

Vice Chairman's Message



“Culture is driven from the top, and every member of our company’s leadership team and our Board of Directors drives TTI to align its core strategic drivers and culture with ESG values.”

2020 challenged the world and its global citizenry perhaps as never before. We are proud that throughout this challenging year, we assiduously maintained our dedication to our people and to their health and safety.

We are equally proud that we strengthened our commitment to be a global leader in environmental sustainability, social responsibility, and ethical corporate governance. While achieving an unprecedented level of growth and success, we intensified our focus on recruiting and retaining a talented and diverse global workforce.

Culture is driven from the top, and every member of our company's leadership team and our Board of Directors drives TTI to align its core strategic drivers and culture with ESG values. By promoting these commitments and beliefs throughout the organization, we have successfully driven initiatives that deliver positive impacts for our employees, customers, suppliers, investors, other partners, and society. The following are examples of just some of those initiatives:

- **Environment:** Even in the face of a global pandemic, we continued to relentlessly invest in talent and R&D to produce revolutionary, environmentally responsible cordless products that will accelerate the world's conversion away from gas-powered products and other legacy technologies. Our industry-leading products are designed and engineered to reduce emissions, noise, vibration, size, and weight and otherwise improve ergonomics for users. These innovative products include our WHISPER series of leaf blowers which substantially reduce the noise produced in residential and commercial neighborhoods, highly efficient brushless motors, and an expanded platform of cordless cleaning, tool and outdoor products. We take immense pride in receiving The Home Depot's Environmental Partner of the year award and will continue to build on our successes. As a whole, we worked to reduce TTI's greenhouse gas (GHG) emissions intensity and as we continue to grow, we are setting environmental targets and incorporating environmental requirements into the design of our new and existing facilities.

- **Social and Community:** The health and safety of our employees are our top priority, and our global facilities adhered to government and health agency guidelines and best practices and provided employee training, personal protective equipment, and other support wherever and whenever needed. The recruitment into our Leadership Development Program (LDP) was unmatched in the record number of exceptional people hired who represent the future leadership of TTI. Our diversity and inclusion initiatives help enable us to attract and retain a global workforce who represent diversity in many dimensions.
- **Governance:** We have expanded our ESG Executive Committee, comprised of Board members and members of our leadership team across geographic regions and functional areas. Additionally, we renewed our membership to Global Reporting Initiative (GRI) which aims to increase transparency in ESG reporting. We joined the Responsible Business Alliance (RBA) as a supporter member to foster human rights, environment protection and overcome potential ethical supply chain challenges.

At TTI, we are and will remain unflaggingly passionate about pursuing our strategic drivers while fulfilling our commitment to a more just, diverse, safe, and environmentally responsible world. I am confident that our exceptional people will continue to meet the challenges and exceed the goals that lay ahead as we continue to lead our industry toward a more sustainable future.



