

GOVERNANCE

ELEVATING ESG
CONSIDERATIONS AND
DELIVERING OPERATIONAL
EXCELLENCE THROUGH
POWERFUL BRANDS
AND INTEGRITY



*Two Independent
Female Directors
added to the Board*

*Strengthened Internal
Sustainability Functions*

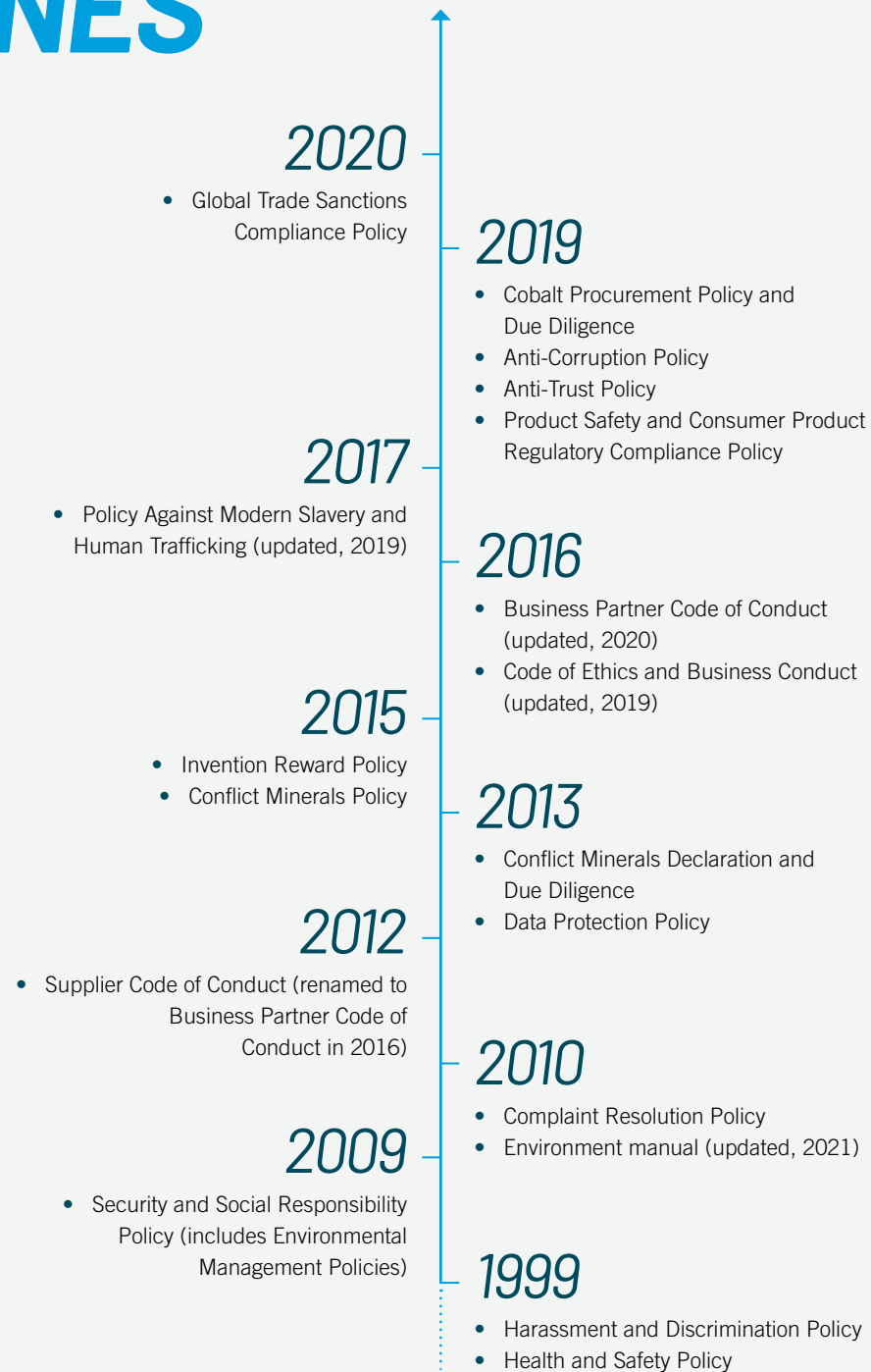
*Joined Better Mining
as a Founding Member*



Governance

ESG POLICY MILESTONES

Our governance practices have grown more robust as we have adopted codes and policies that reinforce accountability within our operations and across our supply chain.



Other corporate governance policies are available on our website [link](#).

MATERIAL TOPICS

Ethics and Integrity [P.30](#)

Supply Chain Accountability [P.36](#)

TTI's governance practices align with global sustainability goals and standards, including the UNSDGs, GRI Standards and other key multi-stakeholder forums, to ensure we follow best practice.

Corporate Governance

The Company is committed to a high standard of corporate governance to enhance shareholders' interests and promote sustainable development. A quality board of directors (the "Board") with balanced skills, experience and diversity of perspectives is vital to the Company for effective risk management, internal controls and leadership, as well as transparency and accountability to all shareholders. The Board reviewed codes of conduct, policies and practices and our corporate governance framework from time to time, to improve the Company's corporate governance practices in respect of the latest developments on all applicable laws, rules and regulations.

Compliance with the Corporate Governance Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code") throughout the year ended December 31, 2021, save that none of the Directors are appointed for a specific term since they are subject

to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Under Article 107(A) of the Articles of Association of the Company, one-third of the Board must retire by rotation at each annual general meeting of the Company, and if eligible, offer themselves for re-election. The Company has also voluntarily complied with a number of the recommended best practices set out in the Corporate Governance Code, aimed at further enhancement of the Company's corporate governance standard as well as promotion of the best interests of the Company and shareholders as a whole.

Corporate Governance Policy

Corporate governance plays an important role in maintaining sustainability. The Board continuously monitors, reviews and develops the policies and practices of corporate governance to ensure the compliance of the laws, rules and regulatory requirements governing the Group as well as the Company's Articles of Association.

