TTI Techtronic Industries

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT 2022

MX FUEL

PIPE THREADING MACHINE

MILWAUKEE is resetting the standard in pipe threading with the industry's first cordless threading machine by harnessing the power of MX FUEL – the industry's highest performing and largest light equipment battery system. Powered by MX FUEL REDLITHIUM batteries, the machine eliminates the need to work near an outlet, allowing you to work anywhere – set up wherever it's most convenient, and even in places that aren't possible with other threading machines.

POWERSTATE BRUSHLESS MOTOR

The MX FUEL REDLITHIUM batteries combined with REDLINK PLUS Intelligence delivers the capability to cut 2" black iron pipe and thread up to (140) 3/4" threads per charge

COLLAPSIBLE CART

Enables the easiest transportation and fastest setup to cleanup process, even in remote sections of the jobsite

SELF-CONTAINED OIL RESERVOIR

Minimizes the mess created by the threading process, providing the cleanest threading experience from setup to cleanup

Contents

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_2e 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.

"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."

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 Pudwill

Stephan Horst Pudwill
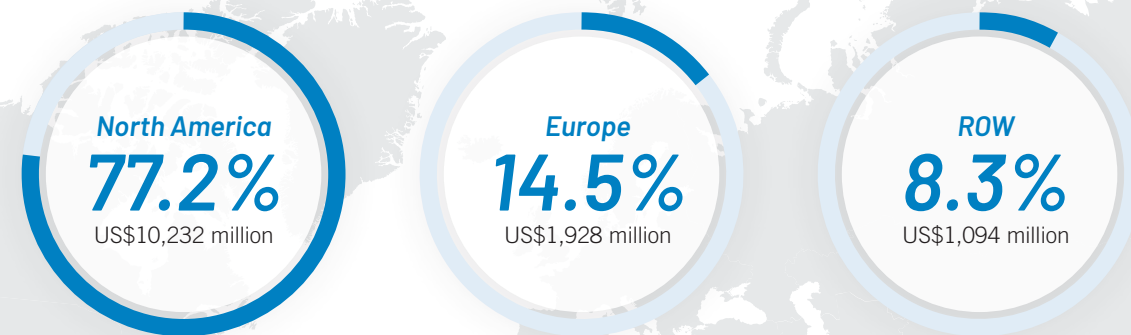Vice Chairman
March 1, 2023

About Our Business

Techtronic Industries Company Limited (the "Company", the "Group" or "TTI") is a fast-growing world leader in Power Tools, Accessories, Hand Tools, Outdoor Power Equipment, and Floorcare & Cleaning for Do-It-Yourself (DIY)/Consumer, professional and industrial users in the home improvement, repair, maintenance, construction and infrastructure industries. The Company is committed to accelerating the transformation of these industries through superior environmentally friendly cordless technology. The TTI brands like MILWAUKEE, RYOBI, and HOOVER are recognized worl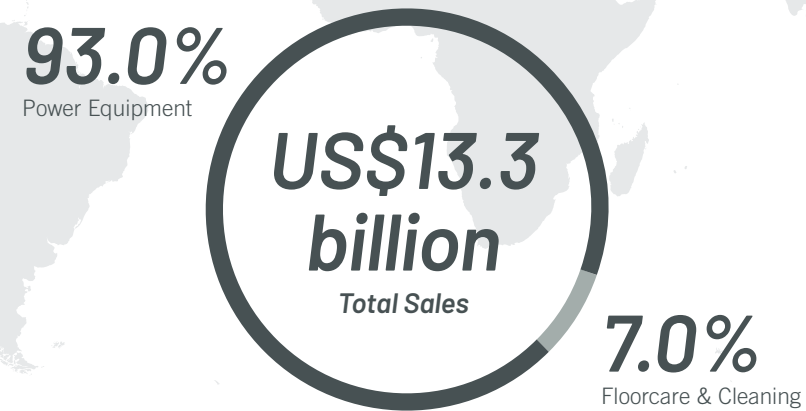dwide for their deep heritage and cordless product platforms of superior quality, outstanding performance, safety, productivity, and compelling innovation.

Founded in 1985 and listed on the Stock Exchange of Hong Kong ("SEHK") in 1990, TTI is included in the Hang Seng Index as one of their constituent stocks. The Company maintains a powerful brand portfolio, global manufacturing and product development footprint, and healthy financial position with record 2022 worldwide sales of US$13.3 billion and over 44,000 employees.

Sales by Region

North America
77.2%
US$10,232 million

Europe
14.5%
US$1,928 million

ROW
8.3%
US$1,094 million

Sales by Business

93.0%
Power Equipment

US$13.3 billion
Total Sales

7.0%
Floorcare & Cleaning

About This Report

We are delighted to present Techtronic Industries Company Limited's (the "Company's", the "Group's" or "TTI's") Environmental, Social, and Governance (ESG) Annual Report for the 2022 calendar year. We continued to share our approach, initiatives, and performance regarding ESG as a testament to the growing importance of sustainability efforts in our business operations and across our value chain.

TTI has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022. This report also addresses the "comply or explain" provisions outlined in the Environmental, Social, and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In addition, we are reporting against the Sustainability Accounting Standards Board (SASB) Standards. We also continued our climate risk analysis in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. A comprehensive set of content indexes, specifying how we fulfill these standards and recommendations are available on p.130-167 of this report. TTI's previous Report was endorsed by the Board of Directors (the "Board") on March 2, 2022, as was this Report on March 1, 2023.

The data in this Report, unless otherwise stated, covers our operations in Asia, Australia and New Zealand (ANZ), Central, North, and South America (Americas), and Europe and the Middle East (EMEA). Our consolidation approach regarding environmental information and data from TTI business units (BUs) are presented by region.

This Report contains a number of restatements, which are explained in the Performance Metrics section on p.114. For a full list of TTI BUs covered under each region and abbreviations used in this Report, refer to p.128. We welcome your feedback and questions, please contact us through our Investor Relations Department at ir@ttihq.com.

Power Equipment

Outdoor Power Equipment

Floorcare & Cleaning

TTI'S ESG APPROACH & STRATEGIC FRAMEWORK

Sustainability is a fundamental component at TTI and is integrated into every facet of our business. Prioritizing our ESG values throughout our strategy and decision-making process has resulted in significant value creation for all our stakeholders through our four strategic drivers.

We are committed to a more sustainable future through our focus on cordless technology and products that enhance the living and working environments of users. To achieve this, we recognize the significance of continuously engaging with our stakeholders in order to understand and meet their needs, as well as to comply with developing legal, industry, environment, health, and safety standards.

TTI's **Powerful Brands** have a long-standing history of success in developing innovative, durable, reliable, and safe products that address the ever-shifting demands of consumers. By responsibly channeling resources into creating **Innovative Products**, we are leading the transition from gas, corded, manual, hydraulic, and pneumatic-powered products to cordless battery-powered alternatives. Such a transition removes the harmful environmental, health and safety impacts of outdated technologies. Our past, present, and future success is powered by our **Exceptional People**. It starts with hiring the right people, then fostering and retaining them through our Leadership Development Program, which is the heart of our strategy and culture. We are committed to a multicultural, diverse, and inclusive workplace where all levels of our associates can flourish while building a better future for our business, our customers, and the communities where we operate. Through our **Operational Excellence**, we uphold the highest standards of integrity across our value chain. We ensure

responsible and disciplined execution — whether it be in decarbonizing our operations, disposing waste responsibly, preserving natural capital, sourcing ethically, optimizing supply chain logistics, or managing the repairability and the end-of-life cycle of our products.

In 2022, in addition to adhering to the United Nations Sustainable Development Goals (UNSDGs) we continued to maintain our memberships with organizations such as Better Mining Initiative and Responsible Business Alliance (RBA).

We are very proud of formally supporting the mission of the Paris Agreement by signing the Science Based Target initiatives (SBTi) commitment letter. By signing the letter, we are committing to setting a science-based target, including Scope 3. This demonstrates our devotion to prioritizing our decarbonization agenda and creating a more sustainable world.

For each of our focus areas of Products, Environment, Social & Community, and Governance, we outline how we have managed the key sustainability issues that are material to our business in 2022, along with the goals and initiatives that bring us closer to achieving long-term resilience.

ESG Timeline

call2recycle
Leading the charge for recycling.

- Launched our battery recycling partnership with Call2Recycle
- Partnered with Envirostream and GRS Batterien among others in subsequent years

Habitat for Humanity®

- Global Engagement with Habitat for Humanity
- Became Global Partners in 2019

- Launched our first eco-packaging initiative
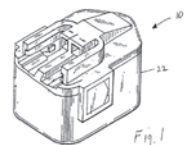
- Established our ESG Working Committee

GRI • RESPONSIBLE MINERALS INITIATIVE •

- Established our ESG Executive Committee
- Became a member of the Responsible Minerals Initiative (RMI)
- Published our report with reference to GRI Sustainability Reporting Standards

- Formalized our decarbonization strategy and announced our target of 60% reduction in Scope 1 and Scope 2 GHG Emissions by 2030
- Began reporting against the Sustainability Accounting Standards Board (SASB)
- Conducted our climate risk analysis in line with the Task Force on Climate-related Financial Disclosure (TCFD)
- Added an independent female director to the Board

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Committed to setting Science-Based targets

2002   2007   2015   2019   2021   2023

1995   2003   2010   2017   2018   2020   2022

- Introduced and filed our first patent in the lithium family

TTI LEADERSHIP DEVELOPMENT PROGRAM

- Launched

- Published our first ESG Report, in accordance with the recommended disclosure of HKEX
- Established our EHS Committee
- Launched our internal training platform, Learn TTI

SUSTAINABLE DEVELOPMENT GOALS

- Aligned our goals and targets with the United Nations Sustainable Development Goals

BETTER MINING RCS GLOBAL GROUP

GRI | COMMUNITY MEMBER   2022

- Became a Founding Member of Better Mining
- Became a Community Member of Global Reporting Initiative (GRI)
- Became a Supporting Member of Responsible Business Alliance (RBA)
- Established our Group sustainability functions
- Established our Global D&I Committee
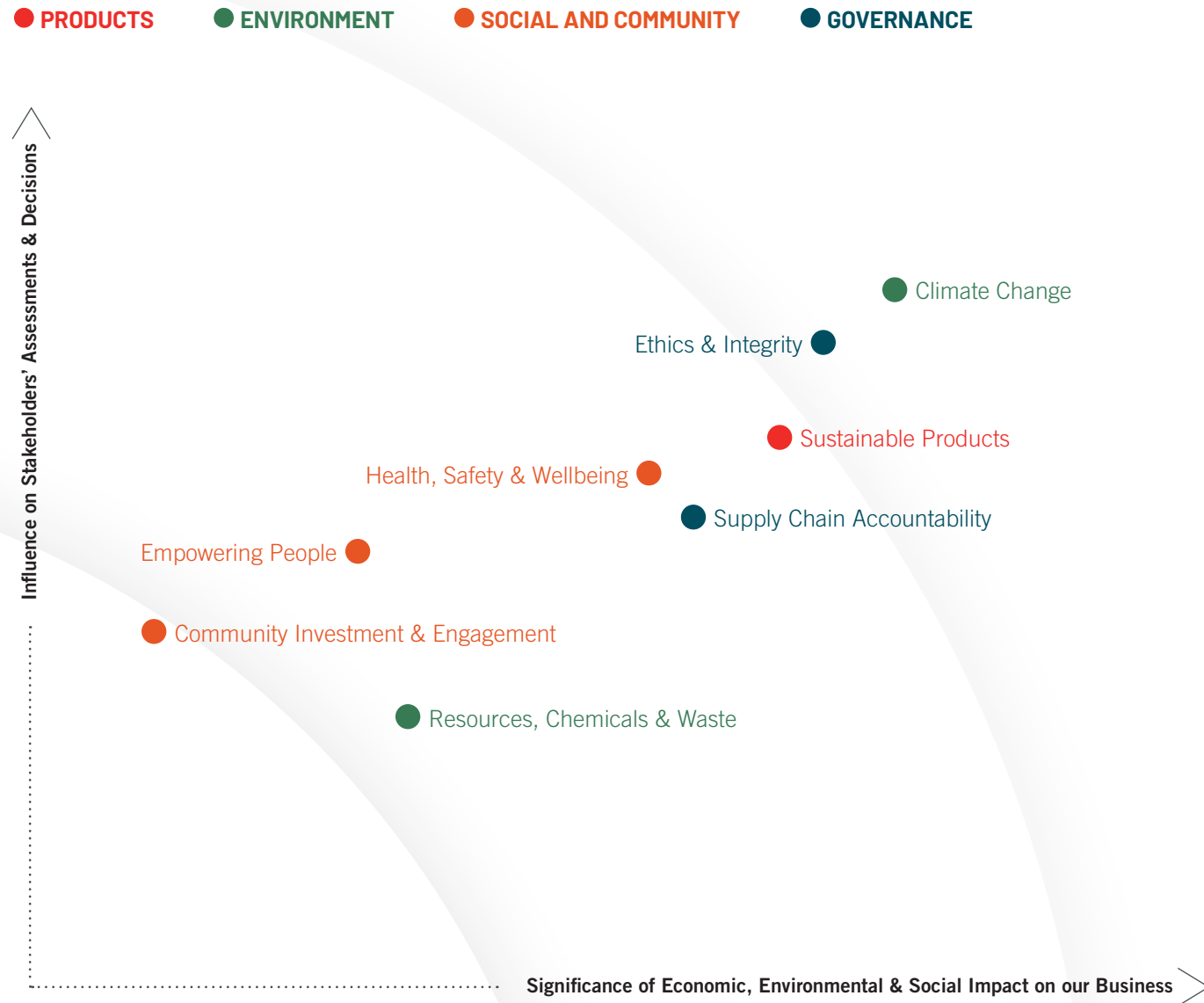- Added an independent director to the Board

- Added a second independent female director to the Board

Materiality Assessment

A key focus is to align our strategy with our stakeholders' sustainability concerns and those most material to our business. In 2020, we conducted a materiality assessment to identify the issues that are most relevant to our business. These issues continue to shape our priorities and inform our focus on material topics. To effectively track and manage our performance, risks, and opportunities related to these topics, we regularly evaluate their impacts throughout our value chain.

This year we have kept the grouping of our material topics the same as 2021. As such, the material topics are presented as eight topics. Ethics and Integrity; Supply Chain Accountability; Climate Change; Resources, Materials and Waste; Sustainable Products; Health, Safety and Wellbeing, Empowering People; and Community Investment and Engagement.

● PRODUCTS ● ENVIRONMENT ● SOCIAL AND COMMUNITY ● GOVERNANCE

Influence on Stakeholders' Assessments & Decisions

● Climate Change

Ethics & Integrity ●

● Sustainable Products

Health, Safety & Wellbeing ●

● Supply Chain Accountability

Empowering People ●

● Community Investment & Engagement

● Resources, Chemicals & Waste

Significance of Economic, Environmental & Social Impact on our Business

Stakeholder Engagement

We regularly interact with our key stakeholders, comprising our associates, customers, end-users, suppliers, investors, shareholders, regulatory bodies, industry groups, non-governmental organizations (NGOs), and the broader community to understand their concerns.

The main issues of concern raised by our stakeholders, how we engage with them, and the frequency of interaction are summarized below. These priority concerns of our stakeholders help to inform our approach to sustainability and are reflected in the material topics covered in this Report.

Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).

PRODUCTS
1 Sustainable Products

ENVIRONMENT
2 Climate Change
3 Resources, Materials & Waste

SOCIAL AND COMMUNITY
4 Empowering People
5 Health, Safety & Wellbeing
6 Community Investment & Engagement

GOVERNANCE
7 Ethics & Integrity
8 Supply Chain Accountability

Investors and Shareholders

Through roadshows, dedicated meetings, and the Annual General Meeting, investors and shareholders are able to express their key concerns such as:

RELATED MATERIAL TOPICS **1** **2** **4** **5** **6** **7** **8**

KEY CONCERNS

- Independence, diversity, and engagement of Board members
- Ethics and governance
- Responsible sourcing with focus on sustainable supply chain, human rights, conflict minerals, and cobalt
- Environmental risk management
- Forward-looking financial risk assessment linked to ESG
- Decarbonization strategy, targets, and milestones
- Material risks and opportunities
- Sustainable design, recyclability (batteries and tools), circular economy
- Diversity and inclusion
- Community engagement

Employees

RELATED MATERIAL TOPICS 2 4 5 6

Through associate committees, roundtables, performance reviews, and TTI Group Intranet, associates are able to express their key concerns such as:

KEY CONCERNS

- Climate actions
- Working conditions and benefits
- Training and development
- Equal opportunities
- Open door policies
- Diversity and inclusion
- Health, safety, and wellness
- Community engagement and volunteer events

Customers and Product End-Users

RELATED MATERIAL TOPICS 1 2 3 5 7 8

Through focus groups, constant communication via online and paper, annual product conferences, social media, compliance hotline, and customer service communication channels, customers are able to express their key concerns such as:

KEY CONCERNS

- Data privacy protection
- Conflict minerals
- Climate actions and risks
- Packaging materials reduction
- Chemical substances in products
- Circularity
- Transport, storage, recycling, end-of-life of products and batteries
- Quality of products, including environmental impact
- Product safety
- Social and environmental responsibility
- Modern slavery (forced and child labor and vulnerable migrant workers)

Suppliers

RELATED MATERIAL TOPICS 1 2 3 7 8

Through the compliance hotline and online platform, regular audits and meetings, training, and supplier engagement conferences, suppliers are able to express their key concerns such as:

KEY CONCERNS

- Governance
- Anti-corruption
- Climate change and extreme weather events
- Resource scarcity
- Pollution and waste
- Social and environmental responsibility

Communities

RELATED MATERIAL TOPICS 2 3 4 5 6 8

Through community engagements with NGOs, school fairs, university programs, mentoring and internship programs, partnerships and collaborations, suppliers are able to express their key concerns such as:

KEY CONCERNS

- Climate actions
- Water conservation
- Biodiversity conservation
- Training and development
- Health and safety
- Equal opportunities
- Diversity and inclusion
- Product safety
- Poverty eradication
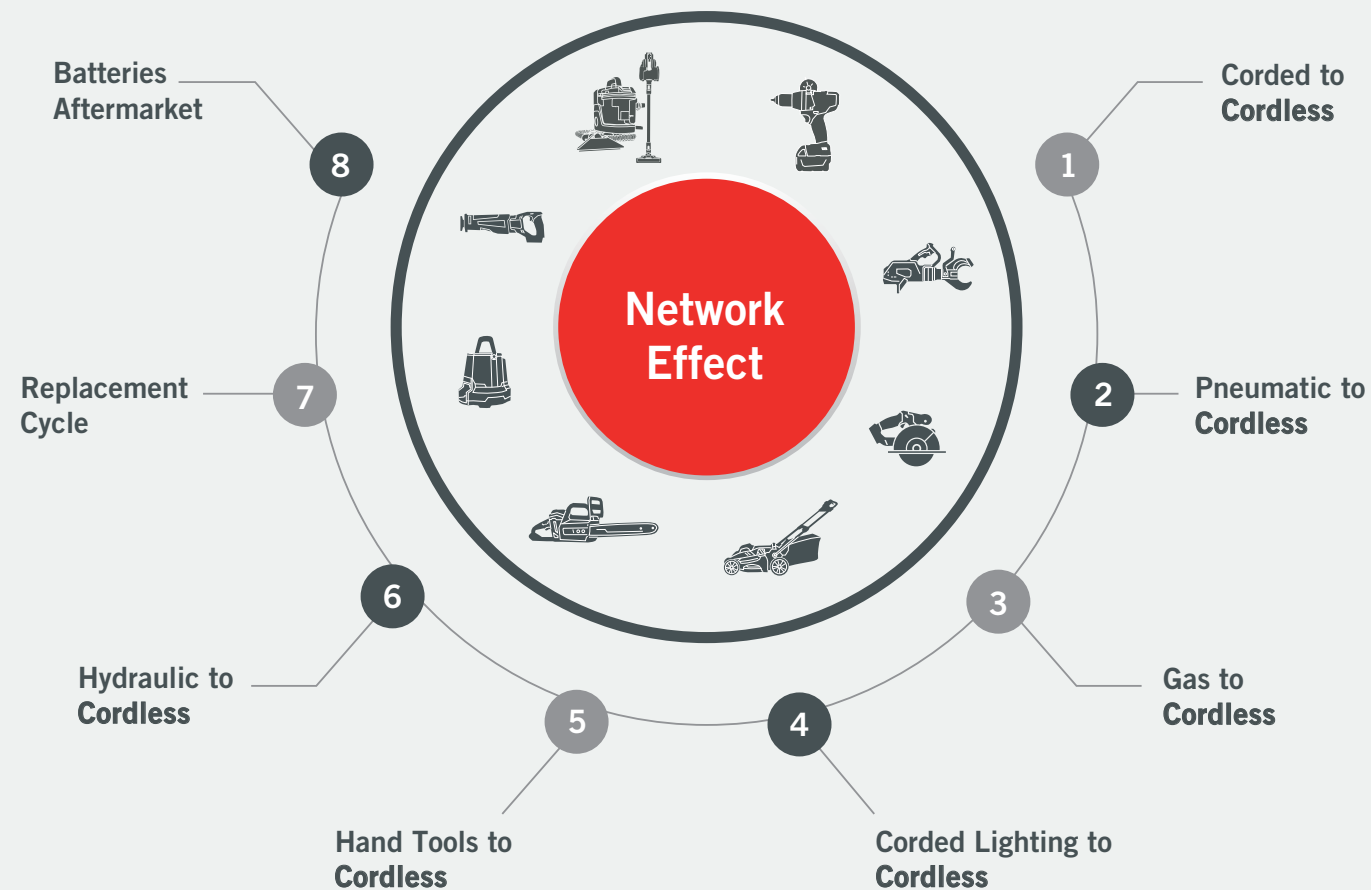- Social and environmental responsibility

PRODUCTS

Sustainable product innovation that improves responsible consumption and shapes our cordless future

MATERIAL TOPIC

p.28   Sustainable Products

Products

To drive innovation and sustainability, our approach centers around designing and producing tools that prioritize safety, efficiency, power, and environmental consciousness.

Network Effect

1. Corded to Cordless
2. Pneumatic to Cordless
3. Gas to Cordless
4. Corded Lighting to Cordless
5. Hand Tools to Cordless
6. Hydraulic to Cordless
7. Replacement Cycle
8. Batteries Aftermarket

Improving our planet through safe and sustainable products.

TTI's distinctive advantage has always been our focus on developing cordless battery powered solutions and our investment in clean technology. Over the years, we have continued to look holistically at our products life cycle to integrate sustainability attributes along our value chain. When creating our product development process, we aim to mitigate product-related injuries, as well as create innovative tools that consider recyclability, repairability, and longevity. We ensure our team conducts extensive testing and evaluation of each product to ensure it meets strict safety standards. Additionally, we have a strong focus on designing tools that are not only innovative, but also considerate of the environment. Our approach simultaneously promotes product safety, while offering low emission and low noise products.

The Network Effect

One of the key elements of our cordless leadership is the value creation from the Network Effect of our battery platforms. The key features of this technology are interchangeability and compatibility, allowing end users to power their ever-expanding range of products and tools using a single battery platform. This has a substantial impact on reducing our carbon footprint by preventing waste and utilizing less materials.

Embedded in our sustainable infrastructure is our clean solution for tools, replacing gas with battery-powered options. This is what makes our products "clean tech". In the same way replacing a gas-powered vehicle with an electric vehicle reduces the carbon footprint of a consumer, so does replacing a gas-powered tool with a battery-powered one.*

The Network Effect is strengthened every time a new product is added to any of our platforms. Each new product enhances the value of its platform and helps boost productivity for our end-users who are professionals or DIY consumers.

* "Are electric vehicles definitely better for the climate than gas-powered cars?", Massachusetts Institute of Technology Climate Portal (https://climate.mit.edu/ask-mit/are-electric-vehicles-definitely-better-climate-gas-powered-cars)

M12
PORTABLE PRODUCTIVITY
TRADE FOCUSED
SYSTEM WIDE
148+ TOOLS

M18
PERFORMANCE DRIVEN
TRADE FOCUSED
SYSTEM WIDE
262+ TOOLS

MX FUEL
EQUIPMENT REDEFINED
TRADE FOCUSED
SYSTEM WIDE
14 SOLUTIONS

USB LITHIUM
Portable Solutions.
Rechargeable Power.
15+ PRODUCTS

18V ONE+
The Power To Do More.
288+ PRODUCTS

40V
Gas Performance.
Cordless Convenience.
87+ PRODUCTS

80V
Unmatched Power.
Unrivaled Innovation.
6 PRODUCTS

Innovation is embedded in TTI's cultural DNA. Our long-term investment in Research and Development ("R&D") enables the sustainable growth of our product solutions.

Cordless Leadership

For decades, TTI has been designing energy-efficient and safe products, beginning with cordless battery technology. In subsequent years, we have also developed products with low carbon emissions and reduced noise levels while in use. One of the key areas in which we continue to innovate is the conversion of users from legacy corded and gas powered products to cordless lithium battery technology. We are a leader in cordless innovation and are constantly striving to improve the performance of our products, as well as enhance safety and minimize environmental impact.

RYOBI is the #1 DIY Tool and #1 Cordless Lawn and Garden Brand worldwide.

MILWAUKEE is the #1 global professional tool brand.

TTI Cordless Leadership

M12 M18 MX FUEL USB LITHIUM ONE+ 40V 80V ONE PWR SYSTEM
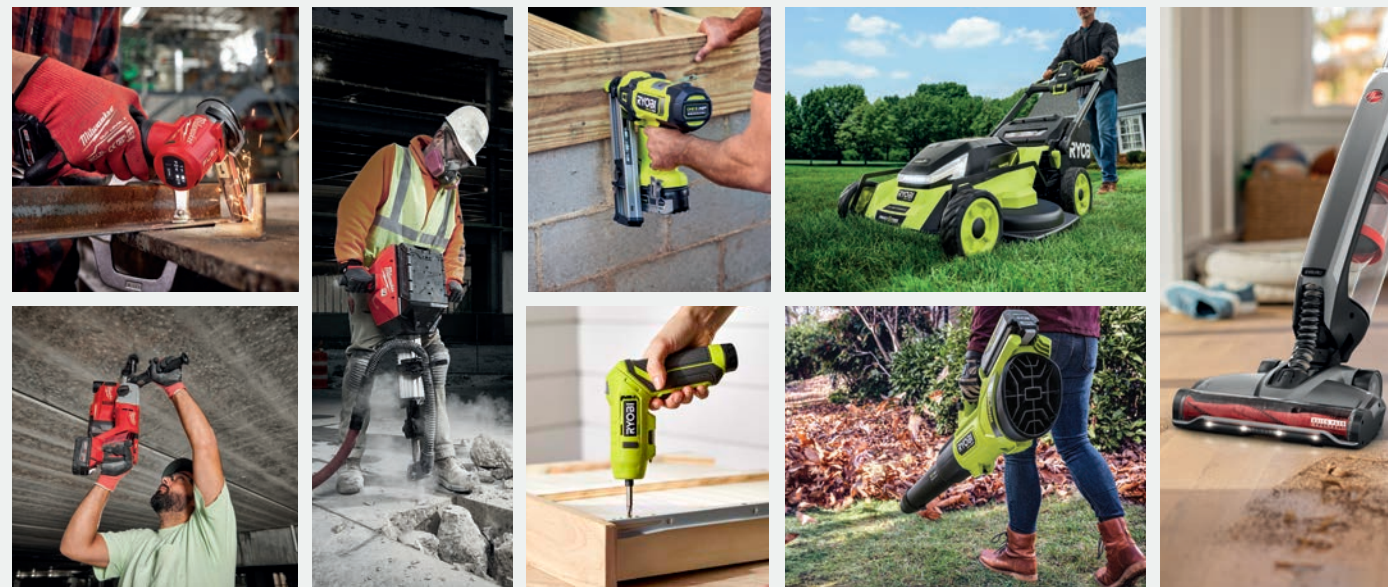
RYOBI 18V ONE+ History (1996 – NOW)

As the number one DIY Tool brand globally, RYOBI remains at the forefront of innovation. The RYOBI 18V ONE+ Cordless System, with its consistent battery interface dating back to 1996, offers a vast array of cordless products that provide users with unmatched convenience, value, and versatility. This comprehensive line of products has become the go-to platform for both DIYers and professionals alike.

Our RYOBI 18V ONE+ System features over 280 innovative product solutions, giving users the ultimate versatility and selection to get the job done. With cordless lithium technology, RYOBI powers through almost anything. From drilling, cutting, fastening, and cleaning, to lighting, plumbing, trimming, mowing, and clearing, the ONE+ System gives users The Power To Do More.

Best of all, our RYOBI brand has stayed true to its same 18V battery platform giving its users peace of mind as they expand their collections. The newest products and batteries from RYOBI's 18V ONE+ System are compatible with the same RYOBI tools and batteries from 1996. So no matter our user's interest or skill level, whether they're on the jobsite or at home, there's a ONE+ product for everyone.

ONE+
ONE+ HP
1996 2000 2002
2014 2013 2012 2010 2007
2016 2017 2020 2021 2022

OVER 280 ONE+ PRODUCTS

LIGHT DIY HEAVY DIY/REMODEL LAWN & GARDEN TRANSPORTATION MAINTENANCE
HOBBY/CRAFT & MAKER STORAGE & ORGANIZATION LIFESTYLE & RECREATION CLEANING

Reducing Noise Pollution

RYOBI

The RYOBI WHISPER SERIES is the industry's quietest range of products. Engineered with noise reducing technology, these products provide best-in-class performance and remarkable power while operating over 60% quieter than comparable gas products.

In 2022, we expanded the WHISPER SERIES family by 14 products and will continue to add more solutions in 2023. The RYOBI WHISPER SERIES product line gives users maximum performance with a quieter design.

ONE+   **ONE+ HP**   **40V**   **40V HP**

WHISPER SERIES

RYOBI WHISPER SERIES advantage vs Gas Products: A difference you can hear.

Our RYOBI WHISPER SERIES products are not only the most powerful line of RYOBI tools, but they are also the quietest. These innovative tools are specifically engineered to be quieter than gas and other battery-operated tools. The RYOBI WHISPER SERIES products provide the performance you would expect from traditional gas tools, allowing you to maintain your yard with the convenience of cordless without compromise.

GAS

WHISPER SERIES
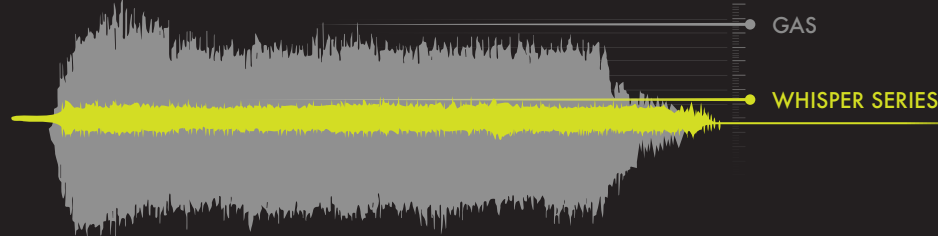
WHISPER TECHNOLOGY

- 86% quieter than gas
- Innovative noise dampening foam

HIGH PERFORMANCE LITHIUM TECHNOLOGY

- Fade-free lithium power
- Compatible with over 85 40V products
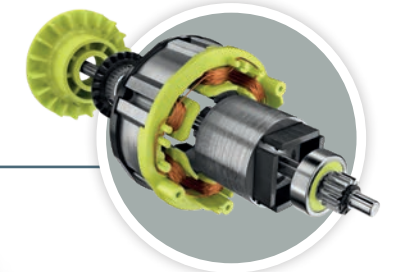
BRUSHLESS MOTOR & ADVANCED ELECTRONICS

- 60% more powerful*
- Brushless motor, advanced electronics, and high performance lithium batteries
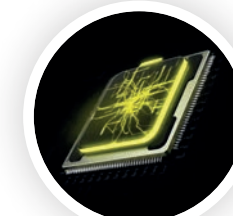
* Compared to model RY404012BTL

Up to
86%
quieter than gas

Noise Rating
57 dB

Air Speed
190 MPH

40V HP BRUSHLESS 730 CFM WHISPER SERIES BLOWER

This 40V HP Brushless WHISPER SERIES Blower delivers incredible power with less noise. Delivering 730 CFM and 190 MPH this blower can tackle wet and dry leaves.

NO EMISSIONS†   **LOW NOISE**

MAXIMUM PERFORMANCE

† While in use

Safety Solutions

Milwaukee®

MX FUEL

EQUIPMENT REDEFINED
TRADE FOCUSED
SYSTEM WIDE

Reduced Emissions

Our MILWAUKEE MX FUEL platform not only provides all the power of corded and gas-powered light equipment, but also produces no emissions*. With the reduction of fumes and emissions, this platform is equipped with enhanced safety and sustainability for end-users. Harmful fumes, noise, and vibrations associated with the running of typical light equipment are reduced with this platform. This allows users to work indoors, in trenches, in tunnels, or even in mines without any gas headaches - vastly improving productivity. This system not only saves the end user time with refueling and starting up but also provides a cost savings on gas consumption and engine maintenance.

Fuel Savings

The cost of operating battery-powered equipment is more cost efficient than the cost of operating gas equipment, the same way an electric vehicle is more cost efficient to run than a gas-powered vehicle.

Maintenance Savings

Between fuel and maintenance, gas-powered equipment typically is more costly. These tools have numerous components that are prone to failure, such as spark plugs, fuel filters, carburetors, air filters, drive belts, and starter cords. Additionally, there are various potential issues surrounding fuel mixing for 2-stroke engines, including the risk of missing the exact ratio and forgetting to add engine oil, all of which can result in significant expenses.

Alternatively, MX FUEL is powered by a POWERSTATE brushless electric motor. The electric motors do not require a lot of maintenance, as they have very few wearable parts compared to a gas engine and there is less risk of improper use and maintenance.

Health

With zero emissions during use, MX FUEL products allow users to operate in spaces where operating gas-powered equivalent products pose harmful health risks.

Safety

The presence of gas on a jobsite poses significant safety concerns and can consume both time and money, given the special requirements for its storage and transportation. It is never 100% safe to have highly flammable gas on the jobsite.

Productivity

One of the biggest user frustrations is spending time setting up without cutting or breaking anything. Filling up a gas cut-off saw can be a time-consuming process, especially when compared to the speed and ease of inserting a battery, pressing the start button, pulling the trigger, and getting ready to cut.

* While in use
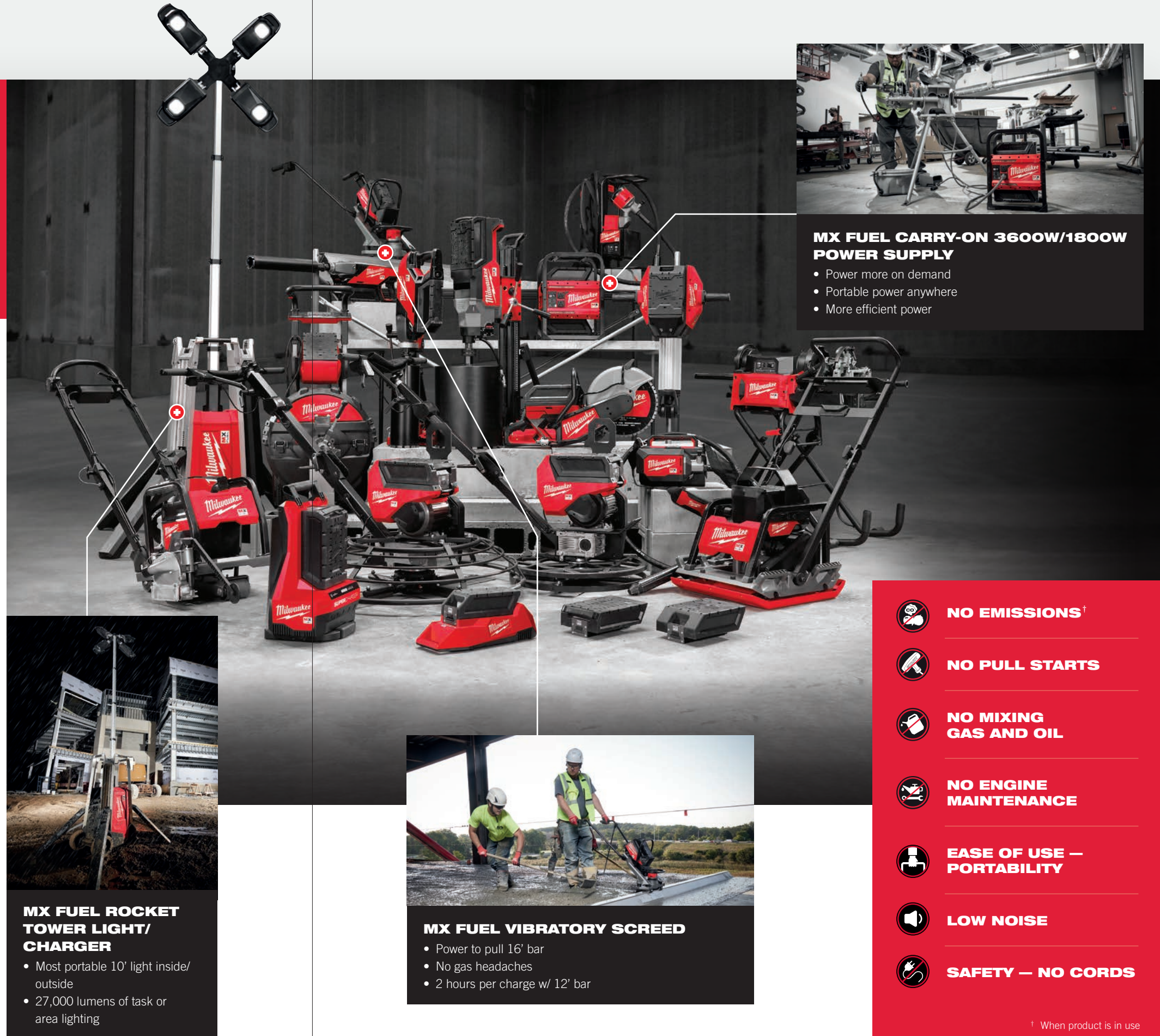
MX FUEL CARRY-ON 3600W/1800W POWER SUPPLY
- Power more on demand
- Portable power anywhere
- More efficient power

MX FUEL ROCKET TOWER LIGHT/ CHARGER
- Most portable 10' light inside/ outside
- 27,000 lumens of task or area lighting

MX FUEL VIBRATORY SCREED
- Power to pull 16' bar
- No gas headaches
- 2 hours per charge w/ 12' bar

NO EMISSIONS†

NO PULL STARTS

NO MIXING GAS AND OIL

NO ENGINE MAINTENANCE

EASE OF USE — PORTABILITY

LOW NOISE

SAFETY — NO CORDS

† When product is in use

Relentless Safety Solutions, Built for Productivity

We are unwavering in our commitment to deliver Relentless Safety Solutions, Built For Productivity.

