

**TTI employees engaged in 57,963 hours of training through Learn TTI**

**64% of male staff and 36% of female staff took training programs in 2018 in HK and PRC**

**Zero work-related facilities reported in 2018**

**All TTI business units established annual performance review processes**

## Our People

### Overview and Highlights

At TTI, we believe our employees are our greatest asset and the foundation of our business, as reflected in our core strategic focus on Exceptional People. To recruit and retain the best talent, we invest heavily in staff training and development, occupational health and safety management, and provide competitive remuneration and benefits. We believe that respecting diversity and providing equal opportunities in our workplaces around the world is also key to our success.

### Employee Demographics

TTI operates in 40 jurisdictions worldwide, employing over 23,279 full-time staff of different backgrounds, skill sets and experience. They bring unique ideas and viewpoints that enrich our company.

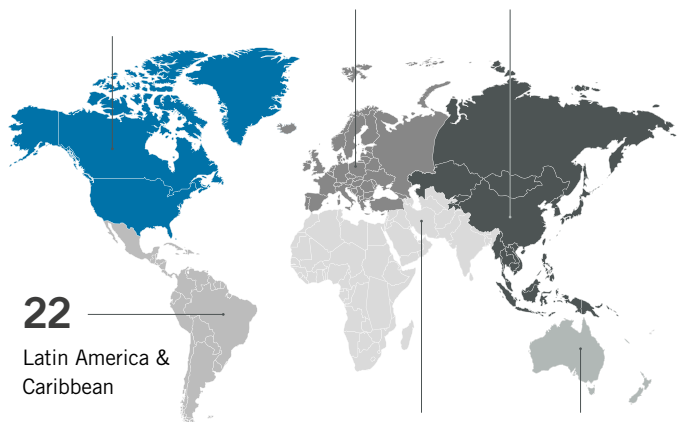
#### Global Full-time Employee Headcount

**23,279** Total Global Full-time Employees

**6,803**  
North America

**1,763**  
Europe

**14,131**  
Asia



**22**  
Latin America & Caribbean

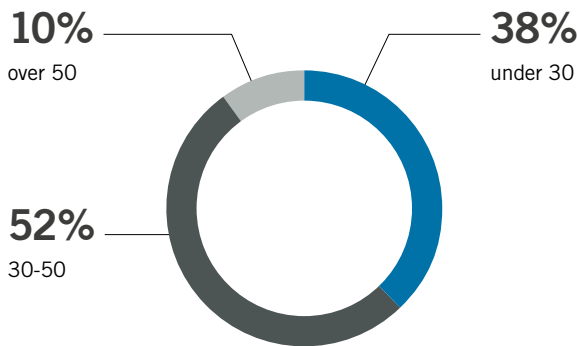
**35**  
Middle East

**525**  
Australia & New Zealand

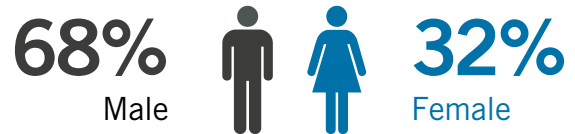
**Our key goals include:**

1. Zero incidents of non-compliance with TTI’s policies and codes in reporting and remediation when necessary
2. Respectful, healthy and safe workplaces
3. Zero fatal accidents in our workplace
4. Promote diversity in the workplace
5. Continuous training and development

*Global Full-time Employees by Age Group*



*Global Full-time Employees by Gender*



*Global Full-time and Part-time Employee Headcount by Geographic Region*

Geographic Region	Full Time		Part Time <sup>6</sup>	
	Headcount	Percentage	Headcount	Percentage
Asia	14,131	60.7%	5	3%
Europe	1,763	7.6%	102	65%
Australia & New Zealand	525	2.3%	3	2%
Middle East	35	0.2%	0	0%
North America	6,803	29.2%	47	30%
Latin America & Caribbean	22	0.1%	0	0%
<b>Total</b>	<b>23,279</b>		<b>157</b>	

<sup>6</sup> Part time data, please note that it includes part time excluding temporary employees globally.

