



Techtronic Industries

**ENVIRONMENTAL,  
SOCIAL, AND GOVERNANCE  
REPORT 2023**



## M18 REDLITHIUM HIGH OUTPUT BATTERIES

Runs off of 2 or 4 batteries allowing operators to adapt the blower for less weight in quick clean ups or more run-time when using in an extended application

## POWERSTATE BRUSHLESS MOTOR

Combined with M18 REDLITHIUM batteries and REDLINK PLUS Intelligence, the Blower is able to provide blowing force up to 60CC higher than backpack blowers

## ADJUSTABLE CONTROL AND ERGONOMICS

Mode select and a variable speed trigger provide the adjustability and control needed to meet application demand and run-time needs. This control, combined with a fully adjustable harness, telescoping nozzle and adjustable handle position allow the operator to optimize the fit and deliver a more comfortable use in operation

# M18 FUEL DUAL BATTERY BACKPACK BLOWER

MILWAUKEE's new M18 FUEL Dual Battery Backpack Blower further drives productivity for the landscape professional, providing blowing force up to 60CC higher than gas at only 62 dB(A) while featuring the most adaptive design and comfort.

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# Vice Chairman's Message



## Sustainable Products

At TTI, we firmly believe that the future of power equipment is in cordless battery-powered technology. Cordless battery-powered energy is the most energy-efficient option when compared to legacy alternatives. This includes petrol, electric corded, hydraulic, and pneumatic-powered tools, as well as NiCad, NiMH, and lead-acid batteries.

We take immense pride in our commitment to creating powerful, innovative, safe, and sustainable products. Some of this year's new product highlights include:

- Our MILWAUKEE BOLT Safety Helmets, equipped with advanced safety features that meet the ANSI/ISEA standards, have unparalleled safety and greater durability compared to other competitive products on the market.
- In 2023, we launched the industry's first cordless carpet washer, the HOOVER ONEPWR SmartWash Carpet Cleaner. This product offers a highly energy efficient option for everyday users, without the inconvenience and risk of handling cords.
- We also introduced our RYOBI 60-WATT Foldable Solar Panel, providing users with a renewable energy source for charging phones, tablets, power banks and RYOBI batteries.

## Environment

Our dedication to the environment is demonstrated through continued investments in research and development that drive energy efficiency and minimize waste, noise, and our carbon footprint. These investments in clean technologies and sustainable practices reflect our determination to contribute to a more environmentally conscious future. This year we made some notable achievements including:

- Establishing a target to achieve a 90% waste-diverted-from-landfill rate by 2030.
- Continually expanding our Green Energy Agreements that supply our operations with 100% renewable energy in Wisconsin, Mississippi, and across Europe.
- Installed solar panels at our Asia Industrial Park (AIP) facility in Dongguan, China and in Australia at our sites in Dandenong South, Victoria and Eastern Creek, New South Wales.

We have made notable progress towards our decarbonization target of reducing our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 60% by 2030. In 2023, we improved our

I am pleased to present the Techtronic Industries (TTI) Environmental, Social, and Governance (ESG) report for the 2023 reporting year.

TTI is the industry leader in advancing clean battery-powered technology in power equipment, outdoor products, and floorcare and cleaning products.

As we continue to develop our associates, optimize operations, and expand relationships with our partners, TTI's commitment to designing powerful cordless products that prioritize user safety, noise reduction, and energy efficiency remains steadfast.

*Our dedication to the environment is demonstrated through continued investments in research and development that drive energy efficiency and minimize waste, noise, and our carbon footprint.*

emission intensity by 8%, resulting in an absolute total CO<sub>2</sub>e emission reduction of 7,886 tonnes. This reduction marks our second consecutive year of decreasing our emission intensity and absolute emissions. Our 2021 Scope 1 and Scope 2 emissions have been verified as our baseline and moving forward, we will verify these emissions each year. Our commitment to the Science-Based Targets initiative is on track and we anticipate sharing these targets in 2025.

## Social

Through collaboration, partnership, and community engagement initiatives, we strive to create a positive impact within communities across the world by developing people, developing communities, and preserving the environment.

TTI's relentless pursuit to attract and invest in top-tier talent is a key driver to our growth and success. Our industry leadership is supported by our continuous efforts to maintain an inclusive, diverse, and safe environment for all.

Our investment in the growth of our people shines through initiatives such as our esteemed Leadership Development Program (LDP), which has been a cornerstone of our success for the past 16 years. This program has inspired similar programs for other departments and has played a pivotal role in our evolution, cultivating a culture of leadership development. We are proud to continue recruiting, developing, and promoting exceptionally talented individuals into leadership roles, while also providing them with the necessary tools and resources to grow both professionally and personally.

We believe that our success is intrinsically tied to the success and safety of our people and the communities we serve. Our commitment to safety is evident as we have implemented strategic protocols and technology to further drive down the rate of work-related recordable injuries.

## Governance

Sound governance practices are critical to our success at TTI. We hold ourselves to the highest sustainability and governance standards while aligning with evolving corporate, regulatory, and social standards. We ensure that our board composition is fit for our business needs, with the balanced skills, experience and diversity of perspectives and backgrounds that are vital for effective risk management, oversight of internal controls, leadership and in turn the achievement of our short term and long term goals that drive shareholder value.

This year, we continued to strengthen our governance structure by upholding global standards and frameworks, including the Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (UNSDGs), and Task Force on Climate related Financial Disclosures (TCFD). Our sustainable business model is an indispensable element of our strategy, and we believe it is vital to our long-term success.

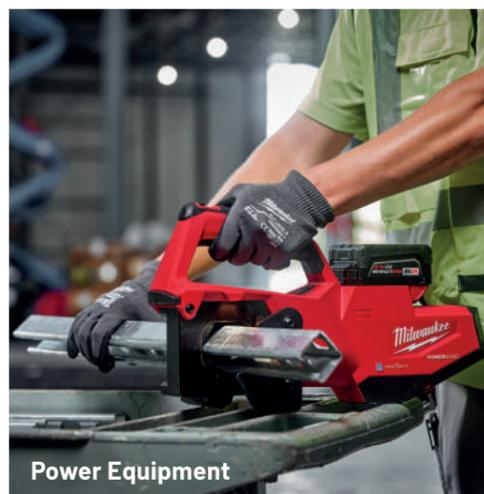
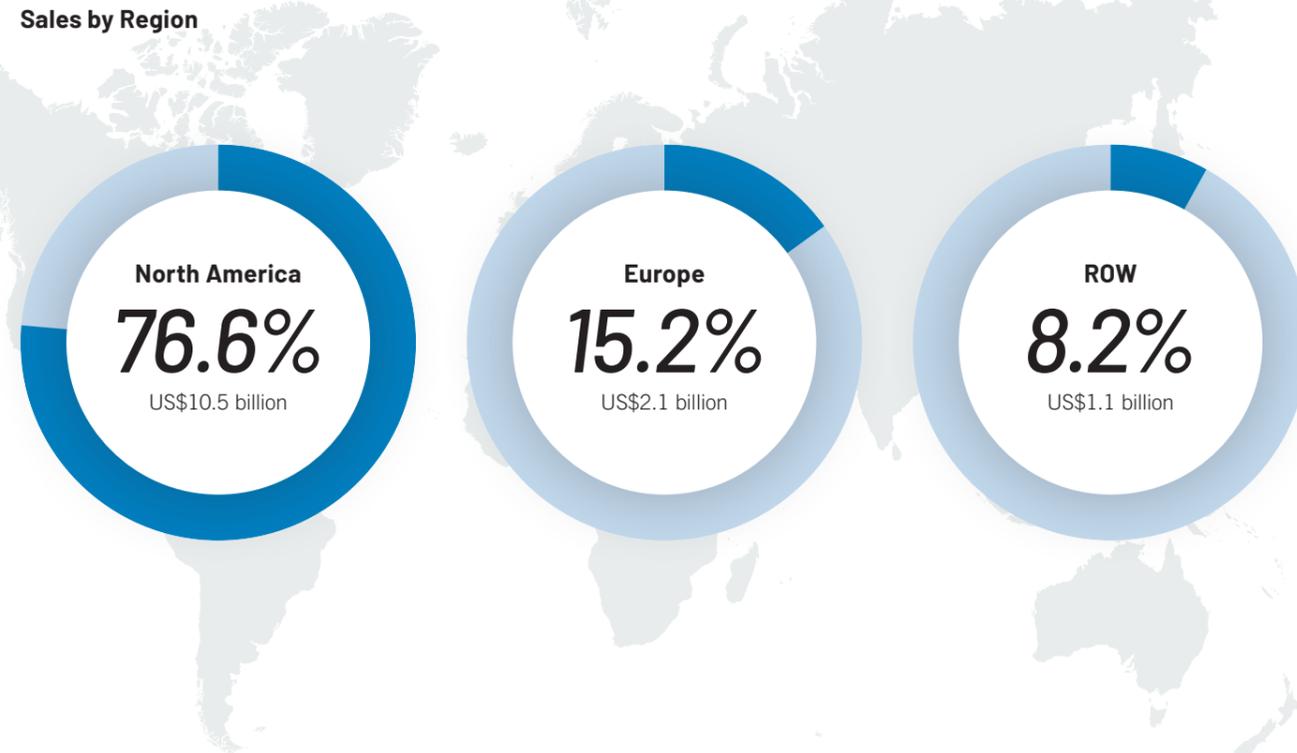
I am incredibly proud of the progress we have made this past year. I would like to thank our teams for their unwavering dedication, exceptional talents, and hard work. I am confident that, together, we will forge a future where TTI not only dominates the industry but also catalyzes a profound shift towards an even more sustainable future.

**Stephan Horst Pudwill**  
Vice Chairman  
March 6, 2024

# About Our Business

Techtronic Industries Company Limited (the “Company”, the “Group” or “TTI”) is a leading global enterprise that specializes in Power Tools, Accessories, Hand Tools, Outdoor Power Equipment, and Floorcare and Cleaning solutions. The Company develops products for a wide range of users, including Do-It-Yourself (DIY) consumers, professionals, and industrial users in home improvement, repair, maintenance, construction, and infrastructure. TTI is committed to transforming these industries through responsible cordless technology.

The TTI brands like MILWAUKEE, RYOBI, and HOOVER are recognized worldwide for their rich heritage and superior cordless product platforms, outstanding performance, safety, productivity, and continuous 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. With a robust brand portfolio, a global manufacturing and product development footprint, and a healthy financial position, TTI employs over 47,000 individuals and achieved record worldwide sales of US\$13.7 billion in 2023.



# TTI'S ESG APPROACH AND STRATEGIC FRAMEWORK

Sustainability is deeply ingrained in our decision-making process and overall strategy, leading to substantial value creation for all stakeholders across our four strategic drivers.

TTI's ESG approach and strategy begins with our cordless products that produce low emissions while in use and ensure the health and safety of users. To achieve this, we recognize the importance of ongoing engagement with our stakeholders to understand and meet their needs, as well as to comply with developing legal, industry, environmental, health, and safety standards.

TTI's **Powerful Brands** represent a legacy of success in developing innovative, durable, reliable, safe, and sustainable products that address the ever-evolving demands of consumers. Our responsible allocation of resources towards the creation of **Innovative Products** is at the forefront of our transformative journey. We have shifted from traditional petrol, electric corded, manual, hydraulic, and pneumatic powered solutions to cordless battery-powered alternatives. By moving towards cordless we are removing the detrimental environmental, health, and safety impacts of outdated technologies.

The foundation of our ongoing and future success is driven by our **Exceptional People**. Starting with hiring the right people, we then foster and retain them through our Leadership Development Program, which is the heart of our strategy and culture. We are committed to a multicultural, diverse, and inclusive workplace where all levels of our associates can flourish while building a better future for our business. Our commitment to people expands beyond our internal team. We

actively invest in individuals across our stakeholders, including our suppliers, customers, shareholders, global partners, and local communities across the globe. Through our **Operational Excellence**, we uphold the highest standards of integrity across our value chain.

We consistently uphold responsible and disciplined practices throughout our operations. This includes decarbonizing our operations, disposing of waste responsibly and preserving natural capital, such as water. It also includes ethically sourcing, optimizing our supply chain, and managing the reparability and end-of-life cycle of our products.

As part of our decarbonization plan, our Scope 1 and Scope 2 emissions have been reviewed and verified for 2021, our baseline year. We are also in the process of mapping our Scope 3 emissions and anticipate sharing the results by 2025.

To further enhance our approach, we established a formalized waste target of achieving a 90% waste-diverted-from-landfill rate by 2030.

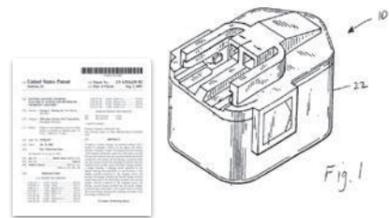
Along with our official commitment to the SBTi made in early 2023, we also align to frameworks such as the SASB standards and the recommendations of the TCFD.

While aligning to the UNSDGs, we continued our memberships with organizations such as GRI, Call2Recycle, and the Responsible Business Alliance (RBA).

For each of our four focus areas – Products, Environment, Social, and Governance – we outline how we manage the key sustainability issues that are material to our business in 2023, along with the targets and initiatives that bring us closer to achieving our goals.



# ESG Timeline



- Introduced and filed our first patent in the lithium-ion family



- Leadership Development Program was launched

- Published our first ESG Report, in accordance with the recommended disclosure of HKEX
- Established our Environmental, Health, and Safety (EHS) Committee
- Launched our internal training platform, Learn TTI

2002

2007

2015

1995

2003

2010

2017



- Launched our battery recycling partnership with Call2Recycle
- Partnered with Envirostream and GRS Batterien and others in subsequent years



- Global Engagement with Habitat for Humanity
- Became Global Partners in 2019

- Launched our first eco-packaging initiative

- Established our ESG Working Committee



- Established our ESG Executive Committee
- Became a member of the Responsible Minerals Initiative (RMI)
- Published our Report with reference to GRI Sustainability Reporting Standards

- Formalized our decarbonization strategy and announced our target of 60% reduction in Scope 1 and Scope 2 GHG Emissions by 2030

- Began reporting against the Sustainability Accounting Standards Board (SASB)
- Conducted our climate risk analysis in line with the Task Force on Climate-related Financial Disclosure (TCFD)

- Formalized waste target to achieve a 90% waste-diverted-from-landfill rate by 2030
- Formalized the creation of the Sustainability Sub-Committee reporting up to the Audit Committee

2019

2021

2024

2018

2020

2023



- Aligned our goals and targets with the United Nations Sustainable Development Goals



- Became a Founding Member of Better Mining
- Became a Community Member of GRI
- Became a Supporting Member of Responsible Business Alliance (RBA)
- Established our Group sustainability functions
- Established our Global Diversity and Inclusion (D&I) Committee



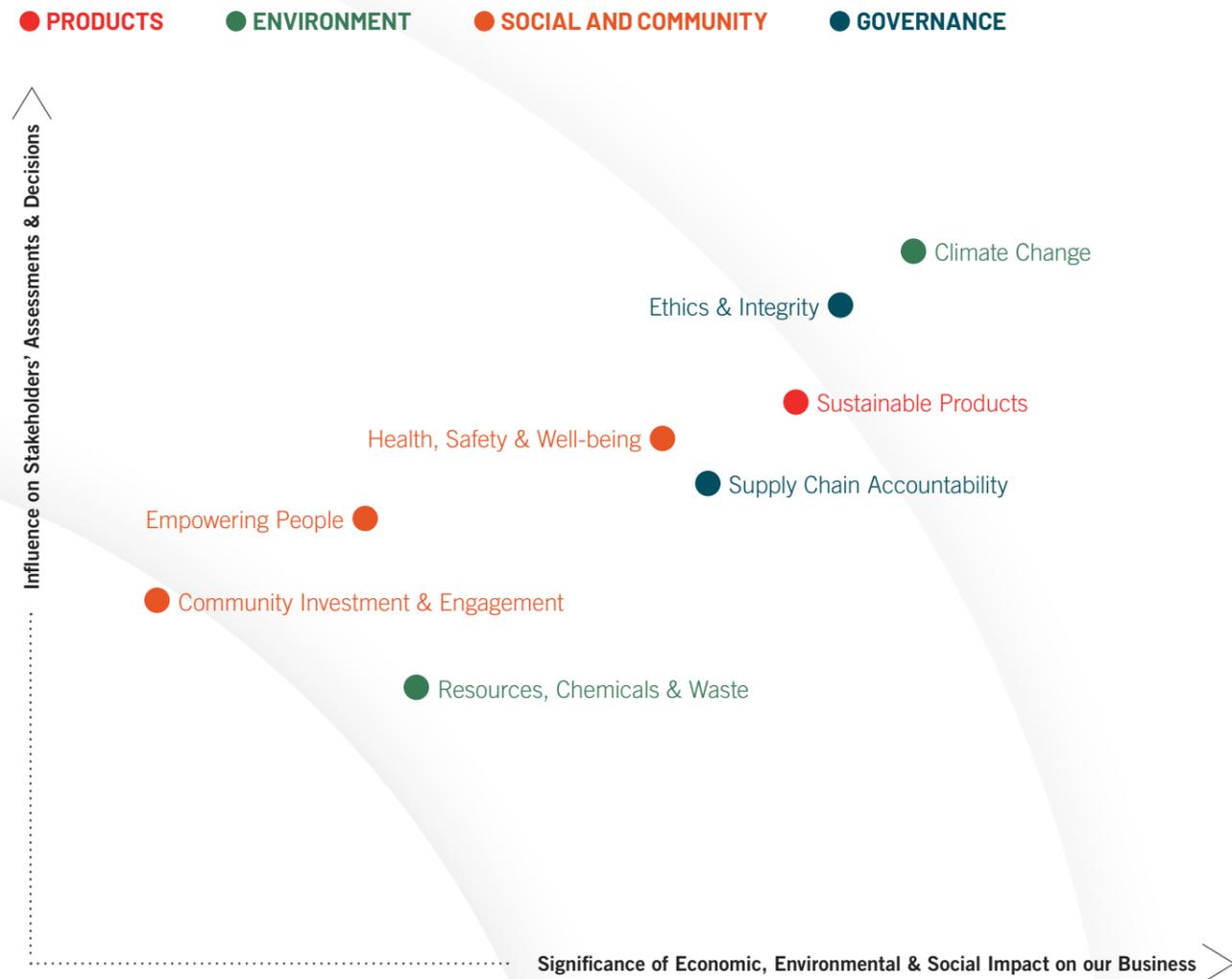
- Committed to setting Science-Based Targets

# Materiality Assessment

We align our strategy with our stakeholders' sustainability concerns and the issues that are most material to our business. During the materiality assessment, we actively engaged with members of our ESG working committee. We also conducted an online survey as part of a GRI workshop to gather feedback for the materiality exercise. By actively involving the committee members, we aimed to understand their perspectives, concerns, and expectations regarding our business activities. Through this collaborative approach, we identified and evaluated a wide range of actual and potential impacts associated with our operations. These impacts encompassed economic, environmental, and social aspects. We considered both the positive and negative implications of our activities on various stakeholders and impacts along our value chain.

This comprehensive assessment provided us with a deeper understanding of the sustainability challenges and opportunities we face. Following the assessment, we prioritized the impacts for reporting purposes. We considered the magnitude of the impacts, the extent of stakeholder concern, and the potential risks and opportunities associated with each impact. This analysis allowed us to identify the most significant issues that require focused attention and reporting.

Our eight material topics are as follows: Ethics and Integrity; Supply Chain Accountability; Climate Change; Resources, Materials and Waste; Sustainable Products; Health, Safety and Well-being; Empowering People; and Community Investment and Engagement.



# Stakeholder Engagement

We maintain consistent communication with our primary stakeholders, comprising of our associates, customers, end users, suppliers, investors, shareholders, regulatory bodies, industry groups, non-governmental organizations (NGOs), and the broader community to understand their concerns.

interaction. These priority concerns of our stakeholders help to inform our approach to sustainability and are reflected in the material topics covered in this Report.

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

Summarized below are the main issues of concern raised by our stakeholders, how we engage with them, and the frequency of



## Investors and Shareholders

Through roadshows, dedicated meetings, and the Annual General Meeting, investors and shareholders are able to express their key concerns related to:

RELATED MATERIAL TOPICS 1 2 4 6 7 8

### KEY CONCERNS

- Independence, diversity, and engagement of Board members
- Ethics and governance
- Responsible sourcing with focus on sustainable supply chain, human rights, conflict minerals, and cobalt
- Environmental risk management
- Forward-looking financial risk assessment linked to ESG
- Decarbonization strategy, targets, and milestones
- Material risks and opportunities
- Sustainable design, recyclability (batteries and tools), and circular economy
- Diversity and inclusion
- Community engagement

## Employees

RELATED MATERIAL TOPICS 2 4 5 6

Through associate committees, roundtables, performance reviews, and TTI Group Intranet, associates are able to express their key concerns related to:

### KEY CONCERNS

- Climate action
- Working conditions and benefits
- Training and development
- Equal opportunities
- Open-door policies
- Diversity and inclusion
- Health, safety, and wellness
- Community engagement and volunteer events

## Customers and Product End-Users

RELATED MATERIAL TOPICS 1 2 3 5 7 8

Through focus groups, constant communication via online and paper, annual product conferences, social media, our compliance hotline, and customer service communication channels, customers are able to express their key concerns related to:

### KEY CONCERNS

- Data privacy protection
- Conflict minerals
- Climate actions and risks
- Packaging materials reduction
- Chemical substances in products
- Circularity
- Transport, storage, recycling, end-of-life of products and batteries
- Quality of products, including environmental impact
- Product safety
- Social and environmental responsibility
- Modern slavery (forced and child labor and vulnerable migrant workers)

## Suppliers

RELATED MATERIAL TOPICS 1 2 3 7 8

Through the compliance hotline and online platform, regular audits and meetings, training, and supplier engagement conferences, suppliers are able to express their key concerns related to:

### KEY CONCERNS

- Governance
- Anti-corruption
- Climate change and extreme weather events
- Resource scarcity
- Pollution and waste
- Social and environmental responsibility

## Communities

RELATED MATERIAL TOPICS 2 3 4 5 6 8

Through community engagement with NGOs, school fairs and university programs, mentoring and internship programs, and partnerships and collaborations, community members are able to express their key concerns such as:

### KEY CONCERNS

- Climate actions
- Water conservation
- Biodiversity conservation
- Training and development
- Health and safety
- Equal opportunities
- Diversity and inclusion
- Product safety
- Poverty eradication
- Social and environmental responsibility

# PRODUCTS

**MATERIAL TOPICS**

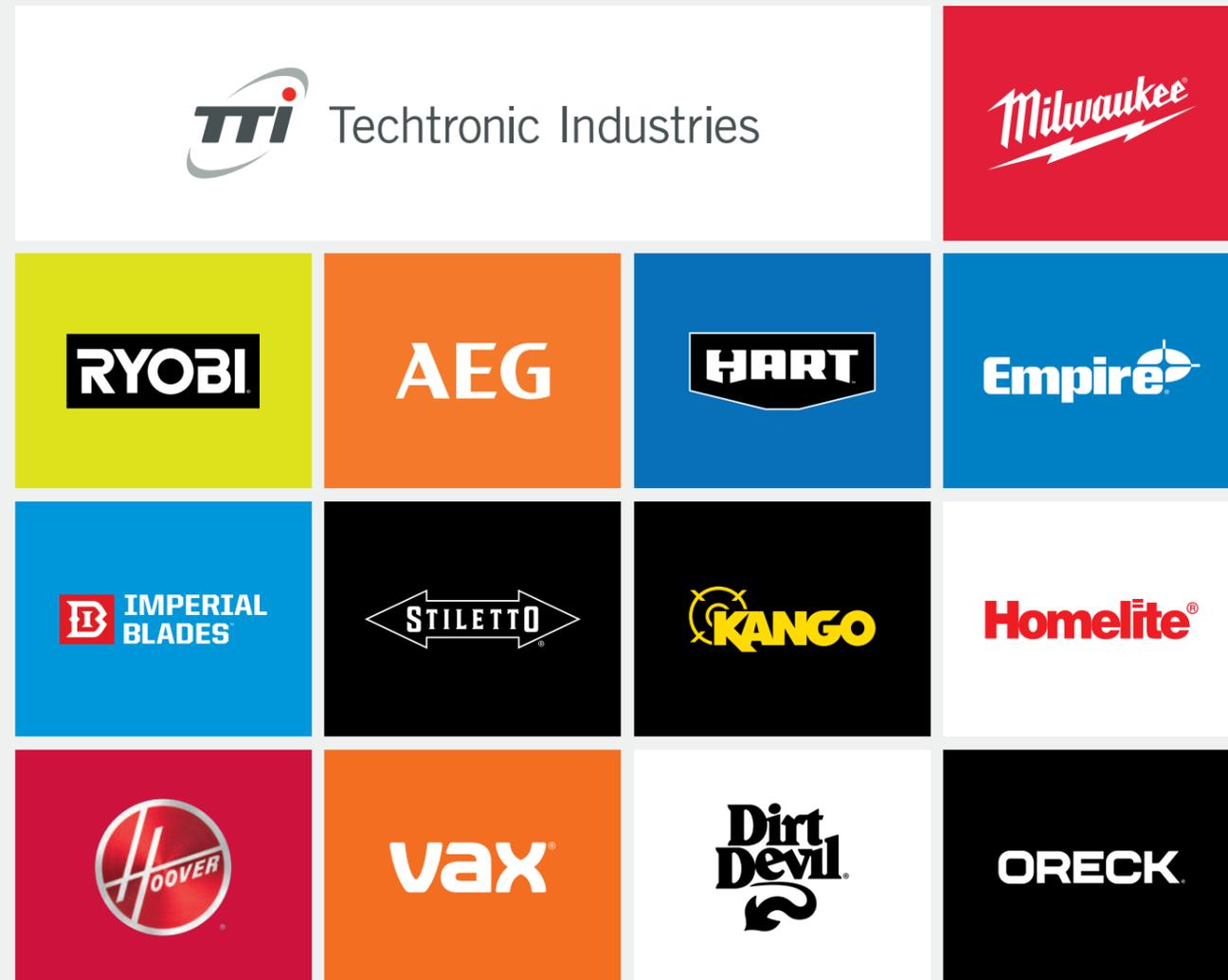
P.34 Sustainable Products

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*Revolutionizing sustainable innovation that drives energy efficiency and shapes our cordless future*

# TTI's Brand Portfolio



TTI is relentlessly focused on the continuous development and enhancement of cordless technology and groundbreaking product solutions throughout categories such as home improvement, repair, maintenance, construction, and infrastructure. Our diverse portfolio features renowned brands such as MILWAUKEE, RYOBI, and HOOVER, recognized as market leaders on a global scale.

Our pursuit of excellence has garnered international recognition for our products from various third-party entities, resulting in numerous product design and innovation awards. These accolades underscore our commitment to pushing the boundaries of innovation and serve as a testament to our ability to consistently deliver cutting-edge products.

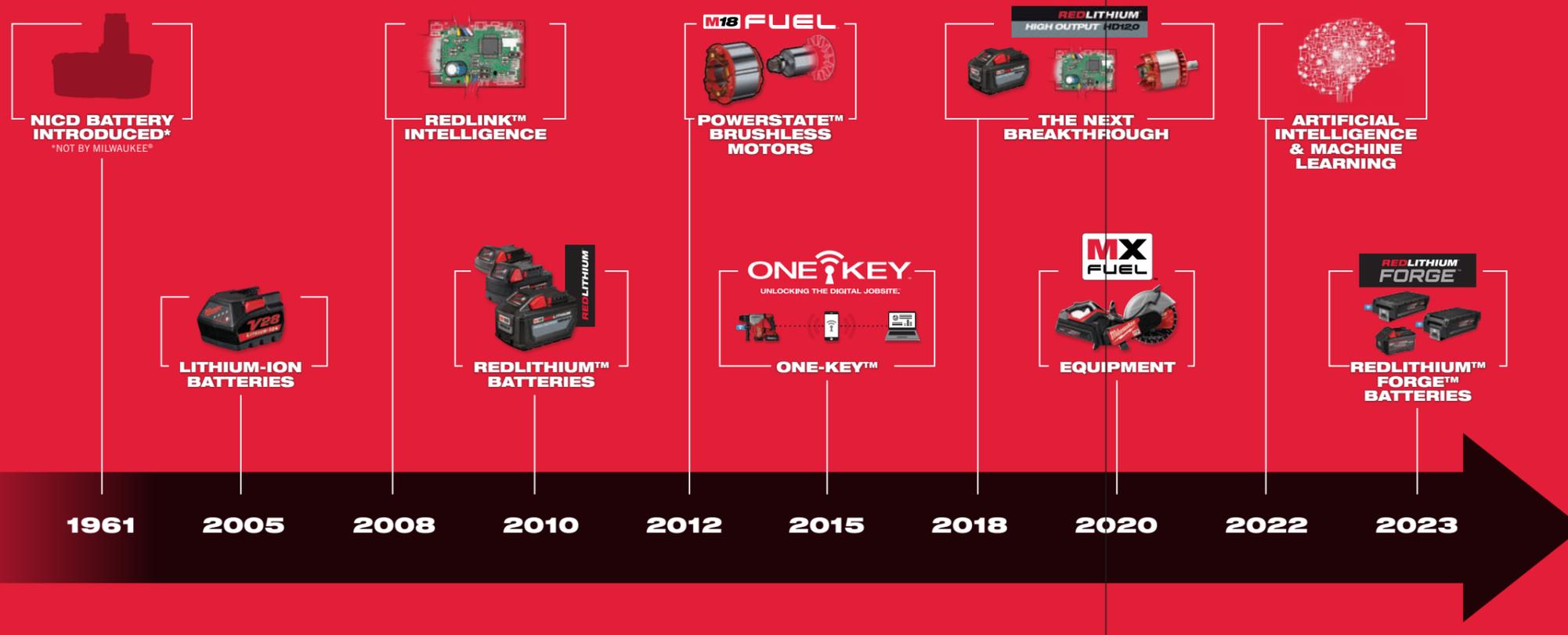
## Product Development Awards

|  |  |
|--|--|
| <p><b>HART</b></p> <p><b>20V Cordless Trim Router</b></p> <p>Good Design Award Chicago</p>                 | <p><b>Milwaukee</b></p> <p><b>M18 FUEL Compact Pipe Threader</b></p> <ul style="list-style-type: none"> <li>• IDEA – Finalist</li> <li>• German Design Award – Winner</li> </ul>   |
| <p><b>HART</b></p> <p><b>20V Hybrid LED Tripod Light</b></p> <p>Good Design Award Chicago</p>           | <p><b>Milwaukee</b></p> <p><b>MX FUEL Concrete Vibrator</b></p> <p>iF Design Award – Finalist</p>    |
| <p><b>RYOBI</b></p> <p><b>40V HP Brushless 46cm Lawn Mower</b></p> <p>German Design Award – Gold</p>   | <p><b>Hoover</b></p> <p><b>ONEPWR CLEANSLATE Cordless Carpet &amp; Upholstery Spot Cleaner</b></p> <p>Better Homes &amp; Gardens Clean House Awards 2022 – Best cleaner for pet messes</p>    |



# Leading the Industry Shift to Lithium-ion and Advancing Toward a More Sustainable Energy Source

## MILWAUKEE® CORDLESS TECHNOLOGY LEADERSHIP



MILWAUKEE is committed to enhancing the safety and productivity of professionals in the trades, and this mission has paved the way to a series of groundbreaking industry “firsts.” These strides in innovation have not only empowered users, but they’ve also contributed significantly to lessening the overall environmental impact of power tool manufacturing, while simultaneously optimizing overall efficiencies.

From the breakthrough introduction of lithium-ion in 2005 that set the stage for transformative change, to the creation of MX FUEL, each step in this evolutionary journey reinforces MILWAUKEE’s status as an industry leader. It not only reshaped the trajectory of the power tool landscape, but also left an indelible mark on the industry’s environmental impact.

In the late 1990’s and early 2000’s, the power tool industry was comprised of corded or NiCd battery-operated tools. When MILWAUKEE pioneered the integration of lithium-ion technology in the power tool industry, the company fully invested in the shift. The following pages explore how this battery technology is revolutionizing the industry by distancing itself from inefficient NiCd battery technology and bridging the gap with the more environmentally friendly lithium-ion.



### NiCd Batteries

- Inefficient
- Less energy dense
- Contains Cadmium
- Poor battery discharge



### Li-ion Batteries

- Requires less raw materials
- More efficient
- More power dense
- More energy dense
- Longer cycle life
- Leads to more efficiencies & energy savings for the entire system

# Overcoming NiCd Hurdles: The Solutions of Lithium-ion Technology

## Battery Discharge

### Short Term

The power output of a NiCd battery diminishes as it discharges or is actively used, leading to a decline in application speed and an inability to tackle demanding tasks effectively, resulting in a loss of productivity. This effect is not observed with lithium-ion batteries.

### Medium Term (Memory Effect)

A NiCd battery demands maintenance in the form of additional charging, and a failure to achieve a full charge could potentially damage and shorten the battery's lifespan. For users, this translates to a loss in productivity and additional costs incurred due to the need to replace damaged batteries. On an environmental note, it results in the disposal of more batteries. However, with MILWAUKEE's implementation of electronic (digital) battery management in lithium-ion batteries, there is no memory effect, and these batteries can be partially charged at any time.



If you regularly discharge your NiCd battery partially and then recharge it, the battery will eventually "remember" this level and no longer be able to reach its full capacity.

### Long Term (Cycle Life)

NiCd batteries have a limited cycle life, indicating the number of times they can be recharged. In contrast, MILWAUKEE lithium-ion batteries boast an impressive lifespan, significantly reducing the frequency of replacements.

## Self-Discharge

NiCd batteries exhibit a self-discharge rate approximately three times higher than that of lithium-ion batteries. This implies a loss of charge over time, even when stored on a shelf and not in use. The consequence is more frequent charging, and due to the inherently limited charging cycles of NiCd batteries, it contributes to a higher volume of disposed batteries. In contrast, lithium-ion batteries feature an exceptionally low self-discharge rate, retaining their charge effectively. Unlike NiCd power tool batteries, a lithium-ion battery can be retrieved from the shelf after a 10-month hiatus without use and still function seamlessly.

**3X**

NiCd self-discharge rate is nearly 3X more than lithium-ion

## Environmental

### Removal of Toxic Heavy Metals

Cadmium, one of the most toxic heavy metals and carcinogenic, is a key component in NiCd batteries. In the environment, Cadmium is toxic to plants, animals and micro-organisms.

Reducing reliance on industrial use of heavy metals such as Cadmium in favor of more environmentally friendly technologies can help reduce the risks of contaminating soil as well as water, and cancer and birth defects.

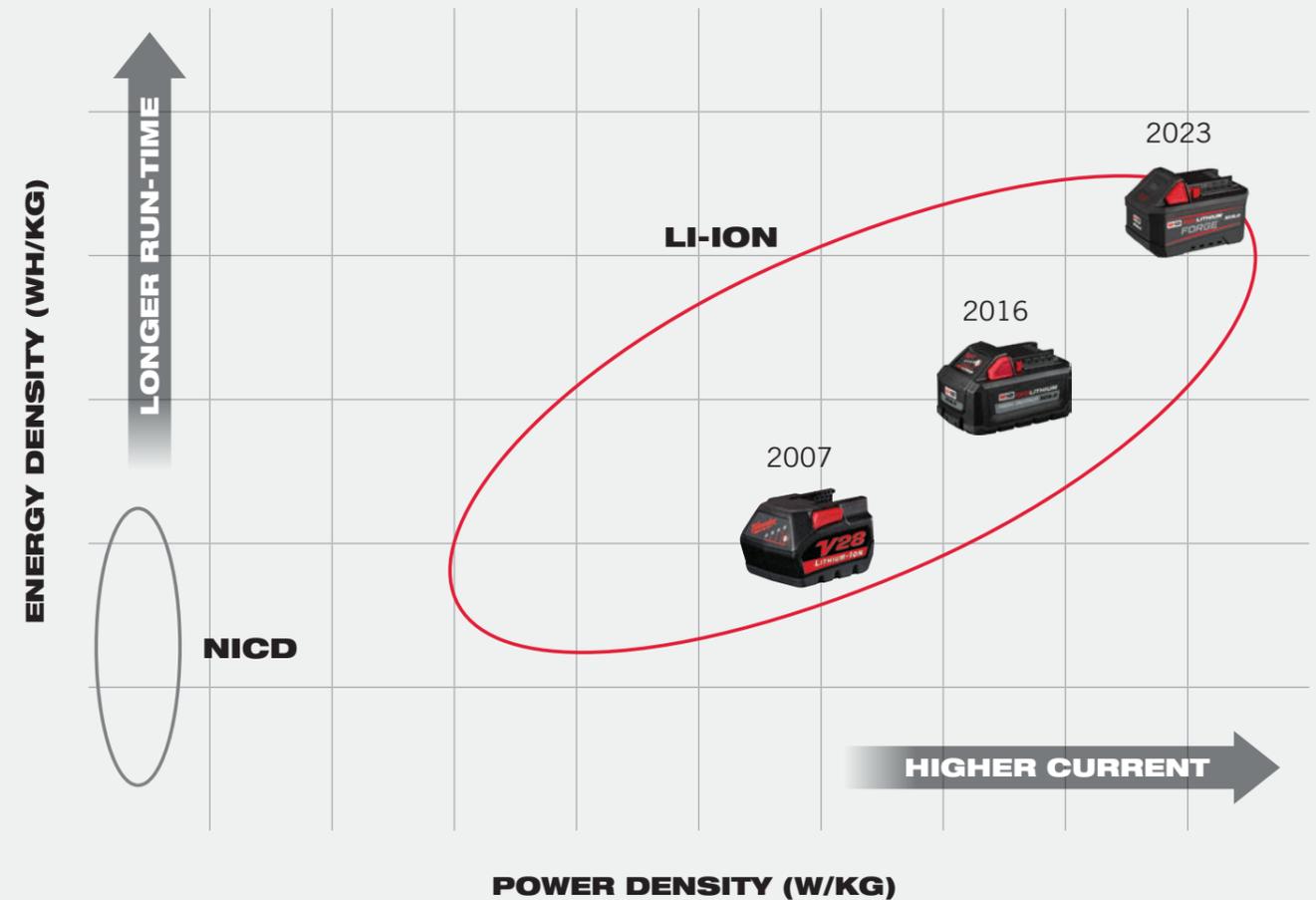


TTI has partnered with Call2Recycle for over 20 years to ensure that our batteries and battery-powered products are responsibly recycled when they reach end-of-life.