MILWAUKEE is a world leader in jobsite solutions and has a long tradition since 1924 of improving safety of users through product innovation. We have dedicated resources to work alongside our users and partners to understand the demands of a constantly changing jobsite and how we can best deliver solutions to be more safe and productive.

Our MILWAUKEE business is committed to providing safe and versatile silica dust management solutions that help customers comply with the OSHA regulation on respirable crystalline silica dust (29 CFR 1926.1153). Our dust management solutions are focused on enhancing productivity. From the most universal dust extraction solutions fitting all major brands to a full range of products for floor-to-ceiling dust management, this is compliance made simple.

No Gas, No Fumes and No Emissions*

Gas equipment is largely present on today's jobsite, and as a result, tradesmen are twice as likely to develop respiratory diseases due to exposure and inhalation of gas fumes and emissions.[†] We are dedicated to providing users with cordless solutions on our M18 and MX FUEL Systems that eliminate exposures associated with gas equipment. In the professional landscaping segment, the M18 FUEL Mower, for example, is designed to meet the performance, durability and ergonomic needs of the landscape maintenance professional. M18 FUEL technology delivers the best cut quality, more max torque versus 200cc gas mowers and full throttle in under 1 second while eliminating the headaches associated with gas engines such as pull starts, noise levels, emissions and engine maintenance. By continuously innovating in cordless technology and expanding our M18 FUEL and MX FUEL solutions, we are on a mission to make gas tools and equipment a thing of the past. Our cordless solutions deliver upon the performance, run-time, and durability demanded by users without the hazards associated with emissions, noise vibrations, and frustrations of gas maintenance.

Jobsite Lighting

MILWAUKEE site lighting is the industry's first system of high-output LED lights to offer full-day runtime in portable packages. The site lights use the most advanced lighting technology to deliver a consistent beam, optimized color temperature, and true representation of colors and detail leading to a more productive work area. Our jobsite lights shine brighter, last longer and are uniquely designed to adapt, perform, and survive the daily demands of professional use.

Anti-Vibration

Hand-arm vibration syndrome (HAVS) and noise-induced hearing loss continue to affect tradesmen across various jobsites due to repeated exposure. We are committed to delivering user solutions that reduce noise and vibration exposure. Revolutionary solutions such as our M12 FUEL SURGE 1/4" Hex Hydraulic Driver and M18 FUEL SURGE 1/4" Hydraulic Drivers, along with our Anti-Vibration System (AVS), minimize noise and vibration levels during tool operation, reducing the user's exposure.

* While in use

[†] "Chart Book (6th edition): Occupational Diseases – Respiratory Diseases in the Construction Industry", The Center for Construction Research and Training (https://www.cpwr.com/research/data-center/the-construction-chart-book/chart-book-6th-edition-occupational-diseases-respiratory-diseases-in-the-construction-industry/)
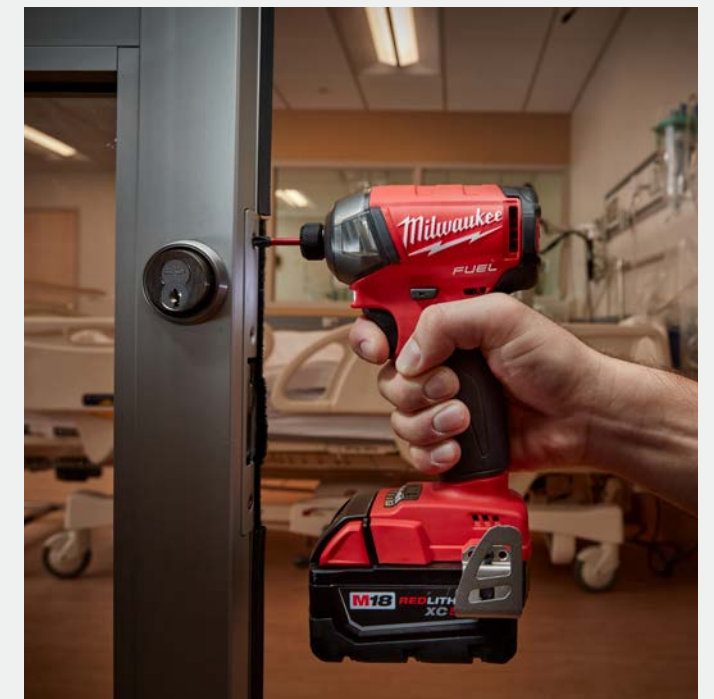
Ergonomics

In order to combat musculoskeletal disorders (MSDs), MILWAUKEE is committed to ensuring ergonomics is a key aspect of our product design process. Our evidence-based approach to ergonomics delivers solutions like the M18 FORCE LOGIC 6T Pistol Utility Crimper. This crimper provides the easiest way to crimp overhead by reducing peak muscle effort by up to 48% when used at shoulder height or above. Ergonomics is one of the key aspects of our product design, from comfort in the handle of a drill to innovating how drain cleaning professionals transport heavy equipment. Our MX FUEL Sewer Drum Machine with POWERTREDZ simplifies sewer calls by providing POWERTREDZ Lift Assist technology and the power to clear roots at 200 ft out while containing the mess with a fully closed drum. POWERTREDZ Lift Assist technology allows you to perform one-person transportation of the machine up and down stairs as well as in and out of a service van.

Safety

Each time power tools and equipment are used on the jobsite, bind-ups, operator error and drops are possible. MILWAUKEE is dedicated to designing power tool and equipment solutions that enhance the safety of users. Our leadership in batteries, motors and electronics expands the capability of common power tool and equipment solutions to provide users with features that enhance safety like AUTOSTOP control, which stops a tool when a bind up is detected, and RAPIDSTOP brake, which quickly stops tool operation when a finger is lifted from a trigger.

STAY SAFE.
STAY PRODUCTIVE.

Personal Protective Equipment

Our MILWAUKEE brand is dedicated to keeping our users safe and productive on the jobsite. Personal Protective Equipment has seen little innovation over the years, driving users to modify their gear to better meet their needs. We have taken the time to understand our users' needs and develop PPE from the ground up, delivering head protection that allows users to adapt to each job and safety glasses that can be worn all day with lasting fog-free lenses. MILWAUKEE is focused on creating innovative solutions that won't slow users down, helping them stay safe and stay productive on the jobsite.

BOLT Full Brim Vented Hard Hat
- BOLT headlamp mount
- Compatible with all BOLT hard hat accessories
- 6 point ratcheting suspension

Performance Safety Glasses w/ Gasket – Fog-Free Lenses

Ear Plugs

N95 Valved Respirator with Gasket

Class 2 High Visibility Performance Safety Vest

Cut Level 3 Nitrile Dipped Gloves

MATERIAL TOPIC
Sustainable Products

Our devotion to creating equipment that prioritizes safety, efficiency, productivity, and environmental sustainability positions us at the forefront of the shift towards cordless battery-powered products.

Value Chain

⬡ Suppliers   ⚙ Operations   🛒 Customers   👥 Community

🎯 GOALS

- Promote circular business models by increasing service, repair, maintenance, refurbishment, and recycling services
- Increase investment in clean technologies
- Develop innovative products that improve living and working environments

☑ PROGRESS

- Developing an internal Life Cycle Assessment (LCA) process
- Increasing recycling efforts

RISK	OPPORTUNITIES	RESPONSE
• Risk of not making true progress in managing environmental impacts of products and not identifying best areas for application of sustainable design	• Conduct product carbon footprint assessments • Building models/case studies to identify best levers to deliver optimum positive impact • Strengthening existing circular economy initiatives and exploring opportunities for additional circular value chains	• Providing training and guidance on the principles of sustainability for internal associates • Service centers and recycling partnerships
• Risk of not meeting market demand for sustainable products and packaging	• Conduct research to better understand and prepare for market demand of sustainable products and packaging • Research and development of new technologies, recyclable and ecofriendly materials and sustainably designed products • Sharing relevant information with partners and retailers to align strategy	• Investment in clean technology products • Development of products that utilize less energy and resources, produce less waste, emissions and noise while in use
• Risk of unsafe products impacting users and potential consequences, such as litigation, fines from product claims or recalls, reputational damage, and commercial risk • Risk of non-compliance with environmental regulations	• Enhance responsible sourcing for the whole supply chain	• Product safety policies and committees • Partnerships for responsible sourcing

Sustainable Focus

Cordless capability is a key area in which we continue to innovate, particularly in the conversion of our products from gas-powered equivalents. As a leader in cordless technology, we are constantly improving the performance of our products while prioritizing safety and minimizing environmental impact.

Noise Reduction

Our RYOBI WHISPER SERIES is designed to reduce noise pollution, making it an innovative and more environmentally friendly option for users.

HOOVER HUSHTONE technology is a revolutionary feature in our vacuum cleaners that significantly reduces noise levels while maintaining powerful suction, making it an ideal choice for users.

Jobsite Safety

Our tools are renowned for their safety features, including anti-vibration technology, electronic brakes, and ergonomic designs that reduce the risk of accidents and injuries. For example, our MILWAUKEE MX FUEL 14" Cut-Off Saw delivers instant starts with zero emissions (while in use) while a full 14" capacity gives users the ability to cut up to 5" depths in a large variety of materials.

Reduced Emissions

To manage our product emissions, our strategy is to further expand our efforts in reducing the GHG emissions and carbon footprint of our products and, in particular, the emissions generated from products while in use. TTI has continued to transform outdoor power equipment from gas to battery powered. Our strategy is to improve the performance of outdoor products while reducing carbon emissions and reducing noise. Our outdoor power equipment products emit fewer types of GHG emissions while in use and provide a better usage experience for our customers. In 2022, usage of consumer electric string trimmers, blowers, walk-behind and riding mowers sold in the USA resulted in total savings of 79,347 metric tonnes of CO_2e*, which is equivalent to driving a gasoline-powered passenger vehicle 196,955,565 km. This is equivalent to driving the iconic US Highway Route 66 one-way 49,993 times.

*   Assumptions:
    - Average CO_2e gram per year is from US EPA Database of certification data
    - Usage is based on an internal estimate/consensus
    - Average current during use is based on an internal estimate
    - Nominal voltage for 10S lithium/6*4S lead acid
    - Charger efficiency from CEC 24 hour charge test
    - Industry average for CO_2 generated per kWh

Research and Innovation

TTI has always prioritized innovation, with a particular focus on developing cordless product solutions that seek to minimize our environmental impact and improve social conditions throughout both the product lifecycle and our value chain.

Our design and engineering process takes into consideration aspects such as reliability, durability, repairability, refurbishing, and recycling.

Product Development Framework (4Ds)

DISCOVER → DEFINE → DESIGN → DELIVER

Product Design Principles (3Ps)

RESPONSIBLE MATERIAL USAGE
- Safety
- Resource, Material and Chemical Management

EFFICIENCY & DURABILITY
- Manufacturing and Product Use
- Distribution

CIRCULAR ECONOMY
- Life Cycle Extension
- Repairability
- Material Recovery

Checklists that provide guidance on the principles of sustainability have also been developed and are currently under various user acceptance tests. Once implemented, the checklists will assist our associates in making sound decisions regarding the selection of raw materials, as well as the use of resources and substances of concern during the concept and manufacturing phases.

Our R&D project aims to improve user experience, ensure the safety of the manufacturing process, reduce emissions, improve resource efficiency and, where possible, circularity of our product solutions.

With the help of the Sustainable Design Guide, our designers and engineers are able to develop products that not only meet environmental, health, and safety objectives, but also align with circularity principles. This guide utilizes information from our lifecycle assessment and GHG footprint analysis results that were conducted on our key product categories since 2018.

Some of the prime examples of innovative R&D efforts are our cordless lithium-ion battery technology and state-of-the-art acoustic engineering. Our battery platforms are backward and forward compatible, allowing users to operate any of our products or batteries within the same platform, regardless of when they were created. With consistent upgrades, our battery packs improve in performance and efficiency throughout generations. Many of our batteries also have additional features, such as a status bar displaying how much charge is left and the ability to withstand below freezing temperatures.

With the focus on our end users, we continue to provide significant benefits such as jobsite efficiency and safety, as well as reduced noise pollution and emissions while in use.

The following sustainable product solutions showcase our continuous investment in clean technology:

Sustainable Product Solutions

Brushless Motors

Brushless motors are typically more efficient than brushed motors due to brushed motors having reduced mechanical energy loss from friction. This results in longer product lifespans for tools equipped with brushless motors. Moreover, these motors boost advanced features that allow them to produce more power in compact sizes, resulting in lighter tools and longer run times with more efficient energy production.

Smart Digital

ONE-KEY, MILWAUKEE'S connectivity platform, puts jobsite management into users' hands. The fully customizable ONE-KEY app and IoT-connected MILWAUKEE smart tools are backed by the industry's largest BLUETOOTH tracking community, to help connect sites, people, and equipment.
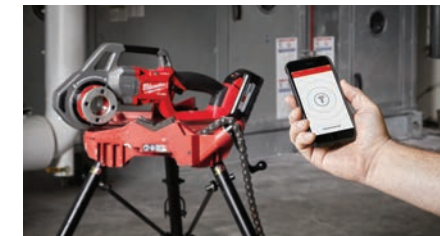
LED

Our LED lights are a cutting-edge innovation in the lighting industry that provide superior illumination in a range of settings. These lights are built with advanced LED technology that generate brighter and more efficient lighting than traditional incandescent bulbs. With a range of features that cater to the needs of both professionals and DIY enthusiasts, these LED lights are the ideal solution for anyone looking for reliable, durable, and powerful lighting.

Considerations in Product Lifecycle

At TTI, we recognize the significance of incorporating durability into our product designs and how it affects our value chain. We strive to integrate circularity models in our business to convert waste into valuable inputs through our product life cycle.

Repairing

As we develop products focusing on repairability, we also promote the repair of tools for our end-users. As of 2022, a total of 2,448 repair and servicing centers have been established across all markets in our value chain, extending the usage of our products without compromising on quality. In the process, we harvest parts from previously owned tools and use those components for repairing and servicing products when possible.

Refurbishing

Our reconditioning program extends the life of our products to reduce waste and environmental impact. Some of our refurbished products were sold with a one-year warranty through our 38 Direct Tool Factory Outlets in the United States. To ensure quality of the refurbished products for consumers, all components, including batteries and chargers, are thoroughly inspected for mechanical flaws. Our technicians then complete the repairs using factory-supplied components and refurbished replacement parts. Testing is also conducted to verify that all standards are met.

Battery Recycling

Since 1994, TTI has implemented recycling initiatives to retain the embodied value of the material in our lithium batteries when they reach their end of life with the primary objective to reduce the extraction and consumption of raw material in our supply chain. All legal requirements and environmental, health, and safety standards are met when recycling our batteries. We also have robust partnerships with battery recycling organizations and stewards, such as, Call2Recycle in North America, Envirostream in Australia & New Zealand, and GRS Batterien in Europe.

During the recycling process, the battery packs are broken down into components and chemistries. As a result, the metal cylindrical components are reused in steel and stainless-steel products and lithium, cobalt and other materials are reused in new battery chemistries.
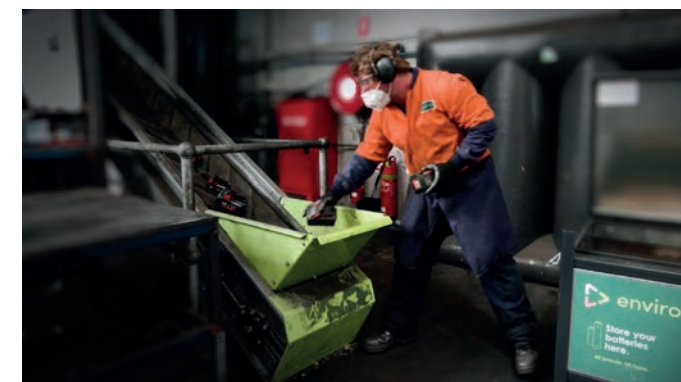
TTI has partnered with Call2Recycle for over 20 years to ensure that our batteries and battery-powered products are responsibly recycled when they reach their end of life.

Call2Recycle's North American network has over 16,000 collection sites, including local household hazardous waste sites and national retailers where consumers can drop-off their batteries for recycling at designated collection points. TTI has also implemented a number of recycling incentive schemes in partnership with Call2Recycle. These have included issuing battery safety and recycling guides and a safe battery disposal video to customers, developing infographics showing end-users the impact of battery recycling over the years and creating a pilot 'at home' recycling kit for online battery purchases through retailers. TTI pays stewardship fees to Call2Recycle based on North American battery and battery product sales.

In 2022, we collaborated with partners to collect and recycle more than 528 tonnes of batteries.

We have also supported onshore processing, enabling the retained value to stay within the local manufacturing sector and indirectly contributing to the industry by creating jobs.

We remained a steward in good standing with Call2Recycle for our RYOBI, MILWAUKEE, RIDGID, HART, DIRT DEVIL, HOOVER, HOMELITE, and ORECK brands.

LEADER IN SUSTAINABILITY
2022 TOP 100

This certificate proudly awarded to :

Milwaukee Electric Tool Corporation

as a 2022 Leader in Sustainability recipient for diverting more than 259,984 pounds of batteries in 2022 through the Call2Recycle battery collection and recycling program. We applaud your commitment to the environment and responsible battery management.

LEO RAUDYS
CEO
Call2Recycle, Inc.

Call2Recycle, Inc.
Changing habits. Inspiring action!

95%
of materials are recyclable in lithium-ion rechargeable battery cells

call2recycle®
Leading the charge for recycling.™

Milwaukee Tool was once again designated as a Top 100 Leader in Sustainability for diverting more than 115 tonnes of batteries through the Call2Recycle battery collection and recycling program. In addition, they provided an at-home battery recycling solution with Call2Recycle sending 1,313 recycling kits directly to customers. Our battery recycling efforts are a key part of our circularity program.

In Australia, our MILWAUKEE business continues their partnership with local recycling partner, Envirostream, to further enhance FUTURE FORWARD. Going beyond simply making battery recycling available to users, the initiative involves a targeted campaign that seeks to leverage our MILWAUKEE brand and embed sustainability into our identity.

Envirostream has established an environmentally safe lithium-ion battery recycling facility locally in Australia. By processing onshore, Envirostream is adding value back into the Australian manufacturing sector and growing the local sustainability industry by creating jobs — a factor that was identified as important to our users.

Last year, MILWAUKEE Australia launched nationwide retail collection units. We also identified key clients and executed several pick-ups at job sites. Looking forward, the FUTURE FORWARD team aims to tailor the next phase of marketing and communications about the project to be more targeted towards different facets of the market. The ultimate goal of the campaign is to fully integrate FUTURE FORWARD into our MILWAUKEE brand and cement battery recycling as part of our central value proposition to users.

FUTURE
FORWARD™

Recycled by
▷ envirostream

Product Safety Management

Ensuring safety is a top priority for our products, our Product Safety Directors, committees, and teams at each of our business units are accountable for advancing safety standards, quality, and compliance. We strive to incorporate ongoing improvements into our procedures for every product that TTI designs, produces, distributes, or licenses, in order to offer our customers an exceptional experience. Safety serves as a significant motivator for numerous projects we undertake, such as:

- Replacing gas engine products with MILWAUKEE MX FUEL line tools so they can be used safely in confined spaces without the risk of harmful carbon monoxide emissions

- Launching a line of tool lanyards to prevent tools from falling on co-workers or others when used at height

- Expanding lithium-ion battery technology in our tools to reduce the usage of cord-connected, gas-powered products, thereby preventing potential hazards such as tripping and electrocution

- Using our technology to reduce noise pollution and prevent customers from breathing in harmful emissions from products

- Extending our line of safety equipment products such as hard hats, masks, glasses, gloves, and helmets

TTI has established Product Safety and Consumer Product Regulatory Compliance Policies that lay out our safety measures. Our Product Safety Committees and Committee of Product Safety Directors from our various business units enforce strict compliance monitoring and audit investigations based on these policies. These committees convene on a monthly basis to identify and evaluate:

- Customer complaints and online reviews that could lead to potential compliance or safety issues

- Potential compliance or safety-related findings from analyzing returned products

- Warranty data that could be associated with potential safety risks

Our quality control mechanisms cover the inspection, testing, and reliability assessment of incoming materials, in-process products, and outgoing products. Before and after launching a product, we conduct thorough safety hazard reviews, and have established product recall policies and procedures to enable swift corrective action, if needed. In pursuit of these goals, we maintain partnerships with government regulators, product safety standard developers, trade associations, and consumer groups. Any product recalls are overseen by our legal teams and safety and regulatory departments, ensuring compliance with all relevant laws until their safe disposal.
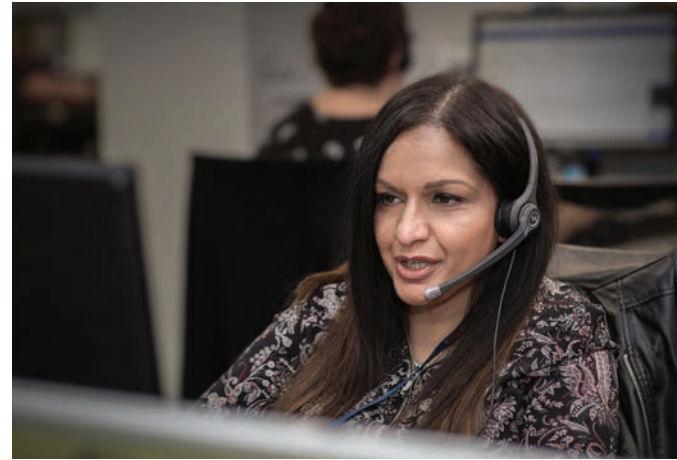
During this reporting period, we reported zero product recalls. Our safety reviews span our entire design and development process, and encompass the following:

- Initial safety review based on the results of our Design Failure Mode and Effect Analysis (DFMEA) and a review of tool construction will be conducted before the product release.

- Formal safety review based on the requirements of ISO 12100: 2010 for the hazard review and risk assessment. This is a systematic review of all potential hazards during the life cycle of a product, identifying how risk can be minimized

- Final safety review that verifies the necessary implementation of corrective and preventive actions before products are released for mass production

TTI complies with all relevant industry standards and regulatory requirements for our products worldwide, often surpassing them. Appendix A of our HKEX ESG Reporting Guide Content Index on our website provides a list of regulatory requirements concerning health and safety, advertising, labeling, and privacy matters for products that may significantly impact our operations and performance. We actively monitor social media and online sales channels for customer feedback, recording and analyzing all comments and complaints. We address these requests, whether they relate to design improvements or more in-depth technical training for end-users. In 2022, there were no substantive product or service-related complaints received. Our product warranty policy further ensures customer satisfaction with a positive post-purchase experience. Our product safety measures have been expanded to include pollution management and reducing exposure to harmful emissions and noise for end-users.

Product Safety Updates

In 2022, we initiated zero recalls of our products.

- There was no violation of labeling or advertising regulations reported in 2022. As part of our product safety and quality initiatives in this period, we strived to:

  » Ensure phone, web and retail level inquiries from customers were well managed and customer service lines for all tool brands were staffed accordingly

  » Provide technical training at product information centers for customers, including dealers and OEM partners

  » Offer customers product safety training conducted by sales and Jobsite Solution teams

  » Train Field Service and Customer Service Representatives on building customer relationships

  » Provide repair and warranty services to customers at product service centers

  » Expand our line of PPE to keep people safe on job sites

  » Ensure global alignment and collaboration of our safety teams
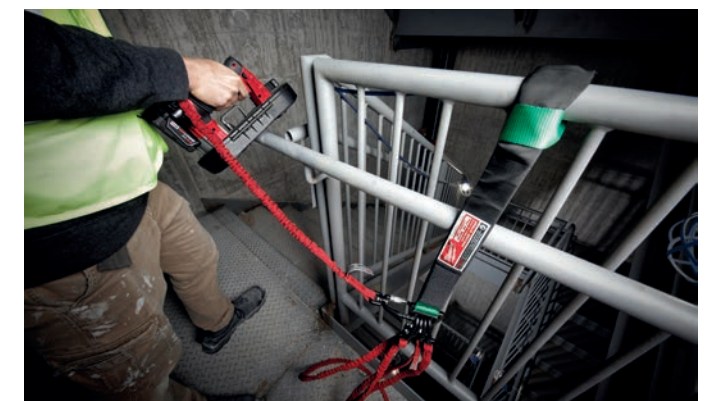
ENVIRONMENT

Reducing our environmental impact through sustainable business practices and Innovative Products

MATERIAL TOPICS

ENVIRONMENT

Environmental Management

Our strategy focuses on decarbonization, optimizing energy efficiency, and effectively managing our waste to minimize our impact on the globe and preserve its natural resources.

RESOURCES, MATERIALS & WASTE

CLIMATE CHANGE

Decarbonization

Emissions & Energy

Diversification

Climate Risk Analysis

Natural Capital – Water & Biodiversity

Material Management

Waste

Chemicals

Protecting our planet is critical for the flourishing of both our communities and our business.

TTI is not only committed to creating environmentally friendly products but also managing our use of natural resources across our global operations and value chain. We accomplish this by conserving resources, maximizing efficiency, and prioritizing innovation throughout our business.

Environmental Management

Integrating our environmental strategy into our business starts with implementing management systems. Our manufacturing sites have comprehensive Environmental Management Systems (EMS) in place and are compliant with ISO 14001 EMS, 45001, and 9001 quality standards. To ensure all our business units (BUs) are unified in implementing improvement and sustainability practices, we have established several key policies, procedures, and accountability mechanisms. One key example is our environmental policy in the People's Republic of China (PRC) site, which serves as a guide to enhance environmental management, reinforce EMS, and comply with legal and environmental protection standards.

Our environmental management strategy is driven by our ESG Executive Committee and overseen by our Board of Directors (the "Board"). This committee meets a minimum of once a quarter to discuss the short, medium, and long-term sustainability strategies. The Committee, the Environmental, Health, and Safety (EHS) functions, and the BU leaders are all tasked with identifying and providing resources needed for implementing our EMS. They also monitor, evaluate, and ensure the progress of systems and define the responsibilities of each department to further improve performance. In addition, our ESG Working Committee, global EHS teams and EMS committees oversee the development and implementation of raising awareness to all associates. More information on our ESG Executive Committee can be found in the Governance section of this Report on p.80.

Committed to SBTi

Green Energy Agreements in America & EMEA

–4%

Reduced our absolute Scope 1 and 2 emissions in 2022

Environmental Manual

TTI's Environmental Manual meets the ISO 14001:2015 standard requirements, including legal compliance. It outlines the framework for setting and reviewing environmental objectives and targets, and it describes our leadership's commitment to improving our environmental performance. The Environmental Manual also sets our Safety and Responsibility Policy covering Quality System Assurance (QSA) and EHS functions, including those pertaining to the prevention of pollution,

incidents, and conserving resources. It is periodically reviewed and updated to reflect evolving environmental management guidelines.

In addition to the Environmental Manual, we are also guided by several Standard Operating Procedures (SOPs) that cover the topics in the table below and are established to outline procedures for complying with all applicable legal requirements. Both the Manual and the SOPs are readily available to all associates, including part-time associates, contractors, and suppliers.

Standard Operating Procedures

- **Chemical Management** – ensures the transport, storage and use of chemicals effectively prevents the accidental release of chemicals, fire or explosions

- **Waste Collection & Disposal** – identifies the process for recycling materials, and disposing unrecyclable and hazardous waste (including medical waste)

- **Water Pollution Management** – outlines the management of wastewater discharge, treatment and recycling to meet discharge standards

- **EHS Program, Work-Related Injuries** – comprises documented EHS objectives, targets and programs to achieve our commitment to pollution prevention and continual improvement

- **Emergency Preparedness & Response** – ensures proper coordination and control in emergency situations to minimize loss and impact, and prevent or reduce adverse environmental impacts that may occur

These procedures are complemented by Management/Operating Instructions on chemical handling. For more information, please see the section on Chemicals on p.55.
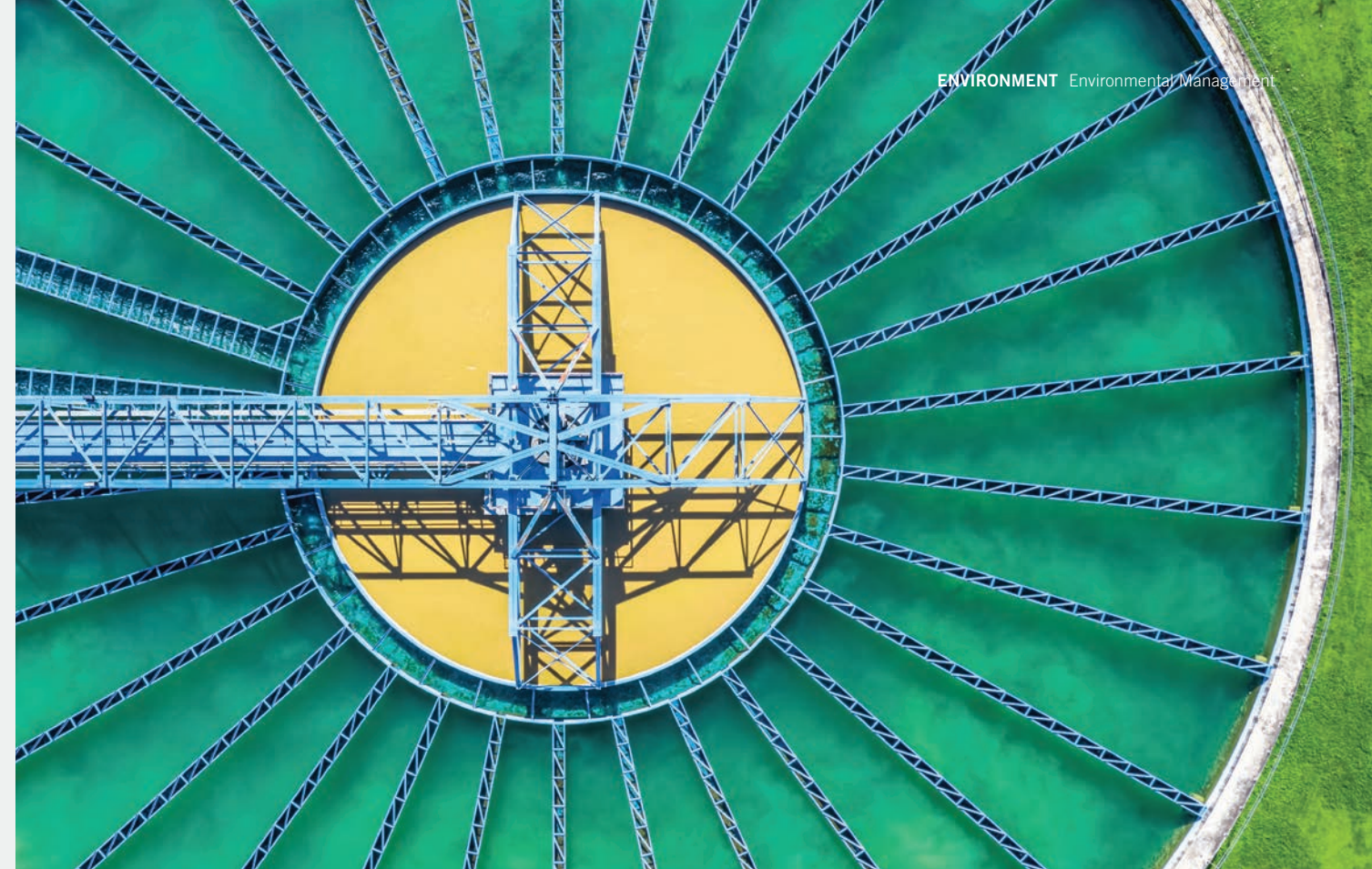
Managing Our Impact

In 2022, all applicable compliance requirements were met across our global operations. For a full list of legal and regulatory requirements that have the potential to have a significant impact on our operations and performance, please refer to Appendix A of our HKEX ESG Reporting Guide Content Index on our website. Enhancing the measurement of our environmental impact remains a vital aspect of our environmental management effort; detailed data on our progress can be found in the Performance Metrics on p.114 of this Report. Any stakeholders who are concerned with our environmental practices are encouraged to report issues through the grievance mechanisms described in the Ethics and Integrity section of this report. In addition, our Global Investor Relations team is available to answer investor inquiries.

Key Environmental Priorities

Our priority in 2022 has been to manage our footprint by accelerating our course toward decarbonization. This year we entered multiple green energy deals, committed to setting science-based targets, and accelerated our circular economy efforts. We have also embarked on a comprehensive exercise to analyze the risks and opportunities we face due to climate-related impacts. The climate risks that were identified from the assessment include Market and Reputation, as well as Increased Carbon Pricing.

Decarbonization

Our decarbonization pathway will reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021.

Waste

Implementing a global target for reducing the amount of waste generated by our operations is a top priority. We partner with different waste management partners across our different markets to ensure hazardous waste is collected and disposed of safely.

Water

We strive to have a progressive decline in our absolute water withdrawal year after year. To achieve this, we monitor and develop ways to conserve water throughout our different operations, especially in areas where water is scarce.

West Bend Factory

Our new, 95,000-square-foot, MILWAUKEE manufacturing plant in West Bend, Wisconsin is a US$55 million state-of-the-art facility located only 20 minutes from our MILWAUKEE North America headquarters. The advanced technology and equipment within the facility allows us to manufacture hand tools in the USA for the first time ever. The facility is committed to producing high-quality tools for professionals and consumers in electrical, power utility, plumbing, and mechanical trades. It has created 150 new jobs and is the first development in the City of West Bend's newest 216-acre industrial park - the West Bend Manufacturing Center.

Our facility has incorporated proactive ergonomic, safety, and sustainability considerations into the design of the facility. With the highest level of innovation in its class, this factory enables us to achieve better control and efficiency in our operations while setting a new benchmark for safety, efficiency, and innovation.

Safety and Ergonomics

When laying out the facility and processes, ergonomic design principles were incorporated into each workstation. Height-adjustable worktables are used to ensure our team members can position work in their comfort zone. Self-adjusting pallet risers are used to keep parts and bins at an optimal position for lifting and handling thereby reducing the risk of injury and increasing efficiency. Pick-and-place robots are also used in machining centers, eliminating highly repetitive tasks that can lead to repetitive motion injuries over time. We also have machine guarding with safety circuitry being used on all automated systems to ensure the safety of our team members.

Environmental & Sustainability

In addition to a strong focus on ensuring the safest work environments, our MILWAUKEE business and our West Bend facility are highly committed to energy efficiency, using advanced technologies and processes to minimize our impact on the environment.

Sustainable operations are an important part of our culture. By using technologies such as high efficiency HVAC/process equipment and occupancy sensors for the LED facility lighting, we are able to operate while reducing our impact on the environment.

95,000
square-foot

US$55
million

150
new jobs

MILWAUKEE manufacturing plant in West Bend, Wisconsin
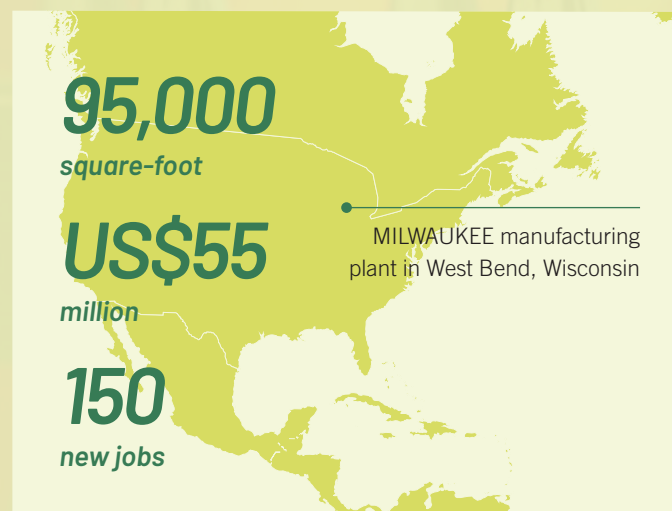
Our MILWAUKEE business is continually exploring new methods of eliminating waste from our operations. When process scrap does occur at the West Bend facility, we search for ways to reuse and/or recycle these waste streams in a sustainable and environmentally friendly method. The robust recycling methods will help us to further increase our waste diverted from landfills.

