



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2021**





# RYOBI 80V HP

**UNMATCHED PERFORMANCE.**  
**UNRIVALED INNOVATION.**

## iDRIVE INTELLIGENT DRIVE SYSTEM

Intuitive one-hand joystick steering for optimum precision and control

## HP Technology

5 Brushless Motors, Advanced Electronics, and Lithium Batteries deliver performance equivalent to a 42 Horsepower gas mower

## CROSS CUT Multi-Blade System

6 blades for superior cutting and mulching performance

## GAS-FREE

Performance without the hassle, maintenance, or harmful emissions of traditional gas mowers

## 80V 10.0Ah Lithium Batteries (3)

5 Acres of Runtime on a single charge

## 40V Compatibility

extends runtime with unmatched versatility

## LCD Display & Bluetooth Connectivity

monitor and optimize performance

80V HP BRUSHLESS 54" LITHIUM ELECTRIC ZERO TURN RIDING MOWER  
MODEL: #RYRM8034

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# Vice Chairman's Message



We have made important strides throughout the year to build our sustainability values into the culture at TTI, and we are progressing well on our ESG journey. We are examining how we design, source, manufacture, distribute and recycle our products to reduce our carbon footprint and ensure the long-term sustainability of our governance and business model.

TTI's determination to be a leader in sustainability is not just because it is a requirement, but because it is our responsibility and the right thing to do. Two areas we would like to highlight this year are the continued improvement in our corporate governance and the establishment of environmental targets. Sustainability is woven into our culture from the ground level of our operations all the way up to the Board. In doing so, we plan to continue to heavily invest in our people and clean technology. As a leader in our industry, we have set ambitious goals for our future performance and the standard for what it means to be an exceptional global organization.

**Target Setting:** Our team is focused more than ever on our organization's environmental impact and potential opportunities to reduce future emissions. As a result, we are proud to announce our decarbonization plan.

- By 2030, we plan to reduce absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 60% from our 2021 baseline, while aggressively growing the business.
- Our employees across the globe have contributed to this new target through prioritizing energy efficiency initiatives, onsite renewable energy, offsite renewable energy procurement, and the conversion of our fleet to hybrid and electric vehicles.
- We are very pleased to have recently signed our Green Energy deal in the state of Wisconsin, supplying us with 100% green energy in our Wisconsin sites. This is a brand-new program, and we are one of the first companies to commit.
- We continue to map, measure and target reductions for Scope 3 emissions throughout our value chain and product life cycle.

## "At TTI, we are fully committed to doing business in a way that creates a more just, diverse, safe, and environmentally-responsible world."

**Governance:** In 2021, we simultaneously improved the gender diversity of our board and augmented its sustainability expertise with the addition of a new Independent Non-Executive Board Director, Ms. Virginia Davis Wilmerding. We are also pleased to welcome Ms. Caroline Christina Kracht as another Independent Non-Executive Director effective March 7th, 2022. The addition of these two highly qualified female directors to our Board will bolster the strength and diversity of our governance structure.

- TTI has actively engaged in sustainability oversight at the Board level while at the same time investing in dedicated sustainability functions at the Group and business unit levels.
- We continue our multi-pronged effort to further integrate environmental, social, and governance strategies into our business unit and Board level decision-making. These strategies will continue to be communicated to investors, customers, employees, and other stakeholders throughout 2022.

**Sustainable Products:** TTI has remained focused on clean tech innovation as a core strategy. This is reflected in our cordless lithium-ion battery technology and state-of-the-art acoustic engineering capabilities. Our commitment to developing battery platforms that are 100% backward and forward compatible is a prime example of our sustainable circular economy leadership.

- We convert users from traditional power sources including corded, pneumatic, hydraulic, and petrol tools to our advanced, demonstrably better, and technologically superior lithium cordless battery products.
- In addition, we developed the RYOBI WHISPER SERIES of outdoor products with our state-of-the-art acoustic engineering capabilities. Our mission is to eliminate harmful noise pollution from neighborhoods, and we are excited about the application of our advanced acoustic R&D within our new product pipeline.

- We are relentlessly focused on the quality, safety, repairability, and longevity of our products. This commitment to circular economy principles in our design and engineering processes is paired with a focus on end-user behaviors. These behaviors facilitate servicing, repairing, and refurbishing tools for more sustainable product life cycles.

Not only are we focused on leadership in sustainable products, but also on building out a sustainable global footprint. Our commitment to decarbonizing our manufacturing operations is exemplified by the current construction of LEED Certified state-of-the-art manufacturing sites in Vietnam and the USA. In addition, solar panels are being installed across our facilities to better manage energy consumption.

The sustained commitment among all levels of employees to play pivotal roles in our ESG journey has been extremely encouraging. We are a leading global technology company that depends on recruiting the best and brightest talent worldwide. There is a direct correlation from our tangible measures of ESG success and our ability to attract and retain talent. Stakeholders of all kinds are excited to work with us to build a more sustainable future.

At TTI, we are fully committed to doing business in a way that creates a more just, diverse, safe, and environmentally-responsible world. TTI's mission remains to improve the lives of homeowners and tradespeople around the world. I am proud of the incredible team we have established to build a more sustainable future and am confident we will exceed our targets, continue to assess the financial risk associated with ESG and further establish TTI as a leader across the globe.

**Stephan Horst Pudwill**  
Vice Chairman  
March 2, 2022



### About this Report

We are delighted to present Techtronic Industries Company Limited's (the "Company's", the "Group's" or "TTI's") Environmental, Social and Governance (ESG) Report for the 2021 calendar year. Our approach, initiatives and performance regarding ESG are shared in a separate report this year, as a testament to the growing importance of sustainability efforts in our business operations and across our value chain.

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and also addresses the "comply or explain" provisions outlined in the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In addition, this year we are reporting against the Sustainability Accounting Standards Board (SASB) Standards. We also commenced our climate risk analysis in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. A comprehensive set of content indexes, specifying how we fulfill these standards and recommendations is available on p.118-147 of this report ☐ . TTI's previous Report was endorsed by the Board of Directors (the "Board") on March 3, 2021, as was this Report on March 2, 2022.

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 and the Middle East (EMEA). Environmental information and data from TTI business units (BUs) are presented by region, with data from TTI AIP Dongguan highlighted separately to show progress from previous years. This Report contains a number of restatements, which are explained in the Performance Metrics section on p.100 ☐ . For a full list of TTI BUs covered under each region and abbreviations used in this Report, refer to p.116 ☐ . We welcome your feedback and questions, please contact us through our Investor Relations Department at [ir@tti.com.hk](mailto:ir@tti.com.hk).

\* 42% of hires are female.

## Governance

**Two Independent Female Directors added to the Board**

**Strengthened Internal Sustainability Functions**

**Joined Better Mining as a Founding Member**

## Environment

**60% GHG Emission (Scope 1 & 2) Reduction Target Set for 2030**

**Undertook Formal Physical Climate Risk Assessment**

**Expanded Tool Repair/Refurbishment Program**

## Social and Community

**Hired over 2,000 graduates\* through our Leadership Development Program**

**Kicked Off Quarterly Global D&I Calls**

**Habitat for Humanity Global Partnership**



# About our Business

## About TTI

TTI is a fast-growing world leader in Power Tools, Accessories, Storage, Hand Tools, Outdoor Power Equipment, and Floorcare and Cleaning for do-it-yourself (DIY), professional and industrial users in the home improvement, repair, maintenance, construction and infrastructure industries. The Company is committed to accelerating the transformation of these industries through cordless technology. TTI brands like MILWAUKEE, RYOBI and HOOVER are recognized worldwide for their deep heritage and cordless product platforms of high quality, outstanding performance, safety, productivity and compelling innovation.

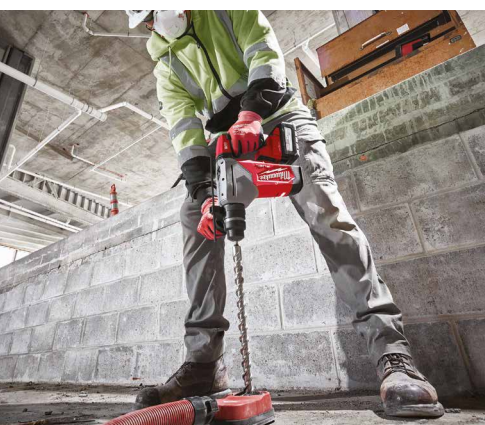
Founded in 1985 and listed on the Stock Exchange of Hong Kong ("SEHK") in 1990, TTI is included in the Hang Seng Index as one of their constituent stocks. The Company maintains a powerful brand portfolio, global manufacturing and product development footprint, healthy financial position with record 2021 worldwide sales of US\$13.2 billion and over 51,000 employees.



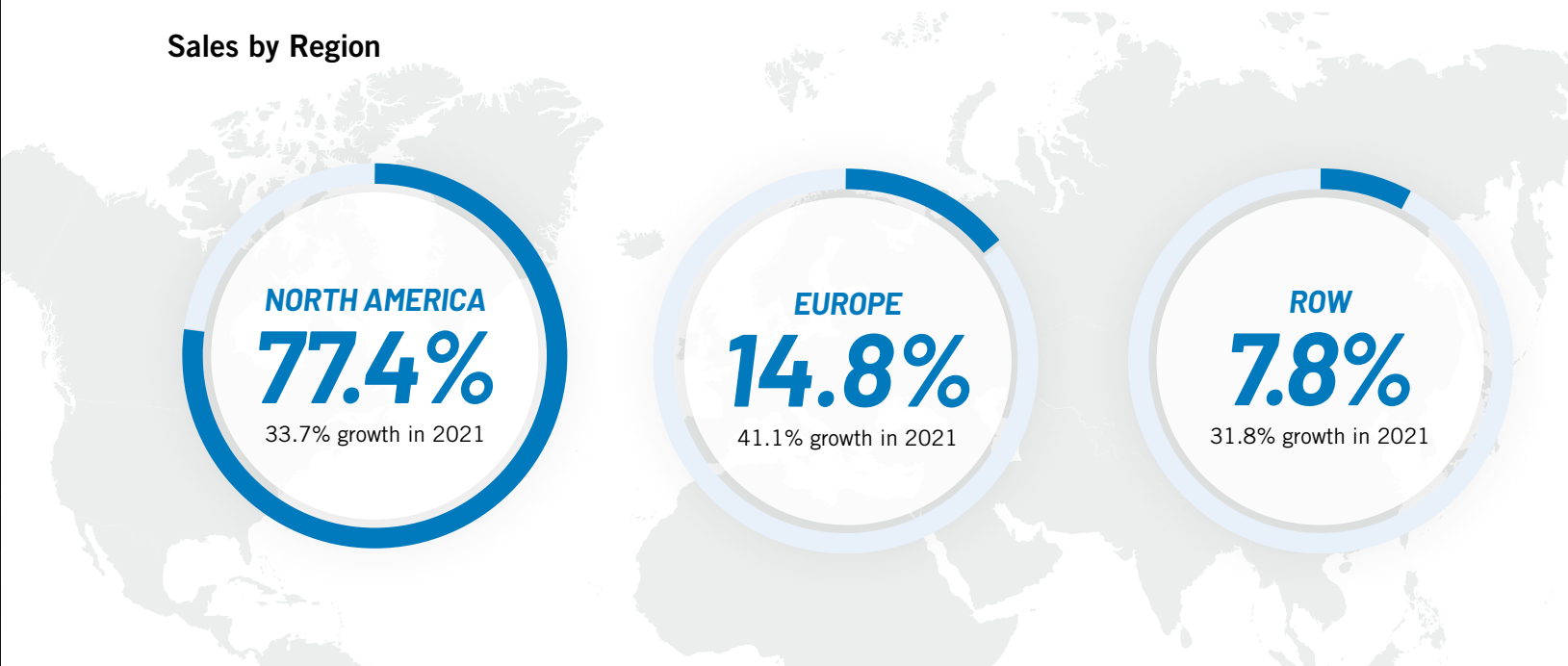
Power Equipment



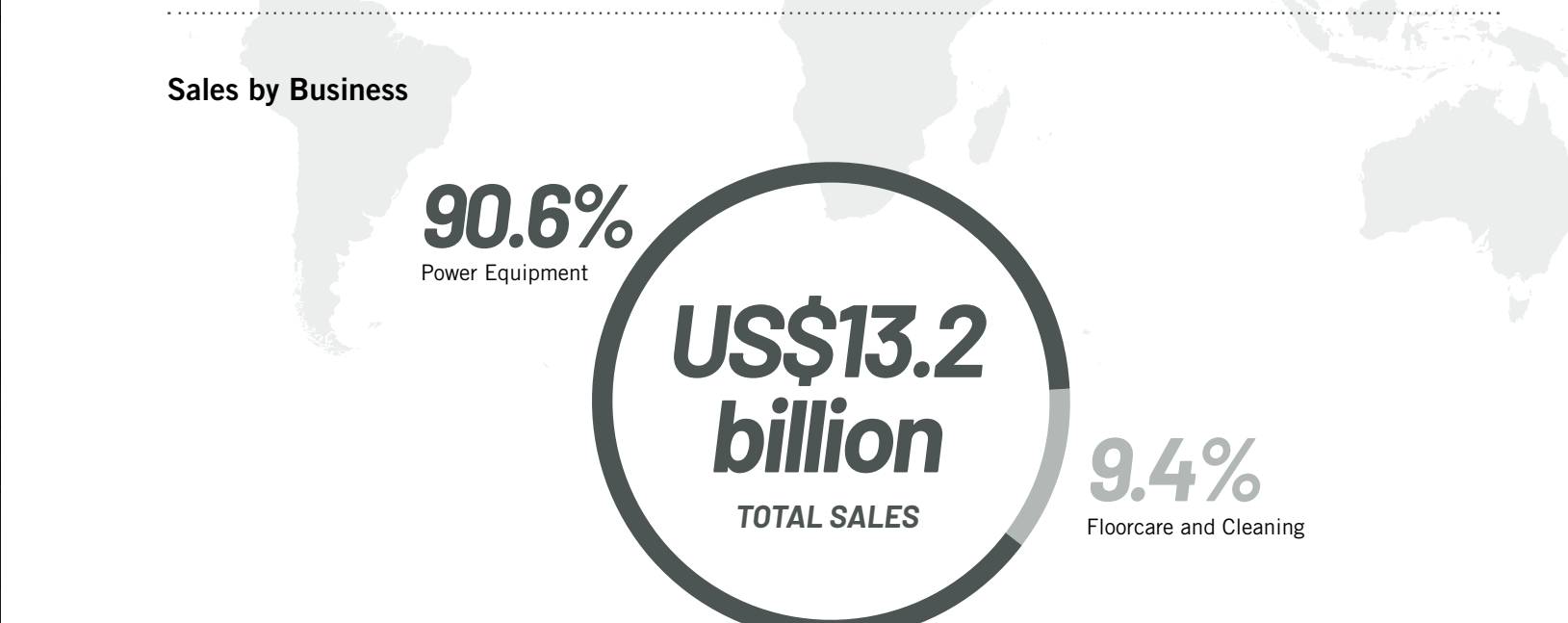
Floorcare & Cleaning



## Sales by Region



## Sales by Business







# TTI'S ESG APPROACH AND STRATEGIC FRAMEWORK

*At TTI, sustainability is a core value in all aspects of our business. 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.*

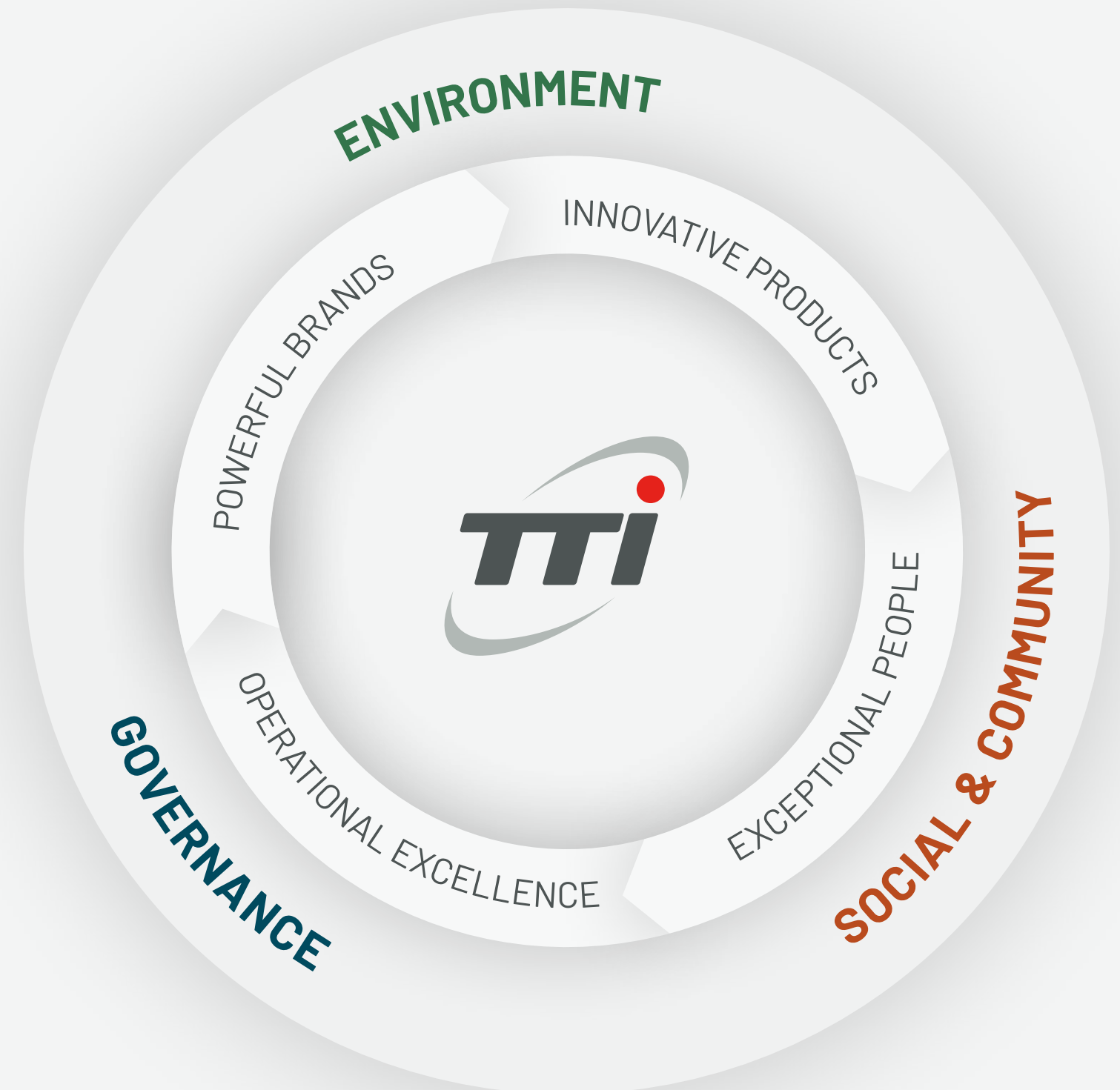
TTI understands the importance of continuous engagement with our stakeholders to monitor and address their expectations as well as evolving legal and industry requirements. Our mission is to shape a better future, at the heart of which is our relentless focus on cordless technology and products to improve 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, manual, 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 Programs is at the heart of our strategy and culture. 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 our 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 (UNSDGs) 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 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.

For each of our focus areas of Governance, Environment, Social and Community, 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.

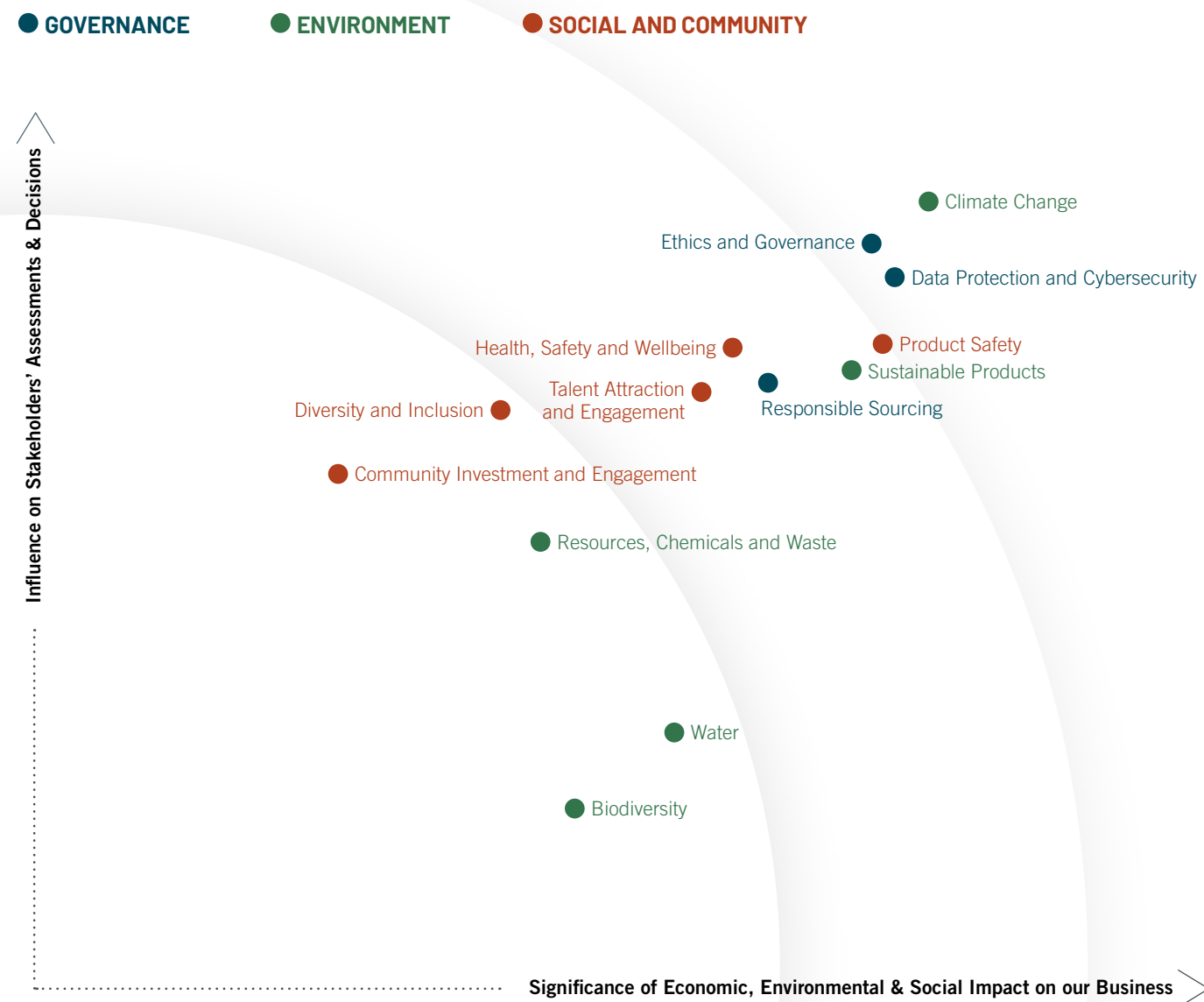




# Materiality Assessment

A key focus is to align our strategy with our stakeholders' sustainability concerns and those most material to our business. The issues identified through the materiality assessment conducted in 2020 continue to define our priorities and inform our material topics. For each of these topics, we track our performance and identify risks and opportunities, which enables us to evaluate the impacts along our value chain.

This year we have chosen to re-evaluate how we group our material topics to enhance our reporting. As such, the previous 13 material topics are now combined and presented as eight topics. Data Protection and Privacy is covered under Ethics and Integrity; Chemicals and Waste, Water and Biodiversity are covered under Resources, Materials and Waste; Product Safety is covered under Safety, Health and Wellbeing; Diversity and Inclusion, Talent Attraction and Engagement and Human Trafficking and Modern Slavery are covered under Empowering People and Responsible Sourcing has been renamed Supply Chain Accountability. This re-alignment optimizes the communication of our approach to sustainability.



# Stakeholder Engagement

We regularly interact with our key stakeholders\*, comprising our employees, customers, end-users, suppliers, investors, shareholders, regulatory bodies, industry groups, non-governmental organizations (NGOs) and the broader community to understand their concerns.

The main issues of concern raised by our stakeholders, how we engage with them, and the frequency of interaction are summarized below. These priority concerns of our stakeholders help to inform our approach to sustainability and are reflected in the materials topics covered in this Report.

## GOVERNANCE

- 1 Ethics and Integrity
- 2 Supply Chain Accountability

## ENVIRONMENT

- 3 Climate Change
- 4 Resources, Materials and Waste
- 5 Sustainable Products

## SOCIAL AND COMMUNITY

- 6 Empowering People
- 7 Health, Safety and Wellbeing
- 8 Community Investment and Engagement

## Investors and Shareholders

RELATED MATERIAL TOPICS 1 2 3 5 6 7 8

ENGAGEMENT CHANNELS AND FREQUENCY†	KEY CONCERNS
<ul style="list-style-type: none"> <li>• Dedicated meetings to discuss ESG expectations</li> <li>• Collection of feedback on TTI's 2020 ESG Report</li> <li>• Bi-annual roadshows</li> <li>• Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Independence, diversity and engagement of Board members</li> <li>• Ethics and governance</li> <li>• Responsible sourcing with focus on sustainable supply chain, human rights, conflict minerals and cobalt</li> <li>• Environmental risk management</li> <li>• Forward-looking financial risk assessment linked to ESG (TCFD)</li> <li>• Climate change strategy, risk and opportunity mapping</li> <li>• Greenhouse gas (GHG) emission reduction, targets and milestones</li> <li>• Sustainable design, recyclability (batteries and tools), circular economy</li> <li>• Diversity and inclusion</li> <li>• Community engagement</li> </ul>

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

† Unless stated, engagement is ongoing or periodic.





## Employees

RELATED MATERIAL TOPICS 3 6 7 8

ENGAGEMENT CHANNELS AND FREQUENCY†	KEY CONCERNS
<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Diversity and Inclusion committees</li> <li>• ESG sub-committees</li> <li>• Roundtables</li> <li>• TTI Group Intranet</li> <li>• Training (online and face-to-face)</li> <li>• Performance reviews</li> <li>• Engagement with NGOs</li> <li>• Social media</li> <li>• Compliance hotline</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change actions</li> <li>• Working conditions and benefits</li> <li>• Training and development</li> <li>• Equal opportunities, diversity and inclusion</li> <li>• Health, safety and wellness</li> <li>• Community engagement</li> </ul>

## Customers and Product End-Users

RELATED MATERIAL TOPICS 1 2 3 4 5 7

ENGAGEMENT CHANNELS AND FREQUENCY†	KEY CONCERNS
<ul style="list-style-type: none"> <li>• Communication on policies and codes</li> <li>• Factory audits, Social Environmental Responsible (SER) audits and trainings</li> <li>• Communication on conflict minerals, due diligence and progress</li> <li>• Sustainability programs on decarbonization and GHG emission reduction</li> <li>• Focus groups on product development</li> <li>• Annual product presentation conferences</li> <li>• Ongoing conferences and meetings</li> <li>• Social media</li> <li>• Compliance hotline</li> <li>• Customer service communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Data privacy protection</li> <li>• Conflict minerals</li> <li>• Climate change actions and risks</li> <li>• Packaging materials reduction</li> <li>• Chemical substances in products</li> <li>• Circular economy</li> <li>• Transport, storage, recycling, end-of-life of products and batteries</li> <li>• Quality of products, including safety and environmental impact</li> <li>• Social and environmental responsibility</li> <li>• Modern slavery (forced and child labor and vulnerable migrant workers)</li> </ul>

## Suppliers

RELATED MATERIAL TOPICS 1 2 3 4 5

ENGAGEMENT CHANNELS AND FREQUENCY†	KEY CONCERNS
<ul style="list-style-type: none"> <li>• Compliance hotline and online platform</li> <li>• Onsite interaction with employees in charge of quality control and SER</li> <li>• Regular audits and meetings</li> <li>• Training</li> <li>• Annual product presentation conferences</li> <li>• Supplier engagement conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Anti-corruption</li> <li>• Climate change and extreme weather events</li> <li>• Resource scarcity</li> <li>• Pollution and waste</li> <li>• Social and environmental responsibility</li> </ul>

## Communities

RELATED MATERIAL TOPICS 2 3 4 6 7 8

ENGAGEMENT CHANNELS AND FREQUENCY†	KEY CONCERNS
<ul style="list-style-type: none"> <li>• Local and international community engagement with NGOs</li> <li>• School fairs and programs with universities</li> <li>• Mentoring and internship programs</li> <li>• Partnerships and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change actions</li> <li>• Water preservation</li> <li>• Biodiversity preservation</li> <li>• Training and development</li> <li>• Health and safety</li> <li>• Equal opportunities, inclusion and diversity</li> <li>• Safety of products</li> <li>• Poverty eradication</li> <li>• Social and environmental responsibility</li> </ul>

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

† Unless stated, engagement is ongoing or periodic.





# Risks and Opportunities

A thorough assessment of the risks associated with our eight material topics and the opportunities inherent in these risks informs our sustainability strategy. The table below outlines these risks,

opportunities and TTI's response to addressing these in order to meet stakeholder expectations and maintain business continuity.