## Power & Energy Density

Compared to NiCd batteries, lithium-ion exhibits a higher energy storage capacity per unit weight, reducing the need for as many raw materials to achieve equivalent battery life and performance. Furthermore, the superior energy density of lithium-ion translates to less frequent recharging compared to NiCd batteries. This, along with more power density through less internal resistance, gives users the ability to **do more for longer**. MILWAUKEE is at the forefront of

advancing the industry by continually enhancing battery chemistry, mechanical design, and manufacturing processes, aiming to elevate power and energy density in lithium-ion batteries. This progress is achieved while ensuring compatibility with existing systems (M12, M18, MX FUEL), propelling the industry towards accomplishing more work per charge and replacing traditional corded, air and gas solutions.



**Energy Density**  
is the amount of energy a battery holds in total.



**Power Density**  
is the amount of current a battery can supply for a given use.

# Leveraging Lithium-ion Batteries: Unlocking Enhanced Efficiencies and Pioneering New Capabilities

The transition to lithium-ion batteries required the development of more efficient motors, advanced electronics, and sophisticated mechanisms within MILWAUKEE's power tool solutions. Consequently, this technological evolution has given rise to unprecedented capabilities that were previously unseen in the industry.

## More Efficient Mechanisms

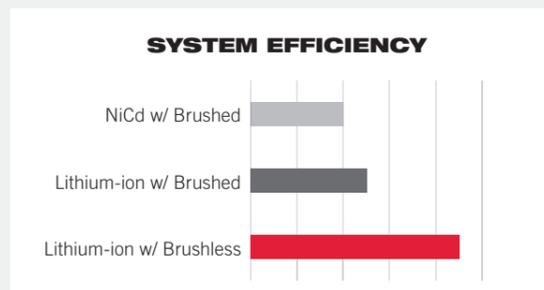
When designing corded tools and their mechanisms, efficiency was not top of mind because AC energy was perceived as infinite. With the need to extend the battery life while meeting the expectations of power for tools like the M18 FUEL SUPER SAWZALL Reciprocating Saw, MILWAUKEE could not simply add a battery on the back end of the corded version. Instead, the design uses more efficient mechanisms to improve not only battery run-time but also size and weight. It even cuts faster than its corded predecessor.

## Brushless Motors

Brushless motors are more efficient than brushed motors. With a higher motor efficiency, there is less energy wasted through heat, allowing users to do more on a single battery charge. They have 10X longer life and require less maintenance than brushed motors. MILWAUKEE's focus on brushless motors improves peak motor efficiency from 80% to over 90%.

## More Efficient Electronics

Lithium-ion batteries are well-suited for integration with advanced electronics and digital battery management systems. A digital microprocessor is required to manage all aspects of the lithium-ion battery, including charge control, discharge control and temperature. This allows for more precise control over the battery's performance, contributing to increased efficiency and safety.



## Did You Know?



MILWAUKEE worked with the U.S. Environmental Protection Agency (EPA) to help develop the first Energy Star program for battery chargers. This foundational work was the catalyst for the development of meaningful battery charger efficiency requirements, culminating with the publication of federal efficiency requirements by the U.S. Department of Energy.

## Technology That Leads to Real World Benefits

By integrating the most advanced lithium-ion batteries with state-of-the-art brushless motors and the world's most capable electronics packages, users can truly push the boundaries of cordless performance, unlocking a realm of enhanced productivity and safety beyond what was ever available through NiCd, corded, gas or pneumatic tools. Moreover, users will have cordless battery systems that are compatible with the extensive array of work they do – everything from pouring and finishing concrete indoors to the delicate removal of spot welds from car panels.

By ensuring backward compatibility, we not only protect the user's investment into their systems but also safeguard against the potential obsolescence of tools when transitioning to new technology.

## Corded to Cordless

The advancement of lithium-ion within the power tool industry has led to opportunities to challenge conventional wisdom on what types of tools can be effective cordless solutions. These advancements have led to solutions that deliver true corded performance, often times rivaling the power and efficiencies that could be delivered through an outlet. The continued focus on furthering the technologies of batteries, motors and electronics enables the ability to exceed the performance expectations of "power-hungry" tools while also delivering on the run-time and ergonomics needs of the users.

## Solving the Pneumatic Dilemma

Pneumatic requires significantly more material, expense, and energy to perform the work while also creating safety hazards (trips, accessibility, noise) for users. Whether working with impact wrenches, ratchets, polishers, band files, or tire buffers in the shop, or nailers out on the site, MILWAUKEE provides solutions to "cut the hose" and address the inefficiencies that accompany pneumatic.

## Conquering Frustrations of Gas

MILWAUKEE has nearly two decades of leadership in integrating advanced lithium-ion technology with motors and electronics. We're now leveraging these core competencies to address issues in the equipment market, and landscaping and tree care.

MX FUEL, a revolutionary battery-powered light equipment system, stands as a beacon in the quest to curtail carbon emissions and elevate battery-powered performance.

Meanwhile, the M18 Battery platform is helping to remove the frustrations of gas that landscape maintenance and tree care professionals have been feeling for years all while still delivering the power needed to complete the work.

|                                    |  |
|------------------------------------|--|
| <p><b>Lithium-ion</b></p> <p>✓</p> | <ul style="list-style-type: none"> <li>More Portable</li> <li>Less Raw Materials</li> <li>No Emissions*</li> <li>More Power &amp; Energy Dense</li> <li>Longer Life Cycle</li> </ul> |
| <p><b>NiCd</b></p> <p>✗</p>        | <ul style="list-style-type: none"> <li>Toxic Heavy Metals</li> <li>Discharge Issues</li> <li>Low Power &amp; Energy Density</li> </ul>   |
| <p><b>Corded</b></p> <p>✗</p>      | <ul style="list-style-type: none"> <li>Limited to Power of Outlet</li> <li>Limited Mobility &amp; Access</li> <li>Unsafe Electrical Environments</li> </ul>                          |
| <p><b>Pneumatic</b></p> <p>✗</p>   | <ul style="list-style-type: none"> <li>Wasted Energy from Compressor to Tool</li> <li>High Energy Costs</li> <li>Limited Mobility &amp; Access</li> </ul>                            |
| <p><b>Gas</b></p> <p>✗</p>         | <ul style="list-style-type: none"> <li>CO<sub>2</sub> Emissions</li> <li>Loud Noises</li> <li>Waste due to Engine Failures</li> </ul>  |

\*While in use

# Safety Solutions



### **MX FUEL PLATE COMPACTOR**

- Hits harder and travels the fastest
- No gas headaches and greater control
- 35 minutes, 5,000 SQ FT per charge

### **Reduced Emissions**

Our MILWAUKEE MX FUEL platform not only provides all the power of corded and gas-powered light equipment, but also produces no CO<sub>2</sub> or exhaust emissions\*. With the reduction of fumes and emissions, this platform is equipped with enhanced safety and sustainability for end-users. Harmful fumes, noise, and vibrations associated with the running of typical light equipment are reduced with this platform. This allows users to work indoors, in trenches, in tunnels, or even in mines without any gas headaches – vastly improving productivity. This system not only saves the end user time with refueling and starting up but also provides a cost savings on gas consumption and engine maintenance.

### **Fuel Savings**

The cost of operating battery-powered equipment is more cost efficient than the cost of operating gas equipment, the same way an electric vehicle is more cost efficient to run than a gas-powered vehicle.

### **Health**

With no CO<sub>2</sub> or exhaust emissions during use, MX FUEL products allow users to operate in spaces where operating gas-powered equivalent products pose harmful health risks.

### **Safety**

The presence of gas on a jobsite poses significant safety concerns and can consume both time and money, given the special requirements for its storage and transportation. It is never 100% safe to have highly flammable gas on the jobsite.

### **Maintenance Savings**

Between fuel and maintenance, gas-powered equipment typically is more costly. These tools have numerous components that are prone to failure, such as spark plugs, fuel filters, carburetors, air filters, drive belts, and starter cords. Additionally, there are various potential issues surrounding fuel mixing for 2-stroke engines, including the risk of missing the exact ratio and forgetting to add engine oil, all of which can result in significant expenses.

Alternatively, MX FUEL is powered by a POWERSTATE brushless electric motor. The electric motors do not require a lot of maintenance, as they have very few wearable parts compared to a gas engine and there is less risk of improper use and maintenance.

### **Productivity**

One of the biggest user frustrations is spending time setting up without cutting or breaking anything. Filling up a gas cut-off saw can be a time-consuming process, especially when compared to the speed and ease of inserting a battery, pressing the start button, pulling the trigger, and getting ready to cut.

\*While in use



### **MX FUEL 6" GREEN CONCRETE SAW**

- 1-1/2" Depth on 6" Blade
- No gas headaches
- 160 FT per charge



### **MX FUEL 36" WALK BEHIND TROWEL**

- 5 HP Performance
- No gas headaches
- 25 minutes per charge



**NO CO<sub>2</sub> OR EXHAUST EMISSIONS<sup>†</sup>**



**NO PULL STARTS**



**NO MIXING GAS AND OIL**



**NO ENGINE MAINTENANCE**



**EASE OF USE — PORTABILITY**



**LOW NOISE**



**SAFETY — NO CORDS**

<sup>†</sup> When product is in use

# Relentless Safety Solutions, Built for Productivity

We are unwavering in our commitment to deliver Relentless Safety Solutions, Built For Productivity.

MILWAUKEE is a world leader in jobsite solutions and has a long tradition of improving the safety of users through product innovation. We have dedicated resources to work alongside our users and partners to understand the demands of a constantly changing jobsite and how we can best deliver solutions to help them work safely and more productively.

## Air Quality

Gas equipment is largely present on today's jobsite. As a result, tradespeople are twice as likely to develop respiratory diseases due to exposure and inhalation of gas fumes and emissions.<sup>†</sup> We are dedicated to providing users with cordless solutions on our M18 and MX FUEL systems that eliminate exposures associated with gas equipment. Featuring advanced safety technology, the battery-

powered MX FUEL 14" Cut-Off Saw w/ RAPIDSTOP is an example of our focus and dedication. This new cut off saw eliminates gas emission concerns and is safe to use both indoors and outdoors. The MX FUEL 14" Cut-Off Saw w/ RAPIDSTOP has the power of a gas-powered unit, with the ability to take on demanding applications such as cutting reinforced concrete and steel pipe. A push button start allows users to start the cut off saw in seconds, eliminating the strenuous, repetitive motions of priming, choking, and pulling the engine to start. By continuously innovating in cordless technology and expanding our M18 FUEL and MX FUEL solutions, we are on a mission to make gas tools and equipment a thing of the past. Our cordless solutions deliver upon the performance, run-time, and durability demanded by users without the hazards associated with emissions, noise, vibrations, and frustrations of gas maintenance.



<sup>†</sup> "Chart Book (6th edition): Occupational Diseases – Respiratory Diseases in the Construction Industry", The Center for Construction Research and Training ([https://www.cpwr.com/wp-content/uploads/publications/The\\_6th\\_Edition\\_Construction\\_eChart\\_Book.pdf](https://www.cpwr.com/wp-content/uploads/publications/The_6th_Edition_Construction_eChart_Book.pdf))



## Safety Technology

Each time power tools and equipment are used on the jobsite, bind-ups, operator errors, and drops are possible. MILWAUKEE is dedicated to designing power tools and equipment solutions that enhance the safety of users. Our leadership in batteries, motors, and electronics expands the capability of common power tool and equipment solutions to provide users with features that enhance safety; like AUTOSTOP control, which stops a tool when a bind-up is detected, and RAPIDSTOP brake, which quickly stops the tool. The MILWAUKEE M18 FUEL Dual Trigger Braking Grinder features all of these advancements with additional control provided through dual trigger activation, and a permanent side handle. This is the first time MILWAUKEE's AUTOSTOP kickback control is included in an angle grinder, helping to reduce the risk of severe kickback during demanding applications.

## Dust Management

Our MILWAUKEE business is committed to providing safe and versatile silica dust management solutions that help customers comply with the OSHA regulation on respirable crystalline silica dust (29 CFR 1926.1153). Our dust management solutions are focused on enhancing productivity. From the most universal dust extraction solutions fitting all major brands to a full range of products for floor-to-ceiling dust management, this is compliance made simple.





**Vibration and Noise Reductions**

Hand-arm vibration syndrome (HAVS) and noise-induced hearing loss continue to affect tradespeople across various jobsites due to repeated exposure. We are committed to delivering user solutions that reduce noise and vibration exposure. Solutions like the MILWAUKEE ROLL-ON 7200/3600W Power Supply remove loud gas-operated generators from jobsites and allows users to operate indoors.

**Ergonomics**

In order to combat musculoskeletal disorders (MSDs), MILWAUKEE is committed to ensuring ergonomics is a key aspect of our product development process. Our evidence-based approach to ergonomics and commitment to replacing manual applications with battery-powered solutions deliver products like the M12 Brushless Pruning Shears. With the integration of the M12 brushless technology and a slim ergonomic design, muscle effort is reduced by 75% compared to manual solutions, helping users complete the toughest applications with ease and speed.



**Visibility**

MILWAUKEE site lighting is the industry's first system of high-output LED lights to offer full-day runtime in portable packages. The site lights use the most advanced lighting technology to deliver a consistent beam, optimized color temperature, and true representation of colors and detail leading to a more productive work area. Our jobsite lights shine brighter, last longer and are uniquely designed to adapt, perform, and survive the daily demands of professional use.



**Personal Protective Equipment**

We are dedicated to keeping our users safe and productive on the jobsite. Personal protective equipment has seen little innovation over the years, driving users to modify their gear to better meet their needs. We have taken the time to understand our users' needs and develop PPE from the ground up, delivering head protection that allows users to adapt to each job and safety glasses that can be worn all day with lasting fog-free lenses. MILWAUKEE is focused on creating innovative solutions that won't slow users down, helping them stay safe and stay productive on the jobsite.



Performance Safety Glasses w/ Gasket – Fog-Free Lenses

**BOLT Full Brim Vented Hard Hat**

- BOLT headlamp mount
- Compatible with all BOLT hard hat accessories
- 6 point ratcheting suspension

Ear Plugs

N95 Valved Respirator with Gasket

Class 2 High Visibility Performance Safety Vest

Cut Level 3 Nitrile Dipped Gloves

STAY SAFE. STAY PRODUCTIVE.

**MINI SPOTLIGHT**

**OSHA switches to safety helmets to better protect agency employees, MILWAUKEE comes out on top as the brand of choice**

In a groundbreaking development for workplace safety, the Occupational Safety and Health Administration (OSHA) agency employees officially shifted from traditional hard hats to safety helmets on December 11, 2023, marking a pivotal moment not only for our MILWAUKEE brand but also for the safety of the construction industry. Injuries from slips, trips, and falls are some of the most common and can result in oblique impact forces being passed to the brain. These oblique impacts can cause Traumatic Brain Injuries (TBIs). OSHA cites the advancements in design, materials, and protective features that help to protect the workers' entire heads as some of the main reasons for their shift to helmets.

After a rigorous selection and testing process, mandated by government protocols, MILWAUKEE's helmet was selected from three different brands that were put to the test. MILWAUKEE is honored to be the chosen brand of helmets for all 1,100 CSHO employees of the DOL-OSHA, a unanimous decision that underscores our commitment to user safety and productivity. This earned achievement

positions our helmets at the forefront of safety for trade professionals nationwide each day.

Our Type 2, Front Brim Safety Helmets deliver users better protection and more comfort. As part of the BOLT network, these helmets allow users to easily integrate additional personal protection equipment and accessories so they can secure accessories simultaneously. Our BOLT Safety Helmets also offer protection from top and side impacts.



**BOLT**  
SECURE ACCESSORIES SIMULTANEOUSLY



# SMARTWASH Technology

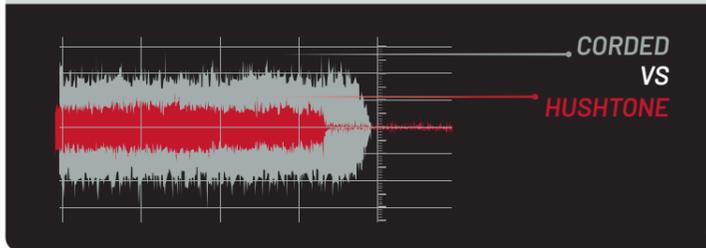
The World's First Cordless Carpet Cleaner

HOOVER's ONEPWR battery system delivers energy efficient cleaning products without compromising power or performance. The HOOVER ONEPWR SMARTWASH Cordless Carpet Cleaner brings an energy efficient option to the carpet cleaning market with an untethered, powerful deep clean.

The ONEPWR SMARTWASH is engineered with high efficiency motors that provide the same cleaning performance with up to 6X less power consumption than corded options. Our triggerless design automatically cleans as you move, providing a convenient cleaning experience.

## HUSHTONE™ POWERFULLY QUIET

Products with HOOVER HUSHTONE technology are engineered to provide a quieter clean without compromising performance. This offers users a more convenient, less disruptive way to clean. With only an 83 dBA noise rating, our products with HUSHTONE technology have the ability to operate at a much quieter capacity than the competition.



Up to **6X** less power consumption than corded

High efficiency motors that provide the same cleaning performance with far less electrical power consumption.



### Features

- Cleans as you move with Automatic Cleaning Technology
- Full-Size capacity in a compact footprint thanks to TruMAX Technology
- SPOT Mode for deep set-in stains
- DRY ONLY Mode for fast dry time
- Customize your clean with interchangeable Brush Rolls
- Premium LED display to continuously monitor the status of your machine

### Convenience

- Over 31% smaller in size, saving the user space in their home.
- Over 39% reduction in usage weight

### Safety

- Absence of cord reduces the potential for a safety hazard
- No hazardous voltages while operating a product with water

**>10%**  
Quieter than corded

**83 dBA**  
Noise rating

**>25%**  
Less water consumption

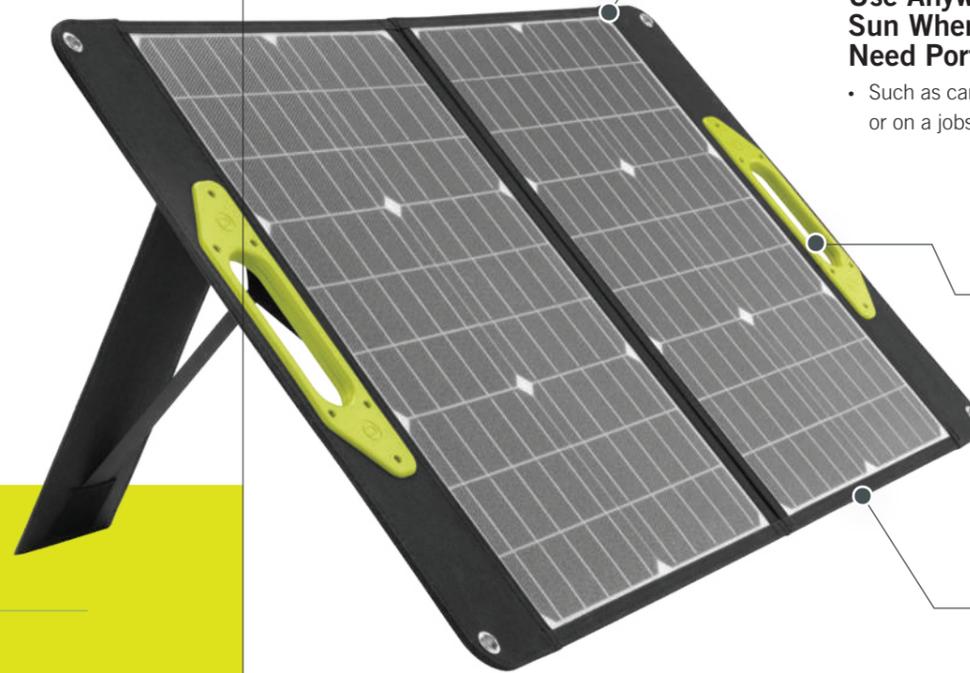




# RYOBI Renewable Energy

The RYOBI 60 Watt Foldable Solar Panel powers any small electronic device with a USB-A or USB-C port directly from the sun. For added compatibility, it also powers a variety of other electronics with the barrel plug connector and adaptors. It is ideal for powering your phones, tablets, power banks, speakers, and even your RYOBI 18V ONE+ batteries when combined with a compatible RYOBI power source. Pair with the RYOBI 18V ONE+ RYi818BG Power Station to charge up to 8 batteries consecutively using solar power.

This Solar Panel can charge a RYOBI 18V ONE+ 2Ah battery in under 1 hour and your phone in as little as 1 hour and 15 minutes. The compact, foldable design makes storing and transporting easy, so you can take it with you to charge devices when camping, on a jobsite and anywhere under the sun where you'd need portable power. Maximize the amount of light the panels capture using the freely adjustable kickstand or the (4) secure grommets.



### Use Anywhere Under the Sun Where You Could Need Portable Power

- Such as camping, at the beach, or on a jobsite



### Charge Any Small Electronic Device with a USB-A or USB-C Port

- Including phones, tablets, power banks, speakers, and even your RYOBI 18V ONE+ batteries



### Easy to Transport

- Only 20.375" x 16.5" when folded
- Weighs just 6 pounds



### Combine with a Compatible RYOBI 18V ONE+ Power Source (RYi150C & RYi818BG)

- To charge your 18V ONE+ batteries



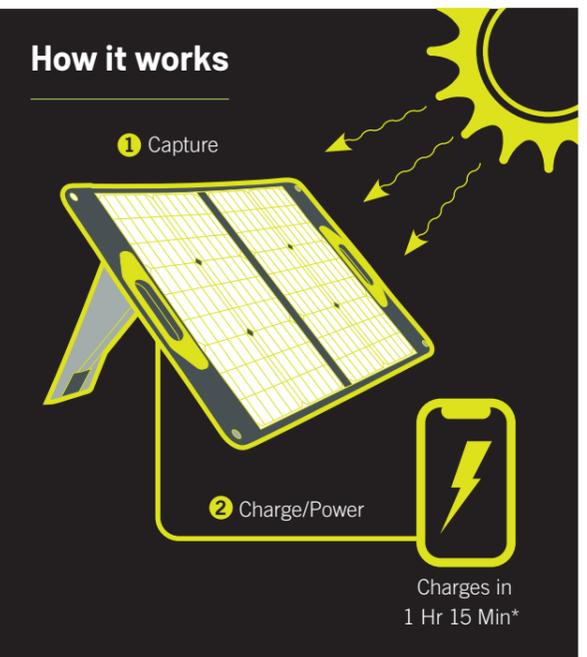
Pair with Select RYOBI Inverters to Charge 18V ONE+ Batteries



Charge Your Phone in as little as 1 Hour and 15 Minutes\*

### Specs

- USB-A Output:** 24W Max
- USB-C Output:** 45W Max
- Barrel Plug Output:** 59W Max
- Barrel Plug Connector:** 5.5 x 2.1 mm
- Adaptor Sizes:** 3.5 x 1.35 mm, 5.5 x 2.5 mm, 7.9 x 5.5 mm



\*Sunlight and phone size may affect charge time.

MATERIAL TOPIC

# Sustainable Products

As leaders in the cordless revolution, we remain dedicated to the development of sustainable products that are superior in power, energy efficiency, and safety.



**GOALS AND TARGETS**

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

**PROGRESS**

- Developing an internal Life Cycle Assessment (LCA) process
- Increasing recycling efforts

**VALUE CHAIN**

- Suppliers
- Operations
- Customers
- Community

**RISKS**

**OPPORTUNITIES**

**RESPONSES**

|   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Risk of not making true progress in managing environmental impacts of products and not identifying best areas for application of sustainable design</li> </ul>   | <ul style="list-style-type: none"> <li>• Conduct product carbon footprint assessments</li> <li>• Building models/case studies to identify best levers to deliver optimum positive impact</li> <li>• Strengthening existing circular economy initiatives and exploring opportunities for additional circular value chains</li> </ul>  | <ul style="list-style-type: none"> <li>• Providing training and guidance on the principles of sustainability for internal associates</li> <li>• Service centers and recycling partnerships</li> <li>• Introduced the RYOBI Rapid Repair Program</li> </ul> |
| <ul style="list-style-type: none"> <li>• Risk of not meeting market demand for sustainable products and packaging</li> </ul>  | <ul style="list-style-type: none"> <li>• Conduct research to better understand and prepare for market demand of sustainable products and packaging</li> <li>• Research and development of new technologies, recyclable and ecofriendly materials, and responsibly designed products</li> <li>• Sharing relevant information with partners and retailers to align strategy</li> </ul> | <ul style="list-style-type: none"> <li>• Investment in clean technology products</li> <li>• Development of products that utilize less energy and resources, produce less waste, emissions, and noise while in use</li> </ul>                               |
| <ul style="list-style-type: none"> <li>• Risk of unsafe products impacting users and potential consequences, such as litigation, fines from product claims or recalls, reputational damage, and commercial risk</li> <li>• Risk of non-compliance with environmental regulations</li> </ul> | <ul style="list-style-type: none"> <li>• Enhance responsible sourcing for the whole supply chain</li> </ul>  | <ul style="list-style-type: none"> <li>• Product safety policies and committees</li> <li>• Partnerships for responsible sourcing</li> <li>• Conducting supplier due diligence</li> </ul>   |



**How We Are Managing It**

TTI is deeply committed to the advancement of environmentally responsible products, considering them not only a priority but also the driving force at the core of our business. Internally, we provide training and guidance on the principles of sustainability to our associates and enforce stringent product safety policies. We have dedicated teams responsible for regulating product safety, development, and innovation. This ensures that our products not only meet the highest safety standards, but also further our sustainability goals.

We also invest significantly in the development of our clean technology products. We define clean tech as any process, product, or service that reduces negative environmental impacts through significant energy efficiency improvements, sustainable use of resources, or environmental protection activities.

Our products are designed to utilize fewer resources, consume less energy, and produce minimal waste, emissions, and noise during operation. This approach aligns with our goal of reducing our environmental footprint while delivering superior performance.

We have continued our efforts to expand service centers and recycling partnerships. Collaborations with organizations like Envirostream and Call2Recycle enable us to responsibly manage product disposal and recycling, reducing the environmental impact.

**Sustainable Success Through Our Partners**

TTI is at the forefront of the movement towards cordless battery-powered solutions. Our products deliver the desired power and performance for our customers using cordless technology. Many of our cordless battery-powered solutions are offered at The Home Depot, one of our main retail partners that serve a vital role in our distribution network in the U.S.

The Home Depot recently made a commitment to transition 85% of its outdoor lawn equipment category to battery-operated alternatives by 2028. As a key supplier of lawn care equipment to The Home Depot, we are committed to assisting them in their sustainability efforts.

### Research and Innovation

TTI is committed to developing cordless product solutions that have a positive impact on the environment. We have continuously been able to Discover, Define, Design, and Deliver outstanding innovative solutions for our customer base through our investment in Research and Development (R&D). Our design and engineering process is centered on key elements such as reliability, durability, repairability, refurbishing, and recycling to ensure that our products are sustainable and responsibly managed.

Our designers and engineers utilize our Sustainable Design Guide to create products that meet environmental, health, and safety standards, as well as adhere to circularity principles. This guide utilizes results from our lifecycle assessment and GHG footprint analysis that was conducted on our key product categories. Our R&D team is also developing an energy efficiency calculator to measure and improve the energy output of our products.

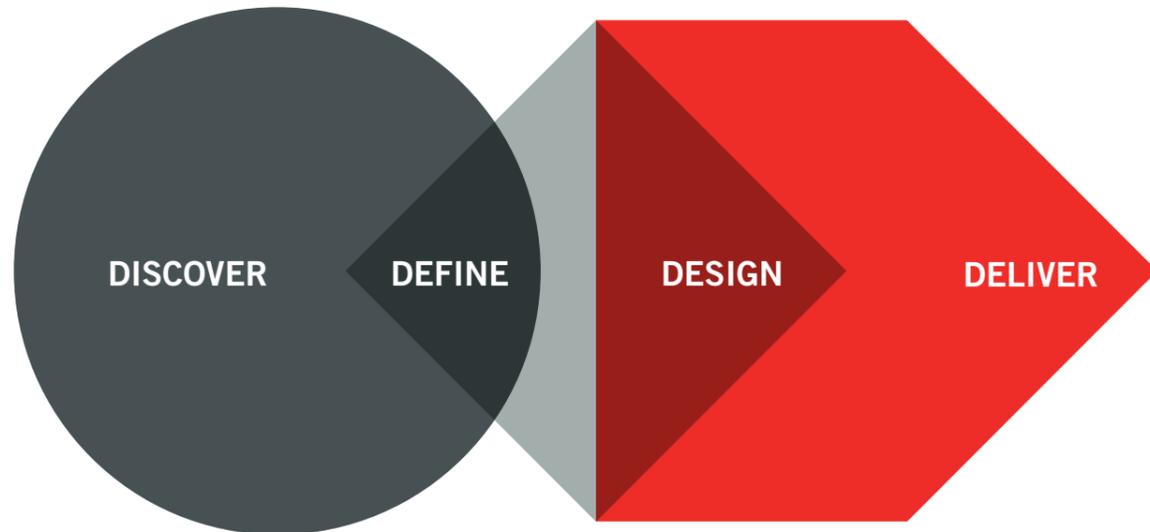
# US\$548M

on Research and Development

Our R&D projects target user experience, enhance manufacturing safety, reduce emissions, improve resource efficiency, and promote circularity in our product solutions whenever possible.

We have been working towards incorporating more sustainable practices in our business operations through R&D. In 2023, we created product sustainability guidelines, which is currently undergoing user testing tests. Once implemented, they will enable our associates to make informed decisions about raw material selection, resource usage, and substance avoidance during the concept and manufacturing phases.

### Product Development Framework (4Ds)



The majority of our R&D is targeted towards product development, especially towards the development of our cordless battery platforms. Our battery platforms are designed to be both backward and forward compatible, allowing users to operate any of our products or batteries within the same platform, regardless of when they were created.

We continuously improve our battery packs to enhance their performance and efficiency over time, with each subsequent generation offering better features than the last.

Our focus is always on the end user, and our efforts are geared towards improving jobsite productivity and safety, while also reducing noise pollution and emissions while in use.

**RYOBI** outdoor power equipment team named **2023 Home Depot D28i Supplier Partner of the Year**

**MILWAUKEE** named **2023 Home Depot Tools Partner of the Year** and **Plumbing Partner of the Year**

**MILWAUKEE** was named **winner of 70+ categories for the 2023 Pro Tool Innovation Awards**

### 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

### Sustainable Product Solutions

#### BRUSHLESS MOTORS

Brushless motors are known for their higher efficiency compared to brushed motors, which experience reduced mechanical energy loss from friction. As a result, tools equipped with brushless motors tend to have longer lifespans. Additionally, these motors facilitate advanced features that enable them to produce more power using smaller sizes. This means that tools using brushless motors are lighter and have longer run times, due to their more efficient energy usage.

#### ARTIFICIAL INTELLIGENCE

The integration of Artificial Intelligence (AI) improves our users' ability to deliver quality work with our products. Our MILWAUKEE M18 FUEL Controlled Torque Compact Impact Wrench with ONE-KEY stands as a prime example. With AI sensor technology and Machine Learning, this impact wrench controls bolt installation by memorizing and learning from past usage. By precisely determining optimal bolt tightness, our users can consistently deliver quality work by getting the job done right the first time.

#### LED

Our LED lights are revolutionizing the lighting industry with their exceptional performance in various settings. These lights generate brighter and more energy-efficient illumination than traditional incandescent bulbs. With a range of features that cater to the needs of both professionals and DIY enthusiasts, these LED lights are the ideal solution for anyone looking for reliable, durable, and powerful lighting.



**RYOBI WHISPER SERIES**

RYOBI WHISPER SERIES advantage vs. Gas Products: A difference you can hear.

**NO EMISSIONS\***

40V HP Brushless WHISPER SERIES 730 CFM Blower

\* While in use

86%

Up to 86% quieter than gas

57 dB

Noise Rating

730 CFM

Air Volume

#### NOISE REDUCTION

Through our RYOBI WHISPER SERIES and HOOVER HUSHTONE line of products, we have been able to provide solutions that are less noisy without compromising product effectiveness.

The RYOBI WHISPER SERIES is the industry's quietest range of products. Engineered with noise-reducing technology, these products provide excellent performance and remarkable power while operating over 60% quieter than comparable petrol products with the same amount of power. In 2023, we expanded the WHISPER SERIES family by 4 products and will continue to add more solutions in 2024.

HOOVER HUSHTONE technology is a revolutionary feature in our vacuum cleaners that significantly reduces noise levels while maintaining powerful suction.





### Product Quality and Safety

TTI's Product Safety Directors, committees, and teams across all business units (BUs) are responsible for maintaining safety standards, quality, and compliance. We consistently aim to enhance our procedures for each of the products that we design, produce, distribute, or license. Our customers' satisfaction is of the utmost importance, which is why we strive to provide an exceptional experience by continuously improving our safety measures. Some of the initiatives we've taken on improving safety include:

- Replacing gas engine solutions with MILWAUKEE MX FUEL products so they can be used safely in confined spaces without the risk of harmful carbon monoxide emissions.
- Launched a line of tool lanyards to prevent tools from falling on co-workers or others when stored in elevated locations.
- 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, helmets, masks, glasses, and gloves.

TTI has established Product Safety and Consumer Product Regulatory Compliance Policies that lay out our safety measures. Our Product Safety Committees enforce strict compliance monitoring and audit investigations based on these policies. These committees convene on a monthly basis to identify and evaluate:

- 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.

We have established quality control mechanisms that cover the inspection, testing, and reliability assessment of incoming materials, products during the manufacturing stage, and outgoing products. Both prior to and following the product's release, we conduct comprehensive safety hazard assessments. In the event that corrective action is necessary, we have product recall policies and protocols in place for swift action to be taken. In pursuit of these goals, we maintain partnerships with government regulators, product safety standard developers, trade associations, and consumer groups. Our legal teams and safety and regulatory departments oversee product recalls, ensuring strict compliance with all applicable laws until the products are safely handled and disposed of.

Our safety reviews span our entire design and development process, and encompass the following:

- Initial safety review based on the results of our Design Failure Mode and Effect Analysis (DFMEA) and a review of tool construction will be conducted before the product release.
- Formal safety review based on the requirements of International Organization of Standardization (ISO) 12100: 2010 for the 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.