Our new West Bend facility highlights our commitment to environmental and sustainable progress.

"We are committed to creating a safe and healthy work environment for our team. This is demonstrated at West Bend through extensive automation of manual material handling tasks, limiting exposure to highly repetitious motions."

David Wein
VP-Environmental, Health, Safety & Sustainability
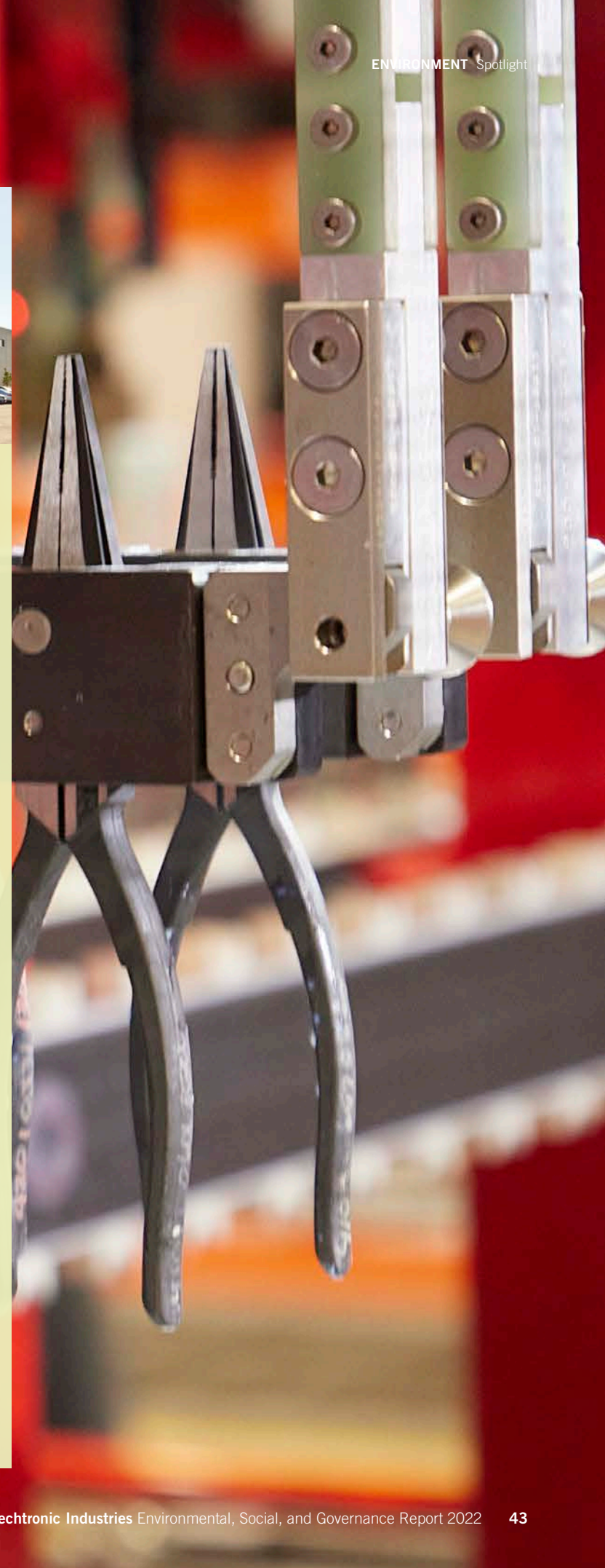
MATERIAL TOPIC
Climate Change

Understanding how our business practices impact climate change allows us to develop a decarbonization strategy and execute actions to reduce our carbon footprint.

Reducing GHG emissions, reducing our energy consumption, decarbonizing, and working with global partners to strengthen our capacity to mitigate and adapt to climate change and climate-related impacts.

Value Chain

Suppliers   Operations   Customers   Community

🔧 GOALS

- Reduce Scope 1 and 2 GHG emissions by 60% by 2030
- Ensure full compliance with climate-related frameworks and regulations
- Increase renewable energy use

✅ PROGRESS

- Reduced absolute Scope 1 and 2 GHG emissions and intensity by 4%
- Committed to SBTi to set Science-Based Targets
- Continued procuring green energy where possible
- Continued mapping Scope 3 categories

RISK	OPPORTUNITIES	RESPONSE
• Not achieving environmental targets and the resulting financial impacts • Failure in the transition to clean, renewable energy sources	• Implement energy efficiency programs, transition to renewable energy and electric vehicles	• Conducting energy assessments at all key sites across the Group and establishing an energy reduction action plan • Creating Scope 1 and 2 reduction initiatives • Mapping Scope 3 • Developing plans to mitigate physical and transitional climate risks
• Non-compliance with climate-related frameworks and regulations	• Align climate action and disclosure with climate-related frameworks and regulations	• Climate action and disclosure training for relevant colleagues • Reporting metrics for climate action and compliance with related frameworks and regulations
• Physical damage to assets from climate events that could lead to business disruption	• Develop a strategy for operational and supply chain resilience	• Climate resilience strategy development • Collaborating with industry and NGO partners to address climate action

How We Are Managing It

To effectively address the evolving impact of climate change, it is imperative that we have a strategy to address our carbon emissions. As outlined below, we have undertaken a holistic and comprehensive approach, based on research, science, technology, and market realities, to develop our strategy for climate action.

Emissions and Energy

The key to our climate change strategy starts with assessing our carbon footprint and reducing our emissions across our operations. Our manufacturing processes, transportation, office operations, and supply chain are all sources of air and GHG emissions. These are emitted when fossil-fuel-based combustion processes are used to generate electricity for manufacturing, heating and cooling, lighting and building management systems, and to operate cars, trucks and other small machinery. In addition, we use fluorinated gases as refrigerants. However, our fluorinated gases are immaterial due to our modernized HVAC equipment used.

Maximizing efficiency is our priority and an essential step to reducing our emissions. Energy-efficiency measures include timely maintenance of air-conditioning, heating, ventilation, and building management systems. Energy efficiency levels encompass aligning lighting levels based on occupancy and availability of natural light. The utilization of LED lights and implementation of energy management systems are also considered energy efficiency measures. The other important component of our energy management plans is our renewable energy production and procurement. The four primary levels in our energy strategy are as follows:

- Energy efficiency
- Renewable energy production
- Renewable energy procurement
- Fleet electrification

175,276 tonnes
Total GHG emissions (Scope 1 and 2) of carbon dioxide equivalent (tCO_2e)

–4%
reduction of intensity and absolute Scope 1 and 2 GHG emissions

Total Scope 1 and 2 GHG Emissions Intensity (tCO_2e per sales revenue, US$ million)

13.76 (2021)

13.22 (**2022**)
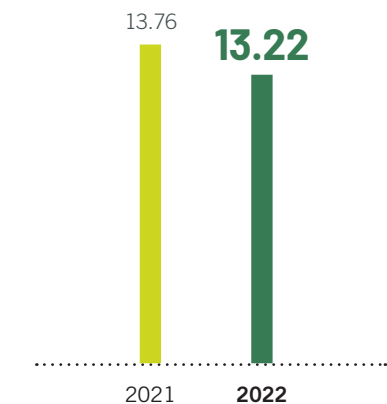
▶ KEY INITIATIVES AND PROGRESS

- In 2022 there were no incidents of non-compliance with air emission regulations.
- Our GHG emissions (Scope 1 and 2) totaled 175,276 tonnes of carbon dioxide equivalent (tCO_2e). There was a reduction of intensity and absolute Scope 1 and 2 GHG emissions by 4% compared to the prior year.
- 4.5% of our overall energy consumption is composed of hydro, solar or biomass energy.
- Our Floorcare site in Greer, SC completed the conversion of all propane fork trucks to battery or electric reducing the overall propane use by over 70,000 lbs. per year.
- After assessing the potential air pollutants we produce, results show that these air emissions are not significant, however, we continue to monitor and evaluate them.

⊙ KEY INITIATIVES AND PROGRESS

Our total energy consumption in 2022 amounted to 488,380 mWh. This represented a 16% increase compared to 2021.

- Although energy consumption has increased, the amount of green energy procured is up 8% from 2021.

- This year, our Asia Industrial Park (AIP) in the PRC took the following steps to decrease emissions and improve energy efficiency:

  » Reduced light usage, saving 20,000 kWh of electricity per year.

  » Installed a time controller at dormitories to manage the HVAC system more efficiently, saving 303,682 kWh of electricity per year.

  » Removed exhaust fans saving approximately 73,728 kWh of electricity per year.

  » Replaced five heat pumps saving approximately 6% of electricity consumption per year or nearly 11,388 kWh of energy.

  » Modified the workshop high altitude fan control circuit saving roughly 518,400 kWh of electricity per year.

  » Replaced six 3KW dryers with four 3.38KW dryers and eliminated an exhaust air duct, saving 51,517 kWh of electricity consumption.

  » Optimized the standby time and temperature setting of the heat treatment to save 2,671 kWh of electricity.

  » Reduced centralized air supply pressure among our operations.

  » Created a reporting mechanism for compressed air leakage in the production workshop to preserve energy.

We continuously evaluate our energy usage in our facilities through energy audits. In 2022, we ran comprehensive energy audits at our main sites in the PRC and the USA. The audits investigated the usage of alternative energy sources and energy-saving opportunities. The findings emphasized short payback measures and many major scale savings through assessments at individual manufacturing plants. This process included site inspections to assess operations, support machinery, and maintain activities. In the USA, several energy efficiency measures were identified and will be implemented in the next few years. In the PRC, over 20 energy-efficiency measures were identified and will be implemented as part of our decarbonization program. Some of these measures include upgrading lighting, replacing and upgrading equipment, establishing energy efficiency controls, and optimizing processes.

Throughout all our BUs we have a comprehensive process for the development of vast amounts of products, batteries, and chargers each year across multiple brands and product lines. Every stage of development is supported by relevant testing procedures, utilizing significant testing times, sample sizes, and applications. To minimize the impact of testing on energy consumption, our test labs have developed dedicated test systems based on regenerative electronic loads. As a result of this technology, up to 92% of the energy needed to validate and qualify these products can be recovered. In 2022 alone, this testing system generated an approximate net energy saving of 121,000 kWh over 27,000 samples related to 793,000 test cycles.

We continue to ensure that new manufacturing sites incorporate environmental considerations such as energy efficiency, use of renewable energy, biodiversity, water conservation in the design and construction of buildings, as well as systems and equipment.

Asia Industrial Park, Dongguan, China

In 2022, we continued to assess onsite renewable energy in our operations in Vietnam, Europe, and the USA. In addition, we have assessed other offsite renewable energy procurement opportunities such as Power Purchase Agreements, green tariffs, green procurement, and renewable energy certificates.

A large part of our decarbonization strategy is green energy procurement, both on and offsite. Regarding energy procurement on site, we installed solar panels in our Dandenong South facility in Victoria, Australia and our Eastern Creek facility in New South Wales, Australia.

In addition to procuring green energy onsite, we have successfully procured external green energy for use in Australia, Germany and China. For example, our Dandenong South site and our Carole Park site in Queensland both procured 100% green energy in 2022. All sites in Milwaukee, WI also procure green energy resulting in zero GHG emissions. For BUs that don't use green energy yet, we plan to implement the following:

- Review solar roof opportunities

- Switch standard grid to green energy

- Review Power Purchase Agreements (PPAs) / Virtual Power Purchase Agreements (VPPAs)

We are pursuing an offsite project in the USA to help meet our decarbonization target. Our MILWAUKEE North America BU engaged experts at their main energy provider, WE Energies, to perform energy audits at all locations in Southeastern Wisconsin. After reviewing their projected consumption, our MILWAUKEE BU entered a green energy commitment with WE Energies which provides 100% renewable energy at all Southeastern Wisconsin Milwaukee locations. The agreement commenced in February 2022 and makes our MILWAUKEE business one of the early adopters of the Energy for Tomorrow program. The Energy for Tomorrow program, offered to customers of WE Energies, aims to enhance the production of electricity from clean and renewable sources such as wind and solar power. More information can be found on the WE Energies website.

⊙ KEY INITIATIVES AND PROGRESS

Initiatives focused on renewable energy included:

- Procuring green energy across operations in the United States, Vietnam and Europe.

- Approximately 14% of our overall energy is generated from green energy sources.

CANADA

AMERICAS

TTI Innovation Center
Greenville, USA

TTI Canada
Toronto, Canada

- BOMA Gold Certificate of Excellence
- TOBY Building of the Year
- BOMA Best
- Energy Star
- WiredScore
- FitWel certified

- The TTI Innovation Center in Greenville, South Carolina has earned the ENERGY STAR certification from the U.S. Environmental Protection Agency (EPA).

- The Innovation Center scored in the top 10% among similar buildings in the US. The ENERGY STAR Certification represents proven, verified superior energy performance over a 12-month period. Preventive maintenance and monitoring systems contribute to efficiency at the Innovation Center. LED lighting with timers and motion sensors, water use management, efficient chilled water systems, and Energy Star low NOx condensing boilers all contribute to our building efficiency. Business operation professionals complete over 2000 preventive maintenance items at the Innovation Center each year to keep systems running at peak efficiency. Technical experts monitor advanced automation systems daily to recognize issues early and keep settings at optimum levels.

TTI NA HQ
Fort Lauderdale, USA

LEED EBOM-Gold Level certified building

To improve the impact our business has on the environment, we have a number of our global locations certified in Leadership Energy and Environmental Design (LEED). LEED is a respectable, widely used, green building rating system that implements WELL building standards and numerous other sustainable building standards. WELL is a performance-based system for measuring, certifying, and monitoring features of the built environment and how they impact human health.

- Our Fort Lauderdale TTI NA HQ building, as well as our TTI Asia HQ building, located at Kowloon Commerce Center, Hong Kong, have LEED -Gold Level certificates.

- Our Toronto Canada site has earned a BOMA Gold Certificate of Excellence, TOBY Building of the Year, BOMA Best, Energy Star, WiredScore, and FitWel certified award.

- Our TTI Vietnam Deutsches Haus Ho Chi Minh location earned a DGNB- Gold Level certificate as well as a LEED -Platinum Level certificate.

EUROPE

ASIA

TTI Asia HQ
Hong Kong, China

LEED – Gold Level certified building

AUSTRALIA

TTI ANZ

4 Star, Green Star Performance by the Building Council of Australia

1. Milwaukee
   Sun Prairie, Wisconsin, USA
   Mukwonago, Wisconsin, USA
2. Milwaukee and TTI FC
   Cookeville, Tennessee, USA
3. Milwaukee
   Jackson, Mississippi, USA
   Greenwood, Mississippi, US
4. Milwaukee
   Torreón, Coahuila, Mexico
5. Drebo Germany
   Altshausen, Germany
6. TTI CZ
   Nýřany, Czech Republic
7. TTI AIP
   Dongguan, China
8. TTI Zhuhai
   Zhuhai, China
9. TTI Vietnam Manufacturing
   Dong Nai Province, Vietnam

   TTI Vietnam Manufacturing
   Binh Duong Province, Vietnam

   Upcoming Factory (Saigon High-Tech Park)
   Ho Chi Minh City, Vietnam

Diversification

By diversifying and localizing our manufacturing and supply chains, we can reduce GHG emissions and manage climate risk. Through diversification and localization, we are able to source and produce goods closer to market, reducing the transportation required and thereby the emissions generated. This also allows us to build closer ties with new markets as we engage local suppliers. Our goal is to work with business partners around the globe to upgrade environmental and safety standards across our value chain. We contribute to local community developments, creating a positive impact on their economies, living conditions, and educational prospects.

Climate Risk Analysis

We performed a Climate Risk Analysis so that we could better understand the risk that climate change poses to our business. To inform our risk management and strategic planning processes, we examined both physical risks that could affect crucial locations and transition risks. This analysis was conducted by working with experts in the field while also aligning with the HKEX's "Guidance on Climate Disclosures" (November 2021) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

A physical climate risk analysis was conducted on 13 of our key sites across markets in China, Vietnam, and Mexico. This analysis entailed modeling the impacts of eight acute and chronic physical risks under three future climate scenarios. A map of our key manufacturing sites can be found above.

Upcoming Factory (Saigon High-Tech Park)
Ho Chi Minh City, Vietnam

A portfolio-level and asset-level financial analysis was conducted to evaluate potential financial losses from physical asset damage and potential business interruptions (i.e., operational losses). Markets and specific assets were ranked and prioritized in terms of their financial climate-value-at-risk (CVaR) to us. The preliminary analysis determined that regarding the identified portfolio, we are the most exposed to acute climate events such as typhoons, storm surges, and flooding from rainfall and river expansion. Due to this we could be impacted by chronic events such as extreme heat.

A transition risk analysis identifies risks and opportunities involved with transitioning to a low-carbon economy. This analysis was conducted under the following climate scenarios published by the International Energy Agency (IEA):

- Net Zero Emissions by 2050 Scenario (NZE), which is a stringent pathway; and
- Stated Policies Scenario (STEP), which is a business-as-usual pathway.

Government policies, the economy, and technology trends were reviewed to identify a list of transition risks and opportunities. They were further prioritized according to their impacts on our business, and operations and are as follows:

- Market and Reputation – Increased demand for energy-efficient products, electrification, and switching to low-carbon sources.

  » Higher energy prices will drive demand for efficient products. Households will also be less reliant on oil and gas to meet their energy needs. We see this risk as an opportunity to gain a greater reputation and market share while meeting customers' expectations.

- Increased carbon price – Carbon pricing mechanisms through carbon taxes or emission trading systems and emerging carbon regulations will be introduced to all operating markets.

  » This could increase the expenditure for compliance or enhancement of energy efficiency in operations.

We have plans to re-engage experts to conduct a physical and transition risk analysis on all our key sites in 2023.

Decarbonization

To align with the Paris Agreement to limit global warming to 1.5 degrees Celsius compared to pre-industrial levels, TTI set out to work towards reducing our GHG emissions. We have followed best practice guidelines and methodologies, including the Science-Based Targets initiative to support our goals and implement a robust action plan. As part of the process, we completed a comprehensive energy audit of all manufacturing sites in the PRC in 2022. During this reporting period we were able to expand that decarbonization guidance to other BUs across all regions, requesting guidance to other sites across all regions, and initiate additional internal energy audits to ensure assessments are accurate and complete.

SBTi Commitment Letter

In 2018, to effectively address climate change, the Intergovernmental Panel on Climate Change (IPCC) announced that limiting global warming to 1.5 degrees C above pre-industrial levels is crucial to avoid severe consequences. The IPCC is an intergovernmental body of the United Nations responsible for advancing our understanding of climate change that is caused by human actions. Many companies have been increasing efforts to help reduce climate change since the announcement. The Science Based Targets initiative (SBTi) was established in 2015 to help companies set emission reduction targets in line with climate science and Paris Agreement goals. These targets provide a roadmap for companies to lower their GHG emissions and take action against climate change, leading to decarbonization and increased competitiveness in the shift to a net-zero economy. By signing the SBTi commitment letter, we have now joined the ranks of over 1,200 other companies worldwide leading the transition.

To show our dedication to reaching our emission reduction target, we are officially committed to the Science Based Target initiatives (SBTi) as of March 24, 2023. Our overall long-term plan is to set incremental goals to demonstrate our commitment and alignment with the global shift toward reducing carbon emissions.

As part of our decarbonization plan, we have reviewed our Scope 1 and 2 emissions: Scope 1 emissions arise from onsite operations and company-operated vehicles; and Scope 2 results indirectly from purchased electricity. Earlier in 2022, we mapped out a decarbonization roadmap with concrete plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021.

We are currently mapping our Scope 3 emissions and look forward to sharing our mapping results by 2025.

Once completed, we will validate our current Scope 1 and Scope 2 60% reduction target along with a reduction target for our most material categories.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Steps in the SBTi process

01. COMMIT

Signed the Science Based Target initiatives (SBTi) commitment letter to show our dedication and commitment to reaching our emission reduction target

02. DEVELOP

Work on the emissions reduction objectives that align with the standards set forth by our SBTi commitment

03. DISCLOSE

Disclose our emissions and advancement towards our target annually

MATERIAL TOPIC
Resources, Materials & Waste

Responsibly consuming resources and materials while managing waste in our operations is how we maintain the ecosystems and natural capital in our communities.

| 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 17 PARTNERSHIPS FOR THE GOALS |

Responsibly managing resources, materials and waste, and adopting circular economy models, to enhance sustainable consumption and production.

Value Chain

Suppliers Operations Customers
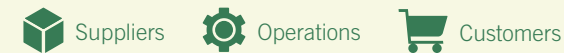
GOALS

- Ensure the responsible consumption of resources across our business
- Improve waste treatment and efficient waste management
- Implement programs for biodiversity protection and restoration
- Reduce water consumption

PROGRESS

- Reducing water consumption across operations
- Partnering with Tree Nation to improve biodiversity
- Material management programs and facility development plans that consider biodiversity impacts

RISK	OPPORTUNITIES	RESPONSE
• Resource scarcity leading to high commodity pricing and sourcing difficulties	• Adopt measures to reduce the use of scarce resources and apply circular business models focused on recycling materials, harvesting parts and refurbishment	• Water reduction target, initiatives, and audits • Responsible raw materials procurement initiatives and partnership
• Pollution and subsequent reputational damage from mismanagement of waste and resources	• Adopt a circular approach to resources and waste through technological advances	• Waste management initiatives and training across the value chain • Expansion of our repair and refurbishment program
• Environmental and ecological impact, including ecosystem degradation and species loss from processes in the value chain	• Contribute to biodiversity restoration through partnerships with NGOs	• Monitoring of biodiversity impacts • Partnerships with environmental NGOs

How We Are Managing It

Natural ecosystems provide a variety of renewable and non-renewable resources that our business depends on. Reducing our consumption of natural resources, utilizing materials responsibly, and ensuring the safe management of waste is how we remain committed to protecting these ecosystems. R&D projects that focus on developing more environmentally friendly practices are given priority within our business for use throughout our operations. We continue to assess cutting-edge technology, equipment, and systems to conserve, recover and reuse resources.

Natural Capital – Water and Biodiversity

Water is one of the natural resources that our business relies on. All of TTI's water needs are met locally by municipal sources. We remain compliant with all local regulations on water withdrawal and wastewater discharge without any issue in sourcing water per our SOP on Water Pollution Management. We also carefully assess our impact on natural capital prior to and during the construction of new sites. The Water Pollution Management SOP is in place to better manage wastewater discharge and treatment inside the company. We do this to meet the discharge standards, protect and improve the environment, and comply with the environmental laws and regulations of the state or local government. We strive to have a progressive decline in our absolute water withdrawal year after year. To achieve this, we monitor and develop ways to conserve water throughout our different operations, especially in areas where water is scarce. We are also in the process of establishing a specific water target to help reduce our overall water consumption.

Some of our overall global practices include using recycled water for flushing and collecting rainwater for gardening. Furthermore, we carry out regular inspections to check for hidden water leakage along buried water pipe networks and install motion/time sensors on washbasins. We also promote water conservation by providing access to safe water and sanitation training in the communities we operate in.

Depending on the location, each business unit uses different techniques to conserve water. Our recycled water infrastructure is only available for our locations in the state of Victoria, Australia where we currently have two sites; in Dandenong and Mount Waverly. These sites utilize municipal programs for recycled water in their operations. Water that is being recycled off-site is then redistributed into the pipes for reuse. As our site network grows, recycled water will become more prevalent.

Apart from water, we protect our wider ecosystems that support air and soil quality, as well as species and habitat diversity. For us, working to restore and preserve biodiversity means going beyond resource conservation to implement careful material selection and sourcing. We are adopting renewable energy as well as designing products and processes for circularity. By prioritizing sustainable materials, clean technology, and recycling, we strive to manage our footprint and reduce our impact on habitats and ecosystems throughout our value chain.

Our individual sites are also striving to invest in projects that safeguard our natural ecosystems and offset carbon emissions. Our MILWAUKEE team based out of Dubai plants two trees every month at a certified forest in Madagascar to offset the CO_2 emission of the local office. Furthermore, every time an end-user purchased a product from its MX FUEL range across the surrounding regions, the company planted an additional 100 trees. As a result of the campaign in 2022, 4,215 trees were planted, offsetting more than 492 tonnes of CO_2. The initiative will continue during 2023, by extending the MILWAUKEE range of tools to the M18 FUEL outdoor power equipment products with the 2023 goal being to plant 10,000 trees. More information can be found here: https://tree-nation.com/profile/milwaukee-mea

This year, we continued to manage our biodiversity impacts through various programs and partnerships. We maintained our partnerships with organizations like the Responsible Minerals Initiative (RMI) and the Responsible Business Alliance (RBA), which are dedicated to promoting sustainable procurement of minerals and metals across various industries. We also worked with NGOs such as Habitat for Humanity to provide safe and affordable housing. Through engagement with multi-stakeholder entities like these, we hope to create positive change and expand environmental accountability globally.

⊙ KEY INITIATIVES AND PROGRESS

- In the reporting period, there were no incidents of non-compliance with water management regulations across our operations.

- The total water consumption amounted to 344,771 m³, a 20% decrease from the previous year due to conservation efforts and lower manufacturing volume.

- Our water consumption intensity decreased by 20% based on water conservation efforts across operations.

- Total water withdrawal amounted to 1,518,624 m³, a decrease of 12%.

- Total water discharge produced amounted to 1,173,853 m³, a decrease of 9%, when compared to 2021.

- Consumption of recycled water was 224,435 m³, a decrease of around 11% from the previous year.

- TTI AIP replaced washstand faucets in dormitories with faucets with foaming equipment to save up to 6,430 tons of water per year.

344,771 m³
Total Water Consumption in 2022

−20%
absolute decrease from the previous year due to conservation efforts

Water Consumption in 2022

By Region

- America
- ANZ
- Asia
- EMEA

By Nature of Business

- Manufacturing
- Distribution
- Offices
- Service Centers
- Other

Chemicals

As with all other materials, the goal is to reduce the use of chemicals and hazardous substances in our value chain. Chemicals in use are managed through internal policies shaped by the strictest industry regulations. Our Chemical Management SOP outlines the various responsibilities of individual departments in ensuring the safe handling of chemicals. This includes the purchasing, transportation, storage, and usage of hazardous and non-hazardous substances. It also covers emergency response in the event of leakage, contamination or fire and provides relevant data sheets, regulations and procedure documents.

At TTI, we are diligent about meeting all industry requirements including REACH (Registration, Evaluation and Authorization of Chemicals), a regulation of the European Union (EU) that addresses the production and use of chemical substances as well as their potential impacts on both human and environmental health. This regulation requires that all companies that manufacture or import chemical substances into the EU in quantities of one tonne or more per year, register these substances to the European Chemicals Agency (ECHA). The ECHA-SCIP (Substances of Concern in Products) Database is a process description that governs the procedure for uploading, monitoring, and removing substances. Our purpose and goals are to be aligned with the ECHA requirements.

We also adhere to the Restriction of Hazardous Substances (RoHS) requirements in Europe and parts of Asia, as well as the Toxic Substances Control Act (TSCA), US EPA Clean Air Act and Internal Revenue Code in the USA. Our production processes avoid the use of REACH's substances of very high concern wherever possible, and verification testing for RoHS substances is conducted by our in-house laboratories. We report and monitor any REACH substances under SCIP. At the start of all our projects, any potentially hazardous components are identified as part of our risk analysis and suppliers must provide test reports through TTI-approved, third-party certified laboratories to verify the safety of these components and finished products. Test reports are maintained in a database.

⊙ KEY INITIATIVES AND PROGRESS

In this reporting year, we implemented a program for relevant suppliers to complete a survey on ozone-depleting substances (ODSs) and ozone-depleting chemicals (ODCs) to understand the type and amount of these materials used in the supply chain.

Waste

Implementing a global target for reducing the amount of waste generated by our operations is a top priority. We partner with different waste management partners across our different markets to ensure hazardous waste is collected and disposed of safely. These facilities also provide recycling and proper disposal options for hazardous and non-hazardous waste. Associates are trained in how to properly handle waste based on the comprehensive waste management guidelines we provide. Those guidelines are outlined in our Waste Collection and Disposal SOP.

This SOP identifies the recycling treatment process of recyclable waste, unrecyclable waste, and hazardous waste (including medical waste) in order to comply with the requirements of national environmental laws and regulations of environmental protection. Our EHS teams are responsible for ensuring locations have the appropriate resources to comply with all policies and regulations. Internal audits of our management processes are held and periodically reviewed with third-party auditors.

ZERO incidents

of non-compliance with waste management regulations

-2%

Total waste consumption

-3%

Total waste intensity

○ KEY INITIATIVES AND PROGRESS

- There were no incidents of non-compliance with waste management regulations.
- We produced 62,413 tonnes of non-hazardous waste and 1,261 tonnes of hazardous waste in 2022. Our absolute hazardous waste increased by 7%, while non-hazardous waste decreased by 3%.
- Total waste consumption and intensity decreased by 2% and 3%, respectively.
- Total recycled waste remained flat compared to 2021. We continue to assess new ways to reduce the use of hazardous materials and waste overall.
- To better manage waste, in 2022 we implemented the following initiatives:
  » Working with associations to develop content on proper recycling of our products.
  » Implementing programs for recycling, including paper, cardboard, scrap metal, bottles, cans, plastic, oil, wood pallets, lightbulbs, printer cartridges, and food waste.
  » Utilizing electronic filing systems to save paper where possible.
  » Recycling batteries and power tools to recover materials such as steel, copper, and aluminum, which are then returned to the manufacturing sector to produce mixed metal dust.
  » Participating in government initiatives for the safe disposal of WEEE electrical equipment.
  » Partnering with TREX to collect plastic film and plastic waste to be recycled and used in the manufacturing of TREX products.
  » Partnering with National eWaste Alliance (NEWA) and Scipher to process electric waste responsibly.

Material Management

Our R&D teams are focused on utilizing sustainable materials whenever possible and at all stages of our product life cycle. In the PRC, we dismantle surplus products and items used for reliability testing to assess the components for suitability of reuse or recycling. In line with our circular economy, we maintain our partnerships with recyclers that have patented technology to recover valuable materials from products.

Packaging and Paper

We consistently look for ways to reduce our packaging so we can conserve resources and make transportation more efficient. The bulk of our packaging includes paper for boxes, cartons, die-cut sheets, plastic for polybags, bubble bags, clamshells, and tool bags. We reduce the number of materials used in our packaging by opting for reduced impact materials and biodegradable options. This includes corrugated cardboard, 70% of which is made of recycled paper pulp, honeycomb board, chipboard, paperboard and/or molded pulp. The goal of our programs is to remove Expanded Polystyrene (EPS) foam from our packaging, reduce packaging material weight and minimize paper in our manuals by replacing them with QR codes and one page info sheets. In addition, we reduced the use of polybags by replacing polybag packaging for batteries. Our battery packaging now contains biodegradable bags and our paper bags have now been substituted for polybags that hold manuals, leaflets and accessories.

Batteries

One of the main reasons for our success is the "network effect" of our battery platform, which enables users to use a single battery to power all products within the same system. This "network effect" has played a significant role in our ongoing financial success and our position as a leader in the circular economy. Battery materials have long been a key focus of our environmental efforts. By designing our rechargeable battery packs to be interchangeable within each product network, we have been able to stem excess consumption, production and waste. More detail on our interchangeable battery network can be found on p.16.

○ KEY INITIATIVES AND PROGRESS

- This reporting period, the total packaging used was 69,598 tonnes, out of which 41,769 tonnes were recycled materials.
- Packaging measures that resulted in significant environmental benefits as well as cost savings for our business in 2022 included:
  » Reducing product packaging size, replacing materials with environmentally responsible alternatives and increasing the shipping capacity of products.
- In 2022, we were successfully able to introduce the use of iPads to our field associates who previously relied on paper in day-to-day operations. The rollout of the iPad initiative resulted in a significant reduction in paper usage, saving an estimated 6,912 trees annually.
- We have replaced our clamshell packaging with paper for our RYOBI products.

SOCIAL & COMMUNITY

Empowering Exceptional People to build a better business and support our communities

MATERIAL TOPICS

Our People

We recruit, develop and promote exceptional people across the globe that grow our business and give back to our communities.

15,570
Male

8,419
Female

3,189
EMEA

16,494
Americas

23,989
Asia

2,451
Male

11,035
Male

738
Female

5,441
Female

888
Male

1,228
ANZ

18
Non-binary

340
Female
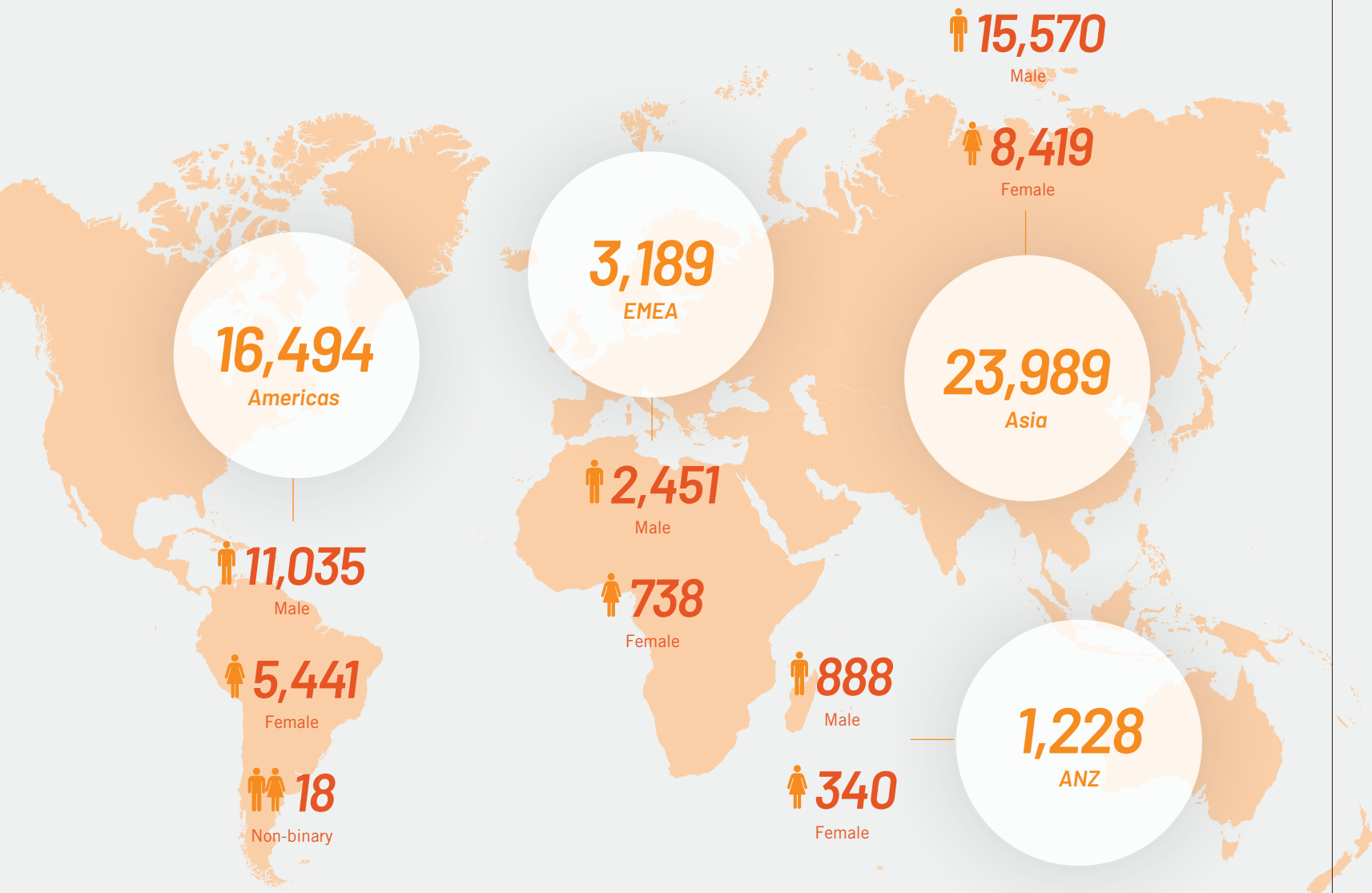
TTI values the role our exceptional people play in developing a successful business and understands the importance of creating a productive, fair, inclusive, and safe environment for our associates while engaging with our local communities.

As of 2022, we employed 44,900 people globally. Our social strategy starts with treating everyone with dignity and respect. We consider respect for human rights as more than just a box to check, but a global standard of expected conduct. We are committed to a healthy working environment free from forced or child labor and eradicating the illegal movement of people for modern slavery. As a leader in our industry, we ensure that our associates, as well as the suppliers we engage, have zero tolerance for any such practice. This is fundamental to our values.

Our employee turnover mainly derives from our manufacturing locations in Asia. Coupled with moderation in our consumer business, the turnover rate includes all workers, including seasonal workers who often do not return to work after the peak season to align with our production and business demands.