Stephan Horst Pudwill
Vice Chairman
March 3, 2021

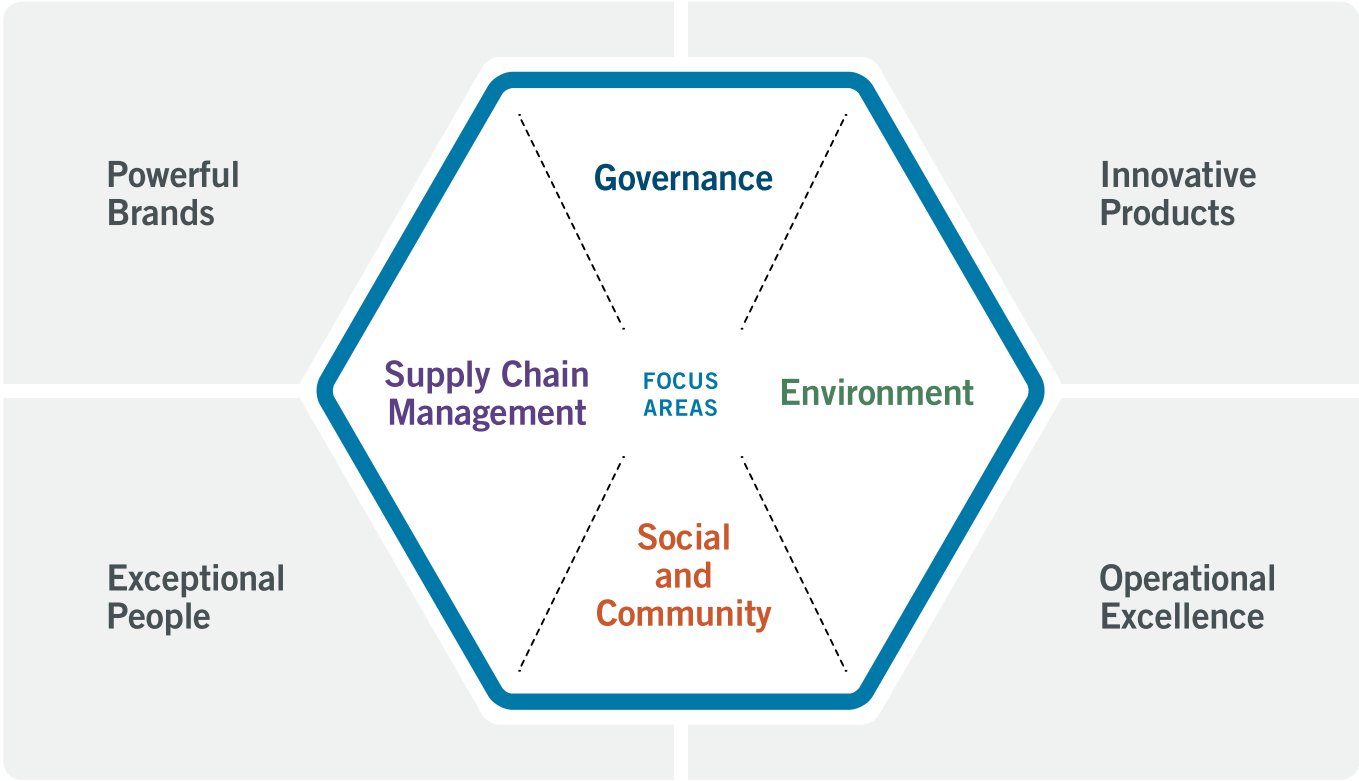
TTI’s ESG Approach and Strategic Framework

Instilling ESG best practices along our value chain drives TTI’s approach to sustainability in the way we operate, what we produce, how we source and the way we live. Sustainability is at the core of our business today and is the bedrock for both the development of our business and creating shared value for all our stakeholders’ future prosperity. Our strategic framework for ESG is based on engagement with our stakeholders to learn what is important to them, their needs and key concerns. Their feedback helps TTI conduct a comprehensive assessment process which allows us to identify our material topics that impact the sustainability of our value chain and business overall.

We understand that our actions are not only of significant importance to the future of our business, but also address collective, global concerns

to make a true difference by aligning with the United Nations Sustainable Development Goals (UNSDGs). We are committed to implementing more initiatives, including setting environmental targets to address our climate impact and enhancing our overall sustainability practices. Accountability and transparency will drive the success of these goals and our vision for ESG.

Our focus areas of Governance, Environment, Social and Community and Supply Chain Management cover each of our material topics and the related initiatives and goals in depth, demonstrating how our four strategic drivers, Powerful Brands, Innovative Products, Exceptional People and Operational Excellence, guide our business in strengthening our sustainability performance.



Stakeholder Engagement

TTI's key stakeholder groups are identified as those that have a vested interest in our company and can either affect or be affected by our operations and performance.* Our sustainability focus areas take into account the priorities and concerns of our key stakeholder groups. We regularly engage with all our stakeholders, including our employees, customers, end-users, suppliers, investors, shareholders, regulatory bodies, industry groups and the broader community.

In 2020, we expanded our partnerships with a number of non-profit organizations to engage with experts and peers, align on best practices and understand our industry's priority issues. Examples of such strategic partnerships include our engagement with the Responsible Mineral Initiative (RMI) and the Global Reporting Initiative (GRI).

Through the year, we actively participated in virtual roundtables and conferences of organizations such as RMI and GRI covering topics including waste, water and supply chain.

