

# Environmental, Social and Governance Report



## Contents

### Sustainability at TTI

- 76 CEO's Sustainability Message
- 77 Global Performance Highlights for 2019
- 78 Our Sustainability Commitment

### Governance

- 87 Overview
- 87 Governance Structure
- 88 Risk Management Process
- 88 Diversification of Risk: Global Manufacturing Strategy
- 88 Compliance and Code of Conduct

### Environment

- 91 Overview
- 91 Environmental Management
- 92 Environmental Impact
- 96 Waste, Materials and Recycling Management
- 98 Product Lifecycle Management

### Supply Chain Management

- 103 Overview
- 104 Environmental and Social Responsibility in the Supply Chain
- 105 Supplier Auditing

### Social

- 107 Overview
- 107 Employee Management
- 111 Social Impact

### Community

- 117 Overview
- 117 Community Engagement

## About This Report

This report covers the Environment Social and Governance (ESG) initiatives and performance of TTI for the calendar year 2019 with reference to previous performance where relevant. Our HKEX ESG Guide Content Index is available on TTI's corporate website and outlines how we address the Hong Kong Exchanges and Clearing Limited's mandatory "comply or explain" requirements and recommended disclosures. This report has also been prepared in reference to the GRI Standards: Core option, and our GRI Content Index, which specifies how we fulfill the Standards, is also available on our website. TTI's previous report was endorsed by the Board of Directors (the "Board") on March 6 2019, as was this report on March 4 2020. The data in this report, unless otherwise stated, covers our operations in Asia, Australia and New Zealand, Central, North and South America and EMEA. Environmental information and data from TTI business units is presented by region with data from TTI AIP Dongguan highlighted separately to show progress from the previous year. Environmental data for Central and South America is not included as TTI has only 21 staff across the region working in offices with immaterial environmental impact. For a full list of TTI business units covered under each region and abbreviations used in this report, refer to page 121. For any questions regarding this report, please contact our Investor Relations Department at [ir@tti.com.hk](mailto:ir@tti.com.hk).

# CEO's Sustainability Message

“Sustainability is a big deal. With our no emission cordless leadership strategy, we are helping to make the world a better place.”

We are accelerating our actions to further our global commitment to sustainability. TTI is reshaping sustainability into a core competence by embracing best environmental, social and governance (ESG) practices. Our sustainability principles and practices extend throughout our operations, supply chain and products with priorities to responsibly source, conserve, reuse and recycle resources, provide safe respectful workplaces and always be in compliance with applicable laws and policies. We have long taken responsibility to improve the lives of our customers by disrupting the power tool, outdoor product and floorcare markets with reduced environmental impact Lithium cordless tools and equipment. Our global organization understands that economic, social and environmental aims are all interrelated and firmly believes that our ability to grow, innovate and prosper is linked to our ESG performance. TTI's core strategic drivers and culture are closely aligned with our ESG practices and standards to ensure that sustainability is firmly entrenched at all levels of our value chain.

## Sustainability Improvements

Now in our fifth year of reporting on sustainability separately in our annual report, I am very pleased to state that we continue to strengthen managing ESG issues that are directly linked to our activities and products. Under the management of our ESG Executive and Working Committees, we have made significant strides in improving our sustainability performance both internally and in engagements with all our stakeholders. In 2019, we implemented and strengthened the important initiatives shared in this report to further our sustainability strategy.

### Enhanced Data Management: Greenstone

With the understanding that increased transparency is key to improving ESG performance, in 2019 TTI partnered with software data specialists to collect, analyze and better manage our ESG data. This allows us to greatly enhance the quality of our oversight and extend the breadth and credibility of our disclosures to meet the expectations of stakeholders, including investors.

### Cobalt Procurement Policy

The newly-implemented TTI Cobalt Procurement Policy signifies our ongoing effort to do the right thing across our value chain. This policy outlines the standards that TTI and its suppliers must follow to ensure that all cobalt is from reputable sources, free from conflict or other human rights violations.

