

MATERIAL TOPIC

Ethics & Integrity

Ensuring stakeholder trust through accountability, transparency, and risk mitigation across our entire value chain.



Internally spearheading operational initiatives and engaging in global stakeholder partnerships to prevent ethical violations across our value chain.

GOALS AND TARGETS

- Zero legal 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 PRC, GDPR, California Consumer Privacy Act, and others

PROGRESS

- Zero cases of leaks, theft, or loss of customer and personal data
- All relevant associates complete training on the CoC, and all other relevant policy training
- Annually, all relevant associates complete training on intellectual property and cybersecurity
- Increased diversification and localization of manufacturing, warehousing, and the supply chain across the globe

VALUE CHAIN

- Suppliers
- Operations
- Customers
- Community

RISKS	OPPORTUNITIES	RESPONSES
<ul style="list-style-type: none"> • Geopolitical tensions and drastic change in trade regulations 	<ul style="list-style-type: none"> • Diversify operations and supply chains to build resilience and promote environmentally responsible practices across the value chain 	<ul style="list-style-type: none"> • Ongoing efforts to source and produce goods closer to markets • Reducing dependency on single suppliers within essential categories
<ul style="list-style-type: none"> • Non-compliance with international and local laws 	<ul style="list-style-type: none"> • Foster a culture of ethical behavior and good governance across the value chain to enhance accountability and transparency 	<ul style="list-style-type: none"> • Robust policies, training and compliance programs on ethics and anti-corruption • Internal audit investigations and compliance hotline
<ul style="list-style-type: none"> • Breaches of data privacy and intellectual property, data loss and cyberthreats 	<ul style="list-style-type: none"> • Protect business and customer information data, improve business systems, enhance operational integrity, and maintain stakeholder trust 	<ul style="list-style-type: none"> • 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 necessitates a commitment to ethical principles, as stated in our TTI CoC. Our CoC is accessible and communicated to all associates, serving as a comprehensive framework for conducting business with the highest standards of integrity. Our CoC outlines our commitment to comply with all legal requirements and protect human rights in all countries where we operate. It also provides guidance on managing conflicts of interest. More information on our human and labor rights practices can be found on p.81.

In addition to the CoC, we have various other policies that govern our operations, including, but not limited to our Anti-Corruption Policy, Trade Compliance Policy, and Anti-Trust Policy. Additional policies can be found below and in our employee handbook. All policies, procedures, and training are made available to all associates through LearnTTI, our e-learning platform designed for engaging and educating employees on company-related information.

To ensure widespread understanding and adherence, our employees actively engage with and commit to our policies through various resources, including LearnTTI and in-person training. These policies are communicated to all employees across all subsidiaries, with translations available in 22 languages.

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

We have also implemented proactive cybersecurity measures to protect customers, employees, products, suppliers, and our systems. Our efforts include monitoring industry breaches, incorporating cybersecurity into planning and testing, providing regular employee training, ensuring legal compliance, and adding cybersecurity efficiencies into our supply chain.

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 individual 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 and Mica 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 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 and Risk Management

TTI's compliance function establishes our policies, training protocols, and regulatory interpretations. These initiatives are subject to oversight by management, internal audit teams, and various risk management entities within our organization.

Globally, the Group Senior Vice President, General Counsel and Chief Compliance Officer leads our compliance efforts, reporting directly to the CEO and the Audit Committee of the Board of Directors. At the regional level, our legal, finance, and compliance departments provide support and assistance on an ongoing basis.

Our Global Trade Compliance Function plays a crucial role in supporting various aspects of our operations by thoroughly evaluating and screening potential business partners to ensure they are not denied, debarred, or otherwise proscribed or embargoed by any relevant government. We have implemented a Global Trade Compliance Policy that offers comprehensive guidance on the export/import control laws, regulations, and economic sanctions that both we and our suppliers must adhere to. For more detailed information, please refer to the Supply Chain Accountability section on p.108.

We uphold compliance standards by maintaining continuous communication and training for our compliance and legal departments. These training sessions are conducted both in person and on our LearnTTI platform at least once a year. Additionally, as part of our Social and Environmental Responsibility (SER) compliance program, we request our suppliers to sign compliance declarations annually. The SER compliance declaration confirms 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.

Anti-Corruption

TTI's Anti-Corruption Policy addresses both internal and external aspects of bribery prevention management. This policy outlines the procedures for assessing corruption risks within our business operations and establishes consequences for non-compliance.

The policy and the accompanying 30-minute online training module provide guidelines on managing necessary aspects of business, receipt of gifts, meals, entertainment, company-sponsored travel, political and charitable contributions, and ways of engaging business partners to minimize risk. Training is required at least every two years for all relevant associates.

