



**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

# Governance



## Zero

Public legal cases of corruption were brought against TTI Group

## Zero

Cases of identified leaks, theft or loss of customer data

## Greenstone

Global implementation of ESG data software

## GRI

Incorporation of Global Reporting Initiative Standards



### Overview

Good corporate governance is material to the long-term health of our company as it allows us to achieve our objectives, driving growth and positive change while our Exceptional People continually maintain high legal and ethical standards in all aspects of our business. TTI's governance strategy is implemented through codes and policies that set requirements and emphasize accountability and responsibility to maintain Operational Excellence throughout our business. Our performance is continually evaluated by a number of mechanisms including an independent compliance hotline, internal audit investigations and ongoing compliance monitoring to ensure that our processes of disclosure and transparency are effectively maintained.

TTI's global strategy is aligned with key SDGs. In our pursuit of good governance, we promote inclusive societies and strive to build accessible, effective and accountable channels for engaging our stakeholders. We also play a part in strengthening the global partnership for sustainable development by participating in effective multi-stakeholder partnerships across markets where we operate.

### Governance Structure

TTI's principles of good governance form a solid foundation from which we make progress toward our targets and build stakeholders' confidence in our performance. The codes and policies that define our business management and ethical performance reflect our fastidious commitment to do the right thing by our stakeholders.

Our governance structure provides clear direction and assigns roles, responsibilities and accountability to individuals within the company. Stringent governance practices are championed by the TTI Board of Directors and our Executive Committees. The Board of Directors approves the ESG strategy of the Group, including the goals, targets and Key Performance Indicators ("KPIs"). The ESG Executive Committee oversees our ESG Working Committee which in turn is responsible for managing our overall Sustainability Strategy. The ESG Working Committee, made up of 13 members representing business units in each region, works to enhance ESG performance by fine-tuning policies, establishing goals and targets, and setting KPIs that are used to monitor our performance against our goals and targets.

Each business unit across TTI develops its own implementation plan and KPIs based upon local needs as per the medium – and long-term strategies developed by the ESG Working Committee. This exercise entails the review of performance on an annual basis against the KPIs that are set at the beginning of each financial year. In 2019, the Board endorsed TTI's ESG strategy. Our CEO requested regular updates on sustainability initiatives and results from all business units, which were presented to management across the group at the year-end of 2019. The ESG Working Committee's annual meeting was postponed due to social unrest in Hong Kong in 2019, but the Committee conducted its business through three conference calls for this period as a result.

In 2019, the ESG Working Committee's working approach and initiatives included:

- Enhancing ESG performance and strategy implementation management by partnering with software data specialists – Greenstone – to collect, analyze and better manage our ESG data. This has been instrumental in stepping up our internal auditing capabilities and ongoing compliance monitoring. Our comprehensive global data collection and information sharing system also allows us to identify and manage economic, environmental and social impacts more efficiently
- Responsible Mineral Initiative (RMI) – As a member since November 2019, we joined more than 380 companies and organizations to address responsible mineral sourcing in the supply chain
- Global Reporting Initiative (GRI) – Reporting with reference to the GRI Standards furthers our ongoing efforts to enhance our environmental, social and governance performance and transparency in reporting to all of our stakeholders
- Non-Governmental Organizations (NGO) – Becoming a corporate member of Habitat for Humanity allows us to support local communities and reach parts of the world where we have engaged in new business activities with the support of our tools, monetary resources and volunteers. More details about our global partnerships and community initiatives can be found in the Community Engagement section of this report.