## Commitment to Global Initiatives

Recognizing the importance of adopting a comprehensive international and independent standard to understand and communicate our impact on global issues such as climate change, human rights and anti-corruption, in 2019 TTI became a member of the Responsible Minerals Initiative (RMI) and actively began working towards becoming a Community Member of the Global Reporting Initiative (GRI) in January 2020.

Our commitment to global action on sustainability was also strengthened in aligning our strategy with the United Nations (UN) Global Compact's universal principles on human rights, labor, environment and anti-corruption, and the advancement of societal goals. By supporting 14 of the 17 UN's Sustainable Development Goals (SDGs) most relevant to TTI's business, we have outlined a strategic roadmap for TTI to follow to further our sustainability performance.

## Confidently Moving Forward

I am confident that our adoption of enhanced data management tools, more robust procurement mechanisms and our commitment to global initiatives and principles will help us manage risks and opportunities in the ESG arena to achieve our targets in the short to medium term with a view towards longer-term success. I would like to thank all the TTI team members for their dedication and hard work to make sustainability a powerful thrust of the TTI culture. We look forward to working with all our stakeholders to create sustainable value and to build a better world for all. At TTI, we strongly believe that cordless technology is helping us all along this journey.

**Joseph Galli Jr**  
Chief Executive Officer  
March 4, 2020

## Global Performance Highlights for 2019

GOVERNANCE	ENVIRONMENT	SUPPLY CHAIN MANAGEMENT	SOCIAL	COMMUNITY
<b>Zero</b> Public legal cases of corruption were brought against TTI Group	<b>-39%</b> Reduction in product packaging materials	<b>Zero</b> Cases of child labour	<b>149,780</b> Training hours (on e-learning)	<b>+63%</b> Increase in in-kind and cash donation contributions
<b>Zero</b> Cases of identified leaks, theft or loss of customer data	<b>-6%</b> Reduction of TTI AIP scope 1 and 2 GHG emissions intensity	<b>Zero</b> High-risk cases in sourcing of conflict minerals or cobalt	<b>+1.5%</b> Increase in ratio of female to male employees	<b>Over 50</b> Non-Governmental Organisations (NGO) and charities that TTI partners with and supports
<b>Greenstone</b> Global implementation of ESG data software	<b>-2% and -15%</b> Reduction of TTI AIP electricity and natural gas intensity	<b>Responsible Mineral Initiative (RMI)</b> Membership	<b>1,475</b> Graduates in our Leadership Development Program (LDP)	<b>Habitat for Humanity</b> Global partnership
<b>GRI</b> Incorporation of Global Reporting Initiative Standards	<b>+200%</b> Increase in battery collection at TTI's North American sites	<b>Cobalt</b> Procurement Policy launched	<b>Zero</b> Work-related fatality cases	<b>Asian University for Women</b> Global partnership

## Our Sustainability Commitment

### Stakeholder Engagement and Materiality

At TTI, we believe that aligning our long-term interests with those of our stakeholders is the path to corporate sustainability and a more sustainable world. Employees, customers, suppliers, investors and the broader community are our key stakeholder groups. We maintain regular communication with regulatory authorities, business partners, customers, suppliers, employees, shareholders,

investors and community members to understand their priorities and sustainability-related concerns. Our ESG Working Committee has identified a number of material issues, which we believe are of utmost importance to our stakeholders. The table below identifies our key stakeholders, their main areas of interest that inform the content of our reporting, and the ways that we engage with them.

