7	3.7
Recycled paper	Tonnes	–	–	4.7	1.5
Packaging Consumption (Including Paper for Instruction Manuals)					
Packaging material used for finished products	Tonnes	104.9	273.0	–	–
Total weight of recycled materials used in packaging	Tonnes	–	–	–	–
Waste					
Non-hazardous waste	Tonnes	15,623*^	19,569^	1,099*^	693^
Hazardous waste	Tonnes	132^	163^	–	114^
Total Waste	Tonnes	15,755^	19,732^	1,099^	808^
Waste intensity	Tonnes per production value (US\$ million)	36.2	35.2	–	–
Recyclable Waste					
Non-hazardous	Tonnes	–	–	–	–
Hazardous	Tonnes	–	–	–	–
Total Recyclable Waste	Tonnes	–	–	–	–

Asia		EMEA		Total		2020 vs. 2019 % Difference
2019	2020	2019	2020	2019	2020	
51.9	49.5	152.0	195.0	304.6	289.0	-5%
0.02	0.02	3.6	3.2	8.3	4.7	-44%
36,181	56,569	1,877.5	2,180.6	38,163	59,023	55%
-	51,741	-	-	-	51,741	-
14,168 ^{*^}	20,573 [^]	7,161 ^{*^}	10,921 [^]	38,051 ^{*^}	51,756 [^]	36%
271 ^{*^}	302 [^]	2,800 ^{*^}	1,664 [^]	3,204 ^{*^}	2,244 [^]	-30%
14,439 [^]	20,875 [^]	9,961 [^]	12,585 [^]	41,254 [^]	54,000 [^]	31%
5.0	4.9	90.0	150.8	12.0	11.1	-8%
-	-	-	-	18,461.4	23,613.5	28%
-	-	-	-	1,931.5	1,940.8	0.5%
-	-	-	-	20,392.9	25,554.3	25%

Consolidation of Sustainability Data (continued)

Environmental Performance (continued)

		AIP			
	Unit	2018	2019	2020	2020 vs. 2019 % Difference
Production Value	US\$ million	2,692	2,794	3,000	7%
GHG Emissions¹					
Scope 1	Tonnes of CO ₂ e	4,802	4,683*	4,362	-7%
Scope 2	Tonnes of CO ₂ e	41,242	42,785*	45,113	5%
Scope 3 [‡]	Tonnes of CO ₂ e	363	25,494*	26,759	5%
Total	Tonnes of CO ₂ e	46,407	72,962	76,234	4%
GHG Emission Intensity					
Scope 1	tCO ₂ e per production value (US\$ million)	1.8	1.7	1.5	-13%
Scope 2	tCO ₂ e per production value (US\$ million)	15.3	15.3	15.0	-2%
Scope 3 [‡]	tCO ₂ e per production value (US\$ million)	0.13	9.1	8.9	-2%
Total	tCO ₂ e per production value (US\$ million)	17.2	26.1*	25.4	-3%
Energy²					
<i>Electricity</i>					
Standard grid (general)	kWh	65,464,155	68,346,004	72,725,564	6%
Electricity intensity	kWh per production value (US\$ million)	24,318	24,461	24,241	-1%
Total Fuel	kWh	8,230,498	7,406,523	5,847,817	-21%
Fuel intensity	kWh per production value (US\$ million)	3,057	2,651	1,949	-26%
Total Energy Consumption	kWh	73,694,653	75,752,527	78,573,381	-4%

		AIP			
	Unit	2018	2019	2020	2020 vs. 2019 % Difference
Water					
Water 'withdrawal'	m ³	1,054,058	1,105,146	1,015,723	-8%
Wastewater					
Discharged	m ³	–	589,044*	584,834	-1%
Recycled	m ³	–	195,955	219,017	12%
Total Wastewater	m ³	–	784,999	803,851	2%
Total Water Consumption	m ³	–	516,102	430,889	-17%
Water consumption intensity	m ³ per production value (US\$ million)	–	184.07	143.63	-22%
Packaging Consumption					
Packaging material used for finished products	Tonnes	–	33,830	35,953	6%
Total weight of recycled materials used in packaging	Tonnes	–	30,921	33,221	7%
Waste					
Non-hazardous waste	Tonnes	–	13,060.4	13,634	4%
Hazardous waste	Tonnes	–	242.7	225	-7%
Total Waste Consumption	Tonnes	–	13,303.1	13,859	4%
Waste intensity	Tonnes per production value (US\$ million)	–	4.8	4.6	-3%

* 2019 data restated due to technical modification/adjustment or additional data available.

† Scope 3 excludes freight but includes emissions from travel and flights for certain locations.

‡ Scope 3 excludes emissions from business travel.

^ Including Batteries and WEEE (Batteries-Consumer).

