

MATERIAL TOPIC

Empowering People

Championing equal opportunities and treatment, as well as fair labor practices, is important in our operations and across our value chain because it is our fundamental responsibility as a company. At TTI, we understand that communities, economies and businesses all thrive when people are supported and empowered.



How We are Managing It

Human and Labor Rights

Ensuring that our people are treated fairly in compliance with the International Labour Organization’s core labor standards and related international norms, is inherent to all that we do at TTI. Statutory minimum wage laws are followed or exceeded in each of the countries where we operate. Our remuneration levels and packages are in line with market conditions at a minimum. We ensure that freedom of association and collective bargaining are also respected in accordance with local regulations within our operations and supply chain.

Modern Slavery

Our approach to safeguarding human and labor rights within our operations and across our supply chain is outlined in our Policy Against Modern Slavery and Human Trafficking [\[link\]](#). Every TTI employee and supplier is responsible for confirming compliance with this policy, as well as our CoC and the TTI Business Partner Code of Conduct (BPoC) that define our prohibition of human trafficking and forced or unlawful child labor. Managers are responsible for

ensuring that colleagues are in compliance and complete any necessary training. Furthermore, suppliers are required to confirm that they comply with applicable laws. This policy also stipulates TTI’s commitment to avoiding, detecting and eradicating human trafficking and modern slavery by outlining a list of potential red flags concerning work and living conditions, poor health or abnormal work behavior. These indicators are designed to assist employees and suppliers to recognize potential issues.

We take steps to continuously verify, evaluate and address concerns, by auditing and encouraging the reporting of violations. Workers across the value chain can express concerns through trade unions and TTI’s channels as stated in the complaint resolution policy. Detail on our grievance mechanisms can be found in the Ethics and Integrity section of this Report on p.30 [\[link\]](#). Our efforts to safeguard human rights are further enhanced through partnerships with global industry organizations. More information on this can be found in the Supply Chain Accountability section on p.36 [\[link\]](#).

Diversity and Inclusion

As part of ensuring fair labor practices, an increasingly important aspect of our employer value proposition involves encouraging an environment that embraces diversity and inclusion (D&I). There is no doubt that diversity in our workforce brings fresh perspectives, creating value for the business. Providing equal opportunities for all our team members means we do not discriminate by 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. Our in-person and online training workshops on this subject include examples of real-life scenarios of discrimination and harassment, enabling employees to identify potential issues and report them immediately. Our CoC clearly outlines our zero-tolerance policy on harassment, discrimination and retaliation. Detail about reporting complaints and remedial measures can be found in the Ethics and Integrity section of this Report [\[link\]](#).

Talent Attraction and Engagement

A strong stance on human rights and inclusion allows us to attract and retain the right talent. We consistently provide equal access to professional and development opportunities, and offer competitive compensation and benefits above what is legally mandated.

Employee Benefits

Each of our business units (BUs) puts special emphasis on providing incentives that are relevant to their local employees. Due to the ongoing COVID-19 pandemic, this has involved implementing Work From Home (WFH) measures and extended flexibility for employees. Other benefits available depending on the market include parental leave beyond mandatory requirements, access to housing finance, medical, dental, vision, accident and life insurance, disability coverage and tax-qualified savings plans for retirement, as well as flexible spending accounts and long-service awards.

GOALS

- Safeguard human and labor rights
- Attract and retain the best talent
- Promote respect, diversity and inclusion in the workplace and surrounding communities

TARGETS

- 100% completion of human rights/modern slavery training for employees
- Zero cases of human rights violations
- Increase the percentage of employees going through training and development programs
- Increase employee retention
- 100% of employees trained in D&I
- Increase the number of D&I initiatives
- Increase the percentage of female employees and other diversity categories in management roles

Benefit Programs

Some markets offer a variety of additional benefits as outlined below.