Stakeholder Groups	Key Concerns / Areas of Interest	Engagement Channels	Frequency
<b>Employees</b>	<ul style="list-style-type: none"> <li>Working terms, conditions and benefits</li> <li>Equal opportunities</li> <li>Health, safety and wellness</li> <li>Training and development</li> <li>Governance</li> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Compliance hotline</li> <li>TTI Group Intranet</li> <li>Learn TTI (e-learning platform)</li> <li>Face-to-face trainings</li> <li>Engagement with NGOs</li> <li>Social media</li> <li>ESG sub-committees</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing basis</li> <li>Annual compliance training</li> <li>Topic-specific training available all year round</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Social and environmental responsibility</li> <li>Modern slavery</li> <li>Conflict minerals and cobalt</li> <li>Packaging</li> <li>Battery recycling</li> <li>Quality of products, including safety and environmental impact</li> <li>Circular economy</li> <li>Transport, storage and recycling of products</li> </ul>	<ul style="list-style-type: none"> <li>Acknowledge customers' policies and codes</li> <li>Conduct audits and implement corrective action plans in accordance with TTI's requirements and communicate regularly on progress</li> <li>Complete declarations for conflict minerals and conduct due diligence</li> <li>Focus groups at product development stage</li> <li>Customer service</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing basis</li> <li>Declarations and audits once a year</li> <li>Product presentation conferences once a year</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Governance</li> <li>Anti-corruption</li> <li>Social and environmental responsibility (SER)</li> <li>Quality of products including safety and environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Compliance hotline</li> <li>Online compliance platform</li> <li>Regular meetings</li> <li>On-site presence of our quality and SER employees</li> <li>Regular audits</li> <li>Supplier conferences</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing basis</li> <li>Annual training</li> <li>Conferences once a year</li> </ul>

Stakeholder Groups	Key Concerns / Areas of Interest	Engagement Channels	Frequency
<b>Investors</b>	<ul style="list-style-type: none"> <li>Governance</li> <li>Independence and engagement of board members</li> <li>Diversity</li> <li>Climate change strategy and greenhouse gas emission reduction</li> <li>Risk management</li> <li>Supply chain management</li> <li>Conflict minerals and cobalt</li> </ul>	<ul style="list-style-type: none"> <li>Host meetings to understand ESG expectations</li> <li>Surveys / interviews conducted by external facilitators</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing basis</li> <li>Annual roadshow</li> <li>One survey conducted by an external facilitator in 2019</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Diversity of employees</li> <li>Equal opportunities</li> <li>Training and development programs</li> <li>Social and environmental responsibility</li> <li>Climate change strategy</li> <li>Product and manufacturing health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Local and international engagement with NGOs</li> <li>Community events with local associations</li> <li>School fairs</li> <li>Internship programs</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing basis</li> </ul>



### Our Strategic Approach to Sustainability




To enhance our sustainability performance and transparency, TTI has engaged in a number of global initiatives, one of these involves working towards meeting the Global Reporting Initiative (GRI) Standards for sustainability reporting. In 2019 we engaged with GRI to discuss the scope of our membership and became a member in January 2020. As a member, TTI will have access to a variety of sustainability resources such as webinars with experts from GRI and the opportunity

to exchange information with leaders from the corporate world who are championing sustainability reporting. By joining this global community of more than 500 organizations that are committed to sustainability, TTI will be able to contribute to improving the quality of reporting. One of TTI's key priorities in joining GRI is to be part of the leadership committee on supply chain and in particular, the modern slavery committee to enhance sustainable practices across

our supply chain. Along with GRI membership, we remain committed to meeting global responsibilities by working towards 14 of the 17 SDGs that are most relevant to TTI's operations and doing our part in furthering sustainability initiatives in our communities. The table aligns the focus areas of our strategy: Innovative Products, Operational Excellence, Powerful Brands and Exceptional People, with the SDGs and support our four strategic drivers, as well as the relevant material

issues and their related risks and opportunities we must take into account. The key initiatives we undertake to implement our strategy and achieve our ESG goals, and the progress we are making, are also outlined here. As part of this journey, we engage our stakeholders on an ongoing basis to review our approach, integrate their priorities into our strategies and reporting, and identify opportunities to both enhance our sustainability performance and collaborate as partners.






