

Social



149,780

Training hours (on e-learning)

+1.5%

Increase in ratio of female to male employees

1,475

Graduates in our Leadership Development Program (LDP)

Zero

Work-related fatality cases



Overview

Our social policies and codes are designed to ensure that we can attract and retain the best talent, our customers can count on product integrity and protection and that the communities in which we operate flourish.

TTI has a long history of investing in employee development. For over 10 years we have been actively recruiting college graduates over 100 campuses worldwide. Our recruitment practices bring high-potential candidates to the LDP, ensuring our focus on nurturing Exceptional People is maintained across all areas of our business.

An important aspect of our strategy is to create positive social impact through comprehensive employee initiatives, robust customer-centric policies, and active community investment across all markets. Through these initiatives, we strive to achieve some of the United Nation's most crucial SDGs namely, the elimination of poverty, reduction of inequality and the promotion of good health and wellbeing, quality education, gender equality, and decent work and economic growth. Our policies are aimed at championing justice through strong institutions and engaging in multi-stakeholder partnerships across markets for the betterment of communities at large.

Employee Management

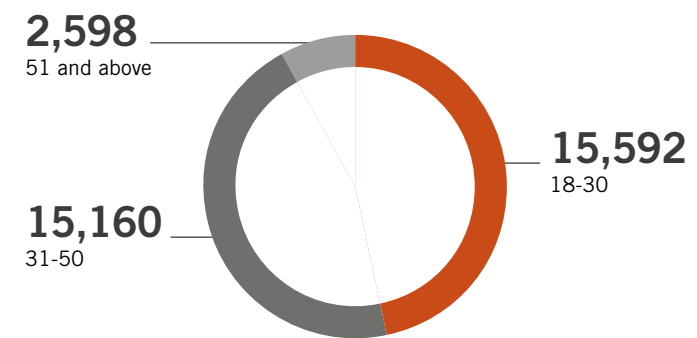
A Diverse Global Team

TTI operates in 40 jurisdictions globally, employing over 33,350 employees of varied backgrounds, skill sets and experience. Our diverse teams bring invaluable ideas that enrich our company. As a result, we consider respecting diversity and providing equal opportunities as key to our success. As one of TTI's core strategic focus areas is the development of Exceptional People, recruiting, hiring and mentoring diverse youth is our key strategy.

We invest heavily in our employees, providing extensive opportunities for staff training and development, robust health and safety measures and competitive remuneration and benefits in order to recruit and retain the best talent.

Detailed information about our employee profile is as follows.

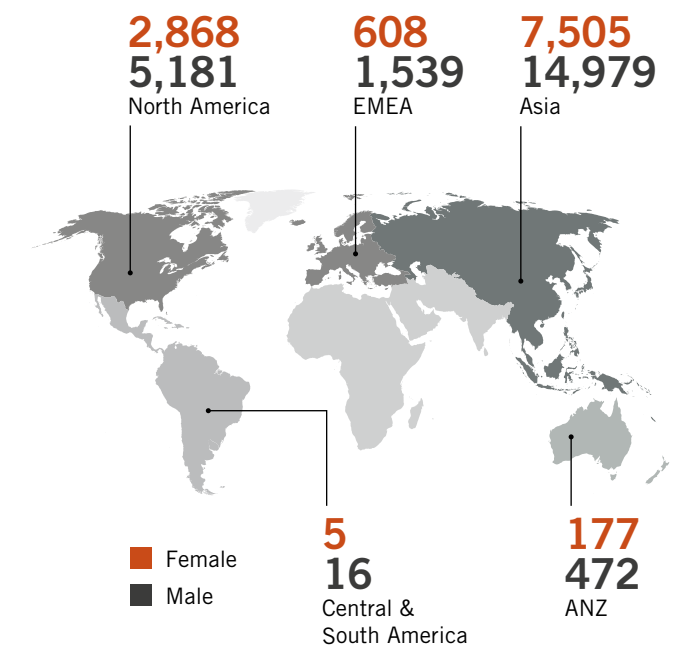
Global Employees by Age Group



Global Employees by Gender



Global Employees Headcount by Region and Gender



Global Full-time and Part-time Employee Headcount by Geographic Region

	Full time	Part time	Total
Asia	22,431	53	22,484
ANZ	646	3	649
EMEA	2,055	92	2,147
Central and South America	21	0	21
North America	8,024	25	8,049
TTI Total	33,177	173	33,350