LiveHealth Online

LiveHealth Online is a convenient way for employees to interact with a doctor via live, two-way video on a computer or mobile device.

Teledoc Health (formerly Best Doctors)

Teledoc offers employees access to advice from the world’s leading physicians for everything from minor surgery to serious issues like cancer and heart disease.

Future Moms

The Future Moms program is designed to provide advice on the three stages of pregnancy. Expectant mothers self-identify and are proactively supported to reduce the risk of premature birth or other serious maternal issues.

Employee Assistance Program (EAP)

All TTI employees and their families are eligible for the 24-hours a day, 7-days a week (24/7) EAP, providing resources for mental health and substance abuse conditions.

24/7 NurseLine

Employees can receive immediate assistance from a registered nurse, toll-free, 24/7 for non-emergency health situations.

MetLife Auto & Home Insurance


The MetLife Auto & Home Insurance program allows employees to secure auto and home insurance and pay for it through convenient payroll deductions.

Professional Development

Providing comprehensive professional development opportunities is an important part of our engagement with permanent and temporary employees as well as contractors.

TRAINING

For employees, training needs and targets are determined during performance reviews conducted by managers. Managers provide feedback on strengths and areas of improvement throughout the year with overall performance reviewed at least annually. Our contractors receive training on TTI's practices and requirements related to the work scope or services provided.

Training covers various topics from compliance, leadership and technical skills to marketing, customer service, wellbeing, health and safety. Several programs use our internal e-learning platform and other e-learning tools. These platforms include content on mandatory courses as well as job-specific training. In addition to e-learning, we provide development opportunities through Lunch-n-Learn sessions conducted by employees or outside speakers. We also provide financial support for employees through our Education Sponsorship Program. This covers learning initiatives ranging from coaching, mentorship, seminars and conferences to continuing education. Part-time workers and contractors have access to training on relevant subjects. For details on training hours, please see p.112  in our Performance Metrics.

DEVELOPMENT PROGRAMS

Leadership Development Program

Our flagship Leadership Development Program (LDP) is a key initiative that has enabled us to recruit graduates from over 100 global colleges for over 15 years. From its origins as an initiative of our American division's regional event and marketing team, the program has expanded to an international recruitment drive — offering high-calibre candidates specialist positions in a variety of disciplines. As part of the program, LDP associates

regularly engage with their coach and have the opportunity to rotate to different functions, departments, business units and countries. This allows them to gain valuable skills and the chance to participate in leadership and management courses, such as those at the Harvard Business School.

Our employees recruited through the program, form the core of TTI's workforce and hold key management positions throughout our organization. A prime example is the

President of our Consumer Power Tools division. The LDP generated 2,031 new hires in 2021 and is projected to hire even more in 2022. With 42% of hires identifying as female last year, these future leaders are key to increasing gender diversity in the Company. Going forward, this program will provide a strong pool of qualified candidates from which the Company can draw diverse senior management executives to lead us in the years ahead.

