



2023 **Sustainability Report**



About This Report

This Sustainability report details our performance on important environmental, social, and governance (ESG) topics and contains information covering the period from January 1, 2023, through December 31, 2023, unless otherwise stated.

This report covers Fortive's operations owned and operated by Fortive or its operating companies in 2023, unless otherwise stated. This report's content is grounded in our ESG impact assessment and has been informed by the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).

Data assurance. The data contained in this report has been subjected to internal verification procedures. Additionally, Fortive obtains independent Limited Assurance of our Scope 1 and 2 greenhouse gas (GHG) emissions profile each year. Refer to the assurance reports [here](#) for more information.

Note on non-financial reporting. Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature of, and the methods used for determining, such data. Some of our disclosures in this report are based on assumptions due to these inherent measurement uncertainties. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Forward-Looking Statements

This report contains statements based on our current assumptions and expectations about our future performance, including statements regarding our ESG targets, goals, commitments, and programs and other business plans, initiatives, and objectives. The disclosures included in this report are being provided to the public in an effort to provide transparency into our environmental, social, and governance (ESG) initiatives to respond to investor and other stakeholder requests, and to further enhance our collective understanding of ESG issues. Our approaches to the disclosures included in this report differ in significant ways from those included in mandatory regulatory reporting, including under U.S. federal securities laws and regulations. Thus, while certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with the U.S. federal securities laws and regulations, even if we use the word "material" or "materiality" in this report. Certain statements included or incorporated by reference in this report are "forward-looking statements" within the meaning of the U.S. federal securities laws. All statements other than historical factual information are forward-looking statements. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments, and other factors. Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments, and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Important factors that in some cases have affected us in the past and that in the future could cause actual results to differ materially from those envisaged in our forward-looking statements are described in Fortive's filings with the U.S. Securities and Exchange Commission (SEC). The forward-looking statements included in this report speak only as of the date of this report, and except to the extent required by applicable law, we do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments, or otherwise.



Table of Contents

A Letter from Our CEO	4
2023 Sustainability Highlights	6
Introduction	7
About Fortive	7
Culture & Values	8
Our Business	9
Our Commitment to Sustainability	10
Alignment to UN SDGs	10
Materiality	11
Sustainability Framework	12
Sustainability Goals & Progress	13
Management & Governance	14
Innovate for Impact	15
Energy Transition	15
Automation & Digitization	16
Productivity Growth	17
Empower Inclusive and Diverse Teams	18
People Strategy	18
Community	21
Protect the Planet	24
Climate Change & Greenhouse Gas Emissions	24
Water Management	26
Work and Source Responsibly	28
Workplace Health & Safety	28
Responsible Sourcing	30
Operate with Principle	33
Ethics & Compliance	33
Privacy, Information & Intellectual Property Governance	35
Cybersecurity	37
Policies	39

Christina Hall, our talented team member, skillfully captured this breathtaking view on Jeju Island, South Korea. The ocean-side rock, bathed in the soft glow of the first morning light, symbolizes hope, promise, and renewal.

This award-winning photo encapsulates the essence of a fresh start—a concept deeply ingrained at Fortive. Just as the sun rises each day, we recognize the importance of Sustainability in shaping our future. Rooted in a robust foundation, we work to make a positive impact across new industries and geographies, fostering a world where progress and environmental stewardship meet.

A Letter from Our CEO



JAMES A. LICO
President and Chief
Executive Officer

APPROXIMATELY 60%
of our revenue is generated
from products and services that
deliver Sustainability-related
outcomes and are aligned with
the United Nations Sustainable
Development Goals.

Dear Fortive Stakeholders,

Since day one, our commitment to Sustainability has been strong, steadfast, and strategic. Each year, it is my privilege to share how Fortive—along with our customers, partners, and shareholders—is leading the way to a more sustainable future.

As a force for good, we continually strive for better by creating innovative products that enable our customers to achieve their goals faster, more efficiently, and more sustainably. Sustainability is inextricably linked to our shared purpose—*essential technologies for the people who accelerate progress*. Our vision and commitment to Sustainability are both expansive and ambitious, because that's what progress requires.

We aspire to be a company that is as known for our commitments to environmental stewardship, social impact, community investment, and strong governance as we are for our innovative products. Our culture of continuous improvement drives this ambition. The Fortive Business System (FBS) is our engine for progress. It powers our ability to deliver industry-leading solutions, advances our Sustainability goals, and compels us to do more and do *better*.

Driving Progress Through Measurable Results

Five years ago, we established our first greenhouse gas (GHG) emissions reduction goal. Since then, we reduced our absolute Scope 1 and 2 GHG emissions by more than 25% from our 2019 baseline, and in 2023 we set a new goal: a 10% reduction in water use by 2029, from 2022 levels.

In addition to improving our own Sustainability performance, our products and services enable our customers to do the same. Approximately 60% of our revenue is generated from products and services that deliver Sustainability-related outcomes and are aligned with the United Nations Sustainable Development Goals.



Our teams take pride in being acknowledged for our Sustainability commitments and performance, achieving a “B” rating for our CDP Climate change disclosure, an “AA” ESG rating from MSCI, and secured third-party Limited Assurance of our GHG accounting for a third time. We were also recognized by *USA Today* and Statista as one of America’s Climate Leaders for our leadership in GHG emissions reduction. *Newsweek* named us one of America’s Most Responsible Companies for a fifth consecutive year and recognized us as one of America’s Greenest Companies. While we value these awards and recognitions, it’s our core belief in better that motivates us.

Striving for Better, Together

This commitment to better fuels how we work as a team, and how we also support our customers and communities. We get more done together through our diverse backgrounds, skills, and perspectives, fostering a culture of continuous improvement, innovative thinking, and genuine optimism. We are more together—in the workplace, in our communities, and in kaizen, or continuous improvement events, where the strength of our diverse teams knows no limits.

How we treat each other and support individual growth are powerful measures of progress. In 2023, we activated inclusive leadership experiences within FBS that help senior leaders advance our inclusive culture and effectively lead diverse, ambitious, and high-performing teams.

We continue to create positive impacts in the communities where we work, live, and serve. During our annual Day of Caring, 100% of our operating companies dedicated their time and talent, and the Fortive Foundation supported a range of non-profit organizations that are promoting progress across the globe. As champions for Sustainability, Fortive will always support people and communities in their quest for a more inclusive and equitable world.

Building a Strong Foundation of Trust

Transparency and accountability to all our stakeholders is of highest priority. Our ethics and compliance reporting channels are always open to our team members and stakeholders. Fortive’s Nominating and Governance Committee and our Board of Directors stand behind our Sustainability disclosures, inspire progress, navigate risk, and work continually to earn and keep your trust.

In the appendix of this report, you will find our disclosure alignment with the leading reporting frameworks, including GRI, SASB, TCFD, the United Nations (UN) Global Compact, and UN Sustainable Development Goals (SDGs).

So much of the momentum our customers are driving is intricately tied to overcoming challenges that will shape a brighter future. Our goal is clear—to deliver the innovations that empower our customers to achieve their goals and make the world stronger, safer, and more sustainable.

Thank you for joining in our pursuit of progress and our belief in better, and for putting your trust in us.



JAMES A. LICO

President and Chief Executive Officer

As a force for good, we continually strive for better by creating innovative products that enable our customers to achieve their goals faster, more efficiently, and more sustainably.

2023 Sustainability Highlights

5th

consecutive year
on *Newsweek's*
Most Responsible
Companies list

78%

employee
engagement
score

60%

revenue generated from
sustainability-enabling
products and services

100%

on Human Rights Campaign
Corporate Equality Index, for
the seventh consecutive year

82%

employee
inclusion &
belonging score

\$91.4M

certified diverse supplier
spend in 2023, approaching
our aspirational goal of \$100M
annually by the end of 2025*

25.6%

absolute reduction in Scope
1 and 2 GHG emissions,
compared to 2019 baseline

56%

of operating companies in top
quartile for total recordable
incident rate (TRIR)

37

average days for Speak Up!
case closure, exceeding
goal of 45 days

B

rating on CDP's Climate
Change disclosure

19K+

hours dedicated to
community service

* To drive progress toward this aspirational goal, we are focused on such actions as recruiting from a wide variety of supplier sources, providing training on unconscious bias to our procurement teams, and monitoring policies and practices to ensure that no group is inadvertently disadvantaged. All suppliers are evaluated through a neutral merit-selection process. We do not consider race, ethnicity, gender, or any other protected trait in the selection of our suppliers, nor do we have any financial set-asides or commitments for any demographic group.

At a Glance

17

operating companies

18K+

employees worldwide

50+

countries

\$5.8B

2023 revenue

About Fortive

Our global team is united by a powerful shared purpose: *essential technologies for the people who accelerate progress*. Across 17 operating companies (OpCos), our teams operate across a broad range of industries and geographies. They work together to propel us towards our goal of a sustainable future through development of critical hardware- and software-enabled workflow solutions, applied intelligence, advanced analytics, and other rapidly advancing technologies.

We are energized by our vision of a stronger, safer, and more sustainable world and boldly pursue the solutions to get us there. Our products and services enable our customers to reduce environmental impacts, advance community and patient health, and ensure safe workplaces and operational continuity of critical infrastructure. Our growth mindset and culture of curiosity are powerful forces that drive the ideation and experimentation necessary to develop the products and services that accelerate progress for all.

Fortive delivers essential technology and connected workflow solutions across a range of attractive end markets. Our businesses and strategic segments—Intelligent Operating Solutions, Precision Technologies, and Advanced Healthcare Solutions—are built on leading brands, innovative technologies, and established market positions.

Making a positive impact on the world is core to who we are, what we do, and how we do it. Our culture is deeply grounded in continuous improvement, and we're equipped with the tools and the drive to accelerate progress for people-centric fields like industrial manufacturing, engineering labs, workplace safety, facility and asset management, product development, and healthcare.



Culture & Values

We are guided by our shared purpose to *deliver essential technology for the people who accelerate progress*. We accelerate transformation in high-impact fields, such as workplace safety, engineering, and healthcare, delivering high-tech solutions and high impact for engineers, scientists, frontline workers, and patients around the world.

Our values guide how we deliver every day for our stakeholders:

We build extraordinary teams for extraordinary results.

We believe we are more together, and we all have something unique to offer as we come together to solve problems no one could solve alone, committed to a strong and inclusive culture.

Kaizen is our way of life.

We know we can always do and be better. Our commitment to continuous improvement, grounded in our Fortive Business System inspires us to approach our work with curiosity. We are always growing and learning.

Customer success inspires our innovation.

We believe our most important breakthroughs are the ones that help our customers succeed, and we strive to break down barriers and forge new paths to world-changing innovations to move our customers forward.

We compete for our shareholders.

We believe that prioritizing trust, Sustainability, and positive impact creates long-term value for all our stakeholders—our customers, our employees, our shareholders, and our communities.