Global Permanent and Temporary Employee Headcount by Geographic Region

	Permanent		Temporary	
	Female	Male	Female	Male
Asia	6,190	13,513	1,311	1,470
ANZ	177	472	0	0
EMEA	570	1,467	41	69
Central and South America	5	16	0	0
North America	2,550	4,744	318	437
TTI Total	9,492	20,212	1,670	1,976

Average Turnover Rate by Region, Gender and Age Group

	Turnover rate	Turnover rate	Turnover rate
Asia	114*	Female 13	Age 18-20 20
ANZ	11	Male 24	Age 21-30 29
EMEA	19		Age 31-40 12
North America	14		Age 41-50 9
			Age 51-60 3
			Age 60+ 5

*High turnover rate due to the closure of TTI Suzhou.

Working at TTI

Employee Handbook and Code of Conduct

Each TTI business unit has an Employee Handbook written specifically for its location that incorporates all relevant and applicable employment policies, procedures and best practices, as well as national and local regulations. Handbooks are updated annually or when significant changes occur. All employees are required to read and sign off on the Employee Handbook when they join, as well as when changes are made.

Everyone at TTI, including employees, officers and directors across different business units, are expected to fully adhere to our Code of Ethics and Business Conduct. All of TTI's new hires are required to complete training on the Code of Ethics and Business Conduct and everyone must take an e-learning course on modern slavery and human trafficking. In the Code of Ethics and Business Conduct training, we provide real-life scenarios of harassment, and human and labor rights violations, for employees to be able to better identify issues and report them accordingly. Employees are encouraged to actively report activities that are not compliant with our codes and policies to senior management or via the compliance hotline, as outlined in the Governance section of this report.

Human and Labor Rights

TTI takes human and labor rights very seriously. We comply with all international, national, state and local employment laws, in addition to International Labor Organization (ILO) core labor standards to ensure our workers are treated fairly. TTI does not tolerate child or forced labor under any circumstances. As such, we always ensure that workers are of appropriate age and that working hours are managed according to legal requirements. Across all markets, workers must have the required legal permits to work at our facilities and we ensure the same requirements are applied and respected in our supply chain.

A full list of legal and regulatory requirements related to human and labor rights that have the potential to have a significant impact to TTI operations and performance can be found in Appendix A of our HKEX ESG Guide Content Index on our website.

Some examples of our labor practices in specific regions are as follows.

Asia

Policies followed by our People's Republic of China (PRC) business units demonstrate how we manage fair labor practices. We have stringent policies regarding child labor, juvenile workers and forced labor. Our PRC facilities never hire anyone under the age of 16 and only hire workers between the ages of 16 and 18 during peak seasons for non-hazardous work. TTI requires our PRC locations to adhere to the Juvenile Worker Protection Policy and register workers with the local labor bureau. In addition to following TTI policies, our PRC locations have instituted several preventative actions including checking identification cards (with date of birth information) via a system linked with public security agencies, and registering the names of all juvenile workers with the local labor bureau. To ensure freedom of association and collective bargaining rights are respected, workers have access to the union where they can express their concerns and opinions, which are in addition to TTI's established channels.

ANZ

In Australia and New Zealand, the business units are legally obligated to consult with employees in the event of any major workplace change. This practice is continuously adopted by TTI ANZ and as a result, the company has not had any litigation cases related to a breach of procedural fairness.

North America

Our business units in the United States also provide a good example of how fair labor practices are maintained. All employees must complete a formal application for employment. For workers between the ages of 16 and 18, we follow local guidelines that limit the number of hours allowed and we ensure that working hours are approved by the parent or legal guardian.