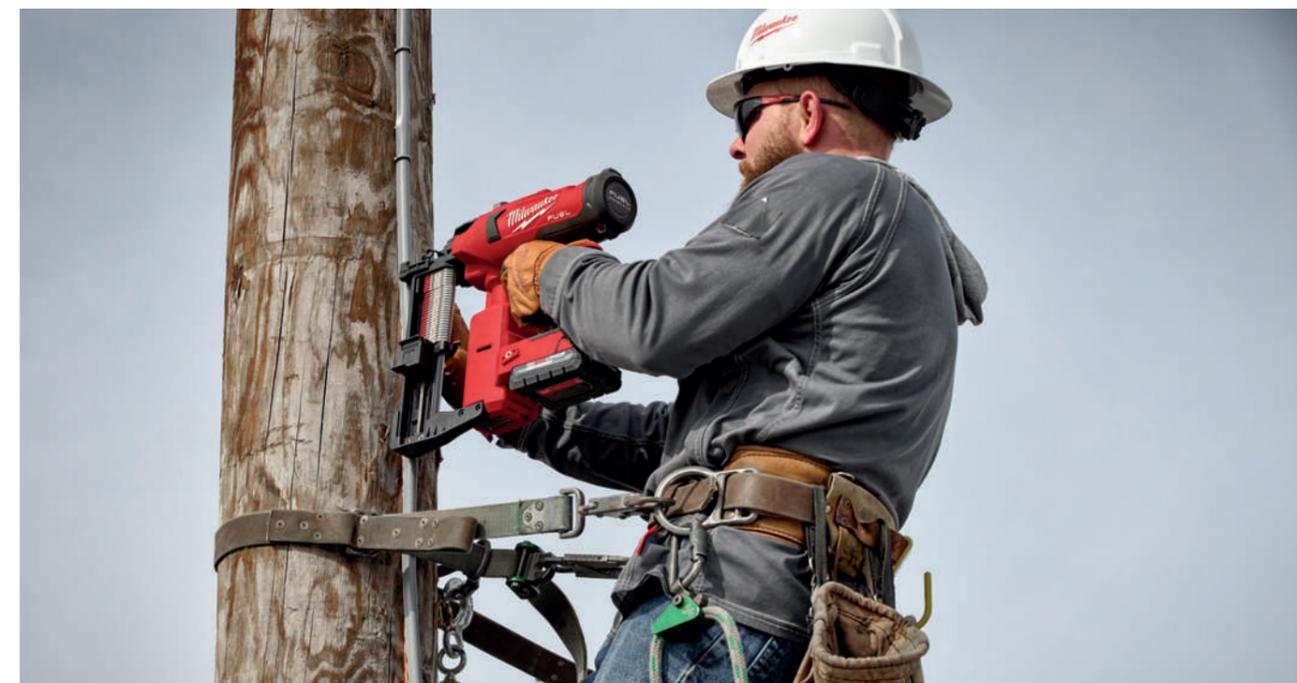
TTI complies with all relevant industry standards and regulatory requirements for our products worldwide. Appendix A of the

HKEX ESG Reporting Guide Content Index provides a list of regulatory requirements concerning health and safety, advertising, labeling, and privacy matters for products that may significantly impact our operations and performance. We actively monitor social media and online sales channels for customer feedback, recording and analyzing comments and complaints. We address these requests, whether they relate to design improvements or more in-depth technical training for end-users. In 2023, there were no material product or service related complaints that warranted any further action other than the recalls listed below. Our product warranty policy further ensures customer satisfaction with a positive post-purchase experience. Our product safety measures also include pollution management for manufacturing and reducing exposure to harmful emissions and noise for end-users.

### PRODUCT SAFETY MANAGEMENT

- In 2023, we initiated two recalls. The first recall was for approximately 668 units of an AEG 58V battery sold in Australia and the second was for approximately 6,200 units of an ORECK upright vacuum. We conducted comprehensive investigations into the primary cause of each matter and took swift corrective action to restore trust in our brands and safeguard consumer well-being. No other products were affected.

- There were no violations of labeling or advertising regulations reported in 2023. 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 brands were staffed accordingly.
  - » 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 personal protective equipment (PPE) to keep people safe on job sites.
  - » Ensure global alignment and collaboration of our safety teams.





### Circular Economy Model

TTI places a high value on durability in our product designs and how it impacts our value chain. We look to incorporate circularity models into our business. A circular economy is a systematic economic model designed to restore and regenerate used products through R&D, raw material sourcing, manufacturing, distribution, retail, use, and end-of-life.

#### REPAIRING

We have repair and servicing centers established across all markets in our value chain, extending the usage of our products without compromising on quality. In the process, we harvest parts from previously owned tools and use those components for repairing and servicing products when possible.

#### REFURBISHING

Our refurbishing process helps to increase the lifespan of our products, thereby reducing waste and our environmental impact. A number of the renewed items are offered for sale with a one-year warranty through our 40 Direct Tool Factory Outlet (DTFO) stores in North America.

To ensure consumers receive high-quality refurbished products, every component, from batteries to chargers, undergoes a thorough inspection. After passing inspection, our skilled technicians use factory-supplied components and refurbished replacement parts to complete repairs. In addition, rigorous testing is conducted to ensure that all standards are met.

# 782

Recycled lithium-ion batteries (tonnes)

# 40

Total DTFO Stores

# 2

New DTFO stores opened in 2023

# 300,000+

Tools Refurbished Annually for DTFO stores

### RYOBI Rapid Repair

In 2023, we launched our 10,000-square-foot RYOBI Rapid Repair center in South Carolina. This new RYOBI Rapid Repair program represents a transformative in-house repair system for our RYOBI tools. We serviced 2,778 tools with RYOBI Rapid Repair since its opening.

The process starts with customers registering their tools and creating a service request online. Next, they receive shipping labels via email. They then drop off their tools, which are dispatched to our facility for repair. Once received, our skilled technicians repair the tools and send them back out to customers.

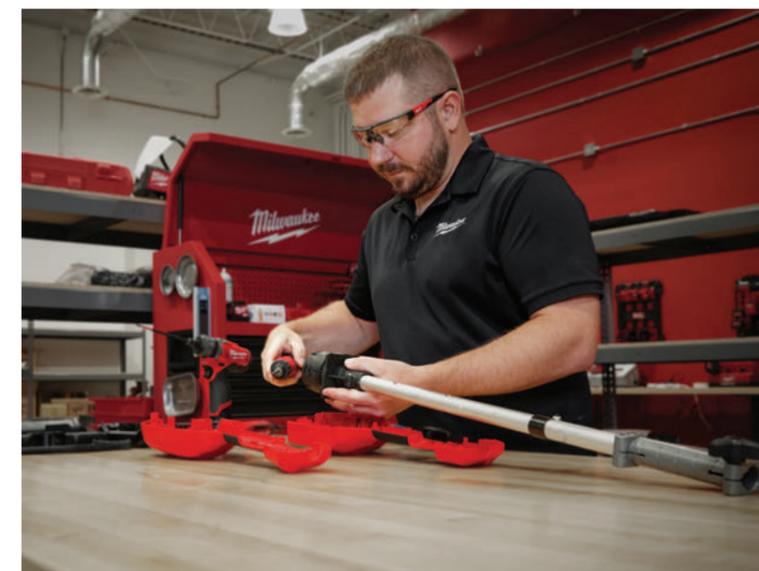
This internally managed repair program provides customers with real-time status updates including label creation, system scanning, tech evaluation, and repair completion. RYOBI Rapid Repair offers a 14-business-day turnaround time, enhanced transparency for quality control, and opportunities for refining our customer service. The launch of this program has been revolutionary for our RYOBI end-users creating a seamless process for product repairs while simultaneously enhancing our circular economy model.



### MILWAUKEE E-Service

MILWAUKEE eService is a cutting-edge digital platform designed to streamline the tool repair process, providing a 24/7 solution for quick and convenient service. Customers gain access to service with fast turn times through free FedEx shipping to MILWAUKEE repair facilities. The functionality of the eService platform is straightforward and user-friendly. After creating an account, customers log in and input relevant product and user details. Once validated, a shipping label is generated, enabling customers to package and drop off their tools hassle-free at one of over 8,000 authorized FedEx shipping centers nationwide. MILWAUKEE's factory trained technicians repair products with genuine MILWAUKEE parts and ship them back to the desired location within 7-10 business days. Launched in 2009, the MILWAUKEE eService ensures prompt repairs, whether products are under warranty or not.

Emphasizing sustainability, this platform empowers customers to extend the lifespan of their products, minimizing the need for premature tool disposal.



### Battery Recycling

TTI has been actively implementing recycling initiatives since 1994 to retain the material value of lithium-ion batteries at their end of life. Doing so reduces the extraction and consumption of raw materials in our supply chain. Our recycling process follows all legal requirements and meets environmental, health, and safety standards. Moreover, we have partnered with reputable battery recycling organizations like Call2Recycle in North America, Envirostream in Australia and New Zealand (ANZ), and GRS Batterien in Europe to support our recycling efforts.

The recycling process involves first breaking down battery packs into their various components and chemistries. The cylindrical metal components are reused in steel and stainless-steel products, while lithium-ion, cobalt, and other materials are utilized in manufacturing new battery chemistries.

#### CALL2RECYCLE

TTI has been collaborating with Call2Recycle for more than two decades to establish an impressive network of over 16,000 collection sites across North America, ranging from local household hazardous waste sites to national retailers. These designated collection points enable consumers to drop off their batteries for recycling. In collaboration with Call2Recycle, we have implemented several recycling programs. These initiatives include issuing battery safety and recycling guides, providing a video on safe battery disposal, creating infographics that illustrate the positive impact of battery recycling over the years, and developing an 'at-home' recycling kit for online battery purchases through retailers. Our 2023 partnership resulted in the collection and recycling of over 415 tonnes of batteries. We remained a steward in good standing with Call2Recycle for our RYOBI, MILWAUKEE, RIDGID, HART, DIRT DEVIL, HOOVER, and ORECK brands. TTI pays stewardship fees to Call2Recycle based on North American battery and battery product sales.

MILWAUKEE has been recognized as one of the top 100 leaders in sustainability for its outstanding contribution to the Call2Recycle battery collection and recycling program. Our MILWAUKEE BU diverted over 145 tonnes of batteries through this initiative in 2023, nearly a 27% increase from the prior year. Moreover, they provided an efficient 'at-home' battery recycling solution by sending 1,398 recycling kits directly to customers. These battery recycling efforts are a crucial part of MILWAUKEE's circularity program.



95%

of materials are recyclable in lithium-ion rechargeable battery cells

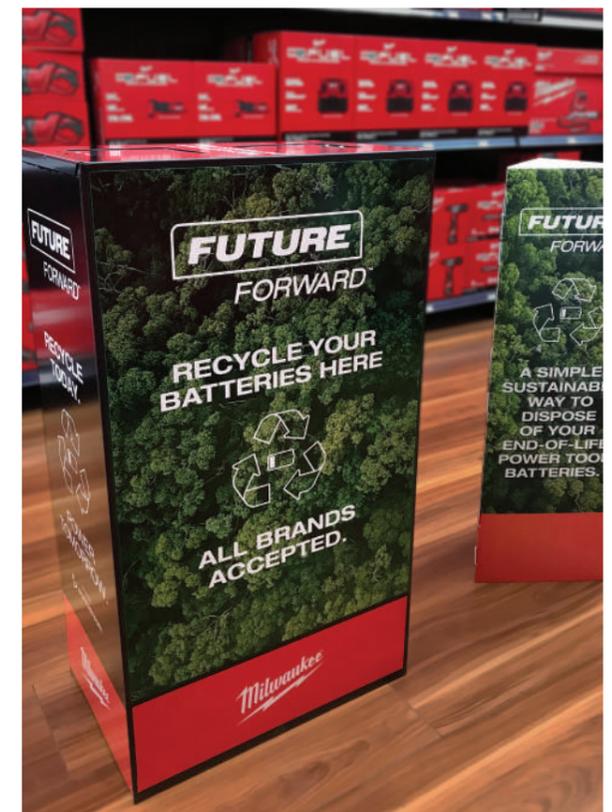
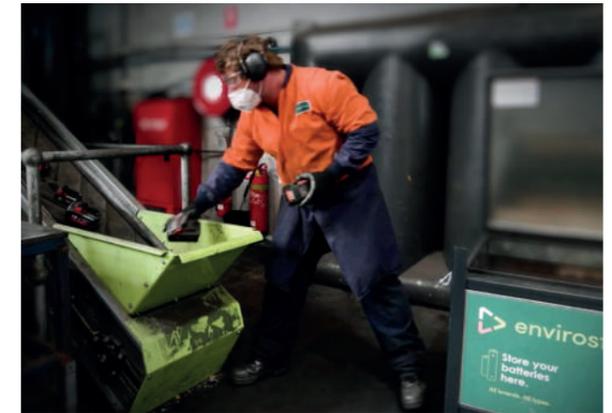


In ANZ, MILWAUKEE's partnership with local recycling partner, Envirostream, continues to boost the company's sustainability initiative, FUTURE FORWARD. This initiative goes beyond typical battery recycling efforts by including a targeted campaign that leverages our MILWAUKEE brand and promotes responsible practices as a core value.

Envirostream has taken a proactive step towards safeguarding the environment by establishing a responsibly managed lithium-ion battery recycling facility in Australia.

Through our MILWAUKEE ANZ partnership, we were able to send 45 tonnes of batteries to Envirostream in 2023 for recycling use. Looking ahead, the FUTURE FORWARD team plans to customize the marketing and communications strategy to target various different market segments. The ultimate objective of the campaign is to fully integrate FUTURE FORWARD into our MILWAUKEE brand and establish battery recycling as a core value proposition for our users.

*MILWAUKEE recognized as Top 100 Leader in Sustainability for Battery Recycling Efforts*



# ENVIRONMENT

**MATERIAL TOPICS**

P.54 Climate Change

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P.64 Resources, Materials, and Waste

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*Empowering a sustainable future by reducing our environmental impact through responsible business practices and innovative products*

ENVIRONMENT

# Environmental Management

Our approach centers on reducing carbon emissions, enhancing energy efficiency, and responsibly handling waste to limit our environmental impact.

Our strategy is intricately linked to our commitment to address our impact on the environment. Driven by our active decarbonization plan, we have implemented initiatives to reduce our carbon footprint, including green energy procurement projects and the implementation of solar panels.

To proactively address climate-related challenges our company faces, we have conducted a Climate Risk Analysis. This analysis helps ensure financial stability and provides insights into risk management, enabling us to create a strategic planning process.

We carefully monitor the use of natural capital. Our comprehensive waste and material management systems help us to reduce our usage and include our responsible handling of chemicals and toxic waste.



*Preserving our planet is essential for safeguarding our communities and our enterprise.*

TTI is dedicated not only to manufacturing responsible products, but also to overseeing our utilization of natural resources throughout our global operations and value chain. This is achieved by preserving resources, optimizing efficiency, and prioritizing innovation in all our activities.

### Environmental Management

Incorporating a sound environmental strategy into our business operations begins with having effective management systems in place. Our manufacturing facilities implement comprehensive quality management systems (QMS) and environmental management systems (EMS) that adhere to ISO 9001 and ISO 14001, respectively. To ensure a synchronized approach to continual improvement across all our BUs, we have established guidelines, procedures, and accountability structures. An example is the environmental policy we've instituted at our site in the People's Republic of China (PRC), which serves as a blueprint for strengthening environmental management practices, reinforcing EMS protocols, and ensuring compliance with pertinent environmental protection laws and regulations.

Our environmental management strategy is driven by our ESG Executive Committee with oversight by our audit committee reporting to our Board of Directors (the "Board"). The committee regularly meets to review our short, medium, and long-term sustainability strategies. The Committee, the Environmental, Health, and Safety (EHS) team, and the BU leaders are all tasked with identifying and providing the resources needed for implementing EMS across all of our operations. They also actively oversee, evaluate, and ensure the progression of these systems, while outlining the roles and responsibilities of each department to drive continual performance enhancement. In addition, our ESG Working Committee, global EHS teams, and EMS committee are tasked with fostering environmental awareness among all associates. More information on our environmental committee can be found in the Governance section of this Report on p.100.

- **ESG Benchmarking Award (Silver)** – TTI received the ESG Benchmarking Award (Silver) from the Institute of ESG and Benchmark, for remarkable sustainable achievements
- **ESG Achievement Award** – TTI has been awarded the ESG Achievement Award by Master Insight Media for outstanding sustainability efforts over the past year
- **Honored by AmCham** – TTI Vietnam was honored by the American Chamber of Commerce in Vietnam (AmCham) for integrated ESG as part of long-term business strategy

### Waste Target

Achieve a 90% waste-diverted-from-landfill rate by 2030

### TVA Green Energy Deal

Increased total renewable energy procurement to nearly 60,000,000 kWh/yr

### Solar Panels installation

Finished phase one of our solar panels installation project at our Asia Industrial Park facility

## Environmental Manual

TTI's Environmental Manual is fully compliant with the ISO 14001:2015 standards, ensuring that all requirements, including legal obligations, are met. The manual includes our process for establishing and assessing environmental objectives, targets, and our Safety and Responsibility Policy. This policy includes quality system assurance (QSA) and EHS functions. It is periodically reviewed and updated to reflect evolving environmental, health and safety management guidelines. In addition to the Environmental Manual, we are also guided by several Standard Operating Procedures (SOPs). These SOPs are formulated to provide clear protocols for adhering to relevant legal mandates. All associates, including part-time staff, contractors, and suppliers, receive training on how to meet the quality, health, safety and environmental requirements outlined in the manual and the SOPs.

## Managing Our Impact

During this reporting year, all relevant compliance requirements were met across our global operations. For a comprehensive list of legal and regulatory obligations that have the potential to significantly affect our operations and performance, please refer to Appendix A of the HKEX ESG Reporting Guide Content Index. Strengthening the measurement and assessment of our environmental impact remains a top priority. Detailed data on our progress can be found in the Performance Metrics on p.114 of this Report.

Our commitment to transparency regarding our environmental impacts and strategies for action is demonstrated by annually disclosing through the CDP. In 2023, we improved our score to a "B" on our 2023 Climate Change CDP Questionnaire, placing us in the Management band for "taking coordinated action on climate issues." This score surpasses regional, sector, and global average scores. Additionally, we received a "B-" on our 2023 Water Security questionnaire. As we continue on our path towards our environmental targets, we will strive to implement best practices in our business within ESG where feasible, as evidenced by our continuous improvement in CDP standards. Furthermore, CDP recognizes us as an Enhanced Disclosure Supporter for 2023.

## Standard Operating Procedures

- **Chemical Management** – outlines requirements to ensure the effective transport, storage and use to prevent the accidental release of chemicals, fire or explosions
- **Waste Collection & 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 Program, Work-Related Injuries** – comprises documented EHS objectives, targets and programs to achieve our commitment to pollution prevention and continual improvement
- **Emergency Preparedness & 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.68.



Any stakeholders with concerns regarding our environmental practices are strongly encouraged to utilize the reporting mechanisms outlined in the Ethics and Integrity section of this Report. Furthermore, our Global Investor Relations team is available to address any investor inquiries.



## Key Environmental Priorities

Throughout 2023, our primary focus was on launching the next phase of our journey towards decarbonization. Over the course of the year, we actively engaged in a series of green energy agreements, demonstrating our commitment to achieving our 2030 Scope 1 and Scope 2 reduction targets, as well as continuing to map our Scope 3 categories. We also established a waste target to demonstrate our commitment and further advance our goals to reduce waste generated from our operations.

## Decarbonization

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

## Waste

Our global target is to achieve a 90% waste-diverted-from-landfill rate by 2030.

## Water

We strive to have a progressive decline in our absolute water withdrawal year after year. To achieve this, we monitor and develop ways to conserve water throughout our different operations, especially in areas where water is scarce.

# Our Path to Decarbonization

In line with the Paris Agreement's objective to limit global warming to 1.5 degrees Celsius, above pre-industrial levels, TTI has set out to reduce our GHG emissions. To achieve this goal, we adhere to standard best practice guidelines and methodologies. This includes making a commitment to the Science-Based Targets initiative, as well as planning out our future steps to bolster our objectives and implement a robust action plan.

## SBTi Update

The Science-Based Targets initiative (SBTi) was established by the Intergovernmental Panel on Climate Change (IPCC) in 2015 to help companies set GHG emission reduction targets in line with climate science and the Paris Agreement goals. In setting these targets, companies commit to take action against climate change, contributing to decarbonization and increasing their competitiveness in the shift to a net-zero economy. On March 24, 2023, TTI officially signed the SBTi commitment letter, joining the ranks of over 1,200 other companies worldwide, who are leading the transition. Our next step is to set incremental targets to demonstrate our alignment with the global shift towards decarbonization.

As an integral part of our decarbonization strategy, we have reviewed our Scope 1 and 2 emissions. Scope 1 emissions encompass those originating from our onsite operations and company-operated vehicles, while Scope 2 emissions result indirectly from the electricity we purchase. We have independently verified our Scope 1 and Scope 2 emissions for 2021, our baseline year, and moving forward, will be verifying these emissions each year.



## Steps in the SBTi process



In 2023, we formulated short, medium, and long-term goals that outline specific measures to achieve a 60% reduction in Scope 1 and 2 GHG emissions by 2030, in comparison to our 2021 baseline. Our primary short-term focus centers on implementing a green energy procurement strategy. In the medium term, our central objective is developing on-site solar energy, which we have already begun to implement in our China operations. Looking ahead, we plan to incorporate onsite renewable energy generation and energy recapture measures.

Currently, we are mapping our Scope 3 emissions and anticipate sharing the results by 2025. Upon completion, we will establish reduction targets for our most material emission categories.

We anticipate reaching our peak Scope 1 and Scope 2 emissions in the medium term as we continue consolidating our globe manufacturing and distribution footprint. Once we cross this peak and complete the consolidation process, we foresee consistent reductions, bringing us closer than ever to our GHG emissions reduction target. Initiatives such as our green energy procurement, fleet decarbonization, and onsite renewable energy implementation are the means behind our efforts to reach our goal.

## GHG Emission Reduction Roadmap

### Short Term Goals

- COMPLETED** Established baseline for 60% reduction target for Scope 1 & 2 by 2030
- COMPLETED** Committed to setting Science-Based Targets initiative (SBTi)

### Medium Term Goals

- IN PROGRESS** Green energy procurement
- IN PROGRESS** Solar Panels implemented across manufacturing locations
- IN PROGRESS** Onsite energy recapture

### Long Term Goal

- NOT STARTED** Fleet Decarbonization

MATERIAL TOPIC

# Climate Change

By evaluating the effects of our business practices on climate change, we can formulate an effective strategy to reduce our environmental impact.



Offsetting GHG emissions, reducing energy consumption, and collaborating with international partners to address our climate change impact.

## GOALS AND TARGETS

- Reduce Scope 1 and 2 GHG emissions by 60% by 2030
- Ensure full compliance with climate-related frameworks and regulations
- Increase renewable energy use

## PROGRESS

- Reduced absolute Scope 1 and Scope 2 emissions
- Decreased Scope 1 and Scope 2 emission intensity
- Continued procuring green energy
- Started installing solar panels at key sites
- 19% of energy is from renewable sources

## VALUE CHAIN

- Suppliers
- Operations
- Customers
- Community

### RISKS

- Not achieving environmental targets and the resulting financial impacts
- Failure to transition to clean, renewable energy sources

- Non-compliance with climate related-frameworks and regulations

- Physical damage to assets from climate-related events that could lead to business disruption

### OPPORTUNITIES

- Implement energy efficiency programs, transition to renewable energy, and implement fleet decarbonization strategy

- Align climate action and disclosure with climate-related frameworks and regulations

- Develop a strategy for operational and supply chain resilience to climate-related physical risk

### RESPONSES

- Conducting energy assessments at all key sites across the Group and establishing an energy reduction action plan
- Implementing Scope 1 and 2 reduction initiatives
- Mapping Scope 3
- Developing plans to address physical and transitional climate-related risks

- Climate action and disclosure training for relevant associates
- Reporting metrics for climate action and compliance with related frameworks and regulations

- Collaborating with industry and NGO partners to address climate action



## How We Are Managing It

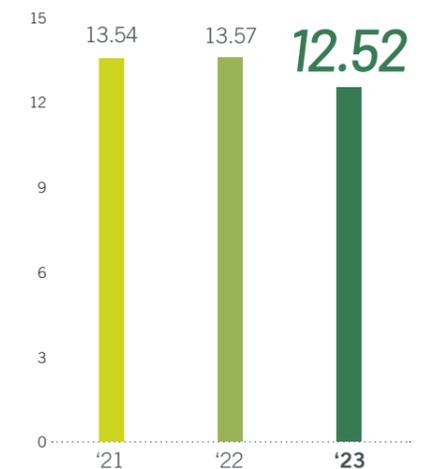
To mitigate the impacts of climate change, it's crucial that we formulate and execute a plan to reduce our carbon emissions. During this reporting period, our Scope 1 and 2 reduction strategies have seen steady progress while we continued mapping our Scope 3 emissions.

Our approach is all-encompassing, and based on research, science, technology, and market conditions. We conduct energy audits at all material Group sites and formulate energy reduction action plans based on our findings. We also have designated plans that address both physical and transitional climate risks. To ensure compliance within our workforce, all relevant associates are trained on climate action and disclosures, while also adhering to the relevant frameworks and regulations of reporting metrics pertaining to climate action.

## Emissions and Energy

Our climate change strategy centers on two fundamental steps: evaluating our carbon footprint and reducing emissions through our operations. This encompasses our manufacturing, transportation, offices, service centers, and value chain, all of which contribute to air and GHG emissions.

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





These emissions arise from fossil fuel combustion, manufacturing, heating, cooling, lighting, vehicle operations, and machinery. Minimal refrigerants, or fluorinated gases, are part of our emissions inventory mainly within our high quality Heating, Ventilation, and Air-Conditioning (HVAC) systems across our facilities.

A crucial step toward emission reduction is optimizing energy efficiency. Enhancing energy efficiency involves proactive upkeep of HVAC and building management systems. We ensure efficient lighting by adjusting levels according to occupancy and natural light availability, employing LED lights, and utilizing energy management systems. Another cornerstone of our energy management approach is the generation and acquisition of renewable energy. Our energy strategy comprises of four key levels:

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

**171,984 tonnes**

Total GHG emissions (Scope 1 and 2) of carbon dioxide equivalent (tCO<sub>2</sub>e)

**-8%**

Reduction of Scope 1 and Scope 2 GHG emissions intensity

**-4%**

Absolute Scope 1 and 2 GHG emissions

▶ KEY INITIATIVES AND UPDATES

- 19% of our overall energy consumed is derived from renewable sources, which represents an absolute increase of 31% from 2022
- Through our internal investigations we have identified potential air pollutants. After assessing the results, we have determined the associated air emissions are not significant, however, we continue to monitor and evaluate them
- Our total energy consumption in 2023 amounted to just under 520,000 mWh. Although this is an increase from 2022, we increased our renewable energy consumption
- This year, we took the following steps across our operations to decrease emissions and improve energy efficiency
  - » Implementing building management systems in the buildings where they were not previously implemented
  - » Implementing energy efficient processes across business operations, such as turning off lights and HVAC systems when not in use
  - » Removing or replacing old equipment with the latest versions to improve energy efficiency and lower overall consumption

Energy Efficiency in Product Development and Manufacturing

Across all our BUs, we follow a comprehensive process for creating a wide array of products, including batteries and chargers, across various brands and product lines. Every developmental phase is accompanied by testing protocols, involving substantial testing periods, sample sizes, and applications. To reduce the energy impact of testing, our test labs have created specialized testing setups using regenerative electronic loads. The regenerative electronic load enables us to recover up to 92% of the energy needed for validating and qualifying these products. We are working on developing additional energy recapture technology for use within our manufacturing processes.

We persistently prioritize the integration of environmental factors into the establishment of new manufacturing facilities. This includes embedding considerations like energy efficiency, adoption of renewable energy sources, promotion of biodiversity, and implementation of water conservation measures into the design and construction processes of buildings, systems, and equipment.

Green Energy Procurement

A significant component of our decarbonization strategy includes our green energy procurement, both on and offsite. We've effectively obtained accredited agreements for green energy to be utilized in Australia, Germany, China, and the U.S., complementing our onsite efforts in green energy procurement. In Australia, four of our sites have transitioned to 100% renewable energy, as certified by GreenPower. All our MILWAUKEE, Wisconsin, sites in the U.S., including our hand tool factory in West Bend, WI are also procuring green energy. As for the BUs not currently utilizing green energy, we plan to implement the following steps:

- Review solar panel installation opportunities
- Switch from standard grid to renewable energy usage
- Review Power Purchase Agreements (PPAs) / Virtual Power Purchase Agreements (VPPAs)

As we progress in our decarbonization and energy management strategy, onsite renewable energy is starting to be utilized across our operations in Europe and the U.S. In addition, we have assessed other offsite renewable energy procurement opportunities such as Power Purchase Agreements, green tariffs, green procurement, and

renewable energy certificates. Concerning onsite energy acquisition in Asia, our AIP BU is installing solar panels across their facilities to optimize energy consumption. The solar panels, covering approximately 60% of the AIP facility, are anticipated to generate 103,171,865 kWh of energy by the year 2027, contributing to a total savings of 309,575,827 kWh over 20 years. Phase one of the installation was completed January 2024, marking a significant step towards sustainable energy practices and resource efficiency.

In 2023, our MILWAUKEE BU in the U.S. furthered their commitment to renewable energy and reducing our emissions by entering a partnership with the Tennessee Valley Authority (TVA) and their “Green Flex Program”. Through this program, MILWAUKEE has been able to increase total renewable energy procurement to nearly 60,000,000 kWh/yr. In 2024, we plan to expand our participation in these programs to two additional facilities in the U.S.

**▶ KEY INITIATIVES AND UPDATES**

Initiatives focused on renewable energy included:

- Procuring green energy across operations in the U.S. and Europe
- Approximately 30% of our overall electricity is generated from green energy sources, representing an increase of 31%



**Energy Audits**

Energy audits are an essential part of our energy management strategy. We have conducted energy audits at our main sites across the globe including PRC, Europe and the Middle East (EMEA), and Central, North, and South America (the Americas). The audits investigated the usage of alternative energy sources and energy-saving opportunities. The results indicated 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. Some of the findings suggested improvements to lighting, HVAC systems, equipment and machinery, process energy consumption, and renewable energy opportunities.

Sourcing renewable energy to power our facilities is an important step towards meeting our emission reduction targets. We continue to engage with our trusted utility partners to explore options to procure clean electricity for our operations.

**▶ KEY INITIATIVES AND UPDATES**

- In 2023, a routine environmental compliance audit at one of our manufacturing facilities outlined a non-substantive finding in the area of TRI – Form R reporting. This finding was submitted to the EPA using their eDisclosure tool and was immediately corrected. There were no monetary or legal fines that occurred as a result



**Building Standards**

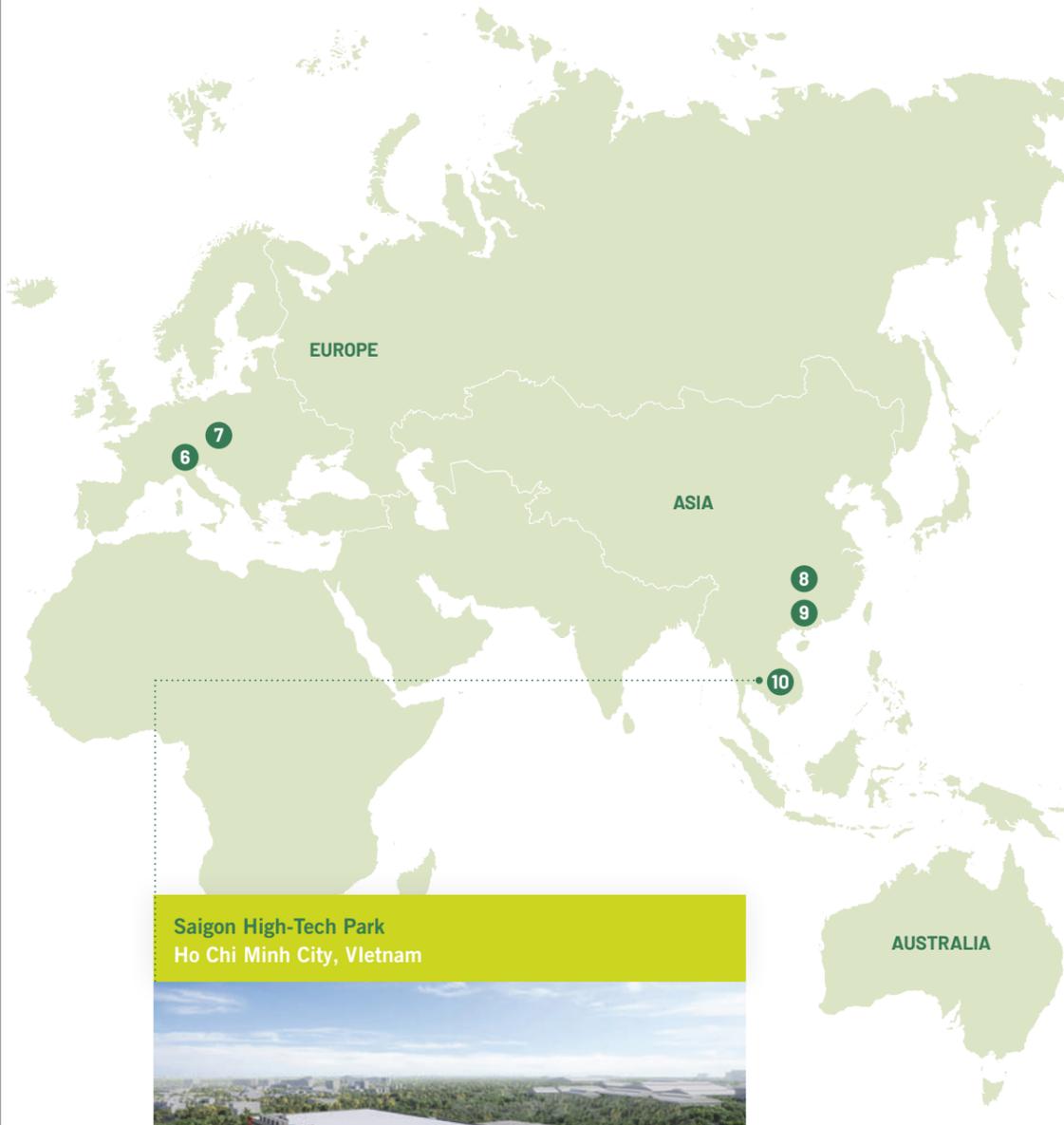
**TTI Canada**  
Toronto, Canada

The TTI Canada HQ office has relocated to a state-of-the-art, environmentally focused building. Qualified as a Class “A” facility, this Center-Corp managed complex features an award-winning office building that is a leader in energy and water conservation, waste reduction, indoor air quality, and operational best practices.

**TTI Floorcare**  
Charlotte, USA

In May 2023, TTI opened our cutting-edge Floorcare Chemicals lab. This facility is responsible for developing our Floorcare cleaning solution formulas. Safety is a top priority in the formulation lab, with a strong emphasis on EHS compliance. Safety measures are implemented through rigorous policy-driven procedures, administrative controls, and PPE. Regular safety audits and pressure testing ensure the integrity of gas systems. Additional safety measures include acid traps for fume hood sinks, CFM alarms, flame cabinets, spill kits, shower/eyewash stations, CO<sub>2</sub> extinguishers, and a Labcup system for precise inventory management, chemical labeling, and tracking.

By formulating concentrated products at our own chemicals lab, we reduce water usage and the weight of shipping materials, effectively lowering our carbon footprint. Our partnerships with sustainable green chemical suppliers enable us to reduce our reliance on petroleum-based ingredients by using renewable biobased raw materials. We are also actively involved in industry-standard committees ensuring our placement at the forefront of green technologies. Overall, the new Floorcare chemicals lab embodies our commitment to innovation, safety, and environmental stewardship in a rapidly evolving industry.



**Saigon High-Tech Park**  
Ho Chi Minh City, Vietnam



- 1 MILWAUKEE**
  - Sun Prairie, Wisconsin, USA
  - Mukwonago, Wisconsin, USA
  - West Bend, Wisconsin, USA

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- 2 MILWAUKEE and TTI FC**
  - Cookeville, Tennessee, USA

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- 3 MILWAUKEE**
  - Jackson, Mississippi, USA
  - Greenwood, Mississippi, USA
  - Grenada, Mississippi, USA

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- 4 MILWAUKEE**
  - Torreon, Coahuila, Mexico

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- 5 TTI PE**
  - Anderson, South Carolina, USA

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- 6 Drebo Germany**
  - Altshausen, Germany

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- 7 TTI CZ**
  - Nyrany, Czech Republic

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- 8 TTI AIP**
  - Dongguan, China

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- 9 TTI Zhuhai**
  - Zhuhai, China

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- 10 TTI Vietnam Manufacturing**
  - Dong Nai Province, Vietnam
  - Binh Duong Province, Vietnam
  - Cu Chi, Vietnam

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- Upcoming Factory (Saigon High-Tech Park)**
  - Ho Chi Minh City, Vietnam



### Building Standards

To enhance our business’s environmental footprint, we have implemented various initiatives, including preventive maintenance and monitoring systems. Our strategies encompass the installation of LED lighting with timers and motion sensors, water use management, efficient chilled water systems, and the utilization of Energy Star low NOx condensing boilers.

Leadership in Energy and Environmental Design (LEED) is a renowned and widely adopted green building rating system that incorporates WELL building standards and various other sustainable building criteria. WELL is a performance-based system for measuring, certifying, and monitoring features of the environment and how they impact human health. Below are a few examples of our building standard certifications and awards our locations have received over the years:

- Fort Lauderdale, Florida, USA
  - » LEED – Gold Level certificates
- Kowloon, Hong Kong
  - » LEED – Gold Level certificates
- Toronto, Canada
  - » BOMA Gold Certificate of Excellence
  - » TOBY Building of the Year
  - » BOMA Best
  - » Energy Star
  - » WiredScore
  - » FitWel certified award
- TTI Vietnam Deutsches Haus Ho Chi Minh
  - » DGNB – Gold Level certificate
  - » LEED – Platinum Level certificate
- TTI Vietnam Saigon Hi-Tech Park Project (SHTP)
  - » LEED – Gold Level Certificate
- Greenville, South Carolina, USA
  - » ENERGY STAR certification from the U.S. Environmental Protection Agency (EPA)

### Diversification

By diversifying and localizing our manufacturing and supply chains, we can effectively reduce GHG emissions and address climate-related risks. This strategy involves sourcing and producing goods closer to their respective markets, which in turn reduces the need for extensive transportation and the associated emissions. This approach allows us to build stronger relationships with emerging markets as we engage with local suppliers. The Group’s largest supplier, along with the five subsequent largest suppliers in terms of the volume of goods and services supplied, accounted for approximately 7.5% and 17.5% of the Group’s total purchases, respectively (excluding purchases of items of a capital nature).