FORTIVE BUSINESS SYSTEM

Our teams across our OpCos are united by our culture of continuous improvement—characterized by the high expectations, inclusion, humility, and transparency embodied in the Fortive Business System (FBS). This cultural foundation is reinforced by the rigor of our disciplined operating cadence. FBS enables us to operate our businesses with a focus on relentless execution, powered by our mindset and a set of tools and best practices consistently applied across our portfolio.

We are dedicated to delivering on our commitments and to accelerate and sustain progress in every aspect of the business, including new product development and commercialization, finance, human capital management, and sustainability. We are continually evolving FBS to meet the changing needs of our portfolio and incorporating new technology enablers like AI and machine learning to drive faster growth, more productivity, and greater impact. The execution of our disciplined acquisition strategy is strengthened by the value FBS creates and is a critical component of how we achieve sustained results over time.

Our Business

Intelligent Operating Solutions

At the forefront of accelerating progress for our tens of thousands of customers in mission-critical workflows, Fortive's Intelligent Operating Solutions use advanced instrumentation, software, and services to keep much of the world running safely, efficiently, and more sustainably. We have leading positions in electrical test and measurement, facility and asset lifecycle software applications, and connected worker safety. We connect workflows, real-time data, and powerful analytics to keep customers and critical infrastructure maintained, minimize downtime, and supercharge productivity.



FLUKE®

GORDIAN®

INDUSTRIAL
SCIENTIFIC

INTELEX

ServiceChannel®

Precision Technologies

Turning the spark of an idea into a world-changing product requires bold vision, a rigorously customer-centric approach, and specialized expertise in materials, methods, and measurement. Fortive's Precision Technologies help solve tough technical challenges to speed breakthroughs in a wide range of applications, from food and beverage production and manufacturing to next-generation electric vehicles and clean energy, as our customers seek new test solutions to enable the electrification and connectivity of everything. From deep sea to deep space, engineers and product developers depend on Fortive's advanced technologies for safety, precision, and reliability, even in the most demanding and dynamic conditions.



Tektronix®



setra



Invetech

PACSCI EMC

QUALITROL
Defining Reliability

Advanced Healthcare Solutions

As patient care delivery evolves globally, Fortive's Advanced Healthcare Solutions are enabling health care providers to deliver exceptional patient care more efficiently with industry-leading instrument sterilization solutions, instrument tracking, cell therapy equipment design and manufacturing, biomedical test tools, radiation safety monitoring, and end-to-end clinical productivity solutions. Hospitals, ambulatory surgical centers, and laboratories need these intelligent technologies to help ensure critical safety standards are met, instruments and operating rooms are working at peak performance, and complex procedures are followed accurately in these mission-critical healthcare environments.

ASP Advanced
Sterilization
Products

Censis



LANDAUER®



provation®

Our Commitment to Sustainability

We are boldly pursuing our vision of accelerating a sustainable future for all by investing in our people, our operations, and breakthrough innovations that directly address environmental and societal challenges. Sustainability is inextricably linked with our shared purpose—*essential technologies for the people who accelerate progress*—and our values. Innovating solutions that positively transform our world is both our driving force and our inspiration.

Sustainability is linked to our strategy through the strong secular drivers that position our portfolio for continued growth. Many of these secular trends have their roots in Sustainability, and by aligning our portfolio around those drivers, we are able to harness the tailwinds of Sustainability across almost all of our workflows. Our culture of continuous improvement and the power of FBS have enabled us to make rapid advancements in our program and are driving our increased ambition to do more in the future.

Every day, Fortive's products, services, and people are working behind the scenes to:

- Ensure safe operating conditions for workers in high-risk workplaces
- Provide software solutions that manage critical metrics for worker health and safety as well as environmental performance
- Enable operational and process efficiencies that reduce environmental impacts
- Safeguard the operational capacity of critical infrastructure and physical assets
- Advance automated, tailored perioperative care for patients and their procedures
- Enable quick and accurate results from medical testing

Our portfolio is strategically aligned to sustainable secular trends



Automation & Digitization



Energy Transition

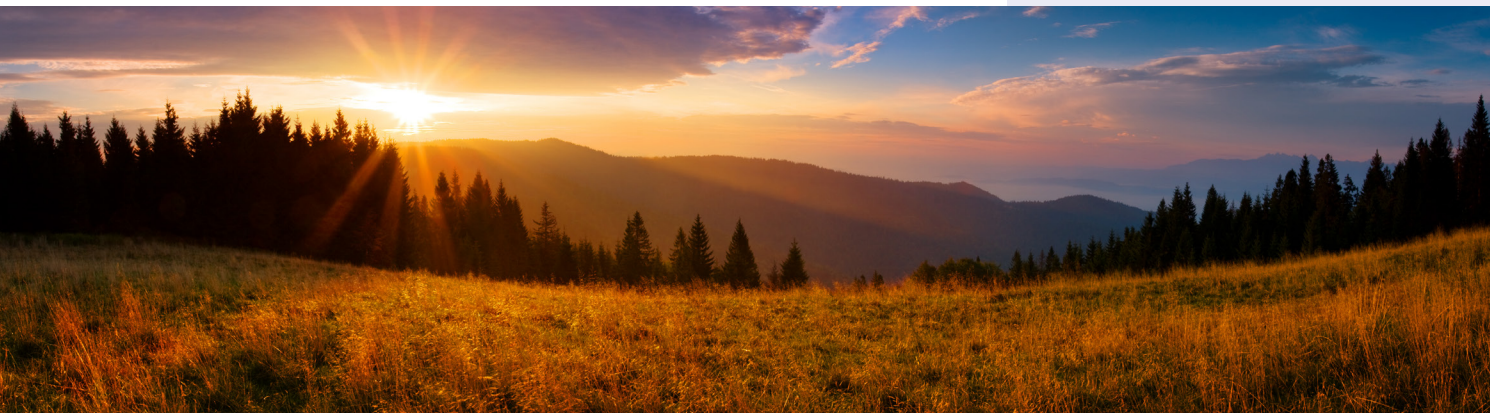


Productivity Growth

60%

**revenue generated from
Sustainability-enabling
products and services**

ALIGNMENT TO UN SUSTAINABLE DEVELOPMENT GOALS



Materiality

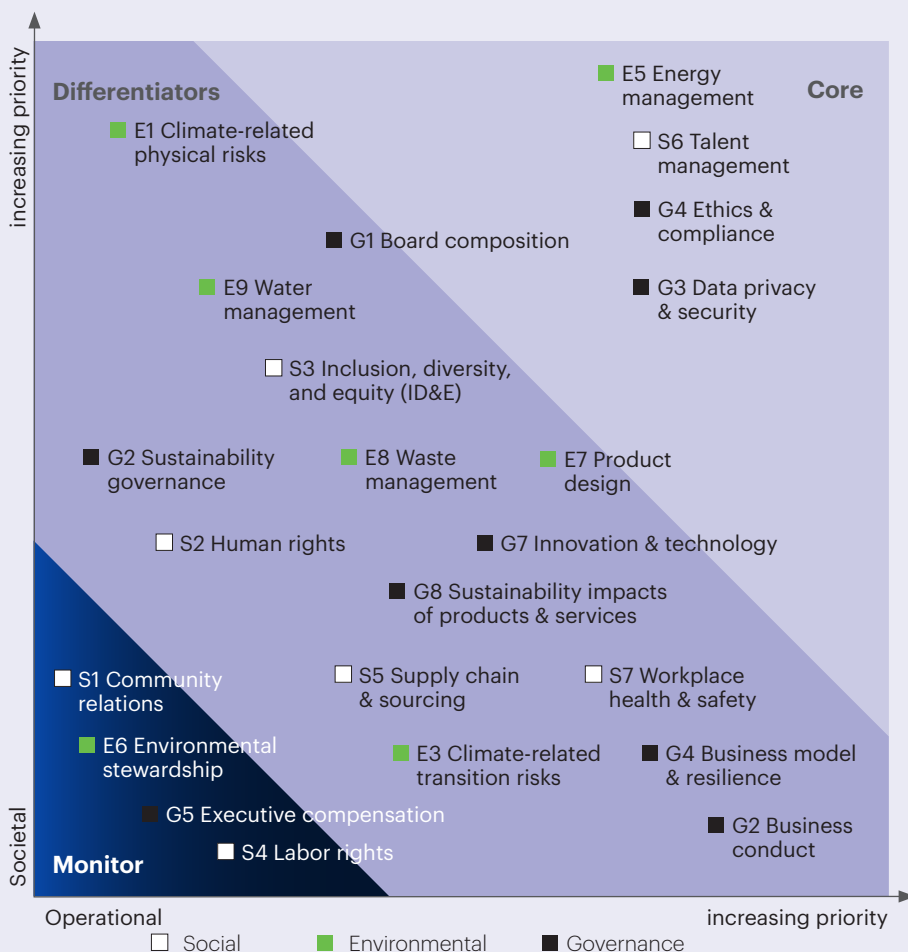
Assessing materiality deepens our understanding of the most impactful sustainability challenges facing the company, our stakeholders, and society.

We conduct periodic assessments to maintain a pulse on the relative significance of these issues, stakeholder sentiment, and industry trends. As a data-driven company, we value quantitative processes that ensure we check our biases and base our decisions on the data and science behind them.

In 2023, we conducted a materiality assessment refresh using Datamaran®, whose AI-powered risk and materiality software enables us to

- **Identify and prioritize the Sustainability issues that matter most to our business** from an impact on the organization and the impact Fortive's operations have on stakeholders and society
- **Consider the bi-directional impacts of the issues we prioritize** for management, measurement, and continuous improvement, with awareness and accounting of the bi-directional impacts of the issues to and from our operations
- **Understand the issues that are fundamental and those that differentiate us**—where our culture of continuous improvement presents an opportunity to manage effectively, reduce risks, and deliver results

We undertook a comprehensive analysis of the output of the surveys, ultimately settling on a tiered stakeholder weighted methodology as the superior logic, best aligned with our values and shared purpose. The resulting materiality assessment is shown below.



