



# Accelerating Progress Toward a **Sustainable Future**

**2022 SUSTAINABILITY REPORT**





A Message From Our CEO	3
<b>Company Overview</b>	<b>5</b>
About Fortive	6
Purpose and Values	9
Innovation and Technology	10
Our Commitment to Sustainability	13
<b>Empower Inclusive and Diverse Teams</b>	<b>16</b>
Inclusion and Diversity	17
Organizational Culture	20
Talent Acquisition, Retention, and Development	21
<b>Invest in Our Communities</b>	<b>23</b>
Community Engagement and Support	24
<b>Protect the Planet</b>	<b>26</b>
Climate Change and Greenhouse Gas Emissions	27
Products and Services	31
<b>Work and Source Responsibly</b>	<b>35</b>
Employee Well-Being, Safety, and Health	36
Responsible Supply Chain and Procurement	38
Human Rights	39
<b>Operate With Principle</b>	<b>41</b>
Ethics and Compliance	42
Business Resilience	43
Digital Privacy and Security	45
<b>Appendix</b>	<b>47</b>
Data Tables	48
United Nations Global Compact Communication on Progress (UNGC CoP) Index	54
United Nations Sustainable Development Goals (UN SDGs)	55
Task Force on Climate-Related Financial Disclosures (TCFD) Index	57
Sustainability Accounting Standards Board (SASB) Index	58
Global Reporting Initiative (GRI) Index	60

# A Message From Our CEO

## Q&A with James A. Lico, President and CEO, Fortive

### **How do you feel about the sustainability progress Fortive has made during its first five years?**

I'm incredibly proud of the strong foundation we have built, and how we have embraced an increasingly rigorous, transparent, and ambitious approach to sustainability. When we launched in 2016, it was important to all of us to identify the sustainability issues most relevant to our business and address them through a strategy that reinforces our purpose and values. Our natural curiosity about what is possible, and where we can have the greatest impact, continues to guide our progress.

As we continue to build momentum and tap into the extraordinary energy of our teams, sustainability has become far more than a program at Fortive. Sustainability is fundamental to our strategy and our businesses, and our stakeholders agree. By integrating sustainability into Fortive Business System (FBS) and how we work every day, we're creating value for all of our stakeholders, our local communities, our society, and the planet. I'm excited about the path we're charting to achieve a sustainable future—one that's stronger, safer, and smarter for all.

### **Why is Fortive's commitment to the United Nations Global Compact (UNGC) significant?**

We value transparency, accountability, and winning with integrity. That is why we joined the UNGC as a signatory in 2021. By joining the UNGC, we:

- communicate our commitment to the Ten Principles;
- hold ourselves accountable to driving continuous improvement; and
- demonstrate solidarity with the other members around the globe to achieve a just, equitable, and sustainable world.

Our first Communication on Progress is on [page 54](#) of this report and shares how we're making progress on the Ten Principles of the UNGC. In addition, we have identified ten UN Sustainable Development Goals (SDGs) that we support through our sustainability pillars, goals, and strategic business segments. Acting and leading on a global scale allows Fortive to apply our shared purpose, values, strengths, and skills to deliver impact and value in critical fields like healthcare, workplace safety, and infrastructure.

### **How is the view on sustainability from stakeholders changing your business?**

There's a strong human element to what we do, and our stakeholder relationships are important to us. We hear clearly from customers, employees, and shareholders alike that sustainability is a priority. As we think about customers, for example, we know that their success is our success. Our customers are trying to solve some of the world's biggest sustainability challenges right alongside us. The outcomes they pursue motivate and inspire us to deliver the tools and technology they need to be successful.

Our purpose drives us to accelerate progress in the world, and our business strategies have natural synergies with the principles of sustainability as they relate to people, planet, and progress. And industry data consistently shows that sustainable companies outperform in the market—so accelerating our sustainability efforts is a win for all of our stakeholders.





**The call to action on climate change is increasingly urgent. How is Fortive responding?**

The need for climate action is urgent, and we are heeding the call. We achieved our more ambitious greenhouse gas (GHG) intensity goal earlier than expected and have established a new greenhouse gas (GHG) reduction goal that is aligned with the Science-based Targets initiative (SBTi) guidance:

We are committing to reduce absolute Scope 1 and 2 GHG emissions 50% by 2029, from 2019 levels.

This goal will challenge us to go deeper into the organization to identify and achieve further efficiencies, and in some cases, to reimagine our operations. I am confident that our teams will rise to the challenge. As a company of innovators, inventors, engineers, and problem solvers, we thrive on addressing challenges at the intersection of science, data, and people.

**What 2021 accomplishments are you most proud of?**

We have made considerable progress in furthering our commitments and culture to advance inclusion and diversity (I&D). We have been intentional about our actions and communications—taking care to be transparent about where we are, where we want to go, and how we’re working to get there. Experience tells us that our commitment to I&D strengthens our teams, inspires innovation, and drives grassroots energy and engagement around sustainability. It’s gratifying to see how our businesses contribute directly to sustainability by ensuring patient and worker safety, maximizing the lifespan and efficiency of mission-critical infrastructure, and conserving energy at scale.

I’m also incredibly proud of the way our teams come together to contribute to the communities where we work and live. For example:

- Through our annual Day of Caring, Fortive teams have dedicated more than 400,000 hours to support organizations in their local communities.
- Through the Fortive Foundation, we are able to extend our impact to support organizations worldwide whose missions align with our Values and Shared Purpose.

**What’s your outlook for the next five years?**

We aim to advance progress toward our vision of a sustainable future, one that’s stronger, safer, and smarter for all. We will continue our trajectory of increased rigor, accountability, transparency, and impact to deliver results that meet and exceed expectations for ourselves and our stakeholders. We draw on our FBS toolset and culture of innovation to strengthen I&D, lead on climate action, advance supply chain and business resiliency, and safeguard the health, well-being, and privacy of our employees and customers. And we will continue to raise the bar through ambitious new targets to drive value and impact.

What’s most exciting to me are the world-changing products and services that deliver new sustainability breakthroughs. Fortive products and services are behind the scenes in many critical environments, helping people in so many ways—some of which are highlighted in our Products and Services section, beginning on [page 31](#). Some of these innovations are taking shape, while others have yet to be dreamed up. With strong secular drivers like climate-conscious energy transformation, healthcare advancements, and AI-driven automation, we have significant opportunity to drive growth and value for all of our stakeholders and accelerate progress toward a sustainable future.

# Company Overview

*Fortive is a uniquely powerful combination of global companies, specialties, and skills that come together to share knowledge and amplify impact. And when we see a promising new opportunity to advance our sustainability goals, we are uniquely positioned to invest in it.*

About Fortive



Purpose and Values



Our Commitment to Sustainability



Innovation and Technology



## COMPANY OVERVIEW

# About Fortive

GRI 102-6, 102-7



Fortive's essential technology makes the world stronger, safer, and smarter.

We are a global technology innovator with generosity and optimism in our DNA. 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 which equips us with the tools and the drive to accelerate progress in people-centric fields like workplace safety and healthcare.

We deliver hardware, software-enabled hardware, and software solutions for our customers that advance the safety and security across industries ranging from workplace safety and healthcare to critical infrastructure and the built environment.

## Who We Are

Fortive Corporation delivers essential technologies and connected workflow solutions across a range of attractive end markets.

Our strategic segments—Intelligent Operating Solutions, Precision Technologies, and Advanced Healthcare Solutions—are built on leading brand names, innovative technologies, and established market positions.

Fortive is based in Everett, Washington, with research and development, manufacturing, sales, distribution, service, and administrative operations in more than 50 countries. Fortive's global team is united by a powerful shared purpose: *essential technologies for the people who accelerate progress.*

## What We Do

Our diverse teams across a broad range of operating companies and geographies propel us towards our goal of a sustainable future through 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, smarter world; and boldly pursue the solutions to get us there. To us, stronger means ethical, resilient, and actively inclusive. Safer means safeguarding the resources we all depend on, from clean water and air to personal health and well-being for our customers and our own data. And smarter speaks to strengthening communities and connections through principled, efficient, and forward-looking innovation and technology. Our products and services enable our customers to reduce their environmental impact, advance community health, and ensure safe workplaces. 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 At A Glance