We continued to engage with employees to understand the issues that are of utmost concern to them in 2020. We also communicated with our customers to understand their key sustainability-related challenges and maintained a dialogue with suppliers through online platforms, and face-to-face meetings whenever possible. In addition, we continued to interact with shareholders to understand their concerns and the expectations they have of our ESG performance.

The table below summarizes the main issues of concern raised by our stakeholders, which are reflected in our material topics and addressed in this Report. The table also outlines how we engage with our stakeholders and the frequency of this engagement.

Stakeholder Groups	Engagement Channels and Frequency [†]	Key Concerns	Material Topics that Address Key Concerns
Employees	<ul style="list-style-type: none"> • Surveys • Diversity and Inclusion committees • ESG sub-committees • Roundtables • Sessions with speakers • TTI Group Intranet • Training (online and face-to-face) • Annual employee reviews • Engagement with Non-governmental Organizations (NGOs) • Social media • Compliance hotline 	<ul style="list-style-type: none"> • Governance • Climate change • Working terms, conditions and benefits • Training and development • Health, safety and wellness • Equal opportunities, diversity and inclusion • Community engagement 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Talent Attraction and Engagement • Health, Safety and Wellbeing • Diversity and Inclusion • Community Investment and Engagement
Customers and Product End Users	<ul style="list-style-type: none"> • Communication on policies and codes • Audits • Communication on conflict minerals, due diligence and progress • Sustainability programs on decarbonization and greenhouse gas emission reduction • Focus groups on product development • Annual product presentation conferences • Ongoing conferences and meetings • Social media • Compliance hotline • Customer service communication channels 	<ul style="list-style-type: none"> • Climate change • Data privacy • Packaging • Chemical substances • Circular economy • Transport, storage, recycling, end-of-life of products and batteries • Quality of products, including safety and environmental impact • Social and environmental responsibility • Modern slavery (forced and child labor and vulnerable migrant workers) • Conflict minerals 	<ul style="list-style-type: none"> • Climate Change • Data Protection and Cybersecurity • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Product Safety • Responsible Sourcing

* Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).

[†] Unless stated, engagement is ongoing or periodic.

Stakeholder Groups	Engagement Channels and Frequency [†]	Key Concerns	Material Topics that Address Key Concerns
Suppliers	<ul style="list-style-type: none"> • Compliance hotline and online platform • Onsite presence of our quality and Social and Environmental Responsibility (SER) employees • Regular audits and meetings • Annual training • Annual product presentation conferences • Supplier engagement conferences 	<ul style="list-style-type: none"> • Governance • Anti-corruption • Climate change and extreme weather events • Resource scarcity • Pollution and waste • Social and environmental responsibility 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Product Safety • Responsible Sourcing
Shareholders and Potential Shareholders	<ul style="list-style-type: none"> • Meetings to discuss Social and Environmental Responsibility (SER) expectations • Surveys / interviews conducted by external facilitators • Annual roadshows • Annual General Meeting 	<ul style="list-style-type: none"> • Ethics and governance • Independence and engagement of Board members • Environmental risk management • Climate change strategy and greenhouse gas emission reduction • Diversity and inclusion • Community engagement • Responsible sourcing with focus on human rights, conflict minerals and cobalt 	<ul style="list-style-type: none"> • Ethics and Governance • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Diversity and inclusion • Community Investment and Engagement • Responsible Sourcing
Communities	<ul style="list-style-type: none"> • Local and international community engagement with non-profit organizations • School fairs and programs with universities • Mentoring and internship programs 	<ul style="list-style-type: none"> • Climate change • Training and development • Health and safety • Equal opportunities, inclusion and diversity • Safety of products • Poverty • Social and environmental responsibility • Water • Biodiversity 	<ul style="list-style-type: none"> • Climate Change • Water • Resources, Chemicals and Waste • Sustainable Products • Biodiversity • Health, Safety and Wellbeing • Diversity and Inclusion • Product Safety • Community Investment and Engagement • Responsible Sourcing

[†] Unless stated, engagement is ongoing or periodic.

Materiality Assessment

We continually strive to enhance how we identify and assess the issues that are most material to our stakeholders and our business. Understanding the concerns of our stakeholders and our global sustainability challenges allows us to align our sustainability strategy and to identify areas of focus to enhance our sustainability performance and reporting. This is also invaluable for identifying our risks and opportunities and deepening our collaboration with our partners for impact.

