

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