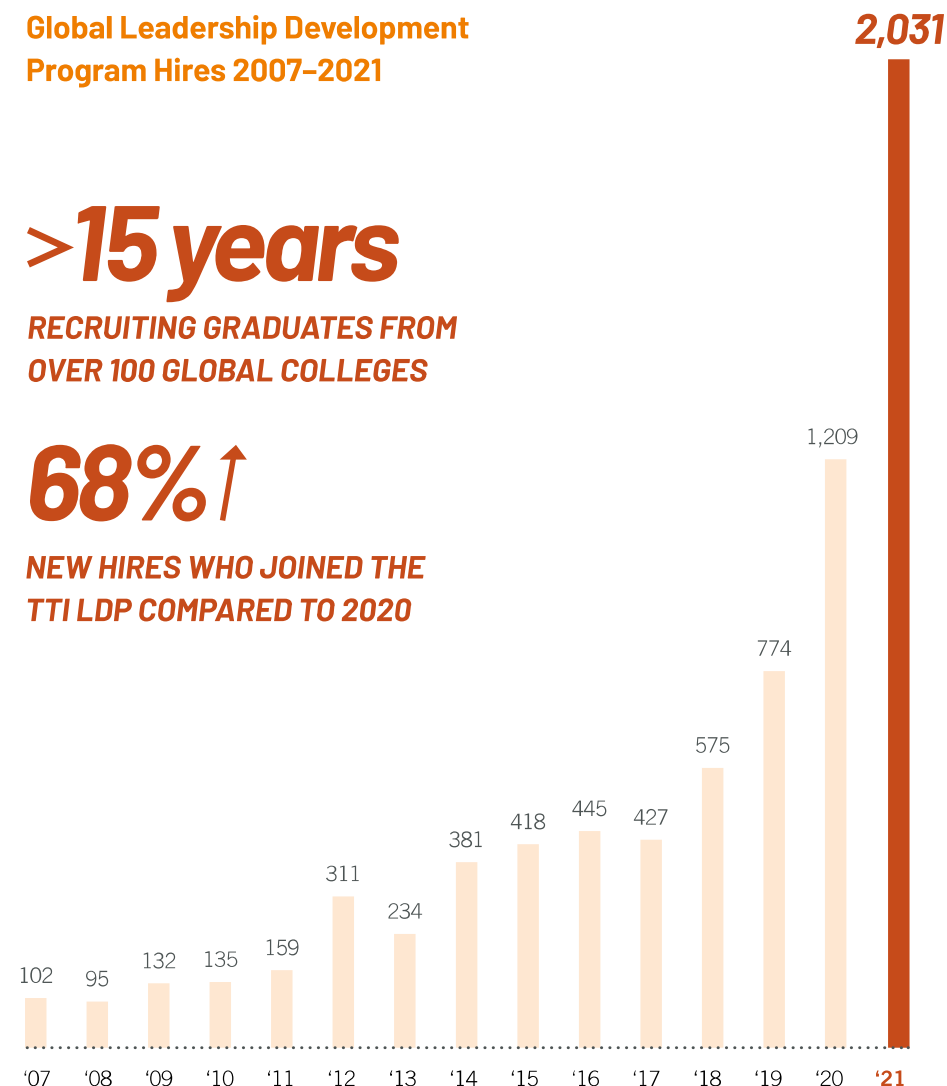
Global Leadership Development Program Hires 2007–2021

>15 years

RECRUITING GRADUATES FROM OVER 100 GLOBAL COLLEGES

68%↑

NEW HIRES WHO JOINED THE TTI LDP COMPARED TO 2020



Leadership Development Program

Sales and Marketing Leadership Program (LDP)

This program provides new graduates with training and experience in sales and marketing. Through these positions, LDP participants are able to develop their technical, management and leadership skills.



Engineering Development Program (EDP)

This training and development program provides new engineering graduates with insights about lessons learned as well as in-depth product, design and technical knowledge, all of which enables them to create high-quality, innovative and customer-focused solutions. EDP participants not only develop their technical abilities, they also develop leadership skills. Responsibility is earned early in an EDP colleague's career as they engage in one or more of our many fast-paced and challenging projects.



Operation Development Program (ODP)

The objective of this program is to hire top talent from campuses to train and develop into future leaders within operations including manufacturing, supply chain, sourcing, quality and distribution. Graduates rotate through operations positions, developing hands-on work experience under the leadership and training of mentors.

Finance Leadership Development Program (FLDP)

This program hires top talent to train and develop into future leaders within finance functions. These FLDPs rotate to different departments, from treasury, to Internal audit, operations, sustainability and accounts receivable/ accounts payable.




Legal Leadership Development Program (LLDP)

The objective of this program is to hire top talent to develop into future leaders in legal, compliance and intellectual property areas.

▶ KEY INITIATIVES AND PROGRESS IN 2021

In the reporting period, TTI made steady progress in terms of human rights, D&I as well as talent management.

