

Milwaukee Tool's Jackson, Mississippi location uses a blue bin system for recycling paper in the office areas. Corrugated materials are separated in corrugated bins and bundled. Aluminum chips, steel chips and bar stock are sent for recycling, but before sending, the Jackson facility "cleans" chips and metals of coolants and oil. Jackson now utilizes T5 lighting as part of an energy conservation plan that was started in 2011. Jackson also contracted with an outside contractor to perform a compressed air analysis, which provides significant savings in energy usage in relation to compressed air.

At Empire, aluminum clippings and machining chips from the manufacturing process are recycled or reclaimed. Also reclaimed are poly ethylene byproducts from the blown film process, plastic gates and runners from the plastic injection molding processes and plastic scrap parts from the plastic injection molding processes to reduce waste in the landfills. Empire utilizes hot runner manifolds in the plastic injection molding processes to eliminate plastic waste where possible. Additionally, Empire reclaims heat from several manufacturing processes to heat the building in the winter months. In addition to the manufacturing processes, office paper, plastic and aluminum are recycled, as well as all corrugated material that is not used or scrapped is recycled.

On September 1, 2014, Europe introduced EU regulations 666/2013 ("Ecodesign") and 665/2013 ("Energy Labelling"), supplementing EU directives 2009/125/EC and 2010/30/EU. The regulations require vacuum cleaner suppliers to ensure their products meet minimum levels of energy efficiency and other environmental criteria, and are labelled to inform consumers of the actual efficiency and performance levels.

Vax Ltd invested significantly in research and development prior to the introduction of this legislation, to ensure that all new product designs not only met the Ecodesign criteria, but reached the highest levels of efficiency as displayed on the Energy Label. The result was a new generation of products that consume less than 1/3 of the energy of pre-2014 versions (~25 kWh per annum, compared with ~75 - ~150 kWh per annum pre-2014), while simultaneously achieving a far greater level of cleaning ability.

The efficiency and performance of new products are confirmed by testing at independent, third-party laboratories, and all products are supplied to consumers and retailers with fully corroborated documentation and energy labels. Key Performance Indicators ("KPIs") are identified that allow the efficiency and performance of an individual product to be assessed, and these KPIs are used to check products on the production line (often on a 100% basis), to ensure the ongoing compliance of all VAX vacuum cleaners.

AIP minimizes harm to the environment by reusing packing material and recycling industrial waste materials. Hong Kong has in place recycling bins in the cafeterias to encourage employee recycling.

Achieving Excellence in Human Resource Practices

TTI recognizes that its success is derived from its thousands of invaluable employees spanning the globe. TTI recruits new and experienced talent and encourages those individuals to realize their potential in an environment that values quality, innovation and creativity. TTI provides a wide range of programs promoting employee rights and benefits and also supporting the development, diversity and well-being of our employees.

As a global company, TTI understands the importance of establishing employment guidelines to ensure that those guidelines work within each country's relevant laws and regulations. TTI employs experienced human resource personnel to manage and comply with laws and regulations affecting our employees.

TTI is an equal opportunity employer, providing equal employment opportunity for all qualified persons, without regard to race, gender, color, national origin, sexual orientation, gender identity, pregnancy, age, religion, military service, status as an individual with a disability or status as a veteran or any other status protected by applicable law.³ TTI's commitment to equal employment opportunity is memorialized in the Employee Handbook or similar policy for each business unit.

This commitment also extends to our policies and procedures on recruiting, interviewing, hiring, assignment of responsibilities, transfer, promotion, training, pay, benefits, termination, working hours, and any other privileges, terms and conditions of employment.

³ The expansiveness of the EEO Policy varies from country to country.

TTI also has a long standing commitment to promoting and maintaining an environment that respects the personal rights and dignity of each of its employees. A Harassment Prevention, Anti-Discrimination, and Anti-Retaliation Policy is in place for providing the overall philosophy and specific approaches for addressing discrimination, harassment and related retaliation issues.

In Hong Kong, TTI was invited to and accepted and nominated TTI's Senior Director of Human Resources in the Gender Focal Point Network ("GFPN") launched by the Labour & Welfare Bureau ("LWB") and the Women's Commission ("WoC") of the Hong Kong Special Administrative Region Government ("HKSAR"). The GFPN promotes gender mainstreaming, taking into consideration women's and men's perspectives and experiences into the design, implementation, monitoring and evaluation of policies and programs so that gender-specific needs and concerns of women and men can be properly addressed. GFPN seeks to achieve gender equality by ensuring that women and men have equitable access to, a benefit from the resources and opportunities available in society.

Providing a safe working condition and protection for all TTI employees

TTI strives to provide a workplace free from injury and illness and is fully committed to achieving the highest standards of health and safety, not only in respect to its employees, but also in relation to visitors, contractors, and any other person who may be affected by its activities. TTI employs comprehensive safe work practices in all of its facilities that are reviewed on an ongoing basis to ensure that safety standards are maintained across its diverse workforce.

A safe work environment is promoted through the best practices of safe and healthy working conditions through health and safety programs. These safety programs are designed to support compliance with all safety regulatory laws and agencies pertaining to our business. This program is reflected in TTI's Health and Safety Policies covering implementation of relevant safety standards, routine safety surveys of facilities, equipment training, eyesight testing for DSE users, and employee training through classroom settings, Learn TTI and on-the-job.