Governance Structure

The Board of Directors

At the date of this Report, the Board comprises five Group Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. Details about the background and professional experience of Board members is as follows:

Group Executive Directors

- Mr Horst Julius Pudwill (Chairman)
- Mr Stephan Horst Pudwill (Vice Chairman)
- Mr Joseph Galli Jr (Chief Executive Officer)
- Mr Kin Wah Chan (Operations Director)
- Mr Chi Chung Chan (Group Chief Financial Officer)

Non-executive Directors

- Prof Roy Chi Ping Chung GBS BBS JP
- Mr Camille Jojo

Independent Non-executive Directors

- Mr Peter David Sullivan
- Mr Johannes-Gerhard Hesse
- Mr Robert Hinman Getz
- Ms Virginia Davis Wilmerding
- Ms Caroline Christina Kracht (appointed on March 7, 2022)

The principal duties of the Board include but are not limited to:

- Reviewing and monitoring risks and changes in local and international business communities
- Reviewing and developing overall mid- and long-term strategies, objectives and directions of the Company
- Developing and monitoring the corporate governance policies and practices of the Company
- Overseeing the Company's performance and operations
- Overseeing the ESG strategy and performance of the Company
- Considering matters covering the appointment of Directors, senior management and external auditors, major acquisitions and disposals, as well as other significant operational matters

The Board delegates responsibilities to three committees described below. This ensures the independence of views and opinions expressed by the Directors at the respective committee meetings. The committees report back to the Board on their activities and recommendations.

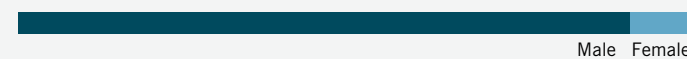
Audit Committee

The Audit Committee aims to ensure compliance with the Group's obligations under the Listing Rules, and other applicable laws and regulations, as well as monitor the effectiveness of the risk management and internal control systems.

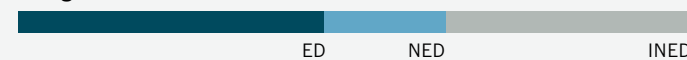


Our Board of Directors (as of December 31, 2021)

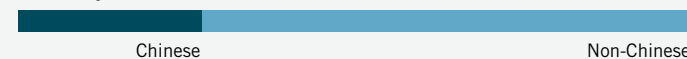
Gender



Designation



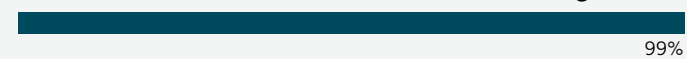
Ethnicity



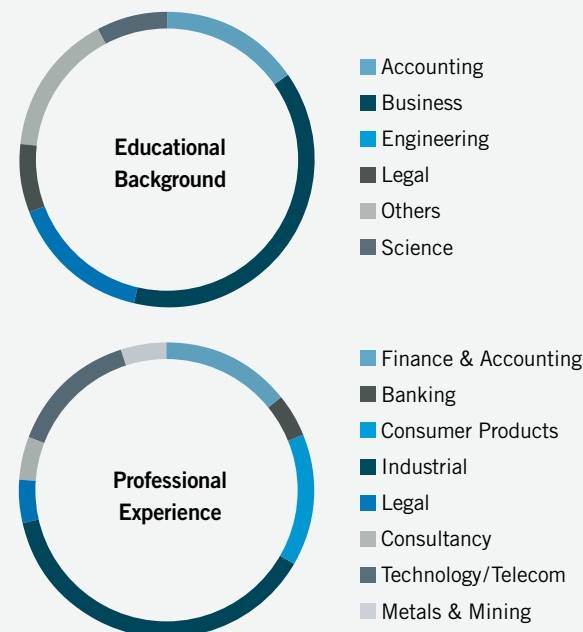
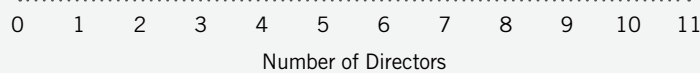
Age Group



Attendance Rate at Board and Board Committee Meetings



Length of Service (Years)



Remuneration Committee

The Remuneration Committee develops and administers a fair and transparent procedure for setting policy on the overall human resources strategy of the Group, alongside the remuneration of Directors and senior management of the Group.

Nomination Committee

The Nomination Committee ensures a fair and transparent process of Board appointments. It assists the Board in identifying suitably qualified candidates by making recommendations for the Board and shareholders to consider. Key criteria when evaluating candidates include their ability to further the optimal performance of the Board and enhance diversity.

Oversight of Sustainability

The Board is collectively responsible for overseeing the purpose, values and sustainability strategy of the Group to achieve long-term success for the Company. It is helped in this area by the ESG Executive Committee and the ESG Working Committee.

The ESG Executive Committee

Comprised of Board members and executives from various functional and geographic areas of the business, the ESG Executive Committee is led by the CEO and the Vice Chairman. The Committee helps drive

the sustainability agenda of the Group and reports to the Board every quarter. In 2021, the ESG Executive Committee finalized the Group's GHG emission Scope 1 and 2 reduction target which was then approved by the Board.

The ESG Working Committee and Business Units

The ESG Working Committee is tasked with implementing the strategy set by the Board and Executive Committee. This Committee includes executives from different functions — finance and operations, human resources, environment, health and safety, product safety, corporate communications, legal, compliance and sustainability. The Committee is responsible for refining policies, tracking performance, providing communication, collecting and reporting data and setting targets to meet objectives. The ESG Working Committee met virtually, twice in 2021. In this reporting period, the ESG Working Committee and business units (BUs) developed our decarbonization plan and measures to be implemented by 2030.

2021 was a pivotal year as the Company established sustainability functions at the corporate, regional and BU levels. To maintain accountability, leaders of the Company and regional BU leaders also reported their ESG performance and challenges to the CEO on a quarterly basis.

Key Sustainability Policies

Our governance strategy is predicated on codes and policies that reinforce openness and accountability within our operations and across our supply chain. A list of key policies that outline our commitments, responsibilities, resources, evaluation procedures and grievance mechanisms by focus area are included below.

2021 Initiatives

In 2021 the company made some important strides to further the integration of sustainability best practices.

- The first female was appointed to the Board as an Independent Non-executive Director.
- The Group finalized its Scope 1 and 2 GHG emission reduction targets with a clear implementation plan towards 2030.
- TTI started the assessment of climate risk, to more effectively determine and implement mitigation and adaptation measures.
- Employees were engaged in sustainability through various activities such as surveys, committees, workshops and training programs.

TTI's Key Policies and Codes

● GOVERNANCE ● ENVIRONMENT ● SOCIAL AND COMMUNITY

●		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	
●		Anti-Corruption Policy ☞	
●		Anti-Trust Policy ☞	
●		Trade Compliance ☞	
●		Data Privacy, Data Security and Incident Reporting Policies	
	●	●	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
	●	●	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
		●	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

Risk Management

A key objective of our governance practice is to effectively manage the risks present in our operations and across our value chain, and act on potential opportunities. While local BUs are predominantly responsible for risk management, our independent internal audit team, which reports to the Audit Committee, coordinates global efforts across functions and follows a comprehensive risk assessment process for all BUs and levels of the Company. Our global internal audit function is responsible for performing audits that consider the following risks among others: strategic, operational, financial and fraud-related (including, but not limited to anti-corruption and ethical standards). The scope and frequency of audits vary, depending on our assessment of risk, management considerations and overall strategy. Internal audit also performs audits on ESG data collection, calculation and reporting processes.