We comply with all international, national, state, and local employment laws and core labor standards to ensure all our associates are treated fairly. This means oversight of working age, hours and permits across our markets and supply chain. These measures are introduced to our new hires and existing associates through targeted communication and training. Our TTI Code of Ethics & Business Conduct (CoC), Employee Handbook and training materials are updated regularly to keep all associates current on these company guidelines. Our corporate policies are also under continuous review to align with local regulations, emphasizing safe employment procedures and social principles. As a result, we are able to actively minimize

the risk of non-compliance with laws and/or regulations in social and economic areas. A complete list of legal and regulatory requirements related to labor and human rights, as well as health and safety, that have the potential to have a significant impact on our operations and performance, can be found in Appendix A of our HKEX ESG Reporting Guide Content Index on our website.

At all levels of our business, we strive to support the needs of associates and encourage them to strive for excellence. This is achieved through a shared set of values and a robust strategy. Compensation and employee benefits differ based on the business unit; however, we have universal programs in place to ensure our associates are treated justly and rewarded for their performance. As a global company, fostering connections between teams around the world remains vital to the success of our business.

In addition to taking care of employees, we are committed to actively pursuing inclusive prosperity for society as a whole. Our comprehensive approach to all social aspects of our business includes human and labor rights, diversity and inclusion, talent management and engagement, health, safety and wellness, as well as community investment and engagement. Our ESG Executive Committee and ESG Working Committee assess our policies and initiatives in all these areas and oversee the effectiveness of our management approach, updating it as needed. More information on these committees can be found on p.98.

SPOTLIGHT

Leadership Development Program

Our Exceptional People are at the forefront driving a one-of-a-kind culture across all functions and operations of the organization. We pride ourselves in investing and developing in our people and we are committed to fostering a multicultural, diverse and inclusive workforce. In 2022 alone, we hired 1830 new associates through the program, with 37% of those hires identifying as female. These future leaders are vital to increasing gender diversity within our company and shaping our organization's future.

By providing the tools, resources, and experience to encourage individuals to grow professionally and personally, decades of industry knowledge is passed down and this has become the core of our innovative workforce.

We have focused on recruiting graduates from over 100 colleges and universities globally. As part of the program, our LDP associates regularly engage their assigned mentor with participation in leadership and management courses, such as those at the Harvard Business School. Upon graduation, they are offered opportunities to rotate to different functions, departments, business units and countries. This allows them to gain valuable skills and exposure to hold key management positions throughout our organization.

Over the years, our LDP has expanded to develop leaders for specific functions, including but not limited to:

Sales and Marketing Leadership Program (LDP)

Associates start off in our entry-level Sales and Marketing position where they will drive sales of our premier product lines directly in one of our strategic retailer partners. Field Sales and Marketing Representatives and Event Marketing Specialists are taught the fundamentals and gain a grassroots perspective of our business by: selling in-aisle to customers, inspiring creativity through in-store product demonstrations, gaining additional merchandising space, and building & fostering relationships with our strategic partners.

Engineering Development Program (EDP)

The EDP equips freshly graduated engineers with valuable lessons learned, as well as extensive knowledge on product, design, and technical aspects. With this knowledge, they are able to produce innovative, top-notch solutions that prioritize customer satisfaction. Along with enhancing their technical skills, EDP participants also cultivate their leadership abilities. By taking part in our fast-paced, demanding projects, EDP colleagues earn early responsibility in their careers.

Operation Development Program (ODP)

The primary goal of this program is to recruit exceptional candidates from academic institutions, and to provide them with training and development opportunities so that they can become future leaders in various operational domains such as Manufacturing, Supply Chain, Sourcing, Quality, and Distribution. During the program, graduates have the chance to work in different operational roles and gain practical experience through hands-on training, while being guided and mentored by experienced leaders.

Finance Leadership Development Program (FLDP)

This program hires the best talent to train and develop them into future leaders within finance functions. These FLDPs rotate to different departments, from Treasury, to Internal Audit, Accounts Receivable/Accounts Payable, Operations Finance, Investor Relations, Commercial Finance and FP&A.

Legal Leadership Development Program (LLDP)

The Legal Leadership Development Program (LLDP) hires top talent to develop into future leaders in legal, compliance and intellectual property areas. The program is designed to provide employees with a comprehensive understanding of the legal industry, along with the tools and resources they need to advance their careers and develop their skills.

These innovators, from all walks of life, will continue to build a sustainable future for our industry, our customers, and our communities.

For more information on our Leadership Development Program, please visit https://ldp.ttigroup.com/.

16 Years
of Nurturing Exceptional People

9000+
LDPs Recruited since 2007

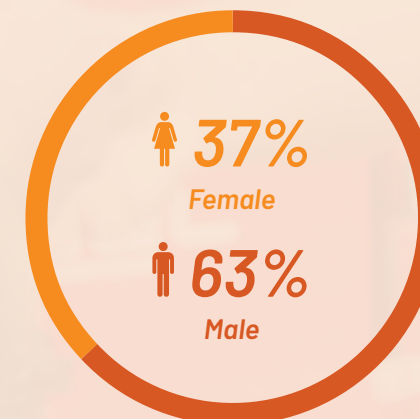| Year	Value
'07	102
'08	95
'09	132
'10	135
'11	159
'12	311
'13	234
'14	381
'15	418
'16	445
'17	427
'18	575
'19	774
'20	1,209
'21	2,031
'22	1,830

LDP Promotions since 2007

One
Business Unit President

63
Directors

36
Vice Presidents

1,000+
Managers

Gender Ratio of LDP Recruited in 2022

♀ **37%** Female

♂ **63%** Male

MATERIAL TOPIC

Empowering People

To support and empower our people, it is important we promote fair treatment, just labor practices and equal opportunity in our operations and across our value chain.

Motivating and engaging our people, while strengthening gender equality and promoting inclusion for all.

Value Chain

Suppliers   Operations

GOALS

- Safeguard human and labor rights
- Attract and retain the best talent
- Promote respect, diversity, and inclusion in the workplace, and surrounding communities

PROGRESS

- Human rights/modern slavery training for employees
- Zero cases of human rights violations
- Increasing the percentage of employees going through training and development programs
- Increasing the number of D&I initiatives

RISK	OPPORTUNITIES	RESPONSE
Human and labor rights violations and non-compliance with international and local labor laws	Maintain exceptional workplaces for people to thrive	Compliance hotline Human rights policies and training on modern slavery and human trafficking Engagement in initiatives to promote human rights
Not having sufficient skilled and experienced human capital to support current business growth	Retain the best talent	Professional development opportunities and competitive compensation and benefits packages Leadership Development Programs
Reputational damage for not being a diverse and inclusive employer, impacting productivity and business success	Benefit from diverse thinking, methods, values, and perspectives	Diversity & Inclusion (D&I) and equal opportunity training D&I committees to champion initiatives

How We Are Managing It

What truly sets TTI apart is our focus on empowering our people to achieve success. Our core values include respect, integrity, innovation, teamwork, and empowerment. By providing our associates with a supportive work environment, ongoing training and development opportunities, and a clear path for career advancement, we have created a culture of empowerment that enables its people to achieve their full potential. As a result, we have been able to attract and retain some of the industry's top talent and continue to innovate and grow as a company.

Human and Labor Rights

Upholding a high standard of fair labor practices regarding how we treat our people is a fundamental part of how we do business. Part of how we are able to accomplish this is by following the International Labour Organization's core labor standards and related international norms. This includes exceeding all statutory minimum wage laws in each of the countries we operate in. Our remuneration levels and packages are also in line with market conditions at a minimum, which includes a variable performance-based component to pay. We ensure that freedom of association and collective bargaining is also respected in accordance with local regulations within our operations and supply chain.

Modern Slavery

Our Policy Against Modern Slavery and Human Trafficking outlines our guiding principles for safeguarding human and labor rights within our operations and across our supply chain. All our associates and suppliers are responsible for confirming compliance with this policy, as well as our CoC and the TTI Business Partner Code of Conduct (BPCoC). In these policies, associates, suppliers, and business partners will find our prohibition of human trafficking and forced or unlawful child labor. Managers are responsible for ensuring that colleagues are complying and completing any necessary training. Furthermore, suppliers are required to confirm that they comply with applicable laws. These policies also stipulate our commitment to avoiding, detecting, and eradicating human trafficking and modern slavery by listing potential red flags concerning work and living conditions, poor health, or abnormal work behavior. These indicators are designed to assist associates and suppliers to recognize potential issues.

Reporting concerns and violations are not only encouraged but also taken very seriously. We take steps to continuously verify, evaluate and address concerns, by auditing reported violations. Workers across the value chain can express concerns through trade unions and our channels, as stated in the complaint resolution policy. Details on our grievance mechanisms can be found in the Ethics and Integrity

KEY INITIATIVES AND PROGRESS

- We ensure that freedom of association and collective bargaining is also respected in accordance with local regulations within our operations and supply chain.
- All relevant associates in sourcing and purchasing departments were trained on human trafficking and modern slavery.
  - » 69% of our associates were trained on this issue.
- There were no strikes or lockouts and no reports of human or labor rights violations internally or in our supply chain.
- Enforcements to uphold high standards include checking identification cards and drivers' licenses to confirm the age of workers. Doing so ensures young individuals above the legal working age have limited working hours, receive adequate training and are not exposed to harmful or hazardous working conditions.

section of this report on p.102. Our efforts to safeguard human rights are further enhanced through partnerships with global industry organizations. More information on this can be found in the Supply Chain Accountability section on p.108.

2022 Women At Milwaukee (W@M) speaker event hosted by our global D&I committee

2022 Assessment Day of the Leadership Development Program in Vietnam

Diversity and Inclusion

We believe that ensuring diversity and inclusion is not only fundamental to our future growth and progress but also an integral part of all our business activities worldwide. As a global company with operations in 40 jurisdictions, we are committed to treating associates as human beings; fairly and equally and without regard to factors such as race, ethnicity, sex, gender identity, sexual orientation, color, religion, age, disability, marital status, genetic characteristics, physical or mental disability, national origin, status as a protected veteran, or any other status protected by local, state or federal law. Together, we will achieve our vision through an ongoing, diverse set of initiatives and strategies to support our people and their communities:

- Create a culture of candid openness, where all experiences and opinions are welcomed.
- Focus on creating and maintaining a balanced and diverse workforce through evolving recruitment and retention strategies.
- On-going education of all associates on diversity and inclusion, fostering an environment of continuous improvement.
- Assist in bettering the lives of our people and their communities through community-impact initiatives.

Our in-person and online training workshops on this subject include examples of real-life scenarios of discrimination and harassment, enabling associates to identify potential issues and report them immediately. Our CoC clearly outlines our zero-tolerance policy on harassment, discrimination, and retaliation. Details about reporting complaints and remedial measures can be found in the Ethics and Integrity section of this Report.

Diversity and Inclusion Initiative

Our Global D&I Committee started in 2019 as an employee-driven initiative to promote diversity within the company. This Human Resources (HR) supported committee meets quarterly and is composed of members from all of our BUs to discuss current initiatives, improvement opportunities, collaborations, partnerships, and measuring success. Initiated by our MILWAUKEE BU in North America, other BUs in the region have quickly been inspired to follow. The committee frequently collaborates on ideas, conducts surveys, host workshops, and organizes cultural events to raise awareness. With the Global D&I Committee established, and a regular cycle of sharing implemented, we will continue to promote global programs across BUs to celebrate diversity throughout the company.

Recruiting for Diversity

Across all our BUs we are dedicated to fostering a diverse and inclusive workplace. To achieve this, we actively recruit candidates with varied abilities, races, genders, and ethnicities. Our manufacturing site in Dongguan is collaborating with the Dongguan Disabled Persons' Federation to hire individuals with different abilities. In North America, the MILWAUKEE BU partners with organizations such as the National Society of Black Engineers, the Society of Women Engineers, and the Society of Hispanic Engineers to reach students of different backgrounds. Additionally, all our US sites have visa programs available for our associates.

KEY INITIATIVES AND PROGRESS

- Some of our BUs across the globe participated in D&I quarterly meetings and are working to enhance training and education through webinars, recruitment campaigns, special needs arrangements, and awareness initiatives.

- In the USA, our HR teams partner once a month to discuss ideas for improving employee engagement and celebrating cultures and diversity.

- Our teams hosted a National Women's Forum Program for women to provide feedback and understanding on 'Being a woman in a male-dominated workforce'.

- Our Global D&I Committee hosted a Women At MILWAUKEE (W@M) speaker event in early 2022. W@M's goal is to encourage the strengthening of roles through connection and collaboration and to provide the tools and resources to overcome obstacles for further personal and professional growth.

Talent Attraction and Engagement

Our ability to attract and retain top talent is a key strategic driver to our success. We provide equal access to professional development opportunities while offering competitive compensation and outstanding employee benefits.

Employee Benefits

The well-being of our associates is important and reflected in our practice ensuring they receive benefits above and beyond what is legally mandated. Each of our BUs puts special emphasis on providing incentives that are relevant to their local employees. Work From Home (WFH) measures and extended flexibility are made available to employees, depending on their job function. Other benefits available depending on the market, include parental leave beyond mandatory requirements, access to housing finance, fitness and wellness programs, medical insurance, dental insurance, vision insurance, life insurance, disability coverage, savings plans for retirement, as well as flexible spending accounts and long-service awards.

Professional Development

Providing comprehensive professional development opportunities is an important part of our engagement with permanent and temporary employees, as well as contractors. Upon starting, proper and adequate training is provided to all associates in the necessary skills and functions needed to succeed in their roles. As employees grow throughout their roles, training needs and targets are determined during performance reviews conducted by managers. With overall performance being reviewed annually, at a minimum, managers provide feedback on strengths and areas of improvement throughout the year. Our contractors and temporary employees also receive proper training on our practices and requirements related to the work scope or services provided. We also sponsor our associates furthering their education through our tuition reimbursement program. Qualified associates who are seeking their Continuing Professional Education (CPE) credits are permitted to maintain professional certifications via third-party training events.

Women in Management

⚲ **25%** Female

⚦ Male
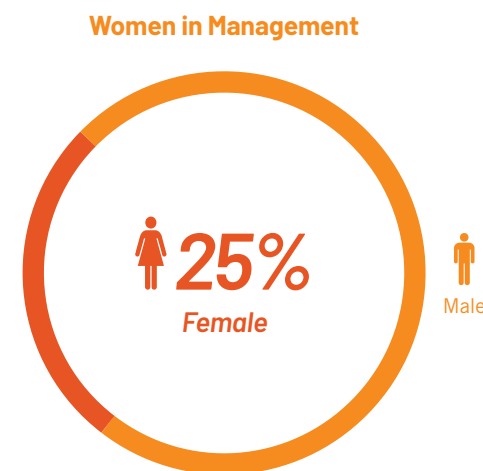
Our training covers various topics from compliance, ethics, leadership, and technical skills, to marketing, customer service, wellbeing, health, and safety. Several of our programs use LearnTTI, our internal training program, as a tool for training. More information on LearnTTI can be found on p.103. These platforms include content on mandatory courses as well as job-specific training. In addition to LearnTTI, we provide development opportunities through Lunch-n-Learn sessions conducted by employees or outside speakers. Through our Education Sponsorship Program, we offer financial support for employees to participate in a variety of learning opportunities, including coaching, mentorship, seminars, conferences, and continuing education. This program helps to promote the professional development and growth of our employees. Access is provided for part-time workers and contractors for training on relevant subjects.

For details on training hours, please see p.124 in our Performance Metrics.

541,815
Total training hours in 2022

+32%
Increase of average hours of training per employee

⊙ **KEY INITIATIVES AND PROGRESS**

- 25% of our employees in the role of assistant manager or above were female during the reporting period.

- In 2022, our average hours of training per employee was 12.1. This represents and increase of 32% or 3 hours per employee.

- Lactation rooms are made available in all necessary facilities for female staff.

- Internships are available for employees' children and scholarships for those furthering their education.

- Operations in Hong Kong were awarded the Good MPF Employer Award by the Mandatory Provident Fund Schemes Authority to recognize our efforts in enhancing the retirement protection of employees.

- Throughout the year, full-time and part-time employees engaged in 2,409 unique courses, logging a total of 541,815 training hours.

- Programs, varying by BU, are available to employees, such as our Family Assistance program, Not Myself Today program, Mental Health Practitioner program and our Employee Assistance Program (EAP).

MATERIAL TOPIC

Health, Safety & Wellbeing

Promoting health, safety and wellbeing in our workplace is imperative for employee retention.

Maintaining fair and safe working environments for our associates globally that promotes welfare.

Value Chain

Suppliers Operations Customers Community

GOALS

- Maintain healthy and safe workplaces
- Promote a positive and healthy lifestyle among employees

PROGRESS

- Zero fatal accidents in our workplaces
- Reduced recordable injuries
- Increased the number of physical and mental wellness programs for employees

RISK	OPPORTUNITIES	RESPONSE
• Safety hazards for employees at manufacturing sites resulting in injury or fatality	• Further develop fair, safe and healthy workplace practices at TTI and along the supply chain	• Occupational health and safety (OHS) training • Monitoring of OHS programs by Health & Safety (H&S) committees
• Physical and mental health issues for employees and the community	• Enhance and support physical and mental wellness of employees	• Expansion of wellness programs including mental health initiatives

How We Are Managing It

At TTI, we place great importance on promoting the physical and mental well-being of our employees while ensuring a safe and healthy work environment. We recognize the significance of mental health and well-being and provide support for our employees in these areas. Our commitment to health, safety, and wellness also extends beyond our employees to the communities in which we operate. We are dedicated to minimizing the environmental impact of our operations and ensuring that our products are safe for consumers. Our focus on health, safety, and wellness reflects our commitment to sustainability and responsibility as a business. We place a high value on the well-being of our employees and the communities in which we operate.

Occupational Health and Safety

We are devoted to ensuring our associates' well-being at work through comprehensive Occupational Health and Safety (OHS) management systems. Our comprehensive Environmental Health & Safety (EHS) and Occupational Hazard Management Policies are aligned with all relevant legal requirements. These policies outline our dedication and obligation to identifying risks and hazards and setting out procedures to minimize any potential harm to workers. These in-depth policies also cover monitoring protocols and procedures for investigating health and safety violations and implementing corrective action.

Our Health & Safety (H&S) Committees oversee our safety protocols. The regularly held meetings encompass our dedicated representatives addressing concerns and carrying out measures to improve conditions for workers. As part of this effort, OHS training is provided to employees in all markets. This is to ensure workers are well versed in safety awareness and procedures, including the handling of hazardous materials along with first aid, cardiopulmonary resuscitation (CPR) and fire-fighting training where relevant. We are also guided in this area by a number of SOPs such as the Work-Related Injury Handling Instruction which standardizes work-related injury management with normative procedures, providing necessary medical assistance for injured employees. Risk assessments and inspections by third-party experts are consistently scheduled so any corrective and prevention measures can be implemented in a timely manner.

Keeping our associates safe and maintaining zero work-related fatalities year after year continues to be one of our main priorities within occupational health and safety. In 2021, we initially reported one work-related fatality. This unfortunate event was a commuting incident, falling outside the category of work-related injury according to GRI Standards. We have reflected this change in our 2021 data.

KEY INITIATIVES AND PROGRESS

- During this reporting period, there were 2 minor violations of health and safety regulations.
  - » Milwaukee Tool received one OSHA citation at its Imperial Blade facility in Sun Prairie, WI, relating to operating the press welding machine. We are working diligently with OSHA to address the citation.
  - » TTIPE received a minor citation from OSHA concerning the width of its aisleways/walkways in one of our distribution facilities. This matter has been successfully resolved.
- Various initiatives implemented to protect workers included:
  - » Assessing machinery, equipment, and new products to ensure safety.
  - » Continuing frequent internal inspections to ensure there were no H&S policy breaches and checking that safety equipment, such as eye washing stations and defibrillators, function properly.
  - » Conducting departmental, line, and management H&S audits.

- » 90% of employees were trained in workplace safety during the year.
- In 2022, we reduced work-related recordable and high-consequence injuries to 449 and 24, respectfully.
  - » As a result, 6,706 days were lost due to injury across our global operations.
  - » The total number of hours worked in 2022 is 93,836,439.
  - » The Rate of Recordable Work-Related Injuries is 0.96.
  - » Work injuries typically arise among our employees due to: strains caused by manual handling of boxes, cuts, burns, and respiratory ailments from soldering or chemical exposure. This also includes those related to electrical contact, fire, traffic accidents, lumbar discomfort due to long driving hours or musculoskeletal disorders and eyestrain associated with ergonomics or extended screen time.
- There were no fatalities recorded in 2022.

Wellbeing

TTI continues to reinforce the well-being of our associates by providing them with holistic mind and body support so that we can augment traditional health and safety measures. This includes healthy lifestyle initiatives such as access to gym memberships, health and fitness-related activity reimbursements, better on-site food options, and quality mental health programs. Creating health-related opportunities, where our teams can come together both at work and outside of work is part of our culture in how we promote wellness. Some activities we engage in together include:

- Onsite yoga and fitness classes
- Team-building events
- Family events throughout the year
- Intermural sports teams – basketball, ultimate frisbee, soccer, softball, hockey, pickleball
- Milestone celebration parties
- Employee appreciation events
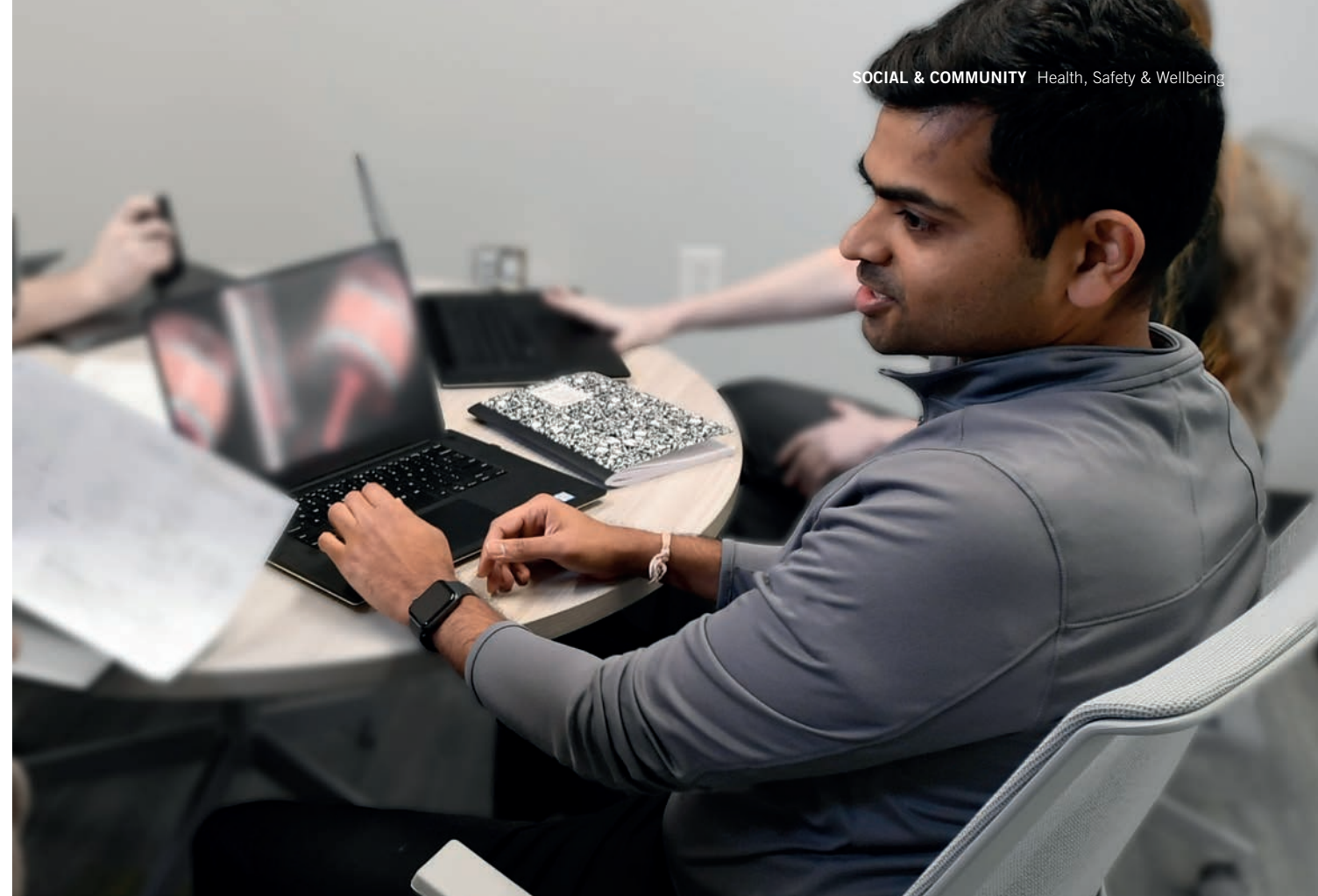
Pandemic Response

As the pandemic carries on, varying in different intensities based on regions, we continue to take necessary safety measures and provide flexibility for our associates. The key measures to support our colleagues during the pandemic continued with a focus on offering onsite COVID-19 tests and enhanced mental health programs. We also have virtual variations of different events such as fitness classes and social events. Offering workplace flexibility including Work-From-Home options based on job function is another benefit we have continued. In our PRC operations where the pandemic is more widespread, diligent safety measures continue to remain in place. We continue to offer COVID-19 testing, temperature checks, leave for employees exposed to COVID-19, enhanced mental health programs to ensure employees have support within the workplace and workplace/working hour flexibility in response to personal needs.

90%
of employees were trained in workplace safety in 2022

⊙ KEY INITIATIVES AND PROGRESS

In addition to safety programs, our BUs launched a variety of wellness efforts in 2022. The following are some examples from our PRC operations:

- Seasonal appreciation gifts to teams.
- Adding floating holidays so employees will have more choice to recognize the holidays they value.
- Participation in community culture and sporting activities and competitions, ranging from photography to table tennis.

In addition to PRC, we continue to support a flexible working schedule along with a hybrid approach in our return-to-work efforts across the world.

MATERIAL TOPIC

Community Investment & Engagement

We invest in our community development and the promotion of social equity to create shared prosperity, enhanced trust, and long-term success.

Contributing to economic wellbeing, education access, good health and greater equality, as well as safe and sustainable living conditions, in the communities where we operate.

Value Chain

⚙ Operations   👥 Community

⟳ GOALS

- Support community livelihoods through investment and engagement activities
- Establish strategic partnerships with industry partners and NGOs
- Enhance talent and customer attraction through community engagement

☑ PROGRESS

- Increased the number of employees and hours spent volunteering
- Increased the number of community partnerships

RISK	OPPORTUNITIES	RESPONSE
• Reputation of not being engaged in industry initiatives or from not supporting local community needs	• Make a positive impact on the community through volunteering and donations	• Programs focused on pandemic and poverty relief, eradicating modern slavery, home-building and environmental/disaster relief
• Not meeting expectations of customers and employees	• Support work of NGOs and establish partnerships	• Partnerships with NGOs that benefit local communities (e.g., Habitat for Humanity)
• Underdevelopment and stagnation in communities impacting business continuity	• Engage associates and customers across our global network in community building	• Internship programs & educational initiatives • Community programs across markets

US$1.4 MILLION
donation

How We Are Managing It

TTI's commitment to better the world goes beyond just developing environmentally friendly products through responsible manufacturing and fair labor practices. We also actively support and invest in our local communities to promote equality and growth. Our focus is on supporting important causes to us which include developing people, developing communities, and preserving the environment.

We have made several investments in community programs, including financial contributions, collaborating with NGOs, volunteering hours, in-kind donations, and employee engagement. Employees are continuously encouraged to volunteer using paid working hours to promote giving back. This year, we donated a total of US$1.4 million in cash to various projects. Our ESG Working Committee and HR departments work closely together to review the progress of these efforts, ensuring that they are well-executed, align with our strategy, and meet our goals.

Developing People
Our investment in people is not just limited to our own team. We actively give back to the communities around us and around the world through charitable activities.

Developing Communities
Our goal is to use our global reach and ability to foster healthier and happier communities worldwide.

Preserving the Environment
TTI's resounding goal has always been to help preserve the environment in all aspects of our business.

Developing People

Our investment in people is not just limited to our own team. We actively give back to the communities around us and around the world through charitable activities such as donating to local food shelters, packaging meals, participating in blood drives, and supporting numerous fundraising efforts for different causes.

Some of the organizations we partner up with this year to help develop people include organizations like Prism Health, Hunger Task force, March of Dimes and many more organizations that align with our passion to help develop the education, health, wellness, safety, and overall human rights of people.

Partnered with Feed the Needy and fed 48,500+ people through our volunteer events

Partnered with Milwaukee Academy of Science (MAS) to mentor STEM students

⊙ KEY INITIATIVES AND PROGRESS

- Donated over US$4,000 in tools to Prism Health West End Co-Op to help Prisma patients regain motor skills as they rehabilitate from strokes and other brain-related injuries.

- Partnered with Prism Health for Breast Cancer Awareness Month to raise over US$2,400 to support their initiative in providing a comprehensive, multidisciplinary approach to breast health.

- Helped Hunger Task Force build stock boxes for local seniors in need which contained healthy food items such as rice, cereal, juice, stew, pasta, and vegetables to ensure seniors have access to shelf-stable foods. In total, we packaged over 1,700 food boxes.

- A week-long awareness event for March of Dimes was held by our team in efforts to raise awareness and raise funds. During the week-long event we hosted an information distribution event, change drive, supply drive, t- shirt sale, and a 5k walk.

- Participated in The Salvation Army of Greenville's Angel Tree Program to help sponsor 40 local families by donating toys and clothing to them.

- 70 outstanding female students from 12 partnering universities located in HCMC, Da Nang & Dong Nai AmCham were awarded the Women in Engineering Scholarship by us and our co-organizer AmCham Vietnam.

- Over 6,300 meals were packaged with Meals on Wheels.

- Over 800 lbs. of food were collected for a food drive with Harvest Hope.

- Participated in a Charity Bike Ride with the Alzheimer Association and our team raised over US$61,000 through our own donations and by soliciting donations from others.

- Partnered with The Relatives to host a career fair to introduce individuals to business platforms, such as LinkedIn. Assisted in building resumes and gave individuals the opportunity to network with the community.

- 1,000 pairs of shoes were collected and donated to Soles4Souls to provide relief and fight poverty.

- Donated US$4,500 to the Illinois Science and Technology Coalition.

- Partnered with Milwaukee Academy of Science (MAS) to mentor STEM students and help launch the development of a 2-semester trades curriculum for the MAS students.

- US$20,000 was raised and donated to the nonprofit, 5th Squad during a Mississippi Braves jersey fundraiser.

- Raised US$60,000 in donations running the 6th annual Ruck for Rugrats event.

- Partnered with Feed the Needy and packaged 3,800+ nonperishable food boxes, built food boxes with 242,000+ worth of food for local families and fed 48,500+ people through our volunteer events.

- Partnered with the Fort Lauderdale Museum of Discovery and Science to donate US$9,000 worth of tools for families and students.

Developing Communities

Our BUs around the globe engaged in multiple initiatives to alleviate poverty in their communities. Our goal is to use our global reach and ability to foster healthier and happier communities worldwide. Many of our volunteering efforts were made possible by working with partners such as Habitat for Humanity. Habitat for Humanity is a nonprofit organization that helps people in surrounding communities and around the world build or improve a place they can call home. With a key focus on addressing poverty housing issues, the organization partners with volunteers and families in need to build and renovate homes and provides support for home ownership through nonprofit, no-interest loans. Since 2003, partnering with Habitat for Humanity has provided us with numerous opportunities to volunteer in local communities across our global presence.

US$100,000

Donated to the Australian Red Cross to assist flood relief with dollar-for-dollar matching commitment

▶ KEY INITIATIVES AND PROGRESS

- Donated over US$6,000 and 12,300 face masks to Habitat for Humanity Hong Kong for their Emergency Appeal. The donation helped support vulnerable members of the community during a 5th wave of COVID-19 in Hong Kong.

- Over 200 volunteers participated in home-building projects with Habitat for Humanity helping to build countless homes.

- A donation of US$100,000 was made to the Australian Red Cross to assist flood relief efforts and help our communities to re-establish their lives. We also committed to match dollar-for-dollar any monetary contribution that our employees made towards the flood relief efforts during 2022.

- Partnered with Rebuild Upstate by volunteering for 2 days to build and repair new windows and siding for those in need.

- After Hurricane Ian hit Florida, our team partnered with local communities and affected families to distribute essential supplies, assist with housing repairs, and assist with debris clean up. Approximately US$8,000 worth of tools were donated to Hope Worldwide to assist with disaster relief.

- After the city of Jackson, Mississippi experienced extreme flooding which led to the city's main water pumps shutting down, our team's local leadership provided 30 pallets of water and over US$6,000 worth of various supplies to help with the disaster relief efforts.

- Approximately US$10 million in medical supplies were assembled and sent to Ukraine. Nearly 200 MILWAUKEE PACKOUT First Aid Kits were donated to the Ukraine Forward initiative supporting the Ukrainian people.

~US$13,000

Donated to 2041 Hong Kong to sponsor a carbon-negative climate expedition to Antarctica

Expedition to Antarctica with 2041 Foundation and Climate Force

Preserving the Environment

TTI's resounding goal has always been to help preserve the environment in all aspects of our business. From creating innovative battery-powered tools, to adding green factories to our manufacturing sites, we always take into consideration the impact our business has on the environment. This includes ensuring our business takes part in giving back to the environment as well. Some examples of this would be arranging park cleanups, organizing recycling efforts, and planting various plants and trees.

▶ KEY INITIATIVES AND PROGRESS

- As part of our Month of Giving program in 2022, nearly 130 employees volunteered 260 hours to collect 173 bags of trash, 1,055 pounds of recycling, and prep 25,000 square feet of land for garden planting with Carolina Farm Trust.

- As a proud silver sponsor of the International Coastal Cleanup Hong Kong 2022, our staff and other volunteers collected a total of 48 pounds of trash at Sha Ha Beach. The data collected was sent to Green Council and Ocean Conservancy as a global record and to continue the education on marine debris issues.

- Volunteered at Birch State Park in Florida to remove invasive plants that disrupt native resources, threaten the park's biodiversity and alter the soil and habitat in our local ecosystem.

- Nearly US$13,000 was donated to 2041 Hong Kong to sponsor a carbon-negative expedition to Antarctica with 2041 Foundation and Climate Force. 2041 Hong Kong is a youth-led community organization seeking to inspire, advocate and catalyze change for sustainability and climate action and was co-founded by one of our very own associates. The 2041 ClimateForce Antarctic Expedition helped remove 513 metric tons of carbon by funding various reforestation and carbon reduction projects.

- Increased awareness of cardboard recycling options and relocated bins for convenience. The initiative helped increase the recycling of cardboard by 40% in 2022 over the prior year.

- Partnered with NC Wildlife Fed to remove and recycle 1,055 pounds of trash that were bound to be washed into the waterways.

- Partnered with Catawba Riverkeepers in North Carolina to remove trash from the banks of the Catawba River to protect its natural habitat and water source. 173 bags of trash were collected.

GOVERNANCE

Driving Operational Excellence, integrity, accountability and sustainability within our governance practices

MATERIAL TOPICS

Corporate Governance

We continued to strengthen our governance practices as we have adopted codes and policies that reinforce accountability within our operations and across our supply chain.

2020
- Global Trade Sanctions Compliance Policy

2019
- Cobalt Procurement Policy and Due Diligence
- Anti-Corruption Policy
- Anti-Trust Policy
- Product Safety and Consumer Product Regulatory Compliance Policy

2017
- Policy Against Modern Slavery and Human Trafficking (updated, 2019)

2016
- Business Partner Code of Conduct (updated, 2020)
- Code of Ethics and Business Conduct (updated, 2019)

2015
- Invention Reward Policy
- Conflict Minerals Policy

2013
- Conflict Minerals Declaration and Due Diligence
- Data Protection Policy

2012
- Supplier Code of Conduct (renamed to Business Partner Code of Conduct in 2016)

2010
- Complaint Resolution Policy
- Environment manual (updated, 2021)

2009
- Security and Social Responsibility Policy (includes Environmental Management Policies)

1999
- Harassment and Discrimination Policy
- Health and Safety Policy

Other corporate governance policies are available on our website.

To hold TTI's governance practices to the highest standard, we ensure they are aligned with global sustainability goals and principles, including the UNSDGs, GRI Standards, SASB, TCFD and other key multi-stakeholder forums. In addition, we disclose with the CDP.

The TTI Board of Directors drives our governance practices to enhance shareholder interest and promote sustainability. Corporate governance is vital for maintaining sustainability.

The Company is committed to high standard corporate governance to enhance shareholders' interests and promote sustainable development. A quality board of directors (the "Board") with balanced skills, experience and diversity of perspectives is vital to the Company for effective risk management, internal controls and leadership, as well as transparency and accountability to all shareholders. The Board reviewed codes of conducts, policies and practices, corporate governance framework and disclosure of the Corporate Governance Report in our annual report, from time to time, to improve the Company's corporate governance practices in respect of the latest developments on all applicable laws, rules, and regulations.