**18,000**  
employees



**50+**  
countries



**\$5.2B**  
2021 revenue

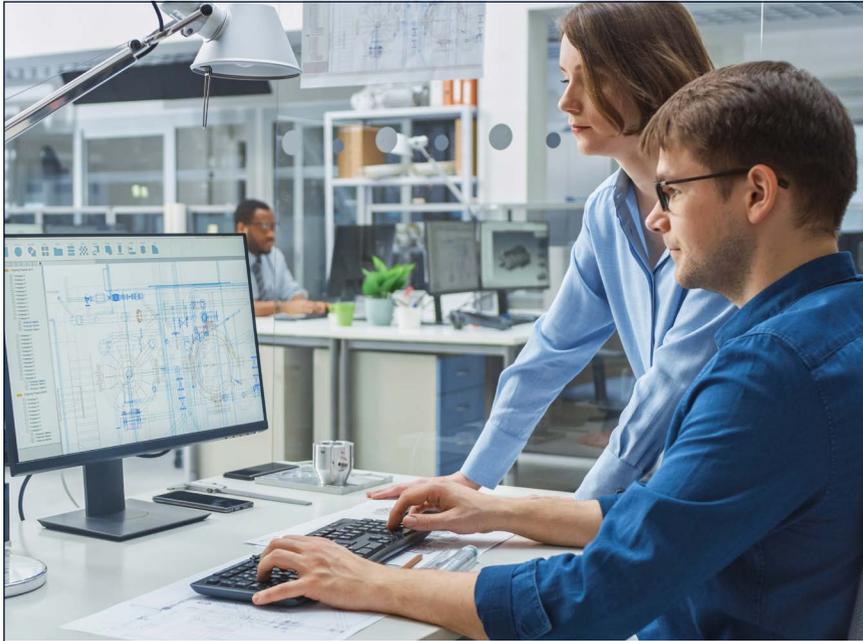


**9.5%**  
organic growth

## How We Work

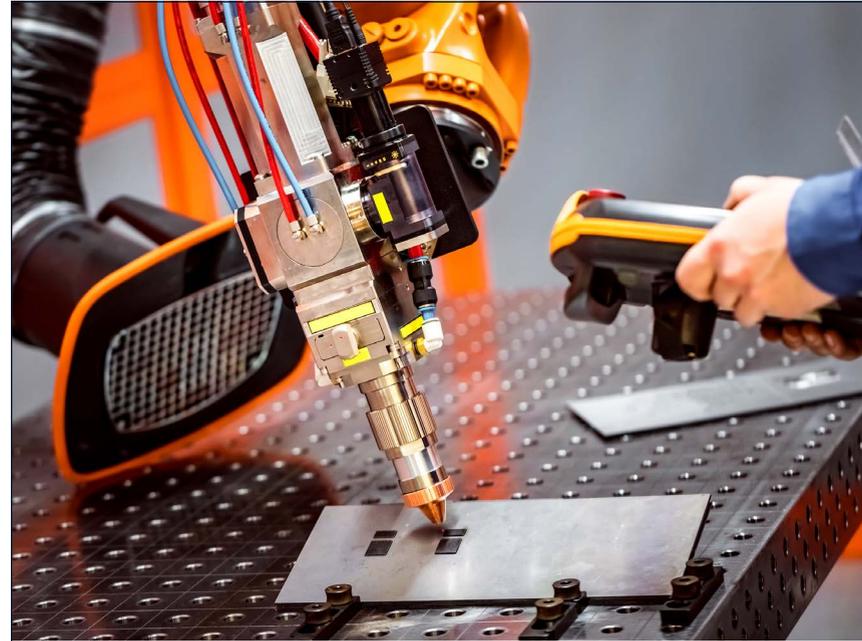
### Fortive Business System

The Fortive Business System (FBS) is our competitive advantage for driving innovation and delivering unique value to our customers. FBS is fundamental to who we are and how we work and is both a mindset and our proven system for continuous improvement. FBS encompasses a powerful set of tools and methods we employ to drive continuous improvement in everything we do. It facilitates our ability to nimbly and effectively drive growth and innovation, ensure safety and quality, minimize waste, deliver for our customers, lead effectively, and scale our successes.



### Intelligent Operating Solutions

Delivering leading workflow solutions that facilitate field and facility safety, reliability, and productivity



### Precision Technologies

Enabling IoT expansion and accelerating the development of new technologies and innovations



### Advanced Healthcare Solutions

Essential products and workflow solutions that ensure safe, efficient, and timely delivery of healthcare





## Fortive's Sustainability Value Proposition

At Fortive, our commitment to Sustainability is inextricably linked with our shared purpose: *essential technology for the people who accelerate progress*. The work we do, and how we do it, centers around IMPACT. Every day, Fortive's products, services, and people are making an impact behind the scenes to:

- ensure safe operating conditions for workers in high-risk environments;
- provide software solutions that manage critical metrics for worker health and safety as well as sustainability performance;
- advance automated, tailored perioperative care for the patient and their procedures;
- enable quick and accurate results from medical testing; and
- safeguard the operational capacity of critical infrastructure and physical assets.

We have a portfolio of operating companies with strategic connections to Sustainability through their products and services. Incorporating Sustainability into FBS, our engine for growth and innovation, and our business strategy enables us to scale our impact and capitalize on the ESG headwinds in our current markets and drive growth and long-term value in new markets.

We are always gratified to be recognized for the positive impacts that our products and services deliver for our customers as well as the quality and commitment we provide in our workplace to our employees.

**In 2021, Fortive was named as one of America's Most Responsible Companies by Newsweek for the 3rd consecutive year and heralded among the Best Places to Work for LGBTQ Equality by the Human Rights Campaign Foundation for the 5th consecutive year.**

We are proud of the recognition and continue to challenge ourselves to deliver the best workplace and products for our customers and employees.

“ Our purpose is infused with a spirit of generosity and optimism that inspires us to build better workplaces for our employees, better communities for our families, and a better planet for all of us. It pushes us to innovate for our customers, as they solve some of the world's biggest social and environmental challenges.

**PETER UNDERWOOD, SVP AND GENERAL COUNSEL**

### Awards and Recognition



Newsweek America's Most Responsible Companies



Corporate Equality Index



United Nations Global Compact

COMPANY OVERVIEW

# Purpose and Values

GRI 102-16

Our purpose—*essential technology for the people who accelerate progress*—goes hand in hand with the goals of sustainability. The high-impact outcomes we pursue include: Environmental quality indicators, energy efficiency, workplace safety, reliability and functionality of mission-critical infrastructure, lives saved, and higher healthcare standards worldwide.

Our values encapsulate the teamwork, customer focus, growth mindset, and drive that will lead us to breakthrough sustainability solutions.



## Values

**We build extraordinary teams for extraordinary results.**

We are more together, and we all have something unique to offer. We come together to solve problems no one could solve alone. Our strong and inclusive culture is the lifeblood of our success.

**Customer success inspires our innovation.**

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

**Kaizen is our way of life.**

Our commitment to kaizen—continuous improvement—inspires us to keep growing and learning. We believe that tomorrow can always be better than today.

**We compete for shareholders.**

We are a force for good. We believe that prioritizing trust, transparency, sustainability, and positive impact creates long-term value for all of our stakeholders—our customers, our employees, our shareholders, and our communities.