Human Rights

TTI continues to enhance our approach to safeguarding human rights across our value chain. This year, all relevant employees in sourcing and purchasing departments were trained on human trafficking and modern slavery, and 83% of our employees were also trained on this issue. Detail on supplier engagement through our Human Trafficking and Anti-Slavery questionnaire and training provided to suppliers on topics such as forced labor can be found in the Supply Chain Accountability section on p.36  of this Report.

In 2021, there were no strikes or lockouts and no reports of human or labor rights violations internally or in our supply chain. We continue to enforce measures that uphold our high standards, including checking identification cards and drivers' licenses to confirm the age of workers, and ensuring young individuals above the legal working age have limited working hours, receive adequate training and are not exposed to harmful or hazardous working conditions.

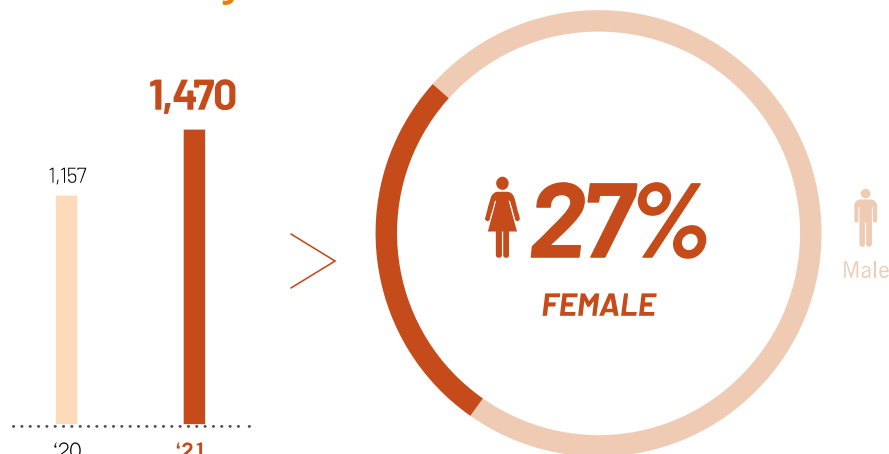
Enhancing Diversity and Inclusion

To further integrate D&I into our corporate culture, our businesses across the globe participated in quarterly meetings and are working to enhance training and education through webinars, recruitment campaigns, special needs arrangements and awareness initiatives. In the USA, our HR teams partner once a month to discuss ideas for improving employee engagement and celebrating

cultures and diversity. TTI has also collaborated with external experts to further promote inclusion programs across our Company.

Our Milwaukee BU has also made significant efforts; this past year the Diversity, Inclusion and Equity Committee added "equity" to its name and created a new value statement to represent that all employees have equal access to opportunities and career advancement. Through surveys and focus groups, the Committee strived to facilitate challenging D&I discussions and create a space for real-time feedback. Workshops, training, educational resources and networking events were made available to give the team a common language, orientation and foundation for how people understand the true business case for diversity, equity and inclusion. In 2021, the Advising Program was launched, pairing an employee with less than three years of experience with a seasoned leader to create meaningful mentoring connections. This pilot program included

