



Enhanced governance structure for sustainability

Adopted new Sustainability Strategy with goals, KPIs and targets

Monitor compliance across all the business units on a biannual basis

Zero reported cases of corruption within TTI Group

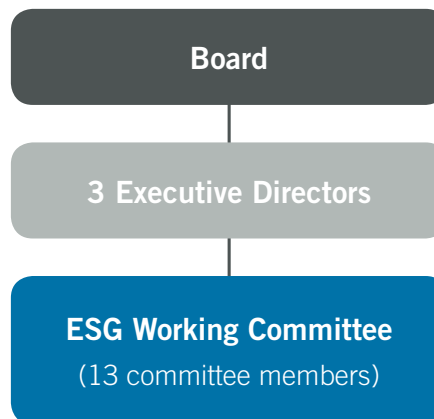
Sustainability Governance

Governance Structure

Good governance provides clear direction and assigns roles, responsibilities and accountability to individuals within the company. Good governance creates a foundation from which the company can make progress toward our targets and build stakeholder confidence in our performance.

In 2018, TTI held an ESG Working Committee summit with all members who represent our business units in each region. The role of the committee is to enhance the ESG performance of TTI by setting policies, goals, targets and reviewing key performance Indicators (KPIs) for implementation. Going forward, the committee will continue to review and lead our Sustainability Strategy and monitor our performance against our goals and targets.

Governance Structure



Sustainability Performance

Another key milestone of 2018 was the development of goals, KPIs and targets set according to the newly adopted Sustainability Strategy. Based on the medium- and long-term strategies developed by the

ESG Working Committee, each business unit developed its own implementation plan and KPIs based upon local needs. Performance will be reviewed on an annual basis and measured against the KPIs that are set at the beginning of each financial year.

Focus Areas	Key Goals
Governance	Zero cases of corruption among TTI Group and its business partner
Environment	<ol style="list-style-type: none"> 1. Reduction in GHG emissions 2. Reduction in energy consumption and adoption of renewable energy 3. Increase the volume of battery collection and recycling 4. Require suppliers to collect environmental data 5. Reduction in GHG emissions in the supply chain 6. Reduction in water consumption at TTI's operations and in the supply chain 7. Reduction in packaging material at TTI's operations and in the supply chain
Social	<ol style="list-style-type: none"> 1. Zero incidents of non-compliance with TTI's Policies and Codes with transparency 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
Supply Chain Management	<ol style="list-style-type: none"> 1. Effective partnerships with non-governmental organizations ("NGO") in major countries of operations and supply chain countries with human rights violation risk 2. Substantive initiatives to raise awareness and improve human rights conditions and reduce environmental impact in the supply chain 3. Zero incidents of non-compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary, including incidents of child and forced labor
Communities	<ol style="list-style-type: none"> 1. Establish strategic partnerships with NGOs 2. Develop impact metrics to track our community investment and engagement activities

Risk Management Process

At TTI, we are vigilant in identifying and managing risk and ensuring compliance with applicable laws and regulations in the areas in which we do business and monitor compliance across all of our business units on a biannual basis.

TTI implements processes to manage risk and audit performance to ensure compliance with all local laws, regulations and standards related to corporate governance, business operations and product safety, employment, health and safety, and the environment.

Our risk management process includes actions such as:

Assurance

- Providing independent assurance of the existence and effectiveness of the risk management activities and controls in TTI's business operations worldwide.

Audit Planning

- Developing an annual audit plan to identify the highest risks to our business. The plan was developed by the Audit Committee and TTI senior management and takes into account our risk assessment methodology and TTI's unique dynamics. The plan is reviewed on a regular basis throughout the year to ensure that adequate resources are deployed and any changes in the business are reflected in the plan.

Engagement Activities

- Conducting various engagement activities, including process, financial and compliance audits. The results, including deficiencies and remediation plans (developed in conjunction with management), are communicated to individuals responsible for taking corrective action, including with TTI senior management and the Audit Committee, as appropriate. The scope and frequency of audits varies, depending on our assessment of operational and financial risks, management considerations, and the audit plan's capacity and strategy.

Risk Management

- Assessing TTI's risk management and internal control systems, formulating an impartial opinion on the systems, and reporting the findings to the Audit Committee and the senior managers concerned, as well as following up on the issues to ensure that they are satisfactorily resolved.

Communications

- Maintaining a regular dialogue with TTI's external auditor.

Our key goal:

Zero cases of corruption among TTI Group and its business partners

Anti-corruption and Code of Conduct

TTI upholds the highest standards in anti-corruption and the prevention of bribery. We do not, under any circumstances, allow corruption or bribery, both internally and with external stakeholders, such as suppliers or government officials.

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 the rules and guidelines for conducting business ethically and in compliance with all applicable legal requirements. TTI's employees are required to complete training on the Code of Ethics and Business Conduct and to acknowledge their understanding of the code requirements. In addition, we have a number of related policies and employee handbooks, including a Complaint Resolution Policy and Procedure and the Business Partner Code of Conduct. We mandate that each employee and supplier in the People's Republic of China executes a Declaration of Non-Conflict of Interest. Furthermore, during new hire orientation, employees receive face-to-face training on our codes and local employee handbooks.

Employees and suppliers are encouraged to actively report non-compliance actions or activities. They can contact TTI's Vice President, General Counsel and Chief Compliance Officer directly and complaints are then investigated by our internal audit team, the legal department or a third party and corrective measures, if appropriate, are taken accordingly. Alternatively, they can make use of the compliance hotline to report non-compliances, as outlined below.

In 2018, our Internal Audit department launched investigations into several supplier service sectors, including security, scrap handling, medical, transportation and food. All investigations were addressed on a timely basis and the details were reported to both management and the Audit Committee.

TTI Compliance Hotline

TTI's independent compliance hotline allows anyone, including employees, suppliers and customers, to raise concerns about potential misconduct, malpractice or irregularities in any matters related to TTI. The hotline is operated by an independent third party and all complaints, whether made through the hotline or by other means, are handled confidentially and anonymously. There were 17 complaints raised through the hotline in 2018. Sixteen of the complaints came from employees and one complaint came from a supplier, and all were addressed in a timely and appropriate manner. The details were reported to both management and the Audit Committee.

Legal Compliance

Compliance with laws and regulations in all of our markets is imperative to the integrity and success of our business. We operate in 40 jurisdictions and six regions and all business units and partners, and our suppliers, are expected to fully comply with local laws and regulations.

Legal and regulatory requirements related to anti-corruption practices that have the potential to have a significant impact to our operations and performance include but are not limited to PRC Criminal Law, PRC Anti-Unfair Competition Law, US Foreign Corrupt Practices Act (FCPA), UK Bribery Act 2010, Hong Kong Prevention of Bribery Ordinance and Hong Kong Anti-money Laundering and Counter-Terrorist Financing Ordinance. 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.