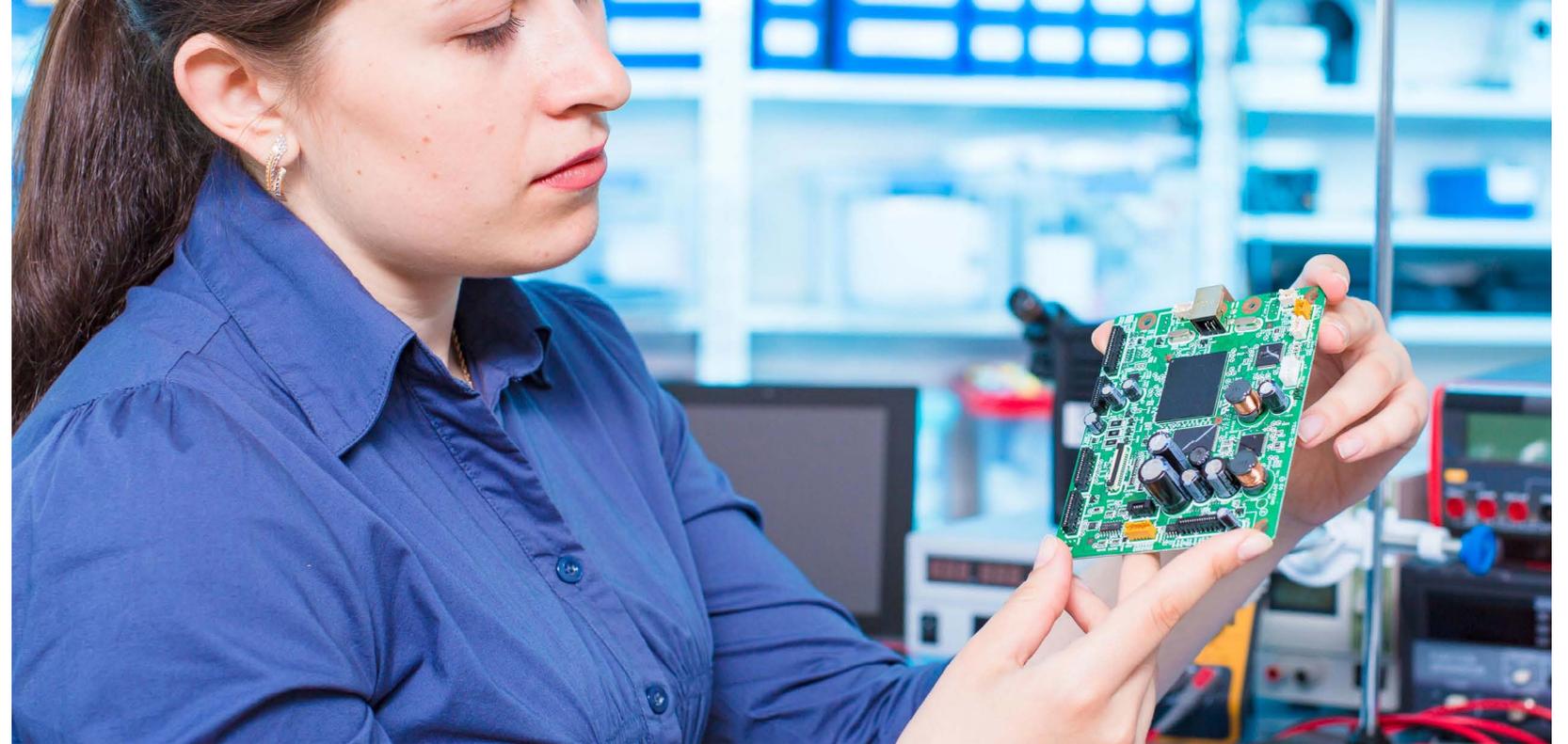


## COMPANY OVERVIEW

# Innovation and Technology

At Fortive, we continually invest in innovation and emerging technologies to challenge limits, move faster, anticipate our customers' future needs, and achieve bigger breakthroughs. By unlocking the potential of data with AI-driven software solutions, we empower our customers to achieve new breakthroughs in productivity, quality, innovation, and sustainability.

Our two-pronged strategy consists of internal teams within our operating companies working to innovate and generate organic growth, while also leveraging external incubation opportunities.



## Accelerating Innovation Efforts

Innovation is at the core of what we do and how we help solve our own and our customers' toughest challenges. Our operating companies use technological solutions built on artificial intelligence/machine learning (AI/ML) applications and leveraging data science solutions:

- **ProVation** Apex Procedure Documentation, uses AI technology to personalize and streamline the documentation process for physicians.
- **ehsAI** (a subsidiary of Intelix) leverages AI to improve environmental, health and safety compliance, combing through regulatory documents to enable customers to analyze more accurately, comply faster, and mitigate risk.

Our team's creative capacity is accelerated and amplified by The Fort, our internal innovation hub. The Fort focuses on co-developing AI/ML applications and data science solutions that are both critical and creative for some of our toughest internal and customer-based problems:

- The Fort partnered with **Qualitrol** to apply machine learning to auto-classify transmission faults in electrical utilities to reduce outages and down time. Qualitrol expects this will have a three-year operational impact of \$8.3M.
- Using AI developed by The Fort, **Fluke Health Solutions (FHS)** uses predictive analytics to preemptively identify and respond to customer retention risks. Since implementing in 2021, customer attrition rates have been reduced by half with lower person-hours required.
- At **Accruent**, The Fort developed a machine learning system to predict failures in refrigeration systems for a grocery chain in the U.K., helping prevent food waste.



**47**

projects delivered through The Fort, using data science to help our customers solve their biggest challenges

**24%**

improvement in on-time delivery to bring innovations to market faster

**59**

innovation teams using our Growth Accelerator framework

## Growth Accelerator

Fortive's Growth Accelerator is a powerful and proven FBS toolset for generating and pursuing breakthrough innovation that drives an increase in our organic growth.

**Growth Accelerator provides the space for our employees to solve customer problems by developing inventive solutions and quickly testing uncertainties and risks to enable faster learning and decision making.**

Coupling the Growth Accelerator with Lean Portfolio Management—a new FBS tool we developed in 2021—enabled our businesses to bring high quality products to market at a faster pace.

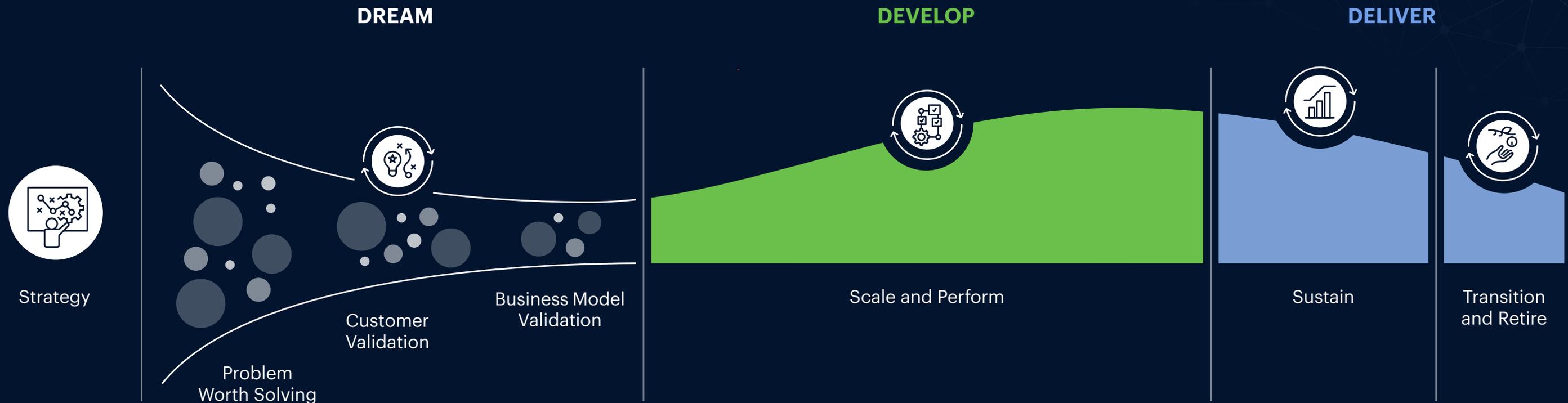
## External Partnerships

Fortive continues our partnership with Pioneer Square Labs, a Seattle-based incubator lab working to develop breakthrough customer solutions and scale transformative products and services with emerging technology. As ESG-related issues become more prevalent, external partnerships provide valuable opportunities to ideate and scale solutions faster.

# Enabling Sustainable Innovation With Lean Portfolio Management (LPM)

In 2021, we successfully deployed our newest FBS tool, Lean Portfolio Management (LPM). This process drives teams to make strategic portfolio investment decisions and carry out innovative growth programs. Through this process, we listen to our customers and leverage our stakeholders' knowledge to determine whether to practice sustaining engineering, which focuses on advancing and supporting our products already in the market, or to phase out obsolete products and services and make way for new innovations. The LPM process helps Fortive and our operating companies deliver greater returns on research and development and accelerate innovation.

## Lean Portfolio Management (LPM) Process



**COMPANY OVERVIEW**

# Our Commitment to Sustainability

At Fortive, 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.

Our Sustainability Pillars align our actions with our purpose and values. The Pillars serve as the blueprint for our Sustainability strategy, and we have goals to support and drive progress within each Pillar.



We conducted a refreshed materiality assessment of environmental, social and governance (ESG) issues in 2020 to understand which issues are most germane to our business, from an internal and external perspective. We followed the Global Reporting Initiative (GRI) materiality process to complete the assessment, which includes:

- identify;
- prioritize; and
- validate.

The materiality assessment results were developed using Datamaran's® AI-powered platform, which incorporates comprehensive internal and external input.

The results are depicted below in the materiality matrix, for more details please see the [GRI Index](#).

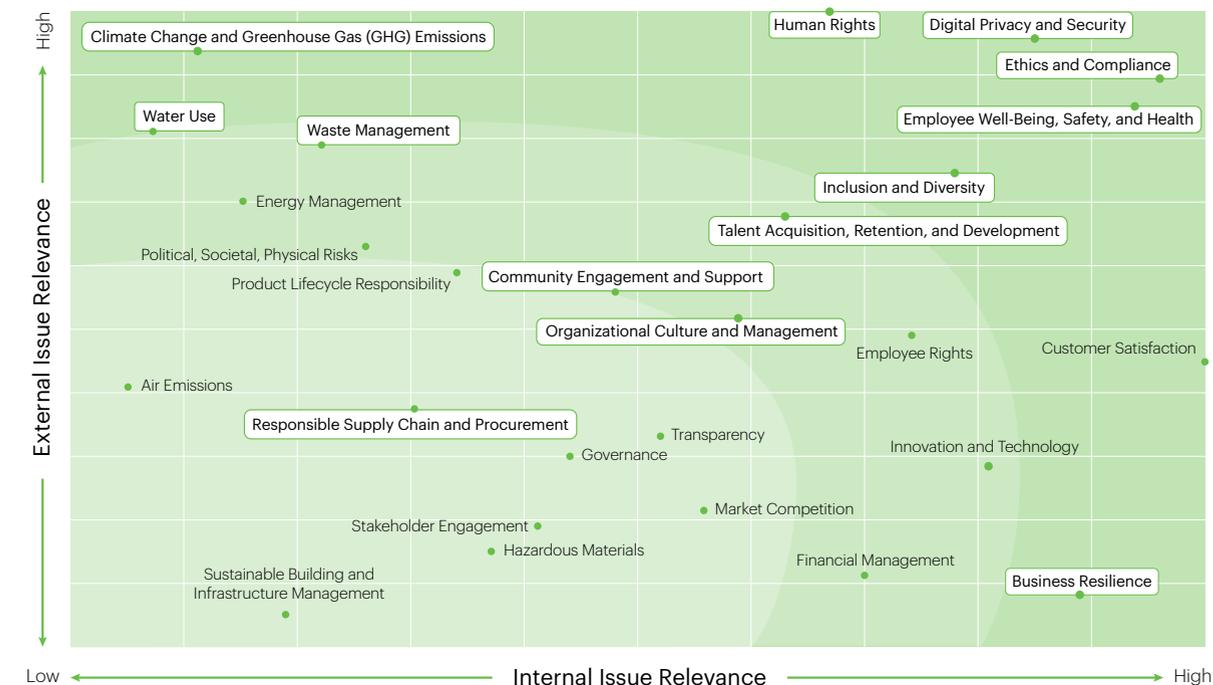
Based on the results, we refreshed and revised our Sustainability Pillars, which are on [page 15](#).