## Ethics and Integrity

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk to business from geopolitical tensions and change in trade regulations</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Diversify operations and supply chains, promote sustainable practices across the value chain and further community development</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Ongoing efforts to source and produce goods closer to markets</li> <li>Reduced dependency on single suppliers within essential categories</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of non-compliance with international and local laws</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Foster a culture of ethical behavior and good governance across the value chain to enhance accountability and transparency</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Robust policies, training and compliance programs on ethics and anti-corruption</li> <li>Internal audit investigations and compliance hotline</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of breaches of data privacy and intellectual property, data loss and cyberthreats</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Protect TTI and customer information data, enhance TTI's systems and operational integrity and maintain stakeholder trust</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Data privacy and cybersecurity policies</li> <li>Robust training to all colleagues</li> <li>Global cybersecurity initiatives</li> <li>IP protection and enforcement process</li> </ul>

## Supply Chain Accountability

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk to reputation and environment of not collaborating with partners to tackle the issue of responsible sourcing</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Establish partnerships to effect positive change across the industry and supply chain</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Membership to Responsible Business Alliance and other organizations (i.e. Responsible Mineral Initiative, Responsible Labor Initiative, the Better Mining initiative, The Mekong Club)</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of human rights violations and environmental non-compliance within the supply chain</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Build capacity and align our supply chain on human rights and environmental protection</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Investigations, compliance monitoring on ethics and human rights and participation in the Better Mining initiative</li> <li>Conflict minerals and cobalt procurement initiatives</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of not reducing Scope 3 GHG emissions in our supply chain</li> <li>Risk of disruptions in the supply chain due to increasing climate change-related risk (i.e. extreme weather events, impact on labor from increased heat and disease)</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Implement responsible production and consumption measures in the supply chain to reduce GHG emissions and build resilience to mitigate and adapt to climate change-related challenges</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Capacity building to enable suppliers to measure and reduce GHG emissions</li> <li>Renewable energy and recycling initiatives within the supply chain</li> </ul>

## Climate Change

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of not achieving environmental targets and the resulting financial, reputational and market access impacts</li> <li>Risk of non-compliance with environmental frameworks and regulations</li> <li>Risk of failure in the transition to electrification of energy end-uses</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Reduce absolute GHG emissions, implement energy efficiency programs, transition to renewable energy and electric vehicles</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Energy assessment conducted at all manufacturing sites in China and other locations in 2021 with an established energy reduction action plan up to 2030</li> <li>Scope 1 and 2 target setting</li> <li>Developing plans to mitigate physical and transitional climate risks</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of non-compliance with climate-related frameworks and regulations</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Align climate action and disclosure with climate-related frameworks and regulations</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Climate action and disclosure training for relevant colleagues</li> <li>Reporting metrics for climate action and compliance with related frameworks</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of physical damage to assets from climatic events that could lead to business disruption</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Develop adaptation strategy to future-proof the business for operational and supply chain resilience to boost TTI's competitive advantage</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Climate resilience strategy development</li> <li>Industry and NGO partnerships that address climate impacts</li> </ul>

## Resources, Material and Waste

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of resource scarcity leading to high commodity pricing and sourcing difficulties</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Adopt measures to reduce the use of scarce resources and apply circular business models focused on recycling materials, and parts harvesting and refurbishment</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Water reduction target for TTI AIP, and reuse initiatives and audit</li> <li>Recycling partnerships: Call2Recycle®, Envirostream and others</li> <li>Responsible raw materials procurement initiatives and partnerships</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of pollution and subsequent reputational damage from mismanagement of waste and resources</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Adopt a circular approach to resources and waste through technological advances</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Waste management initiatives and training across the value chain</li> <li>Expansion of our repair and refurbishment program</li> </ul>

<b>RISK</b>	<ul style="list-style-type: none"> <li>Risk of environmental and ecological impact, including ecosystem degradation and species loss from processes in the value chain</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Contribute to biodiversity restoration through partnerships with NGOs</li> </ul>
<b>RESPONSE</b>	<ul style="list-style-type: none"> <li>Monitoring of biodiversity impacts</li> <li>Partnerships with environmental NGOs such as African Parks</li> </ul>





### Sustainable Products

**RISK**

- Risk of not making true progress in managing environmental impacts of products
- Reputational damage from wasting resources

**OPPORTUNITIES**

- Share credible information with consumers to encourage demand for sustainable products and end-of-life management

**RESPONSE**

- Partnerships for refurbishing power tools
- Checklists to provide guidance on the principles of sustainability and circular economy

**RISK**

- Risk of not meeting consumer demand for sustainable products
- Risk of non-compliance with mandatory energy efficiency labeling schemes

**OPPORTUNITIES**

- Research and development of new technologies, recyclable and biodegradable materials and eco design products
- Enhance responsible sourcing in the whole supply chain

**RESPONSE**

- Investment in clean technology products
- Development of new business model through Factory Outlets
- Partnerships for responsible sourcing

**RISK**

- Risk of pollution (noise, water, air and chemical) impacting health and environmental quality

**OPPORTUNITIES**

- Reduce environmental impact and pollution through innovation and sustainable design

**RESPONSE**

- Development of products that utilize less energy and resources, produce less waste, emissions and noise while in use

### Empowering People

**RISK**

- Risk of human and labor rights violations and non-compliance with international and local labor laws

**OPPORTUNITIES**

- Maintain respectful workplaces for people to thrive

**RESPONSE**

- Compliance hotline
- Human rights policies and training on modern slavery and human trafficking
- Engagement in initiatives to promote human rights

**RISK**

- Risk of not having sufficient skilled and experienced human capital to support current business growth

**OPPORTUNITIES**

- Retain the best talent for the long-term

**RESPONSE**

- Professional development opportunities and competitive compensation and benefits packages
- Youth development programs and internships

**RISK**

- Risk of reputational damage for not being a diverse and inclusive employer, impacting productivity and business success

**OPPORTUNITIES**

- Benefit from diverse thinking, methods, values and perspectives

**RESPONSE**

- Diversity & Inclusion (D&I) and equal opportunity training
- D&I committees to champion initiatives

### Health, Safety and Wellbeing

**RISK**

- Risk of safety hazards for employees at manufacturing sites resulting in injury or fatality

**OPPORTUNITIES**

- Further develop fair, safe and healthy workplace practices at TTI and along the supply chain

**RESPONSE**

- Occupational health and safety (OHS) training
- Monitoring of OHS programs by Health & Safety (H&S) committees

**RISK**

- Risk of physical and mental health issues for employees and the community

**OPPORTUNITIES**

- Enhance and support physical and mental wellness of employees

**RESPONSE**

- Expansion of wellbeing programs including mental health initiatives

**RISK**

- Risk of unsafe products impacting users and potential consequences, such as litigation, fines from product claims or recalls, reputational damage and commercial risk

**OPPORTUNITIES**

- Innovate product design to enhance user experience with improved safety attributes
- Improve quality and customer satisfaction

**RESPONSE**

- Product safety prioritization and training
- Product safety policies and committees

### Community Investment and Engagement

**RISK**

- Risk to reputation of not being engaged in industry initiatives or from not supporting local community needs

**OPPORTUNITIES**

- Make a positive impact on the community through volunteering and donations

**RESPONSE**

- Programs focused on pandemic and poverty relief, eradicating modern slavery, home-building, environmental and disaster relief

**RISK**

- Risk of not meeting expectations of customers and employees

**OPPORTUNITIES**

- Support work of NGOs and establish partnerships

**RESPONSE**

- Partnerships with NGOs that benefit local communities (e.g. Habitat for Humanity)

**RISK**

- Risk of underdevelopment and stagnation in communities impacting business continuity

**OPPORTUNITIES**

- Engage employee and customers across our global network in community building

**RESPONSE**

- Asian University for Women Internship Program, educational initiatives for young people
- Community programs across markets



# Our Goals, Progress and UNSDGs

We manage the issues that are material to our business by setting goals to meet our sustainability objectives. The table below outlines these goals and the progress we have made on our related targets. It also shows how our material topics impact various parts of our complex, global value chain, comprising our operations, customers,

communities and suppliers. 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 (UNSDGs) that are most relevant to our operations.

## Ethics and Integrity [P.30](#)

Championing initiatives within our own operations and engaging in global multi-stakeholder partnerships to eliminate ethical violations across our value chain.



### 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

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

## Supply Chain Accountability [P.36](#)

Building capacity and aligning our supply chain on decarbonization, safeguarding human and labor rights and forging strong partnerships to affect change across the industry.



### 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

- ON TRACK** 100% of suppliers trained on Business Partner Code of Conduct (BPCoC) and human rights policies
- ON TRACK** Map and reduce human rights risk in the supply chain
- STARTED** 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
- STARTED** Map and reduce Scope 3 emissions in the supply chain and build resilience for climate change-related risk

Value Chain



## Climate Change [P.52](#)

Reducing GHG emissions, reducing our energy consumption, decarbonizing and working with global partners to strengthen our capacity to mitigate and adapt to climate change and climate-related impacts.



### GOALS

- Become a net zero organization
- Ensure full compliance with climate-related frameworks and regulations
- Implement a climate adaptation and resilience strategy

### TARGETS

- STARTED** Reduce Scope 1 and 2 GHG emissions by 60% by 2030
- STARTED** Set energy consumption reduction targets
- ON TRACK** Full disclosure on climate action performance and plan
- ON TRACK** Conduct a climate risk assessment of both physical and transition risks on all key sites

## Resources, Materials and Waste [P.60](#)

Responsibly managing resources, materials and waste, and adopting circular economy models, to further responsible consumption and production.



### GOALS

- Ensure the responsible consumption of resources across our business
- Improve waste treatment and efficient waste management
- Implement programs for biodiversity protection and restoration

### TARGETS

- ON TRACK** Achieve a water consumption reduction target of 6% per year at our main People's Republic of China (PRC) factory site
- ON TRACK** Set a Group waste and water reduction target by 2023
- ON TRACK** Increase the number of material management programs and facility development plans that consider biodiversity impacts





## Sustainable Products

P.66 [↗](#)

Promoting product innovation, which furthers responsible consumption and production.



### GOALS

- Promote circular business models by increasing service, repair, maintenance and refurbishment services
- Increase investment in clean technologies
- Develop products that improve living and working environments

### TARGETS

- ON TRACK** Increase the number of tools being remanufactured, repaired and/or refurbished
- ON TRACK** Increase the number of tools and batteries recycled
- AHEAD** Increase product efficiency
- AHEAD** Increase the number of products that reduce noise pollution
- AHEAD** Reduce/eradicate outdated technologies (petrol, pneumatic, hydraulic-powered products)

## Empowering People

P.80 [↗](#)

Motivating and engaging our people, while strengthening gender equality and promoting inclusion for all.



### GOALS

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

### TARGETS

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

## Health, Safety and Wellbeing

P.86 [↗](#)

Maintaining fair and safe working environments and producing safe and durable products in a responsible manner.



### GOALS

- Maintain healthy and safe workplaces
- Promote a positive and healthy lifestyle among employees
- Design products that enhance user experience with improved quality, safety, environmental and health benefits

### TARGETS

- STARTED** Zero fatal accidents in our workplaces
- ON TRACK** Reduce the number of work injuries year on year to achieve zero work injuries
- ON TRACK** Increase the number of physical and mental wellness programs for employees
- STARTED** Zero product recalls
- ON TRACK** Increase customer satisfaction ratings

## Community Investment and Engagement

P.92 [↗](#)

Contributing 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



### GOALS

- Support community livelihoods through investment and engagement activities
- Establish strategic partnerships with industry partners and NGOs
- Enhance talent and customer attraction through community engagement

### TARGETS

- ON TRACK** Increase our donation in cash and in kind to charities year over year
- AHEAD** Increase the number of employees and hours spent volunteering
- ON TRACK** Increase the number of community partnerships



# 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*

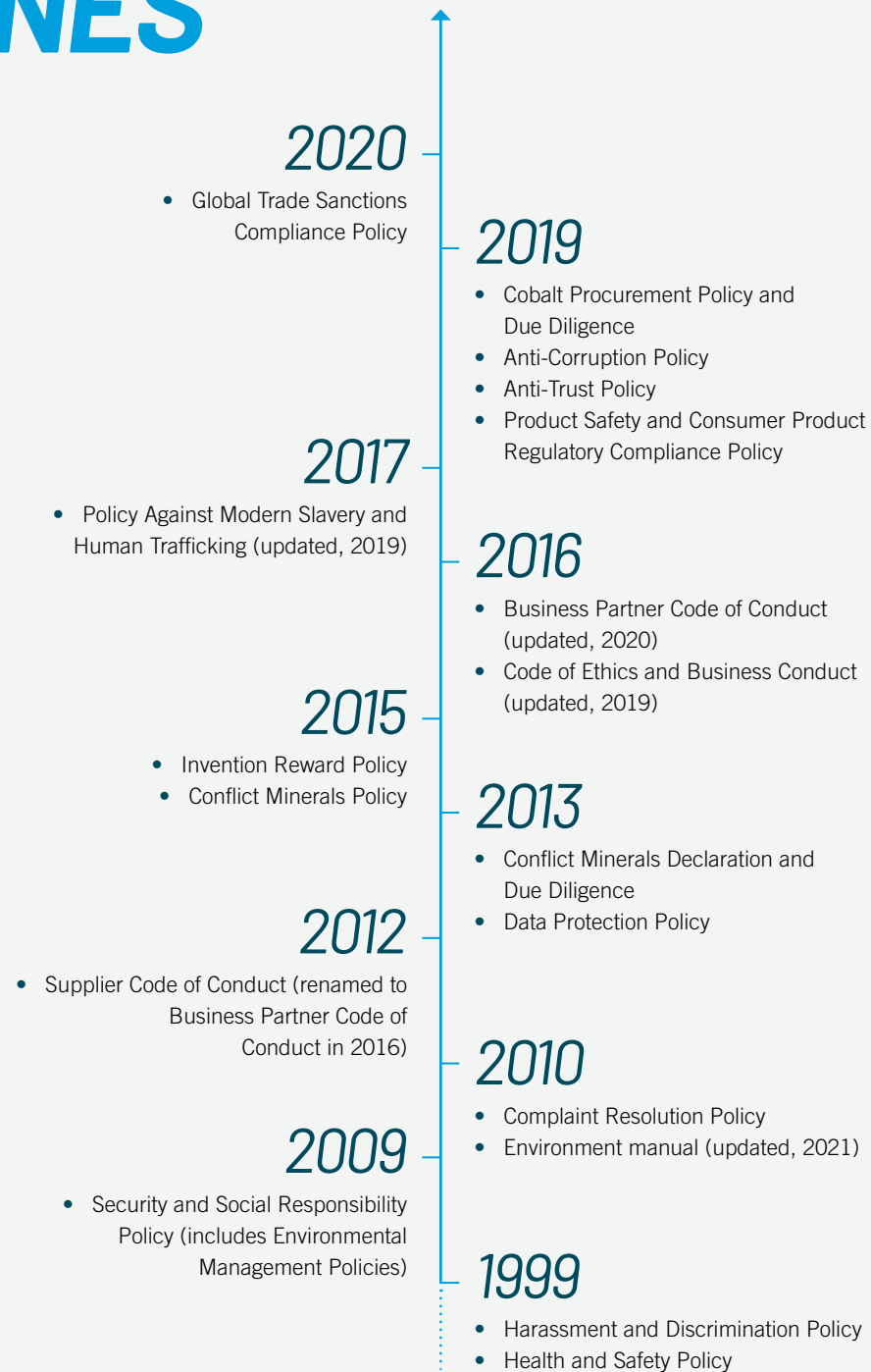




# Governance

## 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 [link](#)

**Supply Chain Accountability**

P.36 [link](#)

**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.

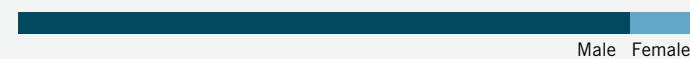
#### Audit Committee

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.

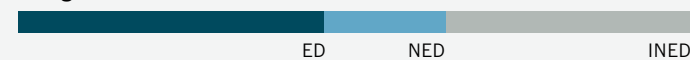


### Our Board of Directors (as of December 31, 2021)

#### Gender



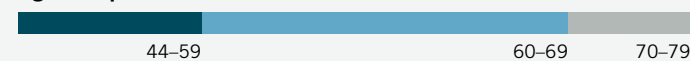
#### Designation



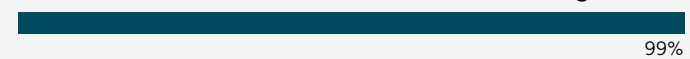
#### Ethnicity



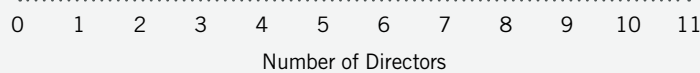
#### Age Group



#### 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 <a href="#">🔗</a> : states the actions and ethical behavior expected of our employees	
●		Complaint Resolution Policy and Procedure <a href="#">🔗</a> : 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 <a href="#">🔗</a> : outlines TTI's requirements and expectations for all suppliers and partners	
●		Anti-Corruption Policy <a href="#">🔗</a>	
●		Anti-Trust Policy <a href="#">🔗</a>	
●		Trade Compliance <a href="#">🔗</a>	
●		Data Privacy, Data Security and Incident Reporting Policies	
	●	●	Conflict Minerals Policy <a href="#">🔗</a> : outlines expectations and guidelines in the sourcing of tin, tungsten, tantalum and gold ("3TG")
	●	●	Cobalt Procurement Policy <a href="#">🔗</a> : 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 <a href="#">🔗</a> : 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.

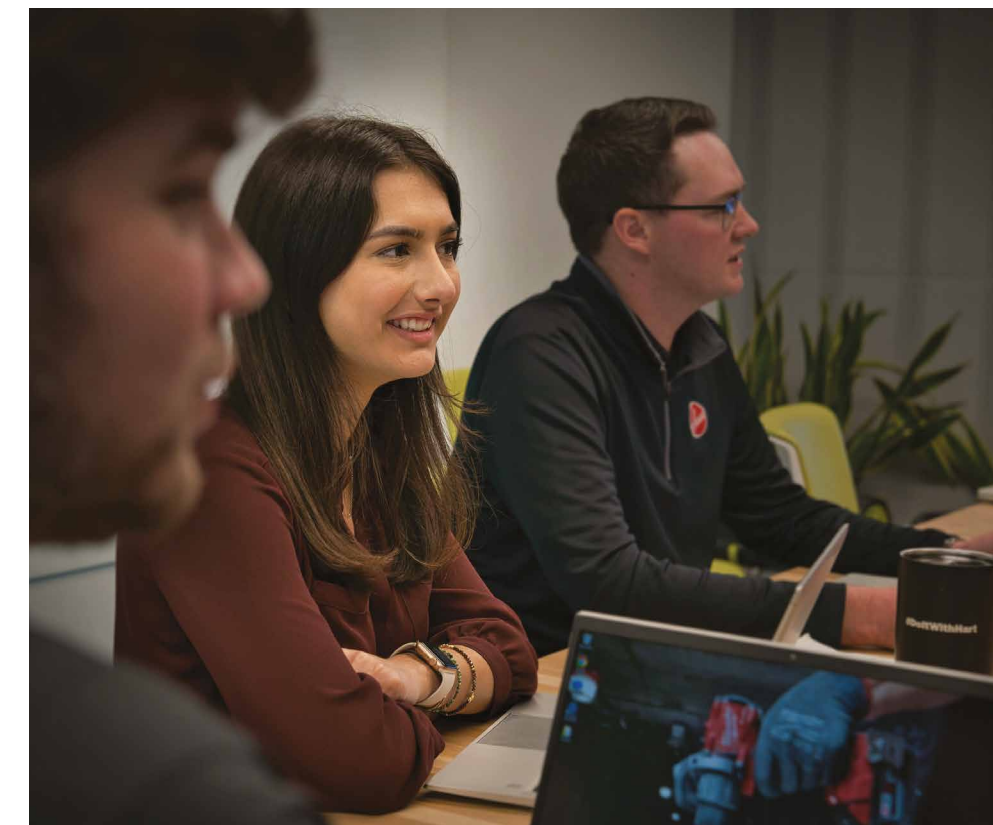
Periodic audits of these controls, completed either by an internal audit team or through an external third party, provide assurance that robust processes are being adhered to. Programs to verify compliance with anti-corruption practices extend from our operations to our supply chain. TTI follows a robust 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

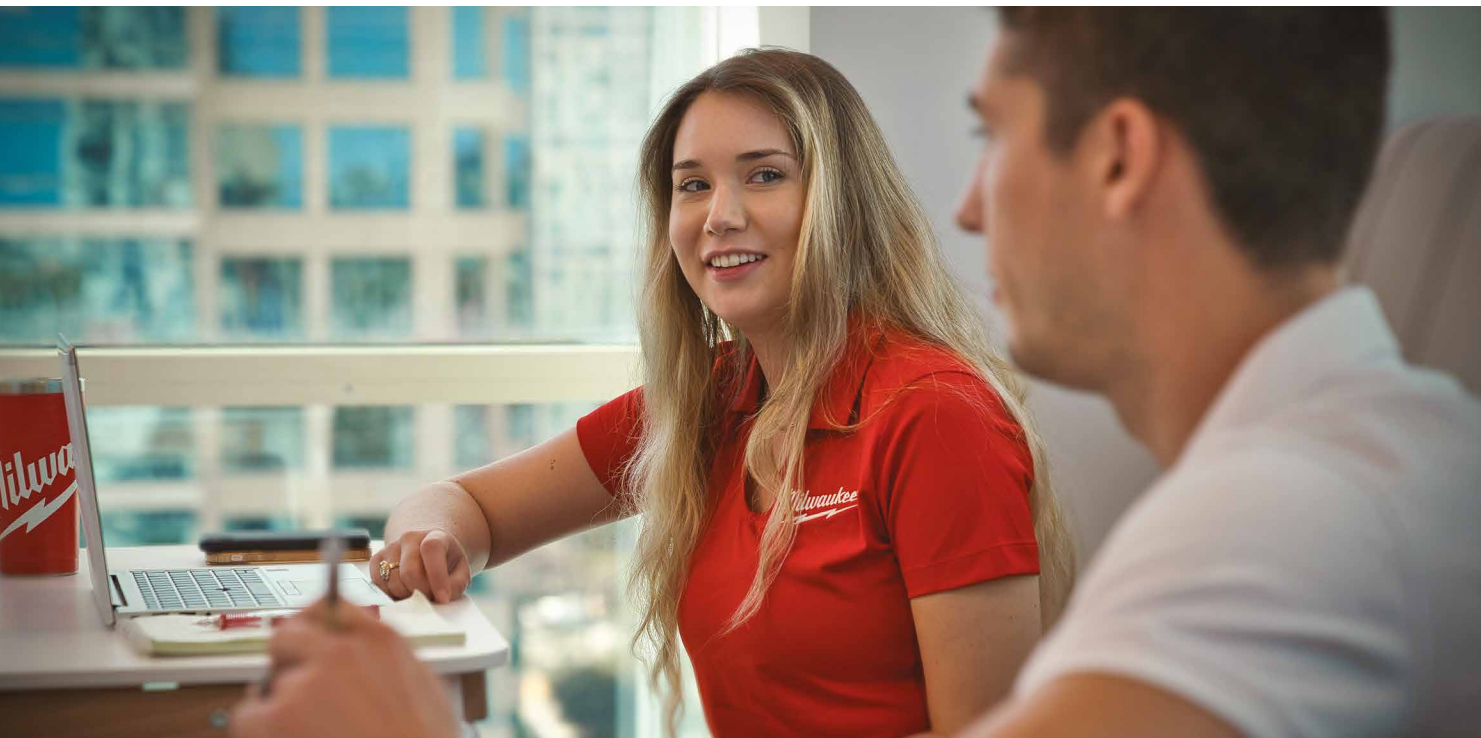
Our goal is to continuously address cybersecurity scenarios in our resilience planning, document them through business continuity plans, and test our programs' reliability and ability to respond to threats through attack simulations. Cybersecurity conditions change daily and our program is designed to 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.

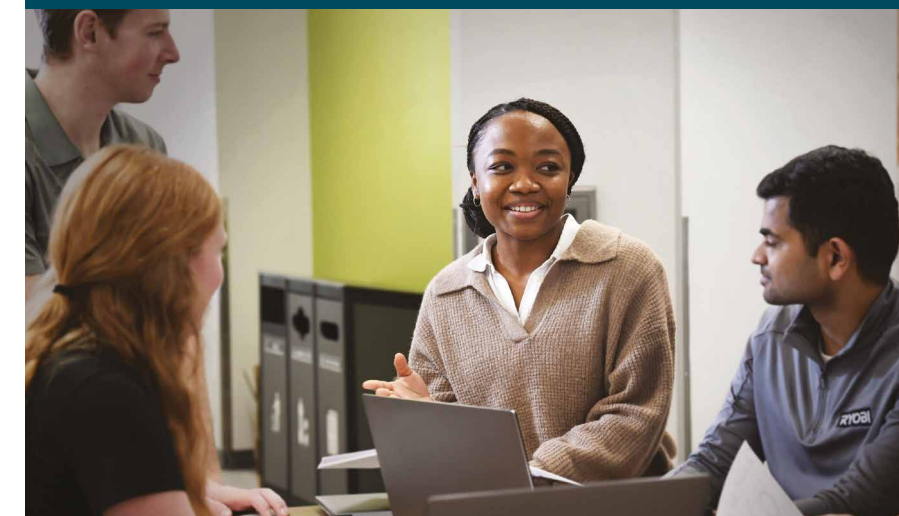
## SPOTLIGHT

# 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) [link](#).

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 [link](#).

## GOALS

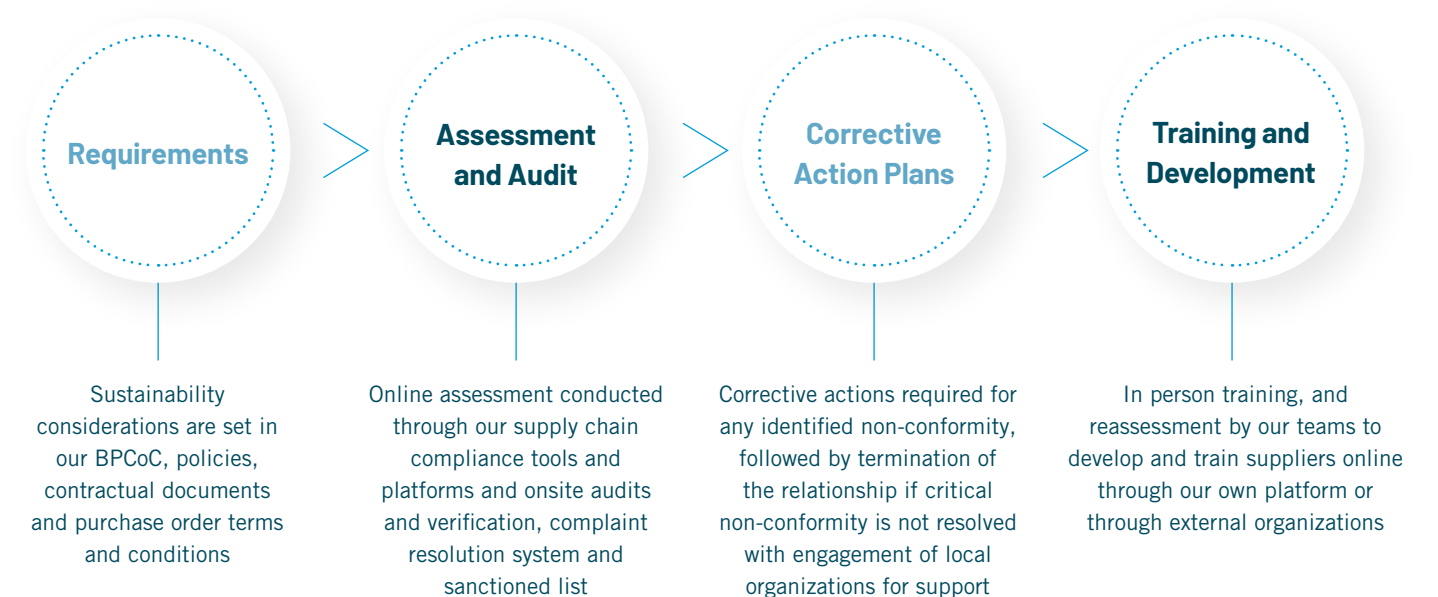
- Promote human and labor rights, gender equality and environmental protection in the supply chain
- Expand and enhance partnership opportunities to effect change
- Promote climate action

## 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.

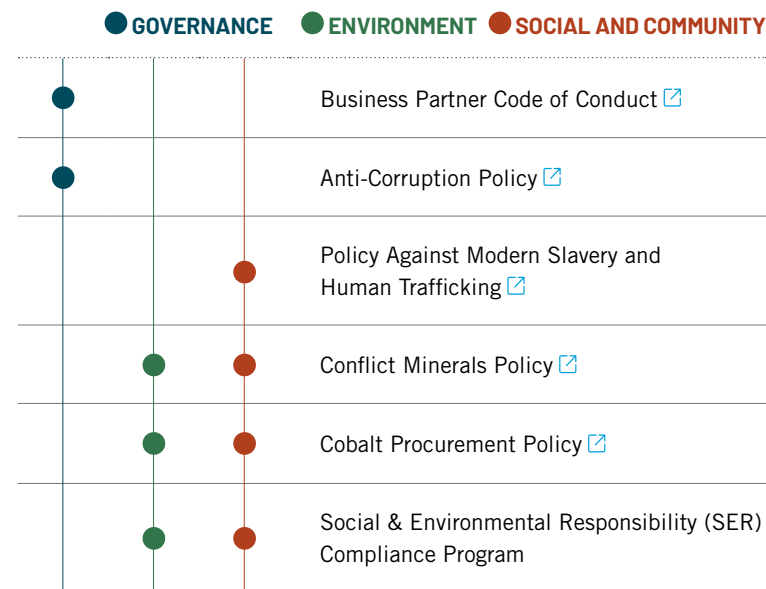






### Key Compliance Policies Accessible to Suppliers

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
<b>Governance</b>	Ethics and anti-corruption
<b>Social standards</b>	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)
<b>Environmental standards</b>	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
<b>Factory security</b>	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



# ENVIRONMENT

PROTECTING OUR  
PLANET THROUGH  
INNOVATIVE PRODUCTS  
AND OPERATIONAL  
EXCELLENCE

60% GHG Emission  
(Scope 1 & 2)  
Reduction Target  
Set for 2030

Undertook Formal  
Physical Climate  
Risk Assessment

Expanded  
Tool Repair/  
Refurbishment  
Program



# Environment

# ENVIRONMENTAL MANAGEMENT STRATEGY

Our strategy focuses on clean technology innovation, decarbonization and circular economy.



