

ALIGNING OUR SUPPLY CHAIN MANAGEMENT STRATEGY TO ESG OBJECTIVES

An overview of our Corporate Social Responsibility (ESG) Objectives is shown in the graphic below. Our Global Supply Management Team (GSM) utilizes these objectives to guide their strategy and activities. The following key ESG objectives are included in the GSM Strategy – 1) Value Chain Sustainability (Lifecycle Impact), 2) Supply Chain Emissions (Transportation), 3) Diversity, 4) Employee Health and Safety, and 5) Human Rights. Additional details describing how these are implemented in practice is shown in the table below.

OUR CORPORATE SOCIAL RESPONSIBILITY (ESG) OBJECTIVES

INSPIRING MAKERS AND INNOVATORS TO CREATE A MORE SUSTAINABLE WORLD

PILLARS	EMPOWER MAKERS	INNOVATE WITH PURPOSE	CREATE A MORE SUSTAINABLE WORLD
<p>OUR 2030 AMBITION</p>	<p>Enable 10 million creators and makers to thrive in a changing world</p>	<p>Innovate our products to enhance the lives of 500 million people and improve environmental impacts</p>	<p>Positively impact the environment through our operations</p>
<p>OUR PRIORITIES</p>	<ul style="list-style-type: none"> Upskill our employees who are displaced by technology Empower citizens with vocational training, STEAM education and access to maker spaces 	<ul style="list-style-type: none"> Create and use products to meet underserved societal needs Improve the lifecycle impact of our products and sourcing and reduce supply chain GHG emissions 	<ul style="list-style-type: none"> Improve our environmental impacts related to GHG emissions, water and waste
<p>FOUNDATIONAL ISSUES</p>	<p>Busines Ethics Customer Satisfaction Diversity Employee Engagement and Wellbeing Employee Health and Safety Governance Green Building Intellectual Property, Data Privacy & Information Security Human Rights Local Community Engagement Philanthropy and Volunteering Product Innovation Product Safety Transparency, Accountability, Responsible Marketing</p>		

ESG OBJECTIVES	GSM OBJECTIVES	ACTIVITY
Value Chain Sustainability (Lifecycle Impact)	Understand impact associated with our supply base and purchase from suppliers with lowest impact.	Understand – By 2020, suppliers making up 80% of our spend disclosing to CDP. Purchase - By 2020, suppliers making up 80% of our spend are performing at a level of A- or better within the CDP rating system.
Reduce Supply Chain Emissions (Transportation)	Work with leading transportation suppliers focused on emission reduction. Build manufacturing locations close to end market (Make where you sell) and source locally for those locations (Buy where we Make). Minimize high impact transport modes (Air).	The CDP activity mentioned in the row above will help identify and drive spend towards the best transportation suppliers. A goal has been set to increase localization spend by 13.5% by 2021 within our largest business unit, GTS, based on 2018 local spend. A Premium Freight Request process has been implemented closely monitor and limit air shipments.
Respect and Encourage Diversity	Increase the amount of spend with Diverse Suppliers.	Corporate Supplier Diversity Program – Described on page 12 of the Supplier Handbook Goal to increase spend with Diverse suppliers. Diverse suppliers are defined as: Women Business Enterprises, Minority Business Enterprises, Small Business Enterprises, Veteran Business Enterprises, LGBTQ Business Enterprises and Disability-Owned Business Enterprises.
Employee Health and Safety	Only engage in business relationships with partners who ensure safe working conditions for their employees.	Workplace Condition Requirements – Described on page 7 of the Supplier Handbook Suppliers must adhere to the code of conduct and Suppliers failing to provide satisfactory working conditions for their employees jeopardize their business relationship
Human Rights	Only engage in business relationships with partners who respect human rights.	Employment Condition Requirements – Described on page 6 of the Supplier Handbook Suppliers must adhere to the code of conduct and Suppliers failing to provide satisfactory working conditions for their employees jeopardize their business relationship