This report provides an update on Fortive's commitment to Sustainability, including the progress we made on our Sustainability goals in calendar year 2021 and is prepared in alignment with:

- the GRI standards: Core;
- the Sustainability Accounting Standard Board (SASB) standard for Electrical & Electronic Equipment (RT-EE version 2018-10);
- the Task Force on Climate-Related Financial Disclosure (TCFD) framework; and
- the United Nations Global Compact and the United Nations Sustainable Development Goals.

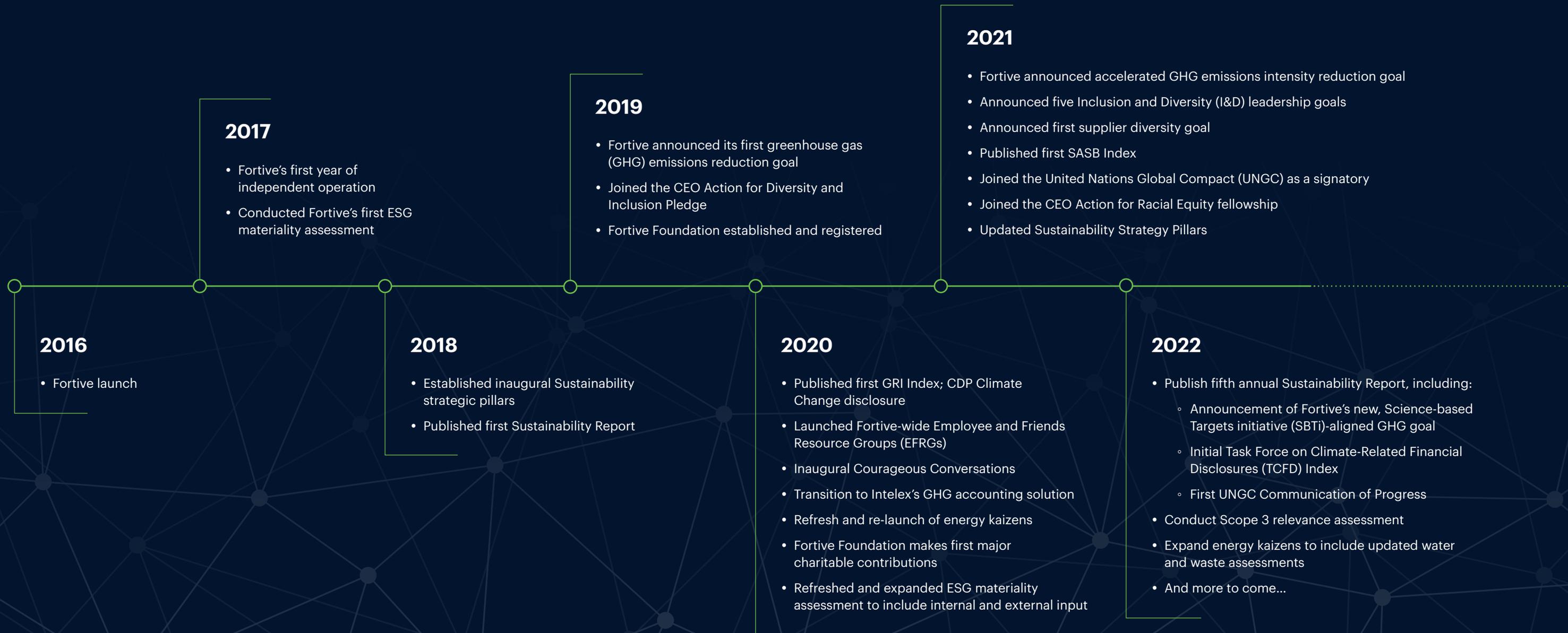
The material ESG issues influenced our Sustainability goals, which we finalized with the assurance that they align with our shared purpose and values.

## Materiality Matrix



## Sustainability Journey

Our journey is one of continuous improvement and the key milestones are outlined below:



## Sustainability Pillars

Our sustainability pillars, and our alignment with the UN's SDGs, guide us in how we work and ensure we continue operating in alignment with our sustainability commitments.



### Empower Inclusive and Diverse Teams

Advance an equitable and inclusive culture that enables everyone to be authentic and do their best work.

- Inclusion and Diversity
- Organizational Culture and Management
- Talent Acquisition, Retention, and Development



### Invest in Our Communities

Create and advocate for positive impacts in the communities in which we work, live, and serve.

- Community Engagement and Support



### Protect the Planet

Protect the environment and resources across the value chain.

- Climate Change and GHG Emissions
- Water Use
- Waste Management



### Work and Source Responsibly

Raise and reinforce expectations to ensure people, safety, and quality are priority #1.

- Employee Well-Being, Safety, and Health
- Responsible Supply Chain and Procurement
- Human Rights



### Operate With Principle

Establish and enforce boundaries to protect critical assets.

- Ethics and Compliance
- Business Resilience
- Digital Privacy and Security





# Empower Inclusive and Diverse Teams

*At Fortive, we are more together. Our inclusive, winning culture comes to life through challenging career opportunities that bring out our best, drive our success, and build a promising future for our team and the world around us.*

## CORE ISSUES

Inclusion and Diversity

Organizational Culture

Talent Acquisition, Retention, and Development



## EMPOWER INCLUSIVE AND DIVERSE TEAMS

# Inclusion and Diversity

GRI 103-1, 103-2



At Fortive, we have a clear vision for inclusion and diversity (I&D): We all play a role in building a community where everyone belongs—where everyone can speak their mind, be themselves, and feel supported. It’s how we achieve more together—for each other, for our customers, and for the world.

We accelerate inclusion, diversity, and equity through deliberate action and transparency about our progress.



### Diversity and Inclusion Matters



### Everyone Owns Inclusion



### I&D in Our DNA

We know that diverse teams produce better outcomes, and our commitment to diversity starts at the top with the composition of our Board of Directors. Other measures of progress include the inclusion and belonging score in our employee pulse surveys and the hundreds of team members building community and connections through employee and friends resource groups (EFRGs). Our EFRGs foster an inclusive environment by creating safe spaces for Courageous Conversations and contributing diverse perspectives.



**We have set clear aspirational goals to increase gender representation, BIPOC (Black, indigenous, and people of color) representation, and senior leader diversity throughout the organization by 2025.**

## Promoting a Diverse and Inclusive Workforce

Fortive has placed increased importance on inclusion and diversity throughout the talent acquisition process, because we recognize the immense value that varied perspectives bring to our business. By making deliberate efforts to increase inclusion in our recruitment stage and diversify our interview slates, we foster unique thinking, creative ideas, and continuous improvement in our workplace.

Our commitment to I&D is informed through our strategic pillars and is prioritized at every level of the organization. These pillars act as a framework for achieving our vision.

- **Diversity and Inclusion Matters:** Build a diverse Fortive through hiring, developing, and retaining a strong and diverse team
- **Everyone Owns Inclusion:** Invest in development of our teams to build a Fortive where you can be yourself and do your best work
- **I&D in Our DNA:** Build a culture of equity that enables greater innovation for customers and the world

To learn more about our I&D pillars, goals, and progress please visit our [GRI Index](#).

We are proud to have scored 100% in the Human Rights Campaign Index for a fifth consecutive year. We achieved this by meeting the following criteria:

- **Workforce Protections:** A written employment nondiscrimination policy that includes sexual orientation and gender identity across the global workforce
- **Inclusive Benefits:** Equivalency in same- and different-sex partnerships and equal health coverage for transgender individuals without exclusion for medically necessary care
- **Supporting an Inclusive Culture and Corporate Social Responsibility:** Strong programming including LGBTQIA+ educational and training programs for new hires and managers, employee resource groups, and a group diversity council

To learn more please visit our [Inclusion and Diversity webpage](#).

**Fortive scored 100% in the Human Rights Campaign Corporate Equality Index (CEI) for a fifth consecutive year.**



**400**

leaders completed inclusive leadership training

**60+**

EFRG leaders participated in the EFRG summit

**63%**

ethnic and gender diversity on our Board of Directors

## Partnering for Racial Equity

Extending our reach beyond our organization is critically important for our communities, our goals, and providing value to our business and stakeholders. In 2021, we continued our engagement with the CEO Action for Racial Equity and the Washington Employers for Racial Equity, organizations that promote and advance racial equity in public and private companies.