Compliance with the Corporate Governance Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code") throughout the year ended December 31, 2022, save that none of the Directors are appointed for a specific term since they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Under Article 107(A) of the Articles of Association of the Company, one-third of the Board must retire by rotation at each annual general meeting of the Company, and if eligible, offer themselves for re-election.

Corporate Governance Policy

Corporate governance plays an important role in maintaining sustainability. The Board continuously monitors, reviews and develops the policies and practices of corporate governance to ensure the compliance of the laws, rules and regulatory requirements governing the Group as well as the Company's Articles of Association. The Board performs the corporate governance function through, but not limited to, the following:

- monitor and review the compliance of the Model Code for Securities Transactions by Directors, the Code for Securities Transactions by Relevant Employees and other codes of conduct of the Company.

- review and monitor compliance of the Corporate Governance Code.

- review and monitor the Directors' and the senior management's training and continuous professional development.

- review the disclosure set out in the Corporate Governance Report of our annual report.

Continued our partnership with Better Mining

Added an external management detection service

that internally and externally monitors cyber-attacks and indicators of compromise (IOC)

80%+

Relaunched our cybersecurity training program and achieved a completion rate of over 80%, exceeding the industry average

Two independent female directors

added to the board (2021-2022)

Board of Directors

Roles and Responsibilities

The Board is collectively responsible for leading, supervising and creating directions and strategies for the affairs of the Group with an effective corporate governance framework to strike for long term success of the Company. The Board is also responsible for ensuring ongoing effective communication with shareholders and engagement with key stakeholders. The principal responsibilities of the Board include, but are not limited to, the following:

- develop and review overall mid-term and long-term strategies, objectives and directions of the Company.

- review and monitor risks and changes in local and international business communities in order to enhance shareholders' value.

- evaluate and oversee the Company's financial performance and operations through determination of the annual budget and continuous review of performance results.

- consider matters covering appointment of Directors, senior management and external auditors, major acquisitions and disposals, as well as other significant operational matters.

- develop, review and monitor the policies and practices on corporate governance of the Company.

Delegation to Board Committees and senior management of the Group with specific functions is monitored continuously by the Board with clear instructions as well as reservation for the Board's decision and consideration of specifically identified matters. The Board reviews regularly the formal written procedures adopted by the Company for the governance of delegation and reservation of responsibilities of the Board.

Board Composition

As of this report, the Board consists of five Group Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. An analysis of composition of the Board of the Company is set out below:

Group Executive Directors

- Mr Horst Julius Pudwill (Chairman)

- Mr Stephan Horst Pudwill (Vice Chairman)

- Mr Joseph Galli Jr (Chief Executive Officer)

- Mr Kin Wah Chan (Operations Director)

- Mr Chi Chung Chan (Group Chief Financial Officer)

Non-executive Directors

- Prof Roy Chi Ping Chung GBS BBS JP

- Mr Camille Jojo

Independent Non-executive Directors

- Mr Peter David Sullivan

- Mr Johannes-Gerhard Hesse

- Mr Robert Hinman Getz

- Ms Virginia Davis Wilmerding

- Ms Caroline Christina Kracht

Biographical details and relevant relationships of the members of the Board are set out on pages 55 to 60 of the 2022 annual report. A list of Directors and their roles and functions are published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk).

Both the management of the Board and the day-to-day management are essential to the Company's success and sustainability. In order to promote balance of power, authority and accountability, the roles of Chairman and Chief Executive Officer of the Company have been segregated and clearly distinguished.

The roles of Chairman comprise, but are not limited to, the following:

- ensure all Directors are properly briefed on issues arising at Board meetings and always receive clear, accurate and reliable information in a timely manner.

Our Board of Directors
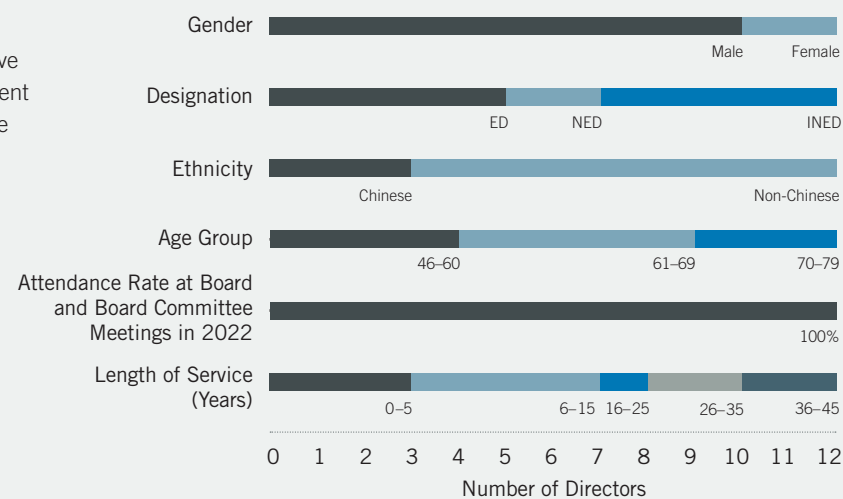
- lead the Board to perform its responsibilities and act in the best interests of the Company, and ensure the Board works effectively.

- encourage all Directors to make full and active contributions to the Board's affairs to enhance the performance of the Board's responsibilities.

- enhance effective communication with shareholders and encourage the views of shareholders are communicated to the Board as a whole.

- ensure and oversee sound practices and procedures.

The roles of Chief Executive Officer comprise, but are not limited to, the following:

- take the lead to oversee the global management team in the Group's daily operations.

- perform the Company's strategic initiatives and management strategies.

- enhance the global sales potential of the Company's strong brand portfolio and facilitate the integration of acquisitions, if any.

Appointment of directors is recommended by the Nomination Committee for approval of the Board to ensure the Board performs effectively and enhances its diversity. By considering the expertise, skills and experience of candidates of directorship, the Nomination Committee makes recommendations to the Board in order to achieve the effective balance and diversity of the Board. Directors are aware that they must be able to contribute sufficient time and attention to the affairs of the Company before accepting their appointment.

A formal and detailed orientation is provided for each newly appointed Director to ensure proper understanding of duties and responsibilities of Directors under the Listing Rules, the Company's Articles of Association, and related ordinances and relevant regulatory requirements of Hong Kong. Presentations by external professionals and senior executives of the Company are also provided to ensure a proper understanding of the Company's business and operations. In accordance with the Company's Articles of Association and the Listing Rules, Directors are subject to retirement by rotation at least once every three years. Any Directors appointed to fill a casual vacancy would be subject to election by shareholders at the next annual general meeting after their appointment.

The Board treasures the culture of openness and independent views as key elements to effectiveness. Independent Non-executive Directors and Non-executive Directors form a majority of the Board, and the Independent Non-executive Directors represent over one-third of the Board as of this report. The Company has complied with Rule 3.10 of the Listing Rules in relation to the requirement of independent non-executive directors. All Independent Non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received annual confirmation of independence from each of the Independent Non-executive Directors and they are still considered to be independent.

The Board has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors and Officers of the Group for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually.

Educational Background

- Accounting
- Business
- Engineering
- Legal
- Others
- Science

Professional Experience

- Finance & Accounting
- Banking
- Consumer Products
- Industrial
- Legal
- Consultancy
- Technology/Telecom
- Metals & Mining
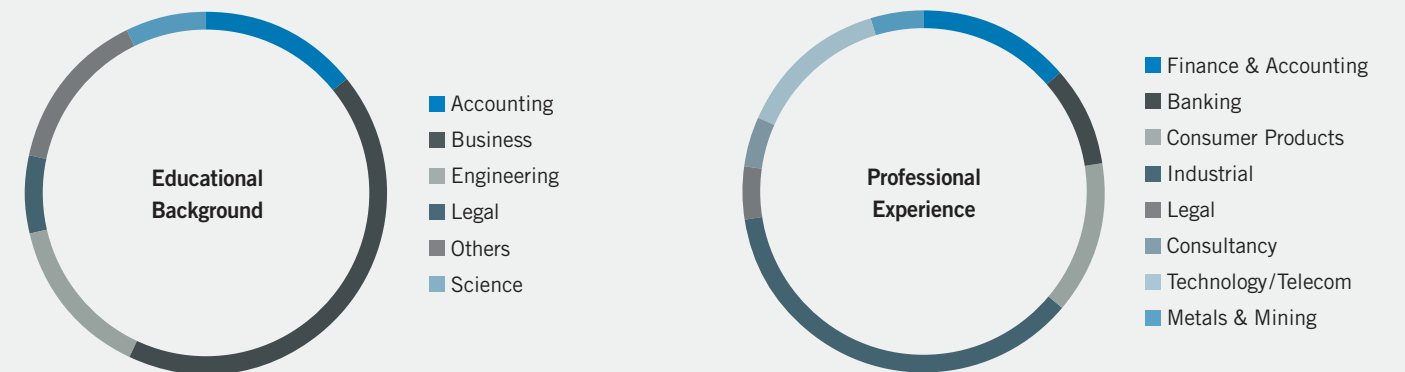
Directors' Continuous Professional Development

The Company provides regular updates, training and written materials to all Directors on relevant laws, rules and regulations to make sure they are aware of the current trends in the commercial and regulatory environment in which the Company conducts its business. In order to ensure that the Directors' contribution to the Board remains informed and relevant, the Directors are encouraged to participate in various professional development programs such as seminars, webcasts and relevant reading materials, especially in relation to compliance requirements to develop and refresh their knowledge and skills and the latest updates on the relevant rules and regulations.

All Directors participate in continuous professional development as set out in code provision C.1.4 of the Corporate Governance Code. According to the records of training provided by each Director to the Company, the training received by the Directors in 2022 is summarized in the following table:

	Type of Continuous Professional Development Programme		
	Updates on business operations, laws, rules and regulations or corporate governance matters	Updates on directors' roles, functions and duties	Updates on accounting, financial or other professional skills
Group Executive Directors			
Mr Horst Julius Pudwill	√	√	
Mr Stephan Horst Pudwill	√	√	
Mr Joseph Galli Jr	√	√	
Mr Kin Wah Chan	√	√	√
Mr Chi Chung Chan	√	√	√
Non-executive Directors			
Prof Roy Chi Ping Chung GBS BBS JP	√	√	√
Mr Camille Jojo	√	√	√
Independent Non-executive Directors			
Mr Peter David Sullivan	√	√	
Mr Johannes-Gerhard Hesse	√	√	√
Mr Robert Hinman Getz	√	√	
Ms Virginia Davis Wilmerding	√	√	√
Ms Caroline Christina Kracht	√	√	√

Compliance with the Codes for Securities Transactions

The provisions of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") has been adopted by the Board. In response to the specific enquiries made, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code during the year ended December 31, 2022.

The Company has also adopted another code of conduct on terms no less onerous than the Model Code that applies to securities transactions of all relevant employees who may be in possession of unpublished price sensitive information in relation to the Company (the "Code for Securities Transactions by Relevant Employees"). During the year, no incident of non-compliance was noted by the Company.

Both the Model Code and the Code for Securities Transactions by Relevant Employees have been published on the Company's website (www.ttigroup.com).

Board Meetings

The Board focuses on the Company's strategies and values for on-going sustainability, success and growth of the Group. The Company held regular Board meetings, where at least four Board meetings are scheduled in a year with more frequent meetings as and when required. In 2022, five Board meetings were held and the attendance records of each Director are set out in the section headed "Board, Board Committee and General Meetings in 2022" on p.97 of this report.

Board meeting, Board Committee meeting and Annual General Meeting dates for 2023 were agreed upon at the Board meeting held in August 2022 in order to ensure maximum attendance of Directors and to facilitate the effectiveness of the Board. The meeting agenda is drawn up by the Chairman in consultation with members of the Board to propose any other matters for inclusion of the agenda. Minutes of the Board and Board Committee meetings with sufficient details of matters and concerns discussed are prepared and maintained by the Company Secretary of the Company (the "Company Secretary"), which are sent to the Directors for comments and records. The Company Secretary keeps Board records in safe custody of which are available for inspection by the Directors.

To facilitate informed decisions of the Board, clear, accurate and reliable information are provided to all Directors in a timely manner. Furthermore, all related materials with sufficient details in relation to the Board's issues are accessible to all Directors. To enhance

understanding of the business of the Group and Directors' responsibilities under statute and at common law, all Directors are provided with briefings and professional development training as necessary. The Company Secretary provides full support to the Directors in order to ensure Board procedures and all applicable laws, rules and regulations are followed. Directors are also provided with access to senior management of the Group upon request, as well as to independent professional advice on performing their duties at the Company's expenses.

Board Committees

The Board has established three Board Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, to delegate various responsibilities of the Board. Each of these Board Committees has specific written terms of reference which deal clearly with their authority and duties and have been published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk).

The diversity and effectiveness of the Board are continuously reviewed by the Directors. To ensure independent views and inputs are available to the Board, Independent Non-executive Directors form the majority of all Board Committees. With active participation and regular attendance of Independent Non-executive Directors, independent insights and opinions are encouraged to be contributed and expressed at the Board Committee meetings. The Board oversees and monitors the delegated authorities and responsibilities through regular reporting by the Board Committees in relation to their activities involved and recommendations and decisions made. The attendance records of each Board Committee are set out in the section headed "Board, Board Committee and General Meetings in 2022" on p.97 of this report.

Audit Committee

The Audit Committee is chaired by Mr Peter David Sullivan with other members being Mr Johannes-Gerhard Hesse, Mr Camille Jojo, Mr Robert Hinman Getz and Ms Caroline Christina Kracht (who has been appointed as a member of Audit Committee with effect from March 1, 2023). All members except Mr Camille Jojo are Independent Non-executive Directors. The Company has complied with Rule 3.21 of the Listing Rules in relation to the requirement of the Audit Committee.

The Audit Committee plays an important role in risk management and internal control aspects. The Audit Committee aims to review and monitor the effectiveness of the risk management and internal control systems to ensure the compliance with the Group's obligations under the Listing Rules and other applicable laws and regulations. The Audit

Committee oversees the completeness and integrity of the financial statements of the Company and takes ad hoc responsibilities which may be delegated by the Board from time to time. The Audit Committee is also directly responsible on behalf of the Board for the oversight of the performance of the Company's external auditors, the assessment of the independence and qualifications of the external auditors, the selection, oversight and remuneration of the Company's external auditors and the maintenance of an appropriate relationship with the external auditors.

The Audit Committee held four meetings in 2022 and performed duties summarized below:

- review and make recommendations to the Board for the approval of the interim and annual financial statements of the Group.
- monitor and review the Group's accounting principles and practices, financial reporting matters and significant financial matters.
- review and assist to maintain the effectiveness of risk management and internal controls systems of the Group.
- monitor and review the scope, extent and effectiveness of internal audit function of the Group.
- oversee the relationship between the Company and the external auditors, assess the performance of the external auditors and recommend the re-appointment of the external auditors.
- review the audit and non-audit services provided by the external auditors.

Nomination Committee

The Nomination Committee is chaired by Mr Horst Julius Pudwill (Chairman of the Board) with the other members being Mr Johannes-Gerhard Hesse, Mr Robert Hinman Getz and Ms Virginia Davis Wilmerding (who has been appointed as a member of the Nomination Committee with effect from August 10, 2022). All members except Mr Horst Julius Pudwill are Independent Non-executive Directors.

The Board recognizes the benefits of board diversity and realizes increasing diversity is vital in maintaining an effective board. The Board should have a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Group in order to effectively discharge its function. The Nomination Committee aims to ensure a fair and transparent process of Board appointments, and in particular, to assist the Board to identify suitably qualified candidates and make recommendations for consideration of

the Board and shareholders. When considering suitable candidates of Directors, the Nomination Committee considers factors including, but not limited to, professional knowledge, industry experience, ethics, integrity, personal skills and as well as the ability to contribute sufficient time and attention to the Board in their recommendations.

The Nomination Committee held three meetings in 2022. The work performed by the Nomination Committee in 2022, with sufficient resources provided by the Company and/or independent professional advice when necessary, included:

• review of the size, composition and structure of the Board regularly.

• make recommendations to the Board on relevant matters relating to the retirement and re-election of the Directors at the 2022 Annual General Meeting.

• assess the independence of the Independent Non-executive Directors.

• review the Nomination Policy and the Board Diversity Policy.

The Board currently has two female Directors out of the twelve Directors with balanced skills, experience and diversity of perspectives to enhance the Company's business and values. The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Gender ratio in the workforce of the Company can be found on p.60 of this report. The Board has adopted the Board Diversity Policy in August 2013, which is published on the Company's website (www.ttigroup.com). Widening diversity at the Board level is essential for sustainable development of the Group and the Board considers that the current gender diversity in respect of the Board taking into account the Group's business model and industry-wide practice and specific needs of the Company is satisfactory. The Nomination Committee would consider various perspectives and measurable objectives, including, but not limited to, age, gender, professional experience, educational background, cultural and length of service while reviewing the composition of the Board with an aim to promote gender diversity culture and avoid a single gender Board. The ultimate decision will be based on merit and contribution that the Directors and any selected candidates will bring to the Board. An analysis of the current Board composition based on these objective criteria is set out on p.84-85 of this report.

Remuneration Committee

The Remuneration Committee is composed of a majority of Independent Non-executive Directors and is chaired by Mr Robert Hinman Getz with the other members of the Committee being Mr Peter David Sullivan, Mr Camille Jojo and Ms Virginia Davis Wilmerding (who has

been appointed as a member of the Remuneration Committee with effect from March 1, 2023).

The Remuneration Committee develops and administers fair and transparent procedures for setting policy on the overall human resources strategy of the Group, including those related to the remuneration of the Group's Directors and senior management. The Remuneration Committee is responsible for recommending the remuneration packages of Directors and senior management of the Group taking into account their merit, competence and qualifications, individual performance, the Company's operating results and return to shareholders, and considering relevant market practices. The Remuneration Committee makes recommendations to the Board on the remuneration packages of the Executive Directors and members of senior management, including, without limitation, base salaries, benefits in kind, incentive payments and grants, and consults the Chairman and/or Chief Executive Officer (CEO) for the proposals of other Executive Directors' remuneration packages. The Remuneration Committee also makes recommendations to the Board on the remuneration of the Non-executive Directors and the Independent Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations.

The Remuneration Committee held five meetings in 2022 and performed, among other work, the following:

• review and make recommendations on the existing Remuneration Policy for Directors and senior management.

• review and update the peer group used to assess the competitiveness of Executive Director remuneration.

• assess the Executive Directors' performance and remuneration packages.

• recommend pay packages for Executive Directors and CEO to the full Board.

The Board ensures that the Remuneration Committee has access to sufficient internal and third-party resources, including professional advice, to fulfill its duties. The Group engages a global executive compensation consulting firm as an independent third party to advise the Remuneration Committee, including providing assessments of the competitiveness of compensation of the Executive Directors, including the Chairman and the CEO. The compensation packages of the Group's Executive Directors were assessed relative to similar positions at 24 peer companies operating in the same or adjacent industries. The consultant's assessment took into account the Group's absolute shareholder returns, financial and operational performance, as well as performance relative to the peer companies.

Chart 1: TTI's Five Year Financial Performance as Compared to 24 Peer Companies[1]
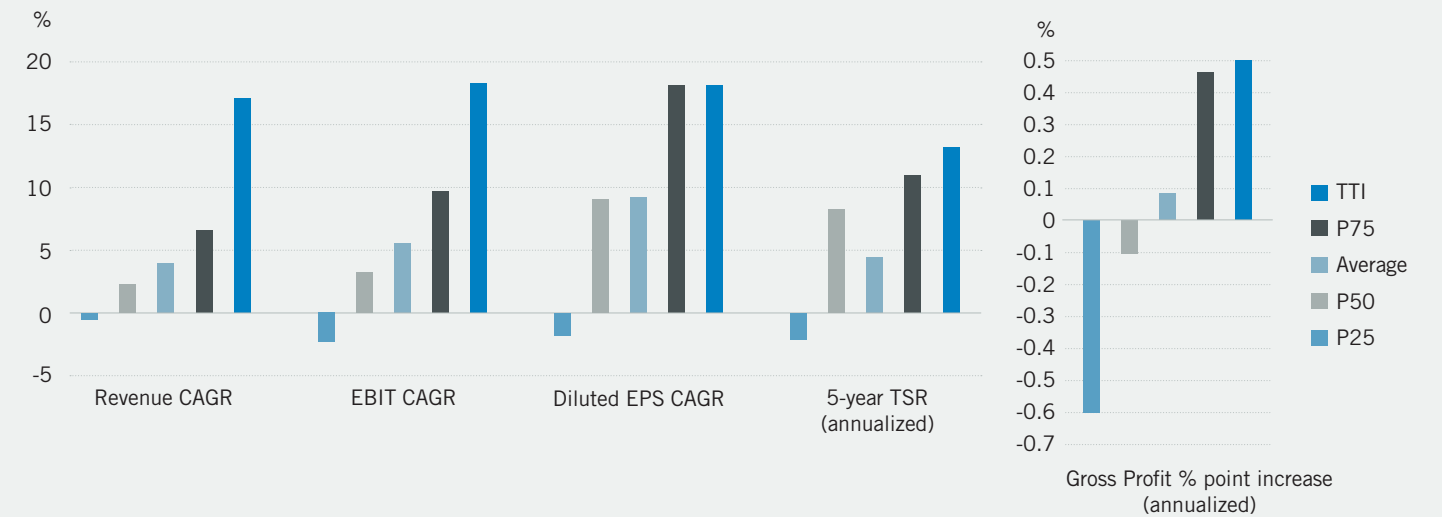
1. Five-year TTI performance through FY 2022 measured against most recently available five-year performance for each company in the peer group.

Group CEO Incentive Compensation

The Remuneration Committee reviewed and recommended to the Board for approval the 2022 incentive payouts for the Chairman, the CEO and other Executive Directors commensurate with the solid and resilient financial and operational performance delivered by the Group in 2022, and recognizing the deliberate investments made to position the Group for future growth and profitability improvements.

Compensation delivered to the Executive Directors, and in particular the CEO, is dependent on company performance as assessed on a number of operational and financial metrics as well as progress against key strategic objectives. The Remuneration Committee believes it is extremely important to align executive compensation with long-term shareholder outcomes. As shown in Chart 1 above, over the past five years the Group has exceeded or equalled the 75th percentile performance of the 24 peer companies in key financial and operational performance metrics including revenue growth, EBIT growth, diluted EPS growth, gross profit margin improvement, and working capital management. Importantly, the Company's stock price and TSR performance over the past five years remains exceptional in both relative and absolute terms. The Company's 5-year TSR exceeds the 75th percentile performance of the 24 companies included in the company's compensation peer group.

Annual Incentive Awards

As part of the Group's annual incentive plan, the Remuneration Committee in 2022 approved a share award to Mr Galli in connection with the Group's 2021 fiscal year performance ("2022 STI Share Grants"). This share award was made in addition to the cash payout made under the company's annual incentive plan. Specifically, the Remuneration Committee granted Mr Galli 1,000,000 shares in March 2022 following review and certification of the achievement of the Group 2021 fiscal year performance. As this grant is made as part of the annual incentive plan, these shares vested upon grant.

Over the past five years the Remuneration Committee has modified Mr Galli's compensation package so that it is significantly focused on performance-based share awards. The Remuneration Committee believes that rewarding the CEO for the achievement of sustained outstanding performance in the form of Group equity meaningfully aligns him with long-term shareholder outcomes and creates further incentives for improved future performance.

Long-Term Incentive Awards

In 2018 the Board approved multi-year performance-based share awards to Mr Galli ("2018 CEO Share Awards") with the granting of the awards conditional upon the Company's achievement of share

price, financial and operational performance criteria ("Performance Criteria") over successive three-year performance periods ending each year from 2019 to 2024. For the three-year period ending in 2022, Mr Galli delivered exceptional financial and operational performance and strong relative share price performance, when measured against the performance of our key competitors. Additionally, a number of strategic objectives were achieved over the past three years, including diversification and expansion of the Group's manufacturing footprint and achievement of good progress towards the Groups ESG goal of significantly reduced GHG emissions. As a result of this strong financial and operational performance, during a time of significant economic instability, Mr Galli was granted one million shares for the three-year period ending in 2022. These shares are scheduled to vest to Mr Galli on January 1, 2025, if he remains in his current role.

For the three-year period 2019 to 2022, the Group delivered 20.0% compound annual revenue growth and 21.3% compound annual EBIT growth. The Group's revenue growth over this period equaled the 95th percentile of performance of the Primary Peer Group while EBIT growth equaled the 87th percentile of the Primary Peer Group. Additionally, the Company's profit margin exceeds 65% of the peers and profit margin improvement was greater than 80% of the peer group over the past three years.

The remainder of the 2018 CEO Share Awards (up to one million shares) will be awarded to Mr Galli subject to the Company's future performance and meeting of the financial and operational goals set out in the 2018 CEO Share Awards plan for the period 2023 to 2024.

Besides the 2018 CEO Share Awards, the Board approved another multi-year performance-based share awards to Mr Galli ("2020 CEO Share Awards") with the granting of the awards conditional upon the Company's achievement of financial and operational performance criteria ("Financial and Performance Criteria") for the years between 2022 to 2026. Under the 2020 CEO Share Awards, 1,000,000 shares will be granted each year between 2022 and 2026 and vest the following year if the Financial and Performance Criteria have been achieved.

Mr Galli's Performance History

The compensation package awarded to Mr Galli, including his annual cash incentive and his 2022 STI Share Grants, were awarded on the basis of the Group's strong financial and operational performance in 2022 despite substantial economic disruptions and uncertainty which significantly and negatively impacted overall industry results and our key peers' performance.

Mr Galli's overall compensation package is designed and managed with a long-term focus, and rewards him for the Company's very strong growth and performance over the entire period of his tenure as CEO of the Group and incentivizes him to:

- achieve the short-term and long-term financial and operational goals set by the Board,

- to meet the Group's strategic goals in order to position the company for future profitable growth,

- to align his long-term remuneration outcomes with sustained shareholder value creation, and

- ensure his continued service to the Company in his current role.

Since his appointment in February 2008 to the CEO role, Techtronic's stock price has increased from HK$8.40 on 1 February 2008 to close at HK$87.10 on 30 December 2022, an increase of about 937%, greatly exceeding both the Hang Seng Index (-18%) and the S&P500 Index (+175%) over the same time period. Since February 2008, the Group's equity market capitalization has grown more than 12.5 times, from approximately HK$12.6 billion to nearly HK$160 billion at the end of December 2022.

Equity Plan Descriptions

The Board has adopted two share award schemes, namely the 2008 Share Award Scheme and the 2018 Share Award Scheme. The 2008 Share Award Scheme was adopted on January 9, 2008 (the "2008 Adoption Date") and expired from January 9, 2018 and all awards granted thereunder have been duly vested. Following the expiry of the 2008 Share Award Scheme, the 2018 Share Award Scheme was adopted with effect from January 17, 2018 (the "2018 Adoption Date") and shall be terminated on the earlier of the 10th anniversary of the 2018 Adoption Date or such date of early termination as determined by the Board.

The purpose of both the 2008 Share Award Scheme and the 2018 Share Award Scheme is to recognize the contributions by Eligible Persons as defined below and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The scheme rules of the schemes are substantially identical and a summary of the principal terms of both schemes is set out below:

Any employee or Director (including, without limitation, any Executive, Non-executive or Independent Non-executive Director) of any member of the Group (the "Eligible Person") will be entitled to participate the schemes. Unless terminated earlier by the Board in accordance with the respective scheme rules, the effective term of each scheme is 10 years commencing on the adoption date of the relevant scheme provided that no contribution to the trust will be made by the Company on or after the 10th anniversary date of the adoption date of the relevant scheme. Details of both schemes were announced by the Company on the respective adoption date of the schemes.

The Board may, from time to time, at their absolute discretion select any Eligible Person for participation in any scheme as a selected grantee (the "Selected Grantee") and determine the number of shares to be awarded or make reference to a nominal amount. The relevant number of shares awarded will be purchased by the trustee of the schemes from the market or new shares will be subscribed for by the trustee at the cost of the Company and be held in trust until they are vested. Upon acceptance of the share awards, no payment is required. When a Selected Grantee has satisfied all vesting conditions specified by the Board, the trustee will transfer the relevant vested shares together with the income derived therefrom (net of accrued interest) to such Selected Grantee.

The maximum number of shares which can be awarded under each scheme is 10% of the issued share capital of the Company as at the adoption date thereof, and the maximum number of shares which can be awarded under each scheme to a Selected Grantee, at any one time, shall not in aggregate exceed 1% of the issued share capital of the Company as at the adoption date thereof. The total issued share capital of the Company as at the 2008 Adoption Date and the 2018 Adoption Date were 1,501,252,152 shares and 1,835,021,941 shares, respectively.

Since the 2018 Adoption Date and up to December 31, 2022, a total of 12,658,500 shares had been awarded under the 2018 Share Award Scheme, representing 0.69% of the issued share capital of the Company as at the 2018 Adoption Date. Recognition of share-based payment expenses under the 2018 Share Award Scheme during the year was US$31,980,000. During the year ended December 31, 2022, a total of 3,011,000 shares had been awarded under the 2018 Share Award Scheme to two Directors of the Company, representing 0.16% of the issued share capital of the Company as at the 2018 Adoption Date. The total payout, including related expenses, amounted to US$52,112,000. In addition, during the year ended December 31, 2022, 1,784,500 shares were transferred to nine Directors and a Selected Grantee upon vesting under the 2018 Share Award Scheme. As at December 31, 2022, details of the awarded shares granted under the 2018 Share Award Scheme of the Company were as follows:

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					Vesting Period	Closing price at the Date of Award HK$	Purchase price HK$
				As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022			
Directors											
Mr Horst Julius Pudwill	21.3.2018	2018	500,000	125,000	—	(125,000)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	20.5.2019	2018	300,000	100,000	—	(100,000)	—	—	20.5.2020 – 20.5.2022	50.20	28.15
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	300,000	300,000	—	—	—	300,000	3.4.2023 – 30.12.2023[4]	154.90	115.13
Mr Stephan Horst Pudwill	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022	Vesting Period	Closing price at the Date of Award HK$	Purchase price HK$
Directors (continued)											
Mr Joseph Galli Jr [5]	21.3.2018	2018	514,000	128,500	—	(128,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	3.1.2020	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	64.70	44.38
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020	107.00	44.55
	4.3.2021	2018	1,000,000	—	—	—	—	—	4.3.2021	121.40	80.25
	4.3.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	121.40	80.25
	31.12.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	155.20	121.14
	3.3.2022	2018	1,000,000	—	1,000,000	(1,000,000)	—	—	3.3.2022	136.10	130.19
	3.3.2022	2018	1,000,000	—	1,000,000	—	—	1,000,000	On or about 3.3.2023	136.10	130.19
	30.12.2022	2018	1,000,000	—	1,000,000	—	—	1,000,000	On or about 1.1.2025	87.10	142.95
Mr Kin Wah Chan	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13
Mr Chi Chung Chan	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13
Prof Roy Chi Ping Chung GBS BBS JP	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	(12,500)	—	—	30.12.2022	154.90	115.13
Mr Camille Jojo	2.1.2019	2018	10,000	—	—	—	—	—	2.1.2019	41.10	28.15
	20.5.2019	2018	150,000	50,000	—	(50,000)	—	—	20.5.2020 – 20.5.2022	50.20	38.30
	3.1.2020	2018	12,500	—	—	—	—	—	3.1.2020	64.70	44.62
	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	31.12.2020	2018	10,500	—	—	—	—	—	31.12.2020	110.60	49.67
	30.12.2021	2018	18,000	12,500	—	(12,500)	—	—	30.12.2021 – 30.12.2022	154.90	115.13
	30.12.2022	2018	11,000	—	11,000	(11,000)	—	—	30.12.2022	87.10	142.95
Mr Peter David Sullivan	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	(12,500)	—	—	30.12.2022	154.90	115.13
Mr Johannes-Gerhard Hesse	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	—	—	12,500	2.5.2024[6]	154.90	115.13

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022	Vesting Period	Closing price at the Date of Award HK$	Purchase price HK$
Directors (continued)											
Mr Robert Hinman Getz	21.12.2020	2018	10,000	5,000	—	—	—	5,000	N/A[7]	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A[8]	154.90	115.13
Ms Virginia Davis Wilmerding	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A[9]	154.90	115.13
Total for directors			11,538,500	3,991,000	3,011,000	(1,584,500)	—	5,417,500			
Employees	20.5.2019	2018	1,100,000	600,000	—	(200,000)	—	400,000	20.5.2020 – 20.5.2024	50.20	45.30
	21.12.2020	2018	10,000	—	—	—	—	—	20.5.2021	107.00	44.55
	21.12.2020	2018	10,000	—	—	—	—	—	30.7.2021	107.00	44.55
Total for employees			1,120,000	600,000	—	(200,000)	—	400,000			
Total for all categories			12,658,500	4,591,000	3,011,000	(1,784,500)	—	5,817,500			

Notes:

1. All the awarded shares are purchased on the market. No share awards were cancelled during the year ended December 31, 2022.

2. At the end of the year, the average fair value per share is HK$100.52. The average fair value of the awarded shares is based on the average purchase cost.

3. During the reporting year, a total of 800,000 shares were purchased at an aggregate consideration of US$9,796,000 for satisfying the awards granted pursuant to the 2018 Share Award Scheme.

4. The Board has exercised its discretion under the scheme rules to amend the vesting date of the 150,000 shares which were awarded to Mr Horst Julius Pudwill from December 30, 2022 to April 3, 2023.

5. As to the agreement for the separate 5,000,000 awarded shares to be granted to Mr Joseph Galli Jr between 2020 to 2024 in five equal tranches (i.e. 1,000,000 awarded shares per year) provided the Company meets certain performance criteria each year, the first, second, third and fourth tranches of 1,000,000 shares were awarded to Mr Galli on January 3, 2020, March 4, 2021, December 31, 2021 and December 30, 2022 respectively. These shares are scheduled to vest to Mr Galli on or about January 1, 2025 if he remains in his current role. Details of remaining 1,000,000 awarded shares to be granted as disclosed above are not included. The above mentioned performance criteria are set out in the "Remuneration Committee" section on p.88 of this report.

   As to the agreement for the 5,000,000 shares might be granted subject to, inter alia, the achievement of performance criteria (reaching specific EBIT target each year) for the years between 2022 to 2026 respectively, the 1,000,000 shares for 2022 were granted to Mr Galli on March 3, 2022 and will be vested on 1st anniversary of the date of award upon completion of certain performance criteria, otherwise, the grant for that year will lapse. Details of remaining 4,000,000 shares to be granted as disclosed above are not included. The above mentioned performance criteria are set out in the "Remuneration Committee" section on p.88 of this report.

6. The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Johannes-Gerhard Hesse from December 30, 2022 to May 2, 2024.

7. The Board has exercised its discretion under the scheme rules to amend the vesting date of the 5,000 shares which were awarded to Mr Robert Hinman Getz from December 21, 2022 to upon his cessation as a director of the Company.

8. The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Robert Hinman Getz from December 30, 2022 to upon his cessation as a director of the Company.

9. The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Ms Virginia Davis Wilmerding from December 30, 2022 to upon her cessation as a director of the Company.

The closing price of the Company's shares immediately before the various dates on which the share awards were granted ranged from HK$87.45 to HK$124.80 in 2022.

The weighted average closing price of the Company's shares immediately before the various dates on which the share awards were vested during 2022 was HK$116.07.

The number of shares available for grant under 2018 Share Award Scheme at the beginning and the end of 2022 were 173,854,694 and 170,843,694 respectively.

The number of shares that may be issued in respect of share awards granted under the 2018 Share Award Scheme during 2022 divided by the number of shares in issue for the year is 0.16%.

The total number of shares available for issue under the 2018 Share Award Scheme is 170,843,694, which represents approximately 9.31% of the issued shares of the Company as at December 31, 2022.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

When the trustee purchases the Company's shares on the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share award scheme and deducted from total equity. No gain or loss is recognized on the transactions of the Company's own shares.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held under the share award scheme. Accordingly, the related expense of the granted shares vested is reversed from the employee share-based compensation reserve. The difference arising from this transfer is debited/credited to retained profits. At the end of the reporting period, the Group revises its estimate of the number of shares that are expected to ultimately vest. The impact of the revision of the estimate, if any, is recognized in profit or loss with a corresponding adjustment to the employee share-based compensation reserve.

The fair value of the share award is estimated based on the share price of the Company on date of purchase/grant.

During the year, (i) the vesting period of a total of 11,000 shares granted to Mr Camille Jojo was less than 12 months; and (ii) all share awards granted under the 2018 Share Award Scheme were not subject to any performance-based target or clawback mechanism except for those granted to Mr Joseph Galli Jr as detailed in Note (5) on p.93. The Remuneration Committee is of the view that these are justifiable as all such decisions were (i) made before the corresponding new requirements under Chapter 17 of the Listing Rules became effective on January 1, 2023 and within the authority and discretion of the Board as stipulated under the rules of the 2018 Share Award Scheme; and (ii) aligned with the purpose of the 2018 Share Award Scheme as a recognition and reward of the grantee's contributions to the Group's continuing operation and development and which in turn is beneficial to the shareholders and the Company as a whole from a business sustainability and stability perspective.

Save as disclosed above, no other person was granted share awards for the year ended December 31, 2022.