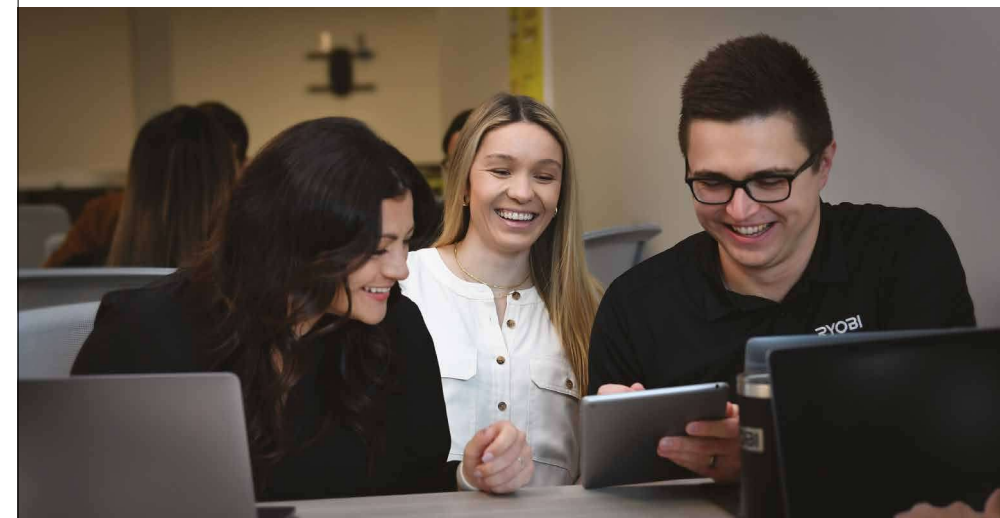
Women in Management



over 35 participants and ran for three months, allowing the team to gather feedback to prepare for a larger rollout at the beginning of 2022. In 2021, we also celebrated Pride Month with a Milwaukee Pride Event where over 1,000 employees gathered to share their support of LGBTQ+ teammates. We plan to celebrate Black History Month and Women's History Month in the future to share other unique perspectives and lift all voices at the table.

Recruiting for Diversity

On the recruitment side, our Dongguan business continues to cooperate with the Dongguan Disabled Persons' Federation to recruit people with varying abilities. In the Americas, our Milwaukee business prioritizes diversity by engaging in national partnerships with groups such as the National Society of Black Engineers (NSBE), the Society of Women Engineering (SWE) and the Society of Hispanic Engineering (SHPE). Each year, a colleague visits university campuses to




interact with diversity-focused student organizations and to engage candidates. TTI NA also strives to enhance diversity in the workforce by sponsoring visas for candidates to experience working in a different location. We had our second USA transfer to EMEA as part of the global FLDP in 2021. We also partnered with the Women in Business organization on university campuses and hosted presentations to discuss women in leadership positions within our team. In 2022, we will also partner with the NSBE to conduct similar initiatives. In EMEA, our teams have been focused on raising awareness and celebrating women in engineering.

Managing Talent

TTI's human resource practices are generally managed by local offices with collaboration at regional levels. To continue to attract exceptional people and reach across geographical regions, in 2021, we increased the capacity of our recruiting departments

across the Company. Our recruiters understand the business operations and teams they are hiring for, which enables them to attract strong candidates while also being equally committed to building a more diverse workforce.

In 2021, 27% of our employees in the role of assistant manager or above were female. Detail on the breakdown of our workforce can be found in the Performance Metrics . There were no reported incidents of discrimination within our operations in the reporting year.


Benefits and Training

To attract talent and support employees, we continued to provide the following types of benefits in some markets in 2021:

- Medical, life, personal accident and travel insurance, critical illness coverage and income protection plans as appropriate in different markets
- Educational, maternal, paternal,

- marriage, compassionate and emergency leave
- Lactation rooms for female staff with all necessary facilities and support
- Internships for employees' children and scholarships for those entering colleges and universities

Our operation in Hong Kong was awarded the Good MPF Employer Award by the Mandatory Provident Fund Schemes Authority to recognize our efforts in enhancing the retirement protection of employees.

We also encouraged professional skill development through different programs such as transitional assistance, assessments to identify skill and competency gaps, job rotation, mentoring and internal hiring. At TTI NA for example, we continued supporting tuition and certifications for employees to expand their knowledge and professional growth and we plan to expand this program next year. Through the year, full-time and part-time employees engaged in 1,769 unique courses, logging a total of 472,157 training hours. More detail on training hours completed can be found in our Performance Metrics on p.102 .