MATERIAL TOPICS

**Climate Change** [P.52](#)

**Resources, Materials and Waste** [P.60](#)

**Sustainable Products** [P.66](#)

## Protecting our planet is critical for the long-term environmental sustainability of our communities and business.

Our approach to environmental sustainability is closely tied to our quest for innovation. Since our early days, we have aimed to embed disruptive technologies into our products, delivering cordless, battery-powered alternatives and energy-efficient options. TTI is not only committed to managing our impacts across our product range but also our global operations and value chain. We accomplish this by conserving resources, maximizing efficiencies and prioritizing innovation. By setting clear targets that keep us accountable and encouraging everyone — employees, suppliers, customers and communities — to do things differently, we strive to lead and effect positive change.

### Environmental Management

Understanding that environmental sustainability is fundamental to the achievement of our long-term success, TTI has long been committed to fully integrating an environmental strategy into our business. All our manufacturing sites have comprehensive Environmental Management Systems (EMS) in place, and are compliant with ISO 14001 EMS and 9001 quality standards. We focus our efforts through our strategic drivers of Innovative Products and Operational Excellence for impact. Our approach to increasing transparency and accountability throughout our value chain is outlined in the sections below on Climate Change, Resources, Materials and Waste and Sustainable Products. To ensure

all our business units (BUs) are unified in implementing continual improvement and sustainability practices, we have established a number of key policies, procedures and accountability mechanisms at the global level.

TTI's ESG Executive Committee is responsible for setting our environmental management strategy based on the material topics identified, with oversight provided by the Board of Directors. The Committee, Environmental, Health Safety (EHS) Functions and BU leaders are tasked with identifying and providing resources needed for implementing our EMS and ensuring that the importance of achieving our EMS targets is understood by all relevant employees. They also monitor and evaluate the progress of systems and define the responsibilities of each department to further improvements in performance.

In addition, our ESG Working Committee, global EHS teams and EMS committees oversee the development and implementation of awareness-raising and training programs for employees. Training on EHS is delivered to all relevant employees through both e-learning and in-person sessions. In 2021, 103,317 employees were trained on EHS.\*

\* This figure includes those who left the Company as of Dec 31, 2021.





## Environmental Manual

TTI's Environmental Manual meets the ISO 14001:2015 standard requirements, including legal compliance. It outlines the framework for setting and reviewing environmental objectives and targets and describes our leadership's commitment to improving our environmental performance. The Environmental Manual also sets out our Safety and Responsibility Policy covering Quality System Assurance (QSA) and EHS functions, including those pertaining to the prevention of pollution and incidents, along with the conservation of resources. It is consistently updated to reflect evolving environmental management guidelines.

In addition to the Manual, we are also guided by a number of standard operating procedures (SOPs) that cover the topics in the table below, and are established to outline procedures for complying with all applicable legal requirements.

### Standard Operating Procedures

- **Chemical Management** – ensures the transport, storage and use of chemicals effectively prevents the accidental release of chemicals, fire or explosions
- **Waste Collection and Disposal** – identifies the process for recycling materials, and disposing unrecyclable and hazardous waste (including medical waste)
- **Water Pollution Management** – outlines the management of wastewater discharge, treatment and recycling to meet discharge standards
- **EHS Objective, Target and Program Management** – comprises documented EHS objectives, targets and programs to achieve our commitment to pollution prevention and continual improvement
- **Emergency Preparedness and Response** – ensures proper coordination and control in emergency situations to minimize loss and impact, and prevent or reduce adverse environmental impacts that may occur

These procedures are complemented by Management/Operating Instructions on chemical handling. For more information, please see the section on Chemicals on p.60-61 [📄](#).

## Managing our Impact

All our operations met all applicable compliance requirements in 2021. 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 Reporting Guide Content Index on our website [📄](#). Enhancing the measurement of our environmental impact remains a vital aspect of our environmental management effort; detailed data on our progress can be found in the Performance Metrics on p.100 [📄](#) of this Report. Any stakeholders who are concerned with our environmental practices are encouraged to report issues through the grievance mechanisms described in the Ethics and Integrity section of this Report [📄](#).

## Key Environmental Priorities

Our priority in 2021 has been to manage our footprint by accelerating our course towards decarbonization. This effort is supported by the implementation of circularity practices across our operations and value chain. We have also embarked on a comprehensive exercise to analyze the risks and opportunities we face due to climate-related impacts.



### DECARBONIZATION

Our decarbonization pathway will reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021.



### CIRCULARITY

We are integrating circularity models in our designs and choice of materials to turn waste into valuable inputs in our product life cycle.



### CLIMATE RISK ANALYSIS

We have commenced a detailed analysis to identify the physical and transition risks and opportunities that climate change poses on our business.





## SPOTLIGHT

# OUR PATH TO DECARBONIZATION

## Target-setting Approach and Roadmap

In response to a global shift towards achieving net zero emissions by 2050 following the Paris Agreement, TTI has set a Scope 1 and 2 emissions reduction target to demonstrate our commitment and create a roadmap to drive our decarbonization efforts. We have followed best practice guidelines and methodologies, including the Science-based Targets initiative to support our goals and implement a robust action plan.

To determine our pathway, we first mapped our Scope 1 and 2 GHG emissions. Following this and to determine how far we could drive down emissions by 2030, we conducted market research, a series of internal interviews across our BUs and assessments of energy efficiency opportunities and renewable energy availability. While the assessments showed that focusing on energy efficiency was the priority, we also considered various measures, and proposed the following other options to our regional BUs:

- Onsite renewable energy

- Offsite renewable energy
- Fleet hybridization and electrification
- Energy Attribute Certificates (EAC)
- Carbon offsets

As part of the process, we completed a comprehensive energy audit of all manufacturing sites in the PRC and chose 2021 as our baseline to have a more complete and accurate baseline. We also provided decarbonization guidance to BUs across all regions, requesting them to conduct their own internal energy audits, to assure the assessments were accurate and complete. Understanding that operations in different regions are unique, the regions proposed their own internal targets within the GHG reduction program. By shifting our allocation of resources to support a mix of measures, our Group target was set at 60% reduction of our Scope 1 and 2 GHG emissions by 2030 compared to our 2021 baseline.

### Our Strategy

**A 60% reduction of Scope 1 and 2 GHG emissions compared to 2021.** Upon careful assessment, we have determined that the main contributors to achieving this will be:

- Energy efficiency
- Onsite solar photovoltaics
- Offsite renewable energy procurement such as green tariffs, green power procurement and Power Purchase Agreements in key markets
- Energy Attribute Certificates (EAC), where other options are not available
- Electric vehicle conversion
- Operational improvements

As our business involves providing energy-consuming products to end-users, our Scope 3 emissions are a significant part of our footprint. In 2021, we started expanding our mapping of Scope 3 emissions, including those from raw materials, capital goods, transportation as well as employee commuting, and we are now finalizing the assessment of emissions arising from the usage and the end-of-life treatment of sold products. As a next step we intend to set Scope 3 targets in line with the Science-based Targets methodology to achieve net zero emissions as soon as possible.

# 60%↓

REDUCTION IN GHG EMISSIONS  
(SCOPE 1&2) BY 2030

### Main Contributors to Achieving our Reduction Target

- 1 Energy efficiency
- 2 Onsite solar photovoltaics
- 3 Offsite renewable energy procurement
- 4 Energy Attribute Certificates (EAC)
- 5 Electric vehicle conversion
- 6 Operational improvements





## MATERIAL TOPIC

# Climate Change

Understanding the effects of the changes in the climate related to increased heat, drought, coastal flooding and others, and what these mean for business, society and ecosystems, allows us to formulate climate actions and strategies that mitigate risk and build resilience.



## How We Are Managing It

The impacts of climate change are ever increasing, making the need for a cohesive climate resilient strategy imperative. As outlined below, we have undertaken a holistic and comprehensive approach, based on research, science, technology and market realities, to develop our strategy for climate action.

## Energy and Emissions

Managing our emissions is an important aspect of our carbon reduction strategy. Our manufacturing processes, transportation, office operations and supply chain are all sources of air and GHG emissions<sup>1</sup>. These are emitted when fossil-fuel based combustion processes are used to generate electricity for manufacturing, heating and cooling, lighting and building management systems, and to operate cars, trucks and other small machinery. In addition, we use fluorinated gases, such as R-404a, as refrigerants.

As part of our decarbonization program, we have reviewed our Scope 1, 2 and 3 GHG emissions: Scope 1 emissions arise from onsite operations and company-operated vehicles; and Scope 2 result indirectly from

purchased electricity; and Scope 3 emissions arise from the materials we purchase, business travel, upstream and downstream transportation, waste generation, water consumption and also downstream sources such as energy utilized to operate our products. In this past year, we have mapped out a decarbonization pathway with concrete plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021. We are also striving to address our wider Scope 3 emissions beyond our direct operations through various initiatives such as circular economy practices. TTI's approach to circularity initiatives implemented and the overall strategy going forward can be found on p.72 [📄](#). More detail on our journey to decarbonization can be found in the Spotlight on p.50 [📄](#).

Energy management is key to our strategy as increased production requires higher levels of energy input. Maximizing efficiency is our priority and an essential step to reducing our emissions. Energy-efficiency measures include timely maintenance of air-conditioning, heating, ventilation and building management systems, along with

the utilization of LED lights, setting lighting levels based on occupancy and availability of natural light and implementation of energy management systems. Renewable energy production and procurement is also an important element of our energy management plans. There are four levels in our energy strategy:

- Energy efficiency
- Renewable energy production
- Renewable energy procurement
- Fleet electrification

We will continue to ensure that new manufacturing sites include environmental considerations such as energy efficiency, use of renewable energy and water conservation in the design and construction of buildings, as well as systems and equipment.

## Diversification

Another way that we reduce GHG emissions and manage climate risk is by diversifying and localizing our manufacturing and supply chains. Through diversification, we are able to source and produce goods closer to market, reducing the transportation required and thereby the emissions generated. This also

allows us to build closer ties with new markets as we engage local suppliers. In this way TTI strives to work with business partners around the globe to upgrade environmental and safety standards across our value chain. In addition, we can contribute to local community development, creating a positive impact on their economies, living conditions and educational prospects.

## Climate Risk Analysis

To further build our resilience, we have put significant effort into understanding the risks that climate change poses on our business. Working with experts in the field, we have looked at both physical risks affecting key sites and the transition risks we will face, to inform our risk management and strategic planning processes moving forward. This

analysis was conducted in line with the HKEX's "Guidance on Climate Disclosures" (November 2021)<sup>2</sup> and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The physical climate risk analysis entailed modelling the impacts of eight acute and chronic physical risks under three future climate scenarios. This analysis was conducted on 13 key TTI sites across five global markets. A map of TTI key manufacturing sites can be found on p.54 [📄](#). Following the completion of this analysis under all climate scenarios, a portfolio- and asset-level financial analysis was run. This took into consideration potential financial losses from physical asset damage and potential business interruptions (i.e. operational losses). Markets and specific

assets were ranked and prioritized in terms of their financial climate value-at-risk (CVaR) to TTI. Preliminary analysis determined that for the identified portfolio, TTI is the most exposed to acute climate events such as typhoons, storm surges and flooding from rainfall and river expansion, and will be impacted by chronic events such as extreme heat.

We also conducted a detailed transition risk analysis to identify the risks and opportunities involved with transitioning to a low-carbon economy. The analysis was conducted under the following climate scenarios published by the International Energy Agency (IEA)<sup>3</sup>:

- Net Zero Emissions by 2050 Scenario (NZE), which is a stringent pathway; and
- Stated Policies Scenario (STEP), which is a business-as-usual pathway.

## GOALS

- Become a net zero organization

- Ensure full compliance with climate-related frameworks and regulations

- Implement a climate adaptation and resilience strategy

## TARGETS

- Reduce Scope 1 and 2 GHG emissions by 60% by 2030
- Set energy consumption reduction targets

- Full disclosure on climate action performance and plan

- Conduct a climate risk assessment of both physical and transition risks on all key sites

1 Air emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur oxide (SO<sub>x</sub>), fine particulate matter (PM) volatile organic compounds (VOC), hazardous air pollutants (HAP) and hydrochlorofluorocarbon (HCFCs).

2 HKEX's "Guidance on Climate Disclosures" [https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance\\_climate\\_disclosures.pdf?la=en](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance_climate_disclosures.pdf?la=en)

3 IEA's World Energy Outlook 2021 at <https://www.iea.org/topics/world-energy-outlook> as of February 2022.



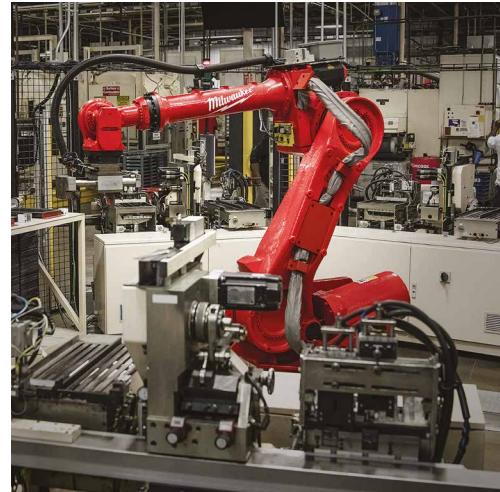
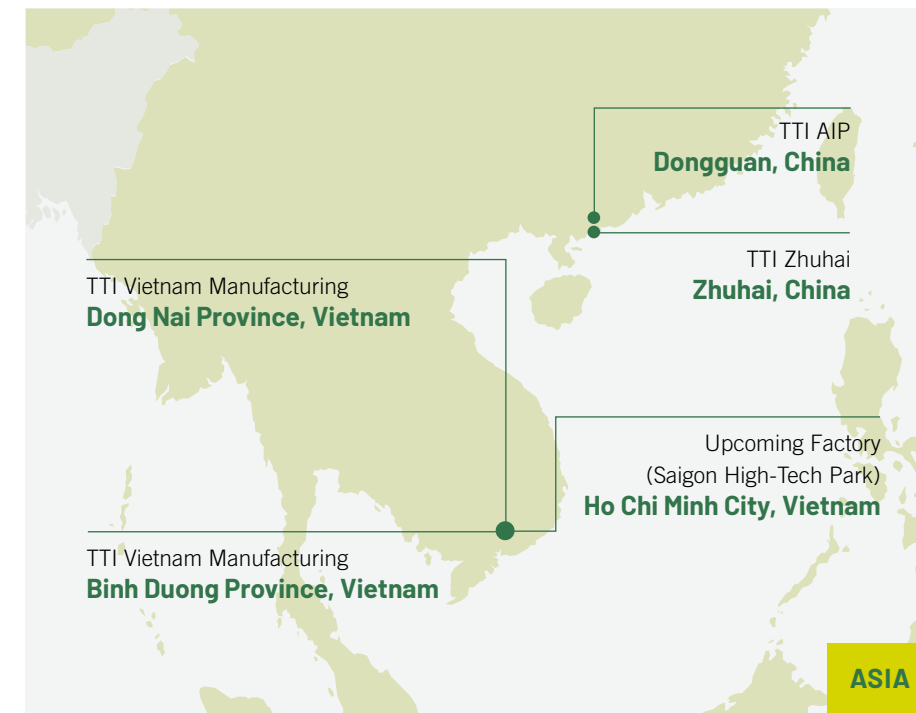
**Key Global Manufacturing Sites**



Based on the selected scenarios, government policies and standards as well as market and technology trends were reviewed to identify a list of transition risks and opportunities. They were further prioritized according to their impacts to TTI's business and operations and are as follows:

- **Increased carbon price.** Carbon pricing mechanisms through carbon taxes or emission trading systems and emerging carbon regulations will be introduced to all operating markets. This will increase expenditure for compliance or enhancement of energy efficiency in operations.
- **Introduction of energy efficiency labels.** More mandatory energy-efficiency product labeling schemes will be implemented in markets. As a result, the cost of product development will be increased due to efficiency testing requirements.

- **Increased demand for energy-efficient products, electrification and switching to low-carbon sources.** Higher energy prices will drive demand for efficient products. Households will also be less reliant on oil and gas to meet their energy needs, thanks to efficiency improvements and electrification. Increased investment in product research and development may be required. We see this risk as an opportunity to gain further reputation and market share while meeting customer's expectations.
- **Rise of electric mobility.** Adoption of electric heavy trucks will increase, and the supply of internal combustion engine (ICE) cars and vans will cease. As a result, the cost of purchasing or replacing electric vehicles will increase.





## ▶ KEY INITIATIVES AND PROGRESS IN 2021

### Energy Management

Progress in energy management in 2021 is outlined below.

#### Energy Audits

Comprehensive energy audits were conducted at our main sites in the People's Republic of China (PRC) and the United States of America (USA). We investigated usage of alternative energy sources and energy-saving opportunities, with emphasis on finding short-payback measures and many major scale savings through assessments at individual manufacturing plants. This process included site inspections to assess operations, support machinery and maintenance activities. In the PRC, over 20 energy-efficiency measures were identified and will be implemented as part of our decarbonization program. In the USA, a number of energy efficiency measures were identified and will be implemented in the next few years.

#### Regenerative Testing

Our Milwaukee Tool business develops a number of battery and battery charger products every year. To guarantee the reliability and longevity of the products, a comprehensive development process has been established. Every stage of development is supported by relevant testing procedures, utilizing significant sample sizes, testing times and specific testing applications. To minimize the impact of the testing on energy consumption, our PRC Milwaukee Test Lab has developed dedicated test systems based on regenerative electronic loads. As a result of this technology, up to 92% of the energy needed to validate and qualify the products can be recovered. In 2021 alone, this newly designed testing system generated a net energy saving of 69,000 kWh over 62,000 test cycles with the potential to generate much more in years to come.

#### Energy Efficiency

In addition, our BUs took the following steps to decrease emissions and improve energy efficiency in 2021:

- 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
- Monitoring the status of air compressors through a mobile application, allowing for the regular shut down of the compressors, resulting in expected savings of 82,125 kWh of electricity per year at TTI AIP

- Replacing air compressors with two power saving permanent magnet frequency conversion air compressors
- Replacing a 37 kW air pump at a wastewater treatment station with a 30 kW air suspension pump, resulting in a 20% saving in electricity, equivalent to 126,144 kWh per year
- Installing time-controllers for 46 sets of extractor fans resulting in potential electricity saving per year of 171,648 kWh and for 36 sets of extractor fans in production workshops with a potential electricity saving of 181,440 kWh per year
- Implementing a duct system combined with fans to evacuate the heat generated from chillers in buildings, reducing the energy required to cool the building in summer and to heat the building in winter at Milwaukee Tools

Going forward at TTI AIP, the following initiatives will be implemented while additional steps are under review:

- Turning off unnecessary overhead lights in production workshops to save 518,400 kWh of electricity every year
- Removing the exhaust fan in air compressor rooms and improving the exhaust pipe
- Regularly checking air filters in compressor rooms to avoid drops in pressure and replacing air outlet filter elements
- Reducing the use of compressed air by interlocking the air nozzle of printing machines in the paint shop
- Improving the lamp control circuit of our research and development (R&D) center to save 96,250 kWh of electricity every year

#### Renewable Energy

We continued to assess the generation of onsite renewable energy through solar photovoltaic panels at a number of our manufacturing sites. Implementation will start in 2022 at our main manufacturing site in the PRC and we are working on the implementation of other onsite renewable energy programs in Vietnam, Europe and the USA. In addition, we have assessed different offsite renewable energy procurement opportunities such as Power Purchase Agreements, green tariffs as well as green procurement and renewable energy certificates.

Initiatives focused on renewable energy included:

- Replacing streetlights with solar lights saving 52,385 kWh of electricity per year at TTI AIP. In 2022, we are planning to do the same in our second largest factory in PRC
- Transitioning from the electricity grid to renewable energy in EMEA and American markets
- Planning to install PV solar panels on the rooftop of TTI AIP
- Planning to implement 1,111 solar panels (7.4 ft long, 3.7 ft wide) in Mexico in 2022, with the expectation of saving an estimated 337 tonnes of CO<sub>2</sub> per year
- Applying to the Tennessee Valley Authority to begin procuring renewable energy at the Olive Branch distribution hub
- Working toward procuring renewable energy for all Wisconsin based Milwaukee Tool locations

## SPOTLIGHT

# Renewable Energy

With renewable energy procurement being a key measure in our decarbonization pathway, we have initiated both onsite and offsite projects.

### Solar Energy in the PRC

We are preparing to install solar rooftops at our facilities in the PRC and are now in the final stages of selecting an external partner for this project. Our aim is for our first installation at our main location in Dongguan in 2022 with all phases scheduled to be completed by 2026. The total area covered by solar panels will be over 120,000 sqm, generating an estimated 13.92 MWh of energy by 2027 for TTI AIP, which represents 18% of the electricity consumed at this location in 2021.

### Green Energy in the USA

We are also pursuing an offsite project in the USA to help meet our target. Our Milwaukee Tool BU engaged experts at their main energy provider, WE Energies, to perform energy audits at all locations in Southeastern Wisconsin. After review of their projected consumption, Milwaukee Tool entered into a green energy commitment with WE Energies that provides 100% renewable energy at all Southeastern Wisconsin Milwaukee Tool locations. The agreement commenced in February 2022 and makes Milwaukee Tool one of the early adopters of the Energy for Tomorrow program.



# 20

**ENERGY-EFFICIENCY  
MEASURES  
IDENTIFIED IN PRC**





TTI's total energy consumption in 2021 amounted to 424,677,328 kWh. This was 25% higher than 2020 figures due to higher levels of production to meet demand. However, TTI saw a decrease of energy consumption intensity of 7% based on sales value US\$ million over 2020.

At TTI AIP, the total energy consumption was at 91,633,162 kWh in 2021, this increased by approximately 14% over the previous year, however, intensity decreased by 15%.

**Air and GHG Emissions**

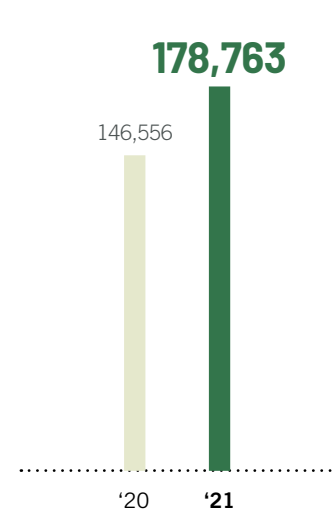
In 2021, TTI did not have any incidents of non-compliance with air emission regulations. Our GHG emissions (Scope 1 and 2) totaled 178,763 tonnes of carbon dioxide equivalent

(tCO<sub>2</sub>e), an increase of 22% in absolute emissions and a decrease of almost 9% in intensity based on sales value US\$ million over 2020. This increase in absolute emissions was due to growth in the business and the expansion of our footprint to support this. In 2021, we continued monitoring air emissions. We have assessed which air pollutants are produced, and at what level at the applicable sites. The results show that these air emissions are not significant.\*

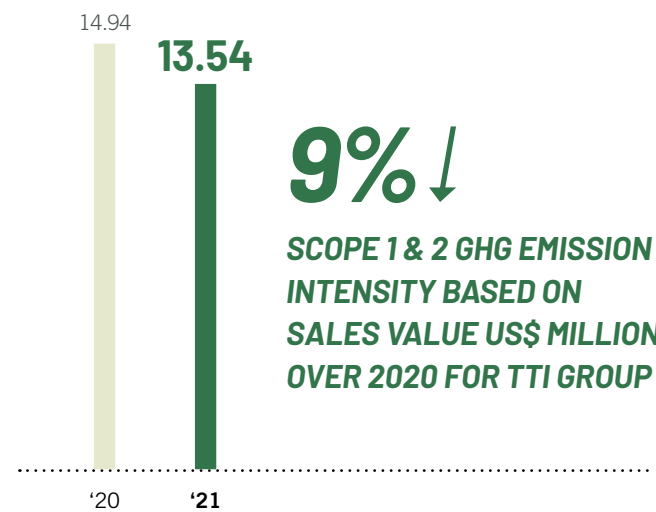
**TTI AIP GHG Emissions**

In 2021, TTI AIP's total GHG emissions (Scope 1 and 2) totaled 54,735 tCO<sub>2</sub>e, an increase of 13% in absolute emissions and a decrease of 16% in intensity based on sales value US\$ million over 2020.

**Total Scope 1 & 2 GHG Emissions (tCO<sub>2</sub>e)**



**Total Scope 1 & 2 GHG Emissions Intensity (tCO<sub>2</sub>e per sales revenue, US\$ million)**



\* Total volume of air emissions in 2021.

i. Nitrous Oxides (NOx): 2,098 kg  
 ii. Sulphur Oxides (SOx): 135 kg

iii. Volatile organic compounds (VOC): 5,617 kg  
 iv. Hazardous air pollutants (HAP): 2,965 kg

v. Particulate matter (PM): 4,027 kg  
 vi. Hydrochlorofluorocarbon (HCFCs): 233 kg

**Building Certifications**

We continue to strive to reduce impact on the environment. Accordingly, a number of our global locations that consist of leased and owned properties have been or are in the process of being certified in Leadership in Energy and Environmental Design (LEED), the WELL Building Standard and other sustainability building standards.

TTI NA is LEED EBOM-Gold Level certified. TTI Anderson is a Energy Star Partner (USEPA) and working towards WELL Building certification for the Innovation Center and LEED Operations for our campus. TTI Canada has earned a BOMA Gold Certificate of Excellence and TOBY Building of the Year and is BOMA Best, Energy Star, WiredScore and FitWel certified. TTI Australia has been awarded 4 Star, Green Star Performance by the Building Council of Australia, while TTI Vietnam is targeting LEED Gold certification.

**TTI VIETNAM: A CLOSER LOOK**

Our new factory, which will commence operating in Ho Chi Minh City, Vietnam in 2023, is designed to be energy- and resource-efficient and will be certified to LEED Gold. A number of sustainability features and measures are being adopted at this new Ho Chi Minh site, including:

- Parking designed for bicycles and electric cars to encourage green transportation
- Installing both a shaded roof and light-colored pavements with high solar reflectance index to combat the heat island effect
- Designing effective landscape lighting by eliminating excessive uplights to reduce light pollution
- Rehabilitating the site's landscaping with native and climate-adapted vegetation, thereby requiring 55% less water for irrigation and simultaneously enabling workers to connect with nature, reducing stress and enhancing wellbeing
- Reducing indoor water consumption by 40% with low-flow sanitary fittings activated by motion sensors

- Reducing total energy consumption by 25% through demand-tailored design that adopts insulated glazing units, roof insulation, efficient chillers with high Coefficient of Performance, a variable-speed drive integrated ventilation system, and photo and motion sensors controlled lighting with timers to not only ensure users' comfort but also minimize consumption
- Designing indoor environments and systems according to the ASHRAE55 standard for guaranteed thermal comfort
- Contributing to healthy air quality by designing the production facility's ventilation system according to the ASHRAE62.1-2010 Standard with dust filters at the entrances and selecting low-emitting materials for fit-outs with audited environmental product declarations
- Adopting sustainable construction practices, including erosion control, waste management, and indoor air quality controls for construction workers' safety
- Planning for material recycling and reuse







## MATERIAL TOPIC

# Resources, Materials and Waste

The long-term sustainability of our business is dependent on the responsible consumption of resources and materials and proper management of waste. We need a robust approach to maintaining healthy ecosystems, our natural capital and the safety of colleagues, business partners and communities.