Notes:

- GHG emission data was calculated based on the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" (GHG Protocol) issued by the World Resources Institute: country specific and internationally recognized emission factors used include the GHG Protocol, IEA, EPA, DEFRA, NGA and CCGI.
- Energy consumption data was based on the amount of purchased electricity and fuel consumed and the relevant conversion factors provided by the Department for Environment, Food and Rural Affairs (DEFRA) in the UK.
- Total water consumption is calculated following the GRI standard.

Consolidation of Sustainability Data (continued)

Workforce Metrics

Total Number of Employees	2020				
	Americas	ANZ	Asia	EMEA	Total
Total Employees	11,884	779	33,412	2,216	48,291
<i>By Gender and Age Group</i>					
Females					
18-20 years old [†]	83	6	976	12	1,077
21-30 years old	1,882	81	4,843	136	6,942
31-40 years old	931	51	3,621	181	4,784
41-50 years old	775	42	1,620	158	2,595
51-60 years old	576	34	103	101	814
60+ years old	186	8	4	13	211
Total Female Employees	4,433	222	11,167	601	16,423
Males					
18-20 years old [†]	122	4	2,018	24	2,168
21-30 years old	3,313	133	10,835	356	14,637
31-40 years old	1,769	193	6,509	523	8,994
41-50 years old	1,134	127	2,552	406	4,219
51-60 years old	821	74	313	256	1,464
60+ years old	285	26	18	50	379
Total Male Employees	7,444	557	22,245	1,615	31,861
Non-binary					
18-20 years old [†]	1	–	–	–	1
21-30 years old	3	–	–	–	3
31-40 years old	1	–	–	–	1
41-50 years old	1	–	–	–	1
51-60 years old	1	–	–	–	1
60+ years old	–	–	–	–	–
Total Non-binary Employees	7	–	–	–	7
<i>By Job Role</i>					
Females					
Director or above	44	–	40	15	99
Managerial*	462	23	500	67	1,052
General employee	3,927	199	10,627	519	15,272
Males					
Director or above	306	3	150	46	505
Managerial*	1,133	120	1,166	210	2,629
General employee	6,005	434	20,929	1,359	28,727
Non-binary					
Director or above	–	–	–	–	–
Managerial*	–	–	–	–	–
General employee	7	–	–	–	7
<i>By Management Role</i>					
Total employees in management	1,945	146	1,856	338	4,285
Percentage of females in management	26%	16%	29%	24%	27%

Global Employment	2020				
	Americas	ANZ	Asia	EMEA	Total
<i>By Full-time and Part-time</i>					
Females					
Full-time	4,413	196	11,166	524	16,299
Part-time	20	26	1	77	124
Males					
Full-time	7,420	540	22,244	1,600	31,804
Part-time	24	17	1	15	57
Non-binary					
Full-time	7	–	–	–	7
Part-time	–	–	–	–	–
Total Full-time	11,840	736	33,410	2,124	48,110
Total Part-time	44	43	2	92	181
<i>By Permanent and Temporary</i>					
Females					
Permanent	4,385	206	8,927	577	14,095
Temporary	48	16	2,240	24	2,328
Males					
Permanent	7,368	544	18,311	1,570	27,793
Temporary	76	13	3,934	45	4,068
Non-binary					
Permanent	5	–	–	–	5
Temporary	2	–	–	–	2
Total Permanent	11,758	750	27,238	2,147	41,893
Total Temporary	126	29	6,174	69	6,398
Total Number and Rate of New Hires					
<i>By Gender</i>					
Females	3,141	70	15,400	125	18,736
% females new hires	43%	34%	31%	28%	33%
Males	4,169	133	34,207	328	38,837
% males new hires	57%	66%	69%	72%	68%
Non-binary	–	–	–	–	–
% Non-binary	–	–	–	–	–
Total	7,310	203	49,607	453	57,573
<i>By Age</i>					
18-20 years old [†]	270	10	6,998	23	7,301
% new hires aged 18-20	4%	5%	14%	5%	13%
21-30 years old	3,875	81	27,159	173	31,288
% new hires aged 21-30	53%	40%	55%	38%	54%
31-40 years old	1,698	53	11,410	152	13,313
% new hires aged 31-40	23%	26%	23%	34%	23%
41-50 years old	993	42	3,990	73	5,098
% new hires aged 41-50	14%	21%	8%	16%	9%
51-60 years old	415	15	50	26	506
% new hires aged 51-60	6%	7%	–	6%	1%
60+ years old	59	2	–	6	67
% new hires aged 60+	1%	1%	–	1%	–

Consolidation of Sustainability Data (continued)**Workforce Metrics** (continued)