Equal Employment Opportunities

TTI is committed to treating all individuals with dignity and respect. We provide equal employment opportunities for all qualified persons, without regard to race, national origin, gender or gender identity, sexual orientation, pregnancy, age, religion, military service, status as an individual with a disability or status as a veteran or any other status protected by applicable local, state or national law. Our commitment to equal opportunity practices is outlined in our Code of Ethics and Business Conduct, which covers our overall philosophy and approach to harassment prevention, anti-discrimination and anti-retaliation. Our employees receive regular training on our e-learning platform and in face-to-face sessions. All employees are required to take an e-learning course on addressing discriminatory issues to understand how to manage any such incidents, should they occur.

In 2019, no incidents of discrimination were found to have occurred and therefore, no corrective actions had to be taken.

Our equal opportunity practices are aligned to cultivate inclusion and diversity, celebrate differences and welcome all employees to participate fully in our business. Practices in regions highlighted below serve as examples of our commitment.

Asia

In Asia, TTI AIP offers a special recruitment campaign for disabled persons in the community. Across the PRC, business units follow local laws that protect female employees. Qualified candidates are hired regardless of gender, with many female students and individuals from under represented groups joining the company.

ANZ

In Australia and New Zealand, business units work to achieve merit-based selection and promotion and to apply the principle of fairness in decision making. This policy extends to external contractors and anyone who provides goods and services to our customers. Bullying is not tolerated under any circumstances and no employee is penalized or disadvantaged as a result of raising genuine concerns or complaints relating to discrimination or harassment.

EMEA

In EMEA, DreBo Germany follows German laws that set a quota on the integration of employees with a disability.

Environmental, Social and Governance Report

North America

In the United States, TTI's Equal Employment Opportunity (EEO) Policy, as well as its affirmative action obligations, have full support from senior management. All employees are encouraged to be engaged in the EEO Policy and affirmative action initiatives to ensure the success of the program. TTI FC NA develops affirmative action programs in accordance with the EEO policy on an annual basis. At TTI PE, the team actively recruits female engineers to apply to TTI, and also attends career fairs hosted by women's organizations, such as Clemson's Women in Engineering to keep the recruitment pool diverse. At TTI Canada, the policy is to hire the best candidate for the role, with job postings advertised on national job boards to encourage a wide range of applicants.

Employee Benefits and Wellbeing

TTI considers employee benefits to be a valuable part of working at TTI. The wellbeing of our employees is very important, and this is reflected in our practice of ensuring employees receive competitive benefits above and beyond what is legally mandated. Each of our business units puts special emphasis on providing incentives such as gym memberships, sports facilities and flexible working hours that are relevant to their local employees. Here are some examples across our regions. Apart from wellness initiatives, TTI offers parental leave benefits to employees, with 1,044 females taking leave in 2019.

Asia

In Asia, TTI AIP contributes to a housing fund for all employees as per local government requirements. Employees can access the full amount of this fund when they retire or when they need to purchase a house. In addition to government-stipulated benefits, TTI AIP also offers family-friendly initiatives such as games and DIY competitions for employees and their families, as well as an office tour and a free buffet lunch so families can visit and learn more about the company. TTI AIP received the 2019 American Chamber of Commerce in Southern China's HR Best Practice – Premium Innovation Pioneer Award for its initiatives. Other PRC business units also provide similar benefits. In TTI Suzhou and TTI Shanghai, employees are offered annual physical check ups and small gifts to celebrate traditional holidays such as the moon and dragon-boat festivals. In TTI Zhuhai, team building activities, such as a day out at the Mysterious Land Park, were organized.

In Hong Kong, TTI has set up a "Wellbeing Room" furnished with electrical outlets for connecting pump attachments and a refrigerator for storing expressed breast milk. This supports our female employees who continue to breastfeed after returning to work from maternity leave. At TTI HK, we also run a weekly Green Monday program to encourage employees to eat healthier vegetarian meals.