Topics are separated into three categories to reflect our characterization of the results:

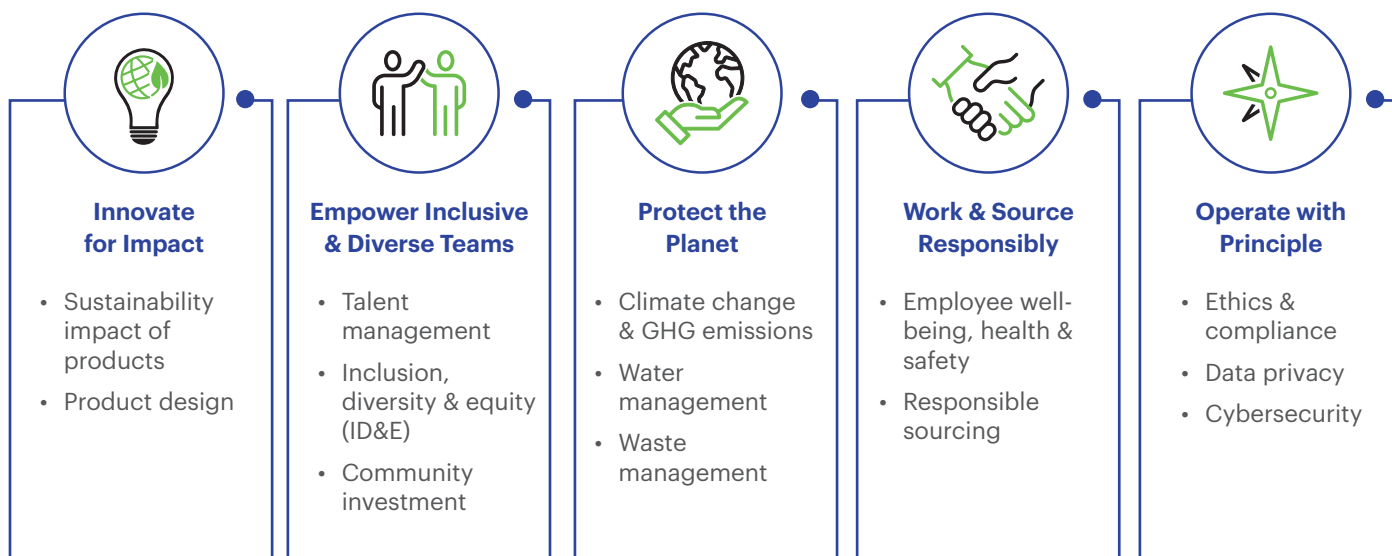
■ **Core:** Issues that are high priority from an operational and societal impact; we understand these issues to be non-negotiable, or table stakes

■ **Differentiators:** Issues that are medium-high priority from an operational and/or societal impact; we understand the relative priority of these issues to be influenced by the unique nature of our business, and therefore, present risks and opportunities unique to Fortive influenced by our management approach of each

■ **Monitor:** Issues that are low priority from an operational and societal impact; we approach these issues as ones to monitor over time, and voluntary as to Fortive's decision to prioritize

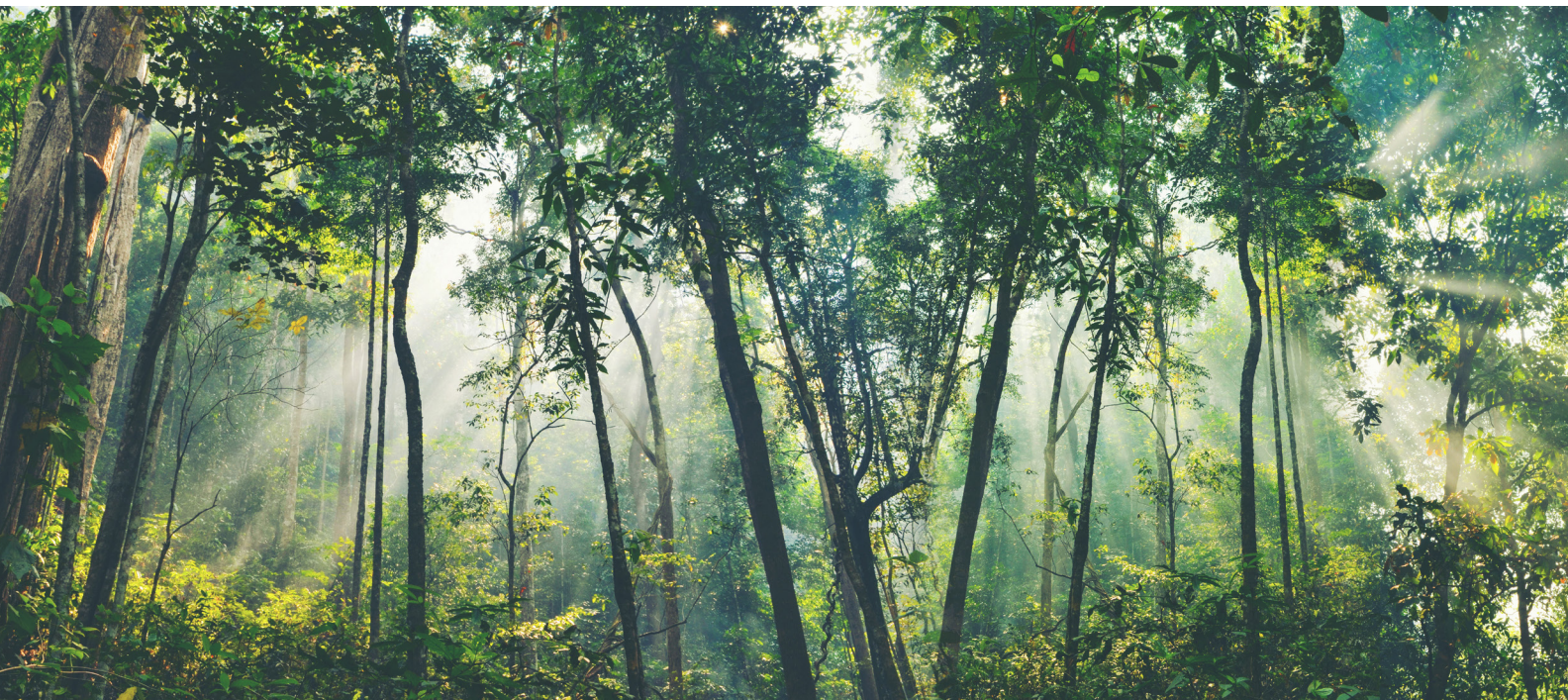
Sustainability Framework

The Sustainability Pillars serve as the blueprint for our Sustainability strategy, and we define goals in each to drive progress. We dedicate our resources to prioritize continuous improvement in these areas, because we understand the value they offer to the business, as well as the risks of inaction. The Sustainability Pillars are informed by environmental, social, and governance issues that are most relevant to our business, informed by our 2020 and 2023 materiality assessments, and their near- and long-term value for the company and our stakeholders.



Summary of Sustainability Goals & Progress

GOAL	TARGET YEAR	2023 PERFORMANCE
Reduce absolute Scope 1 and 2 GHG emissions 50% from 2019 levels	2029	In 2023, we reduced Scope 1 and 2 GHG emissions by 1.7% YoY, a reduction of 25.6% from our 2019 baseline.
Reduce absolute water use 10%, relative to 2022 levels	2029	In 2023, we increased water consumption by 12.8% YoY and by 6.2% YoY across our high-risk sites. These increases were primarily driven by increasing on-site employee presence and operations throughout the year.
Achieve top industry quartile scores for total recordable injury rate (TRIR) and days away restricted or transferred (DART) for 100% of operating companies	Annually	In 2023, 56% of our operating companies achieved top quartile TRIR and 62% DART, a YoY decrease and increase, respectively.
Complete 100% of Responsible Sourcing Audits	Annually	In 2023, we completed 100% of responsible sourcing audits across the organization.



Management & Governance

Management and governance are crucial to the successful integration and implementation of Sustainability considerations across Fortive and in each of our operating companies. The role of our management and governance model is to ensure awareness and alignment of:

- Strategic priorities
- Risk management
- Stakeholder engagement
- Compliance and accountability
- Resource allocation
- Continuous improvement
- Innovation and resilience across the organization

Fortive's Sustainability governance model is as follows:

BOARD

The Nominating and Governance Committee of the Board has responsibility for oversight of climate-related strategies and goals, and disclosure and reporting. Fortive's Senior Vice President (SVP) and General Counsel provides periodic updates (at least annually) to the Board's Nominating and Governance Committee as well as the full Board of Directors on Fortive's Sustainability strategy and goals, and disclosure plans and reports.

SVP, GENERAL COUNSEL

Fortive's Sustainability strategy and execution are managed by our Senior Vice President and General Counsel, Peter Underwood. Mr. Underwood reports directly to the CEO, and his responsibilities include management of the Compliance, the Enterprise Risk Management program, EHS function, and Sustainability. In addition to reporting to the Board, Mr. Underwood provides regular updates to the Fortive senior leadership team, segment CEOs, and operating company leaders on Sustainability-related targets, initiatives, and performance.

FORTIVE SUSTAINABILITY TEAM

The Sustainability team works cross-functionally to guide implementation of the Sustainability strategy with other functions and the operating companies. The team is responsible for development and implementation of the company's Sustainability strategy, with primacy for the Protect the Planet and Invest in Our Communities pillars. The team reports to Mr. Underwood and briefs the senior leadership team each quarter on Sustainability targets and performance.

OUR COMMITMENT TO CORPORATE RESPONSIBILITY & TRANSPARENCY

This report provides an update on Fortive's progress toward our Sustainability goals in calendar year 2023 and is prepared in alignment with the following frameworks:

- The **Global Reporting Initiative** (GRI) standards: Core (2021 standard)
- The **Sustainability Accounting Standards Board** (SASB) standard for Electrical & Electronic Equipment (RT-EE version 2018-10)
- The **Task Force on Climate-Related Financial Disclosure** (TCFD) framework
- The **United Nations Global Compact**
- The **United Nations Sustainable Development Goals** (UN SDGs)

In addition, we report our complete greenhouse gas (GHG) profile and performance via the CDP Climate Change disclosure each year. View our most recent CDP disclosures [here](#).



"Our board is proud to be part of a team that's building a better and more resilient company, community, and planet for our stakeholders. This report reflects our commitment to transparency and our optimistic spirit, as we meet the challenges and opportunities in driving a sustainable future for all."

JEANNINE SARGENT,
Chair of the Nominating & Governance Committee

Energy Transition



Fortive is at the forefront of the global shift toward a clean and sustainable energy future. Our mission involves tackling our customers' most complex technical hurdles and propelling breakthroughs across diverse applications, ranging from e-mobility to the electrification of everything.

Tektronix's 2 Series Mixed Signal Oscilloscope is a battery-powered, cloud-connected, intuitive user interface that helps operators solve challenges in EV and industrial applications in the transition to renewable energy.



Fluke FEV Series improves safety and charging efficiency at Level 2 AD and Level 3 FAST DC EVE chargers by allowing station operators to easily test voltage and critical safety components including GFCIs and RCDs.



Tektronix acquired **Elektro-Automatik** (EA), a leading supplier of electronic test solutions for energy storage, e-mobility, hydrogen, and renewable energy applications, furthering Fortive's commitment to the global energy transition.

Fluke's Ra-Solar Multifunction Tester is enabling a more efficient transition to solar power, helping PV professionals streamline installation time by 20%, cutting testing and documentation time in half, and improving quality and consistency with a single handheld device.



The acquisitions of **Solmetric**, a leader in solar test and measurement solutions, and **Azima**, the premier provider of predictive maintenance solutions, reinforce our commitment to electrification and put Fortive at the forefront of solar and connected reliability.