At TTI, we understand the significance of climate change in influencing business decisions and operations. To better position ourselves in cordless leadership and manage associated risks and opportunities, we have engaged our internal and external stakeholders in formulating climate change policies. Accordingly, our overarching risk mitigation process has been refined this year to include the management of climate risk across our operations. In addition, we have employed external consultants to begin analysis on the financial consequences of climate change. This includes physical risk assessment of key assets in our global portfolio, and a transition risk and opportunities analysis, in line with TCFD methodology guidance for our sector. Once completed in 2022, the results of this assessment will allow us to develop a comprehensive strategy for climate change mitigation, adaptation and resilience.

A summary of our approach to specific sustainability risks — including climate risks, opportunities and related mitigation as well as adaptation measures across all focus areas, can be found on p.14. [☞](#)

Group Risk Mitigation Process

Providing independent assurance of the existence and effectiveness of risk management activities and controls in our operations worldwide.

Conducting various activities, including process, financial and compliance audits and investigations.

Maintaining a regular dialogue internally and with TTI's external auditor.



Developing an annual audit plan to identify the highest risks to our business.

Assessing TTI's risk management and internal control systems by formulating an impartial opinion and reporting findings to the Audit Committee and senior managers concerned.



MATERIAL TOPIC

Ethics and Integrity

Maintains accountability and transparency in all aspects of our operations, both on and offline, safeguards our stakeholders and retains trust in our business.



How We are Managing It

High ethical standards are core to TTI's culture and serve as the foundation for embedding sustainability in all aspects of our business. These standards are articulated in our Code of Ethics and Business Conduct (CoC) [link](#). The CoC serves as a guide for conducting business with openness in accordance with all legal requirements while stipulating how to manage conflicts of interest and insider information. This Code also provides guidelines on the protection of human rights, and is communicated to all employees at all our subsidiaries in 22 languages. Apart from the CoC, our operations are guided by several other policies that outline governance practices and expectations. These are included in our Employee Handbook and shared with employees globally, either through our e-learning platform or face to face. We ensure that information about our policies and details on how to report violations are also available in local languages at all work sites for those without computer access.

The principles outlined in many of our policies also apply to our business partners as set out in our Business Partner Code of Conduct

(BPCoC) [link](#). More details can be found in the Supply Chain Accountability section on p.36 [link](#) of this Report. A full list of TTI's policies and standards can be found on p.28 [link](#) and are also accessible on our corporate website [link](#). All policies are regularly reviewed to ensure compliance with laws and regulations.

Compliance

The compliance function at TTI plays an essential role in setting our policies, training and interpretation of regulations. We have a robust program in place, monitored by management, internal audit and other risk management groups within the organization. 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, with local legal, finance and compliance departments assisting at the regional level.

An invaluable part of our compliance program is the Global Trade Compliance function, which is recognized by TTI's management team as vital to our success. This function supports

many TTI operations by screening potential business partners to ensure they are not denied, debarred or otherwise proscribed or embargoed by any relevant government. Global Trade Compliance also aids in mitigating risk by reviewing the procurement process of raw materials, to ensure they are not conflict minerals, and helping to identify regions known for forced labor and/or corruption. Our Global Trade Compliance Policy [link](#) explains the export/import control laws, regulations and economic sanctions that TTI and its suppliers must abide by. It also provides guidelines for establishing procedures and actions, including internal controls and training for maintaining compliance. More details can be found in the Supply Chain Accountability section on p.36 [link](#).

Anti-Corruption

Our commitment to ethics and integrity is evident in our priority to embed anti-corruption and anti-money laundering practices across all our subsidiaries. The TTI Anti-corruption Policy [link](#) covers how we manage bribery prevention internally and externally, while also describing the procedures for evaluating our business for corruption risk and the

penalties for non-compliance. The Policy and the accompanying 30-minute online training module provides guidelines on managing all aspects of business, receipt of gifts, meals and entertainment, Company-sponsored travel, political and charitable contributions, and ways of engaging business partners to minimize risk. TTI's internal controls for managing corruption include accurate accounting and recordkeeping. These help us to regularly monitor the effectiveness of actions in place to support our anti-corruption and anti-bribery efforts. TTI does not make any political contribution in any markets.

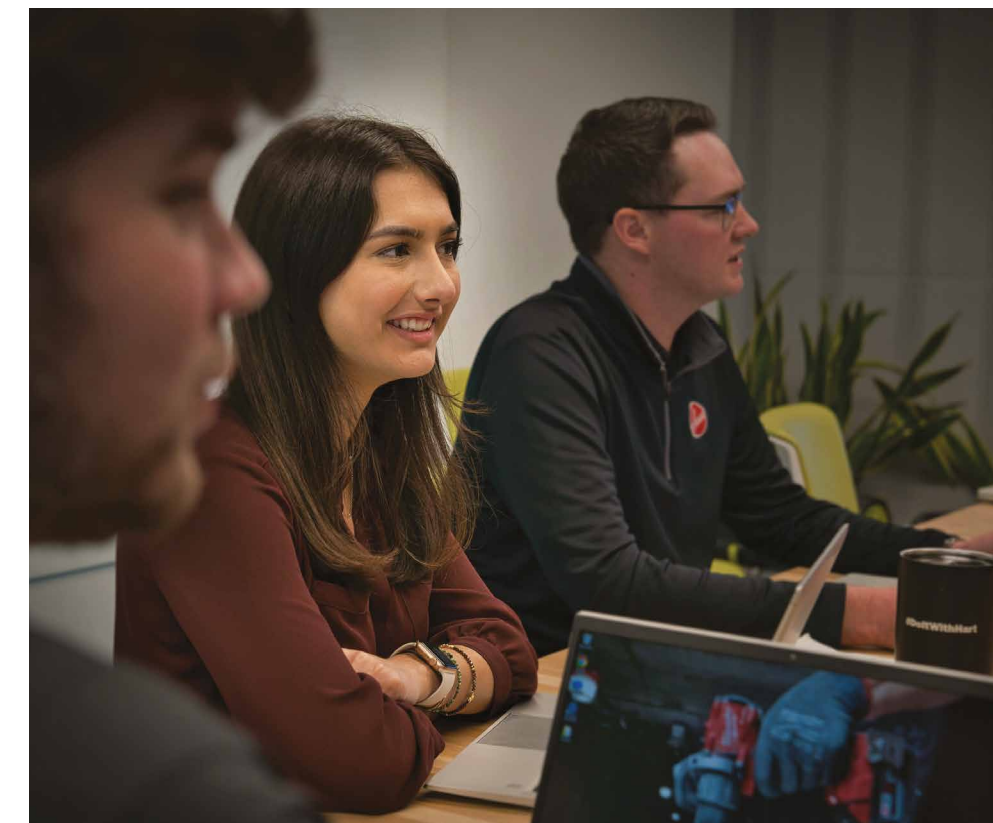
Periodic audits of these controls, completed either by an internal audit team or through an external third party, provide assurance that robust processes are being adhered to. Programs to verify compliance with anti-corruption practices extend from our operations to our supply chain. TTI follows a robust due diligence process to review potential business partners and monitor existing partners. More details can be found in the Supply Chain Accountability section on p.36 [link](#).