The matrix below identifies 13 material topics that were selected based on stakeholder concerns as well as the significance of economic, environmental and social impacts on our business in 2020. While all these topics are important to TTI, the relative ranking presented in this assessment is crucial in informing our strategic decision making and













future target setting. Climate change, ethics and governance, data protection and cybersecurity, along with topics in our product-related categories – sustainability and safety – ranked highly, emphasizing the importance of our comprehensive approach to managing our environmental and governance performance. Responsible sourcing, health, safety and wellbeing, and talent attraction and engagement topics followed, reflecting the importance stakeholders place on responsibly engaging with our supply chain and supporting people to thrive. For water and biodiversity, we address these risks along our value chain and believe they are increasingly critical sustainability risks going forward. We will continue to engage stakeholder groups on a regular basis to monitor and refine our assessment in order to ensure our sustainability strategy remains robust.















Value Chain Impacts, Risks and Opportunities

TTI's operations are global with all of our business units, partners and suppliers playing an invaluable part in our sustainability journey. A thorough assessment of how our material topics impact various parts of our value chain and the risks and opportunities that result remain an important aspect of our sustainability approach and strategy. The table below outlines these impacts, risks and opportunities.



Material Topics & Impact along the Value Chain	Risks	Opportunities
Ethics and Governance		
 Manage risk and maintain trust of stakeholders	<ul style="list-style-type: none">• Change in trade regulations• Non-compliance with international and local laws to the broad scope of TTI's group operations• Risks of corruption	<ul style="list-style-type: none">• Diversification of manufacturing footprint with opportunities for TTI to promote ethical conduct and robust governance practices as well as sustainable buildings and renewable energy generation, job creation, and health and safety standards for local workers and employees• Training employees and suppliers on compliance with Code of Conduct and other TTI policies, promoting a culture of ethics, respect for human and labor rights, environmental protection and good governance
 Maintain employee loyalty, reduce turnover and increase productivity		
 Retain customer loyalty thereby boosting business development		
 Foster respect and goodwill of surrounding communities		
Data Protection and Cybersecurity		
 Protect supplier data, reduce business process disruption	<ul style="list-style-type: none">• Breach of Intellectual Property (IP)• Breach of data privacy• Cyberattacks and risk of data loss	<ul style="list-style-type: none">• Promote innovation and increase the number of TTI's IP rights• Safeguard valuable assets (e.g. logos, patents, trademarks, copyrights, software)• Protect customer data, business strategy and IP• Protect TTI and customer information data, IP and TTI's systems and operational integrity
 Maintain business continuity, protect assets and innovation		
 Protect customer data and privacy, maintain trust		
 Maintain trust and business continuity to benefit local communities		
Climate Change		
 Material sourcing, manufacturing processes and transportation	<ul style="list-style-type: none">• Physical damage to assets from climatic events• Productivity impact from temperature change and disease proliferation• Supply chain disruption• Financial impact• Regulatory change	<ul style="list-style-type: none">• Strategic mitigation to future-proof the business for operational and supply chain resilience to boost TTI's competitive advantage• Develop partnerships
 Employee commuting, travel, manufacturing processes, product transportation and distribution		
 Product usage, end-of-life treatment of products		
 Product usage, product transportation and distribution		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Water		
 Manufacturing, sanitation, wellbeing	<ul style="list-style-type: none">• Water quality and scarcity• Supply chain disruption• Ecosystem impact	<ul style="list-style-type: none">• Resource conservation and cost savings• Positive recognition as a responsible global citizen
 Manufacturing, sanitation, employee wellbeing		
 Sanitation, wellbeing		
 Sanitation, wellbeing		
Resources, Chemicals and Waste		
 Regulatory risk, safety, environmental footprint, pollution	<ul style="list-style-type: none">• Commodity pricing and sourcing• Scarcity of resources• Environmental impact• Financial management of recycling programs• Availability of recycling programs in new markets and distribution networks	<ul style="list-style-type: none">• Research and development of new technologies, recyclable materials, biodegradable materials and eco design• Resource conservation and cost savings• Leadership in environmental and health and safety performance• Partnerships to implement recycling programs and new technologies and materials
 Regulatory risk, safety, environmental footprint, pollution		
 Customer safety and trust		
 Ecosystem health, degradation and loss of biodiversity and pollution		
Sustainable Products		
 Pollution reduction, decreased resource consumption and waste, reduced supply chain risk	<ul style="list-style-type: none">• Consumer trends in purchasing products with environmental attributes/certifications• Regulatory change	<ul style="list-style-type: none">• Innovation• Eco-design opportunities• Improve the end of useful life of products and push for circular economy• Sustainable consumption and marketing• Reduce supply chain risk• Meet market demand for sustainable products
 Employee satisfaction, reduced environmental risk, pollution reduction, decreased resource consumption and waste		
 Pollution reduction, decreased resource consumption and waste results in customer wellbeing and trust		
 Pollution reduction, decreased resource consumption and waste furthers community wellbeing and trust		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Biodiversity		
 Sourcing of raw materials and business processes can cause ecosystem degradation	<ul style="list-style-type: none">• Environmental impact, including ecosystem degradation and species loss	<ul style="list-style-type: none">• Biodiversity/restoration• Resource conservation and cost savings• Positive recognition as a responsible global citizen• Develop partnerships
 Manufacturing and other business processes affect ecosystem health		
 Product end-of-life management, producer meeting responsibility expectations		
 Environmental wellbeing, habitat loss and degradation, erosion, species loss, air and water pollution, soil and water contamination		
Talent Attraction and Engagement		
 Exceptional and engaged employees are able to maintain strong business relationships with all external parties	<ul style="list-style-type: none">• Turnover/recruitment/salary cost• Not finding qualified candidates• Investment costs• Skill and experience of workforce• Succession planning	<ul style="list-style-type: none">• Development of long-term career opportunities• Development of partnerships with universities/trade associations• Development and training of TTI employees
 Well-trained, satisfied employees lead to higher productivity and business continuity and success		
 Superior customer service and trust in TTI		
 Employment opportunities and economic growth		
Health, Safety and Wellbeing		
 Fair working conditions, satisfied employees maintain strong business relationships with external parties	<ul style="list-style-type: none">• Safety of end users, job sites and TTI employees	<ul style="list-style-type: none">• Fair, safe and healthy workplace practices at TTI and along the supply chain• Promote health in the community
 Employee health, wellbeing and satisfaction boosts productivity		
 Healthy and engaged employees deliver superior customer service and promote trust in TTI		
 Productivity and growth for TTI is beneficial for the communities where we operate		

