

Material Topic

RESOURCE USE AND CIRCULAR ECONOMY

Managing resources, materials, and waste within our operations and our communities through the adoption of circular economy strategies is vital for promoting responsible consumption and production.

GOALS AND TARGETS

- Develop and promote a circular business model by increasing reparability and recyclability of our products
- Ensure the responsible consumption of resources across our business
- Achieve a 90% waste-diverted-from-landfill rate by 2030

PROGRESS

- 250,000+ tools sold annually at Direct Tools Factory Outlet stores
- Waste-diverted-from-landfill rate at 86%, increasing 1% from 2023

RISKS	OPPORTUNITIES	RESPONSES
<ul style="list-style-type: none">• Contributing to climate change by mismanaging waste streams	<ul style="list-style-type: none">• Adopt a circular approach to resources and waste through technological advancements• Share relevant information with partners and retailers to align strategy	<ul style="list-style-type: none">• Creating waste management initiatives and training across the value chain• Expanding our repair and refurbishment programs• Set a target to achieve a 90% waste-diverted-from-landfill rate by 2030
<ul style="list-style-type: none">• Resource scarcity	<ul style="list-style-type: none">• Strengthen existing circular economy initiatives and explore opportunities for additional circular value chains• Partner with suppliers to ensure resources remain abundant	<ul style="list-style-type: none">• Implementing responsible raw material procurement initiatives and partnerships• Developing service centers and recycling partnerships• Maintaining our internal service and repair programs such as our RYOBI Rapid Repair and MILWAUKEE eService
<ul style="list-style-type: none">• Use of unsustainable raw materials in products and packaging	<ul style="list-style-type: none">• Conduct research to better understand and prepare for market demand of sustainable materials• Research and develop new recyclable and sustainable materials• Share relevant information with partners and retailers to align strategy	<ul style="list-style-type: none">• Polymer bag removal• Expanded Polystyrene removal• Replacing paper manuals with e-Manuals• Replacing clamshell packaging with recyclable boxed packaging



VALUE CHAIN

- Suppliers
- Operations
- Customers

How We Are Managing It

To effectively manage resource use and promote a circular economy, we focus on responsibly handling resources, materials, and waste within our operations and communities. We prioritize reducing our resource consumption, utilizing materials responsibly, and maintaining effective waste management practices. We continuously evaluate cutting-edge technologies, equipment, and systems to conserve, recover, and reuse resources across our operations without compromising quality.

Our initiatives address waste management, resource scarcity, and the use of sustainable raw materials in our products and packaging. We have set a 90% waste-diverted-from-landfill target by 2030 target and are committed to achieving this goal through audits, training programs, and the establishment of targeted initiatives.

One of our waste-related initiatives is our repair and refurbishment programs, which we continue to develop. Our RYOBI Rapid Repair program and our MILWAUKEE eService program enable end-users to repair damaged items directly and conveniently.

We are also forging partnerships for responsible raw material procurement and implementing measures like phasing out expanded polystyrene (EPS), switching from paper manuals to e-Manuals, and replacing traditional packaging with recyclable, eco-friendly options, such as gift boxes and cushion packs. These efforts are supported by key initiatives across our brands, including MILWAUKEE, RYOBI, and HOOVER, ensuring meaningful progress toward responsible resource use and a more circular economy.

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.

Material Management

At the core of our packaging strategy lies the “4R Principles”— Reduce, Reuse, Recycle, and Rethink. These principles guide our efforts to reduce environmental impact across every stage of our packaging lifecycle. The following key activities address current areas of stakeholder focus.

▶ KEY INITIATIVES AND UPDATES

- This reporting period, the total packaging materials used was 74,762 tonnes, out of which 71% were recycled materials



Key Packaging Initiatives

Improving Material Efficiency

We focus on optimizing material usage in our design process to minimize consumption per SKU. We also repurpose offcuts as internal support inserts, enhance container loading efficiency, and make better use of warehouse space.

Eliminating Single Use And Problematic Plastics

We continuously work to eliminate single-use plastics like polybags, clamshells, and blister packs where possible and substitute with environmentally friendly alternatives. We design our packaging to eliminate problematic plastics like EPS wherever possible and replaced with paper-based alternatives.

Circular Design

We collaborate with suppliers to integrate approximately 70% recycled content into our packaging materials, along with 84% recycled content in user manuals, supporting a more circular approach to resource use.



Sustainable Packaging and Paper

To reduce our environmental impact, we opt for lower-impact alternatives, such as corrugated paper made from 82% recycled paper pulp, honeycomb board, chipboard, paperboard, and molded pulp. As part of our initiatives, we have removed expanded polystyrene foam from the majority of our packaging where alternatives are feasible and are working to eliminate it entirely. Furthermore, we have reduced the weight of our packaging materials and streamlined manuals by introducing one-page information sheets with QR codes linking to online resources. We further emphasize designing packaging for recyclability by avoiding composite materials and providing clear labeling for disposal or recycling. Additionally, we repurpose discarded materials, such as reusing corrugated cardboard from suppliers in our spare parts packaging as an alternative to bubble wrap.