ANZ

In Australia and New Zealand employees are provided with an Employee Assistance Program (EAP), which gives them access to online wellbeing portals as well as six free sessions with a trained counselor. Offsite team building days are encouraged to ensure good camaraderie within teams, creating fun within the workplace. Offices also offer bonus incentive programs to the majority of our employees and healthy initiatives such as company-supplied fruit bowls. TTI ANZ has a paid parental leave policy which is above government entitlements for paid maternity and paternity leave. This is designed to provide a supportive and inclusive approach towards people, and is awarded based on a years of continuous service to promote engagement and retention.

EMEA

In the EMEA region, DreBo Germany provides flexibility in shift work planning and incentives for long service. At our operations in TTI MEA, ergonomic seating and monitors that reduce eye strain are provided.

North America

In North America, TTI provides a basic level of benefits, called "Core Benefits" at no cost to the employee. In addition, employees have the opportunity to enroll in "Additional Coverage" for themselves and their families. For most plans, coverage is effective on the first day of active employment. Benefits include comprehensive medical, dental, vision, life insurance, flexible spending accounts and disability coverage. In addition, employees can participate in a tax-qualified savings plan to help them save for their retirement. The savings plan provides Pre-Tax, Roth* and After-Tax options, including a generous match. All employees, regardless of whether they are full-time, part-time or temporary hires are eligible to contribute immediately to the savings plan.

TTI NA offers flexible work programs, including reduced hours and work-from-home options, which are offered on a case-by-case basis. Other offices like TTI PE has an onsite Wellness Director with 250 employees participating in wellness classes each week. A new onsite Healthy Choice cafeteria program with incentives and regular lunch and learn nutrition classes are also offered. Outreach to those with special dietary needs and the opportunity to meet with a dietician and wellness director has also been implemented. As a result, the new cafeteria has seen up to 300 transactions a day. At TTI Canada, some initiatives include annual monetary wellness benefits, a daily fruit bowl, healthy snack breaks, monthly in-house yoga sessions and massages. Milwaukee hired a new chef to revamp the cafeteria menu and provide healthier food options for employees.

Parental Leave by TTI Employees

	Total female employees who took parental leave	Total females who returned to work after parental leave and were still with TTI after 12 months	Total male employees who took parental leave	Total males who returned to work after parental leave and were still with TTI after 12 months
Asia	592	441	838	523
ANZ	4	4	9	9
EMEA	31	16	31	34
North America	417	8	2	18
TTI Total	1,044	469	880	584

Social Impact

Our social initiatives are designed to benefit employees, customers as well as the wider community.

Employee Initiatives

When it comes to our employees, positive impact is created by ensuring their health, safety and wellbeing is well taken care of and they are provided with training and development opportunities to broaden their skills and reach their potential.

Occupational Health and Safety

TTI employees are the foundation of our business and we are committed to their safety at work. To do this, we focus on monitoring our occupational health and safety performance across all our markets. Our Environmental Health & Safety (EHS) and Occupational Hazard Management Policies and systems are designed to ensure that all safety issues, risks and hazards are identified with measures adopted to avoid, eradicate and minimize wherever possible any potential injury, harm or other occurrence, and to mitigate and address any incidents or violations with follow-up investigations and corrective actions adopted. Comprehensive Occupational Health and Safety (OHS) training initiatives in local markets are an important part of our strategy to uphold the highest standards of workplace safety. Our OHS management systems ensure we comply stringently with all relevant legal requirements and in 2019, there were no incidents of

non-compliance with regulations or voluntary codes. Despite this, there were 184 recorded work-related injuries and 2,625 lost days due to injury across our global operations. There were 16 high-consequence injuries recorded, including those involving splinters, cuts, strains and bruising arising from slips, falls, manual handling or mechanical work. In 2019, there were no work-related fatality cases reported.

TTI Lost Work Days Due to Injury by Region

	Lost days due to injury
Asia	1,412
ANZ	0
EMEA	309
North America	904
TTI Total	2,625

A complete list of relevant health and safety legal and regulatory requirements that have the potential to have a significant impact to TTI's operations and performance can be found in Appendix A of our HKEX ESG Guide Content Index on our website.

TTI takes proactive measures to make safety a top priority. Examples of initiatives we have taken by region are as follows.

* Roth Individual Retirement Account.