As part of its duties, and to facilitate good communication and consultation with its employees on health and safety matters, TTI holds regular Health and Safety Meetings. Employees are consulted and encouraged to raise any issues regarding health and safety at work. This can be done through a manager or human resources representative or at a Health and Safety meeting. Policies are subject to yearly review and employees are notified of any changes.

Commitment to the development and training of employees

At TTI, we think it is important for our leadership and employees to learn new and continue to develop additional skills. We encourage the development of our leadership and employees, offering mandatory and optional training courses.

TTI has in place an internal online course program to assist with improving employees' knowledge and skills for duties at work. Learn TTI is utilized for mandatory training and other optional training courses.

TTIFC hosts a monthly event called Floor Care University. It is an introduction to TTI's floor care products and an overview of each business function. TTIFE conducts employee-related training on a variety of topics ranging from anti-harassment to product safety.

Due to continued growth, Milwaukee Tool identified the need to grow leaders and prepare early career candidates to take on expanded roles with a focus on leadership. Milwaukee Tool has consistently offered sales and product training courses and engineering technical programs, but in addition, Milwaukee Tool is placing an increased emphasis on leadership development and building foundational people management skills. Building upon the New Hire Orientation, Milwaukee Tool created three Lifecycles of a Leader and developed training classes specifically targeting emerging leaders and new managers. From those three classes, Milwaukee Tool designed eight additional classes, offering 122 sessions with participation for 2016 at 1,543.

Protecting workers' rights

As a corporate citizen, TTI is fundamentally committed to treating workers of all types with dignity and respect. TTI is specifically doing its part to ensure a work environment free from forced labor or slavery, unlawful child labor, and human trafficking. This commitment not only encompasses TTI employees, but also all suppliers must avoid participation in or consent to any practice that constitutes slavery or human trafficking.

As part of our effort to avoid, detect and eradicate slavery and human trafficking, TTI launched its Policy against Slavery and Human Trafficking. The policy requires TTI employees and suppliers to comply and certify compliance with TTI's Ethics and Business Conduct, TTI's Business Partner Code of Conduct, and applicable human resources policies. In addition, the Policy against Slavery and Human Trafficking meets international legal obligations, including, The California Transparency in Supply Chains Act, United Kingdom Modern Slavery Act and United Nations Guiding Principles on Business and Human Trafficking, commitments to customers and best practices related to the prevention of slavery and human trafficking.

Aware that child labor still exists in China, TTI strictly adheres to China labor laws and does not hire children under the age of 16 or those forced into labor. TTI has made concerted efforts to monitor juvenile workers between the ages of 16 to 18 years old with the initiation of a Special Protection for Juvenile Workers in 2010. The Special Protection for Juvenile Workers requires:

- Group HR to file juvenile workers' records to local Labor Bureau according to the regulations under "Provisions on Special Protection for Juvenile Workers."
- Group HR to notify relevant departments of juvenile worker information.
- Group Administrator to conduct periodical physical checks.
- Distinguishing juvenile workers with an identification mark on their factory badge.
- Prevent juvenile workers from working on dangerous operations as defined in the "Provisions on Special Protection for Juvenile Workers."
- Prevent juvenile workers from working the night shift and overtime not exceeding 22 hours.
- Group HR to explain relevant protection requirements to juvenile worker and require them to sign *TTI Provisions on Special Protection for Juvenile Workers*.

During the labor shortage seasons in China, TTI hires college students over the age of 18. College students are not subject to the "Provisions on Special Protection for Juvenile Workers."

TTI has established accountability standards and monitoring procedures to ensure that the requirements identified in the policies are followed by TTI management, TTI employees and TTI Suppliers. The policy designates the TTI Legal and Compliance Department as a point of contact for any violations. TTI operates under a No Retaliation policy.

Managing social risks of the supply chain

TTI expects its suppliers to abide by the same moral and ethical values it does in the management of the suppliers' companies. Any supplier who accepts a purchase order from TTI or enters into the TTI Standard Master Supply Agreement must comply with the TTI Supplier Code of Conduct and abide by the principles stipulated in the Conventions of the International Labor Organization, the Universal Declaration on Human Rights, the guiding principles of the Organisation of Economic Co-Operation and Development ("OECD") and other relevant and applicable principles. TTI reserves the right to audit the supplier's adherence to the TTI Business Partner Code of Conduct. Additionally, TTI Supplier Quality Departments often conduct supplier training.

Along with the TTI Business Partner Code of Conduct designed to ensure an ethical supply chain, TTI has in place a comprehensive Conflict Minerals Policy, which applies not only to TTI and its related entities, but also throughout the supply chain. The policy establishes a mandatory framework for TTI and its suppliers for conducting due diligence and a Reasonable Country of Origin Inquiry (RCOI), requiring TTI's suppliers to agree to the terms of the policy and assist TTI with identifying the source of any gold, tungsten, tin, or tantalum (together "3TG") that has been used.

TTI's policy first identifies high risk suppliers and makes them the focal point of initial data-gathering efforts in order to swiftly develop a substantial database containing information on key suppliers, as determined by reference to a supplier's volume of business. Similarly, the Policy allows TTI's suppliers conducting their own RCOI to prioritize by volume of business or volume of 3TG that its suppliers handle. TTI's continued commitment is to produce products that are free from conflict minerals.