## How We Are Managing It

TTI remains committed to reducing our consumption of natural resources, utilizing materials responsibly and ensuring the safe management of unavoidable waste. We prioritize R&D projects that employ cutting-edge technology, equipment and systems to conserve, recover and reuse wherever possible.

## Natural Capital – Water and Biodiversity

Natural ecosystems provide a variety of renewable and non-renewable resources that our business depends on. One such resource is water. All of TTI's water needs are met locally by municipal sources, and we remain compliant with all local regulations on water withdrawal and wastewater discharge as per our SOP on Water Pollution Management, without any issue in sourcing water that is fit for purpose. Our water management strategy is focused on the efficient usage of this shared resource and the proper oversight of wastewater discharge. We aim to reduce our absolute water withdrawal every year. Particularly in places where water is scarce, we closely monitor usage and implement conservation initiatives throughout our operations.

Our water reduction methods vary by BU. Some common practices 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 timer-controlled taps on washbasins.

We also endeavor to promote water conservation projects with partners and NGOs. Together with our NGO partners, we provide access to safe water and sanitation training in the communities where we operate. As the COVID-19 pandemic continues, clean water and hygiene remain essential. More details on these programs can be found in the Community Investment and Engagement section of this Report [\[2\]](#).

Apart from water, our wider ecosystems that support air and soil quality, as well as species and habitat diversity, must be safeguarded. To this end, we are working to restore and protect biodiversity both within our business and through our suppliers, customers and consumers. This means going beyond resource conservation to implement careful

material selection and sourcing and to adopt renewable energy as well as design products and processes for circularity. By prioritizing sustainable materials and clean technology, we strive to manage our footprint and reduce our impact on habitats and species throughout our value chain.

## Chemicals

As with all other materials, our aim remains to reduce the use of chemicals and hazardous substances in our value chain. Chemicals that are unavoidable are managed through internal policies shaped by the strictest industry regulations. Our SOP on Chemical Management outlines the various responsibilities of individual departments in ensuring the safe handling of chemicals. This includes the purchasing, transport, storage and usage of hazardous and non-hazardous substances. It also covers emergency response in the event of leakage, contamination or fire and provides relevant data sheets, regulations and procedure documents.

TTI is diligent about meeting all industry requirements including REACH (Registration, Evaluation and Authorization of Chemicals),

a regulation of the European Union (EU) that addresses the production and use of chemical substances as well as their potential impacts on both human and environmental health. This regulation requires that all companies manufacturing or importing chemical substances into the EU in quantities of one tonne or more per year, register these substances to the European Chemicals Agency (ECHA). We also adhere to the Restriction of Hazardous Substances (RoHS) requirements in Europe and parts of Asia, as well as the Toxic Substances Control Act (TSCA), US EPA Clean Air Act and Internal Revenue Code in the USA. Our production processes avoid the use of REACH's substances of very high concern wherever possible, and verification testing for RoHS substances is conducted by our in-house laboratories. At the start of all our projects, any potentially hazardous components are identified as part of our risk analysis and suppliers must provide test reports through TTI-approved, third-party certified laboratories to verify the safety of these components and finished products. Test reports are maintained in a database.

## Waste

For waste that cannot be avoided, we are working to set global reduction targets. Across our markets, building management facilities provide recycling and disposal options for hazardous and non-hazardous waste. In addition, we always ensure that licensed professionals collect hazardous waste for safe disposal. We have comprehensive waste management guidelines with training provided to our employees on the correct handling of waste. Guidelines are outlined in our SOPs on Waste Collection and Disposal. Our EHS teams are responsible for ensuring offices have the appropriate resources to comply with all policies and regulations. To improve our management, we continue to monitor waste types and quantities. We also conduct internal audits of our management processes and periodically work with third-party auditors to review these.

We are expanding our partnerships with a number of organizations and recyclers. This not only diverts waste from disposal, but also establishes circular economy practices for the capture and reuse of valuable resources. More information on

our initiatives can be found in the Circular Economy section on p.72 [\[2\]](#) and in our Spotlight on FUTURE FORWARD on p.65 [\[2\]](#).

## Material Management

Choosing materials that are reusable, recyclable and less harmful for the planet continues to be a priority. Our R&D teams are focused on utilizing sustainable materials whenever possible and at all stages of our product life cycle. To come up with innovative ways to approach materials, in the PRC we also dismantle surplus products and items used for reliability testing to assess the components for suitability of reuse or recycling. In line with our circularity strategy, we maintain our partnerships with recyclers that have patented a technology to recover valuable materials from products.

## Packaging and Paper

Packaging materials remain a key challenge as our global production volumes increase. The bulk of our packaging includes paper for boxes, cartons and die cut sheets, and plastic for polybags, bubble bags, clamshells and tool bags. We are constantly looking to reduce the amount of materials to conserve

## GOALS

- Ensure the responsible consumption of resources across our business
- Improve waste treatment and efficient waste management
- Implement programs for biodiversity protection and restoration

## TARGETS

- Achieve a water consumption reduction target of 6% per year at our PRC factory site
- Set a Group waste and water reduction target by 2023
- Increase the number of material management programs and facility development plans that consider biodiversity impacts





resources and make transportation more efficient. We do this by opting for reduced-impact materials and biodegradable options, including corrugated cardboard, 70% of which is made of recycled paper pulp, honeycomb board, chipboard, paperboard and/or molded pulp. We continue our programs to remove Expanded Polystyrene (EPS) foam from our packaging, implement soya ink printing and reduce packaging material weight. We also reduce the use of polybags by replacing polybag packaging for batteries with biodegradable bags and substituting paper bags for polybags that hold manuals, leaflets and accessories.

Management of paper is important; we continue to use 100% recycled paper and reduce the page count of instruction and safety manuals. We also reduce volume by applying new templates featuring condensed, simplified content, more graphics as well as decreased paper weight.

**Batteries**

Battery materials have long been a key focus of our environmental efforts. By designing our rechargeable battery packs to be interchangeable within each product network, we have been able to stem excess consumption, production and wastage. More detail on our interchangeable battery network can be found in the section on Clean Technology on p.68.

**KEY INITIATIVES AND PROGRESS IN 2021**

Our approach to natural resources, materials and waste management in 2021 was centered on assessing our consumption practices and setting reduction targets.

**Water**

Our Dongguan site in the PRC (TTI AIP) is our biggest water consumer, mainly due to the use of water at workers' dormitories. In 2021, we conducted a water audit at this site and proceeded to set reduction measures and a water withdrawal reduction target of 6% per year compared to our 2021 baseline.

In the reporting period, there were no incidents of non-compliance with water management regulations across our operations. TTI's total water consumption amounted to 433,413 m<sup>3</sup>, a 28% increase from the previous year due to growth in the business and the expansion of our footprint to support this. Total water discharge produced amounted to 1,283,204 m<sup>3</sup>, an increase of 21%, when compared to 2020. Consumption of recycled water was 253,316 m<sup>3</sup>, an increase of around 16% from the previous year. TTI Group's water consumption intensity decreased by 5% based on the sales value US\$ million compared to 2020.

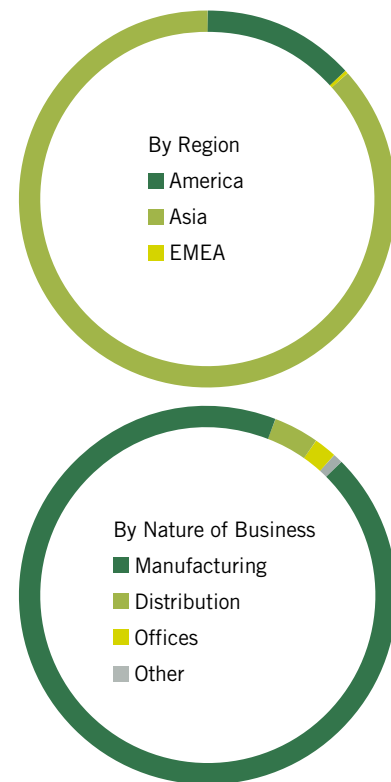
**TTI AIP Water**

TTI AIP's water consumption amounted to 378,638 m<sup>3</sup>, this was a 27% increase from the previous year due to growth in the business. Total discharge produced amounted to 853,924 m<sup>3</sup>, an increase of 14%. Consumption of recycled water was 252,066 m<sup>3</sup>, an increase of 15% from the previous year. In 2021, we committed to enhancing the insulation of hot water pipes, installing water saver shower heads and faucet water savers in our workers' dormitories to conserve resources.

The estimated annual water savings from these measures will be 76,050 m<sup>3</sup>, representing a 6% reduction in consumption compared to the baseline year of 2021.

**433,413 m<sup>3</sup>**  
**TOTAL WATER CONSUMPTION IN 2021**

**Water Consumption in 2021**



**Biodiversity**

In 2021, we strived to manage our biodiversity impacts through various programs and partnerships. We partnered with organizations such as Responsible Minerals Initiative (RMI) and Responsible Business Alliance (RBA), that are working across different industries to promote sustainable procurement of minerals and metals, including from an environmental and biodiversity protection standpoint. We also worked with NGOs such as African Parks to conserve critical ecosystems; detail on this project can be found in the Spotlight on African Parks on p.99. Through engagement with multi-stakeholder entities like these, we hope to effect positive change and expand environmental accountability globally.

Looking forward, our individual BUs are also striving to invest in projects that safeguard our natural ecosystems. Milwaukee Tool plans to distribute saplings in 2022 as part of a tree-planting initiative in the state of Wisconsin, USA. Milwaukee Tool Middle East has committed to planting 100 trees in 2022 at a certified forest in Madagascar every time an end-user purchases a product from its MX FUEL range across the Middle East, Africa and South Asia regions. With a target of 20,000 trees during the five month campaign, the equivalent offset will amount to more than 1,000 tonnes of CO<sub>2</sub>.

**Chemicals and Waste**

In this reporting year, we implemented a program for relevant suppliers to complete a survey on ozone-depleting substances (ODSs) and ozone-depleting chemicals (ODCs) to understand the type and amount of these materials used in supply chain.

To better manage waste, in 2021 we initiated a global assessment and implemented the following initiatives:

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

There were no incidents of non-compliance with waste management regulations. TTI produced 56,689 tonnes of non-hazardous waste and 1,181 tonnes of hazardous waste in 2021. Our overall hazardous waste increased by 45%, this was due to growth in the business and the expansion of our footprint to support this. Total recyclable waste increased by 45% compared to 2020.

**TTI AIP**

At TTI AIP, non-hazardous waste generation increased by 64% and hazardous waste increased by 146%. Total waste intensity increased by 23% based on sales value US\$ million in 2021 compared to 2020. Total recyclable waste increased by 70% compared to 2020.

**Material**

In 2021, we continued ongoing efforts to reduce material consumption, adopt reduced impact alternatives and further reuse and recycling, with substantive progress made on circular economy initiatives.

**Packaging and Paper**

In 2021, TTI saw an increase of 21% in packaging used compared to 2020. Total packaging used was 72,913 tonnes, out of which 64,518 tonnes were recycled materials. Packaging measures that resulted in significant environmental benefits as well as cost savings for our business in 2021 included:

- Replacing our EPS foam trays across 65 models with degradable paper trays, avoiding 72 tonnes of plastic and 428 tonnes of CO<sub>2</sub>e per year
- Further implementing half-sleeve packaging designs for 114 models that resulted in savings of 89 tonnes of paper, equivalent to 2,148 trees\*. This avoided 95 tonnes CO<sub>2</sub>e and the consumption of 2,595 tonnes of water
- Redesigning our clamshell packaging for dual battery packs by placing the batteries on the top and bottom instead of side-by-side, thereby eliminating 15 tonnes of plastic and avoiding 68 tonnes of CO<sub>2</sub>e each year
- Reducing over 300 tonnes of outer corrugate packaging and over nine million polybags
- Reducing product packaging size, replacing materials with environmentally-responsible alternatives and increasing the shipping capacity of products
- Implementing a recycling initiative for brown paper towels

\* Ecoinvent Swiss life cycle data set for 2022 <https://www.forestresearch.gov.uk/tools-and-resources/statistics/forestry-statistics/forestry-statistics-2016-introduction/sources/timber/conversion-factors/>





### Batteries

We have robust partnerships in place with organizations that help us increase the rate of capture and recycling of our batteries. As part of the recycling process, batteries are broken down into components and chemistries. For our lithium batteries, the metal cylindrical can components are reused in steel and stainless steel products and lithium, cobalt and other materials are reused in new battery chemistries. 95% of all materials in a lithium-ion rechargeable battery are recyclable.

We have made significant strides with our partners, Call2Recycle® in North America, Envirostream in Australia and New Zealand and Stiftung GRS Batterien in EMEA and other partners globally.

#### TTI and Call2Recycle® Partnership

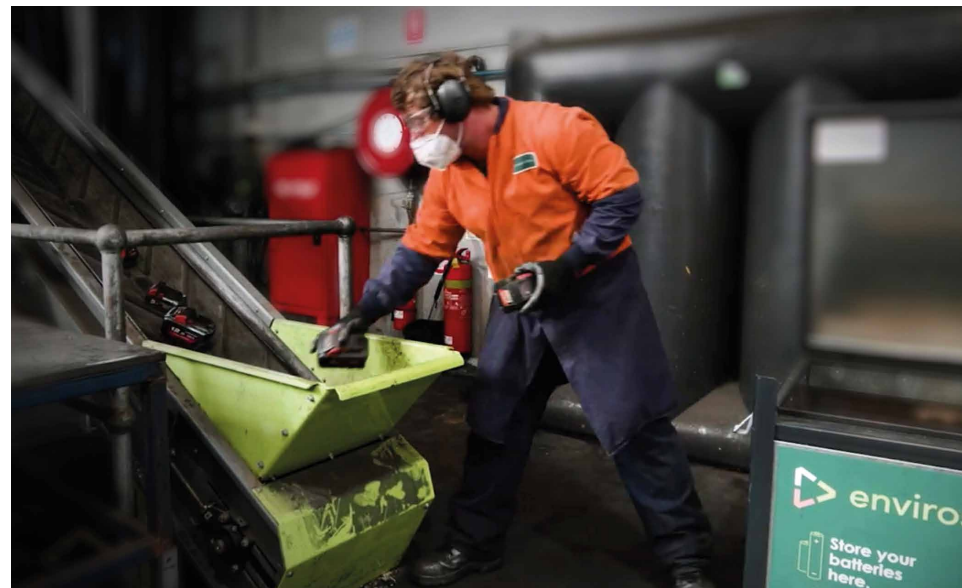
TTI has partnered with Call2Recycle® for over 20 years to ensure that our batteries and products containing batteries are responsibly recycled when they reach their end of life.

Call2Recycle®'s North American network has over 16,000 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 and a safe battery disposal video 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. TTI pays stewardship fees to Call2Recycle® based on North American battery and battery product sales.

**95%**  
RECYCLABLE MATERIALS  
IN LITHIUM-ION  
RECHARGEABLE  
BATTERY

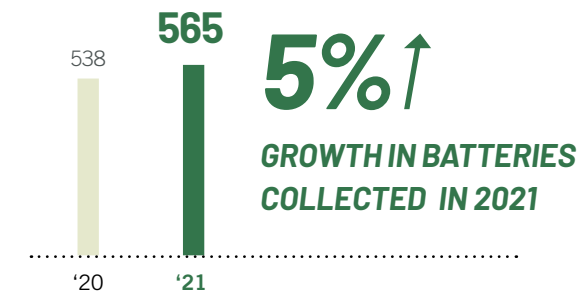
call2recycle®  
Leading the charge for recycling.™

Recycled by  
**envirostream**



In 2021, we collaborated with partners to collect and recycle more than 565 tonnes of batteries. Compared to the previous year, this represents an increase of 27 tonnes or 5%.

#### Batteries Collected and Recycled (tonnes)



Milwaukee Tool was once again designated as a Top 100 Leader in Sustainability for diverting more than 89 tonnes of batteries through the Call2Recycle® battery collection and recycling program. In addition they provided an at-home battery recycling solution with Call2Recycle® sending 1,892 recycling kits directly to customers.

Our battery recycling efforts are a key part of our circularity program. For more details on our approach to product end-of-life impacts, please see the Circular Economy section on p.72 [📄](#).



### SPOTLIGHT

## FUTURE FORWARD™

#### Leveraging Brand Power to Drive Sustainability

In 2021, our Milwaukee Australia BU partnered with local recycling partner Envirostream to launch FUTURE FORWARD™. Going beyond simply making battery recycling available to users, the new initiative involves a targeted campaign that seeks to leverage our Milwaukee Australia brand and embed sustainability into our identity.

We chose to work with Envirostream as it had established a first-of-a-kind in Australia, environmentally safe lithium-ion battery recycling facility. By processing onshore, Envirostream is adding value back into the Australian manufacturing sector and growing the local sustainability industry by creating jobs — a factor that was identified as important to our users.

Following state-level pilot programs tested in the previous year, Milwaukee launched nationwide retail collection units in June 2021. We also identified key clients and executed several pick-ups at job sites. At the nationwide launch in June, the campaign collected 20 kg of batteries. The volume continued to increase month on month and by November, monthly collections reached 76 kgs of lithium-ion. Currently, the team is using collection data to gauge market reception of the program. Looking forward, the FUTURE FORWARD™ team aims to tailor the next phase of marketing and communications about the project to be more targeted towards different facets of the market. The ultimate goal of the campaign is to fully integrate FUTURE FORWARD™ into the Milwaukee brand and cement battery recycling as part of our central value proposition to users.





**MATERIAL TOPIC**  
**Sustainable Products**

Investing in clean technologies, and creating products with sustainability attributes that are reliable, repairable, recyclable and reduce our overall environmental impact, help to mitigate our business risks and build stakeholder trust as we strive to create shared value for people and the planet.



**How We Are Managing It**

Innovation is embedded in TTI's cultural DNA. We have been designing energy efficient products for decades, starting with battery technology as early as 1994. In subsequent years, we have also developed products that generate low-carbon emissions and reduced noise while in use, as well as LED lights.

**Research, Development and Design**

With environmental impact being a key consideration of our product design principles, various teams across the Group have been collaborating to create a Sustainable Design Guide for our products. The Guide utilizes information from life cycle assessments that have been conducted on our key product categories since 2018 as

well as GHG footprint analyses. It will allow us to develop more products that meet EHS objectives while aligning with the principles of circular economy.

A range of checklists are also being continuously developed to provide guidance on the principles of sustainability and circular economy. These will help our associates make the right decisions when it comes to the choice of raw materials and the use of resources and substances of concern in the concept and manufacturing phases.

Our design process considers reliability, durability, repairability, refurbishing and recycling aspects that are further explored in the section on Circular Economy on p.72 [📄](#).

**▶ KEY INITIATIVES AND PROGRESS IN 2021**

Our business units continue to integrate environmental attributes into all aspects of design, impacting our sourcing, planning, manufacturing and post sales management. Initiatives in 2021 included:

- Incorporating recycled materials where possible in plastic, cardboard and metal components
- Striving to reduce the size and the number of parts and components in products
- Ensuring all key product categories undergo life cycle assessment
- Eliminating silk screen printing for logos on tools to save materials and costs
- Removing unwanted magnet trays in DIY drills to save materials
- Reducing the size and weight of tools without compromising on performance to reduce transportation emissions and material consumption

**🔄 GOALS**

- Promote circular business models by increasing service, repair, maintenance and refurbishment services
- Increase investment in clean technologies
- Develop products that improve living and working environments

**✅ TARGETS**

- Increase the number of tools being remanufactured, repaired and/or refurbished
- Increase the number of tools and batteries recycled
- Increase product efficiency
- Increase the number of products that reduce noise pollution
- Reduce/eradicate outdated technologies (petrol, pneumatic, hydraulic-powered products)

**Product Development Framework (4Ds)**



**Product Design Principles (3Ps)**



**RESPONSIBLE MATERIAL USAGE**

Safety  
Resource, Material and Chemical Management



**EFFICIENCY & DURABILITY**

Manufacturing and Product Use  
Distribution



**CIRCULAR ECONOMY**

Life Cycle Extension  
Repairability  
Material Recovery





### Clean Technology Products

Our investment in sustainable design features is showcased in our range of cleantech products. The products fall under the following categories.

#### Energy-efficient Products

One of our latest products featuring advanced technology is our line of brushless tools. Brushless motors are more efficient than brushed motors as they reduce mechanical energy loss due to friction. Brushless motors provide a longer product lifespan than carbon brushes. These motors also have advanced features that produce more power in compact sizes, resulting in smaller tools and increased run times with more efficient energy production.

**1 POWERSTATE BRUSHLESS MOTOR**

- MILWAUKEE designed and built brushless motor

**M18 FUEL**

**2 REDLINK PLUS INTELLIGENCE**

- Most advanced electronic system on the market for maximum performance
- Total system communication with overload protection increases tool life

**3 REDLITHIUM BATTERY PACK FITS M18 TOOLS**

- Most durable pack on the market
- Over 2X more recharges than leading competitor
- Fuel gauge displays remaining charge
- Operates below -18°C/ 0°F

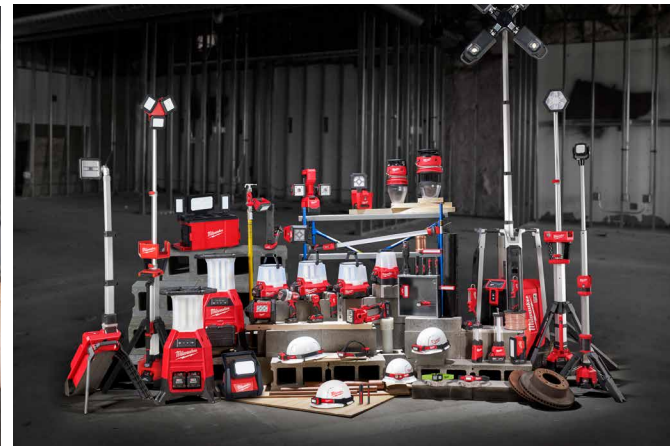
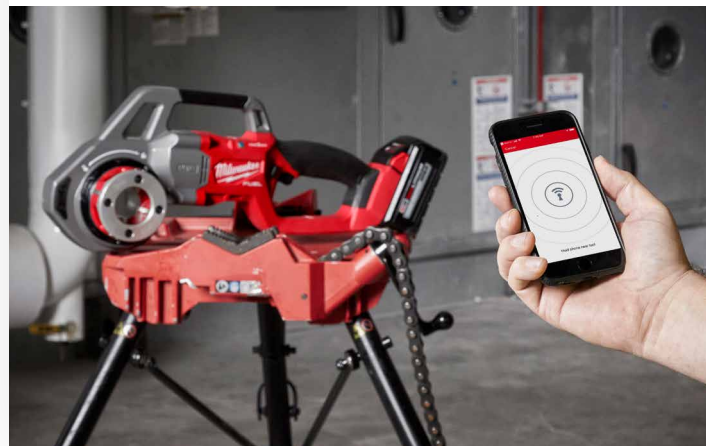
#### Smart, Digital Solutions

Our ONEKEY collaborative tool and platform is offering digitalized tools and equipment. By engineering smart tech in the best tools, the system provides tool tracking and security, enabling workers to dial in precision settings, view utilization data,

and be alerted before equipment needs repair. This initiative streamlines inventory management with a digital catalog, enabling more efficient management of tool usage and maintenance to promote product longevity and overall productivity.

#### LED Lights

TTI has also been focused on developing a line of LED lights as they are more efficient, have a longer life span and consume less power while providing brighter lighting for end-users than regular lights.



#### Batteries and Battery Systems

Another cleantech initiative is our battery technology. The key feature of this technology is removability and compatibility, allowing batteries and tools from a previous generation to be used with newer products. As a result, the same battery pack can be used with all the tools of each network, including:

- 251 tools for the MILWAUKEE M18 system
- 139 tools for the MILWAUKEE M12 system

- 13 tools for the MILWAUKEE MX FUEL system
- Over 260 products for the RYOBI 18V ONE+ system
- Over 75 products in the RYOBI 40V System

TTI's battery technology provides efficient storage and fade-free power. Our multi-use battery pack continues to improve in performance and efficiency due to consistent upgrades. Many of our batteries also have additional functions such as a

display showing the remaining charge available, and the ability to withstand sub-zero temperatures.

In addition, this technology provides a portable power supply, replacing generators and gas-powered generators in particular. Being cordless, this solution enhances product safety by eliminating the potential of tripping on tangled or knotted cords and other dangers posed by cut or unplugged cords at work sites. It can be used anywhere, there is no more noise at job sites and neighbourhood and no more fumes.

## TTI Cordless Battery Systems







**Reduced Noise Pollution**

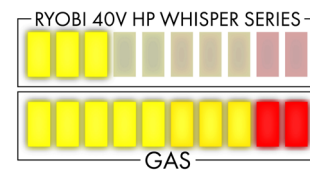
In the Outdoor Products business segment, we have developed innovative noise-reducing technology that tackles the inherent problems of noisy outdoor petrol-powered products. Awareness of this harmful issue is growing as local governments are increasingly enacting legislation restricting the use of loud and pollutive petrol powered outdoor equipment.

Since 2019, the RYOBI product and engineering teams have been focused on developing innovative, high performance products that deliver all the performance without the noise. Debuting in cordless blowers, the RYOBI WHISPER SERIES line of products was developed to provide users with an alternative to traditional noisy

petrol-powered products. Since inception, the product line has expanded into multiple categories where a reduction in noise benefits the end-user.

The WHISPER Product Line has now grown to over 19 products, including lawn mowers, blowers, string trimmers, fans, saws, pressure washers, snowblowers, and tillers. This WHISPER family is the only line of products on the market today, specifically engineered to deliver best in class performance without the noise. A team of dedicated engineers optimize product performance while focusing on tonality, pitch, and dB output. The team utilizes advanced noise dampening foam, strategic motor placement, and innovative advanced concepts to remove sound from traditionally loud products.

In 2021, RYOBI launched a core product in the WHISPER system, the 40V HP Brushless WHISPER SERIES Blower. This new tool is the industry's most powerful cordless handheld blower, delivering an impressive 730 CFM and 190 MPH airflow. In addition to the power, this blower features innovative noise reduction technology, operating at only 57 decibels, so users can clear leaves at any time of day.



**Up to 85%**  
QUIETER THAN GAS



**Reduced Emissions**

To manage our scope 3 emissions, our strategy is to further expand our efforts in reducing the GHG emissions and carbon footprint of our products and in particular the emissions generated from products while in use.

TTI has continued to transform outdoor power equipment from petrol to battery-powered. Our strategy is to improve the performance of outdoor products while eliminating carbon emissions and reducing noise. Our outdoor power equipment products emits less carbon emissions and other type of GHG emissions while in use and provides a better use experience for our customers.

In 2021, usage of consumer electric string trimmers, blowers, walk-behind and riding mowers\* sold in the USA resulted in total savings of 86,633 metric tonnes of CO<sub>2</sub>e\*, which is equivalent to driving a large passenger vehicle 218,217,932 km. This is equivalent to driving the iconic US Highway Route 66 60,599 times.†

**CO<sub>2</sub>e**  
**Savings of**  
**86,633 tCO<sub>2</sub>e**  
**IS EQUIVALENT TO DRIVING**  
**US ROUTE 66: 60,599 TIMES†**

- \* Assumptions:
- Average CO<sub>2</sub>e gram per year is from US EPA Database of certification data
  - Usage is based on an internal estimate/consensus
  - Average current during use is based on an internal estimate
  - Nominal voltage for 10S lithium/6\*4S lead acid
  - Charger efficiency from CEC 24 hour charge test
  - Industry average for CO<sub>2</sub> generated per kWh

† ecoinvent LCA database v3.7.1 (2020.12.17). Transport, passenger car, large size, petrol, EURO 5 (GLO) market for I APOS, S.

**SPOTLIGHT**

**Cordless vs Gas Powered Products**

**Consumer power equipment**

Another line of our products that emit less GHG emissions while in use, include the RYOBI cordless lawn mowers and outdoor power tools. We performed an analysis on our cordless lawn mowers conducted by an independent expert. The results showed that there is a reduction of 8% in the GHG emission footprint of the cordless lawn mower when looking purely at the products, namely as a result of their materials, manufacturing and assembly. However, an indicative scenario of 500 uses of the two products yielded different results. Testing showed that after 500 uses, the RYOBI Cordless Lawn mower had a significantly reduced GHG emission footprint, approximately 166% or 2.6 times lower than the gas-powered lawn mower equivalent.