Gems Sensors' KS98 Rail Multi-Function Controller provides a unique modular architecture that helps solar cell engineers meet the challenging temperature control requirements of solar cell production to drive innovation in solar infrastructure.



Automation & Digitization



We find ourselves in an era of transformative breakthroughs in automation and digitization. At Fortive, we empower our customers by streamlining and digitizing their workflows leveraging our deep expertise in hardware, software, and AI-driven data analytics.



Qualitrol is future-proofing the energy grid with AKM345 GEN3, an oil and winding temperature indicator that detects system risks such as malfunctioning equipment, friction, and/or rising temperatures, enabling customers to digitize their transformers and support the rising demand for electricity and new energy sources.

Accruent's acquisition of RedEye enhances their existing leadership in the EDMS space by offering a versatile SaaS solution that enables customers across various industries, whether on-premise or cloud-based, to securely manage their engineering documents, drawings, and media from any device.



Accruent introduces Accruent One, a modern centralized hub for engineering document management that lets customers proactively manage and maintain workplace functionalities while eliminating paper and driving their own sustainability goals.

Industrial Scientific champions workplace safety and environmental health by expanding its gas detection technology to external devices that deliver automated warnings to manage productivity and protect workers.



Hengstler-Dynapar's multiturn encoders provide precision motion control feedback to keep factory automation humming, even in challenging industrial environments.

Gordian's **Green Building Costs with RSMeans** is an AI-driven, SaaS-based estimating tool that enables construction professionals to estimate, plan, and budget the costs the costs of green construction—both new commercial construction and renovation work. From high efficiency infrastructure systems to building shell materials to photovoltaic panels, green roofs, and wind power, RSMeans makes construction management straightforward, scalable, and sustainable.



ACTS Analytics by Intellex is an environmental management information system that helps companies efficiently track and precisely manage air emissions, water quality, soil contamination, and hazardous waste to inform compliant and responsible environmental management.

Productivity Growth



From factory floors to surgical theaters, the demand for productivity and precision has never been greater. Fortive's innovations propel productivity enhancements within vital workflows by optimizing essential resources, contributing to a better, safer, and more efficient future.

ASP, an innovator in low temperature sterilization, puts life-saving instruments into the hands of surgeons faster than ever before by combining its proprietary technologies and cutting sterilization time in half. ASP's use of hydrogen peroxide for sterilization avoids human health risks to patients, technicians, and medical providers.



Censis introduces AI2, the first-of-its-kind instrument tracking software solution that gives hospitals greater visibility and control over sterile processing and ensures safety and productivity in the labor-constrained healthcare field. On average, customers using CensisAI2 see a 25% reduction in trays down at the start of first shift within the first 6 months.



Our **Landauer** team, part of Fluke Health Solutions, accelerates progress by helping frontline healthcare workers stay safe through monitoring their exposure to ionizing radiation. By leveraging FBS, the team reduced the time for new feature delivery in its myLDR customer portal by 50%, while improving the ability of Radiation Safety Officers to self-service on the platform by 29%.



Dover Motion's SmartStage XY is a highly compact combination controller/drive circuit/encoder that fits easily into tight life science labs so that researchers can focus on breakthroughs instead of space constraints.



People Strategy

Fortive is a global team, over 18,000 strong, energized by a powerful purpose. Our people strategy centers on empowering inclusive teams working together to solve problems no one could solve alone. We intentionally seek out different skills, backgrounds, and voices to deliver results for our customers and fulfill our employee promise—For you. For us. For growth.

Management Approach

Our people strategy is defined by our inclusive growth culture and is advanced through our career development and rewards systems. We continually measure, review, and refine our strategy through measured employee experience processes. These key elements enable us to accelerate progress for our customers, our teams, and the world.

Our continuous improvement culture came to life through a multi-year Human Resources Transformation initiative, designed to deliver our business strategy well into the future. Together, these systems and focused improvements strengthen our employee value proposition and build our employer brand while delivering better experiences to our people and results for our customers.

Our Board of Directors, along with the Compensation Committee, oversee our people strategy and measurement actions.

2023 Goals & Performance

78%
Employee
Engagement score

82%
Employee Inclusion
& Belonging score

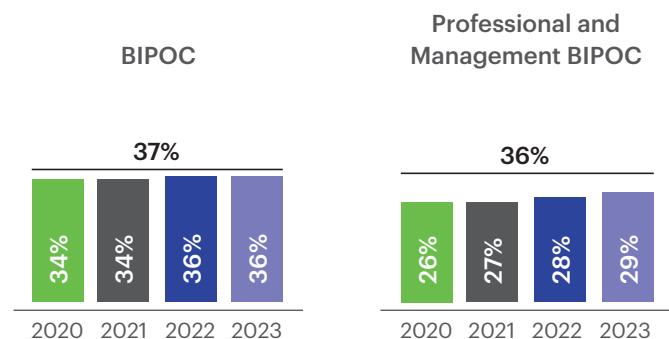
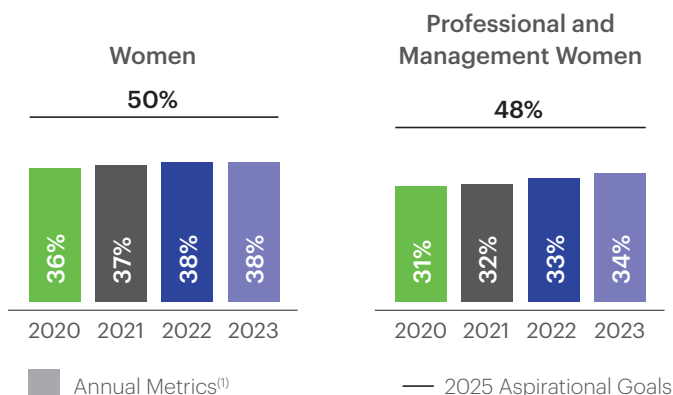
Inclusive Growth Culture

Our culture sets the tone for Fortive's people strategy and drives Fortive's success. Along with FBS, inclusion, diversity & equity (ID&E) enable our strategy and culture.

We believe that a diverse workforce creates extraordinary value for our people and shareholders. Fortive has created aspirational goals for historically marginalized groups. We will work towards those goals through such actions as recruiting from a wide variety of candidate sources, cultivating an inclusive environment where everyone can succeed, providing training on unconscious bias, and monitoring policies and practices to ensure that no group is inadvertently disadvantaged.

Another part of Fortive's commitment to diversity is our adherence to EEO (equal employment opportunity) principles. All persons are evaluated through a neutral merit-selection process. We do not consider race, ethnicity, gender, or any other protected trait in our hiring, promotional, or other processes.

To drive FBS, continuous improvement, and ID&E accountability at all levels, our VP, Inclusion, Diversity & Equity works closely with our senior management, ID&E Council, and ID&E practitioners across our businesses.



(1) Based on internal data as of the end of the respective calendar year.

UNLEASHING FBS

2023 went down in history as our biggest year of kaizen event activity, delivering a 67% surge in quarterly kaizen events and sustaining results around the company:

We held our largest ever **annual CEO kaizen event**, which ignites collaboration and momentum across teams and operating companies through the active engagement of our most senior leaders.

Many of our operating companies experienced significant transformation in their business operations through the evolution of FBS to include robotic process automation (RPA), machine learning, and AI.



The **Tektronix** team used our Policy Deployment tool to deliver breakthroughs and support their customers' energy transition, culminating in the acquisition of EA Elektro-Automatik.

At our annual leadership conference, we recognized Fluke as the 2023 kaizen core value award winner. Through more than 115 kaizen events worldwide—all with impressive sustainment—the Fluke team drove exceptional business results such as strong net dollar retention and working capital performance.



Employee Experience and Communication

Our promise to our people is—For you. For us. For growth. To achieve this promise, our leaders at all levels of the organization actively seek feedback to strengthen our culture.

Our approach continues to mature through quarterly touchpoints and leader accountability. In our last comprehensive census survey in Q4-2022, over 80% of our global team responded, delivering steady gains in both overall engagement and in inclusion and belonging that resulted in historically high ratings of 78% and 82%, respectively. Our results continue to inform both management and our Board of Directors on appropriate actions to enhance our employee experience.

Employee and Friends Resource Groups

At Fortive, Employee and Friends Resource Groups (EFRGs) activate our culture of inclusion and create space for all voices to be heard. They're a powerful way to connect and learn more about change-making topics like code-switching, how to be an ally, and unconscious bias.

We have eight Fortive-wide and over 25 company-specific EFRGs, with more than 3,000 employee members.

Business, Career Development, and Reward Systems

Our culture of continuous improvement inspires us to keep experimenting, growing, and learning. Our robust career development and reward systems advance our people strategy by attracting, growing, and retaining the exceptional people we need now and in the future. These business and career development systems strengthen our ability to fulfill our employee value proposition, build our employer brand, drive professional growth for our people, and deliver results for our customers.

We're committed to offering equal pay for equal work. Not only is it the right thing to do, but this commitment also allows us to attract and retain talented people, strengthens our inclusive culture, and results in a higher-performing company. We regularly review our pay levels, which are defined for each job based on market data including geography, and we proactively adjust if needed to achieve equal pay for equal work.



Business, Career Development, and Reward Systems (cont.)

Our Performance and Development processes drive results and career growth for our global teams. Performance for Growth deploys our strategies into goals across the organization, while Development for Growth translates our beliefs and values into desired leader competencies at all levels of the organization. Together, these processes provide a roadmap for the way we work, deliver results, and build high-performing teams.

We also invest in our people at every level through our growth and development experiences. These experiences range from leadership learning and FBS immersion to hands-on skill building in each of our three FBS pillars—growth, lean, and leadership. Collectively, these experiences build skills, strengthen performance, and prepare our people for challenging opportunities.

With our strong and evolving portfolio, our people have the opportunity to accelerate their career across multiple industries, meaningfully contributing to customer success, and impact in the world.

EXPERIENCE	DESCRIPTION
Fortive Leadership Summit	Development experience tailored toward senior vice presidents and presidents to accelerate growth, drive unrivaled performance with FBS, and advance our inclusive culture.
People Leader Experience	Deep, experiential learning for both new and experienced leaders, harnessing the best of interactive learning, and providing critical tools as our people take on greater people leadership responsibilities.
Accelerated Leadership Experience	Designed for high performing employees preparing to lead Fortive businesses or functions. We use immersive and experiential learning, where leaders develop personal skills and insight to fulfill their potential.
FBS Office and University	The FBS Office is dedicated to strategically embedding the mindset and toolset in everything we do. FBS University, our proprietary virtual and hands-on learning environment, develops and reinforces learning for hundreds of FBS Champions across our company each year to deliver value for our customers and shareholders.
FBS Ignite	Supported with intensive development in the FBS toolset, active mentoring from the FBS Office, and executive career coaching, participants advance and share their expertise across different businesses. In 2023, we expanded FBS Ignite to include our senior operating company leaders, further enabling them to lead with FBS to drive impact.
Growth Accelerator	A key development experience that enables our team to solve challenges in new, inspiring ways through three key innovation tools: Deep Customer Insight, Solution Generation, and Experimentation—each designed to enable our people to develop critical, breakthrough solutions for customers.