Our objective is to collaborate with business partners globally to elevate environmental and safety standards across our entire value chain. In doing so, we actively contribute to the development of local communities, creating a positive impact on their economies, living conditions, and educational opportunities.

### Climate Risk and Analysis

To gain a comprehensive understanding of the climate-related challenges TTI faces, we conducted a Climate Risk Analysis in 2021. This involved examining both transition and physical risks that could impact critical locations, equipping us with insights into our risk management and strategic planning processes. We adopted best practices for the analysis by collaborating with experts in the field, aligning with HKEX’s “Guidance on Climate Disclosures” (November 2021), and following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

A physical climate risk analysis was conducted on 13 of our key sites across markets in China, Vietnam, and Mexico. This examination involved modeling the potential consequences of eight acute and chronic physical risks within the framework of three distinct climate scenarios. A map of our key manufacturing sites can be found on p.60-61. In the near future, we plan to conduct a Climate Risk Analysis across all of our other manufacturing and distribution sites.

### CLIMATE RISK ANALYSIS RESULTS

TTI carried out financial analyses at both the portfolio and asset levels to assess potential financial losses resulting from physical asset damage and possible business interruptions (i.e., operational losses). We ranked and prioritized markets and specific assets based on their financial Climate-Value-at-Risk (CVaR) to us. Our initial analysis revealed that within the identified portfolio, we face the highest exposure to acute climate events like typhoons, storm surges, and flooding caused by rainfall and river expansion. Consequently, chronic events like extreme heat could also impact us.

A transition risk analysis assesses the risks and opportunities associated with the shift toward a low-carbon economy. This analysis was conducted under the following climate scenarios published by the International Energy Agency (IEA):

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

Government policies, the economy, and technology trends were reviewed to identify a list of transition risks and opportunities.

They were further prioritized according to their impacts on our business, and operations and are as follows:

- Market and reputation – Increased demand for energy-efficient products, electrification, and switching to low-carbon sources
  - » Higher energy prices will drive demand for efficient products
  - » Households will be less reliant on oil and gas to meet their energy needs
  - » We see this risk as an opportunity to gain a greater reputation and market share while meeting customers’ expectations
- 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 could increase the expenditure for compliance or investments needed for increasing the energy needed in our operations
  - » We have plans to re-engage experts to conduct a physical and transition risk analysis on all our key sites by 2025



MATERIAL TOPIC

# Resources, Materials, and Waste

Responsibly utilizing resources and materials while effectively handling waste within our operations and our communities.



Enhancing the management of our resources, materials, and waste through the adoption of circular economy strategies is vital for promoting responsible consumption and production.

## GOALS AND TARGETS

- Ensure the responsible consumption of resources across our business
- Implement programs for biodiversity protection and restoration
- Achieve a 90% waste-diverted-from-landfill rate by 2030

## PROGRESS

- Waste-diverted-from-landfill rate at 85%
- Expanded partnership with Tree Nation
- Material management programs and facility development plans that consider biodiversity impacts

## VALUE CHAIN



Suppliers



Operations



Customers

### RISKS

- Resource scarcity leading to high commodity pricing and sourcing difficulties

### OPPORTUNITIES

- Adopt measures to reduce the use of scarce resources and apply circular business models focused on recycling materials, harvesting parts and refurbishment

### RESPONSES

- Water reduction target, initiatives, and audits
- Responsible raw materials procurement initiatives and partnership

- Pollution and subsequent reputational damage from mismanagement of waste and resources

- Adopt a circular approach to resources and waste through technological advances

- Waste management initiatives and training across the value chain
- Expansion of our repair and refurbishment program
- Waste-diverted-from-landfill target of 90% by 2030

- Environmental and ecological impact, including ecosystem degradation and species loss from processes in the value chain

- Contribute to biodiversity restoration through partnerships with NGOs

- Monitoring of biodiversity impacts
- Partnerships with environmental NGOs



## How We Are Managing It

Our business relies on a range of both renewable and non-renewable resources from natural ecosystems. To uphold our commitment to safeguarding these ecosystems, we prioritize reducing our resource consumption, practicing responsible material utilization, and maintaining effective waste management. Within our organization, research and development initiatives that emphasize the development of environmentally conscious practices take precedence. We consistently evaluate cutting-edge technologies, equipment, and systems to conserve, recover, and reuse resources across our operations. We also monitor biodiversity impacts through routine audits, NGO partnerships, and procuring raw materials responsibly.

We have developed a waste target and are committed to making substantial progress towards achieving our objective through conducting audits, implementing training programs, and establishing initiatives. One waste related initiative we have been working to expand is our repair and refurbishment programs.

In 2023, we established our RYOBI Rapid Repair program allowing RYOBI end-users to repair damaged items directly and conveniently. For more information on our RYOBI Rapid Repair program please see page 43.

Quarterly meetings are held to discuss circular economy-related efforts within the organization. These gatherings provide a frequent opportunity for cross-functional collaborations, updates, and open discussions regarding the incorporation of circular economy solutions into our product design and operations. These meetings also encourage innovative methods to enhance waste management processes.

## Natural Capital – Water and Biodiversity

Water is a key natural resource that we utilize for our business operations; however, our business does not rely on large amounts of fresh, recycled, brackish, and/or produced water. After internally evaluating our water usage, we've concluded that it mainly derives from our manufacturing processes for cooling and WASH (water, sanitation, and hygiene) and does not have a significant effect on our surrounding communities, business model, strategy, or financial planning.

Although our manufacturing process does not require large quantities of freshwater, we are aware of the indirect use of this water and its impact on our communities and our business. We maintain an ongoing process of assessing our nature-related dependencies, impacts, risks, and opportunities. We do not anticipate an increase in the reliance on quality freshwater in our direct and indirect operations in the future.

We exclusively source all our water from local municipal sources, ensuring strict adherence to local regulations governing water withdrawal and wastewater discharge. Most of our water activity is measured and monitored at all of TTI's applicable facilities. We measure and record monthly through on-site meters or usage data provided by vendors through our ESG reporting software.

Less than 10% of TTI's water usage is drawn from water-stressed areas. Our Water Pollution Management SOP serves as a crucial tool for outlining our wastewater discharge and treatment practices within the organization. This aligns with our dedication to meet discharge standards, preserve and enhance environmental quality, and comply with the environmental laws and regulations of the state or local government.

Across our global practices, we utilize recycled water for various functions. We regularly conduct routine examinations to detect any water leakages within underground pipelines and implement motion/time sensors on our washbasins.

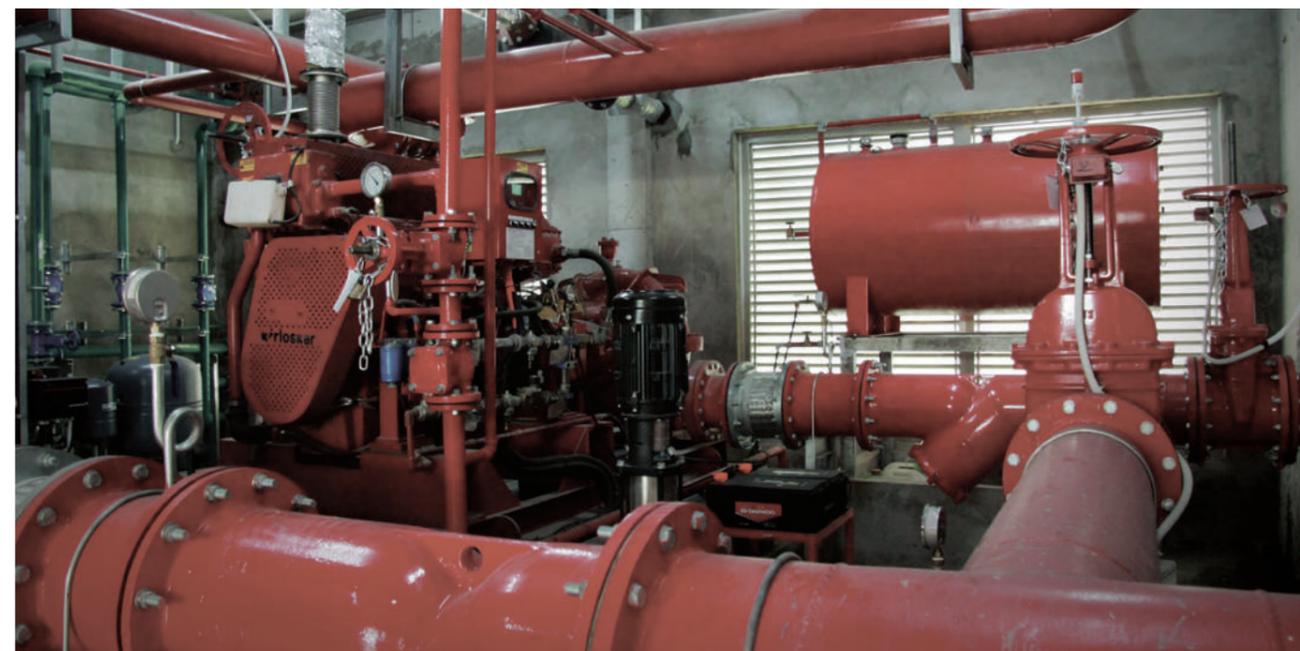
Depending on its specific geographic location, each BU uses its own distinct methods to promote water conservation. Our recycled water infrastructure is only available for our locations in the state of Victoria, Australia where we currently have two sites: Dandenong and Mount Waverly. As our network of sites expands, we will continue to adopt recycled water procedures where applicable.

### Biodiversity

In addition to our efforts to conserve water, we are dedicated to safeguarding the broader ecosystems that play a crucial role in maintaining air, water, and soil quality, as well as promoting species and habitat diversity.

This year, we continued to address our biodiversity impacts through various programs and collaborations. We continued partnerships with organizations such as the Responsible Minerals Initiative (RMI) and the Responsible Business Alliance (RBA), both dedicated to promoting sustainable mineral and metal procurement practices across multiple industries.

Our individual sites are engaged in initiatives that protect our natural ecosystems and offset carbon emissions. In 2022, our Dubai-based MILWAUKEE team partnered with Tree Nation to plant two trees every month at a certified forest in Madagascar to offset some of the CO<sub>2</sub> emissions generated by the local office. Furthermore, every time an end-user purchased a product from our MILWAUKEE MX FUEL range across the surrounding regions, the company planted an additional 100 trees. In 2023, we continued our partnership with Tree Nation planting a total of 11,495 trees, offsetting more than 948 tCO<sub>2</sub> emissions and exceeding our target of 10,000 trees planted.



# 169,591m<sup>3</sup>

Total Water Consumption in 2023

# -12%

Absolute withdrawal decrease from the previous year

# ZERO

Incidents of non-compliance with water management regulations

### ▶ KEY INITIATIVES AND UPDATES

- In the reporting period, there were no incidents of non-compliance with water management regulations across our operations
- Total water withdrawal amounted to 1,404,439m<sup>3</sup>, a decrease of 12%
- Total water discharge produced amounted to 1,234,848m<sup>3</sup>, a decrease of 4%, when compared to 2022
- Consumption of recycled water was 186,884m<sup>3</sup>, lower than previous years due to the removal of recycling equipment onsite

### Water Consumption in 2023



■ America  
■ ANZ  
■ Asia  
■ EMEA



■ Manufacturing  
■ Distribution  
■ Offices  
■ Service Centers



## Chemicals

As with all other materials, our objective is to reduce the presence of chemicals and hazardous substances within our value chain. We achieve this by adhering to stringent industry regulations, which influence our internal policies. Our Chemical Management SOP outlines the specific roles of different departments in ensuring the safe handling of chemicals. This includes the purchasing, transportation, storage, and usage of hazardous and non-hazardous substances. It also covers emergency response in the event of a leakage, contamination, or fire, as well as information on data sheets, regulations, and procedure documents.

At TTI, we are dedicated to complying with industry standards, including Registration, Evaluation, and Authorization of Chemicals (REACH), a regulation of the European Union (EU) that addresses the production and use of chemical substances as well as their potential impacts on human and environmental health. It mandates that all companies manufacturing or importing chemical substances into the EU in quantities exceeding one tonne per year must register these substances with the European Chemicals Agency (ECHA).

We also follow the regulations of the Restriction of Hazardous Substances (RoHS) in Europe and various parts of Asia, as well as complying with the Toxic Substances Control Act (TSCA), and the US EPA Clean Air Act. Our production processes avoid the use of REACH's substances identified as high concern wherever possible, and verification testing for RoHS substances is conducted by our in-house laboratories. We report and monitor any REACH substances under the Substances of Concern In Products (SCIP) database.

85%

Waste Diverted from Landfill Rate in 2023

+4%

Waste Recycled in 2023

## MILWAUKEE Torreon, Mexico awarded the Responsible Hazardous and Non-Hazardous Waste Management of the Year Award

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. All our test reports are systematically maintained in a database.

### Waste

To achieve our long-term goal of reducing the overall volume of waste generated through our operations, we have set a target to achieve a 90% waste-diverted-from-landfill target by 2030.

In pursuit of this target, we collaborate with diverse waste management partners across various markets to ensure the safe collection and disposal of hazardous waste. These facilities offer recycling and appropriate disposal solutions for both hazardous and non-hazardous waste. Associates are trained on how to properly handle waste based on the comprehensive waste management guidelines we provide. Those guidelines are outlined in our Waste Collection and Disposal SOP.

This SOP details the recycling treatment procedures for recyclable, non-recyclable, and hazardous waste, including medical waste, ensuring strict adherence to national environmental laws and environmental protection regulations. Our EHS teams bear the responsibility of ensuring that all locations possess the necessary resources to adhere to policies and regulations. We also conduct internal audits of our management processes, which are subject to periodic review by third-party auditors.

### ▶ KEY INITIATIVES AND UPDATES

- We produced 65,327 tonnes of non-hazardous waste and 1,537 tonnes of hazardous waste in 2023
- Our absolute hazardous waste increased by 21%, while non-hazardous waste increased by 4%
- Total waste consumption and intensity increased by 5% and 1%, respectively
- Total recycled waste increased 4% compared to 2022. We continue to assess new ways to reduce the use of hazardous materials and waste overall
- To better manage waste, in 2023 we implemented the following initiatives:
  - » Working with associations to develop content on proper recycling of our products
  - » Implementing programs for recycling, including paper, cardboard, scrap metal, bottles, cans, plastic, oil, wood pallets, lightbulbs, printer cartridges, and food waste
  - » Utilizing electronic filing systems to save paper where possible
  - » Recycling batteries and power tools 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
  - » Partnering with Trex to collect plastic film and plastic waste to be recycled and used in the manufacturing of Trex products
  - » Partnering with National eWaste Alliance (NEWA) and Scipher to process electric waste responsibly
  - » Continued to reduce the use of plastic clamshells and replace with paper packaging

### Material Management

Our R&D teams have devoted considerable time exploring how to integrate sustainable techniques and materials into various stages of our product's life cycle. In the PRC, we dismantle surplus products and items used for reliability testing to assess the components for suitability of reuse or recycling. In line with our circular economy processes, we maintain our partnerships with recyclers that have patented technology to recover valuable materials from products. More information on our circular economy efforts can be found in the Products section of this Report on p.14.

### PACKAGING AND PAPER

We are constantly exploring methods to cut down on our packaging to preserve resources and enhance transportation efficiency. Our packaging primarily consists of paper for various applications like boxes, cartons, and die-cut sheets, as well as plastic materials for polybags, bubble bags, clamshells, and tool bags. We reduce the number of materials used in our packaging by opting for reduced-impact material options. This includes corrugated cardboard, 70% of which is made of recycled paper pulp, honeycomb board, chipboard, paperboard, and/or molded pulp. Through our efforts, we have removed Expanded Polystyrene (EPS) foam from our packaging, reduced packaging material weight, and reduced paper in our manuals by replacing them with one-page information sheets and QR codes that provide access to online information.



*Walmart recognizes our HART brand as a Giga Guru: Key suppliers who meet expectations on pillars of Energy, Nature, Waste, Packaging, Product Use, and Transportation*

### BATTERIES

A key driver behind our success lies in the “network effect” of our battery platform, allowing users to use a single battery to operate all products within the same system. This “network effect” has played an influential role in our ongoing success in our business strategy. Through the design of rechargeable battery packs that are interchangeable within each product network, we have been able to avoid excess consumption, production, and waste. More detail on batteries can be found on p.44.

### ▶ KEY INITIATIVES AND UPDATES

- This reporting period, the total packaging materials used was 236,114 tonnes, out of which 60,808 tonnes were recycled materials
- Packaging measures that resulted in significant environmental benefits as well as cost savings for our business in 2023 included:
  - » Reducing product packaging size, replacing materials with environmentally responsible alternatives, and increasing the shipping capacity of products
  - » Using 76% of recycled material for our cardboard
  - » Minimizing printed manuals in our RYOBI product packaging, saving 111 MtCO<sub>2</sub>e and 43 Mt of paper annually

# SOCIAL & COMMUNITY

**MATERIAL TOPICS**

P.80 Empowering People

P.86 Health, Safety, and Well-being

P.90 Community Investment and Engagement

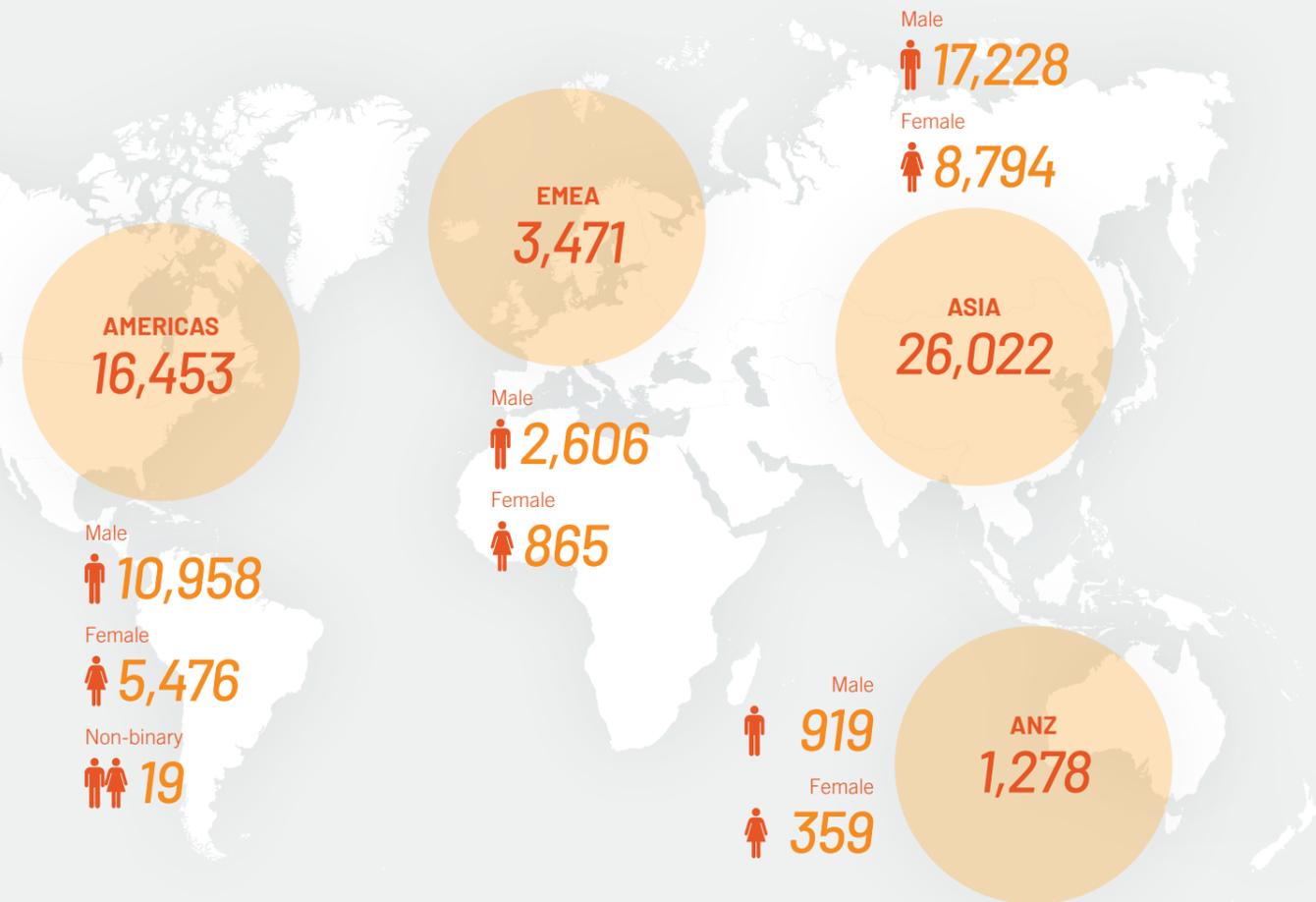


*Empowering exceptional people to foster business excellence and uplift our communities*

SOCIAL & COMMUNITY

# Our People

We recruit, develop, and promote exceptional people across the globe who grow our business and give back to our communities.



Many of our BUs have been honored with awards acknowledging our organizations' exceptional commitment to excellence in human resource practices and employee empowerment.



TTI empowers our exceptional people to grow and develop with our business and cultivate a work environment that is productive, fair, inclusive, and safe for our associates, all while actively supporting our local communities. In 2023, our global workforce comprised of 47,224 individuals.

Respect for human rights is the standard expected conduct across our global operations. 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 associates, as well as the suppliers we engage, have zero tolerance for any such practice. This commitment is ingrained in our core values.

We adhere to international, national, state, and local employment regulations and fundamental labor standards to ensure equitable treatment for all our associates. This includes monitoring factors such as working age, working hours and permits across our various markets and supply chains. These measures are introduced to both new hires and existing associates through targeted communication and training initiatives. We consistently update our TTI Code of Ethics and Business Conduct (CoC), employee handbook, and training materials to keep all associates well-informed about our 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 reduce 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 our operations and performance, can be found in Appendix A of the HKEX ESG Reporting Guide Content Index on [our website](#).

Throughout all tiers of our organization, we support the needs of associates and encourage them to strive for excellence. While compensation and employee benefits may vary depending on the specific business unit, we have universal programs in place to ensure our associates are treated justly and rewarded for their performance.

Beyond our dedication to employee well-being, we are firmly committed to actively advancing inclusive prosperity for society as a whole. Our holistic approach to addressing all social dimensions of our business encompasses advocating for human and labor rights, diversity and inclusion, talent management and engagement, health, safety, and wellness, as well as community involvement and engagement. The ESG Executive Committee and ESG Working Committee are responsible for evaluating our policies and initiatives in all these areas and overseeing the effectiveness of our management approach, updating it as needed. More information on these committees can be found on p.100.

## Maintain

Work-related injuries rate below 1.0

## Decreased

Work-related & high consequence injuries rates

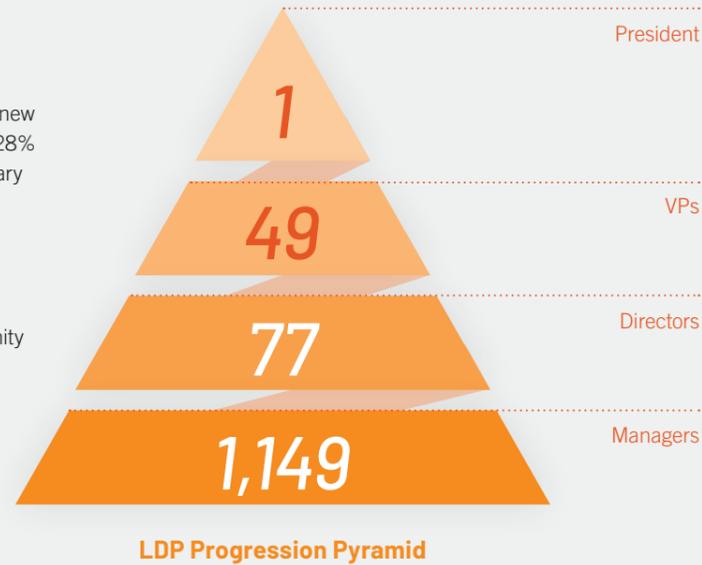
## US\$1.0 Million

Cash donations

# Leadership Development Program

Our strong commitment to creating a multicultural, diverse, and inclusive workforce is exemplified by our investment in the development of exceptional people. In 2023, we welcomed 1,338 new associates into our Leadership Development Program (LDP), with 28% of them being female. We provide LDP associates with the necessary tools, resources, and experiences to foster both professional and personal growth, passing down decades of industry knowledge to form the foundation of our innovative workforce.

Our recruitment efforts span over 100 colleges and universities worldwide, and upon graduation, our associates have the opportunity to rotate across various functions, departments, business units, and countries. This rotational strategy equips them with valuable skills and exposure to eventually assume key management roles within our organization.

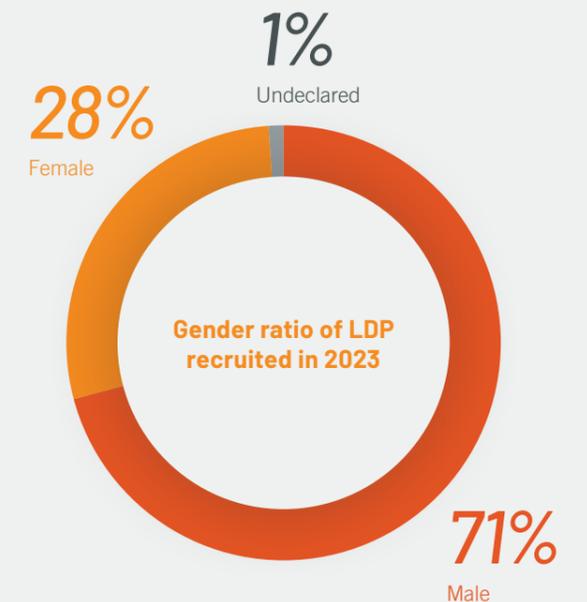


**17**  
Years of nurturing exceptional people

**10,500+**  
LDPs recruited since 2007

**1,338**  
Recruited in 2023

**32%**  
of women in leadership positions in the program



Over the years, our LDP has evolved into specific functions, including but not limited to:

**Sales and Marketing Leadership Program (LDP)**

These associates start off in our entry-level sales and marketing positions where they drive sales for our product lines in one of our strategic retailer partners. Field Sales and Marketing Representatives and Event Marketing Specialists are taught the fundamentals and gain a grassroots perspective of our business by selling in-aisle to customers, inspiring creativity through in-store product demonstrations, negotiating additional merchandising space, and fostering relationships with our strategic partners. We put an emphasis on recruiting individuals who are qualified, determined leaders with the right aptitude to learn quickly and apply their knowledge in future positions within the organization.

**Finance Leadership Development Program (FLDP)**

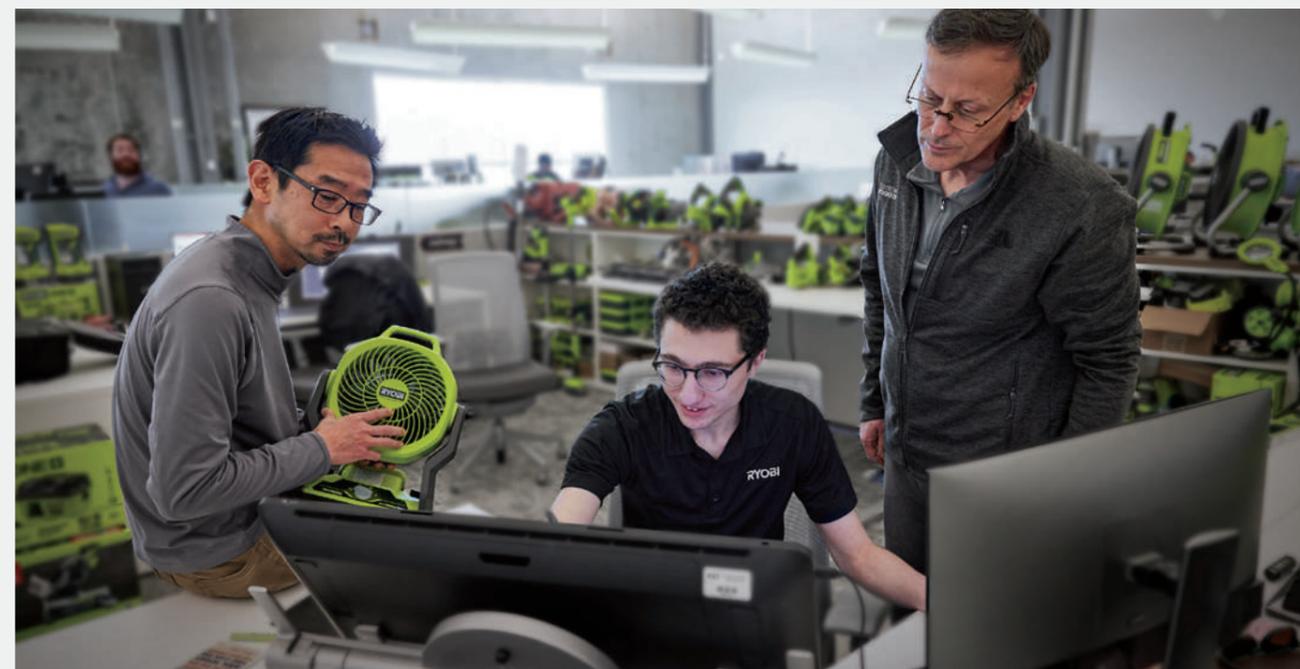
FLDP associates are developed and trained on soft skills and technical skills through a unique and customized curriculum to prepare for their first rotation into our finance and accounting disciplines. FLDP members experience progressively challenging assignments with opportunities to explore operations finance, internal audit, Financial Planning and Analysis (FP&A), commercial finance, and investor relations. This program helps prepare our associates for future high level finance positions across our global facilities.

**Engineering Development Program (EDP)**

MILWAUKEE EDP is where we prepare engineers for the fast-paced work environment. EDP associates have the opportunity to network with a huge cohort of engineers across the company. They also engage directly with our end users to develop new products or improvements to our existing solutions and have access to an application-based learning environment focused on demonstrating practical skills. Along the way, they have the support of an advisory group of engineering leaders to help coach them through challenges and the corporate training team to guide them through the overall experience. This program helps build the technical and professional skills associates need to succeed.

**Operation Development Program (ODP)**

Our ODP associates have the opportunity to learn the inner workings and connectedness of not only manufacturing, but also supply chain, quality, and procurement. All four of these areas are essential in ensuring product flow through to end users in a repeatable, transparent, and efficient manner. The ODP at MILWAUKEE is a two-year rotational program that grooms future operations leaders through four rotations in quality, manufacturing, supply chain, and procurement.



**Legal Leadership Development Program (LLDP)**

The LLDP hires top talent to develop into future leaders in legal, compliance, and intellectual property areas. The program is designed to provide employees with a comprehensive understanding of the legal industry, along with the tools and resources they need to advance their careers and develop their skills. These executives, from various backgrounds, will continue to build a sustainable future for our industry, our customers, and our communities.

**Summer Internships**

Our internship programs are offered at each of our BUs across the globe. Interns are given the choice to explore sales, management, marketing, finance, product development, or operations on their internship journey. Each program offers hands-on experience while providing guidance to develop our interns' leadership skills in real-time. Depending on their graduation date, interns may be invited for full-time employment after graduating or invited back to participate in a second-year summer internship.

For more information on our Leadership Development Program, please visit [ldp.ttigroup.com](http://ldp.ttigroup.com).

MATERIAL TOPIC

# Empowering People

To empower our people to succeed, we promote fair treatment, just labor practices, and equal opportunities throughout our operations and value chain.



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

## GOALS AND TARGETS

- Safeguard human and labor rights
- Attract and retain the best talent
- Promote respect, diversity, and inclusion in the workplace, and surrounding communities
- Over 30% women in management roles

## PROGRESS

- Human rights/modern slavery training for employees
- Increasing the percentage of employees going through training and development programs
- Increasing the number of Diversity and Inclusion (D&I) initiatives and Employee Resource Groups (ERG)
- 24% women in management roles

## VALUE CHAIN



Suppliers



Operations

### RISKS

- Human and labor rights violations and non-compliance with international and local labor laws

### OPPORTUNITIES

- Maintain exceptional workplaces for people to thrive

### RESPONSES

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

- Not having sufficient skilled and experienced human capital to support current business growth

- Retain the best talent

- Professional development opportunities and competitive compensation and benefits packages
- Leadership Development Programs

- Reputational damage for not being a diverse and inclusive employer, impacting productivity and business success

- Benefit from diverse thinking, methods, values, and perspectives

- D&I and equal opportunity training
- D&I committees to champion initiatives



## How We Are Managing It

What distinguishes TTI is our unwavering commitment to empowering our people. This is rooted in our core values of respect, integrity, innovation, teamwork, and empowerment. By providing our associates with a supportive work environment, ongoing training and development opportunities, and a clear path for career advancement, we have created a culture that enables the company and its people to achieve their full potential.

Our compliance hotline, policies, training, and active engagement initiatives for promoting human rights are all factors that help us cultivate an exceptional workplace. Our professional development opportunities, like our Leadership Development Program, and our competitive compensation and benefits packages, also serve as tools to retain our top talent. Through our D&I committees and training initiatives, we foster an environment of diverse thinking, methods, values, and perspectives.

## Human and Labor Rights

Maintaining an unwavering commitment to fair labor practices for our associates is an integral aspect of how we do business. Part of how we achieve this is by following the International Labour Organization's core labor standards and related norms. This includes exceeding all statutory minimum wage laws in each of the countries we operate in. Our remuneration levels and packages are also in line with market conditions at a minimum, which includes a variable performance-based component to pay.

We uphold the principles of freedom of association and collective bargaining in compliance with local regulations within our operations and supply chain. For freedom of association, we recognize the importance of allowing employees the freedom to join or form trade unions or worker associations of their choice without fear of discrimination, harassment, or retaliation. We also recognize collective bargaining principles where we are open to engaging in good faith negotiations with recognized labor unions or worker representatives to establish fair employment agreements. This includes discussions on wages, benefits, working hours, safety protocols, and other crucial aspects of the employment relationship.

## Modern Slavery

Encouraging the reporting of any concerns and addressing alleged violations with the utmost seriousness is our standard practice. We maintain an ongoing process of verification, assessment, and resolution by conducting audits of reported violations. Throughout our value chain, workers have the means to voice their concerns through trade unions and the established channels outlined in our Complaint Resolution Policy and Procedure. Details on our grievance mechanisms can be found in the Ethics and Integrity section of this Report on p.102. 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.108.

Our policy against modern slavery and human trafficking serves as a framework for upholding human and labor rights within our operations and across our supply chain. Both our associates and suppliers bear the responsibility of confirming adherence to this policy, as well as to our CoC and the TTI Business Partner Code of

Conduct (BPCoC). Within these guidelines, we explicitly prohibit human trafficking and the use of forced or illegal child labor. We require all employees and suppliers to read, understand, and acknowledge compliance with our codes and policies. The following are steps we take to verify, evaluate, and address modern slavery and human trafficking, both in our employee and supplier operations:

- Anti-Slavery/Human Trafficking provisions included in our direct supplier contracts
- Modern Slavery and Human Trafficking Risk Assessments
- Site visits and audits for high-risk operations and suppliers
- Corrective Action Plans (CAPs) required for non-conformities uncovered

These policies also stipulate our commitment to avoiding, detecting, and eradicating human trafficking and modern slavery by listing potential red flags concerning work and living conditions, poor health, or abnormal work behavior. These indicators are intended to aid both associates and suppliers in recognizing potential concerns.

## Diversity and Inclusion

As a global company with operations in 40 jurisdictions, we are committed to treating associates fairly and equally and without regard to the following factors: race, ethnicity, sex, gender identity, sexual orientation, color, religion, age, disability, marital status, genetic characteristics, physical or mental disability, national origin, status as a protected veteran, or any other status protected by local, state, or federal law.

Our comprehensive training, both in-person and online, is designed to provide practical, real-life scenarios of discrimination and harassment, equipping our associates with the ability to recognize potential issues and promptly report them. As an equal opportunity employer, we are committed to providing all associates with a work environment of mutual respect. Our CoC clearly outlines our zero-tolerance policy on harassment, discrimination, and retaliation. Details about reporting complaints and remedial measures can be found in the Ethics and Integrity section of this Report.

To promote D&I and encourage our employees to build supportive communities within our organization, we have Employee Resource Groups (ERGs) in place. These ERGs function as inclusive

communities where employees with shared identities can engage in mutual learning, support, and a deep sense of belonging. Our ERGs enhance the experiences of our employees and reinforces the inclusive culture at the core of our organization.