Total Number and Rate of Departures	2020				
	Americas	ANZ	Asia	EMEA	Total
<i>By Gender</i>					
Females	1,578	30	10,373	73	12,054
% females	42%	32%	29%	27%	31%
Males	2,145	64	24,832	198	27,239
% males	58%	68%	71%	73%	69%
Non-binary	1	–	–	–	1
% Non-binary	–	–	–	–	–
Total	3,724	94	35,205	271	39,294
<i>By Age</i>					
18-20 years old [†]	197	3	4,156	7	4,363
% aged 18-20	5%	3%	12%	3%	11%
21-30 years old	1,770	34	18,560	94	20,458
% aged 21-30	48%	36%	53%	35%	52%
31-40 years old	936	29	8,797	82	9,844
% aged 31-40	25%	31%	25%	30%	25%
41-50 years old	529	19	3,578	51	4,177
% aged 41-50	14%	20%	10%	19%	11%
51-60 years old	192	8	113	24	337
% aged 51-60	5%	9%	–	9%	1%
60+ years old	100	1	1	13	115
% aged 60+	3%	1%	–	5%	–
Turnover Rate					
<i>By Gender</i>					
Females	36%	14%	93%	12%	73%
Males	29%	11%	112%	12%	85%
Non-binary	14%	–	–	–	14%
Average turnover rate	31%	12%	105%	12%	81%
<i>By Age</i>					
18-20 years old [†]	96%	30%	139%	19%	134%
21-30 years old	34%	16%	118%	19%	95%
31-40 years old	35%	12%	87%	12%	71%
41-50 years old	28%	11%	86%	9%	61%
51-60 years old	14%	7%	27%	7%	15%
60+ years old	21%	3%	5%	21%	19%

Parental Leave	2020				
	Americas	ANZ	Asia	EMEA	Total
Total Number of Employees Entitled to Parental Leave					
Females	3,044	160	5,418	463	9,085
Males	5,171	420	12,773	711	19,075
Non-binary	7	-	-	-	7
Total	8,222	580	18,191	1,174	28,167
Total Number of Employees that Took Parental Leave					
Females	50	11	191	28	280
Males	33	-	300	43	376
Non-binary	-	-	-	-	-
Total	83	11	491	71	656
Return to Work in the Reporting Period after Parental Leave Ended					
Females	47	-	171	6	224
Males	33	-	292	38	363
Non-binary	-	-	-	-	-
Total	80	-	463	44	587
Total Number of Employees still Employed 12 Months after Taking Parental Leave					
Females	43	3	149	24	219
Males	36	-	291	40	367
Non-binary	-	-	-	-	-
Total	79	3	440	64	586
Rate of Employees Return to Work after Taking Parental Leave					
Females	94%	-	90%	21%	80%
Males	100%	-	97%	88%	97%
Non-binary	-	-	-	-	-

Consolidation of Sustainability Data (continued)

Workforce Metrics (continued)

TTI Work Injuries by Region	Unit	2020				
		Americas	ANZ	Asia	EMEA	Total
Total Number of Work Days Lost due to Work Injuries	Days	105	346.71	2,459.50	893	3,804.21
Total Number of Recordable Injuries	Employees	41	17	49	29	136
Total High Consequences Injuries	Employees	15	–	–	2	17
By Type of Recordable Work Injury						
Injuries from being struck by a moving object	Employees	–	1	5	1	7
Injuries from being struck by a moving vehicle	Employees	–	–	3	2	5
Injuries from being trapped by something collapsing/ overturning	Employees	–	–	1	–	1
Injuries from contact with moving machinery	Employees	3	–	19	2	24
Injuries from falls from height	Employees	–	–	2	–	2
Injuries from other causes	Employees	38	16	19	24	97
By Type of Recordable High Consequence Work Injury						
Injuries from being struck by a moving object	Employees	–	–	–	1	1
Injuries from being struck by a moving vehicle	Employees	–	–	–	–	–
Injuries from being trapped by something collapsing/ overturning	Employees	–	–	–	–	–
Injuries from contact with moving machinery	Employees	3	–	–	–	3
Injuries from falls from height	Employees	–	–	–	–	–
Injuries from other causes	Employees	12	–	–	1	13
Total Number of Fatalities	Employees	1	–	–	–	–

Training Data	2020									
	Americas		ANZ		Asia		EMEA		Total	
	Other		Other		Other		Other		Other	
	E-learning	Training	E-learning	Training	E-learning	Training	E-learning	Training	E-learning	Training
Percentage of Employees who Received Training by Gender and by Job Role[‡]										
Females										
Director or above	55%	48%	–	–	90%	88%	53%	100%	69%	72%
Managerial*	80%	37%	88%	–	77%	22%	69%	100%	78%	33%
General employee	44%	70%	100%	–	13%	89%	61%	86%	24%	83%
Males										
Director or above	42%	37%	–	–	92%	45%	63%	98%	59%	44%
Managerial*	86%	88%	100%	–	72%	35%	81%	100%	80%	62%
General employee	68%	80%	100%	–	11%	100%	69%	100%	27%	94%
Non-binary										
Director or above	–	–	–	–	–	–	–	–	–	–
Managerial*	–	–	–	–	–	–	–	–	–	–
General employee	–	100%	–	–	–	–	–	–	–	100%