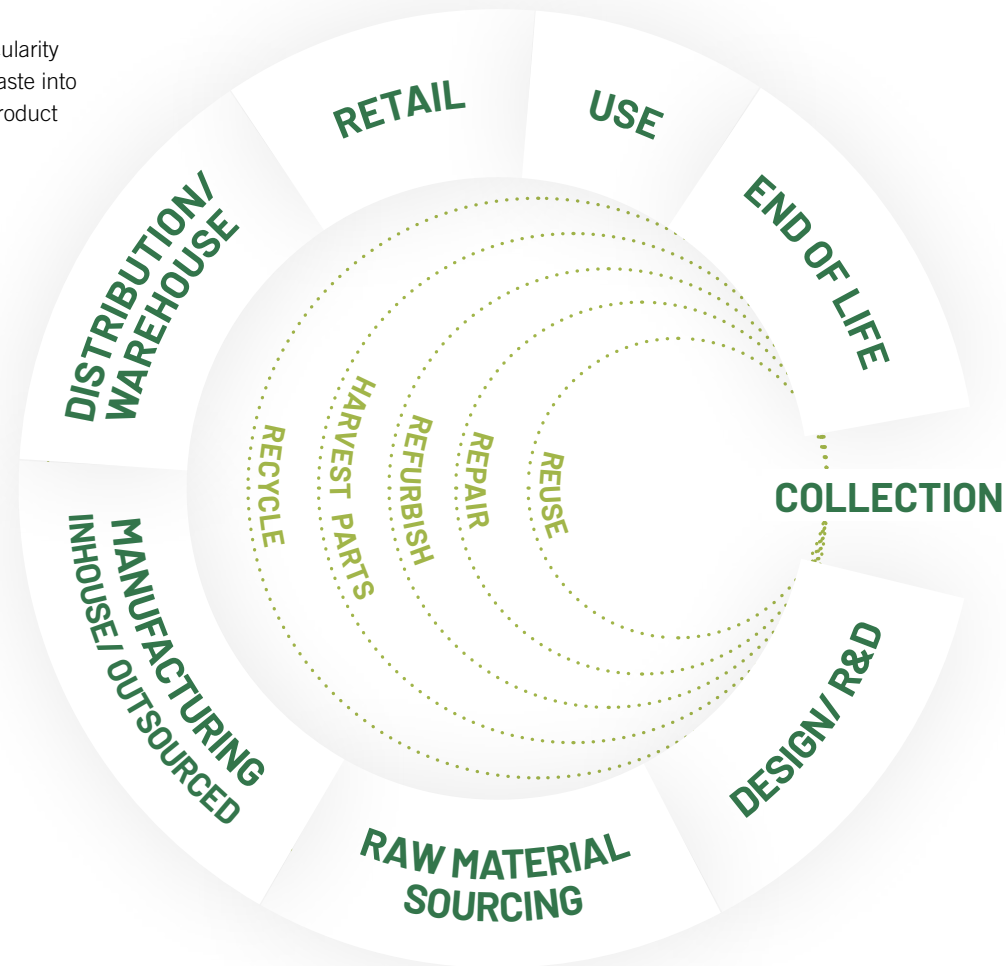
**-166%**  
**A SIGNIFICANTLY LOWER**  
**CARBON EMISSIONS**  
**FOOTPRINT**





### Circular Economy

Our teams strive to integrate circularity models in our business to turn waste into valuable inputs throughout our product life cycle.



Our product design processes also take into account circular economy features. Circular economy is a systems solution framework based on three key principles: eliminating waste and pollution to reduce GHG emissions across the value chain, circulating products and materials to retain their embodied value and regenerating nature. This framework decouples economic activity from the consumption of finite resources by embedding resilience into its design.

At TTI, we understand that the opportunities for retaining and capturing value in our upstream and downstream operations are equally or even more significant than simply creating value from transforming raw materials and sub-assemblies into sellable products. By pursuing a direction that is steeped in circular models and designs, TTI will be able to maintain and push our cordless leadership.

While reducing resource consumption through repairing, reusing and refurbishing is our priority, we also pursue efforts aimed at harvesting parts, recycling and promoting

circularity in our operations and along our value chain. Our operations together with our research, development and design teams are striving to integrate circularity models in our design and choice of materials to turn waste into valuable inputs in our product life cycle.

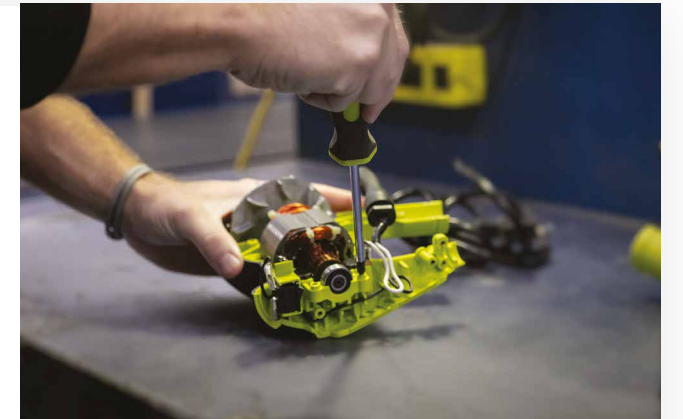
As of 2021, a total of 2,448 repair and servicing centers that are owned by TTI or operated by third parties have been established across all our markets, thereby enhancing the following circularity initiatives:

### Repairing

We ensure a high level of reparability in our tools, which can be repaired at local service centers.

**> 900,000**

**TOOLS REPAIRED IN 2021**



### Reusing

We continuously assess products and components for possible reuse in the value chain.

### Refurbishing

Our reconditioning program extends the longevity of our products without affecting quality. This is accomplished by prioritizing the reparability and refurbishment of what we put to market. Some of our refurbished products were sold through our 39 Direct Tool Factory Outlets in the USA, with a one-year warranty. To prepare refurbished products for consumer use, careful assessment of all components, including batteries and chargers, is carried out to check for mechanical issues. Manufacturer-trained technicians then complete repair work using replacement parts from TTI's factory. Testing is also conducted to verify that all standards are met. 80% of the original product can be reused.

**> 400,000**

**TOOLS REFURBISHED IN 2021**



### Harvesting Parts

We retain value from returned, discarded products and utilize these parts for repairing and servicing products when possible, without compromising the quality of our products.

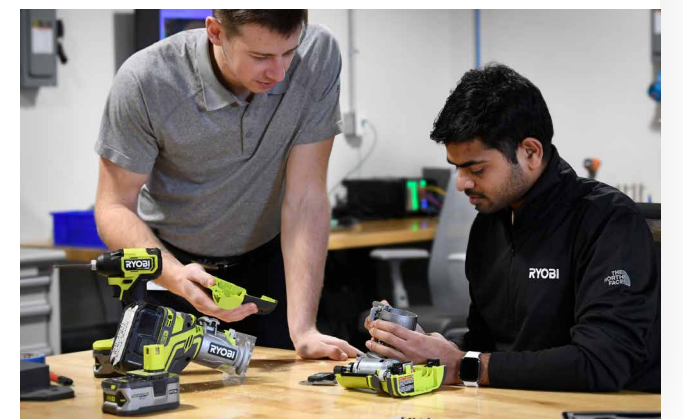


### Recycling

We implement recycling initiatives within our own ecosystem to form a closed-loop system where possible. An example of this is our battery recycling global partnerships described on p.64-65 [📄](#).

**565 tonnes**

**BATTERIES RECYCLED IN 2021**







# SOCIAL AND COMMUNITY

EMPOWERING  
EXCEPTIONAL PEOPLE  
TO BUILD A BETTER  
BUSINESS AND SUPPORT  
THE COMMUNITY

Hired over 2,000 graduates\* through our Leadership Development Program

Kicked Off Quarterly Global D&I Calls

Habitat for Humanity Global Partnership

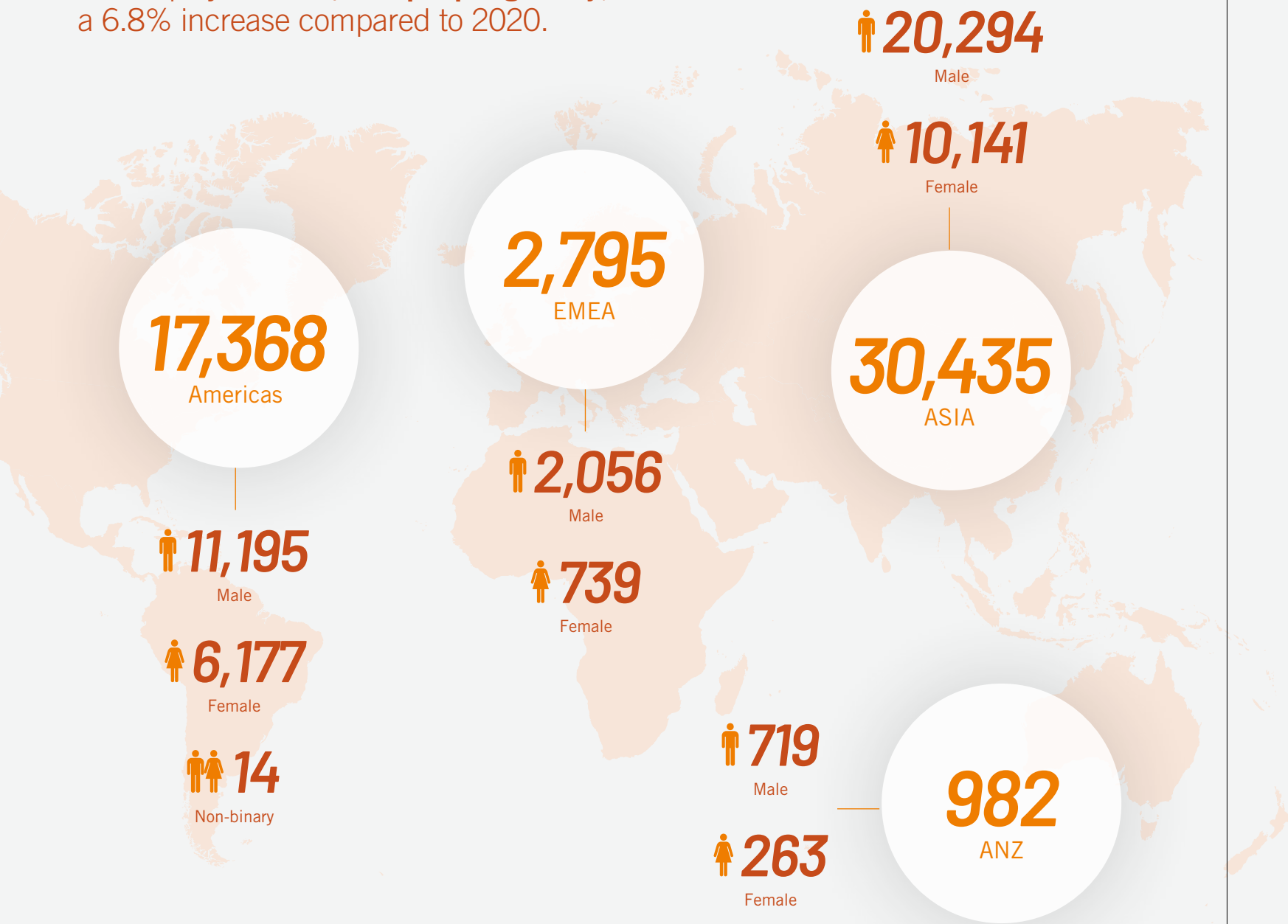
\* 42% hires are female.



# Social and Community

## OUR PEOPLE

We employ over **51,598 people** globally, a 6.8% increase compared to 2020.



### MATERIAL TOPICS

**Empowering People** [P.80](#)

**Health, Safety and Wellbeing** [P.86](#)

**Community Investment and Engagement** [P.92](#)

**TTI has long valued the role of Exceptional People in our business and understands a fair, inclusive and safe environment is important for maintaining engaged and productive people and communities.**

A sound social strategy begins with treating everyone with dignity and respect. We consider respect for human rights as being not just an ESG factor, but a global standard of expected conduct. We are committed to a healthy working environment free from forced or child labor and eradicating the illegal movement of people for modern slavery. As a leader in our industry, we ensure that our employees, as well as the suppliers we engage, have zero tolerance for any such practice. This is fundamental to TTI's values.

We comply with all international, national, state and local employment laws and core labor standards, to ensure all our employees are treated fairly. This means oversight of working age, hours and working permits across our markets and supply chain. These measures are introduced to TTI's new hires and existing employees through targeted communication and training. Our Code of Conduct (CoC), Employee Handbook and extensive training materials are updated regularly to keep all employees current on these company guidelines. Our corporate policies are also under continuous review to align with local regulations, emphasizing safe employment procedures and social principles. As a result, we are able to actively minimize the risk of non-compliance with laws and/or regulations in social and economic areas. A complete list of legal and regulatory requirements related to labor and human rights,

as well as health and safety, which have the potential to have a significant impact on TTI's operations and performance, can be found in Appendix A of our HKEX ESG Reporting Guide Content Index on our website .

Beyond regulatory obligations, we understand that our long-term success is dependent on nurturing our people. At all levels of our business, we strive to support the needs of employees and attract diverse talent. This is achieved through a shared set of values and robust strategy, processes and communication in every market. Fostering connections between teams remains vital to our people as many continue to work from home.

In addition to taking care of employees, we are committed to actively pursuing inclusive prosperity for society as a whole. Our comprehensive approach to all social aspects of our business — human and labor rights, diversity and inclusion, talent management and engagement, health, safety and wellbeing, and community investment and engagement — is outlined below. Our ESG Executive Committee and ESG Working Committee assess our policies and initiatives in all these areas and oversee the effectiveness of our management approach, updating it as needed.



## SPOTLIGHT

# DIVERSITY AND INCLUSION INITIATIVES

## D&I Committee Profile and Initiatives

TTI's Global Diversity and Inclusion (D&I) Committee came about organically. While many of the Company's ESG activities are directed from the Board and management level, our Global D&I Committee started in 2019 as an employee-driven initiative to promote diversity within the Company. Initiated by our Milwaukee business unit (BU) in North America, other BUs in the region have quickly been inspired to follow.

The first initiatives involved distributing surveys, backed by local human resources (HR) teams, which revealed that employees ranked diversity as a key corporate value they wanted to support. Prompted by this, the groups launched recruitment initiatives and relationship-building activities. These early efforts had many successes with employees from diverse backgrounds noting their approval

of the Company's human-centric workplace environment. As such, when asked why he joined TTI, Faisal Elmi, an Assistant Product Manager for Milwaukee cited the "people first culture" as a key factor.

In 2021, TTI kicked off quarterly Global D&I Committee calls. One achievement in 2021 was a series of workshops held in North America featuring the speaker, Monique Betty, professionally known as 'Coach Mo'. Betty's sessions taught attendees how to participate in allyship and courageous conversations. Other sessions on subjects such as unconscious bias were taught by Jessica Sharp, an organizational psychologist. Employees at these workshops shared important experiences, such as blind spots and personal stories. From these initiatives, relationships developed into mentorships.

The presentations and workshops were discussed during a Global D&I Committee meeting, and positive feedback saw the adoption of similar initiatives through several North American BUs. On a personal level, employees at the Floorcare head office in Charlotte, North Carolina, gathered together recipes representing all the cultures in the office. A cookbook titled, *A Taste of Diversity* was printed and distributed to staff. On the other side of the world, diversity champions in TTI's Asian Innovation Center based in Dongguan, TTI AIP in China, shared efforts to build facilities that support diverse employee religions. With the Global D&I Committee established and a regular cycle of sharing implemented, as we advance, TTI will organize global programs across BUs to celebrate diversity throughout the Company.



**42%**  
LEADERSHIP  
DEVELOPMENT  
PROGRAM HIRES  
ARE FEMALE





## 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 [📄](#). 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 [📄](#). 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 [📄](#).

### 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 [📄](#).

## 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

## 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.

## 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.

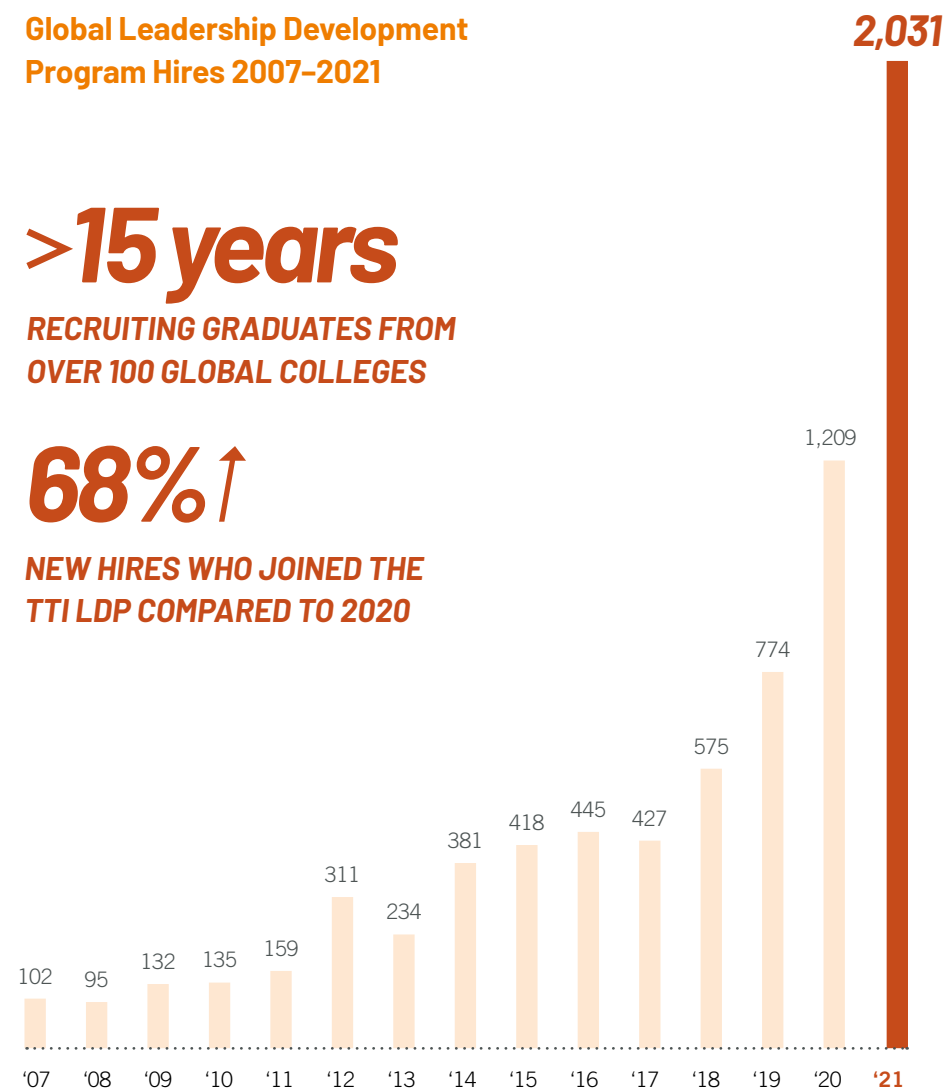
**Global Leadership Development Program Hires 2007-2021**

**>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.

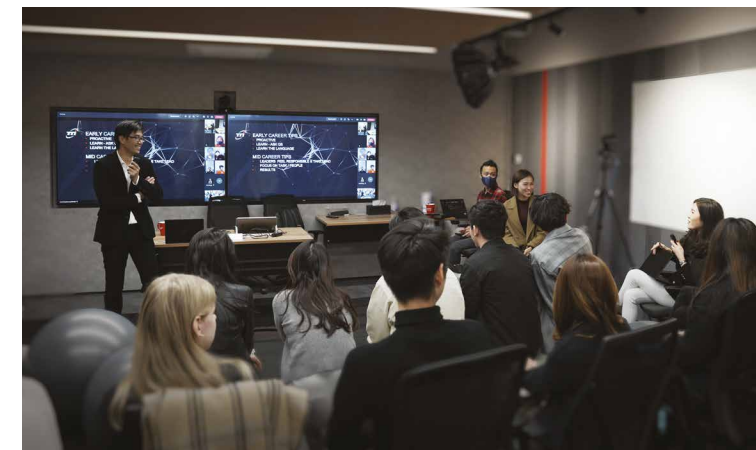


**Operation Development Program (ODP)**

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

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,

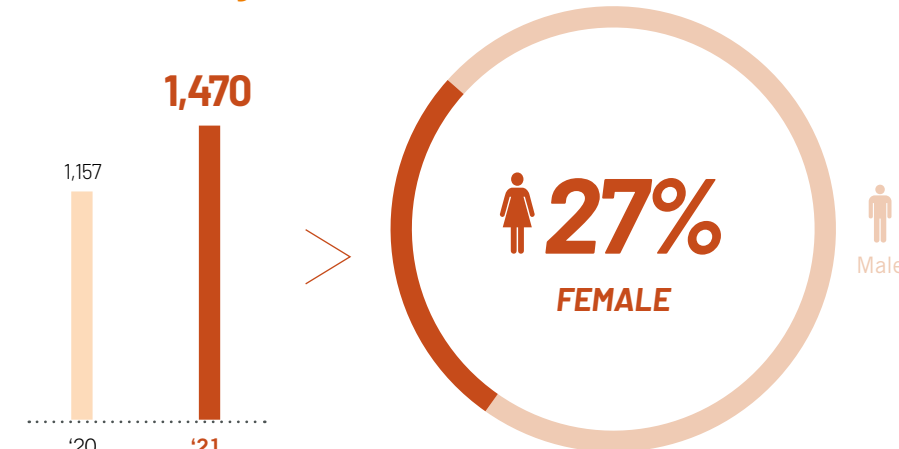
- marriage, compassionate and emergency leave
- Lactation rooms for female staff with all necessary facilities and support
- Internships for employees' children and scholarships for those entering colleges and universities

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 [📄](#).



**Women in Management**







## MATERIAL TOPIC

# Health, Safety and Wellbeing

Promoting health, safety and wellbeing in our workplaces and through our products is imperative for employee and customer retention.



## How We are Managing It

### Occupational Health and Safety

We are committed to safeguarding people's health at work and in our products through comprehensive occupational health and safety (OHS) management systems. Our comprehensive Environmental Health & Safety (EHS) and Occupational Hazard Management Policies are aligned with all relevant legal requirements. These policies stipulate our commitments and responsibilities, identifying risks and hazards and setting out procedures to minimize any potential harm to workers. Monitoring protocols and procedures for investigating health and safety violations and implementing corrective actions are also covered in these comprehensive policies.

At TTI, Health & Safety (H&S) Committees oversee our safety protocols. Meetings are held regularly where dedicated representatives address concerns and carry out measures to improve conditions for workers. As part of this effort, OHS training is provided to employees in all markets. This is to ensure workers are well versed in safety awareness and procedures, including the handling of hazardous materials along with first aid,

cardio pulmonary resuscitation (CPR) and fire-fighting training where relevant. We are also guided in this area by a number of Standard Operating Procedures (SOPs) such as the Work-related Injury Handling Instruction which standardizes work-related injury management with normative procedures, providing necessary medical assistance for injured employees. Risk assessments and inspections by third-party experts are consistently scheduled so any corrective and prevention measures can be implemented in a timely manner.

### Wellbeing

To augment traditional health and safety measures, TTI also focuses on enhancing wellbeing by providing employees with holistic mind and body support. This includes healthy lifestyle initiatives such as access to gym memberships, health and fitness reimbursement, better food choices and quality mental health programs. Experiencing opportunities and celebrating together, both at work and outside, are a key part of our culture. Some activities we engage in together include:

- Onsite yoga and fitness classes
- Team-building events

- Family events throughout the year
- Intermural sports teams — basketball, ultimate frisbee, soccer, softball, hockey
- Milestone celebration parties
- Employee appreciation events

### Managing COVID-19

Given the current pandemic situation, we also continue to have robust management measures in place that involve maintaining close contact with local health departments and government agencies to understand requirements and to ensure adequate communication and compliance with pandemic protocols.

Our business units have set up committees and crisis management teams that regularly meet and implement preventive measures such as body temperature checks, 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 provide masks and gloves to manufacturing, distribution, sales and other employees, and have continued cleaning protocols for all offices and manufacturing sites and organized work from home programs when necessary. Key

## GOALS

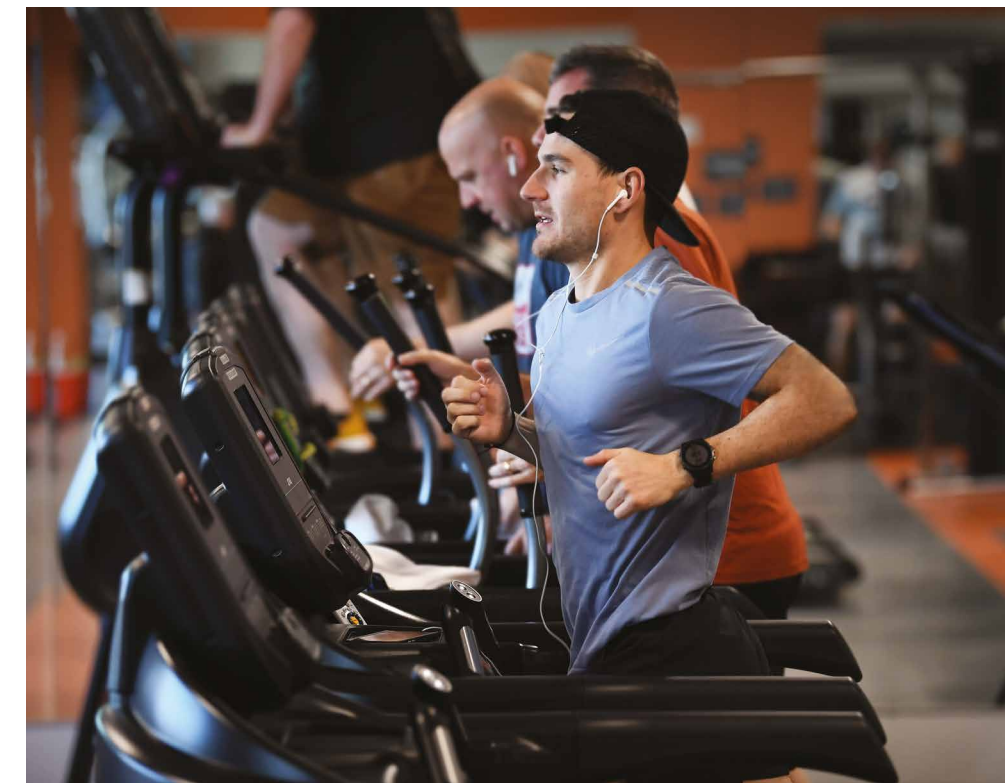
- Maintain healthy and safe workplaces
- Promote a positive and healthy lifestyle among employees
- Design products that enhance user experience with improved quality, safety, environmental and health benefits

## TARGETS

- Zero fatal accidents in our workplaces
- Reduce the number of work injuries year on year to achieve zero work injuries
- Increase the number of physical and mental wellness programs for employees
- Zero product recalls
- Increase customer satisfaction ratings

measures to support our colleagues during the pandemic continued with a focus on:

- Online fitness classes, virtual games and social events to promote employee wellness
- Enhanced mental health programs to ensure employees have support within the workplace
- A crisis management response strategy to ensure both business continuity for TTI as well as job security and safety for employees
- Ensuring employees and their family members have access to our various specialized employee assistance programs, such as Lifeworks in Australia and New Zealand that provides free confidential counselling all the time
- Providing annual health check-ups, 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







### Product Safety

Safety is also a key consideration when it comes to our products. Continual enhancement of safety standards, quality, and compliance are the responsibility of our Product Safety Directors, committees and teams at our individual business units. We work hard to build continual improvement into our processes for all products designed, manufactured, distributed or licensed by TTI to provide customers with the best possible experience. Safety is a driving force for many of our projects which include:

- Replacing gas engine products with MX FUEL line tools so they can be used safely in confined spaces without the risk of harmful carbon monoxide emissions
- Launching a line of tool lanyards to prevent tools from falling on co-workers or others when used at height
- Expanding lithium-ion battery technology in our tools to reduce the usage of cord-connected, petrol-powered products, thereby preventing potential hazards such as tripping and electrocution
- Using our technology to reduce noise pollution and prevent customers from breathing in harmful emissions from products
- Extending our line of safety equipment products such as hard hats, masks, glasses, gloves and helmets

TTI's safety measures are outlined in our Product Safety and Consumer Product Regulatory Compliance Policies, against which our Regional Product Safety Committees and Committee of Product Safety Directors from different business units implement stringent compliance monitoring and audit investigations. These individual committees gather on a monthly basis to identify and assess:

- Customer complaints and online reviews that could lead to potential compliance or safety issues
- Potential compliance or safety-related findings from analyzing returned products
- Warranty data that could be associated with potential safety risks

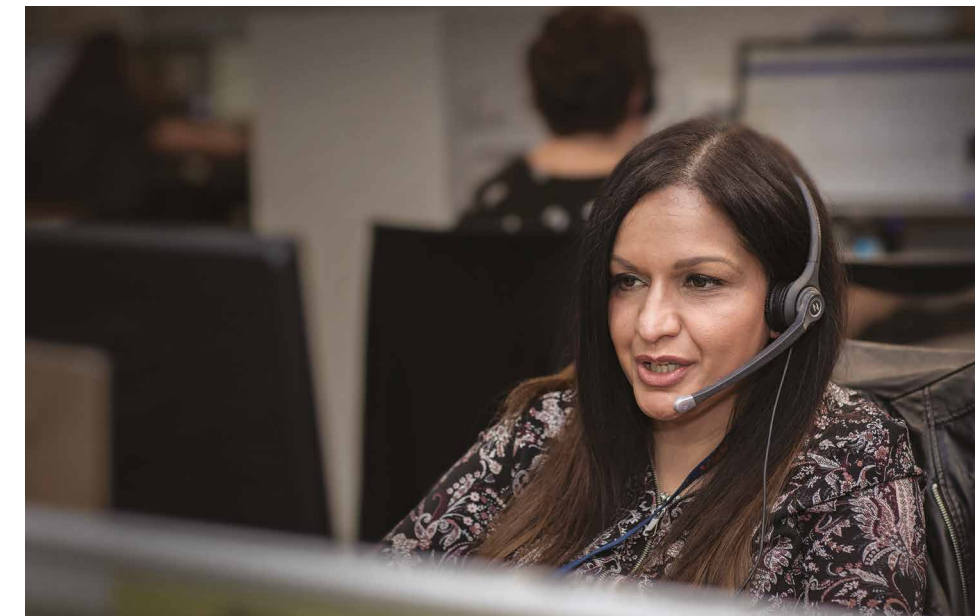
Our quality control mechanisms oversee incoming materials, in-process products and inspection, and reliability testing of our outgoing products. Thorough product safety hazard reviews are conducted before and after products are launched, with product recall policies and procedures in place, should immediate corrective actions be required. To this end, we maintain relationships with government regulators, product safety standard developers, trade associations and consumer groups, and are diligent about managing appropriate product-related documentation in accordance with retention schedules and policies. Any product recalls are managed by our legal teams and our safety and regulatory departments, ensuring all relevant laws are followed until their safe disposal.

