

Vice Chairman's Message



We have made important strides throughout the year to build our sustainability values into the culture at TTI, and we are progressing well on our ESG journey. We are examining how we design, source, manufacture, distribute and recycle our products to reduce our carbon footprint and ensure the long-term sustainability of our governance and business model.

TTI's determination to be a leader in sustainability is not just because it is a requirement, but because it is our responsibility and the right thing to do. Two areas we would like to highlight this year are the continued improvement in our corporate governance and the establishment of environmental targets. Sustainability is woven into our culture from the ground level of our operations all the way up to the Board. In doing so, we plan to continue to heavily invest in our people and clean technology. As a leader in our industry, we have set ambitious goals for our future performance and the standard for what it means to be an exceptional global organization.

Target Setting: Our team is focused more than ever on our organization's environmental impact and potential opportunities to reduce future emissions. As a result, we are proud to announce our decarbonization plan.

- By 2030, we plan to reduce absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 60% from our 2021 baseline, while aggressively growing the business.
- Our employees across the globe have contributed to this new target through prioritizing energy efficiency initiatives, onsite renewable energy, offsite renewable energy procurement, and the conversion of our fleet to hybrid and electric vehicles.
- We are very pleased to have recently signed our Green Energy deal in the state of Wisconsin, supplying us with 100% green energy in our Wisconsin sites. This is a brand-new program, and we are one of the first companies to commit.
- We continue to map, measure and target reductions for Scope 3 emissions throughout our value chain and product life cycle.

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Governance: In 2021, we simultaneously improved the gender diversity of our board and augmented its sustainability expertise with the addition of a new Independent Non-Executive Board Director, Ms. Virginia Davis Wilmerding. We are also pleased to welcome Ms. Caroline Christina Kracht as another Independent Non-Executive Director effective March 7th, 2022. The addition of these two highly qualified female directors to our Board will bolster the strength and diversity of our governance structure.

- TTI has actively engaged in sustainability oversight at the Board level while at the same time investing in dedicated sustainability functions at the Group and business unit levels.
- We continue our multi-pronged effort to further integrate environmental, social, and governance strategies into our business unit and Board level decision-making. These strategies will continue to be communicated to investors, customers, employees, and other stakeholders throughout 2022.

Sustainable Products: TTI has remained focused on clean tech innovation as a core strategy. This is reflected in our cordless lithium-ion battery technology and state-of-the-art acoustic engineering capabilities. Our commitment to developing battery platforms that are 100% backward and forward compatible is a prime example of our sustainable circular economy leadership.

- We convert users from traditional power sources including corded, pneumatic, hydraulic, and petrol tools to our advanced, demonstrably better, and technologically superior lithium cordless battery products.
- In addition, we developed the RYOBI WHISPER SERIES of outdoor products with our state-of-the-art acoustic engineering capabilities. Our mission is to eliminate harmful noise pollution from neighborhoods, and we are excited about the application of our advanced acoustic R&D within our new product pipeline.

- We are relentlessly focused on the quality, safety, repairability, and longevity of our products. This commitment to circular economy principles in our design and engineering processes is paired with a focus on end-user behaviors. These behaviors facilitate servicing, repairing, and refurbishing tools for more sustainable product life cycles.

Not only are we focused on leadership in sustainable products, but also on building out a sustainable global footprint. Our commitment to decarbonizing our manufacturing operations is exemplified by the current construction of LEED Certified state-of-the-art manufacturing sites in Vietnam and the USA. In addition, solar panels are being installed across our facilities to better manage energy consumption.

The sustained commitment among all levels of employees to play pivotal roles in our ESG journey has been extremely encouraging. We are a leading global technology company that depends on recruiting the best and brightest talent worldwide. There is a direct correlation from our tangible measures of ESG success and our ability to attract and retain talent. Stakeholders of all kinds are excited to work with us to build a more sustainable future.

At TTI, we are fully committed to doing business in a way that creates a more just, diverse, safe, and environmentally-responsible world. TTI's mission remains to improve the lives of homeowners and tradespeople around the world. I am proud of the incredible team we have established to build a more sustainable future and am confident we will exceed our targets, continue to assess the financial risk associated with ESG and further establish TTI as a leader across the globe.

Stephan Horst Pudwill
Vice Chairman
March 2, 2022