“Across Fortive, there are a career’s worth of opportunities available to our people. We have a strong commitment to developing our people and work to support all who want to develop their skillsets through varied industry, operating company, and business unit opportunities.”

STACEY WALKER,
SVP & Chief Human Resources Officer

Community

We operate on a global scale, but we also work to be a powerful force for active service and positive change in our local communities. Our teams contribute to and have a positive impact in the communities around the world where we live and work.

Management Approach

We lead and organize our efforts to be trusted members of our communities, as well as responsible global citizens, through three primary channels—our annual Day of Caring, the Fortive Foundation, and the Fortive Scholarship Program.

Through our annual Fortive Day of Caring, we dedicate our time, resources, and talents to support local organizations and causes we care about most. Each site or operating company identifies events that are meaningful to their teams and communities. This inspires participation and results in lasting impacts that benefit the community.

The Fortive Foundation was established in 2019 to accelerate and scale our philanthropic efforts and corporate giving. The Foundation awards charitable contributions to non-profit organizations whose missions advance and support:

- STEM education
- Community resilience
- Environmental stewardship

Building on our commitment to education through the Foundation, we also provide scholarship awards to our employees' children to support their pursuit of post-secondary education through the Fortive Scholarship Program. Each year, we grant 20 new scholarships, along with renewal awards.



2023 Goals & Performance

\$1.5M

in charitable donations to non-profit organizations that advance STEM education, community resilience, and environmental stewardship

53

scholarships (20 new awards and 33 renewals) awarded through the Fortive Scholarship Program

100%

of our operating companies hosted at least one community volunteer event

19.4K

volunteer hours contributed through our annual Day of Caring

125+

communities supported through over 80 Day of Caring events worldwide



Day of Caring

Day of Caring is a Fortive tradition that reflects our spirit of generosity and optimism. Acts of service connect us to the communities where we live and work, enhance our sense of well-being, and provide opportunities to engage in activities or with organizations that are fulfilling on a personal level. These events also provide a meaningful way for our teams to come together and use their talents to help others.

An employee-led initiative, Day of Caring empowers our teams to come together, engage with causes they care about, and provide meaningful support to community partners. Across the company, we offer everyone a full, paid day off to serve their community.

In 2023, teams across Fortive supported local non-profit and community organizations whose missions support:

- STEM education
- Environmental stewardship and maintenance
- Mental health and well-being
- Animal care
- K-12 education
- Children with special needs
- Elderly care and well-being
- Under-represented community support
- Food security
- Outdoor recreation

Day of Caring Champions

Behind each Day of Caring event is a Champion—someone or a small team at our sites who works with the local non-profit organizations to identify a need and opportunity for our local team to support their mission.

Day of Caring Champions collaborate with leaders and employee teams to plan and execute the service event(s), alongside the community organization's leaders and constituents.

From planting or harvesting a garden to taking shelter animals for walks to cleaning a facility that helps youth-in-need from top to bottom, we roll up our sleeves to help those who help our communities every day.



Hear from our people
about what Day of Caring
means to them



Fortive Scholarship Program

We believe that great minds can realize a positive future. It begins with our young people: it is their optimism, their ingenuity, and their ambition that will shape a more sustainable, just future.

The Fortive Scholarship Program provides scholarship awards to support their pursuit of post-secondary education. Scholarships are available to support secondary education, including two- or four-year college, university, or vocational school.

Scholarship awards are based on academic performance, leadership, and economic need, with each scholarship renewable for up to three years.

In 2023, the student scholarship recipients were from 11 countries and enrolled in 46 post-secondary institutions worldwide.

Fortive Foundation

We established the Fortive Foundation to direct and scale our philanthropic efforts. Since its first year of operation in 2020, the Fortive Foundation has increased its annual charitable contribution more than three-fold by supporting non-profit organizations worldwide whose missions and impact align with the Fortive Foundation's giving areas:

- STEM education
- Community resilience
- Environmental stewardship

The Fortive Foundation has established partnerships with select non-profit organizations to further amplify our philanthropic efforts. Through both the American Red Cross and GlobalGiving, team members are able to donate directly to support communities in need and have their contributions matched by the Fortive Foundation.

Scaling Impact With Partners

The Fortive Foundation supports non-profit organizations whose missions advance progress in STEM education, environmental stewardship, and community resilience.

In 2023, the Foundation contributed over \$1.5M to over 15 organizations, including these keystone partners:



STEM Education

Code.org
AnitaB.org
Engineers Without Borders



Community Resilience

Boys and Girls Club of America
Human Rights Campaign Foundation
Feeding America



Environmental Stewardship

The Nature Conservancy
One Tree Planted
Surfrider Foundation

Through the Fortive Foundation's partnerships with the American Red Cross and Global Giving, our people are able to donate directly to community campaigns and have their contributions matched by the Fortive Foundation.

In 2023, employees across Fortive established the **Fortive Environmental Alliance**, an employee affinity group, to promote environmental responsibility awareness and action.

During their inaugural campaign, the Earth Month EcoChallenge, they saved 488 pounds of CO₂ by encouraging carpools and planting more than 100 trees.



Climate Change & GHG Emissions

Climate change is one of the most pressing issues facing our planet today. We understand the importance of taking action to address climate change. As a responsible corporate citizen, we recognize our duty to take bold action to mitigate the effects of climate change—this is why we committed to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 50% by 2029 from 2019 levels, consistent with the Science Based Targets Initiative (SBTi) guidance.

Management Approach

Our strategy to reduce GHG emissions across our operations leverages Fortive's core strengths—our data-driven culture, scaling smart and impactful results using FBS, and our commitment to kaizen to improve and sustain performance.

To reduce our Scope 1 and 2 GHG emissions, our plans center on these three strategies:

Direct Emissions Reductions: Derived from GHG emissions reduction projects identified and implemented across our major sites. These range from infrastructure upgrades to process and workflow efficiencies and/or improvements.

Renewable Energy: Achieved through utility clean energy purchases, on-site renewable energy installations, and renewable energy certificates procured through unbundled and large-scale renewable energy power purchase agreements.

Organic Efficiency: Indirect emissions reductions gained via the continued addition of renewable energy to the electricity grid.

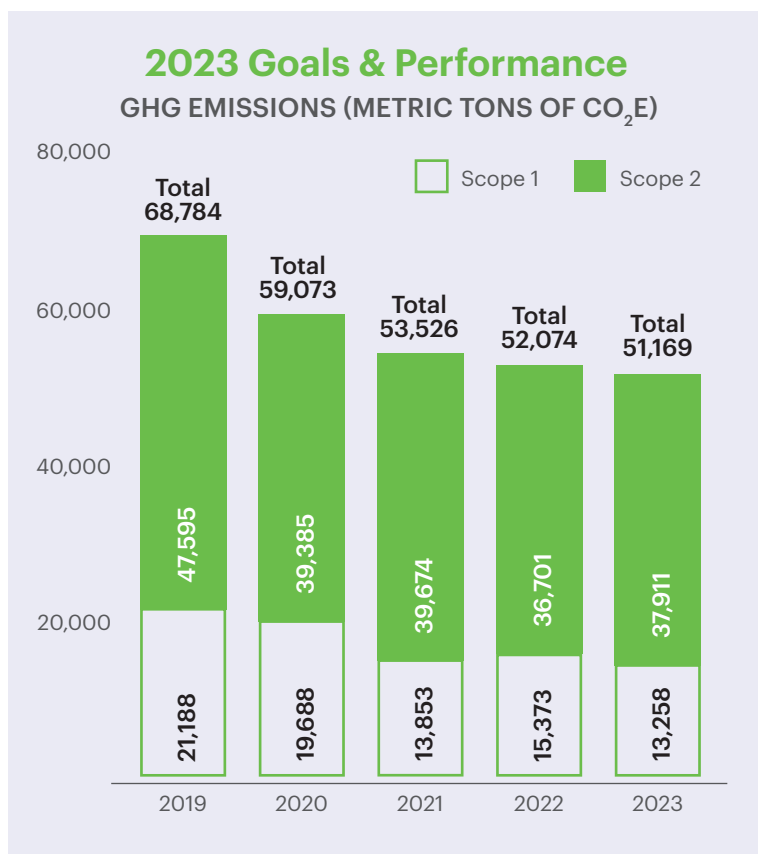
Implementation of these initiatives is driven via cross-functional collaboration with Finance, EHS, Facilities, Operations, Procurement, and Legal teams across our operating companies.

DRIVING CONTINUOUS IMPROVEMENT IN DATA COLLECTION

To further strengthen our GHG emissions accounting and reporting processes, in 2023, we began our transition to a third-party managed utility bill management service (UBMS). The purpose of the UBMS is to improve timeliness, accuracy, and completeness of the data that informs Fortive's GHG emissions, water use, and waste generation inventories.

The UBMS has three main benefits:

- **Eliminating manual data** entry by ~100 team members across the globe
- **Aligning data collection and analysis with the 10-K reporting schedule**, per the U.S. Securities and Exchange Commission's (SEC) climate disclosure rule
- **Enabling cost savings** via timely closure of utility accounts, identification of energy and/or water system downtime or leaks, and utility rate analysis



2029 GHG Goal—Strategic Roadmap

In 2022, we announced our commitment to reduce absolute Scope 1 and 2 GHG emissions 50% by 2029, from 2019 levels. Our goal is aligned with the Science Based Targets Initiative (SBTi) for interim targets, and to achieve the goal, we have grounded our strategic plan with these management priorities:

- **GHG targets for operating companies:** To drive continuous improvement and investment of carbon reduction initiatives, each operating company has an annual GHG reduction target. Goals are scoped relative to the operating company's size and carbon intensity.
- **Sustainability kaizens:** Across our major operations, our teams continuously evaluate and identify opportunities to reduce energy, sources of GHG emissions, and water and waste inefficiency.
- **Capital investments:** We support capital funding for projects that deliver meaningful GHG emissions reductions.
 - Projects are reviewed by the Fortive Sustainability Team prior to the annual budget process; approved projects are submitted for inclusion in the operating company's budget for the following year.
- **Renewable energy:** We are developing a multi-faceted renewable energy strategy, which includes direct-through-utility procurement, on-site renewable energy installations, and large-scale, clean-energy projects.
 - We developed an internal renewable energy policy to guide operating companies' procurement of renewable energy to ensure consistency and integrity.
 - The policy identifies renewable energy instruments and sources of renewable energy.



(1) Our Scope 3 data analysis currently leverages economic input-output models.