### CEO **ACT!ON** FOR DIVERSITY & INCLUSION

#### CEO Action for Racial Equity

CEO Action for Racial Equity is the first business-led fellowship focused on advancing racial equity through corporate engagement tools and public policy. Fortive is proud to be an active member driving progress on the Business Diversity Initiative that supports the growth and scale of Black-owned businesses by increasing equity and access to capital, networks and opportunities across all business services.

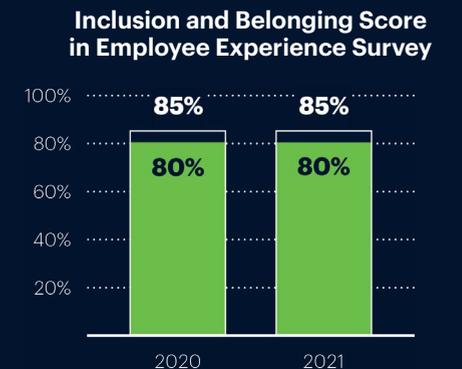
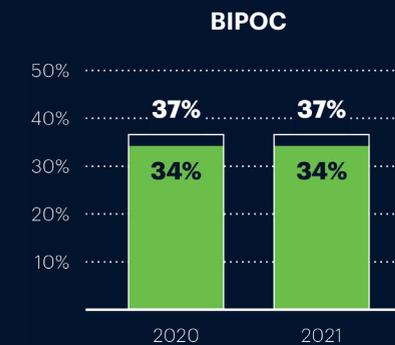
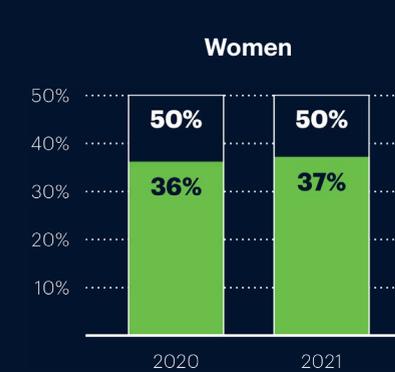


#### Washington Employers for Racial Equity

The Washington Employers for Racial Equity is a coalition of employers across Washington state to support racial equity for those working across the state. Aligned with our internal I&D strategy, our signatory status includes setting measurable targets, assessing progress, and publicly reporting results. Further, the coalition commits to advocating for state policies that advance equity.

## Workforce Diversity Goals

■ Our Yearly Metrics    □ Our 2025 Goals



[1] Women and U.S. Male BIPOC Director+

## Encouraging Open Dialogue With EFRGs and Courageous Conversations

In 2021, we saw continued growth and engagement in our Employee and Friends Resource Groups (EFRGs) and our Courageous Conversations programs. We have 28 EFRGs across Fortive and our operating companies, each with their own mission and charter. Our EFRGs build community and connections across Fortive toward a shared identity, consisting of members who identify and allies who support them. Our EFRGs host meetings, speakers, and events to raise awareness about challenges the communities face and encourage progress through education and engagement.

Courageous Conversations provide a forum for employees to engage in open dialogue that promotes empathy and unity across the organization. Throughout 2021 we had a number of Courageous Conversations hosted by our various EFRGs on issues ranging from Stop Asian Hate to mental health to remembering George Floyd, as well as a sit-down with our CEO to create a dialogue and promote change on these topics. Our CEO and senior leaders are active participants in these conversations and value hearing directly from employees on how they can best create and advance collaborative and supportive environments for all of our people. By creating this space for meaningful conversations, we are living our Values and celebrating diversity in all its forms.

**1,500+**

employee and friends resource group members engaged across more than 28 global communities

### Fortive's EFRGs



Fortive Black Outreach  
F B O



**EMPOWER INCLUSIVE AND DIVERSE TEAMS**

# Organizational Culture

GRI 103-1, 103-2

We apply the Fortive Business System (FBS) mindset and toolkit to all our core business operations and constantly explore and execute strategies to be better stewards of the environment and society. As a culture and operational system, FBS differentiates Fortive and drives long-term value by:

- Empowering and supporting our people to always do better by providing the mechanisms to unlock the creative capacity of our teams, maximizing problem-solving and results.
- Aligning with sustainability principles by optimizing for efficiency and productivity while eliminating muda, or waste.
- Capturing collective knowledge and proven methods, while providing the flexibility to adapt tools to specific situations.
- Providing the framework and tools to rapidly and efficiently experiment, test, and iterate to help continually improve and accelerate progress.



We continue to apply FBS to drive our sustainability efforts. Examples from 2021 include:

Challenges	FBS Tools	Outcomes
Supply chain risks, delivery inefficiencies and process waste	Visual and Daily Management and Standard Work	<ul style="list-style-type: none"> <li>• <b>Fluke</b> reduced supply chain shortage risks by \$200M+</li> <li>• <b>Qualitrol</b> reduced supply chain risks of \$21M+ in Q4 2021</li> <li>• <b>Industrial Scientific (ISC)</b> reduced shipment shortages from 350 to &lt;40, over 89% reduction</li> </ul>
Freight costs, Supply chain risks and inefficiencies due to distributed geographies	Visual and Daily Management and Standard Work	<ul style="list-style-type: none"> <li>• <b>Advanced Sterilization Products (ASP)</b> reduced freight costs by nearly \$10M</li> </ul>
Agility to respond to drastic capacity demand and delivery support increases, increase production speed and reduce waste	Value Stream Mapping, Transactional Process Improvement, and Standard Work	<ul style="list-style-type: none"> <li>• Manufacturing operations saw 5x output efficiency</li> </ul>

To learn more about FBS’s origin and history, please visit [our website](#).

**EMPOWER INCLUSIVE AND DIVERSE TEAMS**

# Talent Acquisition, Retention, and Development

GRI 103-1, 103-2

We are focused on attracting, retaining, and developing our extraordinary people to drive our business and strategic value proposition. We offer challenging career opportunities that enable personal and professional growth and an inclusive, winning culture strengthened by high expectations.

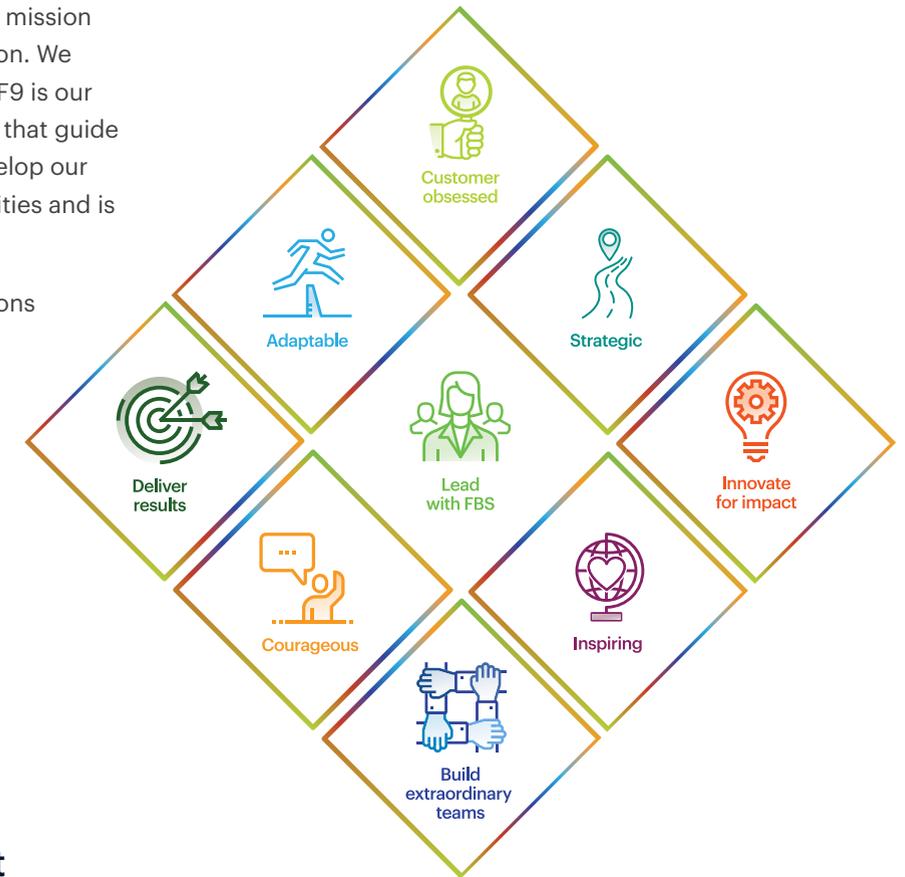
Our talent strategy is part of our business strategy; empowering our talented, global team to contribute in meaningful ways drives our success *and* builds the organization for today and the future.



