

CLIMATE CHANGE

GOALS AND TARGETS

- Reduce Scope 1 and 2 (Market-Based) GHG emissions by 60% by 2030, compared to 2021 baseline
- Reduce Select Scope 3 categories intensity year-over-year
- Ensure full compliance with climate-related frameworks and regulations
- Increase renewable energy use

PROGRESS

- Reduced absolute Scope 1 and Scope 2 (Market-Based) baseline emissions by 7%
- Disclosed all relevant Scope 3 categories
- Reduced emissions intensity for Scope 3 Category 1 by 1%
- 22% of energy is from renewable sources

By evaluating the impact of our business activities on climate change, we can develop a strategy focused on managing greenhouse gas emissions, minimizing energy consumption, and fostering collaboration with global partners.

How We Are Managing It

Climate management at TTI is guided by structured actions that target emission reductions, energy efficiency, renewable energy integration, and operational resilience. We continue to make steady progress in reducing Scope 1 and Scope 2 (Market-Based) emissions while reviewing our Scope 3 categories. Scope 1, Scope 2, and Scope 3 results are disclosed in the Performance Metrics section of this report.

Our approach integrates research, technology, and data insights to identify effective reduction opportunities across operations. Internal energy inspections are conducted at all material Group sites, followed by targeted action plans to improve efficiency. Furthermore, we are increasing the share of renewable energy used across our operations through solar panels, local procurement, and green energy partnerships. These efforts align with our broader environmental objectives and global climate goals, strengthening our long-term resilience to both physical and transitional climate risks.

To ensure compliance and build internal awareness, relevant associates receive training on climate action and disclosure standards aligned with applicable frameworks and regulations.



VALUE CHAIN



Emissions

TTI's approach to managing climate impact focuses on assessing our carbon footprint and reducing emissions across all operations. In line with the Paris Agreement's goal of limiting global temperature rise to 1.5 degrees Celsius, we continue to strengthen our efforts to measure, manage, and reduce greenhouse gas emissions. These efforts span our manufacturing sites, offices, service centers, logistics, and broader value chain, recognizing that each area contributes to our overall environmental footprint.

Our emissions primarily stem from three key sources: the combustion of fossil fuels used in manufacturing, vehicles, and machinery; the purchase of electricity, heating, and cooling; and the use of refrigerant gases. The contribution of refrigerants, or fluorinated gases, remains minimal, primarily linked to our high-efficiency Heating, Ventilation, and Air-Conditioning (HVAC) systems. By closely tracking these sources, we can target the most material areas for improvement and support our broader decarbonization strategy.

Energy

TTI prioritizes efficient and responsible energy use across its facilities to reduce emissions, lower costs, and enhance long-term performance. Our strategy focuses on four key areas:

- Improving energy efficiency
- Expanding onsite renewables
- Increasing renewable energy procurement
- Advancing fleet decarbonization

To enhance energy efficiency, we proactively maintain HVAC and building management systems to optimize performance and minimize waste. This includes using LED lighting, adjusting light levels based on occupancy and natural light availability, and deploying advanced energy management systems across our facilities.

Renewable energy generation and procurement continue to play a central role in our approach. We are actively increasing the use of green energy across our operations through solar installations and power purchase agreements, where feasible. Together, these measures strengthen operational resilience, support emissions reduction, and drive long-term sustainability performance.



Renewable Energy Procurement

TTI continues to expand its renewable energy portfolio through both onsite generation and offsite procurement. Accredited green energy agreements are in place across Australia, China, the United States, and Europe, complementing our ongoing renewable energy initiatives. In Australia, four facilities now operate on 100% renewable energy certified by GreenPower. Our MILWAUKEE operations in Wisconsin, including the West Bend hand tool factory, have transitioned to green electricity, while multiple sites across Europe, such as the United Kingdom, Switzerland, Central Europe, and Germany, source power from renewable sources via utility providers.

In 2025, renewable energy accounted for approximately 22% of our total energy consumption. While overall energy use increased slightly to just under 622,066 MWh compared to 2024, renewable energy procurement continues to rise as a share of our total mix. As part of our long-term decarbonization strategy, we are expanding onsite solar installations in Asia and Europe and exploring new Power Purchase Agreements, virtual agreements, and renewable energy certificates to strengthen our renewable energy integration.

For sites that have not yet transitioned, upcoming initiatives include evaluating solar panel installations, shifting from standard grid power to certified renewable sources, and formalizing regional renewable energy procurement frameworks. These steps reinforce our continued progress toward greater energy independence, resilience, and alignment with our global sustainability objectives.

Energy Inspections

Energy inspections form a key component of TTI's broader energy management and decarbonization efforts. Comprehensive assessments have been conducted across major regions, including China, Europe, the Middle East, and the Americas, to evaluate energy use and identify opportunities for efficiency improvements. Each inspection examines alternative energy options, operational practices, and facility performance, helping uncover both immediate and long-term savings potential.

Findings have highlighted areas for improvement in lighting systems, HVAC performance, machinery operation, and overall process energy use. Site inspections provide insights into maintenance practices and equipment optimization to reduce consumption. Informed by these evaluations, we continue to engage with reliable utility partners to expand access to clean electricity and integrate renewable energy sources into our operations.

Localization

To enhance our resilience against global disruptions, we minimize dependence on single sources and improve our adaptability to regional market needs by diversifying and localizing our manufacturing and supply chains. This approach involves sourcing and producing goods closer to their respective markets, which reduces extensive transportation requirements and the associated emissions. By collaborating with local suppliers, we also strengthen our connections with emerging markets.

The Group's largest supplier, along with the next five largest suppliers based on the volume of goods and services provided, represented approximately 5.0% and 15.6% of the Group's total purchases, respectively (excluding purchases of items of a capital nature). Our objective is to partner with businesses worldwide to raise environmental and safety standards throughout our value chain. In doing so, we actively support the development of local communities, positively impacting their economies, living conditions, and educational opportunities.

Building Standards

To enhance our business's environmental impact, we have launched several initiatives to help improve the sustainability of our buildings. These initiatives include:

- Preventive maintenance and monitoring systems
- Installation of LED lighting with timers and motion sensors
- Effective management of water usage
- Implementation of efficient chilled water systems
- Utilization of ENERGY STAR low NOx condensing boilers

We pursue recognized building certifications such as GREEN STAR, ENERGY STAR, LEED, and Green Building Certification to validate our commitment to energy efficiency and sustainable practices.