GOALS

- Zero cases of non-compliance with international and local laws on corruption and anti-trust within TTI's group operations and supply chain
- Maintain business continuity and sustainable growth
- Minimize the risk of business disruption through cyberattacks by pursuing zero breaches or incidents
- Ensure full compliance with data privacy regulations: PIPL for mainland China, GDPR, California Consumer Privacy Act and others

TARGETS

- All relevant staff trained on Code of Ethics and Business Conduct (CoC)
- Increase diversification and localization of manufacturing, warehousing and the supply chain across the globe
- Zero cases of leaks, theft or loss of customer and personal data
- All relevant colleagues trained on Intellectual Property and cybersecurity





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 Reporting Guide Content Index on our website [link](#).

In addition to the above-described internal controls, we strive to discourage corrupt practices by continuing to be involved in non-profit cooperative organizations such as the China Enterprise Anti-Fraud Alliance (CEAFA). TTI has been a member of CEAFA since 2017 — to reinforce our commitment to business integrity. Along with our anti-corruption efforts, we also have an Anti-Trust Policy [link](#) that provides guidance on the legal and TTI-established rules on competition

and fair business practices. This Policy defines anti-competitive behavior in relation to customers and suppliers, with detail on consequences of non-compliance and methods of seeking advice and reporting violations.

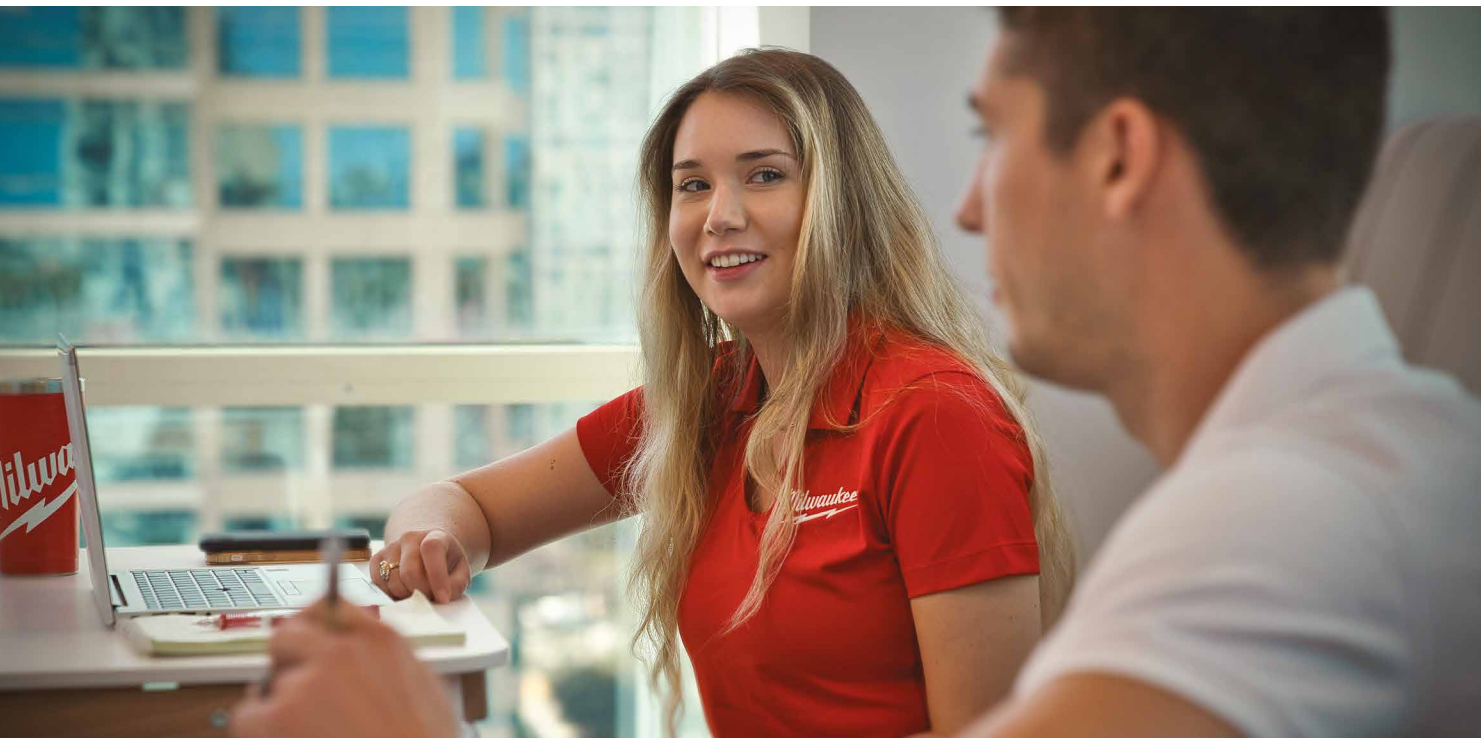
Compliance Training and Communication

Proper communication and training are essential for achieving high standards. Regular training is conducted by our compliance and legal departments or external firms, delivered in-person or through our e-learning platform. 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 declarations. Additionally, suppliers are requested to sign compliance declarations as part of our Social and Environmental Responsibility (SER) Compliance Program described in the Supply Chain Accountability section on p.36 [link](#).

Data Protection and Cybersecurity

Our governance initiatives extend to securing the integrity of our online data systems. We continue to meet all applicable legal requirements, including Europe's General Data Protection Regulation since 2018, and the California Consumer Privacy Act since January 2020. As the risk of data theft and cyberattacks increases, we have prioritized enhancing our global IT systems.