## Investing in Our People

At Fortive, we seek and nurture great people to help us further our mission and execute our shared purpose and sustainability value proposition. We hold ourselves to those high standards by using the Fortive9 (F9). F9 is our leadership framework, consisting of nine key leadership behaviors that guide our ways of working and how we recruit, select, evaluate, and develop our people. F9 is our framework for maximizing organizational capabilities and is embedded end-to-end across our talent management programs.

The F9 attributes complement our customers' and our own ambitions as it guides our behaviors towards our vision of a world that is stronger, safer, and smarter.



**900+**

future leaders participated in intensive development programs

**72%**

senior positions filled with internal talent



**70%**  
of employees feel that Fortive is the right place for their careers

**300**  
team members across 24 countries completed our People Leader Experience training

**4,500+**  
digital learning courses available to enhance professional growth

## Employee Experience Survey

The Employee Experience Surveys are a critical element of our continuous improvement culture. With over 80% of our global team participating in our quarterly surveys throughout 2021, we continue to gain deep, frequent insights about our employees' experiences to inform and improve the work experience of our global team. Our team continues to share a strong sense of inclusion and belonging, with that index score holding at 80% favorable. See the full results of our 2021 Surveys on [page 49](#).

## FBS Ignite

The Fortive Business System (FBS) Ignite program is a unique professional development opportunity that accelerates career growth through an immersive, supportive experience. Through FBS Ignite, participants are provided with:

- intensive instruction in the FBS toolkit;
- executive career coaching;
- a discrete business challenge to address over three months; and
- exposure to other parts of the business and their culture and customers.

## Accelerated Leadership Experience (ALE) and People Leadership Experience (PLE)

In 2021, we launched the third year of our Accelerated Leadership Experience (ALE) and People Leadership Experience (PLE) programs. Action learning provides ALE participants with a safe space to practice and apply new leadership behaviors and FBS tools to a real problem. Participants work in teams for a two-month period on a real-time business challenge and ultimately present their solution and recommendations to an executive panel and the sponsoring organization.

ALE and PLE enable us to have some of our highest potential talent focus on solving business challenges we're facing as an organization.



## General Management Development Program (GMDP)

To maintain a strong talent pipeline for senior leaders, we offer the General Management Development Program to give groups of high potential, early career leaders the opportunity to learn and grow within various roles across Fortive's operating companies. The experience includes formal development, visibility to senior executives, and powerful mentorship to prepare graduates to become senior level leaders at Fortive and our operating companies. The GMDP not only helps us enhance our team's knowledge, but it also contributes to improving retention rates of our high value talent. Our strong talent pool enables Fortive to continue providing our customers with exceptional and increasingly innovative products and services.



# Invest in Our Communities

*We create and amplify positive impact in the communities around the world where we live, work, and serve.*

## CORE ISSUES

Community Engagement and Support [→](#)



**INVEST IN OUR COMMUNITIES**

# Community Engagement and Support

GRI 103-1, 103-2



Our commitment to making a difference in our communities has been fundamental since day one, and we work for global impact at every level. The Fortive Foundation focuses our corporate giving on a range of causes, from social justice and STEM learning to disaster response and environmental protection.

We also empower our teams to support local causes they care about through the employee-led Fortive Day of Caring and invest in the next generation of leaders and innovators through the Fortive Scholarship Program.



## The Fortive Foundation

Our employees express to us that supporting mission-driven organizations aligned with our shared values is important to them. In 2019, we established the Fortive Foundation to accelerate our philanthropic efforts to support community initiatives. In our first two years of charitable contributions, the Fortive Foundation provided approximately \$1 million to non-profit organizations. Through strategic partnerships with the American Red Cross and Global Giving, we are able to extend the reach and impact of our charitable contributions.



## Virtual5: Celebrating Fortive's 5-Year Anniversary

To celebrate our five-year anniversary in July 2021, we invited our employees to participate in a Virtual5:

- walk, run, blade, row, or swim for five kilometers;
- volunteer for five hours with a non-profit organization; and/or
- dedicate 50 minutes to learn something new.

Upon completion, employees were able to select one from a group of five non-profit organizations to receive a donation from the Fortive Foundation.

[#FortiveTurns5](#)



## Day of Caring

Day of Caring is a core Fortive tradition grounded in our spirit of generosity and optimism. We provide paid time off for all employees to dedicate their time and energy to serve their communities and the causes they are most passionate about, and they consistently report that participating in Day of Caring is a positive, transformative experience. Thanks to the availability of COVID-19 vaccines, in 2021 many of our teams were able to reconvene in-person community outreach and engagement.

These videos represent two examples of our Day of Caring tradition.

- [Fortive Corporation's Day of Caring with Snohomish County Boys and Girls Club](#)
- [Fortive China's Day of Caring event](#)

**400K+**

service hours contributed in five years of Fortive Day of Caring

**100%**

operating company participation in 2021

**60+**

communities



## Fortive Scholarship Program

The Fortive Scholarship Program supports our employees' children and dependents in their undergraduate and graduate studies through scholarship funds. We award the scholarships based on academic performance, leadership potential, and economic need, with each scholarship renewable for up to three years.

By investing in the next generations of innovators, we aim to enable more young people to pursue their passions and contribute to a more compassionate, sustainable world. And in 2021, we expanded eligibility for students applying to vocational schools and community colleges and renewed our commitment to first-generation higher education students, to celebrate the many pathways that empower academic and professional development.

**84**

applications

**52**

new and renewed scholarships

**35%**

recipients outside the U.S.



# Protect the Planet

*We harness the power of our culture of innovation and continuous improvement to protect the environment and advance Sustainability across our value chain.*

## CORE ISSUES

- Climate Change and Greenhouse Gas Emissions →
- Products and Services →



**PROTECT THE PLANET**

# Climate Change and Greenhouse Gas Emissions

**GRI 103-1, 103-2**



Climate change demands bold action to adapt to changing conditions and protect the health of communities worldwide, now and in the future.

To ensure a sustainable future for all, we are accelerating our efforts to reduce greenhouse gas (GHG) emissions with a new absolute greenhouse gas (GHG) emissions reduction goal that is consistent with the Science-based Targets initiative (SBTi) guidance and Paris Agreement.

We are aligning our Sustainability strategy and climate-related disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) to fully reflect the strength of our climate-related governance, strategy, risk management and metrics and targets.

We are proud of our commitments and continued performance to reduce the carbon intensity of our operations. The job of protecting the planet belongs to all of us, and we take that responsibility seriously. We have established ambitious goals since day one to reduce our impacts and we are leveraging FBS to embed sustainability into day-to-day operations across the business.

Last year, we announced a more ambitious goal to achieve a 50% reduction in greenhouse gas (GHG) emissions intensity by 2025 from 2017 levels.

**As of year-end 2021, we achieved a 51.0% reduction in Scope 1 and 2 GHG emissions intensity from 2017 levels across our EHS Significant Sites<sup>[1]</sup>, meeting our goal four years early.**

**Having met our goal earlier than expected, we are taking a bold step forward with a new, absolute GHG reduction goal that is aligned with the Science-based Targets initiative (SBTi) guidance:**

**We are committing to reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2029 from 2019 levels across at least 95% of our real estate footprint.**

[1] EHS Significant sites are defined as those that have at least 50 employees and/or any manufacturing, light assembly, or service operations. These sites represent approximately 77% of our real estate footprint.



To achieve this goal, we will continue to:

- invest in energy efficiency projects;
- leverage our culture of innovation; and
- update emissions factors as they are published to realize electricity grid improvements.

In addition, we will explore opportunities for renewable energy—at our sites, through utility providers and via large-scale renewable energy projects, evaluate our operations for process changes and transformations, and explore new and emerging technologies that are applicable to our businesses.



## A Focused Approach to Emissions Reductions

We are committed to continuous improvement when it comes to our climate strategy, and are taking steps such as:

**Establishing GHG targets for operating companies:** In 2021, we established emissions reduction targets for our highest-emitting operating companies. On average, the operating companies reduced 15.6% of Scope 1 and 2 absolute GHG emissions from 2019–2021, with the highest-emitting operating companies achieving an average of 16.9% absolute reduction.

**Conducting energy kaizens:** Using our model of continuous improvement, or kaizen, we evaluate energy sources and systems across our operations to identify energy efficiency opportunities. Through energy kaizens last year, we identified potential opportunities to reduce over 680 MTCO<sub>2</sub>e and annual energy savings of more than \$150,000.