## Diversity and Inclusion (D&I) Committee

TTI's global D&I committee was created in 2019 as an employee-driven initiative to advance diversity within the Company. The committee was first initiated by our MILWAUKEE BU in North America and has grown to include members from all BUs across all regions in the Company. This committee meets quarterly, and with the support of the Human Resources (HR) department they discuss current initiatives, improvement opportunities, collaborations, partnerships, goals and targets.

## Recruiting for Diversity

One of the ways we empower our people is by promoting a diverse and inclusive workplace. Across all sectors of our business, we actively recruit candidates with varied abilities and from different races, genders, and ethnicities.

### ▶ KEY INITIATIVES AND UPDATES

- All relevant associates in sourcing and purchasing departments were trained on human trafficking and modern slavery
  - » 91% of our associates were trained on this issue
- Enforcements to uphold high standards include checking identification cards and drivers' licenses to confirm the age of workers. Doing so ensures young individuals above the legal working age have limited working hours, receive adequate training, and are not exposed to harmful or hazardous working conditions





### Talent Attraction and Engagement

A key strategic driver of our success is our ability to attract and retain top talent. We ensure equal access to professional growth opportunities for all associates, coupled with competitive compensation packages and exceptional employee benefits.

### Employee Benefits

The well-being of our associates is important and reflected in our business practices by ensuring they receive benefits above and beyond what is legally mandated. Each of our BUs places emphasis on providing incentives that are relevant to their local employees. Work From Home (WFH) measures and extended flexibility are made available to employees, depending on their job function. We also offer flex-time schedules for associates, including the option to set their own start and end times within specific limitations, varying based on the job role and BU.

Other benefits available include parental leave beyond mandatory requirements, access to housing finance, fitness and wellness programs, medical insurance, dental insurance, vision insurance, life insurance, disability coverage, savings plans for retirement, as well as flexible spending accounts and long-service awards. Some benefits vary depending on the market, BU, and job function.

### Professional Development

Providing comprehensive professional development opportunities is an integral part of our engagement with permanent and temporary associates and contractors. All associates receive proper and adequate training for the necessary skills and functions needed to excel in their roles beginning on their first day of work. Our Leadership Development Program is a testament to our dedication for developing our associates. More information on our Leadership Development Program can be found on p.76.

As associates grow throughout their roles, performance reviews are conducted to determine training needs and targets. Managers provide feedback on strengths and areas of improvement throughout the year, with overall performance reviewed at a minimum annually. Our contractors and temporary employees also receive appropriate training on our practices and requirements related to their work scope or services provided.

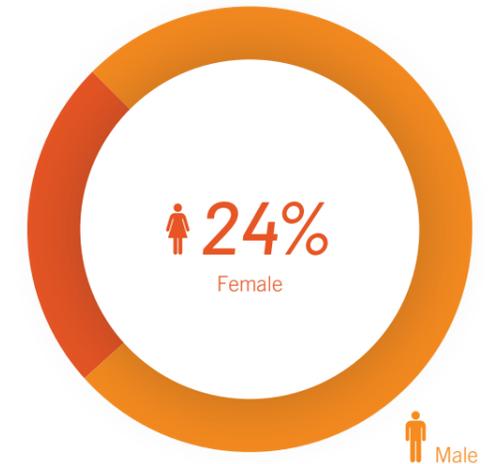
Through our Education Sponsorship Program, we provide financial assistance for employees to participate in various learning opportunities such as coaching, mentorship, seminars, conferences, and continuing education, promoting their professional development and growth. We also sponsor associates who are furthering their education through our tuition reimbursement program. Qualified associates who are seeking Continuing Professional Education (CPE) credits are encouraged to maintain professional certifications via third-party training events.

Our training programs address various topics from compliance, ethics, leadership, and technical skills, to marketing, customer service, well-being, health, and safety. LearnTTI, our internal training system, is used across all our BUs as a tool for training and development. More information on LearnTTI can be found on p.103. LearnTTI includes content on mandatory courses as well as job-specific training such as our “Global Trade Sanction Compliance Training” and our “Anti-Trust and Competition Training”. We also offer Lunch-n-Learn sessions organized by employees or outside speakers to provide development opportunities. Part-time workers and contractors also have access to training on relevant subjects. For more information on training hours, please refer to p.114 in our Performance Metrics.

### ▶ KEY INITIATIVES AND UPDATES

- In 2023, our average hours of training per employee was 13.6. This represents an increase of 13% or almost 2 hours per employee
- Lactation rooms are made available in all necessary facilities for female staff
- Internships and scholarships are available for those furthering their education
- Programs, varying by BU, are available to employees, such as our Family Assistance Program, Not Myself Today Program, Mental Health Practitioner Program, and our EAP

### Women in Management



# 641,499

Total training hours in 2023

# 2,394

Unique courses

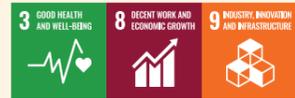
# +13%

Increase of average hours of training per employee

MATERIAL TOPIC

# Health, Safety, and Well-being

We prioritize the health and safety of our employees and promote their well-being within our workplace.



Promoting prosperity for our associates by maintaining fair and safe working environments globally.

## GOALS AND TARGETS

- Maintain healthy and safe workplaces
- Maintain a recordable work-related injuries rate below 1.00
- Promote a positive and healthy lifestyle among employees

## PROGRESS

- Recordable work-related injuries rate at 0.81
- Expanding our wellness offerings for associates

## VALUE CHAIN

- Suppliers
- Operations
- Customers
- Community

### RISKS

- 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

### RESPONSES

- Occupational Health and Safety (OHS) training
- Monitoring of OHS programs by Health, and Safety (H&S) committees
- Alignment with ISO 45001, OHSAS, and EHS certifications

- Physical and mental health issues for employees and the community

- Enhance and support physical and mental wellness of employees

- Expansion of wellness programs including mental health initiatives



## How We Are Managing It

At TTI, our dedication to health, safety, and wellness extends not only to our associates, but also to the communities we serve. We place great importance on promoting the physical and mental well-being of our associates and ensuring their safety at work. This commitment is evident through initiatives like training associates in Occupational Health, and Safety (OHS), monitoring OHS and wellness programs, aligning our OHS management systems to OHSAS 18001/ISO 45001 standards, and extending wellness programs to all associates of TTI.

## Occupational Health and Safety

We are committed to safeguarding the welfare of our associates in the workplace through comprehensive OHS management systems. Our extensive EHS and occupational hazard management procedures are in accordance with all applicable legal mandates. These policies outline our dedication and obligation to identifying risk hazards and setting out procedures to minimize any potential harm to our associates. The policies also encompass guidelines for monitoring health and safety violations and implementing CAPs.

Our safety procedures fall under the responsibilities of our Health, and Safety (H&S) committees. Quarterly meetings are held where dedicated representatives address concerns and take action to enhance working conditions for our employees. As part of this initiative, we provide OHS training to employees across all markets. This ensures that our workers are well-informed about safety protocols, including the proper handling of hazardous materials, as well as first aid, Cardiopulmonary Resuscitation (CPR), and fire-fighting training where applicable.

Aligning with the ISO 45001 and OHSAS 18001 standards provide us with a comprehensive framework for managing occupational health and safety risks, ensuring the well-being of our associates and other stakeholders.

We adhere to several SOPs to standardize the management of any work-related injuries. One example is the Work-Related Injury Handling Instruction guide which offers guidance to employees. Risk assessments and inspections by third-party experts are regularly conducted so any corrective and preventative measures can be implemented in a timely manner. Maintaining the safety of our associates year after year continues to be the main priority within our occupational health and safety efforts.



Various initiatives have been implemented to protect our workers. These initiatives include assessing machinery, equipment, and new products to ensure safety. We also conduct frequent internal inspections to ensure there are no H&S policy breaches and to check that safety equipment, such as eye washing stations and defibrillators, function properly. Furthermore, we conduct departmental, line, and management H&S audits to enhance workplace safety.

Work injuries typically arise among our employees due to: strains caused by manual handling of boxes, cuts, burns, and respiratory ailments from soldering, or chemical exposure. This also includes injuries related to electrical contact, fire, traffic accidents, lumbar discomfort due to long driving hours, or musculoskeletal disorders.

- During this reporting period, there was 1 minor citation of health and safety regulation
  - » TTIPE received a minor citation from OSHA concerning packaged product on pallets preventing safe clearance on the in-dock aisleway where powered industrial trucks were used alongside pedestrians. This matter has been successfully resolved
- In 2022, MILWAUKEE received one OSHA citation at its IMPERIAL BLADE facility in Sun Prairie, WI, relating to operating the press weld machine. A penalty was settled in 2023 for US\$9,245

### ▶ KEY INITIATIVES AND UPDATES

- 94% of employees were trained in workplace safety in 2023
- In 2023, we reduced work-related recordable and high-consequence injuries to 408 and 19, respectively
  - » As a result, 6,116 days were lost due to injury across our global operations
  - » The total number of hours worked in 2023 was 100,279,551
- The rate of recordable work-related injuries is 0.81
- The rate of recordable high consequence work-related injuries is 0.04

### Well-being

TTI remains committed to enhancing the well-being of our employees by offering comprehensive support for their mental and physical health. This commitment extends to promoting healthy lifestyles through various initiatives, such as providing access to gym memberships, offering reimbursements for health and fitness-related activities, improving onsite food choices, and delivering high quality mental health programs. We offer associates workplace flexibility and the ability to telecommute, based on their role. We also offer associates working time reduction, as needed. Some of our wellness offerings throughout our BUs include:

- Onsite fitness classes – yoga, HIIT, and spin
- Team-building events
- Meditation classes
- Family events throughout the year
- Recreational sports teams – basketball, ultimate frisbee, soccer, softball, hockey, pickleball, golf, running, and biking
- Milestone celebration parties
- Employee appreciation events
- Counseling and mental health care
- Fitness reimbursement

94%

of employees were trained in workplace safety in 2023

-10%

reduction in work-related recordable injuries in 2023



MATERIAL TOPIC

# Community Investment and Engagement

To create shared prosperity, enhance trust, and ensure sustained long-term success, we utilize our resources to help develop our communities and promote social equity.



We are actively engaged in contributing to economic well-being, improving education access, promoting good health, advancing equality, and ensuring safe and sustainable living conditions in the communities we operate in.

## GOALS AND TARGETS

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

## PROGRESS

- Maintained cash donations above US\$1.0 million
- Increased our number of community partnerships with organizations like Habitat for Humanity

## VALUE CHAIN



Operations



Community

| RISKS  | OPPORTUNITIES   | RESPONSES  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Reputation of not being engaged in industry initiatives or from not supporting local community needs</li> </ul> | <ul style="list-style-type: none"> <li>• Make a positive impact on the community through volunteering and donations</li> </ul>      | <ul style="list-style-type: none"> <li>• Programs focused on poverty relief, eradicating modern slavery, home-building, and environment/disaster relief</li> </ul> |
| <ul style="list-style-type: none"> <li>• Not meeting expectations of customers and employees</li> </ul>  | <ul style="list-style-type: none"> <li>• Support work of NGOs and establish partnerships</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Partnerships with NGOs that benefit local communities (e.g., Habitat for Humanity)</li> </ul>                             |
| <ul style="list-style-type: none"> <li>• Underdevelopment and stagnation in communities impacting business continuity</li> </ul>                         | <ul style="list-style-type: none"> <li>• Engage associates and customers across our global network in community building</li> </ul> | <ul style="list-style-type: none"> <li>• Internship programs and educational initiatives</li> <li>• Community programs across markets</li> </ul>                   |



## How We Are Managing It

To champion equality and foster growth, TTI actively engages in supporting and investing in our surrounding communities across the globe. Recognizing the uniqueness of each community, we understand that a one-size-fits-all approach does not apply. However, our three core priorities of developing people, developing communities, and preserving the environment serve as our universal guide for our Community Investment and Engagement initiatives.

We have funded numerous community programs focused on poverty relief, eradicating modern slavery, home-building, and environmental/disaster relief. We have formed partnerships with NGOs that benefit local communities such as Habitat for Humanity. We have initiated community programs that focus on educational initiatives and developing the next generation. We consistently encourage our employees to contribute to our volunteering efforts by allowing them to volunteer during paid working hours.

## Developing People

Our investment in people is not just limited to our own team. We actively give back to the communities around us and other parts of the world through charitable activities.

## Developing Communities

Our goal is to use our global reach and ability to foster healthier and happier communities worldwide.

## Preserving the Environment

TTI believes in preserving the environment throughout all aspects of our business.

Donation at a glance

**US\$1.0 Million**

Cash donations

**> US\$32,000**

Donated to WAGS Golfing for Good charity



**12,000kg**

ANZ team partner with Foodbank NSW and ACT to sort nearly 12,000kg of food

**US\$10,000**

Donated to underprivileged students from our TTI Vietnam BU

**US\$1 Million**

MILWAUKEE North America BU donated US\$1 million of tools and equipment to the UWSP endowment through 2030

**Developing People**

Our commitment to people extends far beyond our own team. We proactively contribute to the advancement of people in both our local and global communities through charitable endeavors, including donations to local food shelters, meal packaging initiatives, active participation in blood drives, and a wide array of other fundraising campaigns.

This year, we have strengthened our partnerships with several organizations such as Pinky Swear, The Leukemia and Lymphoma Society, Foodbank NSW (New South Wales) and ACT (Australian Capital Territory), and many others that share our deep-seated commitment to giving back.



**▶ KEY INITIATIVES AND UPDATES**

Throughout this reporting period, TTI actively engaged in numerous volunteer events, contributing to a wide range of projects fostering global human development. The following are examples of key initiatives that took place this year.

- Our TTI Hong Kong team participated in the Lockton Fearless Dragon Trail Run with the Hong Kong Network for the Promotion of Inclusive Society. This nonprofit organization raises awareness and funds to promote individuals with disabilities in the community while cultivating a culture that champions diversity, inclusivity, and altruistic values. Our HK office helped raise over HK\$70,000 towards the cause.
- Thousands of boxes of nonperishable food was packaged by our team in MILWAUKEE, WI. Throughout the year, the team partnered with Feed the Needy, a local nonprofit organization that provides food and other resources to impoverished neighborhoods in the mid-southern United States. Each box contained enough food to feed each household for more than a week. In 2023, they packed a total of 8,200+ nonperishable food boxes, feeding 4,100 families in the surrounding area.
- Our TTI Floorcare employees engaged in the Mileage Match marathon in support of the Leukemia and Lymphoma Society (LLS), a global leader dedicated to combating blood cancer. The team generously contributed US\$5 for each mile walked by the Floorcare employees.
- To educate local talent, our TTI HK BU joined forces with AmCham Ho Chi Minh City and Danang for the AmCham Women in Engineering Scholarship program, providing scholarships to 130 female students at 12 institutions in Ho Chi Minh City, Danang, and Dong Nai, Vietnam. This initiative enables them to study and explore STEM subjects, fostering the development of a better future.

### Developing Communities

Our BUs across the world have been actively involved in various initiatives for alleviating poverty within their respective communities. Our objective is to leverage our global reach and capabilities to create healthier and happier communities. Many of our volunteer initiatives have been made possible through collaborations with partners like Habitat for Humanity.

Habitat for Humanity is a nonprofit organization that helps people in surrounding communities and around the world build or improve a place they can call home. With a key focus on addressing poverty housing issues, the organization partners with volunteers and families in need to build and renovate homes. Since 2003, our partnership with Habitat for Humanity has provided us with numerous opportunities to volunteer in local communities across our global presence.



### Preserving the Environment

TTI remains deeply committed to assessing and reducing the environmental impact of our business, which includes ensuring our company actively participates in giving back to the communities we operate in. Examples of our contributions include organizing park cleanups, establishing recycling initiatives, and actively participating in planting trees to support reforestation.



#### ▶ KEY INITIATIVES AND UPDATES

TTI actively contributed to a diverse array of community engagement and development projects. The following points highlight a selection of our key initiatives from the 2023 reporting year.

- Many of TTI's BUs, including our Asia offices, Fort Lauderdale HQ, MILWAUKEE BU, along with several other BUs globally, partnered with Habitat for Humanity. These collaborations involved volunteering time, raising funds, and donating resources to advance their cause of alleviating poverty and addressing housing issues in surrounding communities.
- Our BU in Greenville, SC partnered with the local organization, Homes of Hope, to donate tools to support their efforts to rebuild communities and individual lives through housing, economic, and workforce development.
- TTI Canada participated in the "For the Love of Pets" campaign with the Society for the Prevention of Cruelty to Animals (SPCA) organization where each volunteer submitted a pet photo alongside a donation. SPCA provides care, comfort, and compassion to animals in need. Nearly 400 members from the Canadian team donated and participated in this event.
- Our TTI ANZ Eastern Creek Site collected blankets and sleeping bags to donate to the homeless during winter. The donations were provided to the Blacktown Division of the Carevan Foundation, a charity that assists the homeless throughout Australia.
- The "Giving Gifts, Giving Love" project was a community initiative organized by our TTI Vietnam office. This project successfully provided support to 200 studious and disadvantaged students in the Cu Chi district, Ho Chi Minh City, Vietnam. The team contributed gifts, including a portion of tuition, fees and school supplies, amounting to a total value of US\$10,000.

#### ▶ KEY INITIATIVES AND UPDATES

Many of TTI's 2023 community engagement initiatives were centered around preserving the environment. The following points showcase some of the many key initiatives during the reporting year of 2023.

- Our Fort Lauderdale, FL site collaborated with the MANG Foundation, donating tools and planting mangroves on a once-barren island, significantly contributing to the restoration of the local ecosystem. MANG, an Environmental Apparel Brand, operates under the "Buy One, Plant One" initiative, planting a mangrove for every product sold. The mangrove ecosystem is an important breeding ground for fish and other marine species, making them critical to the health of our oceans and the livelihoods of coastal communities. Mangroves also help to stabilize coastlines and trap carbon by storing large amounts of organic material in their roots and soil, which can remain buried for centuries.
- Our MILWAUKEE BU partnered with the University of Wisconsin-Stevens Point (UWSP) to drive safer and more productive natural resource management practices. Supported by a US\$1 million tool and equipment endowment through 2030, this partnership will create new opportunities for forestry and natural resource management students, reducing costs to the students and university.
- Nearly 1,000 locally used batteries were collected from end users by our TTI Shanghai team. This initiative encouraged proper disposal methods for batteries at their end-of-life, contributing to a reduction in hazardous materials in local waste streams.
- The TTI HK office donated HK\$30,000 to the Green Council Limited, a nonprofit organization that aims to encourage industrial and commercial business sectors to incorporate environmental protection into their management and production processes. Our donation was directed towards supporting the Green Day campaign and celebrating World Environment Day on June 5, contributing to raising public environmental awareness.

# GOVERNANCE

MATERIAL TOPICS

P.102 Ethics & Integrity

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P.108 Supply Chain Accountability

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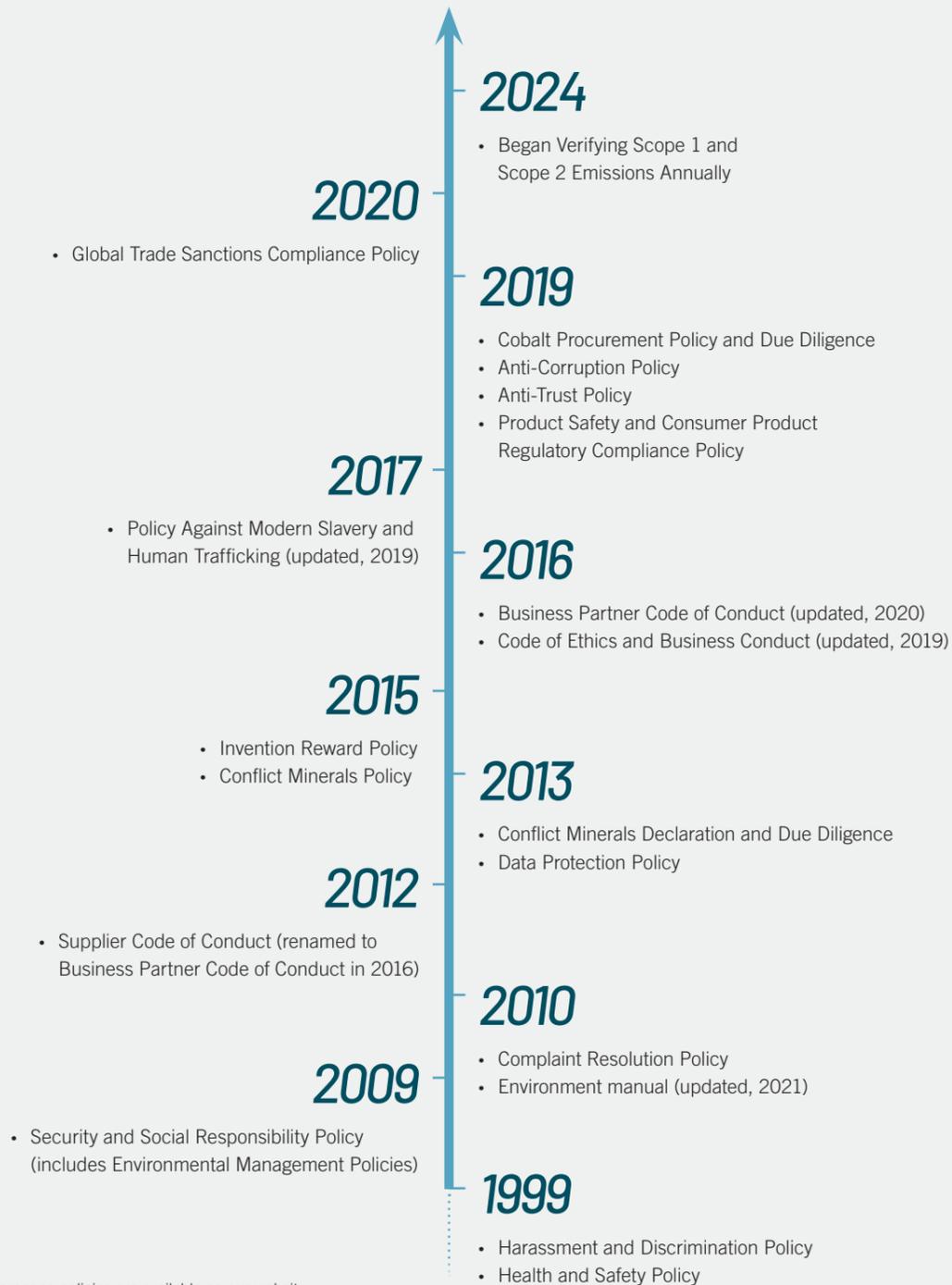
*Driving operational excellence, integrity, accountability, and sustainability within our strong governance practices*



GOVERNANCE

# Corporate Governance

We continue to strengthen our governance practices as we adopt codes and policies to reinforce accountability within our operations and across our supply chain.



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

At TTI, we align our corporate governance practices to global sustainability objectives and principles, including the goals, standards and recommendations of the UNSDGs, GRI, SASB, TCFD and key multi-stakeholder forums. We also disclose our greenhouse gas (GHG) emissions and climate-related performance and initiatives, through CDP.

The Company is dedicated to upholding robust corporate governance standards to promote shareholders' interests and promote sustainable development. Our Board of Directors (the "Board"), possesses a diverse range of skills and experiences, playing a fundamental role in the Company's ability to effectively manage risks, maintain internal controls, provide leadership, and ensure transparency and accountability to all shareholders.

The Board has oversight of the Company's corporate governance framework, including codes of conduct, policies and practices, and reviews disclosures through the Corporate Governance Report and published as part of our Annual Report. Recommendations for improving the Company's corporate governance practices and on the latest developments related to all applicable laws, rules and regulations are provided to senior management.

We also administer a business continuity management plan in the event of any short-term disruptions due to environmental, social, and/or security related incidents.

This ESG Report should be read in conjunction with TTI's Annual Report 2023, which contains detailed information and a comprehensive review about our corporate governance.

## Sustainability Sub-Committee

Formalized the creation of the Sustainability Sub-Committee reporting up to the Audit Committee

## Better Mining

Through our Better Mining partnership, 1,907 suppliers were surveyed on conflict minerals

## Cloud-Based Supply Chain Monitoring Platform

Implemented a cloud-based supply chain monitoring platform used to efficiently gather, analyze and manage sustainability data from our suppliers

### Oversight of Sustainability

#### The ESG Executive Committee

The Board is responsible for supervising and endorsing sustainability strategies, objectives, and targets through the ESG Executive Committee. This includes reviewing climate and nature-related dependencies, impacts, risks, and opportunities.

Prior to the release of every publication, the Board reviews and approves the annual ESG Report. The ESG Executive Committee, run by the CEO and Vice Chairman, is made up of executives from diverse professional backgrounds, representing both corporate and BU-level leaders. These committee meetings occur regularly to deliberate on short, medium, and long-term sustainability strategies. During the meetings, this committee deliberates on advancing the company's sustainability agenda, provides oversight to the ESG Working Committee, and provides regular updates to the Audit Committee.

#### The ESG Working Committee and Business Units

The ESG Working Committee is overseen by the Deputy CFO and consists of over 20 members. Of the members, there is at least one representative from each BU to ensure comprehensive coverage of sustainability concerns. Each of the BUs operates independently, devising individual strategies to address and share best practices on climate and nature-related issues.

Monthly committee meetings are held to plan and review the implementation of strategies set by the Board and the ESG Executive Committee. During the meetings, the BUs communicate and collaborate with each other to enhance sustainability strategies, leverage knowledge, discuss performance monitoring, collect and report data, and set targets to meet objectives. The ESG Working Committee also discusses current goals, deadlines, metrics, dependencies, risks, reporting concerns, and opportunities for each BU and at the Group level.



Our ESG Working Committee, alongside our global EHS teams and EMS committees, are responsible for developing, executing, and raising awareness through our employee training programs. All relevant associates receive EHS training through both e-learning and in-person sessions.

Within each BU, there is a designated sustainability leader who fulfills one or more of the following responsibilities: an environmental leader overseeing Key Performance Indicators (KPIs) and decarbonization efforts, and a social leader responsible for enhancing community relations and monitoring social KPIs, such as diversity, health and safety, and employee-related metrics.

At the BU level, these leaders also assess, review, and actively monitor climate-related concerns, and together, they make up the ESG Working Committee.

At the Group level, the finance department oversees the overall ESG reporting process, which entails tracking all KPIs and managing company-wide disclosures, such as those required for CDP, and working with departments such as Investor Relations, Legal, Human Resources, and Operations to answer investor and customer inquiries, collect data, ensure compliance, foster cohesion, and more.

The Board is overseeing ESG issues including ESG management approach and strategy, ensuring that it effectively addresses material ESG-related issues and risks to the Group's businesses. The Board reviews progress made against ESG-related goals and targets to ensure alignment with the Group's businesses. This review process involves assessing the Group's performance and evaluating the effectiveness of its ESG initiatives.

The CEO holds the responsibility for overseeing climate change matters at the Group executive level.

On a regular basis, the Audit Committee provides the Board with updates on sustainability matters. The Board assesses, reviews, and monitors any health and safety or climate-related issues brought to their attention.

### Group Risk Mitigation Process



MATERIAL TOPIC

# Ethics & Integrity

Ensuring stakeholder trust through accountability, transparency, and risk mitigation across our entire value chain.



Internally spearheading operational initiatives and engaging in global stakeholder partnerships to prevent ethical violations across our value chain.

## GOALS AND TARGETS

- Zero legal cases of non-compliance with international and local laws on corruption and anti-trust
- Zero cybersecurity breaches or incidents
- Maintain business continuity and sustainable growth
- Ensure full compliance with data privacy regulations: PIPL for PRC, GDPR, California Consumer Privacy Act, and others

## PROGRESS

- Zero cases of leaks, theft, or loss of customer and personal data
- All relevant associates complete training on the CoC, and all other relevant policy training
- Annually, all relevant associates complete training on intellectual property and cybersecurity
- Increased diversification and localization of manufacturing, warehousing, and the supply chain across the globe

## VALUE CHAIN

- Suppliers
- Operations
- Customers
- Community

| RISKS  | OPPORTUNITIES   | RESPONSES   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Geopolitical tensions and drastic change in trade regulations</li> </ul>                  | <ul style="list-style-type: none"> <li>• Diversify operations and supply chains to build resilience and promote environmentally responsible practices across the value chain</li> </ul>     | <ul style="list-style-type: none"> <li>• Ongoing efforts to source and produce goods closer to markets</li> <li>• Reducing dependency on single suppliers within essential categories</li> </ul>                                      |
| <ul style="list-style-type: none"> <li>• Non-compliance with international and local laws</li> </ul>                               | <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>              | <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>                                   |
| <ul style="list-style-type: none"> <li>• Breaches of data privacy and intellectual property, data loss and cyberthreats</li> </ul> | <ul style="list-style-type: none"> <li>• Protect business and customer information data, improve business systems, enhance operational integrity, and maintain stakeholder trust</li> </ul> | <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> |

## How We Are Managing It

Sound governance necessitates a commitment to ethical principles, as stated in our TTI CoC. Our CoC is accessible and communicated to all associates, serving as a comprehensive framework for conducting business with the highest standards of integrity. Our CoC outlines our commitment to comply with all legal requirements and protect human rights in all countries where we operate. It also provides guidance on managing conflicts of interest. More information on our human and labor rights practices can be found on p.81.

In addition to the CoC, we have various other policies that govern our operations, including, but not limited to our Anti-Corruption Policy, Trade Compliance Policy, and Anti-Trust Policy. Additional policies can be found below and in our employee handbook. All policies, procedures, and training are made available to all associates through LearnTTI, our e-learning platform designed for engaging and educating employees on company-related information.

To ensure widespread understanding and adherence, our employees actively engage with and commit to our policies through various resources, including LearnTTI and in-person training. These policies are communicated to all employees across all subsidiaries, with translations available in 22 languages.

All policies are regularly reviewed to ensure compliance with laws and regulations. A full list of our policies and standards can be found below and are also accessible on [our corporate website](#).

We have also implemented proactive cybersecurity measures to protect customers, employees, products, suppliers, and our systems. Our efforts include monitoring industry breaches, incorporating cybersecurity into planning and testing, providing regular employee training, ensuring legal compliance, and adding cybersecurity efficiencies into our supply chain.

## TTI's Key Policies and Codes

● ENVIRONMENT ● SOCIAL AND COMMUNITY ● GOVERNANCE

|   |   |   |
|---|---|---|
| ● |   | Code of Ethics and Business Conduct: states the actions and ethical behavior expected of our employees  |
| ● |   | Complaint Resolution Policy and Procedure: encourages any individual to report any action, situation, or circumstance that appears to be in violation of the Code of Conduct or any laws, regulations or our other internal policies (including internal policies and codes of conduct of TTI's subsidiary companies) |
| ● |   | Business Partner Code of Conduct: outlines TTI's requirements and expectations for all suppliers and partners   |
| ● |   | Anti-Corruption Policy  |
| ● |   | Anti-Trust Policy   |
| ● |   | Trade Compliance  |
| ● |   | Data Privacy, Data Security, and Incident Reporting Policies  |
|   | ● | ● Conflict Minerals Policy: outlines expectations and guidelines in the sourcing of tin, tungsten, tantalum, and gold ("3TG")   |
|   | ● | ● Cobalt and Mica Procurement Policy: provides guidelines in cobalt sourcing  |
|   | ● | ● Social & Environmental Responsibility (SER) Compliance Program: comprehensive scorecard to track compliance with ESG policies in the supply chain   |
|   | ● | ● Environmental Management Policies   |
|   | ● | ● Environmental, Health, Safety and Occupational Hazard Management Policies   |
|   | ● | ● Product Safety and Consumer Product Regulatory Compliance Policy  |
|   |   | ● Policy Against Modern Slavery and Human Trafficking: states TTI's expectations in relation to human rights and the eradication of modern slavery and consequences of non-compliance   |

## Compliance and Risk Management

TTI's compliance function establishes our policies, training protocols, and regulatory interpretations. These initiatives are subject to oversight by management, internal audit teams, and various risk management entities within our organization.

Globally, the Group Senior Vice President, General Counsel and Chief Compliance Officer leads our compliance efforts, reporting directly to the CEO and the Audit Committee of the Board of Directors. At the regional level, our legal, finance, and compliance departments provide support and assistance on an ongoing basis.

Our Global Trade Compliance Function plays a crucial role in supporting various aspects of our operations by thoroughly evaluating and screening potential business partners to ensure they are not denied, debarred, or otherwise proscribed or embargoed by any relevant government. We have implemented a Global Trade Compliance Policy that offers comprehensive guidance on the export/import control laws, regulations, and economic sanctions that both we and our suppliers must adhere to. For more detailed information, please refer to the Supply Chain Accountability section on p.108.

We uphold compliance standards by maintaining continuous communication and training for our compliance and legal departments. These training sessions are conducted both in person and on our LearnTTI platform at least once a year. Additionally, as part of our Social and Environmental Responsibility (SER) compliance program, we request our suppliers to sign compliance declarations annually. The SER compliance declaration confirms that the supplier understands and commits to complying with the company's SER policies and standards. More information on the SER program can be found in the Supply Chain Accountability Section on p.108.

## Anti-Corruption

TTI's Anti-Corruption Policy addresses both internal and external aspects of bribery prevention management. This policy outlines the procedures for assessing corruption risks within our business operations and establishes consequences for non-compliance.

The policy and the accompanying 30-minute online training module provide guidelines on managing necessary aspects of business, receipt of gifts, meals, entertainment, company-sponsored travel, political and charitable contributions, and ways of engaging business partners to minimize risk. Training is required at least every two years for all relevant associates.

We embed internal controls into our accounting processes, audits, and record-keeping systems to help manage corruption. Audits of these controls enable us to evaluate the effectiveness of our anti-corruption and anti-bribery policies. All findings are reported to senior-level management and our Audit Committee. More information on our internal control process can be found on p.104. Compliance risk assessments, which are used to build out the audit plan, are also conducted every three to five years, or as needed.

Since 2019, TTI has been in partnership with the China Enterprise Anti-Fraud Alliance (CEAFA). This collaboration is just one example of our commitment to combating corruption. CEAFA frequently works with the legal, internal control, and audit teams to host educational sessions and events covering various topics, including project risk assessment, anti-fraud examination, and corporate governance. Membership with CEAFA offers several advantages, as outlined below:

- Connecting with groups and companies that specialize in anti-fraud and anti-corruption practices
- Emphasizing our position and attitude on anti-fraud and anti-corruption
- Gaining access to a blacklist of companies who have violated anti-corruption and anti-fraud rules

# 91%

of employees were trained in anti-corruption and anti-trust

# ZERO

confirmed legal cases of corruption or monopoly practices were brought against TTI

# NO

political contribution made in any markets in 2023

Programs to verify compliance with anti-corruption practices extend from our operations to our supply chain. More details can be found in the Supply Chain Accountability section on p.108. A full list of legal and regulatory requirements related to anti-corruption practices can be found in Appendix A of our HKEX ESG Reporting Guide Content Index on [our website](#).

## Anti-Trust

Our Anti-Trust Policy serves as a comprehensive guide for users, outlining both legal requirements and TTI's established guidelines concerning competition and fair business practices. It indicates clear principles to comply with laws, regulations, internal policies, and codes of conduct regarding anti-competitive behavior. The policy is applicable to all employees, officers, directors, consultants, agents, temporary workers, and contractors. Its purpose is to outline penalties for categories of non-compliance, restrictions, violations, and agreements regarding competitors. The policy also includes example scenarios and responses so that all readers can review and have a clear understanding of the requirements.

## Data Protection and Cybersecurity

At TTI, we have implemented essential measures to proactively prevent data breaches and enhance our cybersecurity infrastructure and digital systems. Our cybersecurity protocols are strategically made to shield our customers, employees, products, suppliers, networks, and data from potential disruptions or breaches. This involves monitoring security breaches within the industry and maintaining a comprehensive understanding of their global implications.

To strengthen our cybersecurity controls, we include data protection scenarios in our business continuity plans, and rigorously test our ability to respond to threats. Our security measures are consistently updated, and our programs are created to continually assess and adapt to the ever-evolving landscape of cybersecurity conditions.



We use a program to monitor nearly 40,000 company devices, which includes continuous monitoring for cyberattacks and Indicators Of Compromise (IOC) both internally and externally. Additionally, we have remained compliant with all relevant legal requirements, such as Europe's General Data Protection Regulation (GDPR) since 2018 and the California Consumer Privacy Act since 2020.

We enhance our cybersecurity through framework assessments. In recent years, all North American BUs conducted Cybersecurity Gap Assessments in alignment with the National Institute of Standards and Technology (NIST). Similar gap assessments were also carried out by our BUs in Asia and Europe. Performance of these assessments allows us to continuously revise and adjust our Global Cybersecurity program.

As part of our security measures, we actively manage Intellectual Property Rights (IPR), which encompass patents, trademarks, logos, copyrights, software, and trade secrets. Our patent invention awards are designed to encourage ongoing creativity within the Company. We continuously train employees to respect documentation of ownership and the IPR of others. High value is placed on innovative concepts and discoveries, which is why we have established procedures to ensure proper usage and protect against infringement of IPR by and of others.