Scope 3 GHG Emissions

In 2022 and through 2023, we expanded our GHG emissions accounting to include Scope 3 emissions, i.e., emissions generated through our upstream and downstream value chain operations.

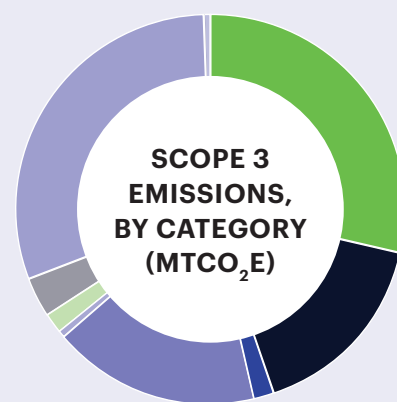
Collecting and analyzing Scope 3 emissions helps us understand:

- Which Scope 3 categories are relevant
- Which categories are significant contributors to our GHG emissions profile
- Where and how we can achieve impacts and reductions in the near- and long-term

In 2023, our Scope 3 GHG emissions totaled over 599k MTCO₂e. Relative to our Scope 1 and 2, our value chain emissions were more than 11x higher.

Given the alignment of our Scope 1 and 2 GHG reduction goal to the SBTi, we are actively working with teams across Fortive to obtain higher fidelity data⁽¹⁾ and understand the near- and longer-term opportunities we have to drive efficiency across the value chain.

Across the 15 categories of Scope 3 GHG emissions, we determined that 10 are relevant:



UPSTREAM

- Purchased goods and services - **185,489**
- Capital goods - **119,357**
- Fuel and energy related activities - **10,604**
- Transportation & distribution - **58,982**
- Waste generated in operations - **4,214**
- Business travel - **13,237**
- Employee commuting - **12,061**

DOWNSTREAM

- Use of sold products - **192,512**
- End-of-life treatment of sold products - **26**
- Investments - **3,438**

Water Management

We recognize the importance of water stewardship in the regions where we operate worldwide. Although our operations are not water intensive relative to industry standards, we strive to minimize the impact we have on watersheds and water withdrawals.

In 2023, we announced our commitment to reduce absolute water use 10% by 2029, relative to 2022 levels. In support of this goal, we are accelerating our efforts to reduce water use in high-risk regions⁽¹⁾ and at our highest use sites.

Management Approach

We use a rigorous data collection and review process to qualify and quantify water use across our operations. The process is consistent with our GHG accounting process, including our use of **InteleX's** Sustainability Performance Initiatives (SPI) software for water data collection and management. In 2022, we asked our sites to report water use in a more discrete manner, to better understand what sources and operations are driving water consumption.

As with GHG emissions and source data, we built and maintain PowerBI dashboards that enable access and visibility to leaders, site managers, and EHS and facilities professionals. Through the dashboards, site managers and team can easily identify anomalies and trends, which allows them to take action in real-time.

Fortive supports funding for projects that deliver meaningful water reduction. These projects are a key component of our water reduction strategy, and we leverage our culture of kaizen to examine and identify opportunities for impactful reductions.

Water Risk Assessment

In 2022, we developed a water risk assessment within our Sustainability Assessment tool to support our initial assessment of at-risk sites and inform water reduction strategy and targets.

The assessment guides site managers and teams in accounting for water use and relevant operations. The results often identify potential water-related risks and opportunities.

In preparation for developing plans to achieve the 2029 goal, a team of EHS and facilities professionals across the company collaborated to make substantial improvements to the assessment. The updated tool and training have been shared with teams worldwide.

Waste Management

Due to Fortive's classification in the Industrial and/or Capital Goods sectors, waste is often flagged as a significant issue. To test the validity of this assumption, in 2023, we updated our waste data collection process to better understand the quantities and types of wastes generated across our major operations. Our findings indicate that Fortive's waste profile is well below industry averages, and that neither hazardous nor non-hazardous waste is a significant management issue across Fortive.

Therefore, while waste management falls into the moderately significant zone on the Materiality Matrix, driven by industry and/or sector classifications, we do not consider waste to be a significant issue.

(1) We use the World Resources Institute (WRI) Aqueduct 3.0 Water Risk Atlas tool to evaluate water risk across our global operations. Sites in regions identified as having "Extreme" or "High" risk are required to complete a water risk assessment. In addition, regardless of risks, those sites with significant water use also complete a comprehensive assessment.

UNLEASHING FBS

We have established **Intelex** as our single source of truth for GHG and supporting data management. To drive consistency and alignment to *The Greenhouse Gas Protocol's* standards, we created an internal GHG Accounting Protocol. We also use the protocol as a teaching and training tool to drive consistency and completeness of GHG data collection and accounting.

Applying the rigor and discipline of FBS, we have defined and refined the GHG data collection, accounting, and reporting processes and controls to ensure that the data we publish is of the highest integrity, traceable, and complete. This has been instrumental in securing third-party Limited Assurance in accordance with ISO 14064-3 and ISAE 3000.

We seek third-party assurance for GHG accounting and reporting to ensure the following:

- Credibility and trustworthiness
- Compliance
- Objectivity and independence
- Risk management
- Stakeholder expectations
- Continuous improvement

Through each third-party assurance process, we gain new opportunities to drive continuous improvement. Third-party assurance also confirms that our internal protocol and its controls and procedures conform to the best practices outlined in *The Greenhouse Gas Protocol* standards.

Data Management and Governance

The Fortive Sustainability Team has primary responsibility for climate, water, and waste data collection and management processes.

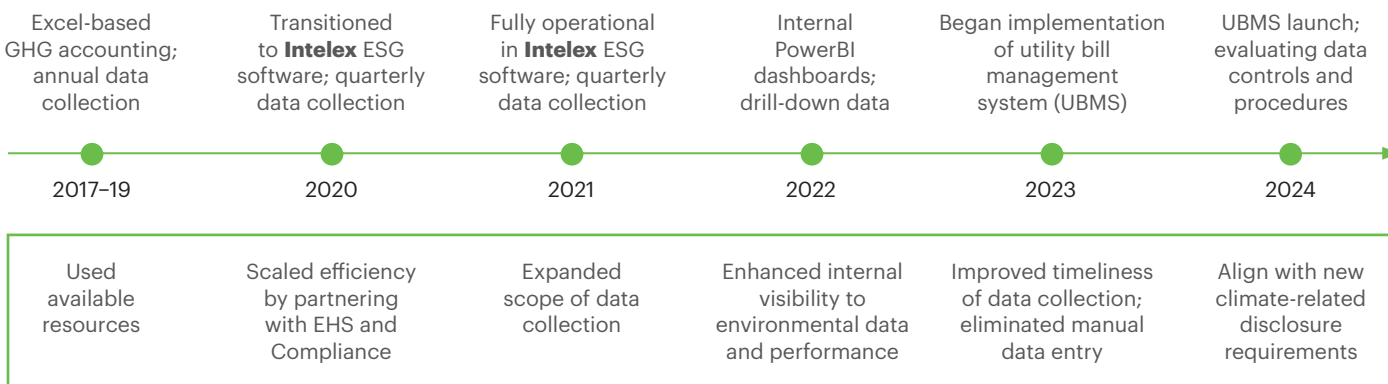
Since announcing our first GHG reduction goal in 2019, we have continuously improved the integrity, completeness, and procedures used for climate, water, and waste data collection and reporting. In less than four years, we have graduated from Excel files to **Intelex**, a purpose-built environmental data collection management system, obtained third-party Limited Assurance for consecutive annual GHG inventories, and began implementation of a utility bill management system (UBMS) to automate and expedite the timeliness of our utility data capture.

In 2018, **Intelex** launched its first Sustainability data management application, Sustainability Performance Indicators (SPI). In 2023, **Intelex** beta-tested its new *Corporate Reporting for ESG* solution, which assists companies by providing a preconfigured and guided data collection, management, and reporting solution.

Informed by voice of the customer surveys and interviews, **Intelex** designed its new ESG reporting solution to address customer needs, including:

- **Getting started with reporting** and making the most of limited resources
- **Mitigating risk** with an end-to-end ESG data collection and reporting solution
- **Evolving ESG reporting** from voluntary to mandatory

THE EVOLUTION OF FORTIVE'S ENVIRONMENTAL DATA COLLECTION & MANAGEMENT SYSTEMS



Workplace Health & Safety

Our vision is to maintain a world-class environmental, health, and safety (EHS) program rooted in the spirit of kaizen. We strive to proactively identify and mitigate EHS risks for our employees, advance operational efficiency, and eliminate waste.

Management Approach

We are committed to the health, safety, and well-being of our people. To keep our teams safe, we have proactive EHS programs that prioritize identifying risks and mitigating hazards to avoid injury and incidents.

We develop preventive and corrective action plans informed by EHS metrics including total recordable incident rates (TRIR) and days away restricted or transferred (DART), which identify the location, number, and severity of injuries.

To quantify and drive continuous improvement, our operating companies assess the EHS Risk at each of our EHS Significant Sites and report the EHS Risk Score twice a year. The EHS Risk Score is a Fortive standard metric comprising five EHS performance categories:

- Leadership involvement
- Sustainability
- Health & safety
- Metrics
- Environmental

Our [EHS policy](#) aligns with ISO 14001 and reflects our commitment to conducting business safely, with the health and well-being of our people, customers, and planet in mind. We leverage data and FBS tools to ensure that EHS management meets and exceeds applicable laws and regulations across all of our operating companies.

EHS Governance

Fortive's General Counsel is the executive sponsor of the EHS Leadership Council (EHSCLC), which includes senior EHS leaders responsible for EHS and Sustainability initiatives at the operating company level and Fortive's Sustainability team, who partner with EHS leaders to integrate Sustainability into company operations. Each operating company manages EHS on a day-to-day basis to ensure that policies and practices reflect the nature of their site-specific work.

The EHSCLC develops company-wide policies and supports our network of over 300 sites across the globe. The EHSCLC is responsible for the EHS policy, which is reviewed every two years. EHS leaders are responsible for aligning their operating company's EHS policy to the Fortive EHS policy to ensure consistency and continuity.

The EHSCLC is designed to ensure that EHS professionals and leaders across Fortive can easily communicate progress, challenges, and opportunities to improve.

2023 Goals & Performance

56% **Total Recordable Incident Rate* (TRIR)**

62% **Days Away, Restricted or Transferred* (DART)**

* Percentage of operating companies in the top quartile of their industry; refer to the EHS Data Table for certifications.



UNLEASHING FBS

Our operating companies are committed to ensuring safe workplace environments. Our EHS and facilities teams work together to understand the situational risks that could result in injury or incident across a wide range of conditions. We recognize timely EHS training and proactive risk identification and corrective action as leading indicators of employee safety and prioritize these strategies accordingly to reduce incidents and workplace risks.

