

# TTI'S ESG APPROACH AND STRATEGIC FRAMEWORK

Sustainability is embedded within TTI's strategic framework, guiding responsible decisions that drive operational excellence and long-term stakeholder value. Our ESG approach is built around four strategic drivers: Powerful Brands, Innovative Products, Exceptional People, and Operational Excellence. Together, these pillars support responsible growth while reinforcing our long-term success and resilience.

Through our **Powerful Brands** innovation continues to shape our sustainability journey. Cordless technology remains central to our product strategy, enabling lower emissions and improved user safety and comfort. We have advanced the transition from traditional petrol, electric corded, manual, hydraulic, and pneumatic tools to battery-powered solutions, reducing the environmental and health impacts associated with older technologies. Sustainability principles are considered throughout our design and manufacturing processes, resulting in **Innovative Products** that are durable, efficient, environmentally responsible and meet evolving market expectations.

Our **Exceptional People** remain at the core of our business. Through initiatives such as the Leadership Development Program, we invest in developing a diverse, inclusive, and highly skilled workforce that drives innovation and continuous improvement. Beyond our organization, we extend this commitment to our broader stakeholder network by collaborating with suppliers, customers, shareholders, partners, and communities to strengthen shared success.

**Operational Excellence** continues to be a defining element of our ESG strategy. We integrate sustainability considerations where they create measurable business value, focusing on areas such as emissions reduction, responsible waste management, resource conservation, and the advancement of circular economy practices.



Our Scope 1 and Scope 2 emissions are verified annually, as well as Scope 3 Category 5 emissions, which include water consumption and waste-diverted-from-landfill. Our disclosure now covers the Scope 3 categories most material to our business, with ongoing reviews to improve data accuracy and transparency. We have strengthened our ESG governance through the completion of a double materiality assessment that considers our business's financial and impact materiality. This assessment was developed through a comprehensive evaluation of our impacts, risks, and opportunities across product, environmental, social, and governance topics. The process enhances our understanding of how sustainability factors influence business performance and how our operations, products, and value chain affect the wider environment and society. TTI aligns with key sustainability frameworks and reporting standards, including the HKEX Appendix C2 ESG Reporting Code, which aligns to IFRS Sustainability Disclosure Standards, GRI, and SASB. As a signatory of the United Nations Global Compact, we remain committed to upholding its Ten Principles across human rights, labor, the environment, and anti-corruption, while advancing progress toward the UN Sustainable Development Goals.