

CEO's Sustainability Message

“Sustainability is a big deal. With our no emission cordless leadership strategy, we are helping to make the world a better place.”

We are accelerating our actions to further our global commitment to sustainability. TTI is reshaping sustainability into a core competence by embracing best environmental, social and governance (ESG) practices. Our sustainability principles and practices extend throughout our operations, supply chain and products with priorities to responsibly source, conserve, reuse and recycle resources, provide safe respectful workplaces and always be in compliance with applicable laws and policies. We have long taken responsibility to improve the lives of our customers by disrupting the power tool, outdoor product and floorcare markets with reduced environmental impact Lithium cordless tools and equipment. Our global organization understands that economic, social and environmental aims are all interrelated and firmly believes that our ability to grow, innovate and prosper is linked to our ESG performance. TTI's core strategic drivers and culture are closely aligned with our ESG practices and standards to ensure that sustainability is firmly entrenched at all levels of our value chain.

Sustainability Improvements

Now in our fifth year of reporting on sustainability separately in our annual report, I am very pleased to state that we continue to strengthen managing ESG issues that are directly linked to our activities and products. Under the management of our ESG Executive and Working Committees, we have made significant strides in improving our sustainability performance both internally and in engagements with all our stakeholders. In 2019, we implemented and strengthened the important initiatives shared in this report to further our sustainability strategy.

Enhanced Data Management: Greenstone

With the understanding that increased transparency is key to improving ESG performance, in 2019 TTI partnered with software data specialists to collect, analyze and better manage our ESG data. This allows us to greatly enhance the quality of our oversight and extend the breadth and credibility of our disclosures to meet the expectations of stakeholders, including investors.

Cobalt Procurement Policy

The newly-implemented TTI Cobalt Procurement Policy signifies our ongoing effort to do the right thing across our value chain. This policy outlines the standards that TTI and its suppliers must follow to ensure that all cobalt is from reputable sources, free from conflict or other human rights violations.

Commitment to Global Initiatives

Recognizing the importance of adopting a comprehensive international and independent standard to understand and communicate our impact on global issues such as climate change, human rights and anti-corruption, in 2019 TTI became a member of the Responsible Minerals Initiative (RMI) and actively began working towards becoming a Community Member of the Global Reporting Initiative (GRI) in January 2020.

Our commitment to global action on sustainability was also strengthened in aligning our strategy with the United Nations (UN) Global Compact's universal principles on human rights, labor, environment and anti-corruption, and the advancement of societal goals. By supporting 14 of the 17 UN's Sustainable Development Goals (SDGs) most relevant to TTI's business, we have outlined a strategic roadmap for TTI to follow to further our sustainability performance.

Confidently Moving Forward

I am confident that our adoption of enhanced data management tools, more robust procurement mechanisms and our commitment to global initiatives and principles will help us manage risks and opportunities in the ESG arena to achieve our targets in the short to medium term with a view towards longer-term success. I would like to thank all the TTI team members for their dedication and hard work to make sustainability a powerful thrust of the TTI culture. We look forward to working with all our stakeholders to create sustainable value and to build a better world for all. At TTI, we strongly believe that cordless technology is helping us all along this journey.

Joseph Galli Jr
Chief Executive Officer
March 4, 2020

Global Performance Highlights for 2019

GOVERNANCE	ENVIRONMENT	SUPPLY CHAIN MANAGEMENT	SOCIAL	COMMUNITY
Zero Public legal cases of corruption were brought against TTI Group	-39% Reduction in product packaging materials	Zero Cases of child labour	149,780 Training hours (on e-learning)	+63% Increase in in-kind and cash donation contributions
Zero Cases of identified leaks, theft or loss of customer data	-6% Reduction of TTI AIP scope 1 and 2 GHG emissions intensity	Zero High-risk cases in sourcing of conflict minerals or cobalt	+1.5% Increase in ratio of female to male employees	Over 50 Non-Governmental Organisations (NGO) and charities that TTI partners with and supports
Greenstone Global implementation of ESG data software	-2% and -15% Reduction of TTI AIP electricity and natural gas intensity	Responsible Mineral Initiative (RMI) Membership	1,475 Graduates in our Leadership Development Program (LDP)	Habitat for Humanity Global partnership
GRI Incorporation of Global Reporting Initiative Standards	+200% Increase in battery collection at TTI's North American sites	Cobalt Procurement Policy launched	Zero Work-related fatality cases	Asian University for Women Global partnership

Our Sustainability Commitment

Stakeholder Engagement and Materiality

At TTI, we believe that aligning our long-term interests with those of our stakeholders is the path to corporate sustainability and a more sustainable world. Employees, customers, suppliers, investors and the broader community are our key stakeholder groups. We maintain regular communication with regulatory authorities, business partners, customers, suppliers, employees, shareholders,

investors and community members to understand their priorities and sustainability-related concerns. Our ESG Working Committee has identified a number of material issues, which we believe are of utmost importance to our stakeholders. The table below identifies our key stakeholders, their main areas of interest that inform the content of our reporting, and the ways that we engage with them.

Stakeholder Groups	Key Concerns / Areas of Interest	Engagement Channels	Frequency
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 ESG sub-committees 	<ul style="list-style-type: none"> Ongoing basis Annual compliance training Topic-specific training available all year round
Customers	<ul style="list-style-type: none"> Social and environmental responsibility Modern slavery Conflict minerals and cobalt Packaging Battery recycling Quality of products, including safety and environmental impact Circular economy Transport, storage and recycling of products 	<ul style="list-style-type: none"> Acknowledge customers' policies and codes Conduct audits and implement corrective action plans in accordance with TTI's requirements and communicate regularly on progress Complete declarations for conflict minerals and conduct due diligence Focus groups at product development stage Customer service Social media 	<ul style="list-style-type: none"> Ongoing basis Declarations and audits once a year Product presentation conferences once a year
Suppliers	<ul style="list-style-type: none"> Governance Anti-corruption Social and environmental responsibility (SER) Quality of products including safety and environmental impact 	<ul style="list-style-type: none"> Compliance hotline Online compliance platform Regular meetings On-site presence of our quality and SER employees Regular audits Supplier conferences 	<ul style="list-style-type: none"> Ongoing basis Annual training Conferences once a year

Stakeholder Groups	Key Concerns / Areas of Interest	Engagement Channels	Frequency
Investors	<ul style="list-style-type: none"> Governance Independence and engagement of board members Diversity Climate change strategy and greenhouse gas emission reduction Risk management Supply chain management Conflict minerals and cobalt 	<ul style="list-style-type: none"> Host meetings to understand ESG expectations Surveys / interviews conducted by external facilitators 	<ul style="list-style-type: none"> Ongoing basis Annual roadshow One survey conducted by an external facilitator in 2019
Community	<ul style="list-style-type: none"> Diversity of employees Equal opportunities Training and development programs Social and environmental responsibility Climate change strategy Product and manufacturing health and safety 	<ul style="list-style-type: none"> Local and international engagement with NGOs Community events with local associations School fairs Internship programs 	<ul style="list-style-type: none"> Ongoing basis