6,097 tonnes
of tCO₂e emissions saved

Key Packaging Initiatives

Improving Material Efficiency



Heavy Duty Boxes – Material Reduction

Implemented a smaller heavy duty container option, reducing material use by 77.5 tonnes of plastic and 7.9 tonnes of paper, and made from 75% PCR material.

Eliminating Single Use And Problematic Plastics



Replacing Clamshell with Cardboard

Replaced clamshells with boxed packaging, reducing plastic use by 33 tonnes and enhancing container efficiency by 103.8%, resulting in a 171-ton reduction in carbon emissions.

Circular Design



Recycled Material Application

Utilized PCR materials instead of virgin materials, reducing carbon emissions by 3.9 tonnes and diverting waste equivalent to 153,000 plastic bottles from landfills.

Circular Economy

At TTI, we prioritize durability in our product designs and recognize its significance in our value chain. Our goal is to integrate circularity models into our operations.

Circular economy is reflected in our focus on sustainable resource management, waste reduction, and product longevity. By integrating circular economy principles into our operations and product lifecycle, we aim to reduce waste and maximize the utility of resources, from sourcing to disposal. Our approach includes designing products that are durable, repairable, and recyclable, and we work to replace environmentally harmful materials with sustainable alternatives. This strategy not only conserves resources but also supports the long-term sustainability of our product lines, ensuring they remain both high-performing and environmentally responsible.

Through collaborative efforts within our organization and with our NGO and non-profit partners, we strive to responsibly source materials, address resource scarcity, and reduce our environmental footprint. Our internal teams host quarterly meetings that review the organization’s circular economy initiatives, creating an environment of cross-functional collaboration, where members can partake in dialogue and give updates on integrating circular economy practices into our product design and operations.

Our internal trainings are designed to equip associates with the knowledge and skills needed to integrate circular principles into their daily roles, from responsible sourcing to waste reduction and efficient resource use. We also provide resources for teams working directly on product design, repair programs, and packaging improvements, ensuring they are well-versed in the latest sustainable technologies and practices. Additionally, we engage customers through educational materials, helping them make informed decisions about product maintenance, repair, and recycling.



Repairing

We have established repair and servicing centers throughout our value chain, allowing us to enhance the longevity of our products while maintaining quality standards. In this process, we reclaim parts from previously owned tools, utilizing these components for repairs and servicing whenever feasible.



Refurbishing

Our refurbishment process extends the lifespan of our products, helping to reduce waste and lessen our environmental footprint. Many of the refurbished items are available for purchase with a one-year warranty at one of our Direct Tool Factory Outlet (DTFO) stores across North America.

To guarantee that consumers receive top-quality refurbished products, each component, including batteries and chargers, undergoes a meticulous inspection. Once they pass this inspection, our expert technicians utilize factory-supplied components and refurbished replacement parts to carry out repairs. Moreover, extensive testing is performed to ensure adherence with all standards.

Batteries

A core factor contributing to our success is the “network effect” of our battery platform, which enables users to power each product network within the same system with a single battery. This “network effect” has significantly influenced our business strategy and ongoing success. By designing rechargeable battery packs that are interchangeable across each product network, we have effectively reduced excess consumption, production, and waste.

317 tonnes
Recycled lithium-ion batteries

Battery Recycling

Since 1994, TTI has actively implemented recycling initiatives to preserve the material value of batteries at the end of their lifecycle. By doing so, we help reduce the extraction and consumption of raw materials across our supply chain. Our recycling process adheres to all legal requirements and meets rigorous environmental, health, and safety standards. To further these efforts, we have established partnerships with leading battery recycling organizations such as Call2Recycle, Redwood Materials in North America, GRS Batterien in Germany, Valpak in the UK, Quantum Lifecycle in Canada and many more.

The recycling process involves first breaking down battery packs into their various components and chemistries. The cylindrical metal components are reused in steel and stainless-steel products, while lithium-ion, cobalt, and other valuable materials are utilized in manufacturing new battery chemistries.