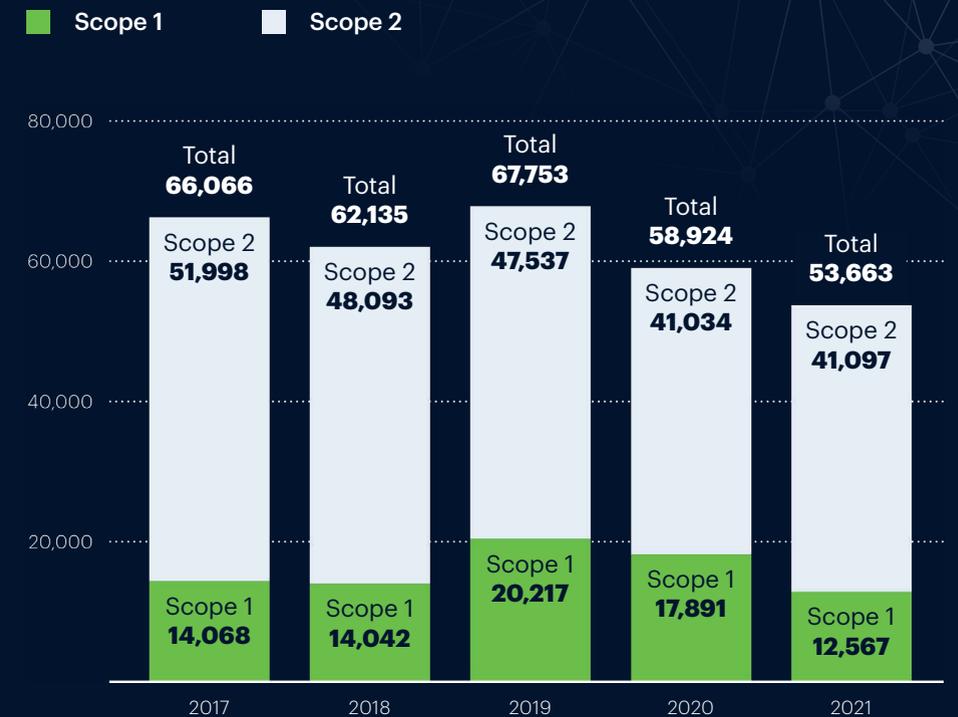
**Investing in energy efficiency projects:** In 2021, we invested additional capital to qualified projects ranging from infrastructure-related improvements, such as lighting and HVAC system upgrades to process improvements and operational reconfigurations. Together, these projects contributed approximately 35% to our 2020–2021 emissions reduction performance.

**Procuring renewable energy:** Several of our major sites procure clean energy through their utilities. We are conducting a multi-site assessment to identify additional clean energy opportunities through utility companies and third parties. We have also begun to evaluate off-site renewable energy opportunities to promote energy efficiency at-scale.

“ The United Nations International Panel on Climate Change (UN IPCC)’s 6th Annual Report was a ‘code red’ for humanity, citing that the world is [facing the] imminent risk of hitting 1.5 degrees in the near term. The only way to prevent exceeding this threshold is by urgently stepping up our efforts and pursuing the most ambitious path.

UNITED NATIONS SECRETARY-GENERAL ANTÓNIO GUTERRES

### GHG Emissions (metric tons of CO<sub>2</sub>e)



# 51.0%

reduction in Scope 1 and 2 GHG emissions intensity (CO<sub>2</sub>e/\$ revenue) from 2017 to 2021



# 18.8%

reduction in absolute Scope 1 and 2 GHG emissions from 2017 to 2021<sup>[1]</sup>

[1] For additional details on our GHG accounting methodology, see the [GRI Index](#).

## Scope 3 Emissions

In addition to Scope 1 and 2 GHG emissions, we are actively engaged in understanding our Scope 3 emissions; the indirect emissions that occur in our value chain. We are conducting an assessment to confirm which Scope 3 categories are relevant and material to Fortive, beginning with Upstream Scope 3 categories. We will disclose our initial Scope 3 emissions data in our 2022 CDP Climate Change disclosure.



## Managing Climate Risks and Opportunities

As a global company, we recognize that climate change presents risks and opportunities for our business, operations, value chain, and the communities where we live and work. To truly understand these risks and opportunities, we leverage management systems used within the company to ensure the financial, operational, and human health of our business.

**Our intention in aligning with the TCFD framework is to provide transparency into how we identify and manage climate risks as well as why and how we evaluate and action opportunities that benefit our business, customers, employees, and shareholders.**

In 2021, we conducted a gap analysis of the Task Force for Climate-Related Financial Disclosures (TCFD) in our first step to align with the TCFD framework. Given the alignment of the CDP Climate Change questionnaire with the TCFD framework, we will continue to use the annual CDP disclosure to communicate the details of Fortive's climate-related governance, strategy, risk management, and metrics and targets.

**In 2021, we formally expanded the risk criteria within our Enterprise Risk Management program to account for the financial, operational, and regulatory risks in addition to physical risks for which we were already accounting. By incorporating additional climate-related risks into our existing protocol for evaluating and identifying risk, we are able to capture climate-related impacts in a manner that is easily understood by our operating companies.**

## Water Use and Waste Management

Water is a central resource in our everyday lives and in the natural systems that support our planet. Water access and availability has been a challenge from the beginning of time, and water scarcity is being amplified by climate change. Recognizing the universal need for water stewardship, we are conducting more detailed analyses of our larger water-using sites to understand the opportunities for conservation and efficiency. Recently concluded site assessments and data analysis suggest that water usage is not an immaterial aspect of our businesses. We will conduct further review, and leverage our CDP Water Disclosure results to inform how we proceed.

Waste is a common theme across Fortive, as reducing "muda," or "waste," is the focus of many FBS tools and processes. In the environmental sense of the word, waste is a growing human health and environmental issue. We strive to minimize waste in our processes and operations, and we are working hard to identify the sources and root causes of our waste streams as well as which materials our teams are already recycling, donating, or reusing. This analysis requires considerable effort. As we gain more insight into the work streams that generate waste, we will evaluate opportunities to reduce or eliminate waste and continue our efforts to reduce waste generation and reduce waste disposed of in landfills.

Please refer to the [GRI Index](#) for an update on our Water Use Management and Waste Management efforts.

# Task Force for Climate-Related Financial Disclosures (TCFD) Alignment

We are leveraging the TCFD framework to take a holistic approach to our climate strategy. We are progressing towards full TCFD alignment through phased actions planned for the next three years. In 2022, we will:

## Governance

- Add climate change experience to the skills matrix for members of the Board Nominating and Governance Committee
- Incorporate climate-related performance goals for relevant leaders and management

## Strategy

- Conduct a qualitative climate scenario analysis to assess how physical and transition risks and opportunities may impact business strategy and operations
- Publish a corporate climate policy in alignment with the Paris Agreement

## Risk Management

- Expand climate-related risks and opportunities that operating companies should evaluate via the Risk Assessment Process
- Integrate the results of the climate scenario analysis into the Enterprise Risk Management process and business continuity planning

## Metrics and Targets

- Expand Scope 1 and Scope 2 GHG accounting to include at least 95% of sites, in alignment with SBTi guidance
- Develop other resilience targets beyond GHG emissions

Please refer to our [TCFD Index](#) for more detail.



## PROTECT THE PLANET

# Products and Services

GRI 103-1, 103-2



Our operating companies advance sustainability with products and services that:

- Help improve energy efficiency at scale.
- Maximize the lifespan of assets and facilities.
- Protect employee and frontline worker safety through prevention, detection, and monitoring capabilities.

In 2021, we set out to evaluate and qualify the extent to which our products and services are “sustainable.” Our approach is a standards-based methodology that provides us and our stakeholders with a view on Fortive’s Sustainability Value Proposition in action today and the opportunities we have to continue to accelerate progress toward a sustainable future for all.



## Innovating for the Environment and Society

Fortive’s innovative technologies conserve precious natural resources and minimize environmental impacts. Our products enable our customers to maximize energy efficiency, monitor resource use, and prevent pollution. Inspired by our customers’ needs, we create breakthrough solutions that power communities, protect water supplies, and ensure safer, more efficient workplaces.



## Innovating for Patient Care

Fortive products and services are at work behind the scenes to ensure patient and worker safety in healthcare environments. Our suite of software-enabled hardware and digital solutions monitor the physical environment within healthcare facilities, track instruments assigned to procedures and used in operating rooms to ensure patient safety, and provide doctors, laboratory scientists, and healthcare providers with analytics to quickly and accurately diagnose patient health conditions and treatments.



## Innovating for Safety and Critical Operations

Our operations-focused solutions are built with safety and sustainability in mind. We know our customers must consider the impact of daily operational decisions on worker safety, sustainability goals, and the operating budget. We design our products to provide visibility to all relevant criteria and data visualizations to support a safe working environment, human health and well-being, and sustainability of their operations.

## Innovating for the Environment and Society

**Tektronix** oscilloscopes support efforts towards developing carbon-free delivery solutions and developing next-generation data storage products. See how a carbon-free delivery start-up in England and a leading memory and storage company in Silicon Valley work with Tektronix to engineer the future [in this video](#).

Specialty Product Technologies, within **Hengstler-Dynapar**, provides AGBR Agricultural Encoders that offer high-precision feedback to modern agricultural automation systems. This reduces and even eliminates errors related to the disbursement of seeds, fertilizers and other key resources, enabling a precise calibration that generates savings and increased productivity for the agricultural producers.

**Gordian's** Job Order Contracting (JOC) system enables our customers to meet their supplier diversity goals. At its core, JOC is performance-based—suppliers are incentivized to collaborate with owners and treat every project as an opportunity to earn future work. Whatever customers' priorities are, whether supplier diversity, sustainability, or emissions reductions, contractors will be more invested in meeting these goals.