In 2023, the Sensing Technologies Group's EHS teams leveraged FBS to improve employee health and safety management, including:

The Sensing Technology Group—**Anderson-Negele**, **Gems Setra**, **Hengstler-Dynapar**, and **Qualitrol**—deployed a compliance calendar in the Intellex Compliance Tasks solution. The calendar includes EHS regulatory compliance tasks, training requirements, dates and deadlines, permit renewal dates, inspections, and more. The tool allows the teams at all levels of the organization to dynamically see, track, and update EHS activities, documents, and reminders. As a result, the team improved on-time delivery (OTD) of compliance actions.

During the semiannual EHS compliance audit at our **Hengstler-Dynapar Kezmarok** site, the EHS and engineering teams conducted a problem-solving process (PSP) kaizen to mitigate an electrical hazard in the engineering test lab. Together, the teams developed a safeguarding method that protects the engineers while maintaining maximum flexibility required for the testing environment by combining fixed guarding, guarding interlocks, and presence-sensing light curtains.

The **Qualitrol Fairport** EHS team conducted a week-long machine guarding kaizen to evaluate machine guarding needs across their 80,000 square foot facility. As a result, 157 pieces of equipment received machine safeguarding upgrades and team members were trained on machine guarding and related safety practices.

Our **Hengstler-Dynapar Elizabethtown** site hosted an energy kaizen to conduct a facility-wide air leak study. Using the **Fluke ii900**, the team identified over 400 leaks. The kaizen team, which included auditors and maintenance personnel, fixed 47 of the identified leaks during the event, with an action plan to close the remaining leaks identified. The energy waste from the leaks identified represents 168 tons of CO₂e emitted and \$37,000 in energy spend annually.

The EHS Risk Score

The EHS Risk Score is an internal tool used by all our operating companies to assess risks, define leading EHS practices, and drive continuous improvement. Across Fortive, sites review and assess their EHS risk profile twice annually, and scores are reported to leadership.

The EHS Risk Score is based on site population, and our goal is to reduce the average EHS Risk Score across the company by implementing EHS programs and initiatives that reflect and respond to hazards and risks applicable to our workplaces.

The EHS LC is responsible for management of the EHS Risk Score, including reviewing and updating the categories and criteria at least every three years. The EHS Risk Score was updated in 2022 to include a Sustainability category and incorporate criteria in each of the five categories to improve EHS risk management for our software-focused businesses.



Responsible Sourcing

Setting High Standards for Partners and Suppliers

We expect our partners and suppliers to share our high standards for quality and safety, our commitment to fair labor practices, and our stand against corruption and human trafficking.

The Fortive Supplier Code of Conduct (Supplier Code) articulates these expectations and standards for conduct and transparency. It is extended to all suppliers to:

- Clearly articulate our values, standards, and expectations
- Ensure alignment with our priorities for safe and fair working conditions
- Promote production practices that ensure quality and safety
- Protect the rights of all people and respect for the planet

Building a Stronger and More Resilient Supply Chain

We work continuously with our suppliers to build a more resilient supply chain that responds to the evolving demands of our customers and our world. Our commitment to resilient supply drives our risk management strategy, which includes:

- Defining, deploying, and upholding standards
- Building relationships with strategic suppliers who share our commitments
- Broadening our aperture for prospective suppliers under sole source conditions
- Reducing risk associated with materials, services, and supplier readiness
- Pursuing partnerships with responsible in-country suppliers

Supplier Code of Conduct

Our Supplier Code is available in 14 languages, and we proactively engage with suppliers to ensure alignment with our standards and expectations.

Guided by the Supplier Code, we work with suppliers that follow production practices that ensure quality, safety, environmental protection, and the rights of all people.

The Supplier Code is aligned with the International Labour Organization (ILO) and includes specific language on human rights and combating modern slavery. Through our Human Rights Risk Assessment and Supplier Audit Program, we also educate suppliers on our expectations outlined in the Supplier Code.



UNLEASHING FBS

The Global Procurement organization turned to the principles of kaizen to apply lessons learned through the pandemic and subsequent global supply chain challenges to improve our internal Supplier Risk Management process and tool. A cross-disciplinary team came together to explore risk vectors and prioritize mitigation options. After running an experiment at one of the larger participating operating companies to ensure they had considered the appropriate data inputs, they partnered with the corporate Procurement team to roll out the new program through a series of 13 workshops. Today, 100% of Fortive's hardware operating companies have adopted the new program, which includes a systematic process for assessing new suppliers and periodically reassessing the impact of suppliers on business operations.

Supply Chain Governance

Fortive's Senior Vice President, FBS Office, is the executive sponsor of the Procurement and Supply Chain function, which is led and managed by the Corporate Vice President of Global Procurement & Supply Chain, with support from the Fortive Corporate Procurement team as well as the Vice President and Associate General Counsel for Global Trade. This team sets global standards and issues global policies that establish expectations for the operating companies.

Due to the unique sourcing requirements of each operating company, each of our operating companies has a dedicated procurement team that is responsible for implementing policies, programs, and strategies in their daily management of procurement operations to fulfill the needs of the business and the customers we serve.

Supplier Audit Program

The Fortive Responsible Sourcing Audit Program aims to enforce the standards set forth in our Supplier Code, covering a broad spectrum of subjects:

- Fair competition
- Corruption
- Trade practices
- Human rights
- Labor rights
- Climate risk management
- EHS compliance
- Materials quality
- Data privacy

Responsible Sourcing audits are coordinated through our Human Rights Risk Assessment process. The audit frequency is informed by the corresponding Corruption Perception Index (CPI) and Global Slavery Index.

Before conducting audits, every internal auditor undergoes comprehensive training on identifying the indicators of human rights and modern slavery violations and evaluating the implementation and effectiveness of recommended policies to protect workers' rights and safety.

In 2023, we assessed over 200 direct material suppliers, and 100% of suppliers received a satisfactory rating. Areas for improvement were confined to policy and process enhancements.

If a Responsible Sourcing audit reveals a significant issue, our legal teams evaluate the situation and advise on the appropriate actions required by applicable laws, regulations, and supplier contract terms and conditions. We treat non-conformance by a supplier as severely as we do within our own operations, as clearly communicated in the Supplier Code.

Sourcing Locally

We continue to prioritize identifying suppliers that are geographically closer to our sites and customer locations. This approach diminishes our carbon footprint by minimizing distances between suppliers and our operations, enhances business resilience, and contributes value to local communities.

2023 Goals & Performance

100%
completion of
responsible sourcing
audits for high-risk
suppliers

2023 Certified Diverse Supplier Spend

\$91.4M

in 2023, approaching our aspirational goal
of \$100M annually by the end of 2025

Supplier Diversity

Our success depends on delivering high quality innovative solutions for our customers, and our suppliers are critical partners to our success. Ensuring that certified diverse suppliers have an equal chance to compete for supplier contracts promotes healthy competition and gives us a full view of qualified suppliers to ensure we provide the best for our customers.

Our aspirational supplier diversity goal is to spend \$100M annually with certified diverse suppliers by the end of 2025. To drive progress, we recruit from a wide variety of supplier sources, provide training on unconscious bias to our procurement teams, and monitor policies and practices to ensure that no group is inadvertently disadvantaged.

All suppliers are evaluated through a neutral merit-selection process. We do not consider race, ethnicity, gender, or any other protected trait in the selection of our suppliers, nor do we have any financial set-asides or commitments for any demographic group.

In 2023, we spent \$91.4M with certified diverse suppliers, and we focused on building out our supplier diversity program to drive performance and progress through a number of initiatives.

- **Inclusion of Disabled-Owned Diverse Suppliers:** We introduced a new classification to support and recognize businesses owned by person(s) with a disability.

- **Supplier Diversity Education & Awareness in Procurement:** In partnership with the procurement organizations at our operating companies, we launched an education and awareness campaign to highlight the importance of supplier diversity and integrate it into our standard work.
- **National Minority Supplier Development Council (NMSDC):** We established a partnership to foster connections with minority business enterprises (MBEs) and expand our diverse supplier vendor base.

Human Rights

We are committed to conducting our operations in an ethical and responsible manner, which includes upholding fair labor standards for all employees across our operating companies. In our commitment as a signatory to the United Nations Global Compact, we extend these expectations for business conduct across our supplier network.

Threats to human rights are constantly evolving and growing. We take seriously the need to understand labor and human rights practices across our suppliers. We are engaging more deeply with our suppliers to ensure they support international efforts to protect human rights and abolish forced labor, child labor, and human trafficking and address any issues.

Supporting human rights and fighting modern slavery advances the safety of the communities from which we source. Our objective is to leverage our assessment process to educate our suppliers and raise expectations across our supply base.

This is our 5th year of supplier assessments to address human rights.

The program was significantly updated in 2021, and 2023 was the third cycle using the revised program.

To date, we have achieved 100% compliance with the human rights requirements.

Ethics & Compliance

Integrity and compliance are integral to our culture and our success. When we do the right thing by acting in accordance with our Code of Conduct (Code) and our values, we deepen the trust and respect of our colleagues, our customers, our business partners, and our shareholders.

Management Approach

Fortive's global compliance program is led by Fortive's Chief Compliance Officer and the compliance team. The Fortive team sets global standards and issues global policies that establish expectations for the entire company, including operating companies. The Fortive team works in collaboration with the compliance personnel within the operating companies to operate the program. The Audit Committee of the Board of Directors has oversight responsibility for the compliance program and ensuring its effectiveness.

The Global Compliance Program sets the global minimum standard. Each operating company makes an assessment about their business model and their industry(ies) to determine if there is a need to make policies and procedures more comprehensive or restrictive, or to adopt new ones. Compliance is a significant element of the Risk Assessment Process (RAP), which is conducted annually and updated regularly throughout the year.

Measuring and tracking our key performance indicators (KPIs) for ethics and compliance is integral to continued positive and real improvement. We review the KPIs quarterly with senior leadership to ensure visibility and transparency on our program's current state and improvement opportunities.

We provide annual ethics and compliance training and learning toolkits on the Code and other critical topics to all of our employees. Refer to **Unleashing FBS** for additional information.

2023 Goals & Performance

23

languages available for
our Code of Conduct

99.8%

on-time completion rate for
online compliance training

13

languages available for required
Code of Conduct training

37

average days for Speak Up!
case closure, exceeding
goal of 45 days

96%+

completion rate for Code
of Conduct training across
approximately 16,000 employees

100%

completion rate for compliance
duties and responsibilities
training by Board of Directors

SPEAK UP!

Our Speak Up! program exemplifies our open-door policy and commitment to transparency: our employees and business partners have multiple avenues available to raise questions or integrity concerns. For example, our Speak Up! phone hotline and web reporting tool are available in 23 languages.

In 2023, building upon the compliance-focused foundation of our Speak Up! program, we updated our hotline, process, and training materials to be compliant with the EU Whistleblower Directive (Directive). We expanded local channel resources in regions subject to the greatest changes, to further improve compliance.

Risk Assessment Program (RAP)

We proactively approach risk management by identifying and evaluating key risks using a consistent framework and comprehensive assessments.