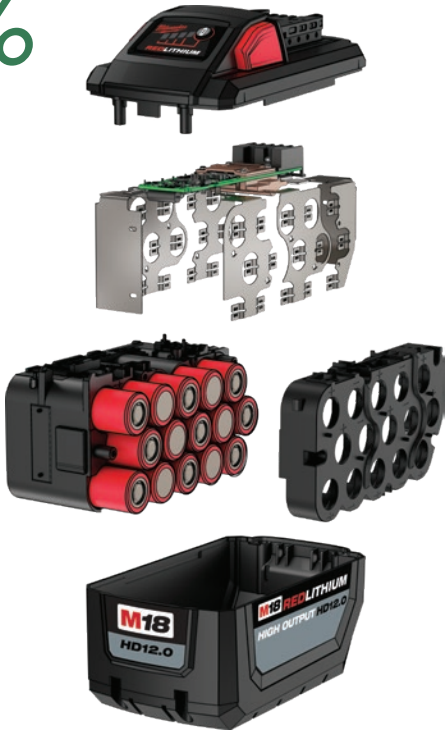
CALL2RECYCLE

TTI has been collaborating with Call2Recycle for more than two decades to establish an impressive network of over 16,000 collection sites across North America. These designated collection points enable consumers to drop off their batteries for recycling. In collaboration with Call2Recycle, we have implemented several recycling programs. These initiatives include issuing battery safety and recycling guides, providing a video on safe battery disposal, creating infographics that illustrate the positive impact of battery recycling over the years, and developing an ‘at-home’ recycling kit for online battery purchases through retailers. Our 2024 partnership resulted in the collection and recycling of over 200 tonnes of batteries. We remained a steward in good standing with Call2Recycle for our RYOBI, MILWAUKEE, RIDGID, HART, DIRT DEVIL, HOOVER, and ORECK brands. MILWAUKEE has been recognized as one of the top 100 leaders in sustainability for its outstanding contributions to the Call2Recycle battery collection and recycling program.



95%

of materials
are recyclable
in lithium-ion
rechargeable
battery cells



Waste

To meet our long-term goal of significantly reducing the volume of waste generated by our operations, we have committed to a 90% waste-diverted-from-landfill target by 2030. To support this, we collaborate with a range of waste management partners in various markets to ensure the safe collection, recycling, and disposal of hazardous and non-hazardous waste. These partnerships provide solutions that prioritize recycling and proper disposal methods.

We also provide comprehensive waste management training to associates, ensuring they are equipped to handle waste in line with our Waste Collection and Disposal SOP. This SOP outlines the procedures for recycling and the disposal of non-recyclable materials, ensuring proper waste management practices are followed. It also details the handling of hazardous waste while maintaining strict compliance with national environmental laws and protection regulations.

Our EHS teams ensure that all locations are well-equipped to follow these guidelines and regulations, ensuring that the necessary resources are in place. To maintain accountability, we conduct internal reviews of our waste management processes, which are also subject to periodic third-party review, further ensuring adherence to industry standards and environmental best practices.

86%

Waste-diverted-from-landfill in 2024

+18%

Absolute waste recycled in 2024

KEY INITIATIVES AND UPDATES

- Total waste consumption and intensity increased by 22% and 14%, respectively
- Total recycled waste increased 18% compared to 2023. We continue to assess new ways to reduce the use of hazardous materials and waste overall
- We produced 79,628 tonnes of non-hazardous waste and 1,924 tonnes of hazardous waste in 2024



Service Centers

RYOBI Rapid Repair

Since its launch in 2023, the RYOBI Rapid Repair program has continued to transform the repair experience for RYOBI products, offering a streamlined and efficient in-house repair system from our facility in South Carolina. We’ve completed over 70,000 orders this year, reinforcing our commitment to fast, reliable repairs and exceptional customer satisfaction.

The repair process is designed to be simple and hassle-free: customers register their tools, complete a claim form, and receive shipping labels via email. After dropping off their tools, the tools are sent to our facility, where skilled technicians perform repairs with attention to quality and care. Customers benefit from real-time status updates at every stage – from label creation and system scanning to technician evaluation and repair completion.

The RYOBI Rapid Repair program enhances our quality control measures and supports our circular economy model by extending the life of RYOBI products. Through this program, we remain committed to delivering a seamless repair experience that aligns with our dedication to both our customers and the environment.

Repairing
Reusing
Refurbishing
Harvesting Parts
Recycling



MILWAUKEE eService

The MILWAUKEE eService digital platform is designed to simplify and enhance tool support, offering 24/7 access to repair, maintenance, calibration, and certification services.

Customers enjoy fast turnaround times with free shipping to a wide network of Factory Service Centers and Service Hubs, plus walk-in options. After creating an account, users simply log in, enter tool details, and receive an instant shipping label, allowing them to send tools easily from over 8,000 authorized locations. Alternatively, they can visit a Service Center for in-person support.

MILWAUKEE’s factory-trained technicians handle each tool with care, using genuine parts to ensure precise maintenance, repair, and calibration, with return times as fast as 7-10 business days. Designed with sustainability in mind, MILWAUKEE eService extends tool lifespans, reducing waste by promoting long-term tool use.

With MILWAUKEE eService, customers gain access to a world-class support network, keeping their tools in peak condition, ready to perform whenever and wherever they need them.



Submit

Submit your tool online and drop it off at your local shipping provider.

Repair

MILWAUKEE factory-trained technicians will repair your tool with genuine MILWAUKEE parts.

Delivery

After the repair is completed, your tool is shipped directly to you. No need to pick it up.