Training Data	2020				
	Americas	ANZ	Asia	EMEA	Total
Average Hours Per Employee by Gender and by Job Role[‡]					
Females					
Director or above	6.61	–	5.22	3.01	5.50
Managerial*	19.34	2.55	6.70	10.62	12.40
General employee	22.00	55.47	2.77	6.14	8.50
Overall Average	21.57	49.99	2.96	6.57	8.75
Males					
Director or above	9.11	–	6.64	6.68	8.10
Managerial*	26.68	5.00	5.67	11.91	15.20
General employee	29.35	14.59	3.69	12.27	9.60
Overall Average	28.11	12.44	3.81	12.07	10.06
Non-binary					
Director or above	6.57	–	–	–	6.57
Managerial*	–	–	–	–	–
General employee	7.87	–	–	–	7.87
Overall Average	7.73	–	–	–	7.73
Total	25.66	23.14	3.52	10.57	9.61

* Including assistant managers

† Including interns

‡ Total number of employees who received training divided by the 2020 year end reported total workforce. Some of the employees may be counted for under both categories of trainings.

Legend and List of Business Units Under Each Region

Region/Name of Business Division	Abbreviation	Country/Location
Asia		
Techtronic Industries (Dongguan) Company Limited	TTI AIP	Dongguan, PRC
Techtronic Asia Company Limited	TTI HK	Hong Kong
Techtronic Industries Company Limited	TTI HK	Hong Kong
Techtronic Industries Korea LLC	TTI Korea	Korea
Techtronic Cordless GP – Sucursal De Macau	TTI Macau	Macau
Techtronic Power Tools (M) Sdn Bhd	TTI Malaysia	Malaysia
Techtronic Product Development Limited Philippines Branch Office	TTI Philippines	Philippines
Techtronic Trading (Shanghai) Limited	TTI Shanghai	Shanghai, PRC
Techtronic Industries (Taiwan) Company Limited	TTI Taichung	Taichung, Taiwan
Techtronic Tools Limited Taiwan Branch	TTI Taipei	Taipei, Taiwan
Techtronic Industries (Thailand) Limited	TTI Thailand	Thailand
Techtronic Industries Vietnam Company Limited	TTI Vietnam	Vietnam
Techtronic Industries Vietnam Manufacturing Company Limited	TTI Vietnam Manufacturing	Vietnam
Techtronic Industries (Zhuhai) Company Limited	TTI Zhuhai	Zhuhai, PRC
ANZ		
Techtronic Industries Australia Pty Limited	TTI ANZ	Australia
Techtronic Industries N.Z. Limited	TTI ANZ	New Zealand
Americas		
TTI Canada Inc.	TTI Canada	Canada
Techtronic Industries Co. Mexico, S. De R. L. de C. V.	TTI Mexico	Mexico
DreBo America Inc.	DreBo US	North America
Milwaukee Electric Tool Corporation	Milwaukee	North America
Techtronic Industries Floor Care North America	TTI FC	North America
Techtronic Industries North America Inc.	TTI NA	North America
Techtronic Power Equipment	TTI PE	North America

Region/Name of Business Division	Abbreviation	Country/Location
EMEA		
Techtronic Industries Central Europe GmbH	TTI Central Europe	Germany
Techtronic Industries Manufacturing CZ s.r.o.	TTI CZ	Czech Republic
Techtronic Industries Eastern Europe Sp. z o.o.	TTI Eastern Europe	Eastern Europe
Techtronic Industries France S.A.S	TTI France	France
DreBo Werkzeugfabrik GmbH	DreBo Germany	Germany
Techtronic Industries ELC GmbH	TTI ELC	Germany
Techtronic Industries GmbH	TTI GMBH	Germany
Techtronic Industries Italia SRL	TTI Italia	Italy
Techtronic Industries Nordic Aps	TTI Nordic	Nordic
Techtronic Industries Iberia SL	TTI Iberia	Spain
Techtronic Industries Switzerland AG	TTI Switzerland	Switzerland
Techtronic Industries Middle East and Africa FZCO	TTI MEA	United Arab Emirates
Techtronic Industries EMEA ltd	TTI UK	United Kingdom
Techtronic Industries UK Limited	TTI UK	United Kingdom
Vax Ltd	VAX UK	United Kingdom