Material Topics & Impact along the Value Chain	Risks	Opportunities
Diversity and Inclusion		
 A diverse workforce is able to maintain strong business relationships with external parties	<ul style="list-style-type: none">• Male dominated industry: challenging to attract female employees and minorities and to achieve gender and racial diversity at management levels	<ul style="list-style-type: none">• Attracting talent from different cultures to achieve diverse thinking, methods, values and perspectives• Engage in initiatives to promote diversity and inclusion and make a real impact internally and externally
 Inclusion and equal opportunities boost productivity and creativity		
 A productive, engaged workforce encourages customer trust		
 Inclusive employment opportunities support license to operate		
Product Safety		
 High standards improve quality across the supply chain leading to upskilling and growth	<ul style="list-style-type: none">• Safety of end users• Litigation, fines from product claims or recalls• Reputational damage• Commercial risk• Cost of claims or recalls	<ul style="list-style-type: none">• Develop innovative tools with safety functions• Positive recognition for safe products• Improvements in the quality of products and customer service capability
 Employee loyalty, growth of the business		
 Health, safety, loyalty and trust		
 Trust		
Community Investment and Engagement		
 Environmental, social and economic stability in the supply chain	<ul style="list-style-type: none">• Reputational risk of not being engaged in industry initiatives or from not supporting local community needs• Risk of not meeting expectations of customers and potential employees/young talent• Corruption risk	<ul style="list-style-type: none">• Create shared value for both TTI and community• Positive impact on the environment, social and human rights and recognition as a responsible corporate citizen• Global engagement• Support work of NGOs• Give back to the community through volunteering and donations• Build brand loyalty
 Sustainable growth, loyal, engaged employees		
 Trust, social stability		
 Economic, social and environmental wellbeing		
Responsible Sourcing		
 Business continuity, working conditions, human rights, wellbeing, reduced environmental footprint	<ul style="list-style-type: none">• Reputational risk of not being engaged in industry initiatives• Risk of not meeting the same level of environmental management standards across global manufacturing sites and the supply chain• Disruption of supply chain due to human rights conditions: fines from violations/claims, reputational damage, commercial risk	<ul style="list-style-type: none">• Contribute to policy and program development to affect change across the industry and supply chain• Diversification of manufacturing and supply chain• Champion human rights: positive recognition as a responsible corporate citizen• Establish our position as a responsible employer and supply chain partner• Supplier capacity building
 Minimize ESG risk, ensure product quality and business continuity		
 Maintain trust in TTI		
 Economic, social and environmental wellbeing		