## Governance

Material Issues (grouped with related SDG)	Risks	Opportunities	Key Goals	Initiatives	Progress
<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Ethical conduct and practices</li> </ul> 	<ul style="list-style-type: none"> <li>Change in trade regulations</li> <li>Diversification of manufacturing footprint</li> <li>Breach of intellectual property</li> <li>Breach of data privacy</li> <li>Cyber attacks due to large exchange of data</li> </ul>	<ul style="list-style-type: none"> <li>Expansion and diversification of manufacturing footprint (USA, Vietnam and Mexico)</li> <li>Opportunities for TTI to have group policies and processes in place for compliance with regional/local laws</li> <li>Be innovative and increase the number of TTI's qualitative IP rights</li> <li>Safeguarding valuable assets (e.g. logos, patents, trademarks, copyrights, software)</li> <li>Protection of customer data, business strategy and intellectual property</li> <li>Protection of TTI and customer information, and TTI's systems and operational integrity</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of non-compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary</li> <li>Protect and enforce TTI's IP rights</li> <li>Compliance with new regulations, GDPR, preparation for compliance with the California Consumer Privacy Act as of January 1, 2020</li> <li>Minimize any risk of business disruption</li> <li>No breaches or incidents</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics and Business Conduct (COC) and Business Partner Code of Conduct (BPCOC) with policies and guidelines restating requirements and relaunched in 2019</li> <li>Policies and trainings being implemented at new manufacturing sites</li> <li>COC and BPCOC with policies and guidelines that set requirements</li> <li>Intellectual Property clearance, protection and enforcement process</li> <li>Strong online enforcement</li> <li>Data privacy policy in place and training delivered</li> <li>End users data privacy policy updated in the USA</li> <li>Screening of external emails (Canada and EMEA)</li> <li>8 cybersecurity policies launched in 2017 on a three-year rollout plan with appropriate training, and global auditing to begin in 2020</li> <li>Cybersecurity committee at a group level, which meets on a monthly basis</li> <li>Ongoing monitoring of anyone clicking on known phishing links</li> <li>COC and BPCOC that set requirements and emphasize the prohibition of corruption and bribes providing guidelines that are acknowledged by all employees and suppliers</li> <li>New anti-corruption training and updated policy in 2019</li> <li>Amendment to the BPCOC to expand on trade compliance provision</li> <li>TTI Compliance hotline for employees and suppliers</li> <li>Complaint resolution policy</li> <li>Anti-corruption declarations, internal audit investigations and ongoing compliance monitoring across TTI and TTI's suppliers</li> <li>Engagement against corruption by participating in an anti-fraud association (Enterprise Anti-Fraud Alliance in China)</li> <li>Membership to the Global Reporting Initiative (GRI) to further transparency and performance in disclosure</li> <li>Membership to Responsible Mineral Initiatives (RMI) to share industry best practices</li> </ul>	<ul style="list-style-type: none"> <li>90% of training completed on COC on e-learning platforms and additional face to face training, with close to 100% of employees trained</li> <li>2,888 take downs by Milwaukee only in 2019</li> <li>One enforcement action settled</li> <li>One data privacy incident with no loss of personal information or customer data</li> <li>Customized the IT process for structured and unstructured data (EMEA)</li> <li>No public corruption cases</li> <li>22 separate complaints received through either the compliance hotline or management</li> <li>100% of complaints have been addressed in a timely manner</li> </ul>
<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Supply chain management</li> </ul> 	<ul style="list-style-type: none"> <li>Risks of non-compliance to international and local laws due the broad scope of TTI's group operations</li> </ul>	<ul style="list-style-type: none"> <li>Training of employees in new manufacturing sites on COC and new suppliers on compliance with BPCOC and other TTI policies</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of non-compliance with TTI's Policies and Codes with transparency in reporting and remediation when necessary</li> <li>Zero cases of corruption among TTI Group and its business partners</li> </ul>	<ul style="list-style-type: none"> <li>TTI Compliance hotline for employees and suppliers</li> <li>Complaint resolution policy</li> <li>Anti-corruption declarations, internal audit investigations and ongoing compliance monitoring across TTI and TTI's suppliers</li> <li>Engagement against corruption by participating in an anti-fraud association (Enterprise Anti-Fraud Alliance in China)</li> <li>Membership to the Global Reporting Initiative (GRI) to further transparency and performance in disclosure</li> <li>Membership to Responsible Mineral Initiatives (RMI) to share industry best practices</li> </ul>	<ul style="list-style-type: none"> <li>No public corruption cases</li> <li>22 separate complaints received through either the compliance hotline or management</li> <li>100% of complaints have been addressed in a timely manner</li> </ul>
<ul style="list-style-type: none"> <li>Partnerships</li> <li>Community engagement</li> </ul> 	<ul style="list-style-type: none"> <li>Reputational risk of not being engaged in industry initiatives or from not supporting local community needs</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to policy and program development to affect change across the industry and supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Establish strategic partnerships with industry partners and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Engagement against corruption by participating in an anti-fraud association (Enterprise Anti-Fraud Alliance in China)</li> <li>Membership to the Global Reporting Initiative (GRI) to further transparency and performance in disclosure</li> <li>Membership to Responsible Mineral Initiatives (RMI) to share industry best practices</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing membership partnerships</li> <li>Engaged GRI to become a member in January 2020</li> <li>RMI membership in November 2019</li> </ul>