Our RAP is a core tool we use to identify and manage risks on an ongoing basis. Fortive and its operating companies participate in the RAP annually and make regular updates to ensure that we are effectively identifying risk, mitigating where necessary, and striving to realize opportunities. Business and functional leaders evaluate the risks inherent in their operations on topics including:

- International dynamics
- Human resources
- Regulatory and industry standards
- Finance and accounting compliance
- Product safety and security
- Sales and marketing
- Data protection and cybersecurity
- General and internet technology
- Environmental, health and safety
- Supply chain
- Climate change

We use the RAP results to inform business decisions on topics including our workplaces, infrastructure investments, regulatory framework, supplier and commodity sourcing, compliance, EHS programs, and climate change planning. We track progress on the countermeasures quarterly and adjust our actions as needed.

Within the RAP, operating companies evaluate and rate physical and transition risks associated with climate change. Physical risks may be acute or chronic, and Climate Impact Reports developed by FM Global, our property insurance provider, assist operating companies with the assessments.

Transition risks assessed by the operating companies broadly include:

- Regulations and policies
- Market trends
- Technology and technological trends
- Customer sentiment

There are multiple stages of the RAP process, designed to solicit and incorporate inputs from operating companies, segments, global functions, and regions. This robust process ensures and provides an informed and prioritized view of the risk landscape across the portfolio, globally, and at every level of the organization up to the Board of Directors.

UNLEASHING FBS

We leverage our FBS mindset and toolkit to continuously improve our Compliance program. Below are some highlights from 2023.

Continuous Improvement for Compliance Learning

To improve awareness and understanding of the tenets and scope of our Code, the Compliance organization developed customized training for the Board of Directors and for Fortive employees worldwide in 13 languages.

Leveraging Technology to Enable Efficiency

We developed a chatbot, which will launch in 2024, to help employees quickly answer policy questions and locate the resources they need to support our teams and customers.

ENHANCING COMPLIANCE TRANSPARENCY

Worldwide, demand from stakeholders is increasing for information about our Compliance policies, programs, and adherence to various standards.

We conducted an in-person kaizen with an operating company legal team to improve preparation for external inquiries, visits, and audits.

Through and following the kaizen, we completed a policy refresh and created new training and additional standard work. After 6 months, the team reports markedly fewer hours spent preparing responses.

Privacy, Information & Intellectual Property Governance

Innovation and information are fundamental to our business of providing best-in-class products and services to our customers. With a multitude of artificial intelligence (AI) tools and data science techniques, we are innovating faster and finding new ways of dramatically improving efficiencies. As we incorporate AI and other cutting-edge technologies into our products and processes, we continue to maintain robust data privacy, intellectual property, and information governance programs.

Management Approach

Fortive's Privacy Information and Governance (PRINGO) team applies governance for data privacy, intellectual property, and AI usage strategically and cohesively. The PRINGO team develops policies and compliance requirements in accordance with local, state, and national requirements. These policies and requirements are implemented by the operating companies worldwide. The PRINGO team provides expertise to the operating companies by implementing specialized shared services that reduce inefficiencies associated with distributed administration. In addition, the PRINGO team uses automation to streamline workflows and increase responsiveness, reducing Fortive's risk profile globally.

The PRINGO office is guided by three principles:

DO BETTER

by having relevant accountabilities performed by a specialist shared service, reducing administrative burden on operating companies

DO MORE

using automation to simplify and scale performance to legal requirements and raising the attainment bar to reduce Fortive's risk profile globally

DECREASE EXTERNAL SPEND

by reducing unplanned spend and creating predictability in expenses, while delivering insight and results to operating companies in virtual real time





PRIVACY PROTECTIONS

We are committed to maintaining and protecting customer privacy in our global operations. We adhere to regulations and constantly monitor new and emerging requirements to ensure our practices are current, effective, and responsive.

The PRINGO team established a toll-free number to enable our teams and customers in the U.S. and Europe to exercise their data privacy rights and submit an inquiry. This includes access to personal information and the right to receive a copy, the right to deletion and erasure of all data on an individual, and the right to rectification or the correction of incorrect or incomplete data.

IP RIGHTS

We respect intellectual property rights, which stimulate innovation and creation and drive our growth. We continue to add to our IP portfolio, increasing our number of patents, software code, trade secrets, and trademarks.

AI AND INFORMATION GOVERNANCE

We are committed to applying appropriate governance over the use of AI across Fortive, including human supervision and transparency. As laws and regulations evolve worldwide, Fortive's PRINGO team adapts and deploys policies and compliance requirements to meet those changes.



"We respect our customers' privacy and continually monitor and communicate with our operating companies about practices and the importance of performing to legal and regulatory expectations."

BILL KARASZIA,
Associate General Counsel – Privacy & Information Governance

Cybersecurity

Agility is always top of mind in our business operations. We know that business continuity requires having strong, secure systems in place, as well as a nimble and proactive culture. Whether our companies are several years old or decades old, we are united in our relentless commitment to curiosity, innovation, and our customers.

Management Approach

Cybersecurity is an important part of our risk management processes and an area of focus for our Board and management.

Our Audit Committee is responsible for the oversight of risks from cybersecurity threats and provides regular reports to the entire Board. At least annually, the entire Board receives an overview from management of our cybersecurity threat risk management and strategy processes covering topics such as data security posture, results from third-party assessments, progress towards predetermined risk-mitigation-related goals, our incident response plan, and material cybersecurity threat risks or incidents and developments, as well as the steps management has taken to respond to such risks.

In such sessions, the Board generally receives materials indicating current and emerging material cybersecurity threat risks and describing the company's ability to mitigate those risks and discusses such matters with our CIO and CISO. Material cybersecurity threat risks are also considered during separate Board meeting discussions of overall key enterprise risks, operational budgeting, crisis management planning, and other relevant matters.

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes and an area of focus for our Board and management. To ensure visibility, oversight, and management of information and cybersecurity, our CIO and/or CISO:

- Report to the Audit Committee and to the full Board about cybersecurity threat risks and other cybersecurity related matters
- Meet with the information security teams at the operating companies monthly, or as needed, to review escalated items, compliance with incident response plans, and performance against strategic targets
- Meet with the CEOs of our operating segments and the presidents of our operating companies to discuss IT strategies, updates, and initiatives, including those related to cybersecurity
- Meet with the Audit Committee quarterly and the full Board annually to provide updates on the cybersecurity program, including controls and processes, strategies, achievements, risks, and recent incidents
- Meet with the full Board annually as part of the overall enterprise risk management review
- Meet with other members of the Disclosure Committee to discuss materiality and disclosure with respect to cybersecurity matters



Our Cybersecurity team's strategy and annual performance targets align with the National Institute of Standards and Technology (NIST) Cyber Security Framework. NIST's maturity rating is the best-in-class industry standard. Fortive continually benchmarks against the NIST standard along with several other external and internal measures.

Cybersecurity Risk Management

Our process for assessing, identifying, and managing material risks associated with cybersecurity threats, including risks related to disruptions to our operations, compromise of our intellectual property rights, data privacy, litigation, and other legal liability and reputational impacts, is an important component of our overall enterprise risk management process. As part of this process, both corporate and operating company leaders collaborate with subject matter experts to identify and assess cybersecurity threats and implement relevant countermeasures.

We have separate cybersecurity-specific risk assessment and management processes that are managed centrally and executed at both the corporate and operating company levels.

These processes, including corresponding controls, are designed to help us protect against, detect, and respond to cybersecurity threats, and to manage business continuity, the availability of critical systems, product security, disclosure controls and procedures, escalation, and regulatory compliance in the event of any cybersecurity disruption.

Our processes also address cybersecurity threat risks associated with our use of third-party software and service providers. Third-party risks are included within our overall risk assessment process, as well as our cybersecurity-specific risk identification program.

- We have designed our cybersecurity program based on the National Institute of Security and Technology (NIST) framework, Generally Accepted Privacy Program (GAPP) guiding principles, and ISO 27001/2 standards
- Our cybersecurity team, led by our Chief Information Officer (CIO) and Chief Information Security Officer (CISO), coordinates with our privacy and information governance team within our legal department to help ensure compliance with applicable regulatory and reporting requirements
- The CIO and CISO undertake an annual review of the cybersecurity strategy and initiatives for Fortive and each of the operating companies, with monthly reviews of performance relative to strategic initiatives with the CEO and the other executive officers
- The CIO and CISO participate in product design efforts with operating company leaders to enhance our product security
- Through the compliance training program, we conduct mandatory cybersecurity management, data privacy and incident training for all employees
- We conduct regular phishing email simulations for all employees and all contractors with access to corporate email systems to enhance awareness and responsiveness to possible threats
- Through policy, practice, and contract provisions, we require employees, as well as third-party vendors who process data, to treat customer and other personal information and data with care and in compliance with regulations
- We run tabletop exercises conducted by leading third-party cybersecurity experts, with involvement by the broader IT team, legal team, communications team, executive management team, and the Board, to simulate a response to a cybersecurity incident and use the findings to improve our processes and technologies
- We conduct regular network and endpoint monitoring, vulnerability assessments, and penetration testing designed to improve our information systems
- We review and update, and provide training on, cybersecurity incident response plans and business continuity plans, on our cyber incident escalation plan, including the involvement of our Disclosure Committee (which includes our CISO as a regular member)
- As part of that cyber incident escalation plan, our Disclosure Committee reviews cybersecurity incidents to assess materiality and consider disclosure requirements

In addition, cybersecurity considerations affect the selection and oversight of our third-party service providers. We perform diligence on critical third parties that have access to our systems, data, or facilities that house such systems or data, and continually monitor any cybersecurity threat risks identified through such diligence. We also generally require those third parties to agree by contract to manage their cybersecurity risks in specified ways and to be subject to cybersecurity audits, which we may conduct as appropriate.

Policies

Our policies guide and determine how our business activities and relationships are handled. Company-wide policies must be approved by the senior leader responsible for the topic of the policy.

Relevant policies are provided and communicated to new employees during onboarding and to suppliers via training.

MyPolicies is a centralized resource that houses all company policies, is easily searchable, and is maintained so employees, people leaders, and leaders can find and reference the resources necessary to carry out their work.

Operating company policies are managed by the operating company teams and made available to employees in a shared location to ensure ready access for all.





GENERAL CORRESPONDENCE

If you would like to contact a member of Fortive's Sustainability team, you may do so by mail or email:

Fortive Corporation
6920 Seaway Boulevard
Everett, Washington 98203

Email: sustainability@fortive.com
www.fortive.com

FORTIVE INVESTOR RELATIONS

If you would like to contact a member of Fortive's Investor Relations team, you may do so by mail, email, or telephone:

Fortive Investor Relations
6920 Seaway Boulevard
Everett, Washington 98203

Email: investors@fortive.com
Tel: (425) 446-5000