Change in Directors' Emoluments

Ms Caroline Christina Kracht, an Independent Non-executive Director, was appointed as member of the Audit Committee with effect from March 1, 2023 who will be entitled to the Audit Committee fee which has been fixed by the Board.

Ms Virginia Davis Wilmerding, an Independent Non-executive Director, was appointed as member of the Remuneration Committee with effect from March 1, 2023 who will be entitled to the Remuneration Committee fee which has been fixed by the Board.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are followed. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is also responsible for facilitating information flow and communication among Directors as well as with Shareholders and management of the Company. The Company Secretary is an employee of the Company and is appointed by the Board. The Company Secretary undertook over 15 hours of professional training to update her skills and knowledge every year.

Accountability & Audit

The Board acknowledges its responsibility for overseeing the preparation of the accounts of the Group which give a true and fair view of the Group's state of affairs, results and cash flows for the year.

The Board will present a balanced, clear and understandable assessment of annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as information required to be disclosed pursuant to statutory requirements.

Risk Management and Internal Controls

Effective risk management and internal control systems are vital in order to achieve long term goals of the Group through identifying and evaluating the Group's risks and formulating appropriate mitigating controls. The Board continuously monitors and reviews key internal control policies which include delegated authorities, non-audit services, treasury management policy, policy on market disclosure and investor and media relations, as well as key risk management functions which include legal, insurance, human resources, capital management and treasury. The Board conducts an annual review of the effectiveness of the risk management and internal control systems of the Company, which is designed to manage and minimize risks of failure in operational systems, and to provide reasonable but not absolute assurance that material misstatement or loss can be avoided.

The internal audit function is essential for providing an independent and objective assurance to the Audit Committee and the Board in controlling the internal business environment. The internal audit function maintains independent review continuously on key business aspects in accordance with the annual audit plan, and report the key findings to the Board through the Audit Committee. In addition, the Internal Auditor of the Company reports periodically to the Audit Committee and communicates with the Chairman of the Audit Committee regularly so as to evaluate and manage significant risks that may be identified throughout. The internal audit function also regularly reviews the adequacy of resources, the completeness and accuracy of risk assessments, risk reporting and adequacy of risk mitigation efforts.

The Board, together with the Audit Committee, focus on strengthening the Group's risk management culture, ensuring the whole risk management framework is adequate and effective and overseeing the internal audit function. The Group continuously reviews its risk framework in light of substantial changes and pursues improvements of enterprise risk management. A whistle blowing policy (the "Whistle Blowing Policy") has been adopted in order to detect and identify improprieties and bring the issues to the attention of the management, the Audit Committee as well as the Board. Furthermore, the Group regularly conducts in-house anti-bribery training sessions to bolster the Group's anti-corruption culture, awareness and knowledge.

The Board, and in particular the Audit Committee, conducts a continuous review of the effectiveness of the Group's risk management and internal control systems that have been put in place. The reviews covering financial, operational, and compliance controls and risk management performed in 2022 included:

- the scope and quality of the management's ongoing monitoring of risks and internal control system and the effectiveness of the Company's procedures relating to statutory and regulatory compliance.

- the risk management process including formal risk assessment at the enterprise level upon discussions with senior management responsible for day-to-day management of significant risks.

- the adequacy and performance of accounting and financial reporting functions.

- the regular internal audit updates and the strategic and annual operating plan.

- the organization structure and delegated authorities.

The Company identifies, assesses and prioritizes the risks that are most relevant to the Company's success according to their likelihood and impacts. Risk assessment is conducted with the objective to improve the design and effectiveness of the Company's internal control. Mitigation plans or controls enhancement are developed and implemented by business units based on the risk assessment. The Company also reviews its risk framework on an ongoing basis considering substantial changes and pursues improvements of enterprise risk management.

The procedures and internal controls for handling and disseminating of inside information are governed by the Model Code, the Code for Securities Transactions by Relevant Employees, the Whistle Blowing Policy, the Policy on Market Disclosure, Investor and Media Relations with a view to ensure compliance with the Company's Articles of Association and the statutory and regulatory requirements that the Group is subject to.

In light of the above reviews and policies, the Board confirms that the Group's risk management and internal controls systems are effective and adequate.

External Auditor

Deloitte Touche Tohmatsu, the external auditor of the Group, provided the following audit and non-audit services to the Group in 2022:

Nature of Services	Amount (US$ million)
External Audit Services	2.65
Taxation Services	0.36
Other Services	0.38

The other services provided by Deloitte Touche Tohmatsu comprised professional services conducted under the terms of specified engagements.

The nature and ratio of annual fees to external auditor for audit services and non-audit services are subject to scrutiny by the Audit Committee to ensure the independence of the external auditor. All non-audit services from external auditor are regulated by a Policy on Non-Audit Services published on the Company's website (www.ttigroup.com).

The Audit Committee and the external auditor of the Group meet twice a year without the presence of the management of the Group to enhance independent reporting by external auditor of the Group. In order to maintain effective communication with shareholders, the external auditor attended the 2022 Annual General Meeting to answer questions about the accounting policies, the auditor independence, the conduct of the audit and the preparation and content of the auditor's report.

Investor Relations and Shareholder Communications

The Company aims to maintain effective communication and on-going dialogue with its shareholders and investors particularly through the following major means:

Shareholders' Communication Policy

The Board has adopted the Shareholders' Communication Policy on March 22, 2012, which primarily covers the current practices for communicating with shareholders and is published on the Company's website (www.ttigroup.com). All the Company's circulars, announcements, notices and results of general meetings, annual and interim reports, and webcasts of results presentations conducted at press conferences, which are published on the Company's website (www.ttigroup.com), provide timely, efficient and accurate information to shareholders and investors. Essential information is communicated to the shareholders mainly through the Company's financial reports, general meetings and the information published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk). In addition, the Company holds regular meetings with institutional shareholders and analysts and encourages shareholders to attend annual general meetings to communicate with Directors and management of the Company directly. Important shareholders' dates in the coming financial year are set out in the section headed "Corporate Information" of the 2022 annual report. The Board reviews the implementation of the Shareholders' Communication Policy on a regular basis (including steps taken at the general meetings, the handling of queries received and the multiple channels of communication and engagement in place) and considered it has been properly and effectively implemented during the year.

A Policy on Market Disclosure, Investor and Media Relations, published on the Company's website (www.ttigroup.com), ensures that the Company complies with its disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information issued by the Company.

Shareholders' Rights

Convening of Extraordinary General Meeting on Requisition by Shareholders

Pursuant to Article 64 of the Articles of Association of the Company and sections 566-568 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), shareholders holding at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company (the "Requisitionists"), may request the Directors to convene an extraordinary general meeting ("EGM"). The

written requisition must state the general nature of the business to be dealt with at the EGM and must be signed by the Requisitionists and sent to the registered office of the Company which is currently located at 29/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong for the attention of the Company Secretary. The requisition may consist of several documents in like form and may include the text of a resolution that may properly be moved and is intended to be moved at the EGM.

If the Directors do not, within 21 days after the date on which they become subject to the requirement, proceed duly to convene an EGM for a day not more than 28 days after the date of the notice convening the EGM, the Requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an EGM. The EGM must be called for a date not more than three months after the date on which the Directors become subject to the requirement to call an EGM. Any reasonable expenses incurred by the Requisitionists by reason of the failure of the Directors duly to convene an EGM shall be repaid to the Requisitionists by the Company.

Procedure for Nominating a Person for Election as a Director

For the detailed procedure for shareholders to nominate a person to stand for election as Director, please refer to the written procedure named "Nomination of Directors by Shareholder" which is published on the Company's website (www.ttigroup.com).

Procedure for Directing Shareholders' Enquiries to the Board

The Company values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Shareholders may address their comments, suggestions and/or enquires to the Board in writing through Investor Relations and Communication (contact details are set out in the section headed "Corporate Information" of the 2022 annual report).

Procedure for Putting Forward Proposals at General Meetings

Pursuant to Section 615 of the Companies Ordinance, shareholders may submit a written requisition to circulate a resolution at an annual general meeting ("AGM") if they: (a) represent at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at the AGM to which the request relates; or (b) are at least 50 shareholders having a right to vote on the resolution at the AGM to which the request relates.

The written requisition must: (a) identify the resolution of which notice is to be given; (b) be signed by the requisitionists; (c) be sent to the

registered office of the Company for the attention of the Company Secretary; and (d) be received by the Company not later than six weeks before the AGM to which the request relates or if later, the time at which notice is given of that AGM. Shareholders are requested to refer to Section 580 and 615 of the Companies Ordinance for further details.

Constitutional Document

No change has been made to the Company's constitutional document during 2022. The constitutional document of the Company was published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk).

Board, Board Committee and General Meetings in 2022

A summary of attendance of Board, Board Committee and general meetings in 2022 are detailed in the following table:

	Meetings attended/Held in 2022				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Number of meeting(s) held during the year	5	4	3	5	1
Group Executive Directors					
Mr Horst Julius Pudwill	5/5		3/3		1/1
Mr Stephan Horst Pudwill	5/5				1/1
Mr Joseph Galli Jr	5/5				1/1
Mr Kin Wah Chan	5/5				1/1
Mr Chi Chung Chan	5/5				1/1
Non-executive Directors					
Prof Roy Chi Ping Chung GBS BBS JP	5/5				1/1
Mr Camille Jojo	5/5	4/4		5/5	1/1
Independent Non-executive Directors					
Mr Peter David Sullivan	5/5	4/4		5/5	1/1
Mr Johannes-Gerhard Hesse	5/5	4/4	3/3		1/1
Mr Robert Hinman Getz	5/5	4/4	3/3	5/5	1/1
Ms Virginia Davis Wilmerding[1]	5/5		1/1		1/1
Ms Caroline Christina Kracht[2]	3/3				1/1
Date(s) of meeting(s)	20.1.2022	1.3.2022	1.3.2022	1.3.2022	13.5.2022
	2.3.2022	12.5.2022	9.8.2022	9.8.2022	
	12.5.2022	10.8.2022	8.11.2022	23.8.2022	
	10.8.2022	8.11.2022		8.11.2022	
	9.11.2022			20.12.2022	

Notes:

1. Ms Virginia Davis Wilmerding was appointed as a member of the Nomination Committee and the Remuneration Committee on August 10, 2022 and March 1, 2023 respectively.

2. Ms Caroline Christina Kracht was appointed as Independent Non-executive Director and a member of the Audit Committee on March 7, 2022 and March 1, 2023 respectively.

Oversight of Sustainability

The ESG Executive Committee

TTI's board of directors oversees and approves strategies, targets, and goals related to sustainability through the ESG Executive committee. The Board reviews and approves the ESG Report before publication. The ESG Executive committee is led by the CEO and the Vice Chairman and is comprised of executives from various functions representing both the corporate and BU leadership. This committee helps drive the sustainability agenda for the company, oversees the ESG Working committee and updates the Board quarterly. This committee meets a minimum of once a quarter to discuss the short, medium, and long-term sustainability strategies.

The ESG Working Committee and Business Units

The ESG Working Committee is comprised of 20 members with at least one member from each of our BUs to ensure complete coverage. Each of the BUs operate independently and develop their own plan to mitigate and share best practices on climate related issues.

The committee meets monthly to implement strategies set by the Board and the executive committee. During the meetings they communicate and collaborate amongst each other, leverage knowledge, discuss performance monitoring, collect and report data, and set targets to meet objectives. The committee also discusses current goals, deadlines, metrics, risks, reporting concerns and opportunities for each BU and at the Group level.

Board of Directors

ESG Executive Committee

ESG Working Committee

Business Leaders Sustainability Functions

OVERSIGHT OF SUSTAINABILITY

Group Risk Mitigation Process

Providing independent assurance of the existence and effectiveness of risk management activities and controls in our operations worldwide.

Conducting various activities, including process, financial and compliance audits and investigations.

Maintaining a regular dialogue internally and with TTI's external auditor.

Assurance — **Audit Planning** — **Engagement Activities** — **Risk Management** — **Communications**

Developing an annual audit plan to identify the highest risks to our business.

Assessing TTI's risk management and internal control systems by formulating an impartial opinion and reporting findings to the Audit Committee and senior managers concerned.

In addition, our ESG Working Committee, global EHS teams and EMS committees oversee the development and implementation of raising awareness and training programs for employees. Training on EHS is delivered to all relevant employees through both e-learning and in-person sessions.

Each BU has a sustainability leader that includes at least one of the following: an environmental leader responsible for environmental Key Performance Indicators (KPIs) and decarbonization, and a social leader responsible for improving community relations as well as social KPIs, such as diversity, health & safety, and employee metrics. At the BU level, climate-related issues are assessed, reviewed, and monitored by the appointed BU sustainability leader who is also the representing member of the ESG Working Committee. At the Group level, the finance department manages the overall ESG reporting process, that includes, tracking all KPIs, managing company-wide

disclosures, such as CDP, working with Investor Relations to support shareholder inquiries, and any support the individual BUs require.

The CEO (Chief Executive Officer) is ultimately responsible for managing climate change issues at the Group executive level. The CEO follows health and safety as well as climate-related operations via business performance meetings where these aspects are included. Quarterly, each BU gives an update to the CEO and the global executive team.

The CEO updates the Board quarterly on business unit performance and sustainability. The Board assesses, reviews, and monitors any Health and Safety or climate-related issues brought to their attention. If any decisions are made by the Board on these issues, the decision is communicated to both the CEO and BUs for any necessary action to be taken.

Cybersecurity

At TTI, we ensure that protecting our customers, employees, and business data meets the highest standards. We have taken the necessary measures to prevent data breaches and enhance our cybersecurity network and digital system. Eduardo Ortiz-Romeu, Global Head of Cybersecurity, oversees the management of data security. Mr. Ortiz-Romeu is a boardroom Qualified Technology Expert (QTE), who specializes in IT, cybersecurity, operational frameworks, and programs that protect organizations' networks, systems, and data.

Mr. Ortiz-Romeu leads TTI's Information Technology Steering Committee (ITSC), which aligns all BUs and helps improve risk and cost management across the Group. The committee meets monthly to review metrics, assess emerging threats and share best practices. We also have a global cybersecurity insurance policy that helps protect us in case of potential breaches.

Cybersecurity conditions are constantly changing, but our programs are designed to continuously assess and develop our security measures. One software program we have in place tracks nearly all 40,000 devices used within the company. This management detection service monitors cyber-attacks and indicators of compromise (IOC), internally and externally, around the clock. Using this system positions the program in a proactive mode against potential cyber-attacks or suspicious activity. We completed the rollout across our global organization in June 2022, with improvements constantly being made. Additionally, we initiated an Operational Technology Assessment in 2022. This assessment evaluated the conditions and risks of our manufacturing and distribution center technology to further enhance the safeguards of our digital and physical assets.

In 2022, one of our key initiatives was increasing employee cyber security awareness and training. We are happy to share our progress on this crucial initiative by launching a monthly cybersecurity training program. The program includes training courses sent to associates with videos designed to be engaging and informative. The training topics include, but are not limited to: password protection, phishing, public Wi-Fi, portable storage devices, and ransomware. Another initiative we expanded is an increased number of regularly sent phishing tests to our employees. This allows us to gauge the effectiveness of our phishing training programs that are in place to help spot potential fraudulent emails and handle them appropriately.

Our completion rate, excluding new hire training, has surpassed the industry average, with a rate of over 80% since the relaunch of the training program. To help motivate our associates we introduced incentive plans to encourage them to complete the training. With these training programs being available to most employees, our objective is to reach 90% completion.

Cybersecurity is an ever-evolving field that requires constant awareness and improvement. As threats to networks, systems, and data continue to emerge and evolve, we must remain vigilant in protecting ourselves. By continuously improving our understanding of cybersecurity and implementing effective governance practices, we can ensure that our organizations are well-equipped to protect against threats and maintain the integrity of our systems and data.

" *The main goal of our program is to reduce systemic risk across all business units, which allows us to enable growth and remain competitive.*"

Eduardo Ortiz-Romeu
Head of Cybersecurity

MATERIAL TOPIC
Ethics & Integrity

To safeguard our stakeholders and maintain trust in our business we uphold accountability and transparency in all operations while reducing risk throughout our value chain.

Championing initiatives within our own operations and engaging in global multistakeholder partnerships to eliminate ethical violations across our value chain.

Value Chain

Suppliers   Operations   Customers   Community

🔵 GOALS

- Zero cases of non-compliance with international and local laws on corruption and anti-trust
- Zero cybersecurity breaches or incidents
- Maintain business continuity and sustainable growth
- Ensure full compliance with data privacy regulations: PIPL for mainland China, GDPR, California Consumer Privacy Act and others

✅ PROGRESS

- Zero cases of leaks, theft, or loss of customer and personal data
- All associates are required to complete the TTI Code of Ethics & Business Conduct (CoC), and all other relevant policy training as part of onboarding
- All associates are required to complete our training on intellectual property and cybersecurity
- Increased diversification and localization of manufacturing, warehousing and the supply chain across the globe

RISK	OPPORTUNITIES	RESPONSE
• Geopolitical tensions and drastic change in trade regulations	• Diversify operations and supply chains and promote sustainable practices across the value chain	• Ongoing efforts to source and produce goods closer to markets • Reducing dependency on single suppliers within essential categories
• Non-compliance with international and local laws	• Foster a culture of ethical behavior and good governance across the value chain to enhance accountability and transparency	• Robust policies, training and compliance programs on ethics and anti-corruption • Internal audit investigations and compliance hotline
• Breaches of data privacy and intellectual property, data loss and cyberthreats	• Protect business and customer information data, improve business systems, enhance operational integrity and maintain stakeholder trust	• Data privacy and cybersecurity policies • Robust training to all colleagues • Global cybersecurity initiatives • IP protection and enforcement process

How We Are Managing It

Sound governance requires a commitment to ethical principles, as outlined in our TTI Code of Ethics and Business Conduct (CoC). The CoC is available and communicated to all employees as a guide for conducting business with integrity. The CoC also aligns with all legal requirements while stipulating how to manage conflicts of interest and overviews the protection of human rights.

We have in place several other policies that guide our operations. These policies are included in our employee handbook and are shared with our employees through LearnTTI, our e-Learning platform created to engage and teach employees company-related information. Relationships between employees, customers, suppliers, shareholders, and the communities we serve are also covered in our Code of Conduct. Our employees engage with and commit to the Code through

LearnTTI and other resources, such as face-to-face classes. These policies are communicated to all our employees at all our subsidiaries in 22 languages.

Our governance strategy is predicated on codes and policies that reinforce openness and accountability within our operations and across our supply chain.

The principles outlined in many of our policies also apply to our business partners, as mentioned in our BPCoC. More details can be found in the Supply Chain Accountability section on p.108 of this Report.

A full list of our policies and standards can be found below and are also accessible on our corporate website. All policies are regularly reviewed to ensure compliance with laws and regulations.

TTI's Key Policies and Codes

🟢 ENVIRONMENT   🔴 SOCIAL AND COMMUNITY   🔵 GOVERNANCE

- Code of Ethics and Business Conduct: states the actions and ethical behavior expected of our employees
- Complaint Resolution Policy and Procedure: encourages any person to report any action, situation or circumstance that appears to be in violation of the Code of Conduct or any laws, regulations or our other internal policies (including internal policies and codes of conduct of TTI's subsidiary companies)
- Business Partner Code of Conduct: outlines TTI's requirements and expectations for all suppliers and partners
- Anti-Corruption Policy
- Anti-Trust Policy
- Trade Compliance
- Data Privacy, Data Security and Incident Reporting Policies
- Conflict Minerals Policy: outlines expectations and guidelines in the sourcing of tin, tungsten, tantalum and gold ("3TG")
- Cobalt Procurement Policy: provides guidelines in cobalt sourcing
- Social & Environmental Responsibility (SER) Compliance Program: comprehensive scorecard to track compliance with ESG policies in the supply chain
- Environmental Management Policies
- Environmental, Health & Safety (EHS) and Occupational Hazard Management Policies
- Product Safety and Consumer Product Regulatory Compliance Policy
- Policy Against Modern Slavery and Human Trafficking: states TTI's expectations in relation to human rights and the eradication of modern slavery and consequences of non-compliance

Compliance

TTI has a robust program in place for our compliance function which sets our policies, training, and regulatory interpretations. These programs are monitored by management, internal audit, and other risk management groups within the organization. Our Group Vice President General Counsel and Chief Compliance Officer heads compliance globally and reports to the CEO and the Audit Committee of the Board of Directors, with local legal, finance, and compliance departments assisting at the regional level.

An invaluable part of our compliance program is the Global Trade Compliance function, which is recognized by our management team as vital to our success. This function supports many of our operations by screening potential business partners to ensure they are not denied, debarred, or otherwise proscribed or embargoed by any relevant government. There is also a Global Trade Compliance Policy in place that explains the export/import control laws, regulations, and economic sanctions that we, along with our suppliers, must abide by. More details can be found in the Supply Chain Accountability section on p.108.

To prevent violations and other mishaps we ensure ongoing communication and training by our compliance and legal department. These training courses are held in-person and on LearnTTI. Employees and suppliers are required to complete training on our codes and policies and to ensure compliance. Our suppliers are also asked to sign compliance declarations annually as part of our Social and Environmental Responsibility (SER) compliance program. The SER compliance declaration serves as confirmation that the supplier understands and commits to complying with the company's SER policies and standards. More information on the SER program can be found in the Supply Chain Accountability Section on p.108.

> ### ◉ KEY INITIATIVES AND PROGRESS
>
> All employees are required to complete various codes and policies as part of their onboarding. Training is provided either through LearnTTI or during in-person training sessions.

Anti-Corruption

One of the key policies we have in place is our anti-corruption policy which covers how we manage bribery prevention internally and externally. This policy describes the procedures for evaluating our business for corruption risk and the penalties for non-compliance. The policy and the accompanying 30-minute online training module provides guidelines on managing all aspects of business, receipt of gifts, meals, entertainment, company-sponsored travel, political and charitable contributions, and ways of engaging business partners to minimize risk. Our internal controls for managing corruption include accurate accounting, ethical audits, and record-keeping. These help us to regularly monitor the effectiveness of actions in place to support our anti-corruption and anti-bribery efforts.

Periodic audits of these controls, completed either by our internal audit team or through an external third party, provide assurance that robust processes are being adhered to. Programs to verify compliance with anticorruption practices extend from our operations to our supply chain. We follow a robust due diligence process to review potential business partners and monitor existing partners. More details can be found in the Supply Chain Accountability section on p.108. A full list of legal and regulatory requirements related to anti-corruption practices can be found in Appendix A of our HKEX ESG Reporting Guide Content Index on our website.

To reinforce our commitment to ethics and integrity, we have maintained our membership in the China Enterprise Anti-Fraud Alliance (CEAFA) since 2019. We discourage corrupt practices by continuing to be involved in non-profit cooperative organizations such as CEAFA. The CEAFA hosts learning sessions and meetings where they cover topics on bidding project risk, anti-fraud investigation, corporate governance as well as relationships with legal, internal control and audit teams. Membership with CEAFA offers a variety of benefits such as those listed below:

- Connecting with groups and companies that specialize in anti-fraud and anti-corruption practices;

- Emphasizing our position and attitude on anti-fraud and anti-corruption;

- Gaining access to a blacklist of companies who have violated anti-corruption and anti-fraud rules.

TTI does not make any political contribution in any markets.

> ### ◉ KEY INITIATIVES AND PROGRESS
>
> - 66% of employees were trained in anti-corruption and anti-trust.
> - No confirmed legal cases of corruption or monopoly practices were brought against TTI.

No legal cases
of corruption or monopoly practices

Anti-Trust

The Anti-Trust policy is in place to guide users on legal rules and TTI established rules regarding competition and fair business practices. It indicates clear principles to comply with laws, regulations, internal policies, and codes of conduct regarding anti-competitive behavior. The policy is applicable to all employees, officers, directors, consultants, agents, temporary workers, and contractors. Its purpose is to review penalties for categories of non-compliance, restrictions, violations, and agreements regarding competitors. Included in the policy are also example scenarios and responses so that all may review and have a clear understanding of the policy.

Data Protection and Cybersecurity

We continuously work towards minimizing data breaches and cyberattacks through increased protection over our data and intellectual property. Our cybersecurity practices are designed to safeguard not only our customers but also our employees, products, networks, and data from any disruptions or breaches. We do this by monitoring high-profile security breaches in the industry and understanding the global impact of them. Cybersecurity scenarios are practiced during our planning stage, documented through our business continuity plans, and tested in our program's ability to respond to threats through attack simulations. Our security measures are always up to date and our programs are designed to continuously evaluate and adapt to the ever-changing cybersecurity conditions.

We are fully committed to maintaining and enhancing our approach to cybersecurity. Cybersecurity training and increased testing is sent out to our employees monthly. Currently, we continue to meet all applicable legal requirements including Europe's General Data Protection Regulation since 2018, and the California Consumer Privacy Act since 2020.

In 2022, revisions to all the current information security policies were completed with 8-10 new ones to be included in 2023. Currently, audits are done as needed and there is no current cadence in place. We are in the process of establishing a 12–18-month revision cadence to our policies. This cadence is purely guidance, as we are constantly revising policies to reflect new emerging threats affecting our business.

One of the ways our business units ensure our security is by completing Cybersecurity Framework Assessments. Previously, all North America business units completed the Cybersecurity Gap Assessment against the National Institute of Standards and Technology (NIST). This year, Asia and Europe completed similar Gap Assessments. Shortly after the assessments, a global Cybersecurity Awareness Program was implemented with global vendors selected based on all BU needs.

A part of our security protocol is the management of Intellectual Property Rights (IPR), including patents, trademarks, logos, copyrights, software, and trade secrets. Our patent invention awards serve to consistently drive creativity within the company. We continuously train employees to respect documentation of ownership and the IPR of others. A high value is placed on innovative concepts and discoveries, which is why we have established procedures to ensure proper usage and protect against infringement of intellectual property rights (IPR) by and of others.

○ KEY INITIATIVES AND PROGRESS

- In 2022, there were no complaints concerning breaches of customer privacy or data loss.

72%

trained employees across all business units in data protection and cybersecurity

Complaint Resolution

TTI encourages the reporting of complaints and concerns by associates, suppliers, customers, or other concerned parties. It is everyone's responsibility to ensure all violations are duly reported. Complaints can be made anonymously to our Group Vice President General Counsel and Chief Compliance Officer directly. We also have a third party operated compliance hotline for human resources, legal departments, and managers, readily available 24 hours a day, 7 days per week. All complaints are treated confidentially and appropriately investigated by our internal audit team, the legal or human resources departments, or an independent third party. Remedial actions are taken as needed on a case-by-case basis. Detailed information about complaints and corrective measures are consistently reported to the management teams and the Audit Committee. Our Complaint Resolution Policy and Procedure provides details about our formal complaint resolution system, including reporting mechanisms, respecting confidentiality, and step-by-step investigation procedures involving various departments. This policy articulates the associate's right to 'no retaliation' for complaints or cooperation made in good faith.

○ KEY INITIATIVES AND PROGRESS

- In the reporting period, a total of 11 complaints were filed.
  - » Three cases were related to suppliers.
  - » Three cases were related to TTI employees in the PRC.
  - » Two cases are still open and undergoing investigation.
  - » One case was related to an ANZ employee and was not proven.
  - » One case was related to a TTI product on the Vietnam black market and was followed up by management, and the high-risk areas have been integrated into the 2023 Audit Plan.
  - » One case was related to rebate fraud initiated by outside parties.
- In November 2021, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging that Techtronic Industries Australia PTY Limited (TTI ANZ) engaged in the practice of 'resale price maintenance' in breach of the Competition and Consumer Act 2010 (CCA). Resale price maintenance occurs when a manufacturer or distributor seeks to restrict or prevent independent retailers from advertising or selling products at a price below a specified level. These proceedings are ongoing and TTI ANZ maintains that it has always acted within the law and denies that it has engaged in any conduct which contravenes the CCA.
- In November 2022, a petition was released claiming Milwaukee Tool gloves are made with forced labor in a Chinese prison. Milwaukee Tool does not tolerate the use of forced labor. We have strict policies and procedures in place to ensure that no authorized Milwaukee Tool products are manufactured by using forced labor. Milwaukee Tool only partners with suppliers that similarly commit to ethical labor practices throughout their supply chains, and who ensure that no forced labor is used. Milwaukee Tool regularly conducts a complete and thorough review of our global operations and supply chain. A thorough investigation of these claims was conducted, and we have found no evidence to support the claims being made. As we work to continue to deliver world-class innovative solutions to the trades around the globe, we remain strongly committed to working with partners who exhibit ethical labor practices and commit to our Code of Conduct and Policy Against Modern Slavery.

MATERIAL TOPIC

Supply Chain Accountability

Placing great emphasis on the ethical, environmental, and social impact of our products and services throughout our value chain.

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Building capacity and aligning our supply chain on decarbonization, safeguarding human and labor rights, and forging strong partnerships to affect change across the industry.

Value Chain

Suppliers   Operations   Community

GOALS

- Promote human and labor rights, gender equality, and environmental protection in the supply chain
- Expand and enhance partnership opportunities to effect change
- Promote climate action

PROGRESS

- 100% of suppliers trained on Business Partner Code of Conduct (BPCoC) and human rights policies
- Increase the number of effective engagements with NGOs in major countries of operation and where there is a greater risk of human rights violations within the supply chain
- Mapping Scope 3 emissions in the supply chain and building resilience for climate change-related risk

RISK	OPPORTUNITIES	RESPONSE
• Reputation and environment of not collaborating with suppliers and partners to tackle the issue of responsible sourcing	• Establish partnerships to drive positive change across the industry and supply chain	• Membership to Responsible Business Alliance and other organizations (i.e., Responsible Mineral Initiative, Responsible Labor Initiative, the Better Mining initiative, The Mekong Club)
• Human rights violations and environmental non-compliance within the supply chain	• Build capacity and align our supply chain on human rights and environmental protection	• Investigations, compliance monitoring on ethics and human rights and participation in the Better Mining initiative • Conflict minerals and cobalt procurement initiatives • Require suppliers to have Environmental Management System and certifications that align with the principles of International Organization (ISO) in place
• Disruptions in the supply chain due to increasing climate change related risk (i.e., extreme weather events, impact on labor from increased heat and disease)	• Implement responsible production and consumption measures in the supply chain to reduce GHG emissions and build resilience to mitigate and adapt to climate change-related challenges	• Capacity building to enable suppliers to measure and reduce GHG emissions • Renewable energy and recycling initiatives within the supply chain

How We Are Managing It

Sourcing raw materials and other activities along our supply chain has lasting environmental, social, and economic impacts. We aim to continuously improve accountability, transparency, and sustainability performance in our supply chain to mitigate risk and secure business continuity. This begins with carefully assessing risk from ethical, environmental, and social standpoints, and selecting suppliers that uphold our standards and values.

The selection of our suppliers considers quality and reliability with an increased focus on ESG considerations. As such, numerous departments, including sustainability, finance, legal, procurement, and quality, are involved in the process. This ensures all potential suppliers are assessed on key criteria beyond basic financial viability in the categories of forced labor, child labor, harassment and abuse, discrimination, wages and benefits, working hours, freedom of association, health and safety, and environment. More information on our criteria as well as violations and audits can be found in our BPCoC.

In accordance with our values, codes, and policies, we support the United Nations Guiding Principles on Business and Human Rights. All suppliers are required to comply with the relevant laws and regulations in their jurisdiction, such as minimum wage requirements, along with our standards and policies. This is outlined in our contractual and standard purchase order terms. We are focused on the prevention of corruption and bribery in the supply chain, and violations are not tolerated. In addition to anti-corruption, issues of concern include pollution mitigation, waste management, conservation of resources, and respect for human rights. We require that suppliers have both environmental, and health and safety management systems and certifications. At a minimum, suppliers should have policies aligned

Number of suppliers by geographical region

- **909** North America
- **713** EMEA
- **1,165** Asia
- **2,825** Direct Suppliers Globally
- **38** ANZ
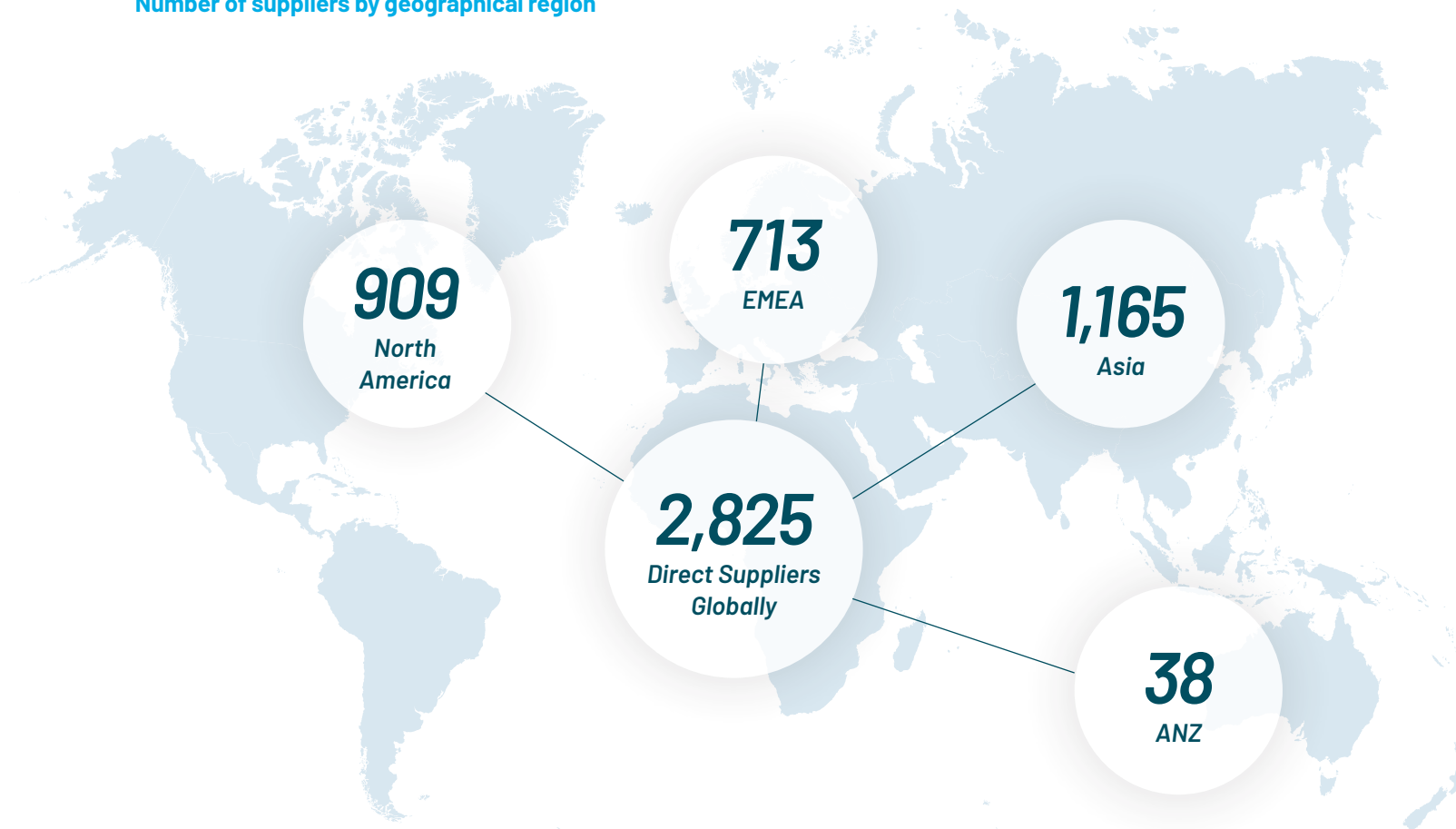
with the principles of the International Organization for Standardization (ISO) standards in place. Our stringent standards on modern slavery and human trafficking must also be consistently followed, especially our no tolerance of child and forced labor.

Supply Chain Governance: Social and Environmental Compliance and Auditing

To ensure ESG practices of potential partners are aligned with our policies and global standards we utilize the Social & Environmental Responsibility (SER) Compliance Program and auditing function. The SER's purpose is to provide a universal standard reference on compliance with the National Environmental Policy Act (NEPA) and related federal laws, executive orders, regulations, and policies. The SER Compliance Program includes periodic audits of internal controls for managing corruption, conducted either by our internal audit team or by external third-party auditors. These audits provide assurance that robust processes are being followed and help to ensure the integrity of our organization.

Prior to beginning a supplier engagement, an audit is conducted in which the potential supplier must meet the minimum threshold to begin a working relationship with us. Suppliers are then subjected to

Key Compliance Policies Accessible to Suppliers

All global suppliers are made aware of the below key policies that are available across markets in local languages.

● ENVIRONMENT ● SOCIAL AND COMMUNITY ● GOVERNANCE

	Business Partner Code of Conduct
	Anti-Corruption Policy
	Policy Against Modern Slavery and Human Trafficking
	Conflict Minerals Policy
	Cobalt Procurement Policy
	Social & Environmental Responsibility (SER) Compliance Program

Social & Environmental Responsibility Audits

The following table provides detail on some of the key criteria assessed through the SER audits.