Asia

All our business units have OHS management systems covering onsite work activities as well as traffic safety and safety practices in dormitories and the canteen. Health and safety training is provided to all employees and EHS teams conduct regular inspections of health and safety performance. In addition, third parties are brought in to regularly identify and monitor hazards and ensure procedures are properly implemented to prevent incidents.

ANZ

TTI ANZ's Work Health and Safety Committees meet at least quarterly and report on performance and compliance to the Group HR Manager and Presidents of the business unit. Toolbox talks focusing on safety regularly take place and all facilities have trained first aid officers and dedicated fire wardens.

EMEA

In addition to comprehensive OHS management systems implemented across the EMEA region, each of our German business units also engage external health and safety officers and company doctors as required by law, who are also members of health and safety steering committees along with representatives of the workers' council and employees.

North America

OHS policies are regularly reviewed to ensure standards are maintained across our North American business units. At TTI PE, provincial health and safety officials make periodic visits to sites to ensure compliance with legal requirements. At TTI FC, an onsite EHS Director and Coordinator monitors safe working practices onsite and holds regular employee briefings to receive suggestions for improvement. TTI Canada has a health and safety committee that meets on a quarterly basis and provides first-aid courses for both employees across its operations and personnel at all of its service centers.

Training and Development

As a key part of their development, employees receive annual performance reviews conducted by their managers. During these yearly appraisals, training needs and targets are planned and discussed with managers.

Another major employee initiative is the provision of training and development opportunities. Across our regional business units, training is provided according to job levels and for specific functions. Training topics range from new hire orientation to technical skills and product training, to marketing and customer service. TTI sponsors professional memberships, fully reimburses seminars and business conferences and organizes in-house and external training, coaching and mentorship programs to support our people to enhance their skills. We also provide financial support for continuing education.

Training and employee development at TTI is focused around Learn TTI, an online training platform that offers courses for employees, ranging from mandatory courses on compliance for all employees, to professional courses designed for employees at different levels of the company. A total of 362 unique courses were launched on Learn TTI in 2019. Of these, training courses on TTI's three new policies in relation to compliance and ESG, were implemented globally. TTI employees engaged in 919 courses through Learn TTI, equivalent to 149,780 training hours this year. In addition, other e-learning platforms such as TTI's intranet and Litmos in ANZ are also used for training. Training hours completed by region are listed in the table below.

TTI E-learning Total Training Hours

By region	Total users	Total users trained	Percentage of users trained	Total hours trained	Hours trained per user	% trained female	% trained male
Asia	4,668	3,773	81%	12,388	3.28	74%	72%
ANZ	673	673	100%	10,095	15	100%	100%
EMEA	1,992	1,649	83%	5,160	3	86%	86%
North, Central & South America	6,717	5,071	75%	122,137	24	65%	85%
Total	14,050	11,166	79%	149,780	13		

TTI Average Training Hours by Region, Gender, Age and Employment Category

By region	Female	Male	Employees age 18 to 30	Employees age 31 to 50	Employees age over 50	General employees	Managerial employees
Asia	9	8	4*	3*	3*	4	6
ANZ	15	15	15	15	15	15	15
EMEA	11	16	10	5	1	14	16
Central, North & South America	28	25	40	14	8	25	17

* Data of e-learning training hours only.

Leadership Development Program (LDP)

The Leadership Development Program is a key initiative for TTI. This challenging program nurtures talent with training, support and freedom to experience numerous aspects of the business by providing opportunities to move across sales, marketing and management roles. Many of our executives have been through the LDP and have been promoted to serve at the top level of management. There were 509 promotions as a result of the LDP in 2019.



The table below shows the female and male numbers in LDP.

2019 LDP by Gender

TTI Group	Female	Male	Total
Total	425	1,050	1,475

Promotions through LDP by Gender

TTI Group	Female	Male	Total
Total	136	373	509

Customer Initiatives

TTI's customer centric practices focus on user satisfaction, safety and protection. We strive to build continuous improvement into our processes, to provide customers with the best possible products and user experience.