▲ Key Goals ■ Supporting Key Goals



Our Strategic Approach to Sustainability (continued)

Environment						
Material Issues (grouped with related SDG)	Risks	Opportunities	Key Goals	Initiatives	Progress	
<ul style="list-style-type: none"> <li><b>Innovation and reduced environmental impact along product lifecycle</b></li> </ul> 	<ul style="list-style-type: none"> <li>Consumer trends in purchasing products with environmental attributes / certifications</li> </ul>	<ul style="list-style-type: none"> <li>Eco-design opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▲ Reduce environmental impact through innovation in product design, packaging design, manufacturing, use and end of useful life phases</li> </ul>	<ul style="list-style-type: none"> <li>Environmental policies and procedures, and COC, outlining our commitments for reducing environmental impact</li> <li>Engagement of partnership for reconditioning of power tools</li> <li>Community engagement and partnership with NGOs</li> <li>Service and repair centers globally (improving the lifecycle of products)</li> <li>Online enforcement (take down of fake batteries)</li> <li>Improving packaging and packing to reduce material consumption and environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Launch of factory outlet where refurbished products are being sold to end-users</li> <li>RMI membership in November 2019</li> </ul>	
<ul style="list-style-type: none"> <li><b>Energy and climate change</b></li> </ul> 	<ul style="list-style-type: none"> <li>Climate change</li> <li>Natural disasters</li> <li>Financial risks</li> <li>Political risks</li> </ul>	<ul style="list-style-type: none"> <li>Strategic mitigation</li> </ul>	<ul style="list-style-type: none"> <li>▲ Reduce energy consumption and GHG emissions</li> <li>▲ Adopt renewable energy</li> <li>▲ Develop climate resilience strategy</li> </ul>	<ul style="list-style-type: none"> <li>Energy and GHG emissions management procedures</li> <li>Energy reduction initiatives in manufacturing plants and offices</li> <li>Introducing fuel efficient and electric vehicles</li> <li>Adopt renewable energy and recycling initiatives within the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>-2% electricity and -15% natural gas intensity reductions at TTI AIP</li> </ul>	
<ul style="list-style-type: none"> <li><b>Resource / material efficiency, chemical and waste management</b></li> </ul> 	<ul style="list-style-type: none"> <li>Commodity pricing and sourcing</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Research and development of new technologies</li> <li>Resource conservation and cost savings</li> <li>Leadership in environmental and health and safety performance</li> </ul>	<ul style="list-style-type: none"> <li>▲ Reduce water consumption at TTI's operations</li> <li>■ Reduce packaging and increase adoption of reduced impact packaging and packing</li> <li>■ Reduce usage and safely manage chemicals and waste</li> </ul>	<ul style="list-style-type: none"> <li>Water reuse initiatives in manufacturing operations</li> <li>Improving packaging and packing to reduce material consumption and environmental impact</li> <li>Compliance with policies and procedures for chemical and waste management with priority on toxicity waste reduction and recycling</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of packaging material by nearly 39%</li> <li>-12% absolute and -18% intensity reductions of non-hazardous waste at TTI AIP</li> </ul>	
<ul style="list-style-type: none"> <li><b>Tool and battery recycling</b></li> </ul> 	<ul style="list-style-type: none"> <li>Financial management of recycling programs</li> <li>Availability of recycling programs in new markets and distribution networks</li> </ul>	<ul style="list-style-type: none"> <li>Improve the end of useful life of products / push for circular economy</li> <li>Implement recycling programs</li> </ul>	<ul style="list-style-type: none"> <li>▲ Increase the volume of battery and tool collection and recycling</li> <li>▲ Establish strategic partnerships with industry partners and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Battery recycling programs to reduce electronic waste and tool recycling programs</li> <li>Partnership with recycling partners</li> <li>Audit of recycling facilities and recycling process</li> </ul>	<ul style="list-style-type: none"> <li>Increased the battery recycling at TTI's North American sites by 200%</li> </ul>	
<ul style="list-style-type: none"> <li><b>Supply chain environmental performance</b></li> </ul> 	<ul style="list-style-type: none"> <li>Risk of not meeting the same level of environmental management standards across global manufacturing sites and the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Diversification of manufacturing and supply chain</li> </ul>	<ul style="list-style-type: none"> <li>▲ Substantive initiatives to raise awareness and reduce environmental impact in the supply chain</li> <li>■ Reduce GHG emissions, energy and water consumption and packaging in the supply chain</li> <li>■ Require suppliers to collect environmental data</li> </ul>	<ul style="list-style-type: none"> <li>Environmental policies for suppliers to reduce impact and ensure compliance throughout the supply chain</li> <li>Reporting on environmental impact metrics</li> </ul>	<ul style="list-style-type: none"> <li>Zero environmental non-compliance issues found in supply chain</li> </ul>	

