

## 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