

# Vice Chairman's Message



I am pleased to report that during 2022, TTI made significant progress in achieving the stringent goals it had set in meeting its Environmental, Social and Governance (“ESG”) targets, extending TTI’s strategic leadership position in developing technologically advanced, demonstrably superior cordless products that are safe, energy-efficient and noise-reducing.

Our determination to lead the industry in sustainability stems from our passion to create breakthrough products that protect people, minimize environmental impact, and make a positive impact in the communities we serve.

Sustainability is woven into our business culture, and ESG principles are embedded within each of our four strategic drivers: Powerful Brands, Innovative Products, Exceptional People and Operational Excellence, through which we strive to deliver value to all our stakeholders. To advance on the once-in-a-generation transition of the industry, our priorities are to accelerate the replacement of noisy and polluting products with our breakthrough cordless products which eliminates noise pollution and reduces our environmental footprint through clean energy and waste management.

## Environment

We are proud to announce we are officially committed to the Science-Based Target initiative (SBTi) as of March 24, 2023. This officially aligns us with the mission of the Paris Agreement and establishes our commitment to promoting a greener world.

Significant progress was made toward our goal to reduce our absolute Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions by 60% by 2030. In 2022, we improved our emission intensity by 4% resulting in an absolute total CO<sub>2</sub>e emissions reduction of 6,000 tonnes.

- We are establishing Green Energy Agreements that supply our operations in Wisconsin, Mississippi, and across Europe with 100% renewable energy.
- In 2023, we are excited about the opening of our new energy efficient state-of-the-art hand tool factory in West Bend, Wisconsin. This facility incorporates best-in-class advancements in safe hand tool manufacturing and is powered by 100% green energy.

We continue to make progress in evaluating emissions throughout our value chain. With the commitment to SBTi, we plan to complete our Scope 3 mapping to set Science-Based targets and validate our current Scope 1 and Scope 2 targets.

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## Sustainable Products

Cordless, battery-powered sustainable products are the driving force of our strategy and business model. As a leader in battery-powered hand tools, cordless power tools, battery-powered outdoor equipment, light equipment and floorcare and cleaning products, we pride ourselves in developing long-lasting, sustainable products. A key element of our success is the “network effect” of our battery platforms, allowing users to use one battery to power all products within the system. All our products continue to work with legacy lithium ion batteries so that users can use the products and interchangeable batteries up to the end of their life cycle. We also facilitate recycling through recycling partnership programs with our operations around the world.

- In 2022, we launched our MILWAUKEE M18 FUEL 21” Self-Propelled battery-powered mower. This mower delivers breakthrough mowing performance while also achieving new levels of sustainability and noise reduction.
- We expanded our RYOBI WHISPER SERIES with 14 new products. The WHISPER SERIES is the industry’s quietest range of outdoor products, created with acoustic engineering to combat noise pollution.
- We also introduced MILWAUKEE BOLT Safety Helmets delivering superior protection and a longer lifespan than competitive products on the market.

As we carry on developing breakthrough technology and focus on exploring circular business models, we will continue to engineer innovative product solutions for generations to come.

## Social

We are passionate about hiring and developing the best and the brightest talent available. Our vision to be the leader in the industries we serve relies upon our commitment to a diverse, inclusive and safe environment in engaging our people and community. The Leadership Development Program (LDP), created 16 years ago, is the cornerstone of our success, and this drives a high-performance culture across all functions and units of our organization. In 2022, we continued to recruit, develop and promote highly talented individuals into leadership positions, as we provide the tools and resources to encourage both professional and personal growth.

At TTI, we ensure equal opportunities and promote health, safety and wellbeing in our workplaces and in the communities we serve. Through our extended employee benefits, assistance programs and active engagement in community projects, we continue to build an environment that builds trust among people and creates shared prosperity in the communities we serve.

## Governance

TTI is committed to the highest business operating standards and to robust corporate governance practices to build and preserve shareholder value and promote a sustainable business model. ESG is a regular topic of reporting and open discussion at the board level. We aim to ensure that our board composition is fit for purpose, with the balanced skills, experience and diversity of perspectives and backgrounds that are vital for effective risk management, internal controls and leadership. This year we continued to enhance our sustainability and ESG governance structure and diversity while adopting global sustainability standards and frameworks, including the GRI Standards, SASB, UNSDGs, and TCFD.

Maintaining accountability and transparency within our operations and across our supply chain is essential to the longevity of our business and stakeholder trust, and we work closely with our partners to identify opportunities and monitor risks.

Sustainable development is an integral part of TTI’s business and is positively accretive to our business performance and risk mitigation, and we are well-positioned to continuously improve ESG management and achieve our strategic ESG targets. I am proud of the progress this past year, and I would like to thank our exceptional team for their commitment and dedication to TTI’s ESG initiatives. We will continue to hold ourselves to higher standards to play our part in advancing a more just, diverse, safe, and environmentally responsible world.

**Stephan Horst Pudwill**  
Vice Chairman  
March 1, 2023