Safety reviews are carried out throughout the design and development process, and cover the following:

- Initial safety review based on results of our design failure mode and effect analysis and a review of tool construction before product release
- Formal safety review based on the requirements of ISO 12100:2010 for hazard review and risk assessment. This is a systematic review of all potential hazards during the life cycle of a product, identifying how risk can be minimized
- Final safety review that verifies the necessary implementation of corrective and preventive actions before products are released for mass production

TTI meets or exceeds all applicable and voluntary industry standards and regulatory requirements for all products globally. The 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 Reporting Guide Content Index on our website [🔗](#). We actively monitor social media and online sales channels for customer feedback. By recording and analyzing all comments and complaints, we are able to consider and act on all requests, whether they be in regard to implementing design improvements or providing more in-depth technical training to end-users. To ensure customer satisfaction, our product warranty policy further enables a positive post-purchase experience. Our product safety measures increasingly cover pollution management to ensure end-users are not exposed to harmful emissions or noise. For detail on these considerations, please refer to the Sustainable Products section of this Report on p.66 [🔗](#).





## SPOTLIGHT

## Focusing on Health

### Championing Employee Health and Wellness

Our focus on the health and wellness of our employees is key to TTI's development and retention of exceptional people. Keeping employees healthy means they don't miss work as often and require less medical treatment, resulting in lower insurance premiums. More importantly, healthy employees are happy, motivated and loyal. As a showcase of our commitment to employees, our 300-acre campus in Anderson, South Carolina has a number of facilities to promote employee wellbeing. Our central office at 100 Innovation Way features a full-service fitness center with top-of-the-line gym equipment, and room for classes led by both employees and outside trainers. For outdoor activities, the campus has a trail for running and cycling dedicated to Glenn Benzing, an employee who was an avid outdoorsman. These facilities are supported by our dedicated in-house medical staff. Beyond fitness and exercise, the Company commissary employs a chef who provides curated daily menus and healthy dining options. We also have a cafe where employees can gather for morning energy boosts.



### KEY INITIATIVES AND PROGRESS IN 2021

During the reporting period, we put into place several workplace, wellbeing and product safety initiatives. Details on our progress in each of these areas is described below.

#### Workplace Safety

In 2021, there was no violation of health and safety regulations at TTI. Various initiatives implemented to protect workers included:

- Assessing machinery, equipment and new products to ensure safety
- 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 properly
- Conducting departmental, line and management H&S audits

103,317 employees were trained on workplace safety during the year.\* In 2021, there were 475 work-related injuries and 25 high-consequence injuries recorded. As a result, 5,955 days were lost due to injury across our global operations, compared to 6,518 in 2020, and representing a 8.6% decrease in days lost. Work injuries typically arising among TTI employees included strains caused by manual handling of boxes, cuts, burns, blood and respiratory ailments from soldering or chemical exposure, as well as those related to electrical contact, fire, traffic accidents, lumbar discomfort due to long driving hours or musculoskeletal disorders and eyestrain associated with ergonomics or extended screen time. Detail on specific injuries that occurred can be found in our Performance Metrics on p.114 [📄](#). There was one fatality recorded in 2021, due to a traffic accident. A worker was hit by a truck while commuting back home and passed away 10 days later.

\* This figure includes those who left the Company as of Dec 31, 2021.



# 103,317

EMPLOYEES WERE TRAINED ON WORKPLACE SAFETY THIS YEAR\*



# ZERO

VIOLETIONS OF HEALTH AND SAFETY REGULATIONS AT TTI IN 2021

#### Wellbeing Initiatives

In addition to safety programs, our BUs launched a variety of wellness efforts in 2021. The following are some examples from PRC:

- Autumn appreciation gifts to teams
- Adding floating holidays so employees will have more choice to recognize the holidays they value
- Participation in community culture and sporting activities and competitions, ranging from photography to table tennis

#### Continued Pandemic Management

With the pandemic continuing into 2021, our Australia and New Zealand offices maintained ongoing support to employees by providing 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 feel both professionally and personally. Likewise, our HR department in the PRC continued to offer a counseling service hotline to employees to help with managing mental health concerns. Our ongoing face-to-face counseling service was also maintained in 2021 to meet employee needs.

#### Product Safety Updates

Managing product safety remained a key focus during this reporting period.

In 2021, we had two incidents when TTI Power Equipment products were recalled by the Consumer Product Safety Commission

(CPSC) due to H&S reasons. These recalls were both voluntary and did not result in any fine, penalty or warning. The first recall involved a generator, which had four reports of the generator overheating or catching fire with no injuries reported. The CPSC notified consumers to immediately stop using the recalled generators and provided instructions on how to obtain free repair of the product. Additionally, all known purchasers were directly contacted to rectify the problem. The second product recalled by the CPSC was a 18-Gauge 2" Brad Nailer, after finding the contact sensor on the nailer can malfunction and involuntarily discharge a nail. While no incidents or injuries were reported, the CPSC notified consumers to stop using the nailer and return the product to the stores for a full refund or schedule a free home pickup of the product.

There was no violation of labeling or advertising regulations reported in 2021. As part of our product safety and quality initiatives in this period, we strived to:

- Ensure phone, web and retail level inquiries from customers were well managed and customer service lines for all tool brands were staffed seven days per week
- Provide technical training at product information centers for customers, including dealers and OEM partners
- Offer customers product safety training conducted by sales and Jobsite Solution teams
- Train Field Service and Customer Service Representatives on building customer relationships
- Provide repair and warranty services to customers at product service centers
- Expand our line of PPE to keep people safe on job sites
- Ensure global alignment and collaboration of our safety teams





## MATERIAL TOPIC

# Community Investment and Engagement

Investment in community development and the promotion of social equity creates shared prosperity, building trust and securing our long-term success.



## How We are Managing It

Our investment in community programs continued to be a priority in 2021. We contributed US\$1.9 million in cash donations to projects in this period. Our ESG Working Committee and HR departments across the globe play an active role in reviewing the progress of our community efforts, ensuring that investment projects are well implemented, aligned with the Company's strategy and meeting our goals. Our focus remains on a number of important causes including good health and wellbeing, human rights, poverty alleviation, improving infrastructure and reducing inequalities. In addition, we continue to contribute to the protection of local environments, disaster relief projects, promoting women's rights and education, and inspiring younger generations to develop careers in technology.

Support for these and other community challenges and opportunities takes the form of collaboration with NGOs, providing financial support, donation of tools and employee volunteering. Community project selection occurs through structured programs, annual commitments and engagement. Employees are encouraged to volunteer using paid working hours for this purpose.

## ▶ KEY INITIATIVES AND PROGRESS IN 2021

### Helping People in Need Pandemic Relief

In 2021, we continued to focus on COVID-related challenges. TTI donated US\$50,000 to Habitat for Humanity India's COVID-19 Emergency Appeal. In partnership with local governments and on-the-ground partners, the NGO set up Habitat Care Centers to equip underused healthcare or government buildings to treat mild and moderate COVID-positive cases. By providing patients with shelter for isolation or quarantine, family members were kept safe, and the existing healthcare infrastructure was kept from becoming overloaded. Once established, the Habitat Care Centers continued under the management of local hospitals.

### Addressing Poverty AMERICAS

Our BUs in North America engaged in multiple initiatives to alleviate poverty in their communities. TTI NA donated food to the local shelter, Food Pantry of Broward, to support those in need during the holidays.

***"We are grateful for our meaningful partnership with TTI. Long-term, cross-sector collaboration is vital to the sustainability of our programs and will impact the health and wellbeing of families and communities across the region."***

**Jo Hayes**  
CEO of Habitat for Humanity Hong Kong

## GOALS

- Support community livelihoods through investment and engagement activities
- Establish strategic partnerships with industry partners and NGOs
- Enhance talent and customer attraction through community engagement

## TARGETS

- Increase our donation in cash and in kind to charities year over year
- Increase the number of employees and hours spent volunteering
- Increase the number of community partnerships

We also donated toys to support local children and families as part of a Toys for Tots Drive. TTI PE donated large food packages to the NGO, Harvest Hope, throughout a month-long food drive. Employees also pitched in, donating gifts to children through the Salvation Army, bread and food items to make sandwiches for the local Anderson Soup Kitchen, and canned food to the drive. TTI FC continued to support Classroom Central by donating cash for learning supplies through their virtual drive. We also supported the Pinky Swear Virtual Pantry Drive to stock onsite hospital food pantries and contributed to a lunch delivery for The Relative Foundation.

The Milwaukee team supported various hunger relief initiatives by stocking food boxes for local pantries, donating to canned food drives, as well delivering food and holiday boxes for families in need. We also harvested 36,839 kg of cabbage to feed Milwaukee's at-risk populations and participated in a 5K run hosted by the Mid-South Food Bank on Thanksgiving Day, to help generate awareness and funds to feed thousands of children, families and seniors. TTI Canada donated to the Daily Bread Food Bank and employees delivered

Christmas presents to underprivileged children as part of the Toronto Star Newspaper's Santa Claus Fund.

### EMEA

TTI supported Little Home e.V. by building houses for homeless people in Germany.

### ASIA

In Asia, TTI HK donated US\$50,000 to support the work of the Christina Noble Children's Foundation that cares for vulnerable children in Mongolia and Vietnam. We also supported the Commission on Poverty and the Hong Kong Council of Social Service's Scholarship for Future Stars by donating to help less privileged youth achieve upward social mobility through education. We made a donation to the Wednesday Afternoon Golf Society to help underprivileged children and those at-risk of commercial or sexual exploitation. We also contributed to The Hong Kong Society for Rehabilitation to support their "Paint A New Life" charity sale and exhibition in support of their mission to reintegrate the less privileged into society. We once again participated in the Skip Lunch Day program that included purchasing "Mooncakes for Charity Coupons" with

donations made for every box of mooncakes sold to benefit street sleepers and residents of cage homes and cubicles. These donations were allocated to the 165 social welfare member agencies supported by the Hong Kong Community Chest.

### 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 in 2020 to fund the Better Mining Cobalt Due Diligence and Impact Program run by the RCS Global Group to monitor cobalt and copper mines in the Democratic Republic of Congo (DRC). By identifying ways for the mines to adopt sustainability practices, the monitoring program helps improve the socio-economic and environmental conditions of the wider community. In 2021, we continued to be active in discussions with all stakeholders of the organization. TTI also developed a relationship with The Mekong Club, an NGO whose mission is to end modern slavery, and became an Association Member in 2021 to collaborate and gain support on our journey to eradicate forced labor.





### Home-building projects

Home-building projects remain a very important part of our community engagement efforts.

#### AMERICAS

We continued with our Habitat for Humanity projects across BUs. These included projects such as:

- Women Build — a group of five from TTI PE coming together to help build a house structure
- Home-building — 26 volunteers from TTI Canada
- Shed Buildings — involving our Milwaukee teams

Milwaukee also partnered with the Milwaukee Homeless Veterans Initiative, to provide homeless and at-risk veterans with 300 kitchen kits as they transitioned into homes. The team also volunteered at two of Project Home's events to renovate and clean local apartment complexes and install windows

at a local veteran's home. In addition, volunteers helped Rebuild Upstate repair existing homes to make them safe and comfortable. Another team partnered with the Fuller Center to clean, paint and put the finishing touches on a new home for a low-income family. Also, 45 volunteers helped lead and direct a special project called "Block Build MKE". This is Revitalize Milwaukee's signature annual event that is held over a weekend, to transform multiple neighborhood blocks through everything from yard clean-ups and painting to skilled plumbing, window, electrical and flooring repairs. Yet another team came together to paint and landscape around the Don Miller Homes, an adult foster care facility for adults with varying abilities. We also continue to make donations of large products to the local American Legion Post 375 in Mukwonago to help maintain facilities that are used by multiple non-profits.

#### ASIA

Our Habitat for Humanity projects continued in Hong Kong, where 30 volunteers helped elderly and physically challenged residents to perform household repair and maintenance through the Project Home Works program. At TTI Vietnam, we also continued with our Safer and Cleaner Communities for a Healthier Life program, to which we donated US\$80,000. Through this program:

- five vulnerable households gained access to new, quality, affordable and safe homes that are resilient to disasters, and have appropriate water and sanitation facilities
- 12 households gained improved housing through renovations
- 20 households benefited from deep cleaning service
- 28 families gained access to clean water through a water pipeline installed at the Tan Trung commune, 31 families received water tanks, allowing them to store clean water for daily use and improve their health

conditions in the Tan Trung, Binh Xuan, Binh Dong and Long Chanh communes

- 104 vulnerable, low-income families and local partners learned about disaster-resilient construction, water, sanitation and hygiene (WASH), home maintenance and COVID-19 prevention
- 500 students benefited from improved hand-washing facilities and waste management system at Tan Trung Primary School, receiving hygiene kits as well as leaflets on COVID-19 disease prevention

### Environmental and Disaster Relief Initiatives

#### Disaster Relief

##### AMERICAS

TTI NA engaged with the International Hurricane Research Center at Florida International University and the Museum of Discovery and Science to provide a hurricane preparedness workshop for families who live in vulnerable areas. The event was attended by 2,800 museum visitors and demonstrated actions using TTI's RYOBI tools that could be taken to prepare for storms. Tools were also donated to the museum as part of this activity. In another initiative, 600 MILWAUKEE tools and safety products were donated to assist with operations for Surfside Condo Collapse & Recovery efforts. In partnership with local associates, TTI assisted in recovery efforts alongside Broward Rescue Crews. In addition, TTI FC employees donated supplies such as water, non-perishable food items, flashlights and batteries, clothing and grooming kits to those impacted by Hurricane Ida.

##### EMEA

In Germany, our office organized a fundraising campaign to donate to "Aktion Deutschland hilft" and supported other organizations such as Evangeliums Christen Gemeinde and Supplier Rhodus to help the victims of

catastrophic flooding in the western part of Germany. TTI supported Wolfcraft GmbH by providing products to rebuild the Ahrtal region after massive flooding.

#### Environmental Projects

##### ASIA

TTI HK donated to several initiatives to raise awareness of environmental issues. This included a Green Carnival event and a clean up of Hong Kong's coastlines, organized by the Green Council. TTI HK also donated to "Green-related Projects" supported by the Community Chest, including the Green Low Carbon Day.

### Nurturing the Next Generation

We continue to support the development of young people through educational initiatives and internships.



#### AMERICAS

Our Milwaukee team partnered with the Milwaukee Academy of Science (MAS) to create a state-of-the-art STEM lab for 250 students. The team raised funds for the MAS building expansion campaign. We also organized tours at three local National Electrical Contractors Association (NECA) training centers for four MAS students who are interested in a career in the trade.

We are working with the Western Washington Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) chapter to donate tools, time and talent to the Heavy Metal Summer Camp that teaches around 60 high school students about the trades. 40 Milwaukee employees and 10 experts donated their time to the Milwaukee Tool Innovation challenge for LAUNCH with 50 teams and 160 students participating. In





In addition, we raised money for the Greenwood Scholarship fund to offer higher education scholarships to children of our employees. In 2021, we announced our corporate membership with the Milky Way Tech Hub, which is focused on fueling STEAM initiatives within Wisconsin's Southeastern workforce. We also supported STEM Forward to find volunteer judges and mentors for the Future City Competition, where middle schoolers imagine, research, design and build cities of the future. We are continuing to teach middle school students computer science skills focused on hardware and embedded systems.

#### EMEA

In Benelux, TTI supported Vraag en aanbold Internationaal, by providing used tools to be distributed to vocational schools in Africa.

#### Other Community Programs

Other community initiatives are shared below.

#### AMERICAS

TTI PE supported a variety of causes in 2021. The Ride to Remember initiative benefited the Alzheimer's Association and the Dragon Boat Upstate Festival supported cancer research and survivorship programs through the Prisma Health Cancer Institute. Volunteers also helped out at the Tri My Best event, the first annual adaptive triathlon for children with a range of abilities organized by the Shriners Hospital for Children. In addition, employees participated in the Tour De Tugaloo bike ride to raise money and awareness for preserving the historic community for the Stephens County Foundation.

TTI FC partnered with Signature Health Care to help local Alzheimer patients and supported the Susan G. Komen Race for a Cure in support of breast cancer patients.

At TTI Canada 125 employees sent in videos and pictures of pets for National Cupcake Day, generating donations for the Society for the Prevention of Cruelty to Animals (SPCA). The team also donated to the World Wide Fund for Nature (WWF) to support narwhals. As part of their commitment to the community, 30 employees cleaned litter in their surrounding areas and 25 employees brought in 80 kg of their old textiles to be donated to the Canadian National Institute for the Blind.

#### Supporting Women and Girls

TTI partners with the Asian University for Women (AUW), based in Bangladesh, to promote women's equality and education. TTI provides two students a year with internship positions at our head office in Hong Kong as part of the ongoing internship and mentorship programs. Interns are supported with travel and accommodation expenses and given a competitive salary for their work. In addition, and since 2020, Company executives have served as mentors, providing professional and career development advice to the students. TTI aims to continue to develop this mentorship program for young women through which they can connect, network and learn from professionals. The program also includes monthly sessions for upper-level students and the alumni of AUW, providing assistance with employment, business and career planning. Going forward, TTI will expand our commitment by engaging more of our employees to volunteer their time and share their talent by serving as mentors. These programs support AUW students who come from 18 countries in Asia and the Middle East, including those from marginalized groups such as the Rohingya refugees, vulnerable workers in the Bangladeshi textile factories or at tea plantations in India and Sri Lanka, as well as those from communities in the high-conflict zones of Afghanistan, Syria and Yemen.



***“After graduating from Asian University for Women, I was unsure of my career trajectory as to whether to continue working or to pursue a master’s education. That is when I got introduced to TTI. Under the Company’s guidance, I was able to secure a place in a prestigious masters’ program along with an Erasmus Mundus scholarship, and an internship at TTI as an ESG intern.”***

**Athulya Purushothaman**  
AUW Student and TTI Intern





Our Milwaukee team further supported veterans by participating in the ribbon-cutting launch of the Center for Veterans Issues Woodshop. The Center helps to provide meaningful work and has a therapeutic effect on homeless veterans in the area. The team also sponsored the Helmets to Hardhats #WorkSiteWednesday heroes with a weekly tool donation. We donated bikes, helmets, locks and lights to promote the health and mobility of Milwaukee County veterans, as well as tents to the Sun Prairie Veterans of Foreign Wars, while helping serve at their food stand. Operation Back 2 School

was another initiative we contributed to, which supports veterans and their families by lessening the burden of back-to-school costs. We also donated jackets and socks to multiple veterans' organizations and volunteered at Stand Down Madison, an event geared towards providing resources to veterans experiencing homelessness. In addition, we supported fundraisers and events that allowed us to contribute to initiatives that provided 100 veteran families with Thanksgiving meals. We were honored to receive the Center for Veterans Issues

Community Impact Award for making a positive impact on veterans, their families and the community in 2021. At the annual Center for Veterans Issues Gala, we donated US\$30,000 to the development of a Mental Wellness Center for veterans. Our team also helped raise more than US\$300,000 and donated tools to the All Star Night for Stars and Stripes event, where our Milwaukee Tool Shed Band made an appearance.

For Mother's Day, the team assembled special gifts for the residents at the Golden Age Nursing

Home. We also supported Make-A-Wish Foundation by planning events for young people who have a keen interest in our industry. We gave Brock, an 18-year old, tools on his plumbing wish list and an exclusive tour of our Global Headquarters, and Noah, a 15-year-old boy battling lymphoma, a plant tour, the opportunity to build a corn hole set and a set of MILWAUKEE Tool products. Other teams came together to raise awareness about breast cancer by donating over 80 braids to create wigs for patients and organizing a raffle of 250 breast ultrasound procedures

for employees, to emphasize the importance of prevention measures. We continued to support the American Heart Association and Hard Hats with Hearts and in recognition of the construction industry's elevated health risk, our annual event for this cause helped raise US\$55,000 in just one night.

#### ASIA

At TTI HK, we joined a blood donation day organized by Hong Kong Red Cross, to give a helping hand in saving lives.

#### EMEA

In the United Kingdom, we partnered with The People's Dispensary for Sick Animals (PDSA) to support the NGO's National Pet Month with weekly competitions to win VAX floorcare products.

In Germany, TTI supported Utopiastadt gemeinnützige GmbH to restore a historical train station through a forum for continuous exchange of sustainable society concepts and ideas.



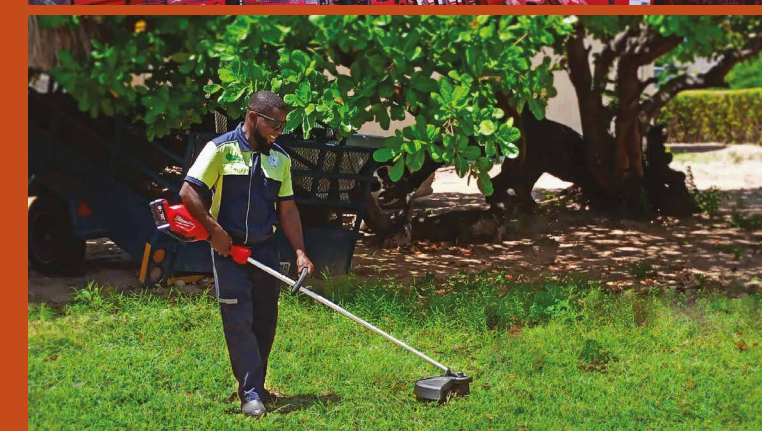
#### SPOTLIGHT

## African Parks



### TTI joins hands with African Parks to support Local Communities

TTI donated 2,075 power tools valued at US\$68,500 to 15 protected areas managed by African Parks, a non-profit conservation organization. The donation supports infrastructure development and park maintenance as well as employment for local communities in surrounding areas. TTI's tool donation helps African Parks more effectively address its core mission of protecting biodiversity and supporting local communities by building a constituency for conservation. This results in a range of social and economic benefits for the community and reinforces long-term support for the parks. African Parks builds schools, supports teachers and students and provides healthcare and jobs for the local community. These conservation efforts also have a ripple effect by creating ecologically functioning ecosystems that act as large carbon sinks to absorb GHG emissions in the atmosphere. Through our partnership with African Parks, we hope to play a part in supporting vulnerable communities and sustaining the long-term protection of the environment and its critical biodiversity.





# Performance Metrics

## Consolidation of Sustainability Data

### Environmental KPIs

Indicators	2021	2020*	% Difference	Unit
<b>Emissions<sup>#</sup></b>				
<b>Total Scope 1 &amp; 2 GHG Emissions</b>	<b>178,763</b>	146,556	<b>22%</b>	tCO <sub>2</sub> e
<b>Total Scope 1 &amp; 2 GHG Emission Intensity</b>	<b>13.54</b>	14.94	<b>-9%</b>	tCO <sub>2</sub> e per sales revenue (US\$ million)
<i>Scope 1 Emissions by Region</i>				
Americas	<b>23,998</b>	18,756	<b>28%</b>	tCO <sub>2</sub> e
ANZ	<b>2,627</b>	1,797	<b>46%</b>	tCO <sub>2</sub> e
Asia	<b>3,776</b>	2,721	<b>39%</b>	tCO <sub>2</sub> e
EMEA	<b>8,203</b>	6,295	<b>30%</b>	tCO <sub>2</sub> e
<i>Scope 1 Emissions by Activity</i>				
Facilities	<b>9,104</b>	7,905	<b>15%</b>	tCO <sub>2</sub> e
Fleet	<b>25,053</b>	19,095	<b>31%</b>	tCO <sub>2</sub> e
Refrigerants	<b>4,447</b>	2,569	<b>73%</b>	tCO <sub>2</sub> e
<i>Scope 2 Emissions by Region</i>				
Americas	<b>55,524</b>	46,696	<b>19%</b>	tCO <sub>2</sub> e
ANZ	<b>2,077</b>	2,292	<b>-9%</b>	tCO <sub>2</sub> e
Asia	<b>74,918</b>	61,336	<b>22%</b>	tCO <sub>2</sub> e
EMEA	<b>7,640</b>	6,663	<b>15%</b>	tCO <sub>2</sub> e
<i>Scope 2 Emissions by Activity</i>				
Electricity (Grid)	<b>140,159</b>	116,987	<b>20%</b>	tCO <sub>2</sub> e

### Energy Consumption<sup>^</sup>

<b>Total Energy Consumption</b>	<b>424,677,328</b>	339,152,046	<b>25%</b>	kWh
<b>Total Energy Consumption Intensity</b>	<b>32,165</b>	34,565	<b>-7%</b>	kWh per sales revenue (US\$ million)
Electricity (Grid)	<b>270,395,247</b>	221,957,305	<b>22%</b>	kWh
Electricity (Non-Grid)	<b>4,270</b>	4,270	<b>0%</b>	kWh
Fuel	<b>154,277,811</b>	117,190,471	<b>32%</b>	kWh
<i>Fuel by Activity</i>				
Mobile Sources	<b>97,004,272</b>	72,761,251	<b>33%</b>	kWh
Stationary Sources	<b>57,273,539</b>	44,429,220	<b>29%</b>	kWh

Indicators	2021	2020*	% Difference	Unit
<b>Water Stewardship<sup>†</sup></b>				
<b>Total Water Consumption</b>	<b>433,413</b>	339,715	<b>28%</b>	m <sup>3</sup>
<b>Total Water Consumption Intensity</b>	<b>32.83</b>	34.62	<b>-5%</b>	m <sup>3</sup> per sales revenue (US\$ million)
Withdrawal	<b>1,716,617</b>	1,397,947	<b>23%</b>	m <sup>3</sup>
Discharge	<b>1,283,204</b>	1,058,232	<b>21%</b>	m <sup>3</sup>
Recycled	<b>253,316</b>	219,017	<b>16%</b>	m <sup>3</sup>
<i>Water Consumption by Region</i>				
Americas	<b>32,974</b>	20,849	<b>58%</b>	m <sup>3</sup>
ANZ	–	–	–	m <sup>3</sup>
Asia	<b>400,009</b>	318,496	<b>26%</b>	m <sup>3</sup>
EMEA	<b>430</b>	370	<b>16%</b>	m <sup>3</sup>
<i>Water Consumption by Nature of Business</i>				
Manufacturing	<b>402,326</b>	318,545	<b>26%</b>	m <sup>3</sup>
Distribution	<b>18,032</b>	4,804	<b>275%</b>	m <sup>3</sup>
Offices	<b>9,938</b>	12,005	<b>-17%</b>	m <sup>3</sup>
Other	<b>3,117</b>	4,361	<b>-29%</b>	m <sup>3</sup>
<i>Water Withdrawal Source by Region</i>				
<b>Americas</b>				
Municipal Supply	<b>245,355</b>	171,920	<b>43%</b>	m <sup>3</sup>
Ground Water	<b>12,794</b>	15,817	<b>-19%</b>	m <sup>3</sup>
<b>ANZ</b>				
Municipal Supply	<b>6,730</b>	5,583	<b>21%</b>	m <sup>3</sup>
<b>Asia</b>				
Municipal Supply	<b>1,437,018</b>	1,192,196	<b>21%</b>	m <sup>3</sup>
Ground Water	<b>329</b>	327	<b>1%</b>	m <sup>3</sup>
Surface (Freshwater)	<b>803</b>	425	<b>89%</b>	m <sup>3</sup>
<b>EMEA</b>				
Municipal Supply	<b>13,588</b>	11,679	<b>16%</b>	m <sup>3</sup>