### Human and Labor Rights

TTI complies with all applicable international, national, state and local employment and human rights laws designed to protect the rights of all individuals and does not engage child or forced labor in any of its facilities. Relevant legal and regulatory requirements related to human and labor rights that have the potential to have a significant impact to our operations and performance include but are not limited to PRC Labor Law, PRC Labor Contract Law, PRC Employment Promotion Law, PRC Interim Regulations on Wage Payments, PRC Regulations on Management of Records of Enterprise Workers, PRC Social Insurance Law, PRC Regulations on Working Hours of Employees, PRC Regulations on Employee's Paid Annual Leave, PRC Protection of Minors Law, Hong Kong Employment Ordinance, Hong Kong Mandatory Provident Fund Scheme Ordinance, Hong Kong Employees' Compensation Ordinance, Hong Kong Sex Discrimination Ordinance, Hong Kong Disability Discrimination Ordinance, Hong Kong Family Status Discrimination Ordinance, Hong Kong Race Discrimination Ordinance, Hong Kong Personal Data (Privacy) Ordinance, Hong Kong Bill of Rights Ordinance, Hong Kong Employment of Children Regulations and UK Modern Slavery Act (2015). For a full list of significant legal and regulatory requirements, please refer to Appendix A of our HKEX ESG Guide Content Index on our website.

#### Employee Handbook and Code of Ethics and Business Conduct

Each TTI business unit has an Employee Handbook written specifically for its location that incorporates all relevant and applicable employment policies, procedures and best practices, as well as national and local regulations. Handbooks are updated annually or as required to reflect any changes in requirements. Employees are required to read and sign off on the Employee Handbook upon their hiring, as well as when changes are made.

All TTI members, including employees, officers and directors across different business units, are expected to fully adhere to our Code of Ethics and Business Conduct, which establishes rules and guidelines for conducting business ethically and in compliance with all applicable legal requirements. All of TTI's new hires are required to complete training on the Code of Ethics and Business Conduct and, along with existing employees, take the e-learning course on Slavery and Human Trafficking. In the Code of Ethics and Business Conduct training, we provide real life scenarios of harassment, and human and labor rights violations for employees to be able to better identify issues and report them accordingly. We require our suppliers to comply with our Business Partner Code of Conduct and our Policy against Slavery and Human Trafficking.

We adhere to local regulations on age requirements for working, with measures to ensure that only workers who are at or above the legal age limit are hired and that working hours are in compliance with legal requirements. Globally, we require workers to provide government-issued identification confirming that they are legally permitted to work in the relevant country of operation.

In the US, employees must complete a formal employee application for employment. For workers under the age of 18<sup>7</sup>, we follow local guidelines that limit the number of hours allowed and hours of employment. Those hours must be approved by the employee's parent or legal guardian.

In the PRC, we have additional mandated policies regarding child labor, juvenile workers and forced labor. Our PRC facilities never hire any person under the age of 16 and only hire juvenile workers between the ages of 16 and 18 during peak seasons. TTI requires our PRC locations to adhere to the Juvenile Worker Protection Policy and register the juvenile worker with the local labor bureau. In addition to following TTI policies, our PRC locations have instituted several preventative actions during hiring, including having Human Resources personnel first check the identification cards (with date of birth information) of each candidate via a system linked with public security agencies and then upon hiring, registering the names of all juvenile workers with the local labor bureau.

### Equal Employment Opportunities

TTI is committed to promoting and maintaining working environments that respect the personal rights and dignity of our employees. We provide equal employment opportunities for all qualified persons, without regard to race, national origin, gender or gender identity, sexual orientation, pregnancy, age, religion, military service, status as an individual with a disability or status as a veteran or any other status protected by applicable local, state or national law. We believe that all individuals should be treated with dignity and respect.

As noted above, all TTI members, including employees, officers and directors across different business units, are expected to fully adhere to and receive training on our Code of Ethics and Business Conduct, which includes our commitment to equal opportunity practices.

Our Harassment Prevention, Anti-Discrimination and Anti-Retaliation Policy provides the overall philosophy and specific approaches for addressing these issues and all employees are required to take the eLearning course entitled, Preventing Harassment and Violence in the Workforce.

<sup>7</sup> In the US, workers may be aged 14 or above. However, TTI does not employ any young workers below the age of 16.

In the US, TTI's Equal Employment Opportunity (“EEO”) Policy, as well as its affirmative action obligations, have the full and complete support of business unit presidents and TTI's CEO. Through the EEO Policy and affirmative action obligations, our business units encourage initiatives and personal leadership by all employees as the best means to ensure the success of the program. TTI FC NA develops, on an annual basis, affirmative action plans and programs that ensure the full and complete expression of the EEO Policy. By respecting differences, embracing similarities and understanding their impact, we create an environment in which all employees are welcomed, encouraged to participate fully, and accorded respect.

Diversity and inclusion is important to TTI. TTI PE's Senior Recruiting Manager actively targets female-focused corporate groups, such as those on LinkedIn, for job recruitment purposes. The Senior Recruiting Manager also attends targeted career fairs, such as Clemson's Women in Engineering.