We embed internal controls into our accounting processes, audits, and record-keeping systems to help manage corruption. Audits of these controls enable us to evaluate the effectiveness of our anti-corruption and anti-bribery policies. All findings are reported to senior-level management and our Audit Committee. More information on our internal control process can be found on p.104. Compliance risk assessments, which are used to build out the audit plan, are also conducted every three to five years, or as needed.

Since 2019, TTI has been in partnership with the China Enterprise Anti-Fraud Alliance (CEAFA). This collaboration is just one example of our commitment to combating corruption. CEAFA frequently works with the legal, internal control, and audit teams to host educational sessions and events covering various topics, including project risk assessment, anti-fraud examination, and corporate governance. Membership with CEAFA offers several advantages, as outlined 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

91%

of employees were trained in anti-corruption and anti-trust

ZERO

confirmed legal cases of corruption or monopoly practices were brought against TTI

NO

political contribution made in any markets in 2023

Programs to verify compliance with anti-corruption practices extend from our operations to our supply chain. 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](#).

Anti-Trust

Our Anti-Trust Policy serves as a comprehensive guide for users, outlining both legal requirements and TTI's established guidelines concerning 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 outline penalties for categories of non-compliance, restrictions, violations, and agreements regarding competitors. The policy also includes example scenarios and responses so that all readers can review and have a clear understanding of the requirements.

Data Protection and Cybersecurity

At TTI, we have implemented essential measures to proactively prevent data breaches and enhance our cybersecurity infrastructure and digital systems. Our cybersecurity protocols are strategically made to shield our customers, employees, products, suppliers, networks, and data from potential disruptions or breaches. This involves monitoring security breaches within the industry and maintaining a comprehensive understanding of their global implications.

To strengthen our cybersecurity controls, we include data protection scenarios in our business continuity plans, and rigorously test our ability to respond to threats. Our security measures are consistently updated, and our programs are created to continually assess and adapt to the ever-evolving landscape of cybersecurity conditions.



We use a program to monitor nearly 40,000 company devices, which includes continuous monitoring for cyberattacks and Indicators Of Compromise (IOC) both internally and externally. Additionally, we have remained compliant with all relevant legal requirements, such as Europe's General Data Protection Regulation (GDPR) since 2018 and the California Consumer Privacy Act since 2020.

We enhance our cybersecurity through framework assessments. In recent years, all North American BUs conducted Cybersecurity Gap Assessments in alignment with the National Institute of Standards and Technology (NIST). Similar gap assessments were also carried out by our BUs in Asia and Europe. Performance of these assessments allows us to continuously revise and adjust our Global Cybersecurity program.

As part of our security measures, we actively manage Intellectual Property Rights (IPR), which encompass patents, trademarks, logos, copyrights, software, and trade secrets. Our patent invention awards are designed to encourage ongoing creativity within the Company. We continuously train employees to respect documentation of ownership and the IPR of others. 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 IPR by and of others.

ZERO

complaints concerning breaches of customer privacy or data loss

90%

of employees across all BUs trained in data protection and cybersecurity

Complaint Resolution

TTI encourages everyone, including associates, suppliers, customers, and concerned parties to report any possible complaints or concerns. We have a robust whistleblower policy to foster ethical conduct and empower individuals to promptly report any actual or perceived misconduct. Reports can be made directly to the General Counsel or, if preferred, confidentially and anonymously (to the fullest extent permitted by law) to Fulcrum Financial Inquiry LLP, our trusted third-party service provider. As part of this framework, the Company provides training and works with Fulcrum to publish a dedicated email address, physical address, facsimile number, and toll-free hotline number so that actual or perceived misconduct can be easily reported. The General Counsel receives intake reports from Fulcrum and/or direct complaints from whistleblowers, and the General Counsel (in conjunction with the BU General Counsels, Human Resources, and other Company Executives where applicable) reviews and fully addresses complaints in accordance with the Whistleblower Policy. The Company is committed to compliance, ethics, integrity, and refraining from retaliation toward anyone who makes a report in good faith.

Detailed information about complaints and corrective measures are consistently reported to the management teams and the Audit Committee. Our Complaint Resolution Policy and Procedure

comprehensively outlines our formal complaint resolution system, including the reporting mechanisms, confidentiality management, and the step-by-step investigation procedures involving various departments. This policy also underscores associates' rights to be protected from any form of retaliation for making complaints or cooperating in good faith.

A total of 16 complaints were filed in 2023, with three submitted to the whistleblower hotline, four sent as anonymous emails, seven originating from TTI employees/management, and two categorized as confidential. All complaints were reviewed, 12 of which were referred to Internal Audit for investigation. The cases necessitating action were promptly addressed and resolved.

2023 Update on the ACCC Proceedings

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 engaged in the practice of 'resale price maintenance' in breach of the Competition and Consumer Act 2010 (CCA). In November 2023, these proceedings were concluded. Please contact TTI Investor Relations for additional information.