## Consolidation of Sustainability Data (continued)

### Environmental KPIs (continued)

Indicators	2021	2020*	% Difference	Unit
<b>Waste Management<sup>A</sup></b>				
<b>Total Waste</b>	<b>57,870</b>	43,191	<b>34%</b>	Tonnes
<b>Total Waste Intensity</b>	<b>4.38</b>	4.40	<b>0%</b>	Tonnes per sales revenue (US\$ million)
Hazardous Waste	<b>1,181</b>	813	<b>45%</b>	Tonnes
Hazardous Waste Intensity	<b>0.09</b>	0.08	<b>8%</b>	Tonnes per sales revenue (US\$ million)
Non-Hazardous Waste	<b>56,689</b>	42,378	<b>34%</b>	Tonnes
Non-Hazardous Waste Intensity	<b>4.29</b>	4.32	<b>-1%</b>	Tonnes per sales revenue (US\$ million)
<i>Waste by Category</i>				
<b>Hazardous Waste</b>				
Carbon	<b>23</b>	12	<b>88%</b>	Tonnes
Oils/Fluids/Solvents	<b>439</b>	309	<b>42%</b>	Tonnes
Resin/Glue	<b>21</b>	37	<b>-43%</b>	Tonnes
WEEE	<b>698</b>	455	<b>53%</b>	Tonnes
<b>Non-Hazardous Waste</b>				
Cartons	<b>3,440</b>	1,466	<b>135%</b>	Tonnes
Cement	<b>980</b>	813	<b>21%</b>	Tonnes
Commercial and Industrial	<b>3,940</b>	3,611	<b>9%</b>	Tonnes
Construction	<b>551</b>	703	<b>-22%</b>	Tonnes
Dry Mixed Recyclables	<b>539</b>	504	<b>7%</b>	Tonnes
Food and Drink	<b>19</b>	22	<b>-10%</b>	Tonnes
Garden	<b>5</b>	7	<b>-30%</b>	Tonnes
General	<b>7,697</b>	6,769	<b>14%</b>	Tonnes
Gypsum	<b>507</b>	483	<b>5%</b>	Tonnes
Metal	<b>10,418</b>	6,456	<b>61%</b>	Tonnes
Packaging	<b>70</b>	69	<b>1%</b>	Tonnes
Pallets and Wood	<b>8,107</b>	5,046	<b>61%</b>	Tonnes
Paper and Cardboard	<b>18,670</b>	15,616	<b>20%</b>	Tonnes
Plastic	<b>1,696</b>	804	<b>111%</b>	Tonnes
Textiles	<b>50</b>	9	<b>434%</b>	Tonnes
<i>Waste by Treatment</i>				
<b>Hazardous Waste</b>				
Landfill	<b>5</b>	0	<b>2890%</b>	Tonnes
Recycled	<b>845</b>	598	<b>41%</b>	Tonnes
Combustion (with Energy Recovery)	<b>330</b>	92	<b>260%</b>	Tonnes
Anaerobic Digestion	<b>1</b>	95	<b>-99%</b>	Tonnes
Other	<b>-</b>	28	<b>-100%</b>	Tonnes
<b>Non-Hazardous Waste</b>				
Landfill	<b>9,916</b>	8,977	<b>10%</b>	Tonnes
Recycled	<b>44,134</b>	30,529	<b>45%</b>	Tonnes
Combustion (with Energy Recovery)	<b>2,633</b>	2,182	<b>21%</b>	Tonnes
Anaerobic Digestion	<b>-</b>	-	<b>-</b>	Tonnes
Other	<b>6</b>	690	<b>-99%</b>	Tonnes
<b>Total Waste Directed to Disposal</b>	<b>12,890</b>	11,969	<b>8%</b>	Tonnes

Indicators	2021	2020*	% Difference	Unit
<b>Recyclable Waste</b>				
<b>Total Recyclable Waste</b>	<b>44,979</b>	31,127	<b>45%</b>	Tonnes
Hazardous	<b>845</b>	598	<b>41%</b>	Tonnes
Non-Hazardous	<b>44,134</b>	30,529	<b>45%</b>	Tonnes
<i>Waste by Category</i>				
<b>Hazardous Waste</b>				
Oils/Fluids/Solvents	<b>155</b>	145	<b>7%</b>	Tonnes
WEEE	<b>689</b>	453	<b>52%</b>	Tonnes
<b>Non-Hazardous Waste</b>				
Cartons	<b>3,440</b>	1,466	<b>135%</b>	Tonnes
Cement	<b>980</b>	813	<b>21%</b>	Tonnes
Commercial and Industrial	<b>15</b>	-	<b>-</b>	Tonnes
Construction	<b>29</b>	346	<b>-91%</b>	Tonnes
Dry Mixed Recyclables	<b>539</b>	504	<b>7%</b>	Tonnes
Gypsum	<b>507</b>	483	<b>5%</b>	Tonnes
Metal	<b>10,418</b>	6,456	<b>61%</b>	Tonnes
Packaging	<b>2</b>	4	<b>-61%</b>	Tonnes
Pallets and Wood	<b>7,858</b>	4,190	<b>88%</b>	Tonnes
Paper and Cardboard	<b>18,628</b>	15,463	<b>20%</b>	Tonnes
Plastic	<b>1,696</b>	804	<b>111%</b>	Tonnes
Textiles	<b>23</b>	0	<b>10032%</b>	Tonnes

### Paper Consumption<sup>§</sup>

#### Paper Consumption (Office)

Indicators	2021	2020*	% Difference	Unit
Paper	<b>200</b>	160	<b>25%</b>	Tonnes
Recycled Paper	<b>44</b>	33	<b>34%</b>	Tonnes

### Packaging Consumption<sup>§</sup> (Including Paper for Instruction Manuals)

Indicators	2021	2020*	% Difference	Unit
Packaging material used for finished products	<b>72,913</b>	60,098	<b>21%</b>	Tonnes
Total weight of recycled materials used in packaging	<b>64,518</b>	52,158	<b>24%</b>	Tonnes



## Consolidation of Sustainability Data (continued)

### Environmental KPIs (continued)

Indicators	2021	2020*	% Difference	Unit
<b>AIP Emissions</b>				
<b>Total Scope 1 &amp; 2 GHG Emissions</b>	<b>54,735</b>	48,348	<b>13%</b>	tCO <sub>2</sub> e
<b>Total Scope 1 &amp; 2 GHG Emission Intensity</b>	<b>4.15</b>	4.93	<b>-16%</b>	tCO <sub>2</sub> e per sales revenue (US\$ million)
<i>Scope 1 Emissions by Activity</i>				
Facilities	<b>1,522</b>	1,058	<b>44%</b>	tCO <sub>2</sub> e
Refrigerants	<b>939</b>	771	<b>22%</b>	tCO <sub>2</sub> e
<i>Scope 2 Emissions by Activity</i>				
Electricity (Grid)	<b>52,274</b>	46,519	<b>12%</b>	tCO <sub>2</sub> e
<b>AIP Energy Consumption</b>				
<b>Total Energy Consumption</b>	<b>91,633,162</b>	80,409,004	<b>14%</b>	kWh
<b>Total Energy Consumption Intensity</b>	<b>6,940.24</b>	8,195.01	<b>-15%</b>	kWh per sales revenue (US\$ million)
Electricity (Grid)	<b>83,544,958</b>	74,573,879	<b>12%</b>	kWh
Fuel	<b>8,088,204</b>	5,835,125	<b>39%</b>	kWh
<i>Fuel by Activity</i>				
Stationary Sources	<b>8,088,204</b>	5,835,125	<b>39%</b>	kWh

Indicators	2021	2020*	% Difference	Unit
<b>AIP Water Stewardship</b>				
<b>Total Water Consumption</b>	<b>378,638</b>	299,138	<b>27%</b>	m <sup>3</sup>
<b>Total Water Consumption Intensity</b>	<b>28.68</b>	30.49	<b>-6%</b>	m <sup>3</sup> per sales revenue (US\$ million)
Withdrawal	<b>1,232,562</b>	1,049,973	<b>17%</b>	m <sup>3</sup>
Discharge	<b>853,924</b>	750,835	<b>14%</b>	m <sup>3</sup>
Recycled	<b>252,066</b>	219,017	<b>15%</b>	m <sup>3</sup>

### AIP Waste Management

<b>Total Waste</b>	<b>22,896</b>	13,852	<b>65%</b>	Tonnes
<b>Total Waste Consumption Intensity</b>	<b>1.73</b>	1.41	<b>23%</b>	Tonnes per sales revenue (US\$ million)
Hazardous Waste	<b>536</b>	218	<b>146%</b>	Tonnes
Non-Hazardous Waste	<b>22,360</b>	13,634	<b>64%</b>	Tonnes
<b>Total Recyclable Waste</b>	<b>21,338</b>	12,564	<b>70%</b>	Tonnes
Hazardous Waste	<b>196</b>	10	<b>1765%</b>	Tonnes
Non-Hazardous Waste	<b>21,142</b>	12,554	<b>68%</b>	Tonnes

\* Restated 2020 data.

# 2020 emission figures restated due to the fact that emissions from our fleet have been broken down by personal and business use and only business use has been included here. In addition, restatements are due to the inclusion of additional data collected.

^ 2020 energy consumption data restated due to the fact that marine and air businesses were excluded in the previous calculations. In addition, further data was collected.

† 2020 water consumption data restated due to a change in the way that water discharge is now recorded. In addition, further data was collected.

^ 2020 waste data restated as it was not recorded correctly.

§ 2020 paper and packaging data restated as previously not collected fully.

#### 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 CGGI.
- 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 KPIs

Indicators	2021		2020	
	Number	% of Total	Number	% of Total
<b>Employment</b>				
<b>Total Number of Employees</b>	<b>51,598</b>	<b>–</b>	48,291	–
<i>By Gender</i>				
Female	17,320	33.6%	16,423	34.0%
Male	34,264	66.4%	31,861	66.0%
Non-Binary	14	0.0%	7	0.0%
<i>By Age Group</i>				
18-20	1,814	3.5%	3,246	6.7%
21-30	21,969	42.6%	21,582	44.7%
31-40	15,789	30.6%	13,779	28.5%
41-50	8,288	16.1%	6,815	14.1%
51-60	3,035	5.9%	2,279	4.7%
60+	703	1.4%	590	1.2%
<i>By Region</i>				
Americas	17,386	33.7%	11,884	24.6%
ANZ	982	1.9%	779	1.6%
Asia	30,435	59.0%	33,412	69.2%
EMEA	2,795	5.4%	2,216	4.6%
<i>Permanent and Temporary by Gender</i>				
<b>Females</b>				
Permanent	15,515	89.6%	14,095	85.8%
Temporary	1,805	10.4%	2,328	14.2%
<b>Males</b>				
Permanent	31,090	90.7%	27,793	87.2%
Temporary	3,174	9.3%	4,068	12.8%
<b>Non-Binary</b>				
Permanent	12	85.7%	5	71.4%
Temporary	2	14.3%	2	28.6%
<i>Permanent and Temporary by Region</i>				
<b>Americas</b>				
Permanent	17,236	99.1%	11,758	98.9%
Temporary	150	0.9%	126	1.1%
<b>ANZ</b>				
Permanent	977	99.5%	750	96.3%
Temporary	5	0.5%	29	3.7%

Indicators	2021		2020	
	Number	% of Total	Number	% of Total
<i>Permanent and Temporary by Region (continued)</i>				
<b>Asia</b>				
Permanent	25,745	84.6%	27,238	81.5%
Temporary	4,690	15.4%	6,174	18.5%
<b>EMEA</b>				
Permanent	2,659	95.1%	2,147	96.9%
Temporary	136	4.9%	69	3.1%
<i>Full-Time and Part-Time by Gender</i>				
<b>Females</b>				
Full-Time	17,194	99.3%	16,299	99.2%
Part-Time	130	0.7%	124	0.8%
<b>Males</b>				
Full-Time	34,222	99.9%	31,804	99.8%
Part-Time	42	0.1%	57	0.2%
<b>Non-Binary</b>				
Full-Time	14	100.0%	7	100.0%
Part-Time	0	0.0%	0	0.0%
<i>Full-Time and Part-Time by Region</i>				
<b>Americas</b>				
Full-Time	17,331	99.7%	11,840	99.6%
Part-Time	55	0.3%	44	0.4%
<b>ANZ</b>				
Full-Time	963	98.1%	736	94.5%
Part-Time	19	1.9%	43	5.5%
<b>Asia</b>				
Full-Time	30,429	100.0%	27,238	81.5%
Part-Time	6	0.0%	6,174	18.5%
<b>EMEA</b>				
Full-Time	2,703	96.7%	2,124	95.8%
Part-Time	92	3.3%	92	4.2%

#### Notes:

- 1 This table includes workers employed as of Dec 31, 2021. It does not include employees who left the company or were dismissed before Dec 31, 2021.
- 2 Compiled using Age Group/Employee Contract Type/Employment Type data as of Dec 31, 2021.
- 3 Only counted interns if employed as of Dec 31, 2021.



## Consolidation of Sustainability Data (continued)

### Workforce KPIs

Indicators	2021		2020	
	Number	% of Total	Number	% of Total
<b>New Hires and Employee Turnover</b>				
<b>Total New Hires</b>	<b>57,067</b>	<b>–</b>	57,573	–
<i>By Gender</i>				
Female	16,690	29.2%	18,736	32.5%
Male	40,364	70.7%	38,837	67.5%
Non-Binary	13	0.0%	0	0.0%
<i>By Age Group</i>				
18-20	4,790	8.4%	7,301	12.7%
21-30	30,944	54.2%	31,288	54.3%
31-40	15,190	26.6%	13,313	23.1%
41-50	5,132	9.0%	5,098	8.9%
51-60	849	1.5%	506	0.9%
60+	162	0.3%	67	0.1%
<i>By Region</i>				
Americas	8,462	14.8%	7,310	12.7%
ANZ	346	0.6%	203	0.4%
Asia	47,148	82.6%	49,607	86.2%
EMEA	1,111	1.9%	453	0.8%
<b>Total Number of Employee Departures</b>	<b>53,760</b>	<b>–</b>	39,294	–
<i>By Gender</i>				
Female	16,144	30.0%	12,054	30.7%
Male	37,613	70.0%	27,239	69.3%
Non-Binary	3	0.0%	1	0.0%
<i>By Age Group</i>				
18-20	4,372	8.1%	4,363	11.1%
21-30	29,194	54.3%	20,458	52.1%
31-40	14,638	27.2%	9,844	25.1%
41-50	4,754	8.8%	4,177	10.6%
51-60	611	1.1%	337	0.9%
60+	191	0.4%	115	0.3%
<i>By Region</i>				
Americas	7,148	13.3%	3,724	9.5%
ANZ	166	0.3%	94	0.2%
Asia	45,934	85.4%	35,205	89.6%
EMEA	512	1.0%	271	0.7%

Notes:

1 Only counted interns if employed as of Dec 31, 2021.

Indicators	2021		2020	
	New Hire Rate	Turnover Rate	New Hire Rate	Turnover Rate
<b>New Hire and Turnover Rates</b>				
<i>By Gender</i>				
Female	96%	93%	114%	73%
Male	118%	110%	122%	85%
Non-Binary	93%	21%	0%	14%
<i>By Age Group</i>				
18-20	264%	241%	225%	134%
21-30	141%	133%	145%	95%
31-40	96%	93%	97%	71%
41-50	62%	57%	75%	61%
51-60	28%	20%	22%	15%
60+	23%	27%	11%	19%
<i>By Region</i>				
Americas	49%	41%	62%	31%
ANZ	35%	17%	26%	12%
Asia	155%	151%	148%	105%
EMEA	40%	18%	20%	12%

Notes:

1 Only counted interns if employed as of Dec 31, 2021.





## Consolidation of Sustainability Data (continued)

### Workforce KPIs (continued)

Indicators	2021	2020
<b>Diversity</b>		
<b>Percentage of Employees by Gender and Employment Category</b>		
<i>Director or Above</i>		
Female	18%	16%
Male	82%	84%
Non-Binary	0%	0%
<i>Managerial</i>		
Female	28%	29%
Male	72%	71%
Non-Binary	0%	0%
<i>General Employee</i>		
Female	34%	35%
Male	66%	65%
Non-Binary	0%	0%
<i>By Management Role</i>		
Total Employees in Management	5,444	4,285
Percentage of Females in Management	27%	27%

## Notes:

- 1 If employees changed job category in the year, the job category as of Dec 31, 2021 was used.
- 2 Only counted interns if employed as of Dec 31, 2021.

Indicators	2021		2020	
	Number	% of Total	Number	% of Total
<b>Return to Work and Retention after Parental Leave</b>				
<b>Number of Employees Entitled to Parental Leave</b>				
Female	12,389	71.5%	9,085	55.3%
Male	20,984	61.2%	19,075	59.9%
Non-Binary	5	35.7%	7	100.0%
<b>Number of Employees with Parental Leave Qualified Activity</b>				
Female	531	3.1%	–	–
Male	978	2.9%	–	–
Non-Binary	0	0.0%	–	–
<b>Number of Employees who Took Parental Leave</b>				
Female	352	2.0%	280	1.7%
Male	523	1.5%	376	1.2%
Non-Binary	0	0.0%	0	0.0%
<b>Number and Rate of Employees who Returned from Parental Leave</b>				
Female	306	87%	224	80%
Male	477	91%	363	97%
Non-Binary	0	–	0	–
<b>Number and Rate of Employees Retained 12 Months after End of Parental Leave</b>				
Female	174	91%	–	–
Male	332	89%	–	–
Non-Binary	0	–	–	–

## Notes:

- 1 Only employees who took leave in 2020 and returned in 2021 were included in retention calculations.
- 2 Total number of employees entitled to parental leave are those covered by an organizational or government policy to take job-protected parental leave in the event of birth or adoption of child. Included in this for example, would be employees covered under the United States Family and Medical Leave Act (FMLA).
- 3 Total number of employees with parental leave qualified activity during the year are employees who had a qualifying event take place such as a birth or adoption of child during the year.
- 4 Prior years data unavailable due to reporting methodology changes and data tracking issues.



## Consolidation of Sustainability Data (continued)

### Workforce KPIs (continued)

Indicators	2021	2020
<b>Training and Development</b>		
<b>Total Number of Hours of Training Received by Employees</b>	<b>472,157</b>	464,225
<b>Average Hours of Training per Employee</b>	<b>9.15</b>	9.61
<i>By Gender</i>		
Female	<b>10.32</b>	8.75
Male	<b>8.57</b>	10.06
Non-Binary	<b>0</b>	7.87
<i>By Employment Category</i>		
Director or Above	<b>5.19</b>	7.68
Managerial	<b>10.93</b>	14.40
General Employee	<b>9.04</b>	9.24
<b>Percentage of Employees Receiving Training — E-Learning</b>		
<b>33%</b>		30%
<i>By Gender</i>		
Female	<b>34%</b>	28%
Male	<b>33%</b>	32%
Non-Binary	<b>0%</b>	0%
<i>By Employment Category</i>		
Director or Above	<b>65%</b>	61%
Managerial	<b>58%</b>	79%
General Employee	<b>30%</b>	26%
<b>Percentage of Employees Receiving Training — Other Training</b>		
<b>55%</b>		87%
<i>By Gender</i>		
Female	<b>58%</b>	80%
Male	<b>54%</b>	91%
Non-Binary	<b>0%</b>	100%
<i>By Employment Category</i>		
Director or Above	<b>41%</b>	49%
Managerial	<b>54%</b>	54%
General Employee	<b>56%</b>	90%

Indicators	2021	2020
<b>Percentage of Employees Receiving Formal Performance Review</b>	<b>54%</b>	–
<i>By Gender</i>		
Female	<b>57%</b>	–
Male	<b>53%</b>	–
Non-Binary	<b>50%</b>	–
<i>By Employment Category</i>		
Director or Above	<b>89%</b>	–
Managerial	<b>92%</b>	–
General Employee	<b>50%</b>	–

#### Notes:

- 1 All training hours and numbers of all employees, including departed employees and interns.
- 2 E-learning training included Learn TTI and other forms of online training (as applicable).
- 3 This table includes workers who received a performance and/or career development review during 2021, and remained employed as of Dec 31, 2021. It does not include employees who left the company or were dismissed before Dec 31, 2021.
- 4 If employees changed employment category throughout year, their employment category as of Dec 31, 2021 was used.





## Consolidation of Sustainability Data (continued)

### Workforce KPIs (continued)

Indicators	2021	2020
<b>Occupational Health &amp; Safety</b>		
<b>Total Number of Hours Worked</b>	<b>108,792,274</b>	–
<b>Total Number of Work Days Lost due to Work-Related Injuries</b>	<b>5,955</b>	6,518
<b>Total Number of Recordable Injuries</b>	<b>475</b>	369
<i>By Type of Recordable Work Injury</i>		
Injuries from being struck by moving object	10	7
Injuries from being struck by a moving vehicle	13	5
Injuries from being trapped by collapsing/overturning object	3	1
Injuries from contact with moving machinery	23	24
Injuries from falls from height	1	2
Injuries from other causes	425	330
<b>Rate of Recordable Work-Related Injuries</b>	<b>0.87</b>	–
<b>Total High Consequences Injuries</b>	<b>25</b>	17
<i>By Type of Recordable High Consequence Work Injury</i>		
Injuries from being struck by moving object	2	1
Injuries from being struck by a moving vehicle	2	0
Injuries from being trapped by collapsing/overturning object	0	0
Injuries from contact with moving machinery	9	3
Injuries from falls from height	1	0
Injuries from other causes	11	13
<b>Rate of High Consequence Injuries</b>	<b>0.05</b>	–

Indicators	2021	2020	2019
Number of Employee Fatalities due to Work-Related Work Injuries	1	1	0
Employee Fatality Rate	0.00	0.00	0.00

Indicators	2021	2020
<b>Cases of Work-Related Ill Health</b>		
Employees	168	–
External Workers	56	–
<b>Number of Fatalities due to Work-Related Ill Health</b>		
Employees	0	–
External Workers	0	–

#### Notes:

- Total hours worked includes total gross hours by all employees during 2021 (Assume 2,080 hours for salaried + additional hourly logged hours).
- Total hours worked includes time worked by employees who departed during 2021.
- Total hours worked includes intern hours.
- Fatalities excluded in the number of total high-consequence injuries.
- Fatalities as a result of work-related injuries included in the total number of recordable injuries.
- High consequence injuries are those from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture with complications).
- Injuries as a result of commuting incidents included, only where transport has been organized by the organization (business-use travel).
- In reporting on ill health, external workers are those who are not employees but whose work and/or workplace is controlled by the organization (most typically those who are working on our premises). Common examples include construction workers and independent contractors.
- Total number of fatalities as a result of work-related ill health are included in the total number of cases of recordable work-related ill health figures.
- COVID-19 not included as a recordable case of work-related ill health.
- Rates have been calculated using a 200,000 hours worked normalization factor.
- The total number of recordable injuries is restated for 2020 as some data in the USA was understated or not available which has since been being resolved.

**Legend and List of Business Units Under Each Region**

Region/Name of Business Division	Abbreviation	Country/ Location
<b>Asia</b>		
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
<b>ANZ</b>		
Techtronic Industries Australia Pty Limited	TTI ANZ	Australia
Techtronic Industries N.Z. Limited	TTI ANZ	New Zealand

**Trademarks**

All trademarks and trade names listed other than AEG and RYOBI are owned by the Group.  
AEG is a registered trademark of AB Electrolux (publ.), and is used under license.  
RYOBI is a registered trademark of Ryobi Limited, and is used under license.

Region/Name of Business Division	Abbreviation	Country/ Location
<b>Americas</b>		
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
<b>EMEA</b>		
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





# HKEX ESG Guide Content Index

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Environment				
Aspect A1: Emissions				
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Environment/ Management Approach  Climate Change  Resources, Materials and Waste	46-49  52-55  60-62
<b>KPI A1.1</b>	The types of emissions and respective emissions data.		Climate Change Performance Metrics	52-55 100-105
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		Performance Metrics	100-105
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		Performance Metrics	102-105
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		Performance Metrics	102-105
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.		Climate Change Spotlight on Our Decarbonization Pathway	52-57 50-51
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		Resources, Materials and Waste	60-65

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Aspect A2: Use of Resources				
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.		Environment/ Management Approach  Climate Change  Resources, Materials and Waste	46-49  52-55  60-62
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. per unit of production volume, per facility).		Performance Metrics	100-105
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		Performance Metrics	101-105
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Detailed target(s) for energy use efficiency not finalized yet.	Climate Change Spotlight on Our Decarbonization Pathway	52-59 50-51
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		Resources, Materials and Waste	60-62
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.		Performance Metrics	103
Aspect A3: The Environment and Natural Resources				
<b>General Disclosure</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.		Environment/ Management Approach  Climate Change  Resources, Materials and Waste	46-49  52-55  60-62
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		Environment/ Management Approach  Climate Change  Resources, Materials and Waste	46-49  52-59  60-65



Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
<b>Aspect A4: Climate Change</b>				
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Environment/ Management Approach	46-49
			Climate Change	52-55
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		Climate Change	52-59
<b>Social – Employment and Labor Practices</b>				
<b>Aspect B1: Employment</b>				
<b>General Disclosure</b>	Information on:		Social and Community/ Management Approach	76-79
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Empowering People	80-83
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.		Performance Metrics	106-107
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.		Performance Metrics	108-109
<b>Aspect B2: Health and Safety</b>				
<b>General Disclosure</b>	Information on:		Social and Community/ Management Approach	76-77
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Health, Safety and Wellbeing	86-87

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		Performance Metrics	114-115
<b>KPI B2.2</b>	Lost days due to work injury.		Performance Metrics	114-115
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.		Health, Safety and Wellbeing	86-87, 90-91
<b>Aspect B3: Development and Training</b>				
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Social and Community/ Management Approach	76-77
			Empowering People	81-83, 85
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Performance Metrics	112-113
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.		Performance Metrics	112-113
<b>Aspect B4: Labor Standards</b>				
<b>General Disclosure</b>	Information on:		Empowering People	80, 84
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Supply Chain Accountability	36-43
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.		Empowering People	80, 84
			Supply Chain Accountability	36-40
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.		Ethics and Integrity	30-33
			Empowering People	80,84
			Supply Chain Accountability	36-40





Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
<b>Social – Operating Practices</b>				
<b>Aspect B5: Supply Chain Management</b>				
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.		Supply Chain Accountability	36-40
<b>KPI B5.1</b>	Number of suppliers by geographical region.		Supply Chain Accountability	36
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		Supply Chain Accountability	36-43
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		Supply Chain Accountability	36-43
<b>KPI B5.4</b>	Description of practices used to promote environmentally-preferable products and services when selecting suppliers, and how they are implemented and monitored.		Supply Chain Accountability	36-43
<b>Aspect B6: Product Responsibility</b>				
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Governance/Management Approach Health, Safety and Wellbeing	28 88-89
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosure on number of products recalled	Health, Safety and Wellbeing SASB Content Index	91 141
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	During the reporting period, there were no substantive product or service related complaints received, except for those leading to the product recalls.	Health, Safety and Wellbeing	91

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.		Ethics and Integrity	32-33
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.		Health, Safety and Wellbeing	88-89
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.		Ethics and Integrity	32-35
<b>Aspect B7: Anti-corruption</b>				
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Ethics and Integrity	30-33
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No confirmed legal cases of corruption during the reporting period.	Ethics and Integrity	34
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		Ethics and Integrity	33
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff		Ethics and Integrity Supply Chain Accountability	30-32, 34 36-41
<b>Social – Community</b>				
<b>Aspect B8: Community Investment</b>				
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Investment and Engagement	92
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		Community Investment and Engagement	92-99
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.		Community Investment and Engagement	92-99



# GRI Standards Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the UNSDGs.



Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
<b>1 Organizational Profile</b>				
102-1	Name of the organization	4	About this Report	
102-2	Activities, brands, products, and services	6-7	About our Business	
102-3	Location of headquarters	6-7	About our Business TTI Annual Report p.103	
102-4	Location of operations	6-7 116-117	About our Business Legend and List of Business Units Under Each Region	
102-5	Ownership and legal form	6-7	About our Business	
102-6	Markets served	6-7 116-117	About our Business Legend and List of Business Units Under Each Region	
102-7	Scale of the organization	6-7 116-117	About our Business Legend and List of Business Units Under Each Region	
102-8	Information on employees and other workers	106-115	Performance Metrics	8, 10
102-9	Supply chain	36-43	Supply Chain Accountability	
102-10	Significant changes to the organization and its supply chain	36-43 54-55	Supply Chain Accountability and Environment (Map)	
102-11	Precautionary Principle or approach	14-17 29 46-49	Risks and Opportunities Risk Management Environmental Management	
102-12	External initiatives		UNSDGs, GRI Community, RMI, RBA	

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
102-13	Membership of associations	36-43 92-99	Supply Chain Accountability Community Investment and Engagement	
<b>2 Strategy</b>				
102-14	Statement from senior decision-maker of the organization	2-3	Vice Chairman's Message	
102-15	Key impacts, risks, and opportunities	18-21 14-17	Our Goals, Progress and UNSDGs Risks and Opportunities	
<b>3 Ethics &amp; Integrity</b>				
102-16	Values, principles, standards, and norms of behavior	30-35	Ethics and Integrity	16
102-17	Mechanisms for advice and concerns about ethics	30-33	Ethics and Integrity	16
<b>4 Governance</b>				
102-18	Governance structure	26-28	Governance Structure	
102-19	Delegating authority	26-28	Governance Structure	
102-20	Executive-level responsibility for economic, environmental, and social topics	26-28	Governance Structure	
102-21	Consulting stakeholders on economic, environmental, and social topics	11-13	Stakeholder Engagement	16
102-22	Composition of the highest governance body and its committees	26-28	Governance Structure	5, 16
102-23	Chair of the highest governance body	26-28	Governance Structure	
102-24	Nominating and selecting the highest governance body		TTI Annual Report 2021 p.82	
102-26	Role of highest governance body in setting purpose, values, and strategy	26-28	Governance Structure	
102-27	Collective knowledge of highest governance body		TTI Annual Report 2021 p.73	
102-28	Evaluating the highest governance body's performance		TTI Annual Report 2021 p.6-7, 9-10	





Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
102-29	Identifying and managing economic, environmental, and social impacts	25-29 11-13 14-17	Governance/Management Approach Stakeholder Engagement Risks and Opportunities	16
102-30	Effectiveness of risk management processes	29	Risk Management	
102-31	Review of economic, environmental, and social topics	25-29	Governance/Management Approach	
102-32	Highest governance body's role in sustainability reporting	26-28	Governance Structure	
102-33	Communicating critical concerns	26-28	Governance Structure	
102-35	Remuneration policies		TTI Annual Report 2021 p.75, 83	
102-36	Process for determining remuneration		TTI Annual Report 2021 p.76	
<b>5 Stakeholder Engagement</b>				
102-40	List of stakeholder groups	11-13	Stakeholder Engagement	
102-41	Collective bargaining agreements	80	Empowering People/ How We Are Managing It  The percentage of total employees covered by collective bargaining agreements is 11%.	8
102-42	Identifying and selecting stakeholders	11-13	Stakeholder Engagement	
102-43	Approach to stakeholder engagement	11-13	Stakeholder Engagement	
102-44	Key topics and concerns raised	11-13	Stakeholder Engagement	

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>6 Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	TTI Annual Report 2021 p.97-186		
102-46	Defining report content and topic Boundaries	4	About this Report	
102-47	List of material topics	10	Materiality Assessment	
102-48	Restatements of information	4 100-115	About this Report Performance Metrics	
102-49	Changes in reporting	4 10	About this Report Materiality Assessment  The issues identified through the materiality assessment conducted in 2020 continue to define our priorities and inform our material topics. This year we have regrouped our material topics to eight topics.  Governance: 1) Ethics and Integrity 2) Supply Chain Accountability  Environment: 1) Climate Change 2) Resource, Materials and Waste 3) Sustainable Products  Social and Community: 1) Empowering People 2) Health, Safety and Wellbeing 3) Community Investment and Engagement.	
		100-115	Performance Metrics	



Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
102-50	Reporting period	4	About this Report	
102-51	Date of most recent report	4	About this Report	
102-52	Reporting cycle	4	About this Report	
102-53	Contact point for questions regarding the report	4	About this Report	
102-54	Claims of reporting in accordance with the GRI Standards	4	About this Report This report has been prepared in accordance with the GRI Standards: Core option.	
102-55	GRI content index	124-139	GRI Standards Content Index	
102-56	External assurance		TTI's policy and practice with regard to seeking external assurance of the report is to engage an independent information management system provider to establish and maintain the company's data and information collection mechanism, including data extraction and review. In addition, internal controls over the integrity of the mechanisms and content, include management oversight, review and approval processes.	