- **Governance** – Ethics and anti-corruption

- **Social standards** – Human rights, labor laws related to hiring, working hours, wages and benefits, health and safety standards based on the fundamental principles of the International Labour Organization (ILO)

- **Environmental standards** – Chemical management, pollution monitoring, hazardous substance management, including the prohibition and/or declaration of substances in products, compliance with ISO 14001 or other environmental management system requirements and waste management

- **Factory security** – Regulations on health and safety, including fire safety, first aid, hygiene management, accident/injury and hazards control mechanisms, factory personnel protection

Focus on Human Rights: Along with SER audits, suppliers must respond to surveys about their compliance with our Business Partner Code of Conduct and the Policy Against Modern Slavery and Human Trafficking.

Responsible Supply Chain Management

Sustainability is a key part of our supply chain management efforts.

Requirements	Assessment and Audit	Corrective Action Plans	Training and Development
Sustainability considerations are set in our BPCoC, policies, contractual documents and purchase order terms and conditions	Online assessment conducted through our supply chain compliance tools and platforms and onsite audits and verification, complaint resolution system and sanctioned list	Corrective actions required for any identified non-conformity, followed by termination of the relationship if critical non-conformity is not resolved with engagement of local organizations for support	In person training, and reassessment by our teams to develop and train suppliers online through our own platform or through external organizations

audits every 12 to 18 months to ensure continued compliance. If an instance of non-compliance is detected, we initiate a Corrective Action Plan (CAP) to be completed. For those with CAPs in place, results are shared, and we work with them to implement corrective measures. For suppliers with CAPs, more frequent audits and trainings are required. The supplier relationship will be terminated if major compliance issues are not corrected to meet set standards.

Our Social & Environmental Responsibility (SER) Compliance Program engages suppliers across markets. This program includes audits that are either conducted by third-party auditors or our SER compliance, quality, and sourcing teams. In addition, certified auditors from organizations such as the Responsible Business Alliance (RBA) and SEDEX help us to improve working conditions in our global supply chains. The results of these audits can be shared with other members of these organizations to enhance collective knowledge in the field.

We supplement our audits by having our suppliers acknowledge acceptance of key requirements and policies through our Online Compliance Platform. This Platform allows us to assess and monitor supplier performance and any associated risks. Supplier risk assessments are typically conducted once a year. The Corruption Index, the Human Development Index, and other mapping resources are what we utilize as guides to assess risk. These resources are readily available to us through our various memberships and partnerships such as Mekong Club, RBA, and Better Mining. More information on our partnerships can be found on p.112.

The SER assessments cover a range of topics, from Occupational Health and Safety to Ethics and Environmental Protection, however, human rights are our key focus. Suppliers are required to acknowledge our Policy Against Modern Slavery and Human Trafficking and are requested to complete a modern slavery survey. The survey enables us to assess potential risks on an annual basis before engaging suppliers. These assessments are thoroughly reviewed, and additional in-person audits are conducted by the SER compliance, quality, and sourcing teams or external auditors as needed. A supplier scorecard is used to assess both new suppliers and existing partners on a regular basis.

⊙ KEY INITIATIVES AND PROGRESS

- In total, we worked with 2,825 direct suppliers.

- During the reporting period, 592 supplier audits were conducted and as a result, 17 suppliers were required to carry out corrective action plans.

Reporting Violations

In the matter of reporting violations, TTI has a third-party-operated compliance hotline for suppliers and business partners to report violations of our policies, ethical concerns, or any ESG concerns. Complaints are taken seriously, and actively investigated with appropriate remedial measures taken as needed. Details on our management of complaints and corrective measures, including for suppliers and other business partners, can be found in the Ethics and Integrity section on p.102.

> ◉ **KEY INITIATIVES AND PROGRESS**
>
> There were no complaints reported by our suppliers.

Responsible Mineral Procurement

Implementing responsible mineral procurement practices is a top priority, especially due to the amount of minerals that are contained in our products, electronic components, and batteries. We conduct assessments of our suppliers. To facilitate our adoption of best practices, we've included the risk analysis of our procurement process and active participation in industry partnerships. More information is outlined in our Conflict Minerals Policy and Cobalt Procurement Policy. In these policies, we mention how all the tantalum, tin, tungsten or gold (3TG), and cobalt we use must be sourced from reputable mines, or from sources that are working to be certified as conflict-free organizations, such as the Responsible Mineral Initiative (RMI). Suppliers must acknowledge and implement these policies and complete our Conflict Minerals and Cobalt Reporting Templates annually to provide details about their sources. Through our online SER compliance platform, we review the data and provide our relevant sourcing leaders with reports. These reports are also made readily available to our customers upon request.

Our efforts to source responsibly and protect human rights have become more extensive through partnerships with global social responsibility organizations such as the Responsible Business Alliance (RBA) and The Mekong Club. With RBA, we are involved with several programs, including the Responsible Labor Initiative (RLI). This program enables us to participate in a collaborative, cross-industry approach to address the root causes of forced labor. Resources such as Reasonable Country of Origin (RCOI), which is data that is verified through the Responsible Minerals Assurance Process (RMAP), are made readily available to us because of our collaborations. RMAP is an online smelter platform that identifies high-risk areas. Our industry collaborations with groups like RBA have also led to engagement in community impact programs such as the Better Mining initiative. The Better Mining initiative is a mineral agnostic assurance and capacity-building program that improves conditions on and around artisanal and small-scale mining (ASM) sites. The RLI also provides specialized services and tools to establish company-level due diligence programs.

We are proud to partner with Better Mining and over the past year the program has expanded its presence in the cobalt sector, with 11 artisanal mine sites under permanent monitoring by Better Mining field agents. The program has also seen positive changes through local capacity building and collaborating with the United Nations Children's Fund (UNICEF) to develop a toolkit for mitigating child labor in ASM communities.

Sustainable risk management has been a central focus of Better Mining in the past year. Mining communities are integral to the program's commitment to enhancing the capacity of cooperatives and other ASM actors to adopt responsible practices and make an impact in global value chains. During 2022, Better Mining observed and recorded a substantial increase in the capacity of local ASM actors to manage risks on mine sites. This trend was evident, particularly among mature mine sites in the program, which have maintained a risk management implementation rate of over 86% for the past year. This positive outcome can be attributed to initiatives such as the provision of waterproofing materials and equipment by mining cooperatives to workers ahead of the rainy season, leading to the protection of underground pits and a noticeable reduction in risks such as accidents or injuries.

The consultation process, conducted by UNICEF and RCS Global, involved engagement with 68 stakeholders across the mineral supply chain, including civil society, communities, government, and the private sector. The toolkit was developed based on these consultations and has been piloted at two selected sites. During the testing of the toolkit, best practices were implemented, and activities involved awareness campaigns at local schools, leveraging funds to place children who were victims of sexual violence back into schools, increasing security at mine site entrances and creating child labor mitigation plans with other neighboring mining operators.

As a founding partner in Better Mining's program, we have supported RCS Global, a leader in responsible sourcing and driver of better practices in ASM operations since December 2020. The Better Mining monitoring program ultimately improves the sustainable practices of the mines, thereby enhancing the socio-economic conditions of the wider community. Through expansion to new mine sites, Better Mining builds and scales improvements in the ASM delivering sector-wide improvements.

> ◉ **KEY INITIATIVES AND PROGRESS**
>
> - In 2022, 1243 suppliers were surveyed on conflict minerals and 90 suppliers were surveyed on cobalt.
> - There were no high-risk concerns identified in our Conflict Minerals and Cobalt Procurement Campaigns.
> - Of the smelters identified in the Conflict Minerals Campaign, 15.8% indicated sourcing from the Democratic Republic of Congo (DRC) and 92.5% were conflict-free certified or actively working towards certification.
> - One smelter in our separately run Cobalt Procurement Campaign indicated sourcing from the DRC but is certified conflict-free.
> - 96.2% of the smelters identified in the Campaign were either certified or actively working towards certification.
> - US$20,000 was donated to Better Mining in 2022.

Performance Metrics

Consolidation of Sustainability Data

Environmental KPIs*

Indicators	2022	2021	Change %	Unit
Emissions				
Total Scope 1 & 2 GHG Emissions	**175,276**	181,634	**-4%**	tCO$_2$e
Total Scope 1 & 2 GHG Emission Intensity	**13.22**	13.76	**-4%**	tCO$_2$e per sales revenue (US$ million)
Scope 1 Emissions by Region				
Americas	**36,726**	24,307	**51%**	tCO$_2$e
ANZ	**2,556**	2,627	**-3%**	tCO$_2$e
Asia	**3,116**	4,198	**-26%**	tCO$_2$e
EMEA	**11,034**	8,203	**35%**	tCO$_2$e
Scope 1 Emissions by Activity				
Facilities	**10,836**	9,600	**13%**	tCO$_2$e
Fleet	**40,390**	25,288	**60%**	tCO$_2$e
Refrigerants	**2,207**	4,447	**-50%**	tCO$_2$e
Scope 2 Emissions by Region				
Americas	**43,486**	57,557	**-24%**	tCO$_2$e
ANZ	**1,775**	2,079	**-15%**	tCO$_2$e
Asia	**73,191**	75,023	**-2%**	tCO$_2$e
EMEA	**3,392**	7,640	**-56%**	tCO$_2$e
Energy Consumption				
Total Energy Consumption	**488,379,909**	422,224,158	**16%**	kWh
Total Energy Consumption Intensity	**36,848**	31,979	**15%**	kWh per sales revenue (US$ million)
Electricity (Grid)	**293,984,876**	274,231,188	**7%**	kWh
Electricity (Non-Grid)	**96,290**	4,270	**–**	kWh
Fuel	**194,298,743**	147,988,700	**31%**	kWh
Fuel by Activity				
Mobile Sources	**129,357,680**	89,105,904	**45%**	kWh
Air Business	**32,203,495**	21,094,205	**53%**	kWh
Marine Business	**104,893**	257,485	**-59%**	kWh
Road Business	**97,049,292**	67,754,214	**43%**	kWh
Stationary Sources	**64,941,063**	58,882,796	**10%**	kWh

Indicators	2022	2021	Change %	Unit
Water Stewardship				
Total Water Consumption	**344,771**	431,726	**-20%**	m³
Total Water Consumption Intensity	**26.01**	32.70	**-20%**	m³ per sales revenue (US$ million)
Withdrawal	**1,518,624**	1,722,562	**-12%**	m³
Discharge	**1,173,853**	1,290,836	**-9%**	m³
Recycled	**224,435**	252,066	**-11%**	m³
Water Consumption by Region				
Americas	**43,600**	31,812	**37%**	m³
ANZ	**1,015**	3	**–**	m³
Asia	**299,046**	399,481	**-25%**	m³
EMEA	**1,110**	430	**–**	m³
Water Consumption by Nature of Business				
Manufacturing	**322,087**	399,477	**-19%**	m³
Distribution	**14,404**	18,033	**-20%**	m³
Offices	**1,852**	11,096	**-83%**	m³
Service Centers	**75**	2	**–**	m³
Other	**6,353**	3,117	**–**	m³
Water Withdrawal Source by Region				
Americas				
Municipal Supply	**269,573**	247,919	**9%**	m³
Ground Water	**3,271**	12,794	**-74%**	m³
Surface Water	**11,817**	–	**–**	
ANZ				
Municipal Supply	**7,121**	6,803	**5%**	m³
Asia				
Municipal Supply	**1,214,381**	1,440,968	**-16%**	m³
Ground Water	**–**	329	**-100%**	m³
Surface (Freshwater)	**–**	162	**-100%**	m³
EMEA				
Municipal Supply	**12,461**	13,587	**-8%**	m³

Consolidation of Sustainability Data (continued)

Environmental KPIs^ (continued)

Indicators	2022	2021	Change %	Unit
Waste Management				
Total Waste	**63,674**	65,208	**-2%**	Tonnes
Total Waste Intensity	**4.80**	4.94	**-3%**	Tonnes per sales revenue (US$ million)
Hazardous Waste	1,261	1,177	7%	Tonnes
Hazardous Waste Intensity	0.10	0.09	7%	Tonnes
Non-Hazardous Waste	62,413	64,031	-3%	Tonnes
Non-Hazardous Waste Intensity	4.71	4.85	-3%	Tonnes
Waste by Category				
Hazardous Waste				
Carbon	14	23	-37%	Tonnes
Oils/Fluids/Solvents	354	440	-19%	Tonnes
Resin/Glue	32	21	48%	Tonnes
WEEE (Waste of Electrical Equipment)	861	693	24%	Tonnes
Non-Hazardous Waste				
Cartons	379	3,440	-89%	Tonnes
Cement	3,032	980	209%	Tonnes
Commercial and Industrial	3,105	3,945	-21%	Tonnes
Construction	1,514	557	172%	Tonnes
Dry Mixed Recyclables	1,263	540	134%	Tonnes
Food and Drink	22	19	12%	Tonnes
Garden	4	5	-22%	Tonnes
General	7,370	7,689	-4%	Tonnes
Gypsum	467	507	-8%	Tonnes
Metal	15,091	16,738	-10%	Tonnes
Packaging	101	70	44%	Tonnes
Pallets and Wood	6,125	8,509	-28%	Tonnes
Paper and Cardboard	21,295	18,948	12%	Tonnes
Plastic	2,623	2,056	28%	Tonnes
Textiles	22	27	-20%	Tonnes
Waste by Treatment				
Hazardous Waste				
Landfill	0	5	-100%	Tonnes
Recycled	569	839	-32%	Tonnes
Combustion (with Energy Recovery)	101	330	-69%	Tonnes
Anaerobic Digestion	–	1	-100%	Tonnes
Other	592	0	–	Tonnes
Non-Hazardous Waste				
Landfill	9,886	9,003	10%	Tonnes
Recycled	50,076	51,220	-2%	Tonnes
Combustion (with Energy Recovery)	1,376	3,793	-64%	Tonnes
Other	1,078	12	–	Tonnes

Indicators	2022	2021	Change %	Unit
Recycled Waste				
Total Recycled Waste	**54,458**	54,223	**0%**	Tonnes
Hazardous	**993**	668	**49%**	Tonnes
Non-Hazardous	**53,465**	53,555	**-0%**	Tonnes
Waste by Category				
Hazardous Waste				
Oils/Fluids/Solvents	275	354	-22%	Tonnes
WEEE	719	314	129%	Tonnes
Non-Hazardous Waste				
Cartons	3	–	–	Tonnes
Cement	3	–	–	Tonnes
Commercial and Industrial	1,577	3,962	-60%	Tonnes
Construction	262	507	-48%	Tonnes
Dry Mixed Recyclables	20,847	18,559	12%	Tonnes
Gypsum	3,033	980	209%	Tonnes
Metal	3,106	3,945	-21%	Tonnes
Packaging	317	35	803%	Tonnes
Pallets and Wood	1,343	587	129%	Tonnes
Paper and Cardboard	26	24	5%	Tonnes
Plastic	22,928	24,933	-8%	Tonnes
Textiles	21	23	-5%	Tonnes

Packaging

Packaging Consumption (Including Paper for Instruction Manuals)	2022	2021	Change %	Unit
Packaging material used for finished products	69,598	72,913	-5%	Tonnes
Total weight of recycled materials used in packaging	41,769	64,518	-35%	Tonnes

* Historical data has been restated to include additional data not included. The impact of these restatements is immaterial (<2% understatement).

^ 2021 waste data has been restated due to inclusion of additional data.

Consolidation of Sustainability Data (continued)

Workforce KPIs

Indicators	2022 Number	% of Total	2021 Number	% of Total
Employment				
Total Number of Employees	**44,900**	**–**	51,598	–
By Gender				
Female	**14,938**	**33.3%**	17,320	33.6%
Male	**29,944**	**66.7%**	34,264	66.4%
Non-Binary	**18**	**0.0%**	14	0.0%
By Age Group				
18-20	**1,528**	**3.4%**	1,814	3.5%
21-30	**17,942**	**40.0%**	21,969	42.6%
31-40	**13,647**	**30.4%**	15,789	30.6%
41-50	**7,836**	**17.5%**	8,288	16.1%
51-60	**3,205**	**7.1%**	3,035	5.9%
60+	**742**	**1.7%**	703	1.4%
By Region				
Americas	**16,494**	**36.7%**	17,386	33.7%
ANZ	**1,228**	**2.7%**	982	1.9%
Asia	**23,989**	**53.4%**	30,435	59.0%
EMEA	**3,189**	**7.1%**	2,795	5.4%
Permanent and Temporary by Gender				
Females				
Permanent	**13,292**	**89.0%**	15,515	89.6%
Temporary	**1,646**	**11.0%**	1,805	10.4%
Males				
Permanent	**27,505**	**91.9%**	31,090	90.7%
Temporary	**2,439**	**8.1%**	3,174	9.3%
Non-Binary				
Permanent	**18**	**100.0%**	12	85.7%
Temporary	**–**	**0.0%**	2	14.5%
Permanent and Temporary by Region				
Americas				
Permanent	**16,231**	**98.4%**	17,236	99.1%
Temporary	**263**	**1.6%**	150	0.9%
ANZ				
Permanent	**1,228**	**100.0%**	977	99.5%
Temporary	**–**	**0.0%**	5	0.5%

Indicators	2022 Number	% of Total	2021 Number	% of Total
Permanent and Temporary by Region (continued)				
Asia				
Permanent	**20,369**	**84.9%**	25,745	84.6%
Temporary	**3,620**	**15.1%**	4,690	15.4%
EMEA				
Permanent	**2,987**	**93.7%**	2,659	95.1%
Temporary	**202**	**6.3%**	136	4.9%
Full-Time and Part-Time by Gender				
Females				
Full-Time	**14,836**	**99.3%**	17,194	99.3%
Part-Time	**102**	**0.7%**	130	0.8%
Males				
Full-Time	**29,851**	**99.7%**	34,219	99.9%
Part-Time	**93**	**0.3%**	42	0.1%
Non-Binary				
Full-Time	**18**	**100.0%**	14	99%
Part-Time	**–**	**0.0%**	–	0%
Full-Time and Part-Time by Region				
Americas				
Full-Time	**16,439**	**99.7%**	17,331	99.7%
Part-Time	**55**	**0.3%**	55	0.3%
ANZ				
Full-Time	**1,202**	**97.9%**	963	98.1%
Part-Time	**26**	**2.1%**	19	1.9%
Asia				
Full-Time	**23,979**	**100.0%**	30,429	100.0%
Part-Time	**10**	**0.0%**	6	0.0%
EMEA				
Full-Time	**3,085**	**96.7%**	2,703	96.7%
Part-Time	**104**	**3.3%**	92	3.3%

Notes:
1. This table includes workers employed as of Dec 31, 2022. This does not include employees departed before Dec 31, 2022.
2. Compiled using Age Group / Employee Contract Type /Employment Type as of Dec 31, 2022.
3. Only counted interns if employed as of Dec 31, 2022.

Consolidation of Sustainability Data (continued)

Workforce KPIs

Indicators	2022		2021	
	Number	**% of Total**	Number	% of Total
New Hires and Employee Turnover				
Total New Hires	**38,264**	**–**	57,067	–
By Gender				
Female	**11,541**	**30.2%**	16,690	29.2%
Male	**26,696**	**69.7%**	40,364	70.7%
Non-Binary	**27**	**0.1%**	13	0.0%
By Age Group				
18-20	**4,177**	**10.9%**	4,790	8.4%
21-30	**20,431**	**53.4%**	30,944	54.2%
31-40	**9,701**	**25.4%**	15,190	26.6%
41-50	**3,128**	**8.2%**	5,132	9.0%
51-60	**709**	**1.9%**	849	1.5%
60+	**118**	**0.3%**	162	0.3%
By Region				
Americas	**8,917**	**23.3%**	8,462	14.8%
ANZ	**510**	**1.3%**	346	0.6%
Asia	**27,718**	**72.4%**	47,148	82.6%
EMEA	**1,119**	**2.9%**	1,111	1.9%
Total Number of Employee Departures	**44,962**	**–**	53,760	–
By Gender				
Female	**13,928**	**31.0%**	16,144	30.0%
Male	**31,011**	**69.0%**	37,613	70.0%
Non-Binary	**23**	**0.1%**	3	0.0%
By Age Group				
18-20	**4,787**	**10.6%**	4,372	8.1%
21-30	**23,850**	**53.0%**	29,194	54.3%
31-40	**11,661**	**25.9%**	14,638	27.2%
41-50	**3,829**	**8.5%**	4,754	8.8%
51-60	**740**	**1.6%**	611	1.1%
60+	**95**	**0.2%**	191	0.4%
By Region				
Americas	**9,809**	**22%**	7,148	13.3%
ANZ	**264**	**0.6%**	166	0.3%
Asia	**34,164**	**76.0%**	45,934	85.4%
EMEA	**725**	**1.6%**	512	1.0%

Indicators	2022		2021	
	New Hire Rate	**Turnover Rate**	New Hire Rate	Turnover Rate
New Hire and Turnover Rates	**79%**	**93%**	114%	108%
By Gender				
Female	**72%**	**86%**	96%	96%
Male	**83%**	**97%**	114%	114%
Non-Binary	**169%**	**144%**	29%	29%
By Age Group				
18-20	**250%**	**286%**	173%	173%
21-30	**102%**	**120%**	133%	133%
31-40	**66%**	**79%**	93%	93%
41-50	**39%**	**47%**	57%	57%
51-60	**23%**	**24%**	20%	20%
60+	**16%**	**13%**	27%	27%
By Region				
Americas	**53%**	**58%**	49%	49%
ANZ	**46%**	**24%**	43%	19%
Asia	**102%**	**126%**	144%	144%
EMEA	**37%**	**24%**	20%	20%

Notes:
1. Updated New Hire and Turnover Rate to be based on a 2-year average, instead of current year headcount.

Consolidation of Sustainability Data (continued)

Workforce KPIs (continued)

Indicators	2022	2021
Diversity		
Percentage of Employees by Gender and Employment Category		
C-Suite	**6**	6
Female	**17%**	17%
Male	**83%**	83%
Non-Binary	**0%**	0%
Director or Above	**780**	825
Female	**18%**	18%
Male	**82%**	82%
Non-Binary	**0%**	0%
Managerial	**4,341**	4,612
Female	**26%**	28%
Male	**74%**	72%
Non-Binary	**0%**	0%
General Employee	**39,773**	46,155
Female	**34%**	34%
Male	**66%**	66%
Non-Binary	**0%**	0%
By Management Role		
Total Employees in Management	**5,127**	5,439
Percentage of Females in Management	**25%**	27%

Notes:
1. If employees change job category throughout year, use job category as of Dec 31.
2. Only count interns in this statistic if employed at Dec 31, 2022.

Return to Work and Retention after Parental Leave

Indicators	2022		2021	
	Number	**% of Total**	Number	% of Total
Number of Employees Entitled to Parental Leave	**41,842**		33,378	
Female	**14,440**	**97%**	12,389	72%
Male	**27,385**	**91%**	20,984	61%
Non-Binary	**17**	**94%**	5	35%
Number of Employees with Parental Leave Qualified Activity	**1,848**		1,509	
Female	**651**	**4%**	531	3%
Male	**1,197**	**4%**	978	3%
Non-Binary	**–**	**0%**	–	0%
Number of Employees who Took Parental Leave	**1,046**		875	
Female	**462**	**3%**	352	2%
Male	**584**	**2%**	523	2%
Non-Binary	**–**	**0%**	–	0%
Number and Rate of Employees who Returned from Parental Leave	**881**		783	
Female	**354**	**77%**	306	87%
Male	**527**	**90%**	477	91%
Non-Binary	**–**	**0%**	–	0%
Number and Rate of Employees Retained 12 Months after End of Parental Leave	**647**		506	
Female	**245**	**69%**	174	91%
Male	**402**	**76%**	332	89%
Non-Binary	**–**		–	

Notes:
1. Only Employees Taking Leave in 2021 and Returning in 2022 were utilized in Retention Calculations.
2. Total Number of Employees Entitled to Parental Leave are those covered by an organizational or government policy to take Job-protected Parental Leave in event of birth or adoption of child. Included in this for example would be employees covered under the United States Family and Medical Leave Act (FMLA).
3. Total Number of Employees with Parental Leave Qualified Activity during Year are employees who had a qualifying event take place such as a birth or adoption of a child during the year.

Consolidation of Sustainability Data (continued)

Workforce KPIs (continued)

Indicators	2022	2021
Training and Development		
Total Number of Hours of Training Received by Employees	**541,815**	472,157
Average Hours of Training per Employee	**12.1**	9.2
By Gender		
Female	**10.7**	10.3
Male	**12.3**	8.6
Non-Binary	**–**	–
By Employment Category		
C-Suite	**1.9**	–
Director or Above	**11.3**	5.1
Managerial	**16.5**	10.9
General Employee	**11.3**	8.5
Percentage of Employees Receiving Training – E-Learning	**56%**	29%
By Gender		
Female	**52%**	29%
Male	**58%**	29%
Non-Binary	**0%**	0%
By Employment Category		
C-Suite		
Director or Above	**74%**	63%
Managerial	**74%**	55%
General Employee	**47%**	25%

Indicators	2022	2021
Percentage of Employees Receiving Training – Other Training	**78%**	51%
By Gender		
Female	**69%**	53%
Male	**82%**	51%
Non-Binary	**0%**	0%
By Employment Category		
C-Suite		
Director or Above	**59%**	40%
Managerial	**71%**	51%
General Employee	**50%**	52%
Percentage of Employees Receiving Formal Performance Review	**58%**	49%
By Gender		
Female	**58%**	51%
Male	**58%**	48%
Non-Binary	**94%**	50%
By Employment Category		
C-Suite		
Director or Above	**87%**	84%
Managerial	**85%**	88%
General Employee	**55%**	45%

Notes:
1. All training hours and numbers of all employees, including departed and interns.
2. E-Learning Training include Learn TTI and other forms of online training (if applicable).
3. This table includes workers who received a Performance and/or Career Development Review during 2022, and remained employed as of Dec 31, 2022. It does not include employees leaving the company / dismissed before Dec 31.
4. If employees change employment category throughout year, use employment category as of Dec 31.

Consolidation of Sustainability Data (continued)

Workforce KPIs (continued)

Indicators	2022	2021
Occupational Health & Safety		
Total Number of Hours Worked	**93,836,439**	108,792,274
Total Number of Work Days Lost due to Work Injuries	**6,706**	5,955
Total Number of Recordable Injuries	**449**	475
By Type of Recordable Work Injury		
Injuries from contact with objects/equipment	**221**	190
Injuries from exposure to harmful substance or environments	**11**	10
Injuries from overextention/muscle strains	**111**	114
Injuries from slips, trips, and falls	**63**	41
Injuries from vehicles related accidents	**34**	17
Injuries from violence/injuries caused by persons/animals	**1**	4
Injuries from other causes	**8**	99
Rate of Recordable Work-Related Injuries	**0.96**	0.87
Total High Consequences Injuries	**24**	25
By Type of Recordable High Consequence Work Injury		
Injuries from contact with objects/equipment	**14**	13
Injuries from exposure to harmful substance or environments	**–**	–
Injuries from overextention/muscle strains	**4**	3
Injuries from slips, trips, and falls	**4**	2
Injuries from vehicles related accidents	**2**	2
Injuries from violence/injuries caused by persons/animals	**–**	–
Injuries from other causes	**–**	5
Rate of Recordable Work-Related Injuries	**0.05**	0.05
Indicators		
Number of Employee Fatalities due to Work-Related Injuries	**–**	–
Employee Fatality Rate	**0.00%**	0.00%

Indicators	2022	2021
Cases of Work-Related Ill Health		
Employees	**11**	168
External Workers	**–**	56
Number of Fatalities due to Work-Related Ill Health		
Employees	**–**	–
External Workers	**–**	–

Notes:
1. Total Hours Worked include total gross hours by all employees during 2022 (Assume 2080 hours for salaried + additional hourly logged hours).
2. Total Hours Worked includes time worked by employees departed during 2022.
3. Total Hours Worked includes Intern hours.
4. High consequence injuries are those from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture with complications).
5. Include injuries as a result of commuting incidents only where transport has been organized by the organization (business-use travel).
6. In reporting on ill Health purposes, external Workers are those who are not employees but whose work and/or workplace is controlled by the organization (most typically those who are working on our premises). Common examples include construction workers and independent contractors.
7. COVID-19 not included as a recordable case of Work-Related ill health.
8. Rates have been calculated using 200,000 hours worked normalization factor.
9. Adhering to GRI Standards, 2021 fatality has been removed due to the cause being a commuting accident and not work-related

Legend and List of Business Units Under Each Region

Region/Name of Business Division	Abbreviation	Country/Location
Asia		
Techtronic Industries (Dongguan) Company Limited	TTI AIP	Dongguan, PRC
Techtronic Asia Company Limited	TTI HK	Hong Kong
Techtronic Industries Company Limited	TTI HK	Hong Kong
Techtronic Industries Korea LLC	TTI Korea	Korea
Techtronic Cordless GP – Sucursal De Macau	TTI Macau	Macau
Techtronic Power Tools (M) Sdn Bhd	TTI Malaysia	Malaysia
Techtronic Product Development Limited Philippines Branch Office	TTI Philippines	Philippines
Techtronic Trading (Shanghai) Limited	TTI Shanghai	Shanghai, PRC
Techtronic Industries (Taiwan) Company Limited	TTI Taichung	Taichung, Taiwan
Techtronic Tools Limited Taiwan Branch	TTI Taipei	Taipei, Taiwan
Techtronic Industries (Thailand) Limited	TTI Thailand	Thailand
Milwaukee Tool (Vietnam) Company Limited	TTI Vietnam	Vietnam
Techtronic Tools (Vietnam) Company Limited	TTI Vietnam	Vietnam
Techtronic Products (Vietnam) Company Limited	TTI Vietnam	Vietnam
Techtronic Industries Company Pte. Ltd.	TTI Singapore	Singapore
TTI Singapore Pte. Ltd.	TTI Singapore	Singapore
PT Milwaukee Tool Indonesia	TTI Indonesia	Indonesia
Milwaukee Tool Japan GK	TTI Japan	Japan
Techtronic Industries Vietnam Manufacturing Co Ltd	TTI Vietnam Manufacturing	Vietnam
Techtronic Industries (Zhuhai) Company Limited	TTI Zhuhai	Zhuhai, PRC
ANZ		
Techtronic Industries Australia Pty Limited	TTI ANZ	Australia
Techtronic Industries N.Z. Limited	TTI ANZ	New Zealand

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RIDGID is a registered trademark of Ridgid Inc., and is licensed for manufacture.
RYOBI is a registered trademark of Ryobi Limited, and is used under license.

Region/Name of Business Division	Abbreviation	Country/Location
Americas		
Techtronic Industries Canada, Inc.	TTI Canada	Canada
Techtronic Industries Mexico, A.A. de C.V.	TTI Mexico	Mexico
Techtronic Industries Co. Mexico, S. De R. L. de C. V.	TTI Mexico	Mexico
DreBo America Inc.	DreBo US	North America
Milwaukee Electric Tool Corporation	Milwaukee Tool	North America
TTI Floor Care North America	TTI FC	North America
Techtronic Industries North America, Inc.	TTI NA	North America
TTI Outdoor Power Equipment, Inc.	TTI PE	North America
Hart Consumer Products, Inc.	Hart	North America
Techtronic Cordless GP	TCGP	North America
TTI Consumer Power Tools, Inc.	TTI CPT	North America
EMEA		
Techtronic Industries Central Europe GmbH	TTI Central Europe	Germany
Techtronic Industries Manufacturing CZ s.r.o.	TTI CZ	Czech Republic
Techtronic Industries Eastern Europe Sp. z o.o.	TTI Eastern Europe	Eastern Europe
Techtronic Industries France SAS	TTI France	France
DreBo Werkzeugfabrik GmbH	DreBo Germany	Germany
Techtronic Industries ELC GmbH	TTI ELC	Germany
Techtronic Industries GmbH	TTI GMBH	Germany
Techtronic Industries Italia SRL	TTI Italia	Italy
Techtronic Industries Nordic Aps	TTI Nordic	Nordic
Techtronic Industries Iberia SL	TTI Iberia	Spain
Techtronic Industries Switzerland AG	TTI Switzerland	Switzerland
Techtronic Industries Middle East and Africa FZCO	TTI MEA	United Arab Emirates
Techtronic Industries EMEA ltd	TTI UK	United Kingdom
Techtronic Industries (UK) Limited	TTI UK	United Kingdom
Vax Limited	VAX UK	United Kingdom

HKEX ESG Guide Content Index

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Environment				
Aspect A1: Emissions				
General Disclosure	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		Environmental Management Climate Change Resources, Materials & Waste	38-41 44-51 52-57
KPI A1.1	The types of emissions and respective emissions data.		Environmental Management Climate Change Performance Metrics	38-41 44-51 114-117
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Climate Change Performance Metrics	44-51 114
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Resources, Materials & Waste Performance Metrics	52-57 116
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Resources, Materials & Waste Performance Metrics	52-57 116
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.		Environmental Management Climate Change Sustainable Products	38-41 44-51 28-35
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		Resources, Materials & Waste	52-57

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Aspect A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Environmental Management Climate Change Resources, Materials & Waste	38-41 44-51 52-57
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Detailed target(s) for energy use efficiency not finalized yet.	Performance Metrics	114
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		Performance Metrics	115
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		Climate Change	44-51
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		Resources, Materials & Waste	52-57
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Performance Metrics	117
Aspect A3: The Environment and Natural Resources				
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Environmental Management Climate Change Resources, Materials & Waste	38-41 44-51 52-57
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		Environmental Management Climate Change Resources, Materials & Waste	38-41 44-51 52-57

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Aspect A4: Climate Change				
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Environmental Management	38-41
			Climate Change	44-51
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		Environmental Management	38-41
			Climate Change	44-51
Social – Employment and Labor Practices				
Aspect B1: Employment				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Social & Community	60-75
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.		Talent Attraction & Engagement	68-69
			Performance Metrics	118-119
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		Performance Metrics	120-121
Aspect B2: Health and Safety				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Social & Community	60-75

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		Performance Metrics	126-127
KPI B2.2	Lost days due to work injury.		Performance Metrics	126-127
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		Health, Safety & Wellbeing	70-73
Aspect B3: Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Talent Attraction & Engagement	68-69
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.			
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Performance Metrics	124-125
KPI B3.2	The average training hours completed per employee by gender and employee category.		Performance Metrics	124-125
Aspect B4: Labor Standards				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Ethics & Integrity	102-107
			Empowering People	64-69
			Supply Chain Accountability	108-113
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.		Empowering People	64-69
			Supply Chain Accountability	108-113
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		Empowering People	64-69
			Ethics & Integrity	102-107
			Supply Chain Accountability	108-113

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
Social – Operating Practices				
Aspect B5: Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain.		Supply Chain Accountability	108-113
KPI B5.1	Number of suppliers by geographical region.		Supply Chain Accountability	108-113
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		Supply Chain Accountability	108-113
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		Supply Chain Accountability	108-113
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		Supply Chain Accountability	108-113
Aspect B6: Product Responsibility				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Sustainable Products Health, Safety & Wellbeing Governance	28-35 70-73 82-99
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosure on number of products recalled	Sustainable Products SASB Content Index	28-35 161
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	During the reporting period, there were no substantive product or service related complaints received,	Sustainable Products Complaint Resolution	28-35 107
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		Data Protection & Cybersecurity Spotlight: Cybersecurity	106 100-101
KPI B6.4	Description of quality assurance process and recall procedures.		Sustainable Products	28-35

Item	Questions/Required Disclosure	Remarks	Report Section	Page No.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		Data Protection & Cybersecurity Spotlight: Cybersecurity	106 100-101
Aspect B7: Anti-corruption				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Ethics & Integrity	102-107
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No confirmed legal cases of corruption during the reporting period.	Ethics & Integrity	102-107
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		Ethics & Integrity	102-107
KPI B7.3	Description of anti-corruption training provided to directors and staff.		Ethics & Integrity	102-107
Social – Community				
Aspect B8: Community Investment				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Investment & Engagement	74-79
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).		Community Investment & Engagement	74-79
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		Community Investment & Engagement	74-79

GRI Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the SDGs.

Techtronic Industries has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.

Disclosure: Full (F)   Partial (P)   Omit (O)

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Universal Standards						
GRI 1: Foundation 2021						
GRI 2: General Disclosures 2021						
2-1	Organizational details	F	p.4	Techtronic Industries Company Limited	–	–
			p.4	Publicly held corporation		
			p.4	29/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong		
			p.5 p.128-129	TTI is a global organization. A list of countries in which TTI operates is included on p.128-129 of this report.		
2-2	Entities included in the organization's sustainability reporting	F	TTI Annual Report 2022 p.180-181 TTI ESG Report 2022 p.128-129 p.10	All entities included in TTI's Annual Report published simultaneously as this report are included in the GRI report. A consolidated list of material topics representing all Reporting Entities is included in our Materiality Assessment, updated in 2020 to establish an understanding of where the company is today by market standards for sustainability. We are leveraging the results of this assessment for updates to TTI's entire ESG strategy, including targets, programs and reporting approach.	–	–
2-3	Reporting period, frequency and contact point	F	p.5	TTI reports on a calendar year cycle; this GRI Report is for Year 2022 Fiscal year ending Dec 31, 2022. Annual reporting cycle. Sustainability Report Publication Date – April, 2023	–	–
			p.5	Financial Report Publication Date – April, 2023 ir@ttihq.com		
2-4	Restatements of information	F	p.114-129	2021 Emissions, Energy Consumption, Water Stewardship, and Waste Management metrics have been restated due to additional data found through our internal reviews. The impact of these restatements is less than 2% and has no effect on targets set.	–	–
2-5	External assurance	P	–	TTI's policy and practice with regard to seeking external assurance of the report is to engage an independent information management system provider to establish and maintain the company's data and information collection mechanism, including data extraction and review. In addition, internal controls over the integrity of the mechanisms and content, include management oversight, review and approval processes. This report is not externally assured	–	–
2-6	Activities, value chain and other business relationships	F	p.4	Power Tools, Accessories, Storage, Hand Tools, Outdoor Power Equipment, and Floorcare and Cleaning for do-it-yourself (DIY), professional and industrial users in the home improvement, repair, maintenance, construction, and infrastructure industries.	–	–
			p.4	The Company is a fast-growing world leader in Power Tools, Accessories, Storage, Hand Tools, Outdoor Power Equipment, and Floorcare and Cleaning for do-it-yourself (DIY), professional and industrial users in the home improvement, repair, maintenance, construction, and infrastructure industries. In 2022, TTI had worldwide sales of US$13.3 billion and over 44,000 employees.		