80%

EMPLOYEES TRAINED ON DATA SECURITY IN 2021

Our cybersecurity practice implements measures to protect networks, computers, programs and data. These measures are also designed to safeguard TTI's products and our customer and employee data from unauthorized access or breaches. A significant role of TTI's cybersecurity practice is to stay abreast of high-profile security breaches in our industry, and understand the impact these have globally. Under the guidance of the Head of Cybersecurity, all of TTI's business units remain committed to implementing appropriate protection measures for any personal information we collect or that our customers share with us.

TTI's cybersecurity practice is managed by a global team of cybersecurity, IT, engineering, operations and legal experts. An Information Technology Steering Committee (ITSC), led by the Head of Cybersecurity, meets monthly

and is driven by executive-level leaders. The goal is to review metrics and evaluate emerging threats and risks to the business. To ensure a strong breadth of knowledge, the ITSC consults with external parties, such as computer security firms, to undertake audits and proactively address emerging risks.

Continuous Improvement

Our goal is to continuously address cybersecurity scenarios in our resilience planning, document them through business continuity plans, and test our programs' reliability and ability to respond to threats through attack simulations. Cybersecurity conditions change daily and our program is designed to continually evaluate and evolve our security measures. The Head of Cybersecurity presents a semi-annual update to our Audit Committee on our progress. We are also active members of InfraGard, a partnership between the Federal Bureau of Investigation (FBI) and private sector members to protect United States Critical Infrastructure. Part of our continuous improvement is to train all relevant employees on data protection and cybersecurity risks. 80% of the relevant employees were trained in 2021. Additional trainings will be rolled out in 2022.

Management of Intellectual Property Rights (IPR), including patents, trademarks, logos, copyrights, software and trade secrets, also remains a key aspect of our security protocol. Our patent invention awards serve to consistently drive creativity within the Company. Given the value we place on innovative concepts

and discoveries, proper procedures outlining usage and protection from infringement by and of others is important. We continuously train employees to respect documentation of ownership and the IPR of others.

Complaint Resolution

TTI encourages the reporting of complaints and concerns by employees, suppliers, customers or other concerned parties. We take the position that it is everyone's responsibility to ensure all violations are duly reported. Complaints can be made anonymously to our Group Vice President, General Counsel and Chief Compliance Officer directly or to human resources, legal departments, managers through a third-party operated compliance hotline, available 24 hours a day, 7 days per week. All complaints are treated confidentially and are then investigated as appropriate by our internal audit team, the legal or human resources departments or an independent third party. Remedial actions are taken as needed on a case-by-case basis. Detailed information about complaints and corrective measures are consistently reported to both the management teams and the Audit Committee. Our Complaint Resolution Policy and Procedure [link](#), provides details about our formal complaint resolution system, including reporting mechanisms, respecting confidentiality and step-by-step investigation procedures involving various departments. This policy articulates an employee's right to 'no retaliation' for complaints or cooperation made in good faith.



▶ KEY INITIATIVES AND PROGRESS IN 2021

Code of Conduct

Employee training on our codes and policies remained an important initiative in 2021. Code of Conduct training was provided for all new hires through TTI's e-learning platforms or in person. In 2021, several face-to-face training sessions were conducted, particularly in regions considered to be of high risk. 90% of employees were trained on anti-trust and 90% of employees were trained on anti-corruption. During the year, relevant employees were also trained on trade compliance through both face-to-face sessions and our e-learning platform.

No confirmed legal cases of corruption, or monopoly practices were brought against TTI. On 24 November 2021 the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging that Techtronic Industries Australia Pty Limited (TTI Australia) engaged in the practice of 'resale price maintenance' in breach of the Competition and Consumer Act 2010 (CCA). Resale price maintenance occurs where a manufacturer, or distributor, prevents, or attempts to prevent, independent retailers from advertising or selling products below a specified price. TTI Australia maintains that it has acted within the law at all times and denies that it has engaged in any conduct which contravenes the CCA. These proceedings are ongoing.

In the reporting period, a total of 23* complaints were filed. These complaints were made through various channels including our

third-party operated compliance hotline, anonymous emails or calls made by TTI employees, management or suppliers, or made directly to TTI's Group Vice President, General Counsel and Chief Compliance Officer. All complaints were resolved in 2021 with the exception of three investigations which remain in progress. Of the complaints, 20 were from the Asia region and included two related to issues with a labor agency. Five were employment-related claims, one was an allegation of a defective product, three complaints were against suppliers or third-party vendors and two were claims of collusion. In addition, one case regarding the falsification of time cards, one violation of the Code of Conduct and one related to an individual who underwent investigations in 2019 and 2020 were reported. Four complaints of the 20 were found to have insufficient evidence and information, needing further investigation. In addition to the claims from Asia, one case related to bribery was reported in EMEA and one case of fraud was investigated in the USA.

Data Security and Privacy

There were no complaints concerning breaches of customer privacy and data loss in 2021. To further enhance our security, the Global Cybersecurity team completed a Cybersecurity Gap Assessment against the National Institute of Standards and Technology (NIST) Cybersecurity Framework at all North American business units. Similar assessments in Asia and Europe are scheduled for 2022. The North American exercise consisted of a reassessment of the Managed Detection and



ZERO

**COMPLAINTS CONCERNING
BREACHES OF CUSTOMER
PRIVACY AND DATA LOSS**



90%

**EMPLOYEES TRAINED ON
ANTI-CORRUPTION IN 2021**

Response (MDR) Program that resulted in a re-design to align systems with the business, thereby empowering the Company and securing the technologies in use. The program was aligned with internal audit, legal, marketing, sales, procurement and HR teams. A unified global strategy was developed with executives through ITSC committee meetings. The assessment identified a need for a Global Cybersecurity Awareness Program with a global vendor selected based on all BU needs. This program slotted to launch in early 2022 is expected to meet and exceed previous regulatory deficiencies.

In 2021, TTI provided employees in Asia with training on data security and privacy-related risks and procedures. The objectives of this training were to enable employees to understand the data privacy laws and regulations in Hong Kong and how these may affect stakeholders. The training was also targeted at assisting employees in identifying information security threats and risks across different business functions and understanding the legal and practical consequences of non-compliance with data privacy requirements and data breaches. In addition, employees were given a broad overview of privacy laws in China, Singapore, Malaysia, Macau and the Philippines and a briefing on their role in maintaining compliance with applicable legal requirements related to data management.