**ZERO**

complaints concerning breaches of customer privacy or data loss

**90%**

of employees across all BUs trained in data protection and cybersecurity

**Complaint Resolution**

TTI encourages everyone, including associates, suppliers, customers, and concerned parties to report any possible complaints or concerns. We have a robust whistleblower policy to foster ethical conduct and empower individuals to promptly report any actual or perceived misconduct. Reports can be made directly to the General Counsel or, if preferred, confidentially and anonymously (to the fullest extent permitted by law) to Fulcrum Financial Inquiry LLP, our trusted third-party service provider. As part of this framework, the Company provides training and works with Fulcrum to publish a dedicated email address, physical address, facsimile number, and toll-free hotline number so that actual or perceived misconduct can be easily reported. The General Counsel receives intake reports from Fulcrum and/or direct complaints from whistleblowers, and the General Counsel (in conjunction with the BU General Counsels, Human Resources, and other Company Executives where applicable) reviews and fully addresses complaints in accordance with the Whistleblower Policy. The Company is committed to compliance, ethics, integrity, and refraining from retaliation toward anyone who makes a report in good faith.

Detailed information about complaints and corrective measures are consistently reported to the management teams and the Audit Committee. Our Complaint Resolution Policy and Procedure

comprehensively outlines our formal complaint resolution system, including the reporting mechanisms, confidentiality management, and the step-by-step investigation procedures involving various departments. This policy also underscores associates' rights to be protected from any form of retaliation for making complaints or cooperating in good faith.

A total of 16 complaints were filed in 2023, with three submitted to the whistleblower hotline, four sent as anonymous emails, seven originating from TTI employees/management, and two categorized as confidential. All complaints were reviewed, 12 of which were referred to Internal Audit for investigation. The cases necessitating action were promptly addressed and resolved.

**2023 Update on the ACCC Proceedings**

In November 2021, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging that Techtronic Industries Australia PTY Limited engaged in the practice of 'resale price maintenance' in breach of the Competition and Consumer Act 2010 (CCA). In November 2023, these proceedings were concluded. Please contact TTI Investor Relations for additional information.

MATERIAL TOPIC

# Supply Chain Accountability

Prioritizing ethical, environmental, and social implications of our business across our entire value chain.



Aligning our supply chain on decarbonization and safeguarding human and labor rights to drive an industry-wide transformation.

## GOALS AND TARGETS

- Increase the number of effective engagements with NGOs in major countries of operation and where there is a greater risk of human rights violations within the supply chain
- Map Scope 3 emissions across our supply chain
- Train 100% of suppliers on our Business Partner Code of Conduct (BPCoC)

## PROGRESS

- Membership to Responsible Business Alliance
- Mapping Scope 3 emissions in the supply chain and building resilience for climate change-related risk
- 100% of suppliers trained on BPCoC and human rights policies

## VALUE CHAIN



## How We Are Managing It

Our objective is to continually enhance accountability, transparency, and sustainability within our supply chain to mitigate risks and ensure sustainable business operations. This begins with carefully assessing risk from ethical, environmental, and social standpoints, and selecting suppliers that uphold our standards and values. When selecting suppliers, we prioritize quality and reliability. Numerous departments, including sustainability, finance, legal, and procurement, participate in this comprehensive assessment process. This ensures potential suppliers are assessed on key criteria such as:

- Financial viability
- Working hours and freedom of association
- Prevention of unethical labor practices, harassment, abuse, and discrimination
- Health and safety
- Wages and benefits
- Environmental stewardship

In alignment with our values, codes, and policies, we actively endorse the United Nations Guiding Principles on business and human rights. All suppliers are required to comply with the relevant laws and regulations in their jurisdiction, such as minimum wage requirements, along with our standards and policies. These obligations are clearly stated in our contractual agreements and standard purchase order

terms. We are focused on the prevention of corruption and bribery in the supply chain, and violations are not tolerated. We conduct investigations and employ compliance monitoring mechanisms pertaining to ethics and human rights.

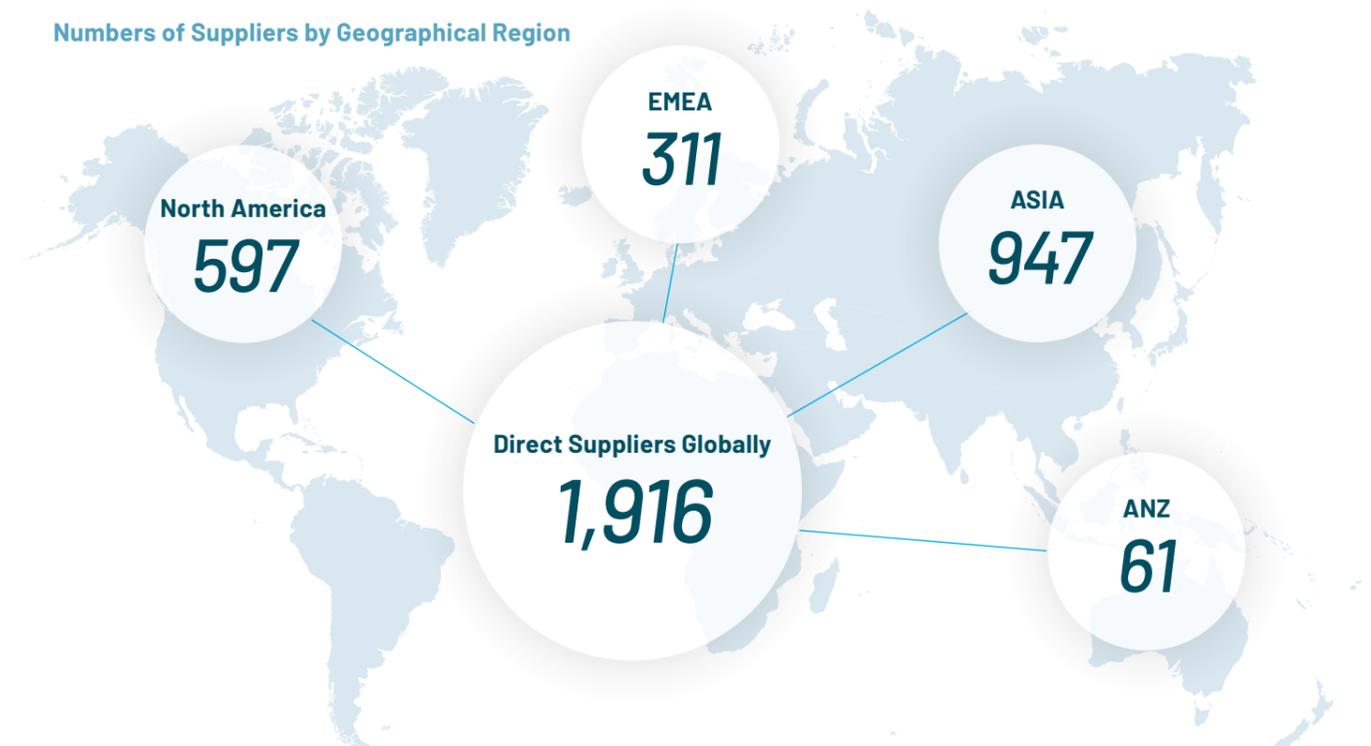
As a minimum requirement, we expect our suppliers to have policies that align with the principles outlined by the International Organization for Standardization (ISO). Not only do our concerns encompass anti-corruption measures, but also issues such as pollution management, waste management, resource conservation, and respect for human rights. Suppliers are mandated to possess environmental, health, and safety management systems and relevant certifications.

We maintain partnerships with numerous NGOs, including the RBA, and participate in initiatives with organizations like the RMI, RLI, Better Mining Initiative, and The Mekong Club. Within our supply chain, we encourage initiatives that promote the use of renewable energy and recycling, as well as efforts to responsibly manage conflict minerals and cobalt procurement.

There is zero tolerance for child and forced labor within our company. Our rigorous standards on eradicating modern slavery and human trafficking are consistently enforced. More information on our partnerships can be found on p.115 of the Report.

| RISKS  | OPPORTUNITIES  | RESPONSES  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Reputation and environment of not collaborating with suppliers and partners to tackle the issue of responsible sourcing</li> </ul>                                | <ul style="list-style-type: none"> <li>• Establish partnerships to drive positive change across the industry and supply chain</li> </ul>                                       | <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>  |
| <ul style="list-style-type: none"> <li>• Human rights violations and environmental non-compliance within the supply chain</li> </ul>   | <ul style="list-style-type: none"> <li>• Build capacity and align our supply chain on human rights and environmental protection</li> </ul>                                     | <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> <li>• Require suppliers to have EMS and other certifications that align with the principles of ISO</li> </ul> |
| <ul style="list-style-type: none"> <li>• Disruptions in the supply chain due to increasing climate-related risk (i.e., extreme weather events, impact on labor from increased heat and disease)</li> </ul> | <ul style="list-style-type: none"> <li>• Implement responsible production and consumption measures in the supply chain to reduce GHG emissions and build resilience</li> </ul> | <ul style="list-style-type: none"> <li>• Work with suppliers to measure and reduce GHG emissions</li> <li>• Renewable energy and recycling initiatives within the supply chain</li> </ul>  |

## Numbers of Suppliers by Geographical Region



### Supply Chain Governance: Social and Environmental Compliance and Auditing

TTI employs the SER Compliance Program and its auditing function to verify that the ESG practices of potential partners align with our policies and global standards. The SER program serves as a universal reference standard for compliance with the National Environmental Policy Act (NEPA) in the U.S. and associated federal laws, executive orders, regulations, and policies. Our SER Compliance Program encompasses periodic audits of internal controls designed to manage corruption. These audits are conducted either by our internal audit team or by external third-party auditors. They serve the purpose of ensuring that our robust processes are consistently followed and contribute to upholding the integrity of our organization. Before initiating any supplier engagement, we conduct an audit to assess whether the potential supplier meets the minimum threshold required to establish a working relationship with us. Subsequently, suppliers are subject to audits every 12 to 18 months to verify ongoing compliance.

The SER assessments cover a variety of subjects, including occupational health and safety, ethics and integrity, and environmental protection, with an emphasis on human rights. We've recently expanded our assessments to include the following topics:

- Supply chain responsibility
- Conflict of Interest
- Management & Owners
- Quality Management
- Energy Management
- Cyber Security
- Data Protection (GDPR)
- Conflict Minerals
- Business Continuity
- Carbon Footprint
- Cobalt & Mica

Suppliers are required to acknowledge our Policy Against Modern Slavery and Human Trafficking and are requested to complete a modern slavery survey before conducting business with us. This survey allows us to evaluate potential risks on an annual basis before establishing supplier relationships. These assessments are thoroughly reviewed, and additional in-person audits are conducted by the SER compliance, quality, and sourcing teams or external auditors as needed.

In the event of non-compliance detection, we initiate a Corrective Action Plan (CAP) to address and rectify the issue. For those suppliers with active CAPs, we collaborate with them to implement corrective actions.

Suppliers with CAPs in place are subject to more frequent audits and additional training requirements. The supplier relationship is subject to termination if major compliance issues are not corrected to meet set standards. Our SER Compliance Program engages suppliers across various markets, encompassing audits conducted by either third-party auditors or our SER compliance, quality, and sourcing teams. In addition, certified auditors from organizations such as RBA and the Supplier Ethical Data Exchange (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. We supplement our audits by having our suppliers acknowledge acceptance of key requirements and policies through our online compliance platform. This platform enables us to assess and monitor supplier performance and associated risks. Supplier risk assessments are typically performed annually, guided by resources such as the GRI Index, Corruption Index, the Human Development Index, and other global mapping tools. These resources are readily accessible to us through our various memberships and partnerships, including through the Mekong Club, RBA, and Better Mining. More information on our partnerships can be found on p.112.

#### Key Compliance Policies Accessible to Suppliers

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

| ● ENVIRONMENT | ● SOCIAL AND COMMUNITY | ● GOVERNANCE |   |
|---------------|------------------------|--------------|---|
| ●             |                        |              | Business Partner Code of Conduct                    |
| ●             |                        |              | Anti-Corruption Policy                              |
|               | ●                      |              | Policy Against Modern Slavery and Human Trafficking |
|               | ●                      | ●            | Conflict Minerals Policy                            |
|               | ●                      | ●            | Cobalt and Mica Procurement Policy                  |
|               | ●                      | ●            | SER Compliance Program                              |

### Social & Environmental Responsibility Audits

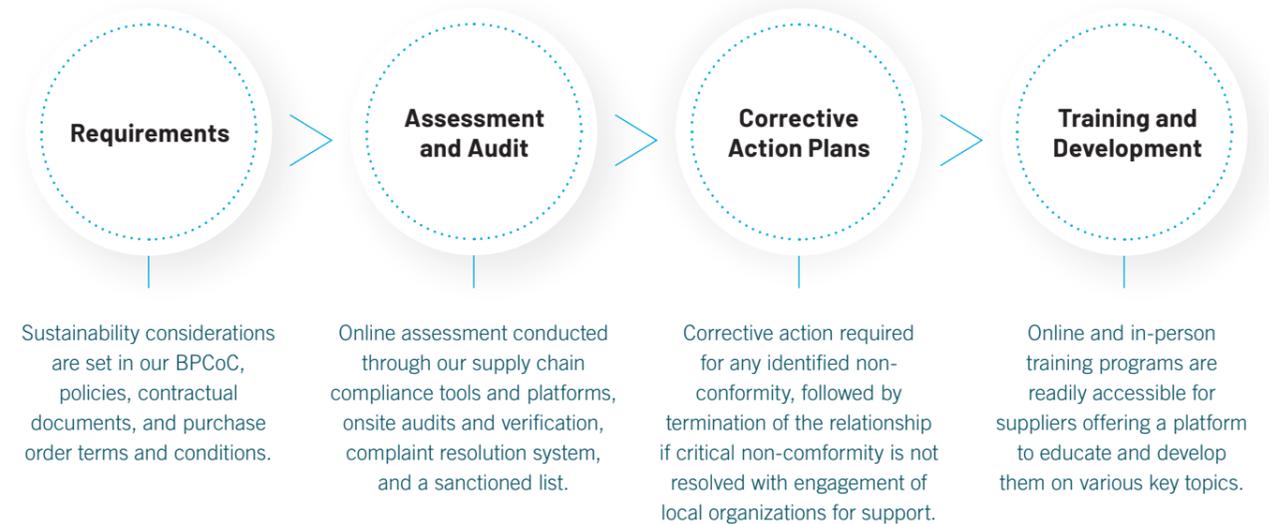
The following table provides detail on some of the key criteria assessed through the SER audits.

- **Governance** – ethics and anti-corruption
- **Social standards** – human rights, labor laws related to hiring, working hours, wages and benefits, health and safety standards based on the fundamental principles of the International Labour Organization (ILO)
- **Environmental standards** – waste and chemical management, pollution monitoring, hazardous substance management, including the prohibition and/or declaration of substances in products, compliance with ISO 14001 or other EMS requirements
- **Factory security** – regulations on health and safety, including fire safety, first aid, hygiene management, factory personnel protection, as well as, accident/injury and hazard control mechanisms

Focus on Human Rights: Along with SER audits, suppliers must respond to surveys about their compliance with our BPCoC and our Policy Against Modern Slavery and Human Trafficking.

### Responsible Supply Chain Management

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



## Reporting Violations

TTI has a third-party-operated compliance hotline for suppliers and business partners to report violations of our policies, ethical concerns, or any other ESG-related issues. Complaints are actively investigated with appropriate remedial measures taken as needed. 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 on p.102.

In October of 2022, an accusation was made against a supplier of certain gloves purchased by MILWAUKEE claiming that those gloves were manufactured in a Chinese prison utilizing forced labor.

As an initial matter, TTI is categorically opposed to the use of forced labor and would never use forced labor to drive its bottom line. We have strict policies and procedures in place to ensure that no authorized TTI products are manufactured by using forced labor. TTI only partners with suppliers that similarly commit to ethical labor practices throughout their supply chains, and who ensure that no forced labor is used. TTI has aggressively investigated these allegations and has found no evidence supporting the allegations of the use of forced labor. Multiple third-party audits, unannounced investigations, and thorough reviews of this supplier have been conducted both before and after the allegations were made and at no time was any evidence uncovered supporting the allegations.

It is noteworthy that as part of its extensive due diligence, MILWAUKEE uncovered counterfeit MILWAUKEE-branded gloves in China, online, in third-party marketplaces, and in police raids of counterfeit resellers.

As TTI works to continue to deliver world-class, innovative solutions that support the important work of tradesmen and women across the world, the company remains unfailingly committed to working with suppliers and partners who exhibit ethical labor practices and abide by our BPCoC.

## Responsible Mineral Procurement

Enforcing responsible mineral procurement practices is crucial, given the significant presence of minerals in our products, electronic components, and batteries. To address this risk, we conduct supplier assessments, foster the adoption of best practices, incorporate risk analysis into our procurement process and actively engage in industry partnerships. More information is outlined in our Conflict Minerals Policy and Cobalt and Mica Procurement Policy. These policies stipulate that all tantalum, tin, tungsten, gold (3TG), and cobalt used must originate from reputable mines or sources actively working towards certification as conflict-free entities. Suppliers are required to acknowledge and adhere to these policies and submit annual conflict minerals and cobalt reporting templates, providing sourcing details. Utilizing our online SER compliance platform, we review this data and furnish reports to our sourcing leaders.

# ZERO

complaints reported by our suppliers

Our commitment to responsible sourcing and the protection of human rights has significantly expanded through our memberships in global social responsibility organizations like RBA and The Mekong Club. Within RBA, we actively participate in various programs, such as the Responsible Labor Initiative (RLI), which fosters collaborative, cross-industry efforts to address the underlying causes of forced labor. The RLI also provides specialized services and tools to establish company-level due diligence programs.

Our memberships provide us access to essential resources like Reasonable Country of Origin (RCOI) data. This is verified through the Responsible Minerals Assurance Process (RMAP), which uses an independent third-party assessment of smelter/refiner management systems and sourcing practices to validate conformance with RMAP standard. Our industry memberships in groups like the RBA have also led to engagement in community impact programs such as the Better Mining Initiative. The Better Mining Initiative is a mineral agnostic assurance and capacity-building program that improves conditions on and around artisanal and small-scale mining (ASM) sites.

## Better Mining

TTI is proud to support the Better Mining Initiative in 2023, a program aimed at enhancing sustainable practices in ASM sites in the Democratic Republic of Congo (DRC) and Rwanda. Through our collaborative efforts with Better Mining, we have made significant progress in improving the socio-economic conditions of mining communities and promoting responsible mining practices.

One of our key contributions was providing US\$40,000 worth of funding for the program. This funding enabled Better Mining to carry out in-depth risk assessments for cobalt-copper producing ASM sites in the Haut-Katanga and Lualaba provinces of the DRC. The risk assessments helped identify and monitor concerns, resulting in the development and implementation of more than 1,400 Corrective Action Plans, with a remarkable 74% of them already implemented or in progress.

Additionally, our support allowed Better Mining to establish and maintain active working relationships with nine cooperatives, ensuring close engagement with each mine site. With teams on the ground daily, Better Mining collected valuable data on incidents and



risks, paving the way for targeted interventions and risk mitigation measures. One notable achievement of the program was the significant reduction of incidents related to the mismanagement of used mineral bags at one site in Kolwezi in the DRC. Through the implementation of a new waste management system, Better Mining improved environmental practices and empowered women in the community by creating economic opportunities through recycling.

In 2023, Better Mining focused on pushing more mature cooperatives to enhance the registration of artisanal miners, a crucial step towards increased formalization of ASM mining. The dry season's effects on mining activities were also closely monitored leading to the implementation of mitigation measures such as watering the roads, providing personal protective equipment for workers, and engaging local communities to manage climate-related effects.

Furthermore, our joint efforts with Better Mining led to significant progress in the acceptance of ASM cobalt and mica traceability in the DRC. Through constructive discussions with high-level government representatives during the DRC Mining week in June, we aligned expectations and paved the way for a traceability pilot to be conducted in 2024. This pilot project is a crucial step towards achieving greater transparency and formalization of the ASM sector in the DRC.

Looking ahead, TTI remains committed to our partnership with Better Mining. We are excited to continue this journey together, contributing to the advancement of responsible mining practices and making a positive impact on local communities in the mining regions of the DRC and Rwanda.

## ▶ KEY INITIATIVES AND UPDATES

- In 2023, 1907 suppliers were surveyed on conflict minerals, cobalt and mica
- Conflict minerals campaigns
  - » Of the 355 smelters identified, 15.5% indicated sourcing from the DRC and 90.9% were conflict-free certified or actively working towards a certification
  - » As for potential high-risk concerns, there were 7 3TG smelters potentially sourcing from the DRC that were not certified as conflict free with 2 working towards a certification in our Conflict Minerals Campaigns
- Cobalt and mica procurement campaigns
  - » There are 5 smelters potentially sourcing from the DRC that are not certified as conflict free with 1 working towards a certification
  - » 9 Cobalt and Mica smelters in our separately run Cobalt and Mica Procurement Campaign indicated sourcing from the DRC, 5 of those smelters were certified conflict-free or actively working towards a certification
  - » 56.8% of the smelters identified in the Cobalt and Mica Campaign were either certified or actively working towards certification
- In total, we worked with 1,916 direct suppliers
- During the reporting period, 625 supplier audits were conducted and as a result, 624 suppliers were put on Corrective Action Plans (CAPs) to hold suppliers to a higher standard and push them towards maintaining social and environmental systems



# Performance Metrics

## Consolidation of Sustainability Data

### Environmental KPIs

| Indicators   | 2023               | 2022        | Change %    | Unit  |
|--|--------------------|-------------|-------------|---|
| <b>Emissions</b>                                     |                    |             |             |   |
| <b>Total Scope 1 &amp; 2 GHG Emissions</b>           | <b>171,984</b>     | 179,870     | <b>-4%</b>  | tCO <sub>2</sub> e                                  |
| <b>Total Scope 1 &amp; 2 GHG Emission Intensity</b>  | <b>12.52</b>       | 13.57       | <b>-8%</b>  | tCO <sub>2</sub> e per sales revenue (US\$ million) |
| <b>Scope 1 Emissions by Region</b>                   |                    |             |             |   |
| Americas   | <b>35,630</b>      | 37,616      | <b>-5%</b>  | tCO <sub>2</sub> e                                  |
| ANZ  | <b>2,957</b>       | 2,556       | <b>16%</b>  | tCO <sub>2</sub> e                                  |
| Asia   | <b>2,289</b>       | 3,103       | <b>-26%</b> | tCO <sub>2</sub> e                                  |
| EMEA   | <b>10,144</b>      | 11,292      | <b>-10%</b> | tCO <sub>2</sub> e                                  |
| <b>Scope 1 Emissions by Activity</b>                 |                    |             |             |   |
| Facilities   | <b>9,587</b>       | 11,659      | <b>-18%</b> | tCO <sub>2</sub> e                                  |
| Fleet  | <b>40,170</b>      | 40,701      | <b>-1%</b>  | tCO <sub>2</sub> e                                  |
| Refrigerants   | <b>1,263</b>       | 2,206       | <b>-43%</b> | tCO <sub>2</sub> e                                  |
| <b>Scope 2 Emissions by Region</b>                   |                    |             |             |   |
| Americas   | <b>42,168</b>      | 48,578      | <b>-13%</b> | tCO <sub>2</sub> e                                  |
| ANZ  | <b>442</b>         | 1,899       | <b>-77%</b> | tCO <sub>2</sub> e                                  |
| Asia   | <b>76,317</b>      | 71,050      | <b>7%</b>   | tCO <sub>2</sub> e                                  |
| EMEA   | <b>2,038</b>       | 3,776       | <b>-46%</b> | tCO <sub>2</sub> e                                  |
| <b>Energy Consumption</b>                            |                    |             |             |   |
| <b>Total Energy Consumption</b>                      | <b>519,216,801</b> | 497,626,495 | <b>4%</b>   | kWh   |
| <b>Total Energy Consumption Intensity</b>            | <b>37,812</b>      | 37,546      | <b>1%</b>   | kWh per sales revenue (US\$ million)                |
| Electricity  | <b>321,534,553</b> | 302,353,273 | <b>6%</b>   | kWh   |
| Fuel   | <b>197,682,248</b> | 195,273,223 | <b>1%</b>   | kWh   |
| <b>Fuel by Activity</b>                              |                    |             |             |   |
| Mobile Sources                                       | <b>136,184,645</b> | 129,303,947 | <b>5%</b>   | kWh   |
| Stationary Sources                                   | <b>61,497,603</b>  | 65,969,276  | <b>-7%</b>  | kWh   |
| <b>Renewable vs Non-Renewable Energy Consumption</b> |                    |             |             |   |
| Renewable  | <b>98,037,505</b>  | 74,750,687  | <b>31%</b>  | kWh   |
| Non-Renewable  | <b>421,179,296</b> | 422,875,808 | <b>0%</b>   | kWh   |

| Indicators                                     | 2023             | 2022      | Change %     | Unit  |
|--|------------------|-----------|--------------|---|
| <b>Water Stewardship</b>                       |                  |           |              |   |
| <b>Total Water Consumption</b>                 | <b>169,591</b>   | 305,153   | <b>-44%</b>  | m <sup>3</sup>                                  |
| <b>Total Water Consumption Intensity</b>       | <b>12.35</b>     | 23.02     | <b>-46%</b>  | m <sup>3</sup> per sales revenue (US\$ million) |
| Withdrawal                                     | <b>1,404,439</b> | 1,589,159 | <b>-12%</b>  | m <sup>3</sup>                                  |
| Discharge                                      | <b>1,234,848</b> | 1,284,006 | <b>-4%</b>   | m <sup>3</sup>                                  |
| Recycled                                       | <b>186,884</b>   | 224,435   | <b>-17%</b>  | m <sup>3</sup>                                  |
| <b>Water Consumption by Region</b>             |                  |           |              |   |
| Americas                                       | <b>3,801</b>     | 3,969     | <b>-4%</b>   | m <sup>3</sup>                                  |
| ANZ  | <b>1,422</b>     | 1,028     | <b>38%</b>   | m <sup>3</sup>                                  |
| Asia   | <b>163,093</b>   | 299,046   | <b>-45%</b>  | m <sup>3</sup>                                  |
| EMEA   | <b>1,275</b>     | 1,110     | <b>15%</b>   | m <sup>3</sup>                                  |
| <b>Water Consumption by Nature of Business</b> |                  |           |              |   |
| Manufacturing                                  | <b>163,093</b>   | 298,938   | <b>-45%</b>  | m <sup>3</sup>                                  |
| Distribution                                   | <b>1,184</b>     | 792       | <b>50%</b>   | m <sup>3</sup>                                  |
| Offices  | <b>5,209</b>     | 5,336     | <b>-2%</b>   | m <sup>3</sup>                                  |
| Service Centers                                | <b>102</b>       | 81        | <b>26%</b>   | m <sup>3</sup>                                  |
| Other  | <b>3</b>         | 7         | <b>-49%</b>  | m <sup>3</sup>                                  |
| <b>Water Withdrawal Source by Region</b>       |                  |           |              |   |
| <b>Americas</b>                                |                  |           |              |   |
| Municipal Supply                               | <b>354,069</b>   | 338,436   | <b>5%</b>    | m <sup>3</sup>                                  |
| Ground Water                                   | <b>10,437</b>    | 5,008     | <b>108%</b>  | m <sup>3</sup>                                  |
| Surface Water                                  | <b>0</b>         | 11,988    | <b>-100%</b> |   |
| <b>ANZ</b>                                     |                  |           |              |   |
| Municipal Supply                               | <b>8,716</b>     | 7,310     | <b>19%</b>   | m <sup>3</sup>                                  |
| <b>Asia</b>                                    |                  |           |              |   |
| Municipal Supply                               | <b>1,018,181</b> | 1,214,381 | <b>-16%</b>  | m <sup>3</sup>                                  |
| <b>EMEA</b>                                    |                  |           |              |   |
| Municipal Supply                               | <b>13,037</b>    | 12,036    | <b>8%</b>    | m <sup>3</sup>                                  |

**Consolidation of Sustainability Data** (continued)

Environmental KPIs (continued)

| Indicators                               | 2023          |            | 2022   | Change %    | Unit                                    |
|--|---------------|------------|--------|-------------|---|
|  | Number        | % of Total |        |             |   |
| <b>Waste Management</b>                  |               |            |        |             |   |
| <b>Total Waste Generated</b>             | <b>66,864</b> |            | 63,929 | <b>4%</b>   | Tonnes                                  |
| Non-Hazardous Waste Generated            | <b>65,327</b> |            | 62,662 | <b>4%</b>   | Tonnes                                  |
| Hazardous Waste Generated                | <b>1,537</b>  |            | 1,266  | <b>21%</b>  | Tonnes                                  |
| <b>Total Waste Intensity</b>             | <b>4.87</b>   |            | 4.82   | <b>1%</b>   | Tonnes per sales revenue (US\$ million) |
| Non-Hazardous Waste Intensity            | <b>4.76</b>   |            | 4.73   | <b>0%</b>   | Tonnes                                  |
| Hazardous Waste Intensity                | <b>0.11</b>   |            | 0.10   | <b>17%</b>  | Tonnes                                  |
| <b>Waste by Treatment</b>                |               |            |        |             |   |
| <b>Non-Hazardous Waste</b>               |               |            |        |             |   |
| Landfill                                 | <b>9,582</b>  |            | 11,053 | <b>-14%</b> | Tonnes                                  |
| Recycled                                 | <b>52,297</b> |            | 50,220 | <b>4%</b>   | Tonnes                                  |
| Combustion (with Energy Recovery)        | <b>3,434</b>  |            | 1,386  | <b>148%</b> | Tonnes                                  |
| Composting                               | <b>14</b>     |            | 3      | <b>138%</b> | Tonnes                                  |
| <b>Hazardous Waste</b>                   |               |            |        |             |   |
| Landfill                                 | <b>652</b>    |            | 626    | <b>4%</b>   | Tonnes                                  |
| Recycled                                 | <b>751</b>    |            | 540    | <b>39%</b>  | Tonnes                                  |
| Combustion (with Energy Recovery)        | <b>134</b>    |            | 101    | <b>33%</b>  | Tonnes                                  |
| <b>Waste % Diverted from/to Landfill</b> |               |            |        |             |   |
| Waste % Diverted to Landfill             | <b>15%</b>    |            | 18%    | <b>-16%</b> | %                                       |
| Waste % Diverted from Landfill           | <b>85%</b>    |            | 82%    | <b>4%</b>   | %                                       |

**Packaging**

| Indicators   | 2023           |            | 2022   | Change %    | Unit   |
|--|----------------|------------|--------|-------------|--------|
|  | Number         | % of Total |        |             |        |
| <b>Packaging Consumption (Including Paper for Instruction Manuals)</b> |                |            |        |             |        |
| Packaging material used for finished products                          | <b>236,114</b> |            | 69,598 | <b>239%</b> | Tonnes |
| Total weight of recycled materials used in packaging                   | <b>60,808</b>  |            | 41,769 | <b>46%</b>  | Tonnes |

- Notes:
- Emissions are being calculated using the latest published emission factors, based on location and commodity, including: DEFRA, EPA, GHG Protocol, IEA, NGA, and other regional factors.
  - tCO<sub>2</sub>e includes the following gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.
  - Consolidation approach used is the operational control method.
  - Historical data has been restated to include the acquisition of C4 Carbides and updated emission factors. The impact of these restatements is considered immaterial.
  - Diverted from Landfill includes waste that was recycled, combusted with energy recovery, composted, and/or anaerobic digested.
  - Diverted to Landfill includes waste that was sent to Landfill and combusted without energy recovery.
  - Packaging data is based on purchased date of the packaging materials.