**Reporting Section: Governance**

**Material Topic: Ethics and Integrity**

**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	30-33	Ethics and Integrity/ How We Are Managing It	
103-2	The management approach and its components	30-33	Ethics and Integrity/ How We Are Managing It	
103-3	Evaluation of the management approach	30-33	Ethics and Integrity/ How We Are Managing It	

**GRI 205: Anti-Corruption 2016**

205-1	Operations assessed for risks related to corruption	30-35 36-43	Ethics and Integrity Supply Chain Accountability	Information partially available — TTI does conduct standard fraud inquiries as part of our risk assessment.	16
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Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG	
205-2	Communication and training about anti-corruption policies and procedures		100% of governance body members, employees and suppliers have received communication. 100% of governance body members and 90% of employees have received training.	Information unavailable — TTI will disclose training data by employee category and region in subsequent reports.	16
205-3	Confirmed incidents of corruption and actions taken	34-35 41	Ethics and Integrity/ Key Initiatives and Progress Supply Chain Accountability/ Key Initiatives and Progress No confirmed incidents of corruption in the reporting year.		16

**GRI 206: Anti-Competitive Behaviour 2016**

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	34-35	Ethics and Integrity/ Key Initiatives and Progress		16
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**GRI 415: Public Policy 2016**

415-1	Political contributions	31	Ethics and Integrity TTI does not provide financial or in-kind political contributions.		16
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**GRI 418: Customer Privacy 2016**

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34-35	Ethics and Integrity/ Key Initiatives and Progress		16
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**GRI 419: Socioeconomic Compliance 2016**

419-1	Non-compliance with laws and regulations in the social and economic area		TTI has not identified any non-compliance with laws and/or regulations in the social and economic areas.		16
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**Material Topic: Supply Chain Accountability**

**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	36-40	Supply Chain Accountability/ How We Are Managing It	
103-2	The management approach and its components	36-40	Supply Chain Accountability/ How We Are Managing It	
103-3	Evaluation of the management approach	36-40	Supply Chain Accountability/ How We Are Managing It	





Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>GRI 308: Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	36-40	Supply Chain Accountability/ How We Are Managing It	
308-2	Negative environmental impacts in the supply chain and actions taken		14 out of 1,088 audited suppliers in 2021 identified as having significant actual and potential negative impacts. 100% of suppliers identified, agreed upon improvements as a result of assessment.	
<b>GRI 414: Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	36-40	Supply Chain Accountability/ How We Are Managing It	5, 8, 16
414-2	Negative social impacts in the supply chain and actions taken		14 out of 1,088 audited suppliers in 2021 identified as having significant actual and potential negative impacts. 100% of suppliers identified, agreed upon improvements as a result of assessment.	5, 8, 16
<b>Other Disclosure Items</b>				
<b>GRI 201: Economic Performance 2016</b>				
201-2	Financial implications due to climate change	52-55	Climate Change//How We Are Managing It	Information unavailable — Financial implications, costs and methods used to manage the risk or opportunity will be disclosed in subsequent reports.
<b>GRI 203: Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	92-99	Community Investment and Engagement	5, 9, 11
203-2	Significant indirect economic impacts	92-99	Community Investment and Engagement	1, 3, 8

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>Reporting Section: Environment</b>				
<b>Material Topic: Climate Change</b>				
<b>GRI 103: Management Approach 2016</b>				
103-1	Explanation of the material topic and its Boundary	52-55	Climate Change/How We Are Managing It	
103-2	The management approach and its components	46-49 52-55	Environment/Management Approach Climate Change/How We Are Managing It	
103-3	Evaluation of the management approach	46-49 52-55	Environment/Management Approach Climate Change/How We Are Managing It	
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization	56-59 100-105	Climate Change/ Key Initiatives and Progress Performance Metrics	Information partially available — TTI's total consumption from renewable sources represents 15% of total energy consumption and will be more detailed in subsequent reports.
302-3	Energy intensity	100-105	Performance Metrics	Information unavailable — Types of energy and other detail on the intensity ratio will be disclosed in subsequent reports.
302-4	Reduction of energy consumption	56-59	Climate Change/ Key Initiatives and Progress	7, 8, 12, 13
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	52-55 100-105	Climate Change/How We Are Managing It Performance Metrics	Information unavailable — Data on other direct (Scope 1) GHG emissions not available for reporting yet. TTI will review the data for subsequent reports.
305-2	Energy indirect (Scope 2) GHG emissions	52-55 100-105	Climate Change/How We Are Managing It Performance Metrics	3, 12, 13
305-3	Other indirect (Scope 3) GHG emissions			Information unavailable — Data on indirect (Scope 3) GHG emissions are not available for reporting yet. TTI will further review the data for subsequent reports.



Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG	
305-4	GHG emissions intensity	100-105	Performance Metrics	13	
305-5	Reduction of GHG emissions	56-59	Climate Change/ Key Initiatives and Progress	13	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	52-53, 58	Climate Change/How We Are Managing It	Information unavailable — TTI has not consolidated all standards and methodologies. These will be disclosed in subsequent reports.	3, 12

### Material Topic: Resources, Materials and Waste

#### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	60-62	Resources, Materials and Waste/How We Are Managing It	
103-2	The management approach and its components	46-49 60-62	Environment/Management Approach Resources, Materials and Waste/ How We Are Managing It	
103-3	Evaluation of the management approach	60-62	Resources, Materials and Waste/ How We Are Managing It	

#### GRI 301: Materials 2016

301-1	Materials used by weight or volume	103	Performance Metrics	Information unavailable — Percentage of renewable input materials is not available for reporting yet. TTI will further review the data for subsequent reports.	8, 12
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#### GRI 303: Water and Effluents 2018

303-1	Interactions with water as a shared resource	62	Resources, Materials and Waste/ Key Initiatives and Progress	Information unavailable — TTI withdraws water in each of its business unit locations but has not yet engaged with stakeholders on local water impacts. TTI will further review the data for subsequent reports.	6, 12
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Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG	
303-2	Management of water discharge-related impacts	46-49 60-62	Environment/Management Approach — Environmental Manual Resources, Materials and Waste/ How We Are Managing It	6	
303-3	Water withdrawal	62 101-105	Resources, Materials and Waste/ Key Initiatives and Progress Performance Metrics	Information unavailable — Detailed breakdowns will be disclosed in subsequent reports.	6
303-4	Water discharge	62 101-105	Resources, Materials and Waste/ Key Initiatives and Progress Performance Metrics	Information unavailable — Detailed breakdowns and priority substances of concern will be disclosed in subsequent reports.	6
303-5	Water consumption	101-105	Performance Metrics		6

#### GRI 304: Biodiversity 2016

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Information unavailable — Information in relation to operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas are not available for reporting yet. TTI will further review the this for subsequent reports.	
304-2	Significant impacts of activities, products, and services on biodiversity	63	Resources, Materials and Waste/ Key Initiatives and Progress	Information unavailable and will be disclosed in subsequent reports. TTI is engaging with industry partners to expand initiatives to assess biodiversity impacts in the supply chain.	6
304-3	Habitats protected or restored	99	Community Investment and Engagement/Spotlight	Information unavailable — Size, location and status of all habitat areas protected or restored will be disclosed in subsequent reports.	





Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>GRI 306: Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	60-62	Resources, Materials and Waste/ How We Are Managing It	3, 6, 11, 12
306-2	Management of significant waste-related impacts	60-65 66-73	Resources, Materials and Waste Sustainable Products TTI's waste collection and disposal procedures clearly outline the processes used to collect and monitor waste-related data. We also have partnerships in compliance with all local regulations for the collection of waste. TTI receives regular reports on waste treatment and also conducts audits.	3, 6, 8, 11, 12
306-3	Waste generated	102-105	Performance Metrics	3, 6, 11, 12
306-4	Waste diverted from disposal	102-105	Performance Metrics	3, 11, 12
306-5	Waste directed to disposal	102-105	Performance Metrics	3, 6, 11, 12
<b>Material Topic: Sustainable Products</b>				
<b>GRI 103: Management Approach 2016</b>				
103-1	Explanation of the material topic and its Boundary	66-73	Sustainable Products	
103-2	The management approach and its components	46-49 66-73	Environment/Management Approach Sustainable Products	
103-3	Evaluation of the management approach	66-73	Sustainable Products	
<b>GRI 307: Environmental Compliance 2016</b>				
307-1	Non-compliance with environmental laws and regulations	46-49	Environment/Management Approach No cases of non-compliance with environmental laws and/or regulations.	16

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>Reporting Section: Social and Community</b>				
<b>Material Topic: Empowering People</b>				
<b>GRI 103: Management Approach 2016</b>				
103-1	Explanation of the material topic and its Boundary	80-83	Empowering People/ How We Are Managing It	
103-2	The management approach and its components	80-83	Empowering People/ How We Are Managing It	
103-3	Evaluation of the management approach	76-79 80-83	Social and Community/ Management Approach Empowering People/ How We Are Managing It	
<b>GRI 401: Employment 2016</b>				
401-1	New employee hires and employee turnover	108-109	Performance Metrics	5, 8, 10
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	80-85	Empowering People Detail on specific benefits provided above legal requirements at each location of operation varies across our global business.	3, 5, 8
401-3	Parental leave	111	Performance Metrics	5, 8
<b>GRI 404: Training &amp; Education 2016</b>				
404-1	Average hours of training per year per employee	112-113	Performance Metrics	4, 5, 8, 10
404-2	Programs for upgrading employee skills and transition assistance programs	80-85	Empowering People	8
404-3	Percentage of employees receiving regular performance and career development reviews	113	Performance Metrics	5, 8, 10
<b>GRI 405: Diversity &amp; Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	26 110	Governance Structure Performance Metrics	5,8
<b>GRI 406: Non-Discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	84-85	Empowering People/ Key Initiatives and Progress	5,8



Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	80	Empowering People/ How We Are Managing It	8
<b>GRI 408: Child Labour 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	80 36-40	Empowering People/ How We Are Managing It Supply Chain Accountability/ How We Are Managing It	5, 8, 16
<b>GRI 409: Forced or Compulsory Labour 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	80 36-40	Empowering People/ How We Are Managing It Supply Chain Accountability/ How We Are Managing It	5, 8
<b>GRI 412: Human Rights Assessment 2016</b>				
412-1	Operations that have been subject to human rights reviews or impact assessments	80-85 36-43	Empowering People Supply Chain Accountability 100% of operations and suppliers are subject to reviews or assessments.	
412-2	Employee training on human rights policies or procedures	80-85	Empowering People All employees undertake training on the CoC and other policies, which cover human rights issues that are relevant to our operations and our supply chain. In 2021, 83% of our employees were trained on human rights policies.	
<b>Material Topic: Health, Safety and Wellbeing</b>				
<b>GRI 103: Management Approach 2016</b>				
103-1	Explanation of the material topic and its Boundary	86-89	Health, Safety and Wellbeing/ How We Are Managing It	
103-2	The management approach and its components	86-89	Health, Safety and Wellbeing/ How We Are Managing It	
103-3	Evaluation of the management approach	86-89	Health, Safety and Wellbeing/ How We Are Managing It	

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
<b>GRI 403: Occupational Health &amp; Safety 2018</b>				
403-1	Occupational health and safety management system	86-87	Health, Safety and Wellbeing/ How We Are Managing It	8
403-2	Hazard identification, risk assessment, and incident investigation	86-87	Health, Safety and Wellbeing/ How We Are Managing It As part of TTI's health and safety management system, hazards and risks are assessed and mitigated, training is provided and incidents investigated with preventive and corrective actions implemented as needed.	8
403-3	Occupational health services	86-87	Health, Safety and Wellbeing/ How We Are Managing It	8
403-4	Worker participation, consultation, and communication on occupational health and safety	86-87	Health, Safety and Wellbeing/ How We Are Managing It	8,16
403-5	Worker training on occupational health and safety	86-87, 90-91	Health, Safety and Wellbeing	8
403-6	Promotion of worker health	86-87, 90-91 81	Health, Safety and Wellbeing Empowering People	3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-87	Health, Safety and Wellbeing/ How We Are Managing It	8
403-8	Workers covered by an occupational health and safety management system	86-87	Health, Safety and Wellbeing/ How We Are Managing It The organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.	
403-9	Work-related injuries	86-91 114-115	Health, Safety and Wellbeing Performance Metrics Information unavailable — Data collected covers limited work-related injury figures for external workers. TTI will collect expanded metrics for subsequent reporting.	3,8,16





Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
403-10	Work-related ill health	86-91 114-115	Health, Safety and Wellbeing Performance Metrics	Information unavailable — Data collected covers limited work-related ill health figures for external workers. TTI will collect expanded metrics for subsequent reporting.
<b>GRI 416: Customer Health &amp; Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories	88-89	Health, Safety and Wellbeing/ How We Are Managing It	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	91	Health, Safety and Wellbeing/ Key Initiatives and Progress	16
<b>GRI 417: Marketing &amp; Labeling 2016</b>				
417-1	Requirements for product and service information and labeling	88-89 60-62 66-73	Health, Safety and Wellbeing/ How We Are Managing It Resources, Materials and Waste/ How We Are Managing It Sustainable Products We provide information on all our products regarding the country of origin, and comply with local regulations in relation to substances that may produce environmental or social impact. We also provide information on the safe usage of our products and disposal of the same. This information is available on our products, packaging and/or our owner's manuals. The marketing of our products is managed by individual regions, but we have a robust global system to assess and substantiate all claims to ensure that they are true and match the product's performance.	12

Item	Description-Disclosure Items	Report Location (Page number(s), URL(s), and/or Explanation(s))	Reason for Omission	SDG
417-2	Incidents of non-compliance concerning product and service information and labeling	88-89	Health, Safety and Wellbeing/ How We Are Managing It There were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.	16
417-3	Incidents of non-compliance concerning marketing communications	88-89	Health, Safety and Wellbeing/ How We Are Managing It There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing and communications.	16

### Material Topic: Community Investment and Engagement

#### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	92	Community Investment and Engagement/ How We Are Managing It
103-2	The management approach and its components	92	Community Investment and Engagement/ How We Are Managing It
103-3	Evaluation of the management approach	92	Community Investment and Engagement/ How We Are Managing It

#### GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	92-99	Community Investment and Engagement/ Key Initiatives and Progress
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# SASB Content Index

TTI publishes disclosures under three Sustainability Accounting Standards Board (SASB) sections: Industrial Machinery and Goods Manufacturing; Appliances Manufacturing; and Electrical and Electronic Equipment Manufacturing.

Accounting Metric	TTI's Approach	Disclosure
<b>Energy Management</b>		
<b>RT-EE-130a.1 &amp; RT-IG-130a.1</b> (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	At TTI, sustainability is a core value in all aspects of our business. Environmental sustainability is one of our key priorities, accordingly, we aim to manage our Scope 1, 2 and 3 GHG emissions. In this past year, TTI has mapped out a decarbonization pathway with concrete plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021. The levers we use to achieve this target are energy efficiency, onsite renewable energy production and offsite renewable energy procurement. We have also set a water reduction target for our biggest manufacturing site at 6% per year compared to our baseline of 2021.	Total Consumption: 1,528,838 GJ Grid Electricity: 64% Renewable Energy: 15%
<b>Hazardous Waste Management</b>		
<b>RT-EE-150a.1</b> Amount of hazardous waste generated, percentage recycled	For waste that cannot be avoided, we are endeavoring to set global reduction targets that keep us accountable. Across our markets, building management facilities provide recycling and disposal options for hazardous and non-hazardous waste. In addition, we always ensure that licensed professionals pick up hazardous waste for safe disposal. We have comprehensive waste management guidelines with training provided to our employees on the correct handling of waste. Guidelines are outlined in our Standard Operating Procedures on Waste Collection and Disposal. Environmental, Health Safety (EHS) teams are responsible for ensuring that individual offices have the appropriate resources to comply with all policies and regulations. To improve our management, we continue to monitor waste types and quantities. We also conduct internal audits of our management processes and periodically work with third-party auditors to review these. We reuse and recycle components, products and materials whenever we can, and aim to do more.	Hazardous Waste: 1,181 metric tons Total Waste (including hazardous): 78% recycle/reuse — diverted from landfill ESG Report Performance Metrics <a href="#">↗</a>
<b>RT-EE-150a.2</b> Number and aggregate quantity of reportable spills, quantity recovered		There were no reportable spills during the reporting period.

Accounting Metric	TTI's Approach	Disclosure
<b>Product Safety</b>		
<b>CG-AM-250a.1 &amp; RT-EE-250a.1</b> Number of (1) recalls issued and (2) total units recalled	Continual enhancement of safety standards, quality and compliance is the responsibility of our Product Safety Directors, committees and teams at our individual business units. TTI's safety measures are outlined in our Product Safety and Consumer Product Regulatory Compliance Policies.	The total number of recalls: 2 The total number of units recalled (and cost to remedy the issue): Generator: 3,271 (US\$86,540.13) Brad Nailer: 15,725 (US\$322,009)
<b>CG-AM-250a.2</b> Discussion of process to identify and manage safety risks associated with the use of its products	Our quality control mechanisms oversee incoming materials, in-process products, inspection and reliability testing of our outgoing products. Thorough product safety hazard reviews are conducted before and after products are launched, with product recall policies and procedures in place, should immediate corrective actions be required. More details can be found in our ESG Report section on Product Safety <a href="#">↗</a> .	See TTI's Approach.
<b>CG-AM-250a.3 &amp; RT-EE-250a.2</b> Total amount of monetary losses as a result of legal proceedings associated with product safety	Hazard reviews and risk assessments are mandatory gating items in various phases of our new product development process, and follow the principles of ISO 12100:2010.  End-user information is provided through mandatory safety warnings in the product manual and on the product. These follow the requirements of international safety standards to which TTI products are certified. In addition, there are online user guides for selected products.  Active products are monitored through field reporting systems. Reported accidents, near-accidents and incidents, as well as customer complaints and online reviews pointing to potential compliance or safety issues. And any safety-related findings in quality return analyses, are discussed in product safety committee meetings and formal risk assessments are performed. Based on the results, possible measures such as production holds, inventory freezes, consumers warnings, product withdrawals and recalls are implemented.  Besides mandatory product certifications we hold ISO 9001:2015 and QC 080000:2017 certificates. Compliance with defined safety-related processes and procedures are audited by third parties.	There were no legal proceedings associated with product safety. Total amount of monetary losses: US\$0





Accounting Metric	TTI's Approach	Disclosure
<b>Product Life cycle Management</b>		
<b>RT-EE-410a.1</b> Percentage of products by revenue that contain IEC 62474 declarable substances	To manage our impact, various teams across the Group have been collaborating to create a sustainable design guide for our products. The guide utilizes information from life cycle assessments that have been done on our key product categories since 2018 as well as GHG footprint analyses. Circularity is at the heart of our principles from the selection of the materials to designing for repairability and longevity. We also consider energy use while products are in operation and prioritize end-of-life treatment.  A range of checklists are being continuously developed to provide guidance on the principles of sustainability and circular economy. These help our associates make the right decisions when it comes to the choice of raw materials and the use of resources and substances of concern in concept and manufacturing phases, along with the durability of products and their recyclability and repairability.	Percentage of products by revenue that contain IEC 62474 Declarable Substances: 87.77% (represents portion of Power Tools and Equipment revenue)  We seek to use viable alternatives to declarable substances when practicable. We manage the use of declarable substances on a case-by-case basis, including by working with our suppliers to control their manufacturing processes to meet relevant thresholds and performing substitute assessments for certain product categories.
<b>RT-EE-410a.2</b> Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Our design process considers reliability, durability, repairability, refurbishing and recycling aspects that are further explored in our ESG Report section on Circular Economy <a href="#">↗</a> .	Not Applicable
<b>RT-EE-410a.3</b> Revenue from renewable energy-related and energy efficiency-related product		Revenue from renewable energy-related and energy efficiency-related product: US\$8.2 billion

Accounting Metric	TTI's Approach	Disclosure
<b>Product Life cycle Environmental Impact</b>		
<b>CG-AM-410a.1</b> Percentage of eligible products by revenue certified to the ENERGY STAR® program	Focusing on energy efficiency products and choosing materials that are reusable, recyclable and less harmful for the planet continues to be a priority. Our R&D teams are focused on cleantech products and utilizing sustainable materials whenever possible and at all stages of our product life cycle.	Not Applicable
<b>CG-AM-410a.2</b> Percentage of eligible products certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Environmental impact is a key consideration of our product design principles. To further manage our impact, various teams across the Group have been collaborating to create a sustainable design guide for our products. We also consider energy use while products are in operation and prioritize end-of-life-treatment.	Percentage not material
<b>CG-AM-410a.3</b> Description of efforts to manage products' end-of-life impacts	A range of checklists are being continuously developed to provide guidance on the principles of sustainability and circular economy and help our associates make the right decisions when it comes to the choice of raw materials and the use of resources across all phases of the product life cycle. Our design process considers reliability, durability, repairability, refurbishing and recycling aspects that are further explored in the ESG Report section on Circular Economy <a href="#">↗</a> .	We manage end-of-life impacts according to the following principles: <ul style="list-style-type: none"> <li>• Use of materials that are easily and commonly recyclable in existing recycling infrastructure</li> <li>• Eliminating or minimizing the use of hazardous materials or materials that may otherwise pose environmental harm upon disposal (e.g., refrigerants with ozone depleting potential and/or global warming potential)</li> <li>• Designing products for disassembly (i.e., designing products so they can be easily, rapidly, and cost-effectively disassembled with commonly available tools)</li> <li>• Proper labeling of products and their component materials to facilitate disassembly and recycling</li> </ul> Please see ESG Report Sustainable Products/Circular Economy for more details <a href="#">↗</a> .



Accounting Metric	TTI's Approach	Disclosure
<b>Business Ethics</b>		
<b>RT-EE-510a.1</b> Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	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) <a href="#">☐</a> . 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 is communicated to all employees at all our subsidiaries in 22 languages. Apart from the CoC, our operations are guided by several other policies, including but not limited to anti-corruption and anti-trust guidelines, that outline our 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. All employees, officers and directors are required to acknowledge the CoC and other policies.	Please see ESG Report – Ethics and Integrity for details <a href="#">☐</a> . See TTI's Approach.
<b>RT-EE-510a.2</b> Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption		No legal proceedings associated with bribery or corruption in the reporting year. Total amount of monetary losses: US\$0.
<b>RT-EE-510a.3</b> Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		No confirmed legal proceedings associated with anticompetitive behavior regulations in the reporting year. Total amount of monetary losses: US\$0.

Accounting Metric	TTI's Approach	Disclosure
<b>Employee Health &amp; Safety</b>		
<b>RT-IG-320a.1</b> (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	To ensure our facilities are well prepared to safeguard workers, we implement Occupational Health and Safety (OHS) management systems at all our facilities. Our comprehensive Environmental, Health Safety (EHS) and Occupational Hazard Management Policies are aligned with all relevant legal requirements. These policies stipulate our commitments and responsibilities, identifying risks and hazards and setting out procedures to minimize any potential harm to workers. Monitoring protocols and procedures for investigating health and safety violations and implementing corrective actions are also covered in these comprehensive policies. Details about our employee health & safety initiatives can be found in our ESG Report <a href="#">☐</a> .	TRIR: 0.87 Fatality rate: 0.0018 NMFR data is not collected.





Accounting Metric	TTI's Approach	Disclosure
<b>Fuel Economy and Emissions in Use-phase</b>		
<b>RT-IG-410a.1</b> Sales-weighted fleet fuel efficiency for medium – and heavy-duty vehicles	Managing our emissions is an important aspect of our climate mitigation strategy. Our manufacturing processes, transportation, office operations, downstream use of our products and supply chain are all sources of air and GHG emissions.	Not Applicable
<b>RT-IG-410a.2</b> Sales-weighted fuel efficiency for non-road equipment	Our Scope 1 emissions arise from onsite operations and company-operated vehicles; Scope 2 result indirectly from purchased electricity; and Scope 3 emissions arise from the materials we purchase, business travel, other forms of transportation, waste generation, water consumption and also energy utilized to operate our products. In this past year, we have mapped out a decarbonization pathway with concrete plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021.	Not Applicable
<b>RT-IG-410a.3</b> Sales-weighted fuel efficiency for stationary generators	To achieve this target, we are implementing energy efficiency measures, onsite and off-site renewable energy and electrification of our fleet. We are also striving to address our wider Scope 3 emissions beyond our direct operations through various initiatives such as expanding clean technology products and circular economy practices.	Not Applicable
<b>RT-IG-410a.4</b> Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM): (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium – and heavy-duty engines, and (d) other non-road diesel engines		Not Applicable

Accounting Metric	TTI's Approach	Disclosure
<b>Material Sourcing</b>		
<b>RT-IG-440a.1 &amp; RT-EE-440a.1</b> Description of the management of risks associated with the use of critical materials	TTI has a global and diverse supply chain and the risks associated with the use of critical materials are regularly assessed and mitigated.	Please see ESG Report – Supply Chain Accountability <a href="#">☞</a> and Resources, Materials and Waste for details <a href="#">☞</a> .
<b>Remanufacturing Design and Services</b>		
<b>RT-IG-440b.1</b> Revenue from remanufactured products and remanufacturing services	We incorporate the circularity concept into our full product life cycle. From the selection of materials to designing for reparability and longevity, and from energy use while products are in operation to end-of-life treatment. We have a number of repair and service centers as well as factory outlets with reconditioning programs that extend the longevity of our products without affecting quality.	Revenue from remanufactured products and remanufacturing services: US\$19.4 million
<b>Activity Metric</b>		
<b>RT-EE-000.A</b> Number of units produced by product category	TTI's Response Proprietary information not to be disclosed.	
<b>RT-IG-000.A</b> Number of units produced by product category	Proprietary information not to be disclosed.	
<b>CG-AM-000.A</b> Annual production	Proprietary information not to be disclosed.	
<b>RT-IG-000.B, RT-EE-000.B</b> Number of employees	As of December 31, 2021, TTI employed 51,598 people globally.	



**AEG**

**RYOBI**

**Homelite®**



**ORECK**

**vax**