Customer Satisfaction

Customer satisfaction of all our products – whether they are designed, manufactured, distributed or licensed by TTI – is extremely important to us. We provide a product warranty period so that our customers have a satisfactory after-purchase experience. In addition, we have a policy of taking all customer feedback seriously and proactively review comments on social media and online sales platforms. If a complaint or after-sale service request is received, all issues are recorded and analyzed so our design team can utilize the data to improve the product.

Examples of initiatives taken by specific regions to ensure customer satisfaction are as follows.

Asia

In the PRC, the Shanghai business unit established a product service center to provide repair services to customers, with more service centers to be established in 2020. The sales and Jobsite Solution teams also offer product safety training to customers.



EMEA

In the EMEA region, TTI ELC GmbH arranges technical training at the product information center for customers, including dealers and OEM partners. At TTI MEA, around 50 end user safety training sessions were held and service agent training was also conducted. At TTI Iberia, end user safety presentations are provided by the Job Site Solution team.

North America

At TTI PE, customer service lines are staffed seven days per week for all tool brands. Every effort is made to satisfy each caller including sending new tools and parts free of charge when appropriate. At TTI Canada all our Field Service and Customer Service Representatives must attend a course on Building Customer Relationships. Customer and trade school demonstrations are also run, where safe tool handling practices are followed.

We meet or exceed all applicable and voluntary industry standards globally. Relevant legal and regulatory requirements related to health and safety, advertising, labeling and privacy matters relating to our products that have the potential to significantly impact our operations and performance are listed in Appendix A of our HKEX ESG Guide Content Index on our website.



Safety of End Users

A key part of our customer relations policy is focused on ensuring the safety of our end users. All our products are tested for safety and quality to ensure TTI products are the safest and most innovative items available. Internal audit investigations and ongoing compliance monitoring are key to our customer management strategy so that high standards are maintained and immediate remedial actions can be taken if and when required. Our comprehensive product safety and consumer product regulatory compliance policy and systems are managed by our Global Product Safety Director. At each business unit, our Product Safety Directors, Committees and teams oversee the safety, quality and regulatory compliance of our products. We strive for continual improvement of our safety and regulatory functions globally.



Any product recalls are referred to our legal teams, and together with the safety and regulatory departments, they ensure compliance with regulations for managing recalls until their safe disposal. We have a rigorous quality assurance process in place, including quality control of incoming materials, in-process quality control, and inspection and reliability testing of our outgoing products.

In 2019, there were no recalls of TTI products due to health and safety reasons.

Data Privacy and Cybersecurity

Our commitment to customer protection extends to the safety of their personal data. To ensure that all collected data is protected, we comply with all relevant legal requirements. In 2018, TTI became compliant under Europe's General Data Protection Regulation. All of our computer systems are protected by authorization management processes and monitored by our IT department. TTI has over eight global security policies in place to protect our data systems. In 2019, there were not any substantiated complaints concerning breaches of customer privacy and data.

TTI's management of cybersecurity covers the protection of customer data, the growth of our business and intellectual property. Cybersecurity is managed by our Group Senior Manager Cybersecurity who leads the Informational Technology Steering Committee (ITSC) which meets monthly. We follow the National Institute of Standards and Technology Cybersecurity Framework. This framework includes our guidelines and outlines our approach to cybersecurity. All systems in the company run anti-virus and anti-malware programs and we have local firewall rules, file integrity scanning and network-level firewalls in place. All our employees are updated about cyberattacks and email phishing and are trained on how to remain protected. For cloud-based services, we ensure that protection of both TTI's and our customer's information is properly managed through relevant agreements and practices.

Intellectual Property Rights

Along with data, our intellectual property is one of TTI's most valuable assets. TTI's intellectual property portfolio includes logos, patents, trademarks, copyrights, computer software and trade secrets. We have procedures and policies in place for the proper use and protection of our intellectual property rights and for our protection from infringement by others. We encourage and support our employees' inventions, discoveries, ideas, concepts, written material or trade secrets and cooperate in the documentation of ownership of such intellectual property. As a responsible business, we respect the intellectual property rights of others and communicate and train our employees to not use patented, trademarked, copyrighted or otherwise protected intellectual property.