**Consolidation of Social Data**

Workforce KPIs

| Indicators                               | 2023          |             | 2022   |            |
|--|---------------|-------------|--------|------------|
|  | Number        | % of Total  | Number | % of Total |
| <b>Employment</b>                        |               |             |        |            |
| <b>Total Number of Employees</b>         | <b>47,224</b> |             | 44,900 | –          |
| <i>By Gender</i>                         |               |             |        |            |
| Female                                   | <b>15,494</b> | <b>33%</b>  | 14,938 | 33%        |
| Male                                     | <b>31,711</b> | <b>67%</b>  | 29,944 | 67%        |
| Non-Binary                               | <b>19</b>     | <b>0%</b>   | 18     | 0%         |
| <i>By Age Group</i>                      |               |             |        |            |
| 30 Years Old and Under                   | <b>20,153</b> | <b>43%</b>  | 19,470 | 43%        |
| 31-50                                    | <b>22,941</b> | <b>49%</b>  | 21,483 | 48%        |
| Over 51 Years Old                        | <b>4,130</b>  | <b>9%</b>   | 3,947  | 9%         |
| <i>By Region</i>                         |               |             |        |            |
| Americas                                 | <b>16,453</b> | <b>35%</b>  | 16,494 | 37%        |
| ANZ                                      | <b>1,278</b>  | <b>3%</b>   | 1,228  | 3%         |
| Asia                                     | <b>26,022</b> | <b>55%</b>  | 23,989 | 53%        |
| EMEA                                     | <b>3,471</b>  | <b>7%</b>   | 3,189  | 7%         |
| <i>Permanent and Temporary by Gender</i> |               |             |        |            |
| <b>Females</b>                           |               |             |        |            |
| Permanent                                | <b>13,554</b> | <b>87%</b>  | 13,292 | 89%        |
| Temporary                                | <b>1,940</b>  | <b>13%</b>  | 1,646  | 11%        |
| <b>Males</b>                             |               |             |        |            |
| Permanent                                | <b>28,452</b> | <b>90%</b>  | 27,505 | 92%        |
| Temporary                                | <b>3,259</b>  | <b>10%</b>  | 2,439  | 8%         |
| <b>Non-Binary</b>                        |               |             |        |            |
| Permanent                                | <b>19</b>     | <b>100%</b> | 18     | 100%       |
| Temporary                                | <b>0</b>      | <b>0%</b>   | –      | 0%         |
| <i>Permanent and Temporary by Region</i> |               |             |        |            |
| <b>Americas</b>                          |               |             |        |            |
| Permanent                                | <b>15,894</b> | <b>97%</b>  | 16,231 | 98%        |
| Temporary                                | <b>559</b>    | <b>3%</b>   | 263    | 2%         |
| <b>ANZ</b>                               |               |             |        |            |
| Permanent                                | <b>1,169</b>  | <b>91%</b>  | 1,228  | 100%       |
| Temporary                                | <b>109</b>    | <b>9%</b>   | –      | 0%         |

**Consolidation of Social Data** (continued)

Workforce KPIs (continued)

| Indicators   | 2023   |            | 2022   |            |
|--|--------|------------|--------|------------|
|  | Number | % of Total | Number | % of Total |
| <i>Permanent and Temporary by Region (continued)</i> |        |            |        |            |
| <b>Asia</b>  |        |            |        |            |
| Permanent  | 21,618 | 83%        | 20,369 | 85%        |
| Temporary  | 4,404  | 17%        | 3,620  | 15%        |
| <b>EMEA</b>  |        |            |        |            |
| Permanent  | 3,344  | 96%        | 2,987  | 94%        |
| Temporary  | 127    | 4%         | 202    | 6%         |
| <i>Full-Time and Part-Time by Gender</i>             |        |            |        |            |
| <b>Females</b>                                       |        |            |        |            |
| Full-Time  | 15,323 | 99%        | 14,836 | 99%        |
| Part-Time  | 171    | 1%         | 102    | 1%         |
| <b>Males</b>   |        |            |        |            |
| Full-Time  | 31,628 | 100%       | 29,851 | 100%       |
| Part-Time  | 83     | 0%         | 93     | 0%         |
| <b>Non-Binary</b>                                    |        |            |        |            |
| Full-Time  | 19     | 100%       | 18     | 100%       |
| Part-Time  | 0      | 0%         | -      | 0%         |
| <i>Full-Time and Part-Time by Region</i>             |        |            |        |            |
| <b>Americas</b>                                      |        |            |        |            |
| Full-Time  | 16,399 | 100%       | 16,439 | 100%       |
| Part-Time  | 54     | 0%         | 55     | 0%         |
| <b>ANZ</b>   |        |            |        |            |
| Full-Time  | 1,241  | 97%        | 1,203  | 98%        |
| Part-Time  | 37     | 3%         | 25     | 2%         |
| <b>Asia</b>  |        |            |        |            |
| Full-Time  | 26,016 | 100%       | 23,978 | 100%       |
| Part-Time  | 6      | 0%         | 11     | 0%         |
| <b>EMEA</b>  |        |            |        |            |
| Full-Time  | 3,314  | 95%        | 3,085  | 97%        |
| Part-Time  | 157    | 5%         | 104    | 3%         |

Notes:

1. This table includes workers employed as of Dec 31, 2023.
2. Compiled using Age Group / Employee Contract Type/Employment Type as of Dec 31, 2023.
3. Interns are not included.

| Indicators                                 | 2023          |            | 2022   |            |
|--|---------------|------------|--------|------------|
|  | Number        | % of Total | Number | % of Total |
| <b>New Hires and Employee Turnover</b>     |               |            |        |            |
| <b>Total Number of New Hires</b>           | <b>35,412</b> |            | 38,264 |            |
| <i>By Gender</i>                           |               |            |        |            |
| Female                                     | 12,067        | 34%        | 11,541 | 30%        |
| Male                                       | 23,332        | 66%        | 26,696 | 70%        |
| Non-Binary                                 | 13            | 0%         | 27     | 0%         |
| <i>By Age Group</i>                        |               |            |        |            |
| 30 Years Old and Under                     | 22,006        | 62%        | 24,608 | 64%        |
| 31-50                                      | 12,764        | 36%        | 12,829 | 34%        |
| Over 51 Years Old                          | 642           | 2%         | 827    | 2%         |
| <i>By Region</i>                           |               |            |        |            |
| Americas                                   | 6,838         | 19%        | 8,917  | 23%        |
| ANZ  | 304           | 1%         | 510    | 1%         |
| Asia                                       | 27,447        | 78%        | 27,718 | 72%        |
| EMEA                                       | 823           | 2%         | 1,119  | 3%         |
| <b>Total Number of Employee Departures</b> | <b>33,088</b> |            | 44,962 |            |
| <i>By Gender</i>                           |               |            |        |            |
| Female                                     | 11,712        | 35%        | 13,928 | 31%        |
| Male                                       | 21,364        | 65%        | 31,011 | 69%        |
| Non-Binary                                 | 12            | 0%         | 23     | 0%         |
| <i>By Age Group</i>                        |               |            |        |            |
| 30 Years Old and Under                     | 19,477        | 59%        | 28,637 | 64%        |
| 31-50                                      | 12,635        | 38%        | 15,490 | 34%        |
| Over 51 Years Old                          | 976           | 3%         | 835    | 2%         |
| <i>By Region</i>                           |               |            |        |            |
| Americas                                   | 6,879         | 21%        | 9,809  | 22%        |
| ANZ  | 254           | 1%         | 264    | 1%         |
| Asia                                       | 25,414        | 77%        | 34,164 | 76%        |
| EMEA                                       | 541           | 2%         | 725    | 2%         |

**Consolidation of Social Data** (continued)

## Workforce KPIs (continued)

| Indicators                         | 2023          |               | 2022          |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | New Hire Rate | Turnover Rate | New Hire Rate | Turnover Rate |
| <b>New Hire and Turnover Rates</b> | <b>77%</b>    | <b>72%</b>    | 79%           | 93%           |
| <i>By Gender</i>                   |               |               |               |               |
| Female                             | 79%           | 77%           | 72%           | 86%           |
| Male                               | 76%           | 69%           | 83%           | 97%           |
| Non-Binary                         | 70%           | 65%           | 169%          | 144%          |
| <i>By Age Group</i>                |               |               |               |               |
| 30 Years Old and Under             | 111%          | 98%           | 114%          | 132%          |
| 31-50                              | 57%           | 57%           | 56%           | 68%           |
| Over 51 Years Old                  | 16%           | 24%           | 22%           | 22%           |
| <i>By Region</i>                   |               |               |               |               |
| Americas                           | 42%           | 42%           | 53%           | 58%           |
| ANZ                                | 24%           | 20%           | 46%           | 24%           |
| Asia                               | 110%          | 102%          | 102%          | 126%          |
| EMEA                               | 25%           | 16%           | 37%           | 24%           |

| Indicators   | 2023   |            | 2022   |            |
|--|--------|------------|--------|------------|
|  | Number | % of Total | Number | % of Total |
| <b>Employees by Gender and Employment Category</b> |        |            |        |            |
| <i>C-Suite</i>                                     |        |            |        |            |
| Female   | 6      | 0%         | 6      | 0%         |
| Male   | 0      | 0%         | 1      | 17%        |
| Non-Binary   | 6      | 100%       | 5      | 83%        |
| Non-Binary   | 0      | 0%         | –      | 0%         |
| <i>Director or Above</i>                           |        |            |        |            |
| Female   | 965    | 2%         | 780    | 2%         |
| Male   | 179    | 19%        | 140    | 18%        |
| Non-Binary   | 786    | 81%        | 640    | 82%        |
| Non-Binary   | 0      | 0%         | –      | 0%         |
| <i>Managerial</i>                                  |        |            |        |            |
| Female   | 4,391  | 9%         | 4,341  | 10%        |
| Male   | 1,090  | 25%        | 1,120  | 26%        |
| Non-Binary   | 3,298  | 75%        | 3,219  | 74%        |
| Non-Binary   | 3      | 0%         | 2      | 0%         |
| <i>General Employee</i>                            |        |            |        |            |
| Female   | 41,862 | 89%        | 39,773 | 89%        |
| Male   | 14,225 | 34%        | 13,680 | 34%        |
| Non-Binary   | 27,621 | 66%        | 26,077 | 66%        |
| Non-Binary   | 16     | 0%         | 16     | 0%         |

| Indicators                          | 2023   |            | 2022   |            |
|-------------------------------------|--------|------------|--------|------------|
|                                     | Number | % of Total | Number | % of Total |
| <i>By Management Role</i>           |        |            |        |            |
| Total Employees in Management       | 5,356  | 11%        | 5,121  | 11%        |
| Percentage of Females in Management | 24%    |            | 25%    |            |

## Interns

|  |            |           |   |  |
|--|------------|-----------|---|--|
| <b>Total Number of Interns by Gender</b> | <b>877</b> | <b>2%</b> | – |  |
| <i>By Gender</i>                         |            |           |   |  |
| Female                                   | 283        | 32%       | – |  |
| Male                                     | 593        | 68%       | – |  |
| Non-Binary                               | 1          | 0%        | – |  |

## Return to Work and Retention after Parental Leave

|   |               |     |        |     |
|---|---------------|-----|--------|-----|
| <b>Return to Work Rate</b>  | <b>86%</b>    |     | 57%    |     |
| Female  | 77%           |     | 71%    |     |
| Male  | 94%           |     | 49%    |     |
| Non-Binary  | 0%            |     | 0%     |     |
| <b>Retention Rate</b>   | <b>50%</b>    |     |        |     |
| Female  | 36%           |     |        |     |
| Male  | 62%           |     |        |     |
| Non-Binary  |               |     |        |     |
| <b>Total Number of Employees that were Entitled to Parental Leave</b> | <b>39,316</b> |     | 41,842 |     |
| Female  | 18,188        | 46% | 14,440 | 35% |
| Male  | 21,109        | 54% | 27,385 | 65% |
| Non-Binary  | 19            | 0%  | 17     | 0%  |
| <b>Total Number of Employees Who Took Parental Leave</b>              | <b>1,194</b>  |     | 1,848  |     |
| Female  | 558           | 47% | 651    | 35% |
| Male  | 636           | 53% | 1,197  | 65% |
| Non-Binary  | –             | 0%  | –      | 0%  |

## Notes:

1. New Hire & Turnover Rates are being calculated using a 2-year average of total number of employees as a numerator.
2. If employees change job category throughout year, the employment category as of Dec 31, 2023 is used.
3. Interns are counted as a cumulative number throughout the year, rather than as of Dec 31, 2023.

**Consolidation of Social Data** (continued)

## Workforce KPIs (continued)

| Indicators  | 2023         |            | 2022   |            |
|---|--------------|------------|--------|------------|
|   | Number       | % of Total | Number | % of Total |
| <b>Total Number of Employees that Returned to Work After Parental Leave Ended</b>   | <b>1,026</b> |            | 1,046  |            |
| Female  | 427          | 42%        | 462    | 44%        |
| Male  | 599          | 58%        | 584    | 56%        |
| Non-Binary  | –            | 0%         | –      | 0%         |
| <b>Total Number of Employees that Returned to Work After Parental Leave Ended that Were Still Employed 12 Months After Their Return to Work</b> | <b>527</b>   |            | –      |            |
| Female  | 167          | 32%        | –      |            |
| Male  | 360          | 68%        | –      |            |
| Non-Binary  | –            | 0%         | –      |            |
| <b>Number of Employees Due to Return to Work After Taking Parental Leave</b>  | <b>489</b>   |            | 881    |            |
| Female  | 200          | 41%        | 354    | 40%        |
| Male  | 289          | 59%        | 527    | 60%        |
| Non-Binary  | –            | 0%         | –      | 0%         |

## Notes:

- Return to Work Rate is calculated using the following formula: (Total Number of Employees who Took Parental Leave in the reporting period + Number of Employees Due to Return to Work After Taking Parental Leave in the Reporting Period) / Total Number of Employees who Took Parental Leave in the reporting period.
- Retention Rate is calculated using the following formula: Total Number of Employees that Returned to Work after Parental Leave Ended that were still Employed 12 Months After Their Return to Work in the Reporting Period / Total Number of Employees that Returned to Work in the Previous Reporting Period after Parental Leave Ended.
- Total Number of Employees Entitled to Parental Leave are those covered by an organizational or government policy to take Job-protected Parental Leave in 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).
- Total Number of Employees with Parental Leave Qualified Activity during Year are employees who had a qualifying event take place such as a birth or adoption of a child during the year.

**Consolidation of Social Data** (continued)

## Training and Development

| Indicators   | 2023           | 2022    |
|--|----------------|---------|
| <b>Total Number of Hours of Training Received by Employees</b> | <b>641,499</b> | 541,815 |
| <b>Average Hours of Training per Employee</b>                  | <b>13.6</b>    | 12.1    |
| <i>By Gender</i>   |                |         |
| Female   | 11.5           | 10.7    |
| Male   | 14.6           | 12.3    |
| Non-Binary   | 16.1           | –       |
| <i>By Employment Category</i>                                  |                |         |
| C-Suite  | 6.2            | 1.9     |
| Director or Above  | 8.3            | 11.3    |
| Managerial   | 14.5           | 16.5    |
| General Employee   | 13.6           | 11.3    |
| <b>Percentage of Employees Receiving Training – E-Learning</b> | <b>40%</b>     | 56%     |
| <i>By Gender</i>   |                |         |
| Female   | 36%            | 52%     |
| Male   | 43%            | 58%     |
| Non-Binary   | 47%            | 0%      |
| <i>By Employment Category</i>                                  |                |         |
| C-Suite  | 100%           | 0%      |
| Director or Above  | 75%            | 74%     |
| Managerial   | 79%            | 74%     |
| General Employee   | 36%            | 47%     |

**Consolidation of Social Data** (continued)

## Workforce KPIs (continued)

| Indicators   | 2023       | 2022 |
|--|------------|------|
| <b>Percentage of Employees Receiving Training - Other Training</b> | <b>41%</b> | 78%  |
| <i>By Gender</i>   |            |      |
| Female   | 41%        | 69%  |
| Male   | 41%        | 82%  |
| Non-Binary   | 42%        | 0%   |
| <i>By Employment Category</i>                                      |            |      |
| C-Suite  | 83%        | 0%   |
| Director or Above  | 55%        | 59%  |
| Managerial   | 59%        | 71%  |
| General Employee   | 40%        | 50%  |
| <b>Percentage of Employees Receiving Formal Performance Review</b> | <b>61%</b> | 58%  |
| <i>By Gender</i>   |            |      |
| Female   | 61%        | 58%  |
| Male   | 60%        | 58%  |
| Non-Binary   | 84%        | 94%  |
| <i>By Employment Category</i>                                      |            |      |
| C-Suite  | 67%        | 0%   |
| Director or Above  | 91%        | 87%  |
| Managerial   | 88%        | 85%  |
| General Employee   | 58%        | 55%  |

## Notes:

1. This table only includes workers active as of Dec 31, 2023.
2. E-Learning Training include Learn TTI and other forms of online training (if applicable).
3. This table includes workers who received a Performance and/or Career Development Review during 2023, and remained employed as of Dec 31, 2023.
4. If employees change job category throughout year, the employment category as of Dec 31, 2023 is used.

**Consolidation of Social Data** (continued)

## Occupational Health &amp; Safety KPIs

| Indicators  | 2023               | 2022       | 2021        |
|---|--------------------|------------|-------------|
| <b>Total Number of Hours Worked</b>                                 | <b>100,279,551</b> | 93,836,439 | 108,792,274 |
| <b>Total Number of Work Days Lost due to Work Injuries</b>          | <b>6,116</b>       | 6,706      | 5,955       |
| <b>Total Number of Recordable Injuries</b>                          | <b>408</b>         | 449        | 475         |
| <i>By Type of Recordable Work Injury</i>                            |                    |            |             |
| Injuries from contact with objects/equipment                        | 176                | 221        | 190         |
| Injuries from exposure to harmful substance or environments         | 19                 | 11         | 10          |
| Injuries from overexertion/muscle strains                           | 126                | 111        | 114         |
| Injuries from slips, trips, and falls                               | 61                 | 63         | 41          |
| Injuries from vehicles related accidents                            | 15                 | 34         | 17          |
| Injuries caused by persons/animals/insects                          | 11                 | 1          | 4           |
| Injuries from other causes  | –                  | 8          | 99          |
| <b>Rate of Recordable Work-Related Injuries</b>                     | <b>0.81</b>        | 0.96       | 0.87        |
| <b>Total High Consequences Injuries</b>                             | <b>19</b>          | 24         | 25          |
| <i>By Type of Recordable High Consequence Work Injury</i>           |                    |            |             |
| Injuries from contact with objects/equipment                        | 10                 | 14         | 13          |
| Injuries from exposure to harmful substance or environments         | –                  | –          | –           |
| Injuries from overexertion/muscle strains                           | 2                  | 4          | 3           |
| Injuries from slips, trips, and falls                               | 2                  | 4          | 2           |
| Injuries from vehicles related accidents                            | 4                  | 2          | 2           |
| Injuries caused by persons/animals/insects                          | 1                  | –          | –           |
| Injuries from other causes  | –                  | –          | 5           |
| <b>Rate of High Consequence Injuries</b>                            | <b>0.04</b>        | 0.05       | 0.05        |
| <b>Cases of Work-Related Ill Health</b>                             |                    |            |             |
| Employees   | –                  | 11         | 168         |
| External Workers  | –                  | –          | 56          |
| <b>Number of Fatalities due to Work-Related Ill Health</b>          |                    |            |             |
| Number of Employee Fatalities due to Work-Related Ill Health        | –                  | –          | –           |
| Number of External Worker Fatalities due to Work-Related Ill Health | –                  | –          | –           |
| Number of Employee Fatalities due to Work-Related Injuries          | –                  | –          | –           |
| Number of External Worker Fatalities due to Work-Related Injuries   | 1                  | –          | –           |
| <b>Fatality Rate</b>  | <b>0.00</b>        | –          | –           |

## Notes:

1. Total Hours Worked include total gross hours by all employees during 2023 (If actual hours could not be recorded, we assumed 2,080 hours for salaried + additional hourly logged hours).
2. Total Hours Worked includes time worked by employees departed during 2023.
3. Total Hours Worked includes Intern hours.
4. 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).
5. Includes injuries as a result of commuting incidents only where transport has been organized by the organization (business-use travel).
6. External Workers are those who are not employees but whose work and/or workplace is controlled by the organization (typically those who are working on our premises). Common examples include construction workers and independent contractors.
7. Rates have been calculated using 200,000 hours worked normalization factor.

## 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                 | 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   |
| Milwaukee Tool (Thailand) Company Limited                        | TTI Thailand              | Thailand         |
| Milwaukee Asia HPC Company Limited                               | TTI Thailand              | Thailand         |
| Milwaukee Tool (Vietnam) Company Limited                         | TTI Vietnam               | Vietnam          |
| Milwaukee Asia Company Limited                                   | TTI Vietnam               | Vietnam          |
| Techtronic Tools (Vietnam) Company Limited                       | TTI Vietnam               | Vietnam          |
| Techtronic Products (Vietnam) Company Limited                    | TTI Vietnam               | Vietnam          |
| Techtronic Industries Company Pte. Limited                       | TTI Singapore             | Singapore        |
| TTI Singapore SPV Pte. Limited                                   | TTI Singapore             | Singapore        |
| Milwaukee Tool (Singapore) Pte. Limited                          | TTI Singapore             | Singapore        |
| PT Milwaukee Tool Indonesia                                      | TTI Indonesia             | Indonesia        |
| Milwaukee Tool Japan GK  | TTI Japan                 | Japan            |
| Techtronic Industries Vietnam Manufacturing Co Limited           | TTI Vietnam Manufacturing | Vietnam          |
| Green Planet Distribution Centre 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      |
| <b>Americas</b>  |                           |                  |
| Techtronic Industries Canada Inc.                                | TTI Canada                | Canada           |
| Techtronic Industries Mexico, S.A. de C.V.                       | TTI Mexico                | Mexico           |
| Techtronic Industries Co. Mexico, S. De R. L. de C. V.           | TTI Mexico                | Mexico           |
| DreBo America Inc.   | DreBo US                  | North America    |

| Region/Name of Business Division                 | Abbreviation       | Country/Location     |
|--|--------------------|----------------------|
| Milwaukee Electric Tool Corporation              | Milwaukee          | North America        |
| TTI Floor Care North America                     | TTI FC             | North America        |
| Techtronic Industries North American Inc.        | TTI NA             | North America        |
| TTI Outdoor Power Equipment, America, Inc.       | TTI PE             | North America        |
| Hart Consumer Products, Inc.                     | Hart               | North America        |
| Techtronic Cordless GP                           | TCGP               | North America        |
| TTI Consumer Power Tools, Inc.                   | TTI CPT            | North America        |
| <b>EMEA</b>                                      |                    |                      |
| Techtronic Industries Central Europe GmbH        | TTI Central Europe | Germany              |
| Techtronic Industries Manufacturing s.r.o.       | TTI CZ             | Czech Republic       |
| Techtronic Industries Eastern Europe Sp.z o.o.   | TTI Eastern Europe | Poland               |
| Techtronic Industries France SAS                 | 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         | Denmark              |
| Techtronic Industries Iberia SL                  | TTI Iberia         | Spain                |
| Techtronic Industries Switzerland AG             | TTI Switzerland    | Switzerland          |
| Techtronic Industries Middle East and Africa FZE | TTI MEA            | United Arab Emirates |
| Techtronic Industries EMEA Limited               | TTI UK             | United Kingdom       |
| Techtronic Industries UK Limited                 | TTI UK             | United Kingdom       |
| Vax Ltd  | VAX UK             | United Kingdom       |

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RIDGID is a registered trademark of Ridgid Inc., and is licensed for manufacture.

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FedEx is a registered trademark of Federal Express Corporation.

Science-Based Targets is a registered trademark of Science-Based Targets initiative.

CDP is a registered trademark of CDP Worldwide.

# Abbreviations and Acronyms

## List of Abbreviations, Terms, and Acronyms Used in the Report

|                   |  |              |   |                      |   |        |  |
|-------------------|--|--------------|---|----------------------|---|--------|--|
| 3TG               | Tantalum, Tin, Tungsten and Gold               | DRC          | Democratic Republic of Congo  | IPCC                 | Intergovernmental Panel on Climate Change   | RLI    | Responsible Labor Initiative                       |
| AC                | Alternating Current                            | EAP          | Employee Assistance Program   | IPR                  | Intellectual Property Rights  | RMAP   | Responsible Minerals Assurance Process             |
| ACCC              | Australian Competition and Consumer Commission | ECHA         | European Chemicals Agency   | KPIs                 | Key Performance Indicators  | RMI    | Responsible Minerals Initiative                    |
| AI                | Artificial Intelligence                        | ECHA-SCIP    | European Chemicals Agency - Substances of Concern in Products   | LCA                  | Life Cycle Assessment   | RoHS   | Restriction of Hazardous Substances                |
| AIP               | Asia Industrial Park                           | EDP          | Engineering Development Program   | LDP                  | Leadership Development Program  | SASB   | Sustainability Accounting Standards Board          |
| AmCham            | The American Chamber of Commerce in Vietnam    | EHS          | Environmental, Health, and Safety   | LEED                 | Leadership in Energy and Environmental Design   | SBTi   | Science-Based Target initiatives                   |
| Americas          | Central, North, and South America              | EMEA         | Europe and the Middle East  | LLDP                 | Legal Leadership Development Program  | SCIP   | Substances of Concern In Products                  |
| ANZ               | Australia and New Zealand                      | EMS          | Environmental Management Systems  | LLS                  | Leukemia & Lymphoma Society   | SEDEX  | Supplier Ethical Data Exchange                     |
| ASM               | Artisanal and Small-Scale Mining               | EPA          | Environmental Protection Agency   | Model Code           | The Model Code for Securities Transactions  | SEHK   | Stock Exchange of Hong Kong                        |
| Board             | Board of Directors                             | ESG          | Environmental, Social, and Governance   | NEPA                 | National Environmental Policy Act   | SER    | Social & Environmental Responsibility              |
| BU(s)             | Business Unit(s)                               | EU           | European Union  | NGO                  | Non-Governmental Organizations  | SHTP   | Saigon Hi-Tech Park Project                        |
| CAP(s)            | Corrective Action Plan(s)                      | FLDP         | Finance Leadership Development Program  | NIST                 | National Institute of Standards and Technology  | SOP    | Standard Operating Procedure                       |
| CCA               | Competition and Consumer Act 2010              | FP&A         | Financial Planning & Analysis   | NZE                  | Net Zero Emissions by 2050 Scenario   | STEP   | Stated Policies Scenario                           |
| CDP               | Carbon Disclosure Project                      | GHG          | Green House Gas   | ODP                  | Operations Development Program  | TCFD   | Task Force on Climate related Financial Disclosure |
| CEAFA             | China Enterprise Anti-Fraud Alliance           | Green Energy | Energy that can be produced using a method, and from a source, that causes no harm to the natural environment | OHS                  | Occupational Health & Safety  | TSCA   | Toxic Substances Control Act                       |
| CEO               | Chief Executive Officer                        | GRI          | Global Reporting Initiative   | Performance Criteria | Company's Achievement of Share Price, Financial, and Operational Performance Criteria | TTI    | Techtronic Industries Company Limited              |
| CoC               | TTI Code of Ethics & Business Conduct          | Group        | Techtronic Industries Company Limited   | PPA                  | Power Purchase Agreement  | TVA    | Tennessee Valley Authority                         |
| Company           | Techtronic Industries Company Limited          | H&S          | Health & Safety   | PPE                  | Personal Protective Equipment   | U.S    | United States                                      |
| Company Secretary | The Secretary of the Company                   | HR           | Human Resources   | PRC                  | People's Republic of China  | UNICEF | United Nations Children's Fund                     |
| CPE               | Continuing Professional Education              | HVAC         | Heating, Ventilation, and Air-Conditioning  | QSA                  | Quality System Assurance  | UNSDGs | United Nations Sustainable Development Goals       |
| CPR               | Cardiopulmonary Resuscitation                  | IEA          | International Energy Agency   | R&D                  | Research and Development  | UWSP   | University of Wisconsin-Stevens Point              |
| CVaR              | Climate-Value-at-Risk                          | ILO          | International Labour Organization   | RBA                  | Responsible Business Alliance   | VPPA   | Virtual Power Purchase Agreement                   |
| D&I               | Diversity & Inclusion                          | IOC          | Indicators of Compromise  | REACH                | Registration, Evaluation, and Authorization of Chemicals                              | WAGS   | Wednesday Afternoon Gold Society                   |
| DC                | Distribution Center                            |              |   |                      |   | WFH    | Work From Home                                     |
| DFMEA             | Design Failure Mode and Effect Analysis        |              |   |                      |   |        |  |
| DIY               | Do-It-Yourself                                 |              |   |                      |   |        |  |

# HKEX ESG Guide Content Index

| Mandatory Disclosures | Report Section         | Page No.  |
|-----------------------|------------------------|-----------|
| Governance Structure  | Corporate Governance   | p.99-101  |
| Reporting Principles  | Materiality Assessment | p.10      |
|                       | Stakeholder Engagement | p.11-13   |
|                       | About this Report      | p.163     |
|                       | Performance Metrics    | p.114-125 |
| Reporting Boundary    | About this Report      | p.163     |

| Item                        | Questions/Required Disclosure  | Remarks | Report Section  | Page No.             |
|-----------------------------|--|---------|---|----------------------|
| <b>Environment</b>          |  |         |   |                      |
| <b>Aspect A1: Emissions</b> |  |         |   |                      |
| <b>General Disclosure</b>   | Information on:  |         | Environmental Management                              | p.48-53              |
|                             | (a) The policies; and  |         | Climate Change  | p.54-63              |
|                             | (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.  |         | Resources, Materials and Waste                        | p.64-71              |
|                             | <small>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.<br/>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.<br/>Hazardous wastes are those defined by national regulations.</small> |         |   |                      |
| <b>KPI A1.1</b>             | The types of emissions and respective emissions data.  |         | Climate Change<br>Performance Metrics                 | p.54-63<br>p.114-116 |
| <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).  |         | Climate Change<br>Performance Metrics                 | p.54-63<br>p.114     |
| <b>KPI A1.3</b>             | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   |         | Resources, Materials and Waste<br>Performance Metrics | p.64-71<br>p.116     |

| Item            | Questions/Required Disclosure  | Remarks | Report Section  | Page No.           |
|-----------------|--|---------|---|--------------------|
| <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).             |         | Resources, Materials and Waste<br>Performance Metrics | p.64-71<br>p.116   |
| <b>KPI A1.5</b> | Description of emission target(s) set and steps taken to achieve them.   |         | Environmental Management<br>Climate Change            | p.48-53<br>p.54-63 |
| <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                        | p.64-71            |

**Aspect A2: Use of Resources**

|                           |  |  |  |                                       |
|---------------------------|--|--|--|---------------------------------------|
| <b>General Disclosure</b> | Policies on the efficient use of resources, including energy, water and other raw materials.   |  | Environmental Management<br>Climate Change<br>Resources, Materials and Waste | p.48-53<br>p.54-63<br>p.64-71         |
|                           | <small>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</small>                       |  |  |                                       |
|                           | <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). | Detailed target(s) for energy use efficiency not finalized yet.              | Climate Change<br>Performance Metrics |
| <b>KPI A2.2</b>           | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   |  | Performance Metrics  | p.115                                 |
| <b>KPI A2.3</b>           | Description of energy use efficiency target(s) set and steps taken to achieve them.  |  | Climate Change   | p.54-63                               |
| <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   | p.65-66                               |
| <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  | p.116                                 |

**Aspect A3: The Environment and Natural Resources**

|                           |   |   |  |                               |
|---------------------------|---|---|--|-------------------------------|
| <b>General Disclosure</b> | Policies on minimizing the issuer's significant impacts on the environment and natural resources. |   | Environmental Management<br>Climate Change<br>Resources, Materials and Waste | p.48-51<br>p.54-63<br>p.64-71 |
|                           | <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. | Environmental Management<br>Climate Change<br>Resources, Materials and Waste | p.48-51<br>p.54-63<br>p.64-71 |

| 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.  |         | Environmental Management<br>Climate Change | p.48-51<br>p.54-63 |
| <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.  |         | Environmental Management<br>Climate Change | p.48-51<br>p.54-63 |
| <b>Social – Employment and Labor Practices</b> |   |         |  |                    |
| <b>Aspect B1: Employment</b>                   |   |         |  |                    |
| <b>General Disclosure</b>                      | Information on:<br>(a) the policies; and<br>(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. |         | Social and Community                       | p.72-85, p.89      |
| <b>KPI B1.1</b>                                | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  |         | Performance Metrics                        | p.117-118          |
| <b>KPI B1.2</b>                                | Employee turnover rate by gender, age group and geographical region.  |         | Performance Metrics                        | p.119-120          |
| <b>Aspect B2: Health and Safety</b>            |   |         |  |                    |
| <b>General Disclosure</b>                      | Information on:<br>(a) the policies; and<br>(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 Well-being             | p.86-89            |
| <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                        | p.125              |
| <b>KPI B2.2</b>                                | Lost days due to work injury.   |         | Performance Metrics                        | p.125              |

| Item                                       | Questions/Required Disclosure  | Remarks | Report Section   | Page No.                          |
|--|--|---------|--|-----------------------------------|
| <b>KPI B2.3</b>                            | Description of Occupational Health and Safety measures adopted, and how they are implemented and monitored.  |         | Health, Safety, and Well-being   | p.86-88                           |
| <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.<br><small>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</small> |         | Empowering People  | p.84-85                           |
| <b>KPI B3.1</b>                            | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).   |         | Performance Metrics  | p.124                             |
| <b>KPI B3.2</b>                            | The average training hours completed per employee by gender and employee category.   |         | Performance Metrics  | p.123                             |
| <b>Aspect B4: Labor Standards</b>          |  |         |  |                                   |
| <b>General Disclosure</b>                  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.  |         | Ethics and Integrity<br>Empowering People<br>Supply Chain Accountability | p.102-103<br>p.80-82<br>p.108-113 |
| <b>KPI B4.1</b>                            | Description of measures to review employment practices to avoid child and forced labor.  |         | Empowering People<br>Supply Chain Accountability                         | p.80-82<br>p.108-113              |
| <b>KPI B4.2</b>                            | Description of steps taken to eliminate such practices when discovered.  |         | Empowering People<br>Ethics and Integrity<br>Supply Chain Accountability | p.82<br>p.102-103<br>p.108-113    |
| <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  | p.108-113                         |
| <b>KPI B5.1</b>                            | Number of suppliers by geographical region.  |         | Supply Chain Accountability  | p.109                             |
| <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  | p.108-113                         |

| Item                                     | Questions/Required Disclosure   | Remarks  | Report Section   | Page No.                       |
|--|---|--|--|--------------------------------|
| <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  | p.108-113                      |
| <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  | p.108-113                      |
| <b>Aspect B6: Product Responsibility</b> |   |  |  |                                |
| <b>General Disclosure</b>                | Information on:<br>(a) the policies; and<br>(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. |  | Sustainable Products<br>Health, Safety, and Well-being<br>Governance | p.34-45<br>p.86-89<br>p.98-101 |
| <b>KPI B6.1</b>                          | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  |  | SASB Content Index   | p.156                          |
| <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. | Sustainable Products   | p.41                           |
| <b>KPI B6.3</b>                          | Description of practices relating to observing and protecting intellectual property rights.   |  | Data Protection and Cybersecurity                                    | p.105-106                      |
| <b>KPI B6.4</b>                          | Description of quality assurance process and recall procedures.   |  | Sustainable Products   | p.40-41                        |
| <b>KPI B6.5</b>                          | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   |  | Data Protection and Cybersecurity                                    | p.105-106                      |

| Item                                   | Questions/Required Disclosure   | Remarks   | Report Section                      | Page No.  |
|--|---|---|-------------------------------------|-----------|
| <b>Aspect B7: Anti-corruption</b>      |   |   |                                     |           |
| <b>General Disclosure</b>              | Information on:<br>(a) the policies; and<br>(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                | p.102-105 |
| <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                | p.105     |
| <b>KPI B7.2</b>                        | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.  |   | Ethics and Integrity                | p.107     |
| <b>KPI B7.3</b>                        | Description of anti-corruption training provided to directors and staff.  |   | Ethics and Integrity                | p.104     |
| <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 | p.90-95   |
| <b>KPI B8.1</b>                        | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).  |   | Community Investment and Engagement | p.90-95   |
| <b>KPI B8.2</b>                        | Resources contributed (e.g. money or time) to the focus area.   |   | Community Investment and Engagement | p.90-95   |

# GRI Content Index

Techtronic Industries has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

| Item                            | Description- Disclosure Items                                    | Page   | Response   | Reason for Omission | SDG |
|---------------------------------|--|--|--|---------------------|-----|
| <b>Universal Standards</b>      |  |  |  |                     |     |
| GRI 1: Foundation 2021          |  |  |  |                     |     |
| GRI 2: General Disclosures 2021 |  |  |  |                     |     |
| 2-1                             | Organizational details   | p.4<br>p.4<br>p.4<br>p.163 OR p.4<br>p.126-127                     | Techtronic Industries Company Limited<br>Publicly held corporation<br>29/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong<br>TTI is a global organization. A list of countries in which TTI operates is included on p.126-127 of this Report.  | –                   | –   |
| 2-2                             | Entities included in the organization's sustainability reporting | TTI Annual Report 2023<br>TTI ESG Report 2023<br>p.126-127<br>p.10 | All entities included in this Report published simultaneously as this Report are included in the GRI report.<br>A consolidated list of material topics representing all Reporting Entities is included in our Materiality Assessment, updated in 2020 to establish an understanding of where the company is today by market standards for sustainability. We are leveraging the results of this assessment for updates to TTI's entire ESG strategy, including targets, programs and reporting approach. | –                   | –   |

| Item | Description- Disclosure Items                 | Page                             | Response   | Reason for Omission | SDG |
|------|---|----------------------------------|--|---------------------|-----|
| 2-3  | Reporting period, frequency and contact point | p.163 OR p.4<br><br>p.163 OR p.4 | TTI reports on a calendar year cycle; this GRI Report is for Year 2023<br>Fiscal year ending Dec 31, 2023.<br>Annual reporting cycle.<br>Sustainability Report Publication Date – March 28, 2024.<br>Financial Report Publication Date – March 28, 2024.<br>ir@ttihq.com   | –                   | –   |
| 2-4  | Restatements of information                   | p.114-125                        | 2021 and 2022 Emissions, Energy Consumption, Water Stewardship, and Waste Management metrics have been restated due to additional data found through our internal reviews and updating emission factors.<br>The impact of these restatements is less than 2% and has no effect on targets set.   | –                   | –   |
| 2-5  | External assurance                            | p.161-162                        | TTI engages with Underwriters Laboratories (UL) Solutions to externally assure our Scope 1 and Scope 2 emissions annually.<br>UL Solutions has verified, to a limited level of assurance, the GHG statement of TECHTRONIC INDUSTRIES COMPANY LIMITED for January 1st, 2021, to December 31st, 2021, in accordance with ISO 14064 Part 3: 2019. Techtronic Industries Company Limited Inc.'s organizational GHG Statement has been verified to meet the requirements of ISO 14064 Part 1: 2018 and that there is no evidence that the GHG statement:<br>1.) Is not materially correct and is not a fair representation of GHG data and information.<br>2.) Has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.<br>We engaged UL solutions to verify, to a limited level of assurance, the GHG statement of TECHTRONIC INDUSTRIES COMPANY LIMITED for January 1st, 2023, to December 31st, 2023, in accordance with ISO 14064 Part 3: 2019. | –                   | –   |

| Item | Description- Disclosure Items                            | Page | Response  | Reason for Omission | SDG |
|------|--|------|---|---------------------|-----|
| 2-6  | Activities, value chain and other business relationships | p.4  | 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.   | –                   | –   |
|      |  | p.4  | <p>The Company 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. In 2023, TTI had worldwide sales of US\$13.7 billion and over 47,000 employees.</p> <p><b>Power Equipment</b></p> <p>The Power &amp; Equipment segment is comprised of the Power Tools, Accessories, Storage, Hand Tools and Outdoor Power Equipment businesses. The segment sells its products to professional end users, distributors, independent dealers, retail consumers and industrial customers in a wide variety of industries and geographies. The majority of sales are distributed through retailers, including home centers, mass merchants, hardware stores, and retail lumber yards, as well as third-party distributors, independent dealers, and a direct sales force.</p> <p><b>Floorcare &amp; Cleaning</b></p> <p>The Floorcare &amp; Cleaning segment is comprised of the Cordless Cleaning and Carpet Washing &amp; Spot Washing businesses. The segment sells its products to professional end users, distributors, independent dealers, retail consumers and industrial customers in a wide variety of industries and geographies. The majority of sales are distributed through retailers, including home centers, mass merchants, automotive stores, as well as third-party distributors, and independent dealers.</p> |                     |     |

| Item | Description- Disclosure Items                           | Page      | Response   | Reason for Omission   | SDG   |
|------|---|-----------|--|---|-------|
| 2-7  | Employees   | p.117-125 | See p.117-125 for Social Performance Metrics.  | –   | 8, 10 |
| 2-8  | Workers who are not employees                           | p.117-125 | See p.117-125 for Social Performance Metrics.  | Information unavailable/ incomplete<br>Worker who are not employees are being included in some of our metrics but not all. We are working to break out the metrics in future reporting. | 8     |
| 2-9  | Governance structure and composition                    |           | <p>The Board of Directors is designed to provide independent oversight of the company and management to establish and review progress on short-term and long-term strategy, risk, and culture; environmental, social, and governance oversight; and executive compensation. This framework ensures accountability to our shareholders through governance policies aligned with best practices.</p> <p>Audit Committee, Nomination Committee and Remuneration Committee. A member of the committee holds one Chair position maximum.</p> <p>See the 'Corporate Governance Report' in the Annual Report.</p> | –   | 5,16  |
| 2-10 | Nomination and selection of the highest governance body |           | See the 'Corporate Governance Report' in the Annual Report.  | –   | –     |
| 2-11 | Chair of the highest governance body                    |           | The Executive Chairman of the Board of Directors is not a senior director at TTI.  | –   | 16    |