Item	Description-Disclosure Items	Page	Response	Reason for Omission	SDG
			The Company's products are manufactured using resins, ferrous and non-ferrous metals including, but not limited to, steel, zinc, copper, brass, aluminum and nickel. The Company also purchases components such as batteries, motors, and electronic components to use in manufacturing and assembly operations along with resin-based molded parts. The raw materials required are procured globally and generally available from multiple sources at competitive prices.		
			Power Equipment		
			The Power & Equipment segment is comprised of the Power Tools, Accessories, Storage, Hand Tools and Outdoor Power Equipment businesses. The segment sells its products to professional end users, distributors, independent dealers, retail consumers and industrial customers in a wide variety of industries and geographies. The majority of sales are distributed through retailers, including home centers, mass merchants, hardware stores, and retail lumber yards, as well as third-party distributors, independent dealers, and a direct sales force.		
			Floorcare & Cleaning		
			The Floorcare & Cleaning segment is comprised of the Cordless Cleaning and Carpet Washing & Spot Washing businesses. The segment sells its products to professional end users, distributors, independent dealers, retail consumers and industrial customers in a wide variety of industries and geographies. The majority of sales are distributed through retailers, including home centers, mass merchants, automotive stores, as well as third-party distributors, and independent dealers.		

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-7	Employees	P	p.118-127	See p.118-127 for Performance Metrics: Workforce KPIs	–	8, 10
				Omitting non-guaranteed hour employees breakdown due to data being unavailable.		
2-8	Workers who are not employees	P	p.118-127	See p.118-127 for Performance Metrics: Workforce KPIs	–	8
2-9	Governance structure and composition	F	p.82-99	The Board of Directors is designed to provide independent oversight of the company and management to establish and review progress on short-term and long-term strategy, risk, and culture; environmental, social, and governance oversight; and executive compensation. This framework ensures accountability to our shareholders through governance policies aligned with best practices.	–	5,16
				Audit Committee, Nomination Committee and Remuneration Committee. A member of the committee holds one Chair position maximum.		
				See the 'Corporate Governance Report' in the Annual Report on p.61-75 and the ESG Report on p.82-99		
2-10	Nomination and selection of the highest governance body	F	https://ir.ttigroup.com/assets/pdf/cg/nd.pdf	See the 'Corporate Governance Report' in the Annual Report on p.61-75 and the ESG Report on p.82-99 https://ir.ttigroup.com/assets/pdf/cg/nd.pdf	–	–
2-11	Chair of the highest governance body	F	p.82-99	The Executive Chairman of the Board of Directors is not a senior director at TTI	–	16

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-12	Role of the highest governance body in overseeing the management of impacts	F	p.82-99	See the 'Corporate Governance Report' in the Annual Report on p.61-75 and the ESG Report on p.82-99 We place a high priority on regular, year-round proactive engagement with our shareholders to better understand their perspectives about our Company and the market generally. Board composition and structure, risk management, human capital management, diversity and inclusion, the Company's plan to address climate change in its supply chain and through innovation and product design, and our executive compensation program. The feedback we received from shareholders was evaluated by management, and management and the director participants then shared feedback with the Board. Engagement with shareholders has enabled us to better understand our shareholders' priorities and evaluate and improve our governance practices. We continually incorporate shareholder feedback into the review of our governance practices, and we have clarified certain disclosures relating to our compensation program, among other matters, as a result of our engagement process See the 'Corporate Governance Report' in the Annual Report on p.61-75 and the ESG Report on p.82-99	–	16
2-13	Delegation of responsibility for managing impacts	F	p.82-99	See the 'Corporate Governance Report' in the Annual Report on p.61-75 and the ESG Report on p.82-99	–	–
2-14	Role of the highest governance body in sustainability reporting	F	p.5	TTI's previous Report was endorsed by the Board of Directors (the "Board") on March 2, 2022, as was this Report on March 1, 2023.	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-15	Conflicts of Interest	F	–	Acting in TTI's best interests and demonstrating loyalty to our Company is critical. If each of us acted out of our own self-interest to the detriment of the Company, or took a Company opportunity for personal gain, our Company would suffer. We would hurt our coworkers, shareholders, customers and communities. That is why we must be mindful of situations that could present a conflict between our personal interests (or the interests of our immediate family) and the interests of our Company, and if presented with such a situation, we must fully disclose the facts to a supervisor or the Legal Department & seek guidance on how to handle the situation. Conflicts of interest can also arise when we receive improper personal benefits as a result of our position at TTI. These can include: • Kickbacks • Lavish gifts • Payments • The use, loan or transfer of cash, goods or property • Interest in a business • Services It is not possible to list, in detail, all of the potential conflicts that may arise in the course of our work for TTI. This makes it all the more important to exercise caution and good judgment in entering into any business relationships, investments or activities that could interfere with TTI's operations or interests or influence our judgment or behavior in a way that favors our personal interests over those of the Company.	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-16	Communication of critical concerns	P	p.82-99	Our Audit Committee routinely discusses with management the Company's financial risk exposures and the steps management has taken to monitor and control such exposures, including cybersecurity risk, the Company's risk assessment and compliance policies. The Audit Committee regularly reviews compliance and disclosure control procedures, including related to cybersecurity policies, procedures and disclosure. The Committee also reviews our enterprise risk management process. Our Remuneration Committee oversees the operation of the Company's compensation programs to ensure that the compensation programs do not encourage unnecessary or excessive risk-taking. In addition, the full Board reviews the Company's risk management program and its efforts to mitigate risks to the Company from extraordinary liabilities or losses on at least an annual basis. The Board is committed to having individuals experienced in risk management on the Audit Committee and the Remuneration Committee, as well as on the full Board.	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-17	Collective knowledge of the highest governance body	P	p.82-99	To ensure all Directors are aware of the current trends in the commercial and regulatory environment in which the Company conducts its business, the Company provides regular updates, training and written materials to them on relevant laws, rules and regulations. In order to ensure that the Directors' contribution to the Board remains informed and relevant, the Directors are encouraged to participate in various professional development programs such as seminars, webcasts and relevant reading materials, especially in relation to compliance requirements to develop and refresh their knowledge and skills and the latest updates on relevant rules, regulations. All Directors participate in continuous professional development as set out in code provision C.1.4 of the Corporate Governance Code. According to the records of training provided by each Director to the Company, the training received by the Directors in 2022 is summarized in the table on p.86.	–	–
2-18	Evaluation of the performance of the highest governance body	P	p.82-99	Under our annual incentive award program, awards are typically earned or forfeited at the end of the performance year depending on the achievement of Revenue, Gross Profit, EBIT, Diluted EPS, and Total Shareholder Return performance goals.	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-19	Remuneration policies	P	p.82-99	The responsibilities of the Remuneration Committee include, but not limited to, developing and administering a fair and transparent procedure for setting policy on the overall human resources strategy of the Group and the remuneration of Directors and senior management of the Group, and determining their remuneration packages, on the basis of their merit, competence and qualifications, and having regard to individual performance, the Company's operating results and return to shareholders, and comparable market statistics. The Remuneration Committee makes recommendations to the Board on the remuneration packages of Executive Directors and senior management, including, without limitation, base salaries, benefits in kind, incentive payments and grants, and consults the Chairman and/or Chief Executive Officer for the proposals of other Executive Directors' remuneration packages. The Remuneration Committee also makes recommendations to the Board on the remuneration of Non-executive Directors and Independent Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations and with access to sufficient resources and professional advice if necessary.	–	–
2-20	Process to determine remuneration	P	p.82-99	The Group engages a global executive compensation consulting firm as an independent third party to assess the competitiveness of compensation of the Chairman, the CEO and other Executive Directors. The compensation packages of the Group's Executive Directors were assessed relative to similar positions at 20 peer companies operating in the same or adjacent industries. The consultant's assessment took into account the Group's absolute share price, financial and operational performance, as well as that performance relative to the peer companies.	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-21	Annual total compensation ratio	O	–	–	Information Unavailable: We are working on a consolidation process for the median salary (excluding our highest paid individual) and plan to report this metric in subsequent reports.	–
2-22	Statement on sustainable development strategy	F	p.2-3	See 'Vice Chairman's Letter' on p.2-3	–	–
2-23	Policy commitments	P	p.38-41	See 'Environmental Management' on p.38-41	–	16
			p.60-79	See 'Social and Community' on p.60-79		
			p.94-95	See 'Risk Management and Internal Controls' on p.94-95		
			p.98-99	See 'Oversight of Sustainability' on p.98-99		
			p.102-107	See 'Ethics and Integrity' on p.102-107		
2-24	Embedding policy commitments	P	p.64-69 p.102-107	Code of Ethics and Business Conduct, Anti-Trust and Competition, and Harassment Prevention, Anti-Discrimination, and Anti-Retaliation training, among others, are provided to employees and the content is regularly reviewed and updated. All employees have access to the LearnTTI platform where the trainings are available. Employees are encouraged to raise any concerns through multiple channels, including through the compliance hotline. Additional information regarding the Company's Human Capital programs and initiatives is available on p.102-107	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-25	Processes to remediate negative impacts	P	p.102-107	Our Company follows all applicable national, state, provincial and local employment laws designed to protect the rights of individuals. These include regulations on pay rates, overtime, occupational health and safety and equal employment opportunity. If you witness or experience discrimination or harassment in the workplace, or have concerns that employment laws are otherwise not being upheld, you should report them to your Supervisor or Human Resources Department. TTI does not permit retaliation, directly or indirectly, against anyone for reporting, in good faith, suspected violations of this Code.	–	–
2-26	Mechanisms for seeking advice and raising concerns	P	p.102-107	TTI welcomes proactive reporting of any compliance issues to improve our overall performance when it comes to sourcing responsibly. We have a third-party operated compliance hotline for suppliers and business partners to report violations of our policies, or any ESG concerns. We take complaints very seriously, actively investigate them and implement remediation measures as appropriate. Details on our management of complaints and corrective measures, including for suppliers and other business partners, can be found in the Ethics and Integrity section of this Report on p.102-107	–	16
2-27	Compliance with laws and regulations	F	p.86	No cases of non-compliance with environmental laws and/or regulations Content Index TTI has not identified any non-compliance with laws and/or regulations in the social and economic areas.	–	16
2-28	Membership associations	P	p.108-113 & p.74-79	See Supply Chain Accountability & Community Investment & Engagement section	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
2-29	Approach to stakeholder engagement	P	–	The percentage of total employees covered by collective bargaining agreements at TTI is 15%.	–	–
2-30	Collective bargaining agreements	P	p.65	We ensure that freedom of association and collective bargaining is also respected in accordance with local regulations within our operations and supply chain.	–	8

GRI 3: Material Topics 2021

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
3-1	Process to determine material topics	F	p.10	See Material Topics, Sustainable Products, Climate Change, Resources, Materials & Waste, Empowering People, Health, Safety & Wellbeing, Community Investment & Engagement, Ethics & Integrity and Supply Chain Accountability	–	–
			p.10	Materiality Assessment		
3-2	List of material topics	F	p.10	Materiality Assessment	–	–
			p.28-35	Sustainable Products		
			p.44-51	Climate Change		
			p.52-57	Resources, Materials, and Waste		
			p.64-69	Empowering People		
			p.70-73	Health, Safety and Wellbeing		
			p.74-79	Community Investment and Engagement		
			p.102-107	Ethics and Integrity		
			p.108-113	Supply Chain Accountability		
3-3	Management of material topics	P	p.28-35 p.44-51 p.52-57 p.64-69 p.70-73 p.74-79 p.102-107 p.108-113	See Material Topics, Sustainable Products, Climate Change, Resources, Materials & Waste, Empowering People, Health, Safety & Wellbeing, Community Investment & Engagement, Ethics & Integrity and Supply Chain Accountability	–	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Reporting Section: Products						
Material Topic: Sustainable Products						
GRI 3: Material Topics 2021						
3-3	Management of material topics	P	Sustainable Products p.28-35 Environmental Management p.38-41	–	–	–
GRI 416 Customer Health and Safety 2016						
416-1	Assessment of the health and safety impacts of product and service categories	F	Health, Safety & Wellbeing p.70-73	–	–	–
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	F	Health, Safety & Wellbeing p.70-73	During this reporting period, there were no violations of health and safety regulations	–	16
GRI 417 Marketing and Labeling 2016						
417-1	Requirements for product and service information and labeling	F	Sustainable Products p.28-35 Resources, Materials & Waste p.52-57 Health, Safety & Wellbeing p.70-73	We provide information on all our products regarding the country of origin, and comply with local regulations in relation to substances that may produce environmental or social impact. We also provide information on the safe usage of our products and disposal of the same. This information is available on our products, packaging and/or our owner's manuals. The marketing of our products is managed by individual regions, but we have a robust global system to assess and substantiate all claims to ensure that they are true and match the product's performance.	–	12
417-2	Incidents of non-compliance concerning product and service information and labeling	F	–	There were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.	–	16
417-3	Incidents of non-compliance concerning marketing communications	F	–	There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing and communications.	–	16

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Reporting Section: Environment						
Material Topic: Climate Change						
GRI 3: Material Topics 2021						
3-3	Management of material topics	P	Climate Change p.44-51 Environmental Management p.38-41	–	–	–
GRI 302 Energy 2016						
302-1	Energy consumption within the organization	P	Climate Change p.44-51 Performance Metrics: Environmental KPIs p.114-117	–	Information partially available — TTI's total consumption from renewable sources represents 15% of total energy consumption and will be more detailed in subsequent reports.	7, 8, 12, 13
302-3	Energy intensity	P	Performance Metrics: Environmental KPIs p.114-117	–	Information unavailable — Types of energy and other detail on the intensity ratio will be disclosed in subsequent reports.	7, 8, 12, 13
302-4	Reduction of energy consumption	F	Climate Change p.44-51	–	–	7, 8, 12, 13
GRI 305 Emissions 2016						
305-1	Direct (Scope 1) GHG emissions	P	Climate Change p.44-51 Performance Metrics: Environmental KPIs p.114-117	–	Information unavailable — Data on other direct (Scope 1) GHG emissions not available for reporting yet. TTI will review the data for subsequent reports.	3, 12, 13
305-2	Energy indirect (Scope 2) GHG emissions	P	Climate Change p.44-51	–	–	3, 12, 13

Item	Description- Disclosure Items		Page	Response	Reason for Omission	SDG
305-3	Other indirect (Scope 3) GHG emissions	P	–	–	Information unavailable — Data on indirect (Scope 3) GHG emissions are not available for reporting yet. TTI will further review the data for subsequent reports.	3, 12, 13
305-4	GHG emissions intensity	F	Performance Metrics: Environmental KPIs p.114-117	–	–	–
305-5	Reduction of GHG emissions	F	Climate Change p.44-51	–	–	–
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P	Climate Change p.44-51	–	Information unavailable — TTI has not consolidated all standards and methodologies. These will be disclosed in subsequent reports.	

Material Topic: Resources, Materials & Waste

Item	Description- Disclosure Items		Page	Response	Reason for Omission	SDG
3-3	Management of material topics	P	Resources, Materials & Waste p.52-57 Environmental Management p.38-41	–	–	–

GRI 301 Materials 2016

Item	Description- Disclosure Items		Page	Response	Reason for Omission	SDG
301-1	Materials used by weight or volume	P	Performance Metrics: Environmental KPIs p.114-117	–	Information unavailable — Percentage of renewable input materials is not available for reporting yet. TTI will further review the data for subsequent reports.	8, 12

Item	Description- Disclosure Items		Page	Response	Reason for Omission	SDG
GRI 303 Water and Effluents 2018						
303-1	Interactions with water as a shared resource	P	Resources, Materials & Waste p.52-57	–	Information unavailable — TTI withdraws water in each of its business unit locations but has not yet engaged with stakeholders on local water impacts. TTI will further review the data for subsequent reports.	6, 12
303-3	Water withdrawal	P	Resources, Materials & Waste p.52-57 Performance Metrics: Environmental KPIs p.114-117	–	Information unavailable — Total water withdrawal from all areas and areas with water stress will be disclosed in subsequent reports.	6
303-5	Water consumption	P	Resources, Materials & Waste p.52-57 Performance Metrics: Environmental KPIs p.114-117	–	Information unavailable — Total water consumption from all areas and areas with water stress will be disclosed in subsequent reports.	6
GRI 304 Biodiversity 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P	–	–	Information unavailable — Information in relation to operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas are not available for reporting yet. TTI will further review the this for subsequent reports.	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
304-2	Significant impacts of activities, products and services on biodiversity	P	Resources, Materials & Waste p.52-57	–	Information unavailable and will be disclosed in subsequent reports. TTI is engaging with industry partners to expand initiatives to assess biodiversity impacts in the supply chain.	6
304-3	Habitats protected or restored	P	Community Investment & Engagement p.74-79	–	Information unavailable — Size, location and status of all habitat areas protected or restored will be disclosed in subsequent reports.	–

GRI 306 Waste 2020

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
306-1	Waste generation and significant waste-related impacts	F	Resources, Materials & Waste p.52-57	–	–	3, 6, 11, 12
306-2	Management of significant waste related impacts	F	Sustainable Products p.28-35 Resources, Materials & Waste p.52-57	TTI's waste collection and disposal procedures clearly outline the processes used to collect and monitor waste-related data. We also have partnerships in compliance with all local regulations for the collection of waste. TTI receives regular reports on waste treatment and also conducts audits.	–	3, 6, 8, 11, 12
306-3	Waste generated	F	Performance Metrics: Environmental KPIs p.114-117	–	–	3, 6, 11, 12
306-4	Waste diverted from disposal	P	Performance Metrics: Environmental KPIs p.114-117	–	–	3, 11, 12
306-5	Waste directed to disposal	P	Performance Metrics: Environmental KPIs p.114-117	–	–	3, 6, 11, 12

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Reporting Section: Social & Community						
Material Topic: Empowering People						
GRI 3: Material Topics 2021						
3-3	Management of material topics	P	Empowering People p.64-69 Social & Community p.58-79	–	–	–
GRI 401 Employment 2016						
401-1	New employee hires and employee turnover	F	Performance Metrics: Workforce KPIs p.118-127	–	–	–
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	P	Empowering People p.64-69	Detail on specific benefits provided above legal requirements at each location of operation varies across our global business.	–	–
401-3	Parental leave	F	Performance Metrics: Workforce KPIs p.118-127	–	–	–
GRI 404 Training and Education 2016						
404-1	Average hours of training per year per employee	F	Performance Metrics: Workforce KPIs p.118-127	–	–	4, 5, 8, 10
404-2	Programs for upgrading employee skills and transition assistance programs	F	Empowering People p.64-69	–	–	8
404-3	Percentage of employees receiving regular performance and career development reviews	F	Performance Metrics: Workforce KPIs p.118-127	–	–	5, 8, 10

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
GRI 405 Diversity and Equal Opportunity 2016						
405-1	Diversity of governance bodies and employees	P	Governance Introduction p.82-99	–	–	5, 8
405-2	Ratio of basic salary and remuneration of women to men	O	–	–	Information unavailable — Data on salary and remuneration by category are not available for reporting yet. TTI will further review the data for subsequent reports.	–
GRI 406 Non-discrimination 2016						
406-1	Incidents of discrimination and corrective actions taken	P	Empowering People p.64-69	–	–	5, 8
GRI 407 Freedom of Association and Collective Bargaining 2016						
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P	Empowering People p.64-69	–	–	8
GRI 408 Child Labor 2016						
408-1	Operations and suppliers at significant risk for incidents of child labor	P	Empowering People p.64-69 Supply Chain Accountability p.108-113	–	–	5, 8, 16
GRI 409 Forced or Compulsory Labor 2016						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P	Empowering People p.64-69 Supply Chain Accountability p.108-113	–	–	5, 8

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Material Topic: Health, Safety & Wellbeing						
GRI 3: Material Topics 2021						
3-3	Management of material topics	P	Health, Safety & Wellbeing p.70-73	–	–	–
GRI 403 Occupational Health and Safety 2018						
403-1	Occupational health and safety management system	F	Heath, Safety & Wellbeing p.70-73	–	–	8
403-2	Hazard identification, risk assessment, and incident investigation	F	Heath, Safety & Wellbeing p.70-73	As part of TTI's health and safety management system, hazards and risks are assessed and mitigated, training is provided and incidents investigated with preventive and corrective actions implemented as needed.	–	8
403-3	Occupational health services	F	Heath, Safety & Wellbeing p.70-73	–	–	8
403-4	Worker participation, consultation, and communication on occupational health and safety	F	Heath, Safety & Wellbeing p.70-73	–	–	8, 16
403-5	Worker training on occupational health and safety	F	Heath, Safety & Wellbeing p.70-73	–	–	8
403-6	Promotion of worker health	F	Empowering People p.64-69 Health, Safety & Wellbeing p.70-73	–	–	3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	F	Heath, Safety & Wellbeing p.70-73	–	–	8

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
403-8	Workers covered by an occupational health and safety management system	P	Heath, Safety & Wellbeing p.70-73	The organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.	–	–
403-9	Work-related injuries	P	Heath, Safety & Wellbeing p.70-73 Performance Metrics: Workforce KPIs p.118-127	–	Information unavailable — Data collected covers limited work-related injury figures for external workers. TTI will collect expanded metrics for subsequent reporting.	3, 8, 16
403-10	Work-related ill health	P	Heath, Safety & Wellbeing p.70-73 Performance Metrics: Workforce KPIs p.118-127	–	Information unavailable — Data collected covers limited work-related ill health figures for external workers. TTI will collect expanded metrics for subsequent reporting	–

Material Topic: Community Investment & Engagement

GRI 3: Material Topics 2021

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
3-3	Management of material topics	P	Community Investment & Engagement p.74-79	–	–	–

GRI 413 Local Communities 2016

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
413-1	Operations with local community engagement, impact assessments, and development programs	F	Community Investment & Engagement p.74-79	–	–	–
413-2	Operations with significant actual and potential negative impacts on local communities	O	–	–	Information unavailable — TTI has not consolidated all standards and methodologies. These will be disclosed in subsequent reports.	–

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG

Reporting Section: Governance

Material Topic: Ethics & Integrity

GRI 3: Material Topics 2021

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
3-3	Management of material topics	P	Ethics & Integrity p.102-107	–	–	–

GRI 205 Anti-corruption 2016

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
205-1	Operations assessed for risks related to corruption	P	Ethics & Integrity p.102-107 Supply Chain Accountability p.108-113	–	Information partially available — TTI does conduct standard fraud inquiries as part of our risk assessment.	16
205-2	Communication and training about anti-corruption policies and procedures	P	–	100% of governance body members, employees and suppliers have received communication. 100% of governance body members and 90% of employees have received training.	Information unavailable — TTI will disclose training data by employee category and region in subsequent reports.	–
205-3	Confirmed incidents of corruption and actions taken	F	Ethics & Integrity p.102-107 Supply Chain Accountability p.108-113	No confirmed incidents of corruption in the reporting year	–	16

GRI 206 Anti-competitive Behavior 2016

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	F	Ethics & Integrity p.102-107	–	–	16

GRI 415 Public Policy 2016

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
415-1	Political contributions	F	Ethics & Integrity p.102-107	TTI does not provide financial or in-kind political contributions.	–	16

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
GRI 418 Customer Privacy 2016						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	F	Ethics & Integrity p.102-107	In 2022, there were no complaints concerning breaches of customer privacy or data loss	–	16

Material Topic: Supply Chain Accountability

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
GRI 3: Material Topics 2021						
3-3	Management of material topics	P	Supply Chain Accountability p.108-113	–	–	–
GRI 308 Supplier Environmental Assessment 2016						
308-1	New suppliers that were screened using environmental criteria	P	Supply Chain Accountability p.108-113	17 out of 592 audited suppliers in 2022 identified as having significant actual and potential negative impacts.100% of suppliers identified, agreed upon improvements as a result of assessment.	–	–
308-2	Negative environmental impacts in the supply chain and actions taken	P	Supply Chain Accountability p.108-113	17 out of 592 audited suppliers in 2022 identified as having significant actual and potential negative impacts.100% of suppliers identified, agreed upon improvements as a result of assessment.	–	–
GRI 414 Supplier Social Assessment 2016						
414-1	New suppliers that were screened using social criteria	P	Supply Chain Accountability p.108-113	–	–	5, 8, 16
414-2	Negative social impacts in the supply chain and actions taken	P	Supply Chain Accountability p.108-113	17 out of 592 audited suppliers in 2022 identified as having significant actual and potential negative impacts.100% of suppliers identified, agreed upon improvements as a result of assessment.	–	5, 8, 16

Item	Description-Disclosure Items		Page	Response	Reason for Omission	SDG
Other Disclosure Items: Non-material Topic Items						
GRI 201: Economic Performance 2016						
201-2	Financial implications and other risks and opportunities due to climate change	P	Environmental Management p.38-41 Climate Change p.44-51	–	Information unavailable — Financial implications, costs and methods used to manage the risk or opportunity will be disclosed in subsequent reports.	–
GRI 203 Indirect Economic Impacts 2016						
203-1	Infrastructure investments and services supported	F	Community Investment & Engagement p.74-79	–	–	5, 9, 11
203-2	Significant indirect economic impacts	F	Community Investment & Engagement p.74-79	–	–	1, 3, 8

SASB Content Index

TTI publishes disclosures under three Sustainability Accounting Standards Board (SASB) sections: Industrial Machinery and Goods Manufacturing; Appliances Manufacturing; and Electrical and Electronic Equipment Manufacturing.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-EE-130a.1 & RT-IG-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	At TTI, sustainability is a core value in all aspects of our business. Environmental sustainability is one of our key priorities, accordingly, we aim to manage our Scope 1, 2 and 3 GHG emissions. In this past year, TTI has mapped out a decarbonization pathway with concrete plans to reduce Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021. The levers we use to achieve this target are energy efficiency, onsite renewable energy production and offsite renewable energy procurement.	Total Consumption: 1,758,168 GJ Grid Electricity: 61% Renewable Energy: 15%
RT-EE-150a.1 Amount of hazardous waste generated, percentage recycled **RT-EE-150a.2** Number and aggregate quantity of reportable spills, quantity recovered	For waste that cannot be avoided, we are endeavoring to set global reduction targets that keep us accountable. Across our markets, building management facilities provide recycling and disposal options for hazardous and non-hazardous waste. In addition, we always ensure that licensed professionals pick up hazardous waste for safe disposal. We have comprehensive waste management guidelines with training provided to our employees on the correct handling of waste. Guidelines are outlined in our Standard Operating Procedures on Waste Collection and Disposal. Our EHS teams are responsible for ensuring offices have the appropriate resources to comply with all policies and regulations. To improve our management, we continue to monitor waste types and quantities. We also conduct internal audits of our management processes and periodically work with third-party auditors to review these. We reuse and recycle components, products and materials whenever we can and aim to do more.	Hazardous Waste: 1,261 metric tons Hazardous Waste Recycled: 45% There were no reportable spills during the reporting period.

Accounting Metric	TTI's Approach	2022 Disclosure
CG-AM-250a.1 & RT-EE-250a.1 Number of (1) recalls issued and (2) total units recalled	Continual enhancement of safety standards, quality and compliance is the responsibility of our Product Safety Directors, committees and teams at our individual business units. TTI's safety measures are outlined in our Product Safety and Consumer Product Regulatory Compliance Policies, against which our Regional Product Safety Committees and Committee of Product Safety Directors from different business units implement stringent compliance monitoring and audit investigations.	In 2022, TTI did not have any voluntary or involuntary recalls.
CG-AM-250a.2 Discussion of process to identify and manage safety risks associated with the use of its products		See TTI's Approach.
CG-AM-250a.3 & RT-EE-250a.2 Total amount of monetary losses as a result of legal proceedings associated with product safety	Our quality control mechanisms oversee incoming materials, in-process products and inspection and reliability testing of our outgoing products. Thorough product safety hazard reviews are conducted before and after products are launched, with product recall policies and procedures in place, should immediate corrective actions be required. Any product recalls are managed by our legal teams and our safety and regulatory departments, ensuring all relevant laws are followed until their safe disposal. Safety reviews are carried out throughout the whole design and development process. More details can be found in our ESG Report section on Product Safety. Hazard reviews and risk assessments are mandatory gating items in various phases of the new product development process. They follow the principles of ISO 12100:2010. These are based on knowledge and experience of the design, use, incidents, accidents and risks associated with machinery. Procedures are described for identifying hazards, estimating and evaluating risks during relevant phases of the machine life cycle End-user information is provided through mandatory safety warnings in the product manual and on the product. These follow the requirements of international safety standards to which TTI products are certified. In addition, there are online user guides for selected products. Active products are monitored through field reporting systems. Reported accidents, near-accidents and incidents, as well as customer complaints and online reviews pointing to potential compliance or safety issues, and any safety related findings in quality return analysis, are discussed in safety committee meetings and formal risk assessments are performed. Based on the results, possible measures such as production hold, inventory freeze, consumer warnings, product withdrawal and recall are implemented. Besides mandatory product certifications we hold ISO 9001: 2015 and QC 080000:2017 certificates. Compliance with defined safety relevant processes and procedures are audited by 3rd-parties including SGS, CQC and ITS.	Not Applicable.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-EE-410a.1 Percentage of products by revenue that contain IEC 62474 declarable substances.	To manage our impact, our core sustainability teams have been collaborating across business units to develop design guides for more sustainable consideration in our products. Circularity is a key consideration from the selection of the materials to designing for recycling, repairability and longevity. We also consider energy use while products are in operation and the end of life. A range of checklists are being continuously developed to provide education and guidance on the principles of sustainability and circular economy and help our associates make the right decisions when it comes to the choice of raw materials and the use of resources across all phases of the product lifecycle. Our processes consider reliability, durability, repairability, refurbishing and recycling aspects that are further explored on Circular Economy.	Percentage of products by revenue that contain IEC 62474 Declarable Substances: 93.02% (represents portion of Power Tools and Equipment revenue). We seek to use viable alternatives to declarable substances when practicable. We manage the use of declarable substances on a case-by-case basis, including by working with our suppliers to control their manufacturing processes to meet relevant thresholds and performing substitute assessments for certain product categories.
RT-EE-410a.2 Percentage of eligible products, by revenue, that meet ENERGY STAR criteria		Not Applicable.
RT-EE-410a.3 Revenue from renewable energy-related and energy efficiency-related product		Revenue From Renewable Energy-Related And Energy Efficiency-Related Product: US$8.6 billion.

Accounting Metric	TTI's Approach	2022 Disclosure
CG-AM-410a.1 Percentage of eligible products by revenue certified to the ENERGY STAR® program	Choosing materials that are recyclable and less harmful for the planet continues to be a priority at all stages of our product lifecycle. Our R&D teams are focused on optimizing our products and understanding the impact of our choices.	Not Applicable.
CG-AM-410a.2 Percentage of eligible products certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Environmental impact is a key consideration of our product design principles. To further manage our impact, various teams across the Group have been collaborating to create a sustainable design guide for our products. We also consider energy use while products are in operation and prioritize end of life treatment.	Not Applicable.
CG-AM-410a.3 Description of efforts to manage products' end-of-life impacts	A range of checklists are being continuously developed to provide education and guidance on the principles of sustainability and circular economy and help our associates make the right decisions when it comes to the choice of raw materials and the use of resources across all phases of the product lifecycle. Our processes consider reliability, durability, repairability, refurbishing and recycling aspects that are further explored on Circular Economy.	To manage end-of-life impacts, please see the following principles: 3.1 TTI continuously explores the use of various materials that are easily and commonly recyclable in existing recycling infrastructure. 3.2 TTI complies with local requirements for its markets including but not limited to HSF, CP65, RoHS and REACH in order to eliminate or minimize the use of hazardous materials or materials that may otherwise pose environmental harm upon disposal (e.g., refrigerants with ozone depleting potential and/or global warming potential). 3.3 Designing products for easy repairable and disassembly (i.e., designing products so they can be easily, rapidly, and cost-effectively disassembled with commonly available tools). 3.4 Proper labelling of products and their certain component materials (mainly plastics) to facilitate disassembly and recycling.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-EE-510a.1 Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	High ethical standards are core to TTI's culture and serve as the foundation for embedding sustainability in all aspects of our business. These standards are articulated in our Code of Ethics and Business Conduct (CoC). The CoC serves as a guide for conducting business with openness in accordance with all legal requirements while stipulating how to manage conflicts of interest and insider information. This Code also provides guidelines on the protection of human rights, and is communicated to all employees at all our subsidiaries in 22 languages. Apart from the CoC, our operations are guided by several other policies that outline governance practices and expectations. These are included in our Employee Handbook and shared with employees globally, either through our e-learning platform or face to face. We ensure that information about our policies and details on how to report violations are also available in local languages at all work sites for those without computer access. All employees, officers and directors are required to acknowledge the CoC and other policies.	Please see the Ethics and Integrity section on p.102-107 of this report. See TTI's Approach.
RT-EE-510a.2 Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption		No legal proceedings associated with bribery or corruption in the reporting year.
RT-EE-510a.3 Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		Not Material.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-IG-320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	To ensure our facilities are well prepared to safeguard workers, we implement occupational health and safety (OHS) management systems at all our facilities. Our comprehensive Environmental Health & Safety (EHS) and Occupational Hazard Management Policies are aligned with all relevant legal requirements. These policies stipulate our commitments and responsibilities, identifying risks and hazards and setting out procedures to minimize any potential harm to workers. Monitoring protocols and procedures for investigating health and safety violations and implementing corrective actions are also covered in these comprehensive policies. Please see p.70-73 of this report.	TRIR: 0.98 Fatality rate in 2022: 0 NMFR: Not available.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-IG-410a.1 Sales-weighted fleet fuel efficiency for medium – and heavy- duty vehicles	Managing our emissions is an important aspect of our climate mitigation strategy. Our manufacturing processes, transportation, downstream use of our products, office operations and supply chain are all sources of air and GHG emissions.	Not Applicable.
RT-IG-410a.2 Sales-weighted fuel efficiency for non-road equipment	As part of our decarbonization program, we have reviewed our Scope 1, 2 and 3 GHG emissions. Scope 1 emissions arise from onsite operations and company-operated vehicles; Scope 2 result indirectly from purchased electricity; and	May be applicable, but not available.
RT-IG-410a.3 Sales- weighted fuel efficiency for stationary generators	Scope 3 emissions arise from the materials we purchase, business travel, other forms of transportation, waste generation, water consumption and also energy utilized to operate our products. In this past year, we have mapped out a decarbonization pathway with concrete plans to reduce	May be applicable, but not available.
RT-IG-410a.4 Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM): (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium – and heavy-duty engines, and (d) other non -road diesel engines	Scope 1 and 2 GHG emissions by 60% by 2030 as compared to 2021. To achieve this target, we are implementing energy efficiency measures, onsite and off-site renewable energy and electrification of our fleet. We are also striving to address our wider Scope 3 emissions beyond our direct operations through various initiatives such as circular economy practices.	May be applicable, but not available.

Accounting Metric	TTI's Approach	2022 Disclosure
RT-IG-440a.1 & RT-EE-440a.1 Description of the management of risks associated with the use of critical materials	TTI has a global and diverse supply chain and the risk associated with the use of critical materials are regularly assessed and mitigated.	Please see the Supply Chain Accountability Section on p.108-113 and Resources Materials and Waste section on p.52-57 of this report.
RT-IG-440b.1 Revenue from remanufactured products and remanufacturing services	We incorporate the circularity concept into the full product lifecycle, from the selection of the materials to the design for repairability, longevity, the energy use while products are in operation and the end of life treatment. We have a number of repair and service centers as well as factory outlets with a reconditioning program that extends the longevity of our products without affecting quality.	Revenue from remanufactured products and remanufacturing services: US$27.1 million.
RT-EE-000.A 1. Provide the number of units produced by the following product categories: -Energy generation -Energy delivery -Lighting and indoor climate control electronics		Proprietary information not to be disclosed.
RT-IG-000.A Provide the number of units produced by the product categories in the table below. -Vehicles and agricultural and construction equipment -Engines and power generation equipment -Parts and components		Proprietary information not to be disclosed.
CG-AM-000.A Provide the number of units produced by product category.		Proprietary information not to be disclosed.
RT-IG-000.B, RT-EE-000.B Provide the total number of employees working in the industrial manufacturing facilities.	As of December 31, 2022, TTI employed 44,900 employees globally.	As of December 31, 2022, TTI employed 44,900 employees globally.