▲ Key Goals ■ Supporting Key Goals



Our Strategic Approach to Sustainability (continued)

Social						
Material Issues (grouped with related SDG)	Risks	Opportunities	Key Goals	Initiatives	Progress	
<ul style="list-style-type: none"> <li><b>Talent attraction and retention</b></li> </ul>	<ul style="list-style-type: none"> <li>Low unemployment rate globally</li> <li>Turnover / recruitment / salary cost</li> <li>Not finding qualified candidates</li> </ul>	<ul style="list-style-type: none"> <li>Development of long-term career opportunities</li> <li>Development of partnerships with universities / trade associations / organizations</li> <li>Development of global expatriation program</li> </ul>	<ul style="list-style-type: none"> <li>Attract and retain the best talent</li> </ul>	<ul style="list-style-type: none"> <li>Providing competitive working terms, conditions and benefits</li> <li>Leadership Development Program (LDP) implemented globally</li> <li>Apprenticeship / internship programs</li> <li>Continuous training and development</li> <li>Referral policies</li> <li>Partnership with universities</li> <li>Engagement survey</li> <li>Promoting from within policies / succession planning</li> </ul>	<ul style="list-style-type: none"> <li>1,475 LDPs recruited in 2019</li> </ul>	
<ul style="list-style-type: none"> <li><b>Equal opportunities, inclusion and diversity</b></li> </ul>	<ul style="list-style-type: none"> <li>Male dominated industry: challenging to attract female employees and to achieve gender diversity at management levels</li> </ul>	<ul style="list-style-type: none"> <li>Attracting talent from different cultures to achieve diverse thinking, methods, values and perspectives within TTI</li> </ul>	<ul style="list-style-type: none"> <li>Promote respect, inclusion and diversity in the workplace</li> <li>Zero incidents of non-compliance with TTI's policies and codes with reporting and remediation when necessary</li> </ul>	<ul style="list-style-type: none"> <li>COC that outlines our values and requirements for human and labor rights</li> <li>Policies for equal employment and to protect human and labor rights</li> <li>Gender equality initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Increased female employees globally by 1.5%</li> </ul>	
<ul style="list-style-type: none"> <li><b>Occupational, health, safety (OHS) and wellness</b></li> </ul>	<ul style="list-style-type: none"> <li>Safety of end users, job sites and TTI employees</li> </ul>	<ul style="list-style-type: none"> <li>Tools with safety functions</li> <li>Safe workplace practices at TTI</li> </ul>	<ul style="list-style-type: none"> <li>Promote healthy and safe workplaces</li> <li>Zero fatal accidents in our workplaces</li> <li>Compliance with laws</li> </ul>	<ul style="list-style-type: none"> <li>Hiring practices (respect diversity and equal opportunities)</li> <li>Monitor compliance with OSH requirements</li> <li>Expanding and enhancing wellness programs</li> </ul>	<ul style="list-style-type: none"> <li>Zero work related fatality case</li> </ul>	
<ul style="list-style-type: none"> <li><b>Training and development</b></li> </ul>	<ul style="list-style-type: none"> <li>Investment costs</li> <li>Skill and experience of workforce</li> <li>Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Development of TTI employees</li> <li>Attraction and retention of talent</li> </ul>	<ul style="list-style-type: none"> <li>Continuous training and development</li> </ul>	<ul style="list-style-type: none"> <li>Training employees on compliance, education, leadership, professional and skill development</li> </ul>	<ul style="list-style-type: none"> <li>149,780 hours of training provided on TTI's e-learning platform, globally</li> </ul>	