| Item | Description- Disclosure Items   | Page | Response  | Reason for Omission | SDG |
|------|---|------|---|---------------------|-----|
| 2-12 | Role of the highest governance body in overseeing the management of impacts |      | <p>We place a high priority on regular, year-round proactive engagement with our shareholders to better understand their perspectives about our Company and the market generally. Board composition and structure, risk management, human capital management, diversity and inclusion, the Company's plan to address climate change in its supply chain and through innovation and product design, and our executive compensation program.</p> <p>The feedback we received from shareholders was evaluated by management, and the director participants then shared feedback with the Board. Engagement with shareholders has enabled us to better understand our shareholders' priorities and evaluate and improve our governance practices. We continually incorporate shareholder feedback into the review of our governance practices, and we have clarified certain disclosures relating to our compensation program, among other matters, as a result of our engagement process.</p> <p>See the 'Corporate Governance Report' in the Annual Report.</p> | -                   | 16  |
| 2-13 | Delegation of responsibility for managing impacts                           |      | See the 'Corporate Governance Report' in the Annual Report.   | -                   | -   |
| 2-14 | Role of the highest governance body in sustainability reporting             |      | TTI's previous Report was endorsed by the Board of Directors (the "Board") on March 1, 2023, as was this Report on March 6, 2024.   | -                   | -   |

| Item | Description- Disclosure Items | Page | Response   | Reason for Omission | SDG |
|------|-------------------------------|------|--|---------------------|-----|
| 2-15 | Conflicts of Interest         |      | <p>Acting in TTI's best interests and demonstrating loyalty to our Company is critical. If each of us acted out of our own self-interest to the detriment of the Company, or took a Company opportunity for personal gain, our Company would suffer. We would hurt our coworkers, shareholders, customers and communities. That is why we must be mindful of situations that could present a conflict between our personal interests (or the interests of our immediate family) and the interests of our Company, and if presented with such a situation, we must fully disclose the facts to a supervisor or the Legal Department &amp; seek guidance on how to handle the situation.</p> <p>Conflicts of interest can also arise when we receive improper personal benefits as a result of our position at TTI. These can include:</p> <ul style="list-style-type: none"> <li>• Kickbacks</li> <li>• Lavish gifts</li> <li>• Payments</li> <li>• The use, loan or transfer of cash, goods or property</li> <li>• Interest in a business</li> <li>• Services</li> </ul> <p>It is not possible to list, in detail, all of the potential conflicts that may arise in the course of our work for TTI. This makes it all the more important to exercise caution and good judgment in entering into any business relationships, investments or activities that could interfere with TTI's operations or interests or influence our judgment or behavior in a way that favors our personal interests over those of the Company.</p> | -                   | -   |

| Item | Description- Disclosure Items                       | Page | Response   | Reason for Omission | SDG |
|------|---|------|--|---------------------|-----|
| 2-16 | Communication of critical concerns                  |      | <p>Our Audit Committee routinely discusses with management the Company's financial risk exposures and the steps management has taken to monitor and control such exposures, including cybersecurity risk, the Company's risk assessment, and compliance policies. The Audit Committee regularly reviews compliance and disclosure control procedures, including cybersecurity policies, procedures, and disclosures. The Committee also reviews our enterprise risk management process. Our Remuneration Committee oversees the operation of the Company's compensation programs to ensure that the compensation programs do not encourage unnecessary or excessive risk-taking.</p> <p>In addition, the full Board reviews the Company's risk management program and its efforts to mitigate risks to the Company from extraordinary liabilities or losses on at least on an annual basis. The Board is committed to having individuals experienced in risk management on the Audit Committee and the Remuneration Committee, as well as on the full Board.</p> <p>Our CEO and Deputy CFO are responsible for ensuring critical concerns are communicated to all board members. In 2023 we have one critical concern pertaining to business continuity.</p> | –                   | –   |
| 2-17 | Collective knowledge of the highest governance body |      | <p>To ensure that all Directors are aware of current trends in the commercial and regulatory environment in which the Company conducts its business, the Company provides regular updates, training, and written materials on relevant laws, rules, and regulations. To further ensure that the Directors' contribution to the Board remains informed and relevant, they are encouraged to participate in various professional development programs such as seminars, webcasts, and relevant reading materials, especially in relation to compliance requirements. This helps them develop and refresh their knowledge and skills with the latest updates on relevant rules and regulations.</p> <p>All Directors participate in continuous professional development as set out in code provision C.1.4 of the Corporate Governance Code. According to the records of training provided by each Director to the Company, the training received by the Directors in 2023 is summarized in the Corporate Governance Section of our 2023 Annual Report.</p>   | –                   | –   |

| Item | Description- Disclosure Items                                | Page | Response  | Reason for Omission | SDG |
|------|--|------|---|---------------------|-----|
| 2-18 | Evaluation of the performance of the highest governance body |      | Under our annual incentive award program, awards are typically earned or forfeited at the end of the performance year depending on the achievement of Revenue, Gross Profit, EBIT, Diluted EPS, and Total Shareholder Return performance goals.   | –                   | –   |
| 2-19 | Remuneration policies  |      | The responsibilities of the Remuneration Committee include, but not limited to, developing and administering a fair and transparent procedure for setting policy on the overall human resources strategy of the Group and the remuneration of Directors and senior management of the Group, and determining their remuneration packages, on the basis of their merit, competence and qualifications, and having regard to individual performance, the Company's operating results and return to shareholders, and comparable market statistics. The Remuneration Committee makes recommendations to the Board on the remuneration packages of Executive Directors and senior management, including, without limitation, base salaries, benefits in kind, incentive payments and grants, and consults the Chairman and/or Chief Executive Officer for the proposals of other Executive Directors' remuneration packages. The Remuneration Committee also makes recommendations to the Board on the remuneration of Non-executive Directors and Independent Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations and with access to sufficient resources and professional advice if necessary. | –                   | –   |
| 2-20 | Process to determine remuneration                            |      | The Group engages a global executive compensation consulting firm as an independent third party to assess the competitiveness of compensation of the Chairman, the CEO and other Executive Directors. The compensation packages of the Group's Executive Directors were assessed relative to similar positions at 20 peer companies operating in the same or adjacent industries. The consultant's assessment took into account the Group's absolute share price, financial and operational performance, as well as that performance relative to the peer companies.  | –                   | –   |

| Item | Description- Disclosure Items                 | Page                 | Response   | Reason for Omission   | SDG |
|------|---|----------------------|--|---|-----|
| 2-21 | Annual total compensation ratio               |                      |  | Information unavailable/ incomplete - TTI is working to consolidate median annual total compensation and median annual total compensation increases. We are working on this consolidation process and will report this information in subsequent reports. | -   |
| 2-22 | Statement on sustainable development strategy | p.2-3                | See 'Vice Chairman's Letter' on p.2-3  | -   | -   |
| 2-23 | Policy commitments                            | p.103-105            | CoC<br>BPCoC   | -   | 16  |
| 2-24 | Embedding policy commitments                  | p.80-85<br>p.103-105 | Code of Ethics and Business Conduct, Anti-Trust and Competition, and Harrassment Prevention, Anti-Discrimination, and Anti-Retaliation training, among others, are provided to employees and the content is regularly reviewed and updated. All employees have access to the LearnTTI platform where the trainings are available. Employees are encouraged to raise any concerns through multiple channels, including through the compliance hotline.  | -   | -   |
| 2-25 | Processes to remediate negative impacts       | p.102-107            | Our Company follows all applicable national, state, provincial and local employment laws designed to protect the rights of individuals. These include regulations on pay rates, overtime, Occupational Health and Safety and equal employment opportunity. If you witness or experience discrimination or harassment in the workplace, or have concerns that employment laws are otherwise not being upheld, you should report them to your Supervisor or Human Resources Department. TTI does not permit retaliation, directly or indirectly, against anyone for reporting, in good faith, suspected violations of this Code. | -   | -   |

| Item | Description- Disclosure Items                      | Page      | Response   | Reason for Omission | SDG |
|------|--|-----------|--|---------------------|-----|
| 2-26 | Mechanisms for seeking advice and raising concerns | p.102-107 | 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.102-107. | -                   | 16  |
| 2-27 | Compliance with laws and regulations               |           | In this index, there were no significant instances of non-compliance with laws and regulations during the reporting period.  | -                   | 16  |
| 2-28 | Membership associations                            |           | See Supply Chain Accountability & Community Investment & Engagement section  | -                   | -   |
| 2-29 | Approach to stakeholder engagement                 | p.11-13   | See Stakeholder Engagement section   | -                   | -   |
| 2-30 | Collective bargaining agreements                   | p.81      | The percentage of total employees covered by collective bargaining agreements at TTI is 17%.<br><br>We ensure that freedom of association and collective bargaining is also respected in accordance with local regulations within our operations and supply chain.   | -                   | 8   |

**GRI 3: Material Topics 2021**

|     |                                      |  |  |   |   |
|-----|--------------------------------------|--|--|---|---|
| 3-1 | Process to determine material topics | p.10   | See Material Topics, Sustainable Products, Climate Change, Resources, Materials & Waste, Empowering People, Health, Safety & Well-being, Community Investment & Engagement, Ethics & Integrity and Supply Chain Accountability.<br><br>Materiality Assessment. | - | - |
| 3-2 | List of material topics              | p.10   | Materiality Assessment.  | - | - |
| 3-3 | Management of material topics        | p.34-45<br>p.54-63<br>p.64-71<br>p.80-85<br>p.86-89<br>p.90-95<br>p.102-107<br>p.108-113 | See Material Topics, Sustainable Products, Climate Change, Resources, Materials & Waste, Empowering People, Health, Safety & Well-being, Community Investment & Engagement, Ethics & Integrity and Supply Chain Accountability.                                | - | - |

| Item   | Description- Disclosure Items   | Page    | Response   | Reason for Omission | SDG   |
|--|---|---------|--|---------------------|-------|
| <b>Reporting Section: Products</b>             |   |         |  |                     |       |
| <b>Material Topic: Sustainable Products</b>    |   |         |  |                     |       |
| <b>GRI 3: Material Topics 2021</b>             |   |         |  |                     |       |
| 3-3  | Management of material topics   | p.34-45 | –  | –                   | 9, 12 |
| <b>GRI 416 Customer Health and Safety 2016</b> |   |         |  |                     |       |
| 416-1  | Assessment of the health and safety impacts of product and service categories                 | p.40-41 | –  | –                   | 3     |
| 416-2  | Incidents of non-compliance concerning the health and safety impacts of products and services | p.38-41 | During this reporting period, there was 1 minor citation of health and safety regulation.<br>TTIPE received a minor citation from OSHA concerning packaged product on pallets preventing safe clearance on the in-dock aisleway where powered industrial trucks were used alongside pedestrians. This matter has been successfully resolved.   | –                   | 16    |
| <b>GRI 417 Marketing and Labeling 2016</b>     |   |         |  |                     |       |
| 417-1  | Requirements for product and service information and labeling                                 | p.40-41 | 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    |
| 417-2  | Incidents of non-compliance concerning product and service information and labeling           |         | 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                               |         | There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing and communications.   | –                   | 16    |

| Item                                  | Description- Disclosure Items   | Page              | Response | Reason for Omission   | SDG               |
|---------------------------------------|---|-------------------|----------|---|-------------------|
| <b>Reporting Section: Environment</b> |   |                   |          |   |                   |
| <b>Material Topic: Climate Change</b> |   |                   |          |   |                   |
| <b>GRI 3: Material Topics 2021</b>    |   |                   |          |   |                   |
| 3-3                                   | Management of material topics   | p.54-63           | –        | –   | 7, 11, 12, 13, 17 |
| <b>GRI 302 Energy 2016</b>            |   |                   |          |   |                   |
| 302-1                                 | Energy consumption within the organization                                      | p.54-63 p.114     | –        | Information incomplete — TTI's total consumption from renewable sources represents 19% of total energy consumption and will be more detailed in subsequent reports. | 7, 8, 12, 13      |
| 302-3                                 | Energy intensity  | p.114             | –        |   | 7, 8, 12, 13      |
| 302-4                                 | Reduction of energy consumption   | p.54-63           | –        | –   | 7, 8, 12, 13      |
| <b>GRI 305 Emissions 2016</b>         |   |                   |          |   |                   |
| 305-1                                 | Direct (Scope 1) GHG emissions  | p.54-63 p.114-115 | –        | –   | 12, 13            |
| 305-2                                 | Energy indirect (Scope 2) GHG emissions   | p.114-115         | –        | –   | 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.    | 12, 13            |
| 305-4                                 | GHG emissions intensity   | p.114-115         | –        | –   | 13                |
| 305-5                                 | Reduction of GHG emissions  | p.54-63           | –        | –   | 12, 13            |
| 305-7                                 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | p.54-63           | –        | Information unavailable — TTI has not consolidated all standards and methodologies. These will be disclosed in subsequent reports.                                  | 13                |

| Item   | Description- Disclosure Items   | Page             | Response          | Reason for Omission  | SDG       |
|--|---|------------------|-------------------|--|-----------|
| <b>Material Topic: Resources, Materials, and Waste</b> |   |                  |                   |  |           |
| 3-3  | Management of material topics   | p.64-71          | –                 | –  | –         |
| <b>GRI 301 Materials 2016</b>                          |   |                  |                   |  |           |
| 301-1  | Materials used by weight or volume  | p.116            | –                 | Information unavailable — Percentage of renewable input materials is not available for reporting yet. TTI will further review the data for subsequent reports.   | 8, 12     |
| <b>GRI 303 Water and Effluents 2018</b>                |   |                  |                   |  |           |
| 303-1  | Interactions with water as a shared resource  | p.65-67          | –                 | 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     |
| 303-3  | Water withdrawal  | p.65-67<br>p.115 | KPI's for A and B | –  | 6         |
| 303-5  | Water consumption   | p.65-67<br>p.115 | KPI's for A and B | –  | 6         |
| <b>GRI 304 Biodiversity 2016</b>                       |   |                  |                   |  |           |
| 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. | 6, 13, 15 |

| Item                      | Description- Disclosure Items  | Page    | Response  | Reason for Omission   | SDG             |
|---------------------------|--|---------|---|---|-----------------|
| 304-2                     | Significant impacts of activities, products and services on biodiversity | p.64-71 | –   | 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, 13, 15       |
| 304-3                     | Habitats protected or restored   | p.90-95 | –   | Information unavailable — Size, location and status of all habitat areas protected or restored will be disclosed in subsequent reports.   | 14, 15          |
| <b>GRI 306 Waste 2020</b> |  |         |   |   |                 |
| 306-1                     | Waste generation and significant waste-related impacts                   | p.65-67 | –   | –   | 3, 6, 11, 12    |
| 306-2                     | Management of significant waste related impacts                          | p.64-71 | 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  | p.116   | –   | –   | 3, 6, 11, 12    |
| 306-4                     | Waste diverted from disposal   | p.116   | –   | –   | 3, 11, 12       |
| 306-5                     | Waste directed to disposal   | p.116   | –   | –   | 3, 6, 11, 12    |

| Item  | Description- Disclosure Items   | Page      | Response   | Reason for Omission   | SDG         |
|---|---|-----------|--|---|-------------|
| <b>Reporting Section: Social &amp; Community</b>    |   |           |  |   |             |
| <b>Material Topic: Empowering People</b>            |   |           |  |   |             |
| <b>GRI 3: Material Topics 2021</b>                  |   |           |  |   |             |
| 3-3   | Management of material topics   | p.80-85   | –  | –   | 1, 3, 5     |
| <b>GRI 401 Employment 2016</b>                      |   |           |  |   |             |
| 401-1   | New employee hires and employee turnover  | p.119     | –  | –   | 8           |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or parttime employees | p.80-85   | Detail on specific benefits provided above legal requirements at each location of operation varies across our global business. | –   | 3           |
| 401-3   | Parental leave  | p.121-122 | –  | –   | 3           |
| <b>GRI 404 Training and Education 2016</b>          |   |           |  |   |             |
| 404-1   | Average hours of training per year per employee   | p.123     | –  | –   | 4, 5, 8, 10 |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                         | p.80-85   | –  | –   | 8           |
| 404-3   | Percentage of employees receiving regular performance and career development reviews              | p.124     | –  | –   | 5, 8, 10    |
| <b>GRI 405 Diversity and Equal Opportunity 2016</b> |   |           |  |   |             |
| 405-1   | Diversity of governance bodies and employees  | p.80-85   | –  | –   | 5, 8        |
| 405-2   | Ratio of basic salary and remuneration of women to men  | –         | –  | Information unavailable — Data on salary and remuneration by category are not available for reporting yet. TTI will further review the data for subsequent reports. | 5           |
| <b>GRI 406 Non-discrimination 2016</b>              |   |           |  |   |             |
| 406-1   | Incidents of discrimination and corrective actions taken  |           | No incident of discrimination have been reported in 2023.  | –   | 5, 8        |

| Item   | Description- Disclosure Items  | Page                 | Response  | 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 | p.81-82              | –   | –                   | 8       |
| <b>GRI 408 Child Labor 2016</b>                                      |  |                      |   |                     |         |
| 408-1  | Operations and suppliers at significant risk for incidents of child labor                                      | p.81-82<br>p.102-113 | –   | –                   | 8, 16   |
| <b>GRI 409 Forced or Compulsory Labor 2016</b>                       |  |                      |   |                     |         |
| 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | p.81-82<br>p.102-113 | –   | –                   | 8       |
| <b>Material Topic: Health, Safety &amp; Well-being</b>               |  |                      |   |                     |         |
| <b>GRI 3: Material Topics 2021</b>                                   |  |                      |   |                     |         |
| 3-3  | Management of material topics  | p.86-89              | –   | –                   | 3, 8, 9 |
| <b>GRI 403 Occupational Health and Safety 2018</b>                   |  |                      |   |                     |         |
| 403-1  | Occupational health and safety management system   | p.86-89              | –   | –                   | 8       |
| 403-2  | Hazard identification, risk assessment, and incident investigation   | p.86-89              | 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   | p.86-89              | –   | –                   | 8       |
| 403-4  | Worker participation, consultation, and communication on occupational health and safety                        | p.86-89              | –   | –                   | 8, 16   |
| 403-5  | Worker training on occupational health and safety  | p.86-89              | –   | –                   | 8       |

| Item   | Description-Disclosure Items  | Page                 | Response   | Reason for Omission | SDG      |
|--------|---|----------------------|--|---------------------|----------|
| 403-6  | Promotion of worker health  | p.86-89              | –  | –                   | 3        |
| 403-7  | Prevention and mitigation of Occupational Health and Safety impacts directly linked by business relationships | p.86-89              | –  | –                   | 8        |
| 403-8  | Workers covered by an Occupational Health and Safety management system  | p.86-89              | The organization has implemented an Occupational Health and Safety management system based on legal requirements and/or recognized standards/guidelines. | –                   | 3        |
| 403-9  | Work-related injuries   | p.86-89<br>p.117-125 | –  | –                   | 3, 8, 16 |
| 403-10 | Work-related ill health   | p.86-89<br>p.117-125 | –  | –                   | 3        |

**Material Topic: Community Investment & Engagement**

**GRI 3: Material Topics 2021**

|     |                               |         |   |   |                  |
|-----|-------------------------------|---------|---|---|------------------|
| 3-3 | Management of material topics | p.90-95 | – | – | 1, 4, 10, 11, 17 |
|-----|-------------------------------|---------|---|---|------------------|

**GRI 413 Local Communities 2016**

|       |  |         |  |   |    |
|-------|--|---------|--|---|----|
| 413-1 | Operations with local community engagement, impact assessments, and development programs | p.90-95 | –  | – | 17 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities   | –       | TTI does not have any direct operations that have potential negative impacts on local communities. | – | 17 |

**GRI 203 Indirect Economic Impacts 2016**

|       |   |         |   |   |          |
|-------|---|---------|---|---|----------|
| 203-1 | Infrastructure investments and services supported | p.90-95 | – | – | 5, 9, 11 |
| 203-2 | Significant indirect economic impacts             | p.90-95 | – | – | 1, 3, 8  |

| Item | Description-Disclosure Items | Page | Response | Reason for Omission | SDG |
|------|------------------------------|------|----------|---------------------|-----|
|------|------------------------------|------|----------|---------------------|-----|

**Reporting Section: Governance**

**Material Topic: Ethics and Integrity**

**GRI 3: Material Topics 2021**

|     |                               |           |   |   |           |
|-----|-------------------------------|-----------|---|---|-----------|
| 3-3 | Management of material topics | p.102-107 | – | – | 9, 16, 17 |
|-----|-------------------------------|-----------|---|---|-----------|

**GRI 205 Anti-corruption 2016**

|       |  |           |  |   |    |
|-------|--|-----------|--|---|----|
| 205-1 | Operations assessed for risks related to corruption                      | p.102-107 | TTI conducts regular risk assessments related to corruption.   | – | 16 |
| 205-2 | Communication and training about anti-corruption policies and procedures | p.102-107 | 100% of governance body members, employees and suppliers have received communication. 100% of governance body members and 91% of employees have received training. | – | 16 |
| 205-3 | Confirmed incidents of corruption and actions taken                      | p.102-107 | No confirmed incidents of corruption in the reporting year.  | – | 16 |

**GRI 206 Anti-competitive Behavior 2016**

|       |   |           |   |   |    |
|-------|---|-----------|---|---|----|
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | p.102-107 | No confirmed incidents of anti-competitive behavior, anti-trust, or monopoly practices took place during the reporting year. There was one case of anti-competitive behavior that was concluded this reporting year. Refer to p.107 for more information. | – | 16 |
|-------|---|-----------|---|---|----|

**GRI 415 Public Policy 2016**

|       |                         |           |  |   |    |
|-------|-------------------------|-----------|--|---|----|
| 415-1 | Political contributions | p.104-105 | TTI does not provide financial or in-kind political contributions. | – | 16 |
|-------|-------------------------|-----------|--|---|----|

**GRI 418 Customer Privacy 2016**

|       |  |           |   |   |    |
|-------|--|-----------|---|---|----|
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | p.105-106 | In 2023, there were no complaints concerning breaches of customer privacy or data loss. | – | 16 |
|-------|--|-----------|---|---|----|

| Item  | Description- Disclosure Items  | Page      | Response  | Reason for Omission | SDG           |
|---|--|-----------|---|---------------------|---------------|
| <b>Material Topic: Supply Chain Accountability</b>    |  |           |   |                     |               |
| <b>GRI 3: Material Topics 2021</b>                    |  |           |   |                     |               |
| 3-3   | Management of material topics  | p.108-113 | –   | –                   | 8, 12, 16, 17 |
| <b>GRI 308 Supplier Environmental Assessment 2016</b> |  |           |   |                     |               |
| 308-1   | New suppliers that were screened using environmental criteria        | p.108-113 | 625 supplier audits were conducted and as a result, 624 suppliers were put on Corrective Action Plans (CAPs) to hold suppliers to a higher standard and push them towards maintaining social and environmental systems. | –                   | 12, 13        |
| 308-2   | Negative environmental impacts in the supply chain and actions taken | p.108-113 | 625 supplier audits were conducted and as a result, 624 suppliers were put on Corrective Action Plans (CAPs) to hold suppliers to a higher standard and push them towards maintaining social and environmental systems. | –                   | 12, 13        |
| <b>GRI 414 Supplier Social Assessment 2016</b>        |  |           |   |                     |               |
| 414-1   | New suppliers that were screened using social criteria               | p.108-113 | 625 supplier audits were conducted and as a result, 624 suppliers were put on Corrective Action Plans (CAPs) to hold suppliers to a higher standard and push them towards maintaining social and environmental systems. | –                   | 5, 8, 16      |
| 414-2   | Negative social impacts in the supply chain and actions taken        | p.108-113 | 625 supplier audits were conducted and as a result, 624 suppliers were put on Corrective Action Plans (CAPs) to hold suppliers to a higher standard and push them towards maintaining social and environmental systems. | –                   | 5, 8, 16      |

# SASB Content Index

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

| Accounting Metric  | TTI's Approach   | 2023 Disclosure   |
|--|--|---|
| <b>RT-EE-130a.1 &amp; RT-IG-130a.1</b><br>(1) Total energy consumed,<br>(2) percentage grid electricity,<br>(3) percentage renewable | We have mapped out a decarbonization pathway with plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021. We have also verified our emissions data for 2021, our baseline year. To reduce our Scope 2 emissions, we focus on procuring renewable energy. The levers we use to achieve this target are energy efficiency, onsite renewable energy production and offsite renewable energy procurement.  | Total Consumption: 1,869,180 GJ<br>Grid Electricity: 62%<br>Renewable Energy: 19% |
| <b>RT-EE-150a.1</b><br>Amount of hazardous waste generated, percentage recycled  | For waste that cannot be avoided, we have set a global reduction target rate of 90% waste-diverted-from-landfill by 2030. 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 (SOP) 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 reuse and recycle components, products and materials whenever we can and aim to do more. | Hazardous Waste:<br>1,537 metric tons<br>Hazardous Waste Recycled: 49%            |
| <b>RT-EE-150a.2</b><br>Number and aggregate quantity of reportable spills, quantity recovered  |  | There were no reportable spills during the reporting period.                      |

| Accounting Metric   | TTI's Approach  | 2023 Disclosure  |
|---|---|--|
| <b>CG-AM-250a.1 &amp; RT-EE-250a.1</b><br>Number of (1) recalls issued and (2) total units recalled                                       | <p>Continual enhancement of safety standards, quality and compliance is the responsibility of our Product Safety Directors, committees and teams at our individual business units.</p> <p>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.</p> <p>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. 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.</p> <p>Safety reviews are carried out throughout the whole design and development process. More details can be found in our ESG Report section on Product Safety.</p> <p>Hazard reviews and risk assessments are mandatory gating items in various phases of the new product development process. They follow the principles of ISO 12100:2010. These are based on knowledge and experience of the design, use, incidents, accidents and risks associated with machinery. Procedures are described for identifying hazards, estimating and evaluating risks during relevant phases of the machine life cycle.</p> <p>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.</p> <p>Active products are monitored through field reporting systems. Reported accidents, near-accidents, customer complaints and online reviews pointing to potential compliance or safety issues, and any safety related findings in our quality return analysis, are discussed in safety committee meetings. Additionally, formal risk assessments are performed regularly. Based on the results, possible measures such as production hold, inventory freeze, consumer warnings, product withdrawal and recall are implemented.</p> <p>Besides mandatory product certifications we hold ISO 9001:2015 and QC 080000:2017 certificates. Compliance with defined safety relevant processes and procedures are audited by third parties including SGS, CQC and ITS.</p> | <p>In 2023, we initiated two recalls. The first recall was for approximately 668 units of an AEG 58V battery sold in Australia and the second was for approximately 6,200 units of an ORECK upright vacuum. We conducted comprehensive investigations into the primary cause of each matter and took swift corrective action to restore trust in our brands and safeguard consumer well-being. No other products were affected.</p> <p>The above recalls represent under 1% of products sold during the period.</p> <p>See TTI's Approach.</p> |
| <b>CG-AM-250a.2</b><br>Discussion of process to identify and manage safety risks associated with the use of its products                  |   |  |
| <b>CG-AM-250a.3 &amp; RT-EE-250a.2</b><br>Total amount of monetary losses as a result of legal proceedings associated with product safety |   | Not Applicable.  |

| Accounting Metric   | TTI's Approach   | 2023 Disclosure  |
|---|--|--|
| <b>RT-EE-410a.1</b><br>Percentage of products by revenue that contain IEC 62474 declarable substances | <p>To manage our impact, our core sustainability teams have been collaborating across business units to develop design guides for more sustainable consideration in our products. Circularity is a key consideration from the selection of the materials to designing for recycling, repairability, and longevity. We also consider energy use while products are in operation and the end of life.</p> <p>A range of checklists are being continuously developed to provide education and guidance on the principles of sustainability and circular economy and to 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 lifecycle. Our processes consider reliability, durability, repairability, refurbishing, and recycling aspects that are further explored on Circular Economy.</p> | <p>Percentage of products by revenue that contain IEC 62474 Declarable Substances: 82.2%.</p> <p>We seek to use viable alternatives to declarable substances when feasible. 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.</p> |
| <b>RT-EE-410a.2</b><br>Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria   |  | Not Applicable.  |
| <b>RT-EE-410a.3</b><br>Revenue from renewable energy-related and energy efficiency-related products   |  | Revenue from renewable energy-related and energy efficiency-related products: \$9.3 Billion.   |

| Accounting Metric   | TTI's Approach   | 2023 Disclosure  |
|---|--|--|
| <b>CG-AM-410a.1</b><br>Percentage of eligible products by revenue certified to the ENERGY STAR® program   | At all stages of our product lifecycle, TTI prioritizes choosing materials that are recyclable and less harmful for the planet where practical and cost effective. Our R&D teams are focused on optimizing our products and understanding the impact of our choices.   | Not Applicable.  |
| <b>CG-AM-410a.2</b><br>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.  | Not Applicable.  |
| <b>CG-AM-410a.3</b><br>Description of efforts to manage products' end-of-life impacts   | A range of checklists are being continuously developed to provide education and guidance on the principles of sustainability and circular economy and help our associates make the right decisions when choosing raw materials and the use of resources across all phases of the product lifecycle. Our processes consider reliability, durability, reparability, refurbishing, and recycling aspects to further enhance our Circular Economy. | To manage end-of-life impacts, please see the following principles:<br>3.1 TTI continually explores the use of various materials that are easily and commonly recyclable in existing recycling infrastructure<br>3.2 TTI complies with local requirements for its markets including but not limited to HSF, CP65, RoHS and REACH in order to eliminate or minimize 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)<br>3.3 Designing products for easy reparability and disassembly (i.e., designing products so they can easily, rapidly, and cost-effectively be disassembled with commonly available tools)<br>3.4 Proper labelling of products and their component materials (mainly plastics) to facilitate disassembly and recycling |

| Accounting Metric   | TTI's Approach   | 2023 Disclosure   |
|---|--|---|
| <b>RT-EE-510a.1</b><br>Description of policies and practices for prevention of:<br>(1) corruption and bribery and<br>(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). 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 (LearnTTI) 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 the Ethics and Integrity section on page 96-101 of this Report.<br>See TTI's Approach. |
| <b>RT-EE-510a.2</b><br>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.                 |
| <b>RT-EE-510a.3</b><br>Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations   |  | Not Material.   |
| <b>RT-IG-320a.1</b><br>(1) Total recordable incident rate (TRIR),<br>(2) fatality rate, and<br>(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 Action Plans are also covered in these comprehensive policies. Please see p.66-69 of this Report.   | TRIR: 0.81<br>Fatality rate in 2023: 0.002<br>NMFR: 7.58  |
| <b>RT-IG-410a.1</b><br>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, downstream use of our products, office operations, and supply chain are all sources of air and GHG emissions.   | Not Applicable.   |
| <b>RT-IG-410a.2</b><br>Sales-weighted fuel efficiency for non-road equipment  | 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; 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. 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 have also verified our emissions data for 2021, our baseline year. To achieve this target, we are implementing energy efficiency measures, onsite and off-site renewable energy and fleet decarbonization where practical. We are also striving to address our wider Scope 3 emissions beyond our direct operations through various initiatives such as circular economy practices.   | May be applicable, but not available.   |
| <b>RT-IG-410a.3</b><br>Sales-weighted fuel efficiency for stationary generators   |  | May be applicable, but not available.   |
| <b>RT-IG-410a.4</b><br>Sales-weighted emissions of<br>(1) nitrogen oxides (NOx) and<br>(2) particulate matter (PM):<br>(a) marine diesel engines,<br>(b) locomotive diesel engines,<br>(c) on-road medium- and heavy-duty engines, and<br>(d) other non-road diesel engines |  | May be applicable, but not available.   |

| Accounting Metric   | TTI's Approach  | 2023 Disclosure   |
|---|---|---|
| <b>RT-IG-440a.1 &amp; RT-EE-440a.1</b><br>Description of the management of risks associated with the use of critical materials  | TTI has a global and diverse supply chain and the risk associated with the use of critical materials are regularly assessed and mitigated.  | Please see the Resources Materials and Waste section on p.48-53 of this Report. |
| <b>RT-IG-440b.1</b><br>Revenue from remanufactured products and remanufacturing services  | We incorporate the circularity concept into the full product lifecycle, from the selection of the materials to the design for repairability, longevity, the energy use while products are in operation and the end of life treatment. We have a number of repair and servicing centers as well as factory outlets with a reconditioning program that extends the longevity of our products without affecting quality. | Revenue from remanufactured products and remanufacturing services: \$23.0M.     |
| <b>RT-EE-000.A</b><br>1. Provide the number of units produced by the following product categories:<br>-Energy generation<br>-Energy delivery<br>-Lighting and indoor climate control electronics                                      |   | Proprietary information not to be disclosed.                                    |
| <b>RT-IG-000.A</b><br>Provide the number of units produced by the product categories in the table below.<br>-Vehicles and agricultural and construction equipment<br>-Engines and power generation equipment<br>-Parts and components |   | Proprietary information not to be disclosed.                                    |
| <b>CG-AM-000.A</b><br>Provide the number of units produced by product category.   |   | Proprietary information not to be disclosed.                                    |
| <b>RT-IG-000.B, RT-EE-000.B</b><br>Provide the total number of employees working in the industrial manufacturing facilities.  |   | As of December 31, 2023, TTI employed 47,224 employees globally.                |

\* Activity Metrics table to include 3 columns: Metric, Code, Response.

# UL GHG Verification

## GREENHOUSE GAS VERIFICATION REPORT

Project number: 4791027400  
Issue Date: January 5<sup>th</sup>, 2024

UL Solutions has verified, to a limited level of assurance, the GHG statement of

### TECHTRONIC INDUSTRIES NORTH AMERICA, INC.

for January 1st, 2021, to December 31st, 2021, in accordance with ISO 14064 Part 3: 2019. Techtronic Industries North America, Inc.'s organizational GHG Statement has been verified to meet the requirements of ISO 14064 Part 1: 2018 and that there is no evidence that the GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information.
- Has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.

#### January 1st, 2021, to December 31st, 2021

- Scope 1: 40,469 tonnes of CO<sub>2</sub>e
- Scope 2 (Market-based): 138,239 tonnes of CO<sub>2</sub>e

UL Solutions performs Greenhouse Gas (GHG) Verification in accordance with ISO 14064 Part 3: 2019. Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.

UL Solutions applies a risk-based approach to GHG Verification that incorporates an investigation of the inherent and control risks associated with GHG reporting.

UL Solutions' verification approach includes but is not limited to the collection and analysis of:

- Qualitative data through the engagement of management.
- Quantitative data through receipt of data files from information management systems.
- Supporting evidence for all data.

A full description of the approach taken in this verification can be found in Appendix A.

LA

Lauren Alexander  
Lead Verifier

UL Verification Services Inc.  
2211 Newmarket Parkway, Suite 106  
Marietta, GA 30067 USA



## GREENHOUSE GAS VERIFICATION REPORT

Project number: 4791126382  
Issue Date: March 15th, 2024

UL Solutions has verified, to a limited level of assurance, the GHG statement of

### TECHTRONIC INDUSTRIES NA, INC.

for January 1st, 2023, to December 31st, 2023, in accordance with ISO 14064 Part 3: 2019. Techtronic Industries NA, Inc.'s organizational GHG Statement has been verified to meet the requirements of ISO 14064 Part 1: 2018 and that there is no evidence that the GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information.
- Has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.

#### January 1st, 2023, to December 31st, 2023

- Direct emissions: 51,020 tonnes of CO<sub>2e</sub>
- Energy Indirect emissions (Market-based): 120,964 tonnes of CO<sub>2e</sub>

LA

Lauren Alexander  
Lead Verifier

UL Verification Services Inc.  
2211 Newmarket Parkway, Suite 106  
Marietta, GA 30067 USA

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UL Solutions applies a risk-based approach to GHG Verification that incorporates an investigation of the inherent and control risks associated with GHG reporting.

UL Solutions' verification approach includes but is not limited to the collection and analysis of:

- Qualitative data through the engagement of management.
- Quantitative data through receipt of data files from information management systems.
- Supporting evidence for all data.

A full description of the approach taken in this verification can be found in Appendix A.



## About This Report

We present Techtronic Industries Company Limited's (the "Company's", the "Group's" or "TTI's") Environmental, Social, and Governance (ESG) Annual Report for the 2023 calendar year. This Report serves as a continuation of our commitment to transparency, showcasing our approach, initiatives, and performance regarding ESG as a testament to the growing importance of sustainability efforts in our business operations and across our value chain.

TTI has reported in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023. This Report also addresses the "comply or explain" provisions outlined in the Environmental, Social, and Governance Reporting Guide under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. We are also reporting against the Sustainability Accounting Standards Board (SASB) Standards, and have continued our climate risk analysis in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Detailed content indexes outlining our compliance with these standards and recommendations can be found on p.130 to 167 of this Report. Similar to our previous Report, this Report received endorsement from the Board of Directors (the "Board") on March 6, 2024.

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). Our consolidation approach regarding environmental information and data from TTI business units (BUs) are presented by region.

This Report contains restatements from prior years which are explained in the Performance Metrics section on p.114. For a full list of TTI BUs covered under each region and abbreviations used in this Report, refer to p.128. We welcome all feedback and questions, please don't hesitate to contact us through our Investor Relations Department at [ir@ttihq.com](mailto:ir@ttihq.com).

