

ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABILITY HIGHLIGHTS

TTI's ESG Approach and Strategic Framework

At TTI, sustainability is a core value in all aspects of our business. Environmental, Social and Governance (ESG) principles are essential to our strategy, and embedded in our four strategic drivers, through which we strive to deliver shared value to all our stakeholders. TTI understands the importance of continuous engagement with our stakeholders to monitor and address their expectations as well as evolving legal and industry requirements. Our mission is to shape a better future, at the heart of which is our relentless focus on cordless technology and products to improve living and working environments.

Our **Powerful Brands** represent a long legacy of developing innovative, reliable and safe products, that address the evolving demands of consumers. By channeling resources into creating **Innovative Products**, we are leading the transition from corded, gas, hydraulic and pneumatic-powered products to cordless battery-powered alternatives, removing the unfavorable impact of outdated technologies. TTI's ongoing and future success is driven by our **Exceptional People**. Hiring the right people and fostering and retaining them through our Leadership Development Program is at the heart of our strategy. TTI is committed to a multicultural, diverse and inclusive workplace where our employees at every level can flourish while building a better future for our business, our customers and the communities where we operate. Through our **Operational Excellence** we uphold high standards of integrity across the value chain. We ensure responsible and disciplined execution — whether it be in decarbonizing our operations, preserving natural capital, sourcing ethically and optimizing supply chain logistics, or managing the reparability and the end-of-life cycle of our products.

In 2021, we continued to make progress on partnerships and initiatives that matter. Beyond aligning to the United Nations Sustainable Development Goals (SDGs) and continuing our membership with the Global Reporting Initiative (GRI), we began reporting against the Sustainability Accounting Standards Board (SASB) Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), while also prioritizing our decarbonization agenda. As a founding member of the Better Mining Initiative (BMI) and active member of the Responsible Business Alliance (RBA), we have forged ahead to collaborate with industry partners to effect change on crucial challenges in our supply chain.

Innovative Products

Powerful Brands

Environment



Exceptional People

Operational Excellence

Social & Community

Governance

ESG
**STRATEGIC
FRAMEWORK**



For each of our focus areas of Environment, Social and Community, and Governance, we outline how we have managed the key sustainability issues that are material to our business in 2021, along with the goals and initiatives that bring us closer to achieving long-term resilience.

Details on our ESG commitments, relevant policies and standards, ESG key performance results and initiatives of 2021 will be shared in a separate Report to be published on the Hong Kong Exchanges and Clearing Limited website and TTI's group website.

RYOBI 40V HP Brushless WHISPER SERIES Backpack/Handheld Blower

2021 Key Environment Highlights

60% Reduction Target

Setting a 60% greenhouse gas (GHG) emission reduction target for Scope 1 and 2 against our baseline year of 2021

Climate Risk Assessment

Expanding climate risk assessment to more effectively determine and implement mitigation and adaptation measures

Tools Refurbished

Refurbishing or repairing 1.3 million tools to reduce waste

Environment

Protecting our planet through Innovative Products and Operational Excellence

At TTI we strive to manage our environmental impact by prioritizing the responsible development of our Innovative Products. We are dedicated to fully integrating diligent environmental management into our business; as such all our manufacturing sites have comprehensive Environmental Management Systems (EMS) in place. Our commitment to increasing transparency and accountability throughout our value chain is evident in our approach to climate action, responsible sourcing, managing resources, materials and waste, and developing sustainable products.

Our priority in 2021 has largely been to accelerate our course towards decarbonization and to that end we have also embarked on a comprehensive exercise to analyze our climate risks. We have pledged to reduce our GHG emissions (Scope 1 and 2) by 60% by 2030 against our baseline year of 2021, and have formulated a clear roadmap to achieving our target. We have also continued to strategically invest in clean technologies and developing products that have more sustainable attributes. Furthermore, we are implementing circularity practices across aspects of our operations and value chain. To ensure that all our BUs are unified in continually improving performance and sustainability practices, we have established a number of key procedures and accountability mechanisms.

Environment Material Topics

- Climate Change
- Resources, Materials and Waste
- Sustainable Products

2021 Key Social and Community Highlights

US\$1.9 million

Contributing US\$1.9 million of donations
in cash and in kind to community projects

Diversity and Inclusion

Championing diversity and inclusion programs –
27% of management level employees were women

Global Partnership

Enhancing our Habitat for Humanity
global partnership

Social and Community

Empowering Exceptional People to build a better business and support the community

TTI has long valued the role of Exceptional People in our business. We are building a strong, diverse and inclusive culture with a shared set of beliefs supported by strategy, structure and communication.

At all levels, we strive to attract and retain talented people, and we are dedicated to adapting our initiatives to the needs of our business and our employees. As such, fostering connections between colleagues and leaders has been vital in 2021, particularly while many employees continued to work from home. Providing comprehensive professional development opportunities, in the form of our Leadership Development Program and other such initiatives has also remained important as we nurture our people to further innovation and productivity. In addition, protection of our people is a priority as we strive to maintain workplace conditions that are safe and healthy. Safety is also a key consideration when it comes to our products. We continue to enhance product safety, quality and reliability while focusing on reducing the inherent impact of outdated technologies such as noise and air pollution, to provide customers with the best and safest experience.

TTI continues to support programs that improve livelihoods within our communities. In 2021, our focus was on activities that address good health and wellbeing, human rights and poverty alleviation, infrastructure development and the reduction of inequality. Our community initiatives involve collaboration with non-governmental organizations (NGOs), providing financial support and the donation of tools as well as employee volunteering.

Social and Community Material Topics

- Empowering People
- Health, Safety and Wellbeing
- Community Investment and Engagement

2021 Key Governance Highlights

Added Two Female Directors

Bolstering the strength of our Governance Structure, TTI appointed Ms. Virginia Davis Wilmerding and Ms. Caroline Christina Kracht to our Board, bringing extensive corporate experience, international management, and ESG specializations

Sustainability Functions

Establishing sustainability functions at the corporate, regional and business unit levels

Better Mining Initiative

Becoming a founding member of the Better Mining Initiative

Governance

Delivering Operational Excellence through Powerful Brands that champion integrity

TTI's strong corporate governance principles are embedded in our culture, providing the foundation that helps us to respond effectively to ever-changing environments while strengthening stakeholder confidence in our business. Our governance strategy is predicated on codes of conduct and policies that reinforce accountability with systems to manage risks within our operations and across our supply chain. We have a robust risk management system in place which allows us to identify and address issues in an appropriate and timely manner as well as mitigate risk to our business. We have identified legal and regulatory requirements related to ESG practices that have the potential to have a significant impact to our operations and performance. We had no reports of material ESG-related non-compliance in 2021.

The Company's governance structure is designed to enable effective planning, implementation and monitoring of our performance. Good governance is championed by our Board of Directors, which oversees our commitment to creating stakeholder value as well as the progress of our sustainability strategy. The Board is supported in this area by the ESG Executive Committee, the ESG Working Committee and BU leaders. They report to the Board on a regular basis and are responsible for driving execution, collecting and reporting data, tracking performance, setting targets to meet sustainability objectives and communicating our approach and progress.

Governance Material Topics

- Ethics and Integrity
- Responsible Sourcing