

MATERIAL TOPIC

Resources, Materials, and Waste

Responsibly utilizing resources and materials while effectively handling waste within our operations and our communities.



Enhancing the management of our resources, materials, and waste through the adoption of circular economy strategies is vital for promoting responsible consumption and production.

GOALS AND TARGETS

- Ensure the responsible consumption of resources across our business
- Implement programs for biodiversity protection and restoration
- Achieve a 90% waste-diverted-from-landfill rate by 2030

PROGRESS

- Waste-diverted-from-landfill rate at 85%
- Expanded partnership with Tree Nation
- Material management programs and facility development plans that consider biodiversity impacts

VALUE CHAIN



Suppliers



Operations



Customers



RISKS

- Resource scarcity leading to high commodity pricing and sourcing difficulties

OPPORTUNITIES

- Adopt measures to reduce the use of scarce resources and apply circular business models focused on recycling materials, harvesting parts and refurbishment

RESPONSES

- 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
- Waste-diverted-from-landfill target of 90% by 2030

- 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

Our business relies on a range of both renewable and non-renewable resources from natural ecosystems. To uphold our commitment to safeguarding these ecosystems, we prioritize reducing our resource consumption, practicing responsible material utilization, and maintaining effective waste management. Within our organization, research and development initiatives that emphasize the development of environmentally conscious practices take precedence. We consistently evaluate cutting-edge technologies, equipment, and systems to conserve, recover, and reuse resources across our operations. We also monitor biodiversity impacts through routine audits, NGO partnerships, and procuring raw materials responsibly.

We have developed a waste target and are committed to making substantial progress towards achieving our objective through conducting audits, implementing training programs, and establishing initiatives. One waste related initiative we have been working to expand is our repair and refurbishment programs.

In 2023, we established our RYOBI Rapid Repair program allowing RYOBI end-users to repair damaged items directly and conveniently. For more information on our RYOBI Rapid Repair program please see page 43.

Quarterly meetings are held to discuss circular economy-related efforts within the organization. These gatherings provide a frequent opportunity for cross-functional collaborations, updates, and open discussions regarding the incorporation of circular economy solutions into our product design and operations. These meetings also encourage innovative methods to enhance waste management processes.

Natural Capital – Water and Biodiversity

Water is a key natural resource that we utilize for our business operations; however, our business does not rely on large amounts of fresh, recycled, brackish, and/or produced water. After internally evaluating our water usage, we've concluded that it mainly derives from our manufacturing processes for cooling and WASH (water, sanitation, and hygiene) and does not have a significant effect on our surrounding communities, business model, strategy, or financial planning.

Although our manufacturing process does not require large quantities of freshwater, we are aware of the indirect use of this water and its impact on our communities and our business. We maintain an ongoing process of assessing our nature-related dependencies, impacts, risks, and opportunities. We do not anticipate an increase in the reliance on quality freshwater in our direct and indirect operations in the future.

We exclusively source all our water from local municipal sources, ensuring strict adherence to local regulations governing water withdrawal and wastewater discharge. Most of our water activity is measured and monitored at all of TTI's applicable facilities. We measure and record monthly through on-site meters or usage data provided by vendors through our ESG reporting software.

Less than 10% of TTI's water usage is drawn from water-stressed areas. Our Water Pollution Management SOP serves as a crucial tool for outlining our wastewater discharge and treatment practices within the organization. This aligns with our dedication to meet discharge standards, preserve and enhance environmental quality, and comply with the environmental laws and regulations of the state or local government.

Across our global practices, we utilize recycled water for various functions. We regularly conduct routine examinations to detect any water leakages within underground pipelines and implement motion/time sensors on our washbasins.

Depending on its specific geographic location, each BU uses its own distinct methods to promote water conservation. Our recycled water infrastructure is only available for our locations in the state of Victoria, Australia where we currently have two sites: Dandenong and Mount Waverly. As our network of sites expands, we will continue to adopt recycled water procedures where applicable.

Biodiversity

In addition to our efforts to conserve water, we are dedicated to safeguarding the broader ecosystems that play a crucial role in maintaining air, water, and soil quality, as well as promoting species and habitat diversity.

This year, we continued to address our biodiversity impacts through various programs and collaborations. We continued partnerships with organizations such as the Responsible Minerals Initiative (RMI) and the Responsible Business Alliance (RBA), both dedicated to promoting sustainable mineral and metal procurement practices across multiple industries.

Our individual sites are engaged in initiatives that protect our natural ecosystems and offset carbon emissions. In 2022, our Dubai-based MILWAUKEE team partnered with Tree Nation to plant two trees every month at a certified forest in Madagascar to offset some of the CO₂ emissions generated by the local office. Furthermore, every time an end-user purchased a product from our MILWAUKEE MX FUEL range across the surrounding regions, the company planted an additional 100 trees. In 2023, we continued our partnership with Tree Nation planting a total of 11,495 trees, offsetting more than 948 tCO₂ emissions and exceeding our target of 10,000 trees planted.