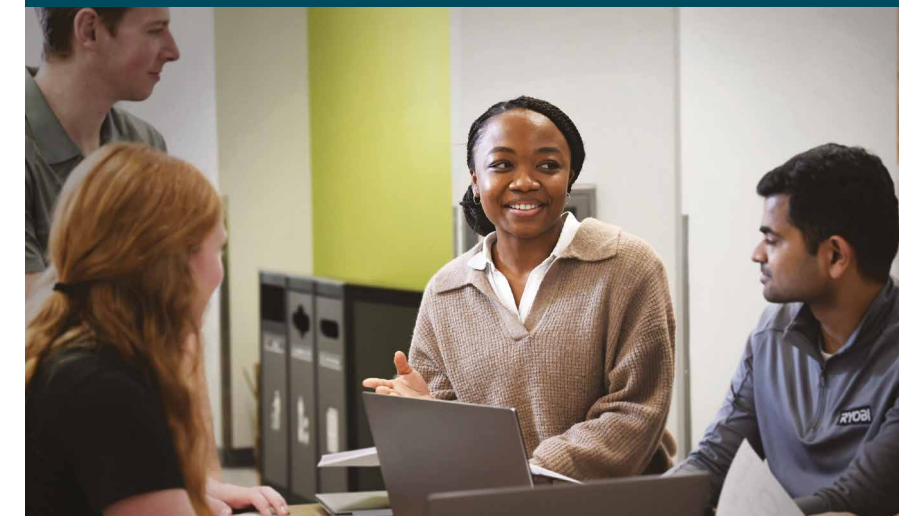
SPOTLIGHT

Principles of TTI's Code of Conduct

A Document Built to Last

TTI reaffirms our commitment to our Code of Conduct. Fundamentally, we are committed to: Doing the Right Thing, Treating Each Other with Dignity and Respect, Building Strong Relationships and Exceeding Customer Expectations. Due to continued expansion, our legal teams have continually engaged with this document and each time we entered a new market, we have worked with law firms to ensure our commitments were in compliance with all local laws and regulations. TTI's legal teams also keep a vigilant eye on evolving regulations and revise the Code to ensure compliance with any new laws.

The Code's durability has been maintained through a robust process to ensure the material issues that affect our employees and operations are identified and accounted for. TTI's Code of Conduct sets the Company's values and commits every employee to uphold these in all actions relevant to the Company. Relationships between employees, customers, suppliers, shareholders and the communities we serve are also covered by the Code. Today, over 30,000 TTI employees engage with and commit to the Code through our online Learn TTI platform, while the remainder learn and commit to it through a review of hard copies available in over 22 languages.





MATERIAL TOPIC

Supply Chain Accountability

We place great emphasis on the ethical, environmental and social impact of our products and services throughout the value chain and in particular in our supply chain. From sourcing raw materials, to production, storage, delivery and transportation, we ensure our operations will be sustainable in the long-term. Addressing these impacts with our partners, helps us to manage risk and enhance performance, while also maintaining stakeholder trust.



How We are Managing It

By continuously improving accountability, transparency and sustainability performance in our supply chain, we aim to mitigate risk and secure business continuity. This begins with carefully assessing risk from ethical, environmental and social standpoints, and selecting suppliers that uphold our standards and values. In accordance with our values, codes and policies, TTI supports the United Nations Guiding Principles on Business and Human Rights.

In the reporting year, the COVID-19 pandemic remained a challenge in our supply chain and, in particular, our logistics operations. TTI's procurement team, suppliers and partners worked together to mitigate the risks posed by health concerns, supply disruptions and material shortages. Supply capabilities were monitored frequently. This ongoing and thorough assessment and partnership with our suppliers and customers enabled us to tackle these challenges while consistently

prioritizing the health of all employees from both TTI and our partner companies.

TTI has 3,130 direct suppliers globally, of which 1,164 are in Asia, 19 in Australia, 277 in EMEA and 1,670 in North America. The selection of these suppliers takes into account quality and reliability with an increased focus on ESG considerations. As such, numerous departments, including sustainability, trade compliance, finance, legal, general compliance, procurement and quality, are involved in the process. This ensures all potential suppliers are assessed on key criteria beyond basic financial viability.

All suppliers are required to comply with the relevant laws and regulations in their jurisdictions, such as minimum wage requirements, along with TTI's standards and policies. This is outlined in our contractual and standard purchase order terms and our Business Partner Code of Conduct (BPCoC).

Our ethical, social and environmental standards are clearly communicated with suppliers when they are engaged, and reiterated on an ongoing basis. A key focus remains the prevention of corruption and bribery in the supply chain, and violations are not tolerated. In addition to anti-corruption, issues of concern include pollution mitigation, waste management, conservation of resources and respect for human rights. We require that suppliers have both environmental and health and safety management systems and certifications or, at a minimum, policies aligned with the principles of International Organization for Standardization (ISO) standards in place. Our stringent standards on modern slavery and human trafficking, specifically no tolerance of child and forced labor, must also be consistently followed. More details about our expectations can be found in the Empowering People section of this Report on p.80.

GOALS

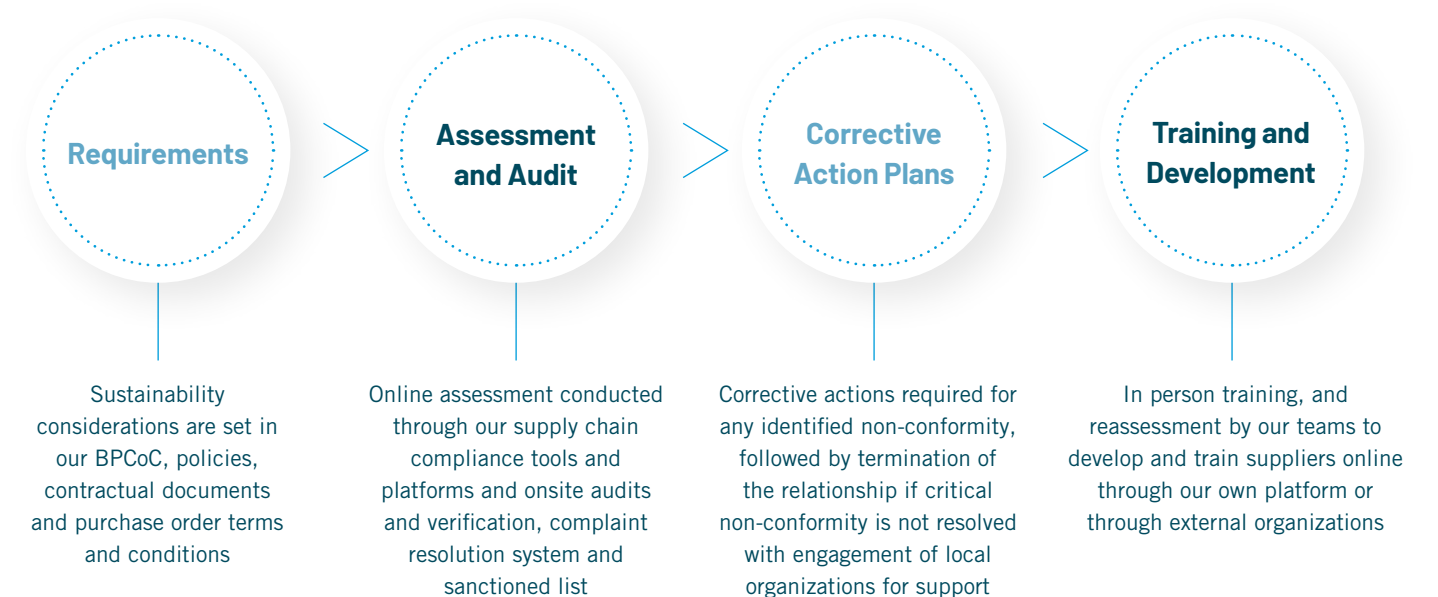
- Promote human and labor rights, gender equality and environmental protection in the supply chain
- Expand and enhance partnership opportunities to effect change
- Promote climate action