Our Goals and Progress

TTI is committed to maintaining transparency and tracking the progress of the various initiatives that address our material topics. To ensure our sustainability strategy aligns with greater global concerns, we are working towards aligning our initiatives with 14 of the 17 United Nations Sustainable Development Goals (SDGs) that are most relevant to our operations. The table below outlines the SDGs that relate to our material topics, highlighting our goals and progress in these areas.

Progress Status



Focus Areas	Material Topics	TTI Goals	Progress 2020 vs. 2019
Governance	Ethics and Governance  	<ul style="list-style-type: none"> Compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary No cases of corruption among TTI Group and its business partners 	
	Data Protection and Cybersecurity 	<ul style="list-style-type: none"> Protect and enforce TTI's IP rights Data privacy: compliance with new regulations, GDPR, California Consumer Privacy Act and other privacy regulations Cyberattacks: minimize risk of business disruption. No breaches or incidents 	
Environment	Climate Change     	<ul style="list-style-type: none"> Reduce energy consumption and GHG emissions (Scope 1 and 2) and set ambitious 2030 environmental targets Increase our renewable energy procurement Implement a climate resilience strategy 	
	Water   	<ul style="list-style-type: none"> Reduce water consumption at TTI's operations Increase the portion of recycled water 	
	Resources, Chemicals and Waste  	<ul style="list-style-type: none"> Reduce packaging and increase adoption of reduced impact packaging and packing Reduce usage and safely manage chemicals and waste Develop further circular business models focusing on use of recycled materials 	
	Sustainable Products  	<ul style="list-style-type: none"> Reduce environmental impact through innovation in product design, packaging design, manufacturing, use and end of useful life phases Design to easily repair, refurbish and recycle Promote circular business models by increasing service, repair, maintenance and refurbishment services 	
	Biodiversity    	<ul style="list-style-type: none"> Partner with our supply chain and promote responsible sourcing Partner with organizations to protect and restore biodiversity 	

Focus Areas	Material Topics	TTI Goals	Progress 2020 vs. 2019
Social and Community	Talent Attraction and Engagement  	<ul style="list-style-type: none"> • Attract and retain the best talent • Promote employee engagement • Continuous training and development 	↑
	Health, Safety and Wellbeing  	<ul style="list-style-type: none"> • Promote healthy and safe workplaces • Zero fatal accidents in our workplaces • Promote and support physical and mental wellness of employees 	↑
	Diversity and Inclusion  	<ul style="list-style-type: none"> • Promote respect, diversity and inclusion in the workplace • Promote diversity and inclusion in surrounding communities • Maintain compliance with TTI's policies and codes 	↑
	Product Safety  	<ul style="list-style-type: none"> • Innovative product design to enhance user experience with improved quality, safety and environmental/health benefits 	↑
	Community Investment and Engagement      	<ul style="list-style-type: none"> • Establish strategic partnerships with industry partners and NGOs • Develop impact metrics to track and increase our community investment and engagement activities 	↑
Supply Chain Management	Responsible Sourcing      	<ul style="list-style-type: none"> • Enhance training to raise awareness and improve human rights and environmental impact in the supply chain • Effective partnerships with NGOs in major countries of operations and where there is a greater risk of human rights violations within the supply chain • Train to promote compliance with TTI's policies and codes with transparency in reporting • Educate and train our supply chain on the risks of forced and child labor and other human rights risks • Mapping the environmental risks in our supply chain to reduce GHG emissions, energy and water consumption in the supply chain • Set environmental targets for suppliers 	↑