



Techtronic Industries North America, Inc.

## **FORCED LABOR REPORT FOR TECHTRONIC INDUSTRIES NORTH AMERICA, INC.**

This report is made in compliance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) by Techtronic Industries North America, Inc., and its subsidiaries. It outlines Techtronic Industries North America, Inc.’s governance processes, existing measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of modern slavery across the supply chain we utilize.

### **Introduction to Company**

Techtronic Industries Company Limited (the “Company” or the “Group”) is a leading global enterprise that specializes in Power Tools, Accessories, Hand Tools, Outdoor Power Equipment, and Floorcare and Cleaning solutions. The Company develops products for a wide range of users, including Do-It-Yourself (DIY) consumers, professionals, and industrial users in home improvement, repair, maintenance, construction, and infrastructure. The Company is committed to transforming these industries through responsible cordless technology. The Company brands like MILWAUKEE, RYOBI, and HOOVER are recognized worldwide for their rich heritage and superior cordless product platforms, outstanding performance, safety, productivity, and continuous innovation.

Founded in 1985 and listed on the Stock Exchange of Hong Kong (“SEHK”) in 1990, the Company is included in the Hang Seng Index as one of their constituent stocks. With a robust brand portfolio, a global manufacturing and product development footprint, and a healthy financial position, the Company employs over 47,000 individuals and achieved record worldwide sales of US\$13.7 billion in 2023.

Techtronic Industries North America, Inc., and its subsidiaries (collectively, “TTI”), are ultimately owned by Techtronic Industries Company Limited. TTI imports and distributes predominantly cordless products into Canada from the U.S. As part of this process, TTI both manufactures and purchases finished products as well as parts and components globally from related and unrelated suppliers.

## **Our Values**

TTI's Powerful Brands represent a legacy of success in developing innovative, durable, reliable, safe, and sustainable products that address the ever-evolving demands of consumers. Our responsible allocation of resources towards the creation of Innovative Products is at the forefront of our transformative journey. We have shifted from traditional petrol, electric corded, manual, hydraulic, and pneumatic powered solutions to cordless battery-powered alternatives. By moving towards cordless we are removing the detrimental environmental, health, and safety impacts of outdated technologies. The foundation of our ongoing and future success is driven by our Exceptional People. Starting with hiring the right people, we then foster and retain them through our Leadership Development Program, which is the heart of our strategy and culture. We are committed to a multicultural, diverse, and inclusive workplace where all levels of our associates can flourish while building a better future for our business. Our commitment to people expands beyond our internal team. We actively invest in individuals across our stakeholders, including our suppliers, customers, shareholders, global partners, and local communities across the globe. Through our Operational Excellence, we uphold the highest standards of integrity across our value chain.

## **Policies, Procedures, and Training**

Our policies are designed to direct every action and interaction with our company.

TTI has a laser focus on the image and reputation of our organization in how we conduct business in the global marketplace. Consequently, we have developed policies and procedures to address the Company's commitment to responsible sourcing available on its website at <https://www.ttigroup.com/company/our-policies>. These policies include its Code of Ethics and Business Conduct, Business Partner Code of Conduct, Policy against Modern Slavery and Human Trafficking, Conflict Minerals Policy, and Cobalt and Mica Procurement Policy.

Training on TTI's Code of Ethics and Policy Against Modern Slavery and Human Trafficking is mandatory for all employees. TTI's Online Compliance Platform allows business units to work with suppliers globally to improve the transparency of the Company's supply chain and the efficiency of the Company's data collection process. Through this platform, business units request supplier information, and suppliers are able to access training materials and acknowledge their acceptance of key compliance requirements online.

## **Due Diligence and Remediation**

The TTI Social & Environmental Responsibility (SER) Compliance Program is used to manage all TTI suppliers around the globe. Suppliers must sign compliance declarations annually confirming that the supplier understands and commits to complying with the Company's SER policies and standards.

TTI's SER Compliance Program encompasses periodic audits of internal controls designed to manage corruption. These audits are conducted either by our internal audit team and/or by external third-party auditors. They serve the purpose of ensuring that our robust processes are consistently followed and contribute to upholding the integrity of our organization. Before initiating any supplier engagement, TTI conducts an audit to assess whether the potential supplier meets the minimum threshold required to establish a working relationship with TTI. Subsequently, suppliers are subject to audits every 12 to 18 months to verify ongoing compliance.

Suppliers are required to acknowledge TTI's Policy Against Modern Slavery and Human Trafficking and are required to complete a modern slavery survey before conducting business with TTI. This survey allows TTI to evaluate potential risks on an annual basis before establishing supplier relationships. These assessments are thoroughly reviewed, and additional in-person audits are conducted by the SER compliance, quality, and sourcing teams and/or external auditors as needed. In addition, certified auditors from organizations such as RBA and the Supplier Ethical Data Exchange (SEDEX) help TTI to improve working conditions in its global supply chains.

TTI supplements its audits by having its suppliers acknowledge acceptance of key requirements and policies through its online compliance platform. This platform enables TTI to assess and monitor supplier performance and associated risks. Supplier risk assessments are typically performed annually, guided by resources such as the GRI Index, Corruption Index, the Human Development Index, and other global mapping tools.

Further, TTI has mapped and conducted an internal assessment of slavery and human trafficking risks as they relate to its activities and supply chains. It has developed and implemented an action plan for addressing these risks, focusing on prioritizing activities and supply chains with the most severe risks of forced and child labor. It also has developed and implemented grievance mechanisms as well as measures to remediate any identified slavery or human trafficking.

TTI is in the process of implementing a third-party supply chain mapping risk software and already is using a commodity-tracking software to measure risk at the commodity level. It will monitor its suppliers against these software programs on a regular basis.

TTI reviewed its supply chain and activities and has identified the procurement of cobalt, mica, and other conflict minerals as high risk. To address this risk, TTI conducts supplier assessments, fosters the adoption of best practices, incorporates risk analyses into TTI's procurement process and actively engages in industry partnerships. More information is

outlined in TTI's Conflict Minerals Policy and Cobalt and Mica Procurement Policy. These policies stipulate that all tantalum, tin, tungsten, gold (3TG), and cobalt used must originate from reputable mines or sources actively working towards certification as conflict-free entities. Suppliers are required to acknowledge and adhere to these policies and submit annual conflict minerals and cobalt reporting templates, providing sourcing details. Utilizing TTI's online SER compliance platform, TTI reviews this data and furnish reports to TTI's sourcing leaders.

TTI's commitment to responsible sourcing and the protection of human rights has significantly expanded through its memberships in global social responsibility organizations like RBA and The Mekong Club. Within RBA, TTI actively participates in various programs, such as the Responsible Labor Initiative (RLI), which fosters collaborative, cross-industry efforts to address the underlying causes of forced labor. The RLI also provides specialized services and tools to establish company-level due diligence programs. Our memberships provide us access to essential resources like Reasonable Country of Origin (RCOI) data. This is verified through the Responsible Minerals Assurance Process (RMAP), which uses an independent third-party assessment of smelter/refiner management systems and sourcing practices to validate conformance with RMAP standard.

TTI's industry memberships in groups like the RBA have also led to engagement in community impact programs such as the Better Mining Initiative. The Better Mining Initiative is a mineral agnostic assurance and capacity-building program that improves conditions on and around artisanal and small-scale mining (ASM) sites.

TTI has not identified any forced or child labor in its supply chains and thus, has not yet taken any measures to remediate such issues.

**Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Timothy M. Rolland  
Group SVP, General Counsel and Chief Compliance Officer  
May 30, 2024

I have the authority to bind Techtronic Industries North America, Inc.