169,591m³

Total Water Consumption in 2023

-12%

Absolute withdrawal decrease from the previous year

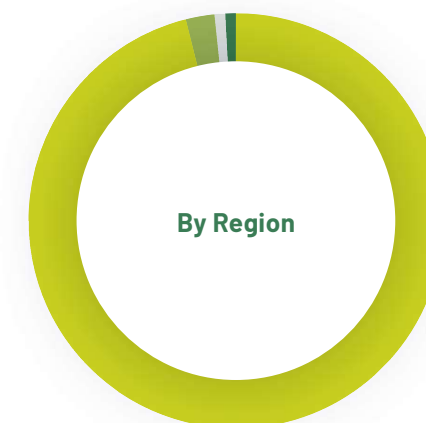
ZERO

Incidents of non-compliance with water management regulations

▶ KEY INITIATIVES AND UPDATES

- In the reporting period, there were no incidents of non-compliance with water management regulations across our operations
- Total water withdrawal amounted to 1,404,439m³, a decrease of 12%
- Total water discharge produced amounted to 1,234,848m³, a decrease of 4%, when compared to 2022
- Consumption of recycled water was 186,884m³, lower than previous years due to the removal of recycling equipment onsite

Water Consumption in 2023





Chemicals

As with all other materials, our objective is to reduce the presence of chemicals and hazardous substances within our value chain. We achieve this by adhering to stringent industry regulations, which influence our internal policies. Our Chemical Management SOP outlines the specific roles of different 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 a leakage, contamination, or fire, as well as information on data sheets, regulations, and procedure documents.

At TTI, we are dedicated to complying with industry standards, including Registration, Evaluation, and Authorization of Chemicals (REACH), a regulation of the European Union (EU) that addresses the production and use of chemical substances as well as their potential impacts on human and environmental health. It mandates that all companies manufacturing or importing chemical substances into the EU in quantities exceeding one tonne per year must register these substances with the European Chemicals Agency (ECHA).

We also follow the regulations of the Restriction of Hazardous Substances (RoHS) in Europe and various parts of Asia, as well as complying with the Toxic Substances Control Act (TSCA), and the US EPA Clean Air Act. Our production processes avoid the use of REACH's substances identified as 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 the Substances of Concern In Products (SCIP) database.

85%

Waste Diverted from Landfill Rate in 2023

+4%

Waste Recycled in 2023

MILWAUKEE Torreon, Mexico awarded the Responsible Hazardous and Non-Hazardous Waste Management of the Year Award

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. All our test reports are systematically maintained in a database.

Waste

To achieve our long-term goal of reducing the overall volume of waste generated through our operations, we have set a target to achieve a 90% waste-diverted-from-landfill target by 2030.

In pursuit of this target, we collaborate with diverse waste management partners across various markets to ensure the safe collection and disposal of hazardous waste. These facilities offer recycling and appropriate disposal solutions for both hazardous and non-hazardous waste. Associates are trained on 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 details the recycling treatment procedures for recyclable, non-recyclable, and hazardous waste, including medical waste, ensuring strict adherence to national environmental laws and environmental protection regulations. Our EHS teams bear the responsibility of ensuring that all locations possess the necessary resources to adhere to policies and regulations. We also conduct internal audits of our management processes, which are subject to periodic review by third-party auditors.

▶ KEY INITIATIVES AND UPDATES

- We produced 65,327 tonnes of non-hazardous waste and 1,537 tonnes of hazardous waste in 2023
- Our absolute hazardous waste increased by 21%, while non-hazardous waste increased by 4%
- Total waste consumption and intensity increased by 5% and 1%, respectively
- Total recycled waste increased 4% compared to 2022. We continue to assess new ways to reduce the use of hazardous materials and waste overall
- To better manage waste, in 2023 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
 - » Continued to reduce the use of plastic clamshells and replace with paper packaging

Material Management

Our R&D teams have devoted considerable time exploring how to integrate sustainable techniques and materials into various stages of our product’s 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 processes, we maintain our partnerships with recyclers that have patented technology to recover valuable materials from products. More information on our circular economy efforts can be found in the Products section of this Report on p.14.

PACKAGING AND PAPER

We are constantly exploring methods to cut down on our packaging to preserve resources and enhance transportation efficiency. Our packaging primarily consists of paper for various applications like boxes, cartons, and die-cut sheets, as well as plastic materials for polybags, bubble bags, clamshells, and tool bags. We reduce the number of materials used in our packaging by opting for reduced-impact material options. This includes corrugated cardboard, 70% of which is made of recycled paper pulp, honeycomb board, chipboard, paperboard, and/or molded pulp. Through our efforts, we have removed Expanded Polystyrene (EPS) foam from our packaging, reduced packaging material weight, and reduced paper in our manuals by replacing them with one-page information sheets and QR codes that provide access to online information.



Walmart recognizes our HART brand as a Giga Guru: Key suppliers who meet expectations on pillars of Energy, Nature, Waste, Packaging, Product Use, and Transportation

BATTERIES

A key driver behind our success lies in the “network effect” of our battery platform, allowing users to use a single battery to operate all products within the same system. This “network effect” has played an influential role in our ongoing success in our business strategy. Through the design of rechargeable battery packs that are interchangeable within each product network, we have been able to avoid excess consumption, production, and waste. More detail on batteries can be found on p.44.

▶ KEY INITIATIVES AND UPDATES

- This reporting period, the total packaging materials used was 236,114 tonnes, out of which 60,808 tonnes were recycled materials
- Packaging measures that resulted in significant environmental benefits as well as cost savings for our business in 2023 included:
 - » Reducing product packaging size, replacing materials with environmentally responsible alternatives, and increasing the shipping capacity of products
 - » Using 76% of recycled material for our cardboard
 - » Minimizing printed manuals in our RYOBI product packaging, saving 111 MtCO₂e and 43 Mt of paper annually