### Benefits and Work Environment

Our commitment to employees also includes providing fair and equitable benefits to all qualified persons. In addition to the legally required or standard benefits each full-time employee is eligible to receive, TTI continually looks to offer competitive and relevant benefits to our employees.

In Germany, DreBo offers ten beneficial initiatives to its employees, including:

<p><b>1</b>    <b>JOB SAFETY</b> safe and secure employment</p>	<p><b>6</b>    <b>DEVELOPMENT</b> regular employee appraisals and advancement opportunities</p>
<p><b>2</b>    <b>TEAM</b> creative team-building-type activities</p>	<p><b>7</b>    <b>CARE</b> assistance during employee relocations, including support for the entire family</p>
<p><b>3</b>    <b>MODERNITY</b> clean, state-of-the-art workplace</p>	<p><b>8</b>    <b>PROVISION</b> support in planning and managing old-age provisions</p>
<p><b>4</b>    <b>HEALTH</b> healthy food in cafeterias as well as fitness programs, a company doctor, and onsite e-bike leasing</p>	<p><b>9</b>    <b>PRODUCT</b> free rental of hammer drills, chisels and drills</p>
<p><b>5</b>    <b>BALANCE</b> flexible shift schedules to create a healthy work-life balance</p>	<p><b>10</b>    <b>MOBILITY</b> company car for certain employees, leasing of e-bikes, and train ticket subsidies to improve team mobility</p>

To promote a healthy work-life balance, TTI ANZ, TTI France, TTI UK and TTI NA offer flexible working arrangements upon the request from employees. Similarly at TTI AIP, we offer flexible working hours for staff members.

Milwaukee Tool and TTI PE have gyms onsite and all employees have full access to the equipment and classes offered. TTI FC NA and TTI NA both have gym facilities in their buildings, which allow access to all tenants of the building. Some other business units also provide stipend to employees for gym membership where there is no onsite gym.

To build a supportive workplace culture, we have set up a “Wellbeing Room” at TTI HK, furnished with electrical outlets for connecting pump attachments and a refrigerator for storing expressed breast milk. This supports our female employees who continue to breastfeed after returning to work from maternity leave.

At TTI HK, we also launched the weekly Green Monday program to encourage our employees to eat healthier vegetarian meals. By cutting down on meat consumption, our employees also reduce their GHG footprint.

While all entry level positions have a standard starting salary, TTI Canada has a highly successful Promote from Within Policy for senior management positions that has resulted in many employees advancing their career within TTI.

### Occupational Health and Safety

TTI is committed to providing employees with safe working conditions. Our goal is to have zero fatal workplace accidents. We are proud to report that we did not have any work-related fatalities in 2018 at any of our locations around the world.

We remain focused on continually enhancing occupational health and safety (OHS) training and actively tracking our OHS performance metrics. Any safety issues or violations of regulatory requirements are addressed promptly to prevent risk of injury.

Measures have been taken to identify, eliminate and reduce hazards wherever possible through the implementation of management systems to meet and comply with our Environmental Health & Safety (EHS) and Occupational Hazard Management Policies, as well as other internal policies and local regulations. Relevant health and safety legal and regulatory requirements that have the potential to have a significant impact to our operations and performance include but are not limited to PRC Work Safety Law, PRC Prevention and Control of Occupational Diseases Law, PRC Regulations on the Work Safety of Guangdong Province, PRC Mental Health Law, Hong Kong Occupational Health and Safety Ordinance and Hong Kong Occupational Health and Safety Regulation. For a full list of significant legal and regulatory requirements, please refer to Appendix A of our HKEX ESG Guide Content Index on our website.

We implement proactive initiatives to make safety a top priority throughout TTI's business. Examples of measures we have taken are presented below.

#### Asia

At our manufacturing operations in the PRC, our Occupational Hazard Management Procedure, which is in accordance with Law of Occupational Disease Prevention and Control of the PRC, is in place to control occupational risk within the working environment, prevent occupational disease and standardize personal protective equipment. The policy is enforced through the Quality System Assurance & Environment Health and Safety Department.

#### Europe

At DreBo, we set up an Occupational Safety Committee with representation from management, foremen and employees, and a Work Council that is involved in all employee-related decision

making. Any injuries that arise are recorded and if they lead to an absence from work of more than three days, they will be reported to the TTI's liability insurance association. DreBo tracks the following information:

- Number of accidents per year
- Average absence per accident
- Accidents taking place in regular time or overtime
- Accidents per shift (three-shift model)
- Top three types of accidents per department
- Cost of accidents per year

In the U.K., a Health and Safety Committee, comprising the Office Manager, Director of Finance and Operations, Training & Application Manager, Management Support Assistant, Credit Control Manager and HR Manager, is in place to oversee health and safety issues within the business unit. All individuals are self-nominated to the committee.

