

Introduction and Highlights

TTI is focused on transforming the industry through environmentally-responsible cordless technology and strengthening measures to reduce energy and water consumption at the production stage. A large measure of our ability to grow, innovate and prosper depends on our ESG performance.

The culture of TTI is driven by an unrelenting strategic focus on Powerful Brands, Innovative Products, Operational Excellence and Exceptional People. We took several significant actions in 2018 that will guide our sustainability journey in the years to come.

- Developed a Sustainability Strategy and Implementation Plan to align our actions and goals globally, which are in line with the United Nations Sustainable Development Goals (UN SDGs)
- Sharpened our focus on human rights, labor, environment, governance and anti-corruption practices with specific initiatives and goals
- Formalized the role of our ESG Working Committee to oversee our ESG direction and activities

Reporting Scope

This report covers the ESG initiatives and performance of TTI for the calendar year 2018 with reference to previous performance where relevant. The HKEX ESG Guide Content Index, which is available on TTI's corporate website¹ outlines how we address the Hong Kong Exchanges and Clearing Limited (HKEX)'s mandatory "comply or explain" requirements and recommended disclosures. This report has been endorsed by the Board of Directors (the "Board") on March 6th 2019. The data in this report, unless otherwise stated, covers our operations in our North America, EMEA, Asia, Australia and New Zealand locations.

We are proud to share TTI's 2018 sustainability achievements with our stakeholders.

Sustainability at TTI

Our commitment to sustainability is an essential part of TTI's broader responsibility to our employees, customers, investors, suppliers, communities, NGO partners and our business. We are mindful of our actions and adopt stringent governance practices to manage our operations responsibly, reduce our impact on the environment, and strive to improve the everyday lives of people both in our business and the communities where we live and work.

In 2018, we reviewed and updated our corporate Sustainability Strategy and identified four strategic areas of focus, including human rights, labor, environment and anti-corruption with specific goals that support 14 of the 17 UN SDGs that are most relevant to TTI's operations. TTI understands that disclosure is one of many drivers to improve ESG performance. Increased transparency supports our license to operate and enhances our reputation. Since we started reporting on ESG separately in our annual report in 2015, TTI has improved the comprehensiveness, quality and credibility of our disclosures and data to meet the expectations of stakeholders, including investors, as part of our integrated Sustainability Strategy.

¹ Our HKEX ESG Guide Content Index is available at www.ttigroup.com/ESG_Index_2018

Our Environmental, Social and Governance Focus Areas

The table below aligns the focus areas of our Sustainability Strategy with the UN SDGs and outlines key initiatives we undertake to implement our strategy.

Focus Areas	Relevant UN SDGs	TTI Engagement
Social		<ul style="list-style-type: none"> • Code of Ethics and Business Conduct that outlines our values and requirements for human and labor rights • Policies for equal employment and to protect human and labor rights • Policy Against Slavery and Human Trafficking for own business and supply chain • Conflict Minerals Policy • Maintaining a safe and healthy workplace for our employees and treating everyone with respect and dignity • Training employees on compliance, education, leadership, professional and skill development • Gender equality initiatives
Environment		<ul style="list-style-type: none"> • Environmental policies, GHG inventory management procedure, resource and energy management procedures and Code of Ethics and Business Conduct that outline our commitments for reducing environmental impact • Energy reduction initiatives in manufacturing plants • Water reuse initiatives in manufacturing plants • Battery recycling programs to reduce electronic waste • Introducing energy-efficient vehicles • Improving packaging to reduce material consumption and environmental impact • Environmental policies for suppliers to ensure compliance throughout the supply chain
Governance		<ul style="list-style-type: none"> • Code of Ethics and Business Conduct and Business Partner Code of Conduct with policies that set requirements and emphasize the prohibition of corruption and bribes and provide guidelines that are acknowledged by all employees and suppliers • TTI Compliance hotline for employees and suppliers • Anti-corruption declaration signed by all suppliers and ongoing monitoring and audits • Internal audit investigations and ongoing compliance monitoring across TTI • Engagement against corruption by participating in an anti-fraud association (Enterprise Anti-Fraud Alliance in China)

Material Issues and Stakeholder Engagement

We understand the importance of continuously engaging our stakeholders to improve our sustainability initiatives. We maintain regular communication with regulatory authorities, business partners, customers, suppliers, employees, shareholders and investors. This communication is essential for our awareness of evolving requirements and expectations, and for the regular updating of our Sustainability Strategy.

TTI continually monitors environmental, social and regulatory trends and identifies areas of its business operations where actions can be taken to better align our environmental and social initiatives with our sustainability goals.

TTI's ESG Working Committee has identified a number of material issues, which we believe can be addressed at a global level as part of our implementation and strategy to work toward our sustainability goals. We have identified, employees, customers and suppliers and investors as our key stakeholder groups.

The table below presents our key stakeholders, their priority concerns and areas of interest, and the main ways that we engage with them.

Stakeholder Groups	Key Concerns/Areas of Interest	Engagement Channels
Employees	<ul style="list-style-type: none"> Working terms, conditions and benefits Equal opportunities Health, safety and wellness Training and development Governance Community engagement 	<ul style="list-style-type: none"> Compliance hotline TTI Group Intranet Learn TTI (e-learning platform) Face-to-face trainings Engagement with NGOs Social media
Customers	<ul style="list-style-type: none"> Social and environmental responsibility Modern slavery Conflict minerals Packaging Battery recycling Quality of products, including safety and environmental impact 	<ul style="list-style-type: none"> Acknowledge customers' policies and codes Conduct audits and corrective action plans in accordance with their requirements and communicate regularly on progress Complete declarations for conflict minerals and conduct due diligence Focus groups at product development stage
Suppliers	<ul style="list-style-type: none"> Governance Anti-corruption Social and environmental responsibility 	<ul style="list-style-type: none"> Compliance hotline Online compliance platform Supplier conferences
Investors	<ul style="list-style-type: none"> Greenhouse gas footprint and climate change strategy Supply chain management Conflict minerals and cobalt 	<ul style="list-style-type: none"> Host meetings to understand their ESG expectations