TARGETS

- 100% of suppliers trained on BPCoC and human rights policies
- Map and reduce human rights risk in the supply chain
- Increase the number of effective engagements with NGOs in major countries of operation and in particular where there is a greater risk of human rights violations within the supply chain
- Map and reduce Scope 3 emissions in the supply chain and build resilience for climate change-related risk

Responsible Supply Chain Management

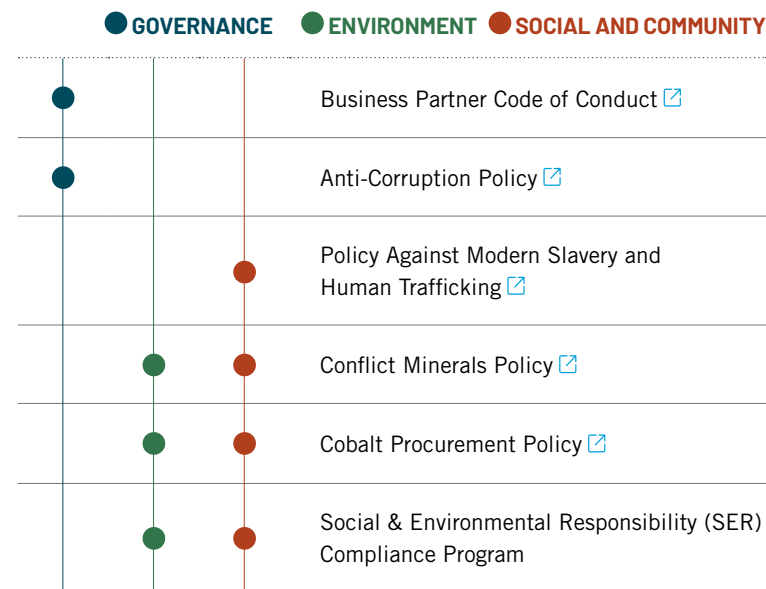
Sustainability is a key part of our supply chain management efforts.





Key Compliance Policies Accessible to Suppliers

All global suppliers are made aware of the below key policies that are available across markets in local languages.



TTI is committed to working with suppliers to achieve continuous improvement and conducts ongoing monitoring to assess risk and assist suppliers in meeting standards. Audits are typically conducted prior to supplier engagement with a minimum score needed to begin a working relationship. Thereafter, audits are required every 12 to 18 months for suppliers who have been awarded an acceptable score. For those with corrective action plans (CAPs) in place from previous assessments, results are shared, and TTI works with them to implement corrective measures. For suppliers with CAPs, more frequent audits and training are conducted.

TTI works closely with all suppliers to enhance compliance, raise awareness on key ESG challenges and develop ESG best practices. TTI will terminate the relationship if major compliance issues are not corrected to meet set standards.

Supply Chain Governance: Social and Environmental Compliance and Auditing

Our Social & Environmental Responsibility (SER) Compliance Program engages suppliers across markets. This program includes audits that are either conducted by third-party auditors or our teams. In addition, certified

auditors from organizations such as the Responsible Business Alliance (RBA) and Sedex help us to improve working conditions in our global supply chains. The results of these audits can be shared with other members of these organizations to enhance collective knowledge in the field.

Audits are supplemented by our Online Compliance Platform, through which suppliers acknowledge acceptance of key requirements and policies. This platform allows us to assess and monitor supplier performance and any associated risks. To assess the risks, we refer to the Corruption Index, the Human Development Index and other risk mapping resources available to us through our different partnerships and memberships. Supplier risk assessments are typically conducted once a year.

Through the SER Compliance Program and auditing function, we can assess if the ESG practices of potential partners are in line with our policies and global standards. While all aspects, from occupational health and safety to ethics and environmental protection, are covered in our SER assessments, our particular focus is on human rights. In addition to a survey on other social criteria, our suppliers must acknowledge our Policy Against Modern Slavery and Human Trafficking and are requested to fill in a modern slavery survey. This enables us to assess potential risks before engaging suppliers and on an annual basis as some of our key programs and acknowledgments are valid for a year. The assessments are thoroughly reviewed and additional in-person audits are conducted by the SER compliance, quality and sourcing teams or external auditors as needed. A supplier scorecard is used to assess both new suppliers and existing partners on a regular basis.

Social & Environmental Responsibility Audits

The following table provides detail on some of the key criteria assessed through the SER audits.

TOPIC	CRITERIA ASSESSED
Governance	Ethics and anti-corruption
Social standards	Human rights, labor laws related to hiring, working hours, wages and benefits, health and safety standards based on the fundamental principles of the International Labour Organization (ILO)
Environmental standards	Chemical management, pollution monitoring, hazardous substance management, including the prohibition and/or declaration of substances in products, compliance with ISO 14001 or other environmental management system requirements and waste management
Factory security	Regulations on health and safety, including fire safety, first aid, hygiene management, accident/injury and hazards control mechanisms, factory personnel protection

FOCUS ON HUMAN RIGHTS: Along with SER audits, suppliers must respond to surveys about their compliance with our Business Partner Code of Conduct and the Policy Against Modern Slavery and Human Trafficking.

Reporting Violations

TTI welcomes proactive reporting of any compliance issues to improve our overall performance when it comes to sourcing responsibly. We have a third-party operated compliance hotline for suppliers and business partners to report violations of our policies, or any ESG concerns. We take complaints very seriously, actively investigate them and implement remediation measures as appropriate. Details on our management of complaints and corrective measures, including for suppliers and other business partners, can be found in the Ethics and Integrity section of this Report on p.30.