#### North America

We employ comprehensive safe work practices in all of our facilities. OHS policies and standards apply to all employees, including full time, contract and part-time employees, and are subject to regular review to ensure that safety standards are maintained across our diverse workforce. Health and safety meetings are held regularly where employees can raise concerns regarding health and safety issues at work. This is in addition to being able to raise any issues to their manager or human resources representative.

TTI PE strives to provide a workplace free from injury and illness and is fully committed to achieving the highest standards of health and safety, not only for employees, but also for visitors, contractors and any other relevant party. Provincial Health & Safety booklets, Fire Safety procedures, as well as minutes of each Joint Health and Safety Committee meeting, are on display in all workplaces. Provincial Health and Safety Ministry officials also make periodic visits to our sites to ensure we are in compliance with legal requirements.

TTI Canada operates in compliance with The Workplace Hazardous Materials Information System (WHMIS), Canada's national hazard communication standard. We also have a Joint Health and Safety Committee (JHSC) with a certified member from both management and employee groups, in accordance to the Occupational Health and Safety Act. The JHSC meets quarterly to review and address health and safety concerns from head office, service centers or the field. Input from all employees is encouraged to ensure best practices.

Managers at each site conduct ongoing safety inspections to ensure first aid kits, fire extinguishers and defibrillators are in working order and well stocked. TTI Canada also offers free first-aid courses to all employees. All service centers and head offices have certified first-aid responders identified. Annual fire drills are held at each head office in cooperation with the landlord and fire department. All new employees are to complete the following provincially-mandated training upon hiring: Occupational Health and Awareness Ontario, AODA - Customer Service and Accessibility Standard, Preventing Harassment & Violence in the Canadian Workplace and the TTI Code of Ethics and Business Conduct.

#### **Australia and New Zealand**

TTI ANZ has Work Health and Safety Committees at all of its work locations that meet at least quarterly. The meetings are managed by the human resources department and all feedback collected is evaluated by the Group HR Manager and Presidents of the business unit. Regular toolbox talks take place at the warehouse with an emphasis on safety. Regular risk assessments are conducted by human resources representatives to ensure compliance with local legislation on workplace health and safety.

### **Training and Development**

TTI is committed to provide training and development opportunities to all employees at all locations where we operate. Business units develop training plans that meet the needs of their employees and the business.

To further performance goals and communication between managers and reporting employees, TTI's business units conduct annual performance reviews. Nearly all of TTI's business units report that they have established, annual performance review processes and nearly 100% of those business units' employees who reported received a performance review.

#### **Learn TTI**

Learn TTI is an online training platform that offers a vast array of e-training courses for employees, ranging from mandatory courses on compliance to training and professional courses for employees at different levels of the company. A total of 908 unique courses were launched on Learn TTI in 2018. Globally, TTI employees engaged in 142,642 courses through Learn TTI, equivalent to 57,963 training hours.

Our business units also strongly encourage their people to benefit from internal and external training opportunities, as outlined in the examples below.

#### **TTI Canada**

TTI Canada developed a training manual for Sales and Marketing teams and managers, including courses such as customer relationships, time management, situational leadership and leadership development.

TTI Canada introduced a mentoring program in 2014, allowing employees to spend one-on-one time with the leaders of the organization. Employees are paired with a tenured individual who offers insight into specific career paths and areas of interest. A job shadowing program was also in place for employees to work beside a colleague in a different role to experience first-hand what that role entails. This enables employees to make more informed choices when developing their TTI career.

#### **TTI PE**

Training and development needs are identified during annual Performance Reviews when employees and managers discuss and lay out specific individual plans. TTI PE also reviews and updates the succession planning annually.

We encourage our employees at TTI PE to broaden their knowledge and skills, keep current with changes in their fields, and increase their potential by continuing their development. We provide tuition reimbursement to employees who pursue a degree that is related to their current position or another position within the company.

#### **TTI ANZ**

TTI ANZ's internal Training Management System offers 5,000 courses to employees and, in 2018, 3,138 hours of training were completed. Additionally, TTI ANZ invests in employee training through LinkedIn Learning, compliance training through Learning Seat and the Australian Institute of Management. In 2018, TTI ANZ began implementing a competency framework to measure capability gaps of employees for both their current and future roles using the HRSG Competency framework.

#### **TTI AIP**

In 2018, TTI AIP's senior management received an average of 9.33 hours of training while middle management received an average of 8.32. In the PRC, a total of 103,454 hours of training was delivered.

#### **TTI UK**

At TTI UK, senior and middle management received an average of 10 and 20 hours, respectively.