<ul style="list-style-type: none"> <li><b>Human rights (modern slavery, human trafficking, conflict minerals and cobalt)</b></li> </ul>	<ul style="list-style-type: none"> <li>Disruption of supply chain</li> <li>Fines from violations / claims</li> <li>Reputational damage</li> <li>Commercial risk</li> </ul>	<ul style="list-style-type: none"> <li>Positive recognition as a responsible corporate citizen</li> <li>Responsible employer and supply chain partner</li> <li>Supplier capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of non-compliance with TTI's policies and codes with transparency in reporting and remediation when necessary, including incidents and reporting of child and forced labor</li> <li>Substantive initiatives to raise awareness and improve human rights conditions in the supply chain</li> <li>Effective partnerships with NGOs in major countries of operations and where there is a greater risk of human rights violations within the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>BPCOC</li> <li>Policy Against Slavery and Human Trafficking for own business and supply chain</li> <li>Policies on Conflict Minerals and Cobalt Procurement for supply chain</li> <li>Strategic partnerships with industry partners and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of non-compliance with TTI's Policies and Codes in relation to human rights</li> </ul>	
<ul style="list-style-type: none"> <li><b>Product responsibility, quality and safety</b></li> <li><b>Customer service</b></li> </ul>	<ul style="list-style-type: none"> <li>Fines from product claims or recalls</li> <li>Reputational damage</li> <li>Commercial risk</li> <li>Cost of claims or recalls</li> </ul>	<ul style="list-style-type: none"> <li>Positive recognition for safe products</li> <li>Improvements in the quality of products and customer service capability</li> </ul>	<ul style="list-style-type: none"> <li>Innovative product design to enhance user experience with improved quality, safety and environmental / health benefits</li> <li>Promote tool reconditioning and recycling services</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures and COC that outline our commitments to product quality, environmental performance, reconditioning and recycling</li> <li>Product safety policy and training</li> <li>Factory outlet setup</li> </ul>	<ul style="list-style-type: none"> <li>No recalls in 2019</li> </ul>	
<ul style="list-style-type: none"> <li><b>Community investment and engagement</b></li> </ul>	<ul style="list-style-type: none"> <li>Risk of not meeting expectations of customers and potential employees / young talent</li> <li>Reputational risk management</li> <li>Corruption risk</li> </ul>	<ul style="list-style-type: none"> <li>Positive recognition as a responsible corporate citizen</li> <li>Global engagement</li> <li>Support work of NGOs</li> <li>Give back to the community</li> <li>Build brand loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Establish strategic partnerships with NGOs</li> <li>Develop impact metrics to track our community investment and engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>Strategic initiatives and partnerships to bring social, environmental and economic benefits for local communities</li> <li>Launch of new anti-corruption policy and trainings</li> </ul>	<ul style="list-style-type: none"> <li>Global Partnership with Habitat for Humanity</li> <li>Increase of donations from US\$1.2 Million to nearly US\$2 Million</li> </ul>	

▲ Key Goals ■ Supporting Key Goals