Responsible Mineral Procurement

As many of our products' electronic components and batteries contain minerals, we prioritize implementing responsible mineral procurement practices beyond legal requirements. Our efforts include due diligence assessments of our suppliers as described above, risk analysis of our procurement process and active participation in industry partnerships to facilitate our adoption of best practices. Our approach is outlined in our Conflict Minerals and Cobalt Procurement Policies, which stipulate that all the tantalum, tin, tungsten or gold (3TG) and

cobalt we use must be sourced from reputable mines, or from sources that are working to be certified as conflict free with global organizations such as the Responsible Mineral Initiative (RMI). Suppliers must acknowledge and implement these policies and complete our Conflict Minerals and Cobalt Reporting Templates annually to provide details about their sources. We review this data through our online SER compliance platform and provide our relevant sourcing leaders with quarterly reports. TTI also provides these templates to any customers per their request.



SPOTLIGHT

Responsible Sourcing Milestones

Partnership Milestones

Over the years, TTI has developed and implemented a number of policies, codes and programs to ensure that we, as a company, source materials, products and services responsibly. These policies and programs provide our partners, particularly our suppliers, with a good understanding of TTI's requirements and guidelines for doing business with TTI. Our efforts to source responsibly and protect human rights are enhanced through partnerships with global organizations such as the Responsible Business Alliance (RBA) and The Mekong Club. With RBA, we are involved with a number of programs, including the Responsible Labor Initiative (RLI), which enables TTI to participate in a collaborative, cross-industry approach to address the root causes of forced labor. The RLI also provides TTI with specialized services and tools to establish company-level due diligence programs. In addition, we are a member of the Responsible Minerals Initiative (RMI). We are also proud to be a founding member of the Better Mining initiative.

Responsible Sourcing Partnerships & Memberships

From 2019

- Responsible Minerals Initiative & RMI Audit Fund

From 2020

- Responsible Business Alliance
- RCS Group – Better Mining
- The Mekong Club

Our efforts are strengthened by our involvement in industry organizations, through which we exchange ideas and gain access to valuable resources.

Apart from the RMI and RBA, we are member of the Responsible Labor Initiative (RLI), a group of leading companies that collaborate with suppliers and other stakeholders to create shared value for workers, the environment and business. Collaboration gives us access to tools such as the Reasonable Country of Origin (RCOI) data validated through the Responsible Minerals Assurance Process (RMAP), an online smelter database and a country risk assessment platform that identifies high-risk areas. These types of resources have enabled TTI to continually improve our standards and enhance the transparency of our sourcing practices.

Our industry collaborations with groups like RBA have also led to engagement in community impact programs such as the Better Mining initiative, a mineral agnostic assurance and capacity-building program that improves conditions on and around artisanal and small-scale mining (ASM) sites. More details can be found in the Spotlight about Better Mining on p.42.

2021 and Onwards



KEY INITIATIVES AND PROGRESS IN 2021

In 2021, TTI's standards continued to be enhanced, and there were no complaints reported by our suppliers. During the reporting period, 1,088 SER Compliance Program audits were conducted. As a result, 14 suppliers were required to implement corrective action plans.

We persisted in our efforts to support the audits of mines and to encourage suppliers to use those mines that are certified or in the process of being declared conflict free. Through partnerships with RBA and other stakeholders, including NGOs such as The Mekong Club, we worked on enhancing our Code of Conduct as we strive to increase alignment to best practices.

Our RBA membership has enabled us to augment governance of the supply chain on several fronts. We are in the process of adopting more stringent policy guidelines on reducing environmental impact, upgrading our supplier questionnaires and increasing training programs. We can also provide our procurement and sourcing employees and suppliers with a large number of training courses on topics concerning the environment, labor and safety management through the RBA Learning Academy and other sources. By assisting our partners in improving their ESG practices, we are moving closer to achieving our sustainability goals.

In 2021, we have also continued to map and collect Scope 3 emission data and develop measures and levers to reduce these emissions in our value chain. In particular



our focus has been on the reduction of emissions deriving from transportation by bringing the supply chain closer to our markets.

We continue to expand and establish partnerships with our key suppliers and business partners along the value chain to promote operational excellence, reduce GHG emissions, water usage and waste. In the future, we plan to monitor the following key indicators and engage with our suppliers to enhance the sustainability performance of 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

Conflict Minerals and Cobalt Procurement

In this reporting year, 1,711 suppliers were surveyed on conflict minerals and 56 suppliers were surveyed on cobalt. 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 Democratic Republic of Congo (DRC) and 96% were conflict-free certified or actively working towards certification. One smelter in our separately run Cobalt Procurement Campaign indicated sourcing from the DRC but is certified conflict-free. 95.5% of the smelters identified in the Campaign were either certified or actively working towards certification.



SPOTLIGHT

BETTER MINING: RCS & UNICEF COLLABORATION

*Contributing to Responsible Sourcing Partnerships
to further Social Justice*

TTI's sponsorship of the Better Mining initiative with the RCS Global Group has helped enable a technical collaboration with the United Nations Children's Fund (UNICEF), aimed at eradicating child labor. In 2021, RCS Global and UNICEF announced they will develop and pilot a toolkit for mine operators and supply chain stakeholders to address child labor in artisanal and small mining (ASM) communities in the Democratic Republic of Congo (DRC). The toolkit will include:

- actionable guidance for engaging with children and parents on and around sites;
- health and safety measures such as access control to sites; and
- stakeholder engagement with local authorities and civil society organizations.

This project will initially be piloted at two mine sites in the DRC. Once the development and piloting of the toolkit is complete, it can then be rolled out internationally, serving ASM communities worldwide. TTI will be supporting and engaging with the progress of the project, which aligns with our commitment to eradicate child labor.

"The financial support from Better Mining's partners, which includes TTI, is critically important for us to be able to engage in projects like this."

Nicholas Garrett, CEO of RCS Global

As a founding partner in Better Mining's program, TTI has supported RCS Global, a leader in responsible sourcing and driver of better practices in ASM operations since December 2020. Better Mining's scope, as of December 2021, included over 49 ASM mining sites for cobalt, copper, gold, tantalum, tin and tungsten in the Great Lakes region of Africa. RCS Global also visits smaller mining operations to perform in-person monitoring by trained Better Mining staff. These monitors gather



responsible sourcing data and digitally transcribe it into quantifiable improvement activity recommendations for local stakeholders to implement. The monitoring programs ultimately improve the sustainability practices of the mines, thereby enhancing the socio-economic conditions of the wider community.

US\$50,000

CONTRIBUTION TO THE BETTER MINING COBALT
DUE DILIGENCE AND IMPACT PROGRAM

49 ASM MINES & 55,000 ASM MINERS

SUPPORTED BY BETTER MINING