**Gems** Sensors 1100 series pressure sensor and RFO rotor sensor are incorporated into agriculture sprayers to ensure precision dosing of water and fertilizers across hundreds of acres. This maximizes crop yields, reduces waste, and minimizes costs to the agricultural producer.



## Innovating for Patient Care

**ASP** and **Censis** provide solutions that, when partnered, address all stages in the sterilization and management of medical instruments. CensiTrac Advanced tracks instruments used in the operating room, ensuring they are accounted for, sterilized, and properly reprocessed. Once they reach the disinfection stage of processing, the ASP Sterrad Velocity system provides faster release of sterilized instruments, allowing for increased output to keep up with the demands of the busiest sterile processing departments.

**Invetech's** Haemonetics TEG 6 provides real-time awareness of a patient's blood clotting ability in an emergency or surgical setting, resulting in fewer errors, faster results, and a streamlined team of skilled personnel in the operating room.

**Gems'** LS-300TFE and LS-700 Level Switches provide a simple and effective means to optimize cancer detection systems and provide the most accurate results for providers and patients.

**Setra's** Continuous Environmental Monitoring System (CEMS) provides real-time data visualization from in-room sensors measuring key environmental parameters and even sending alarm notifications to ensure safe, optimal conditions for healthcare workers and patients.

**Hengstler-Dynapar's** Acuro AC58 Profinet Encoder is highly accurate and energy efficient. It provides positioning information to improve performance and precision in machinery applications, including positioning medical imaging devices or automatically determining the height of hospital beds.



## Innovating for Safety and Critical Operations

**ServiceChannel's** automation and data-driven insights ensure regular preventive maintenance to keep assets up and running longer while identifying optimal timing for asset rotation or replacement to phase out inefficient, energy-intensive assets.

**Qualitrol's** Condition-Based Maintenance Solutions include sensors, instruments, diagnostic software and services that provide real-time insights into health of hydropower generators and turbine generators to prioritize corrective measures and plan maintenance outages to avoid system failures.

**Intelex** helps organizations manage complex operational data and initiatives with applications such as Asset and Compliance Tracking System (ACTS), Sustainability Performance Indicators (SPI), and award-winning Environmental, Health, Safety, and Quality (EHSQ).

**Gordian's** software solutions provide condition and lifecycle assessments of buildings and their assets to extend lifespan through preventive or deferred maintenance and capital renewal with minimal waste and maximum efficiency.





# Work and Source Responsibly

*In a world of dynamic working environments, we put people, safety, and quality first.*

## CORE ISSUES

- Employee Well-Being, Safety, and Health 
- Responsible Supply Chain and Procurement 
- Human Rights 



**WORK AND SOURCE RESPONSIBLY**

# Employee Well-Being, Safety, and Health

**GRI 103-1, 103-2, GRI 103-3, 403-2**



Keeping our people safe and healthy is job number one. We are proud of our world-class environmental, health, and safety (EHS) program, which is continually evolving to respond to dynamic working environments and emerging challenges.

New policies, tools, and infrastructure keep Fortive teams safe, healthy, and connected whether we're working together on site, remotely, or in a hybrid environment. For example:

- Fortive's Environmental, Health, Safety and Sustainability Policy
- Fortive EHS Risk Score
- Supplier Code of Conduct
- Supplier Audit Program



## Environmental, Health, and Safety Management

Our operating companies use various Fortive Business System (FBS) tools to track EHS metrics that help to identify, prevent, and remediate risks to our employees. Currently, 30% of our EHS Significant Sites maintain ISO 14001/45001 certification and/or International Contractors Safety Rating System.

The EHS Risk Score is an internal tool used by all of 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. We review and refresh the EHS Risk Profile every

three years, to incorporate best-in-class and emerging best EHS practices to advance our EHS programs to ensure employee and environmental health, safety, and compliance.

Recognizing the intersection of EHS and Sustainability, the EHS Leadership Council identified the need to update the EHS Risk Score. In 2021, we conducted an off-cycle refresh of the EHS Risk Score to incorporate Sustainability criteria. The EHS Risk Score was updated to include the following major tenets for EHS Management: Safety (and Occupational Health), Environmental (Compliance), Sustainability, Leadership Engagement and Metrics.



## Fortive EHS Awards

To celebrate the importance of EHS in our day-to-day operations and management, Fortive's EHS Awards program acknowledges sites that exemplify best practices based on our EHS Risk Score criteria. Sites receiving the Best Program award have the lowest (best) EHS Risk Scores with an emphasis on incorporating sustainability and safety into their culture.

Our operating companies continue to make progress towards our goal by evaluating their EHS programs for opportunities to improve practices that keep employees healthy and safe. Operating companies use the EHS Risk Score, industry benchmarking and intra-operating company best practice sharing to understand and map to best-in-class EHS policies, programs, and initiatives. Through

the annual EHS Summit we bring our EHS professionals together to learn and share EHS practices and programs used by operating companies to foster innovation, ideation, and collective problem solving. In 2021, more than 200 EHS and Operations professionals participated in a shared virtual EHS and Ops Summit.

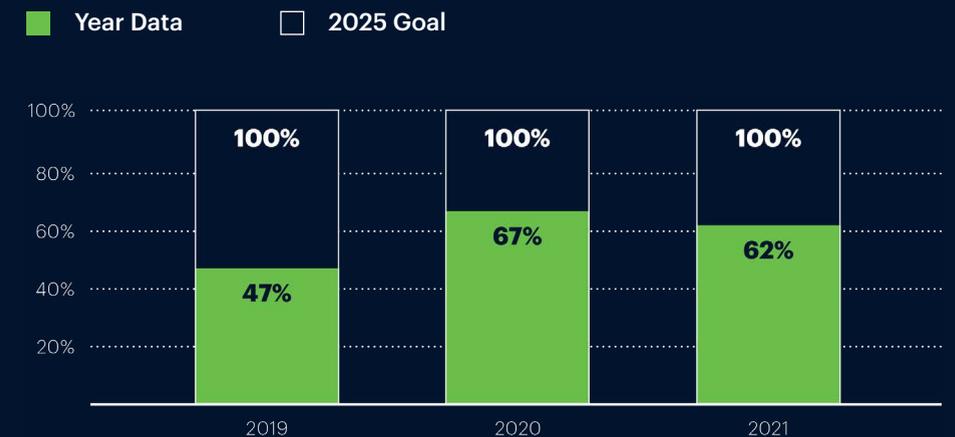
### EHS Award Highlights

- Qualitrol, Belfast
- Tektronix, Pudong
- Gems, Plainville
- Setra-ICG, Tianjin
- Gems, Brighton

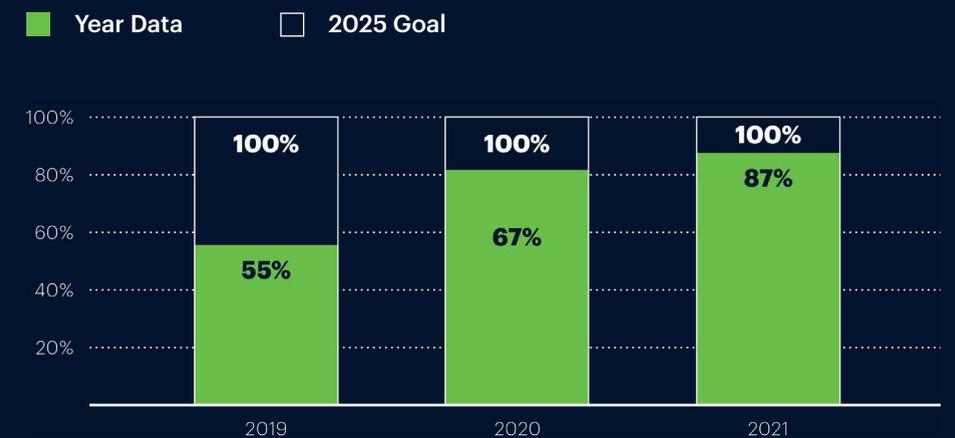
## Fortive's Safety Progress

**GOAL:** 100% of operating companies achieve U.S. Occupational Safety and Health Administration top quartile for Total Recordable Injury Rate (TRIR) and Days Away, Restricted, Transferred (DART) case rate based on their industry classification

### Operating Companies Achieving U.S. OSHA Top Quartile for Industry for TRIR



### Operating Companies Achieving U.S. OSHA Top Quartile for Industry for DART



## WORK AND SOURCE RESPONSIBLY

# Responsible Supply Chain and Procurement



Our high standards for health, safety, and quality extend to everyone we do business with, including our supply chain. The Fortive Code of Conduct and Supplier Code of Conduct serve to:

- Clearly articulate our values, standards, and expectations.
- Ensure all partners operate in accordance with our priorities for safe and fair working conditions.
- Follow production practices that ensure quality and protect the environment, safety, and rights of all people.

## Supplier Diversity

At Fortive, we believe that diverse perspectives fuel innovation, inside our operations and with our partners. This is why supporting Minority-owned, Women-owned, Veteran-owned, certified small businesses, Federal Historically Underutilized Businesses (HUB), and Disadvantaged businesses is a crucial component of our I&D and responsible sourcing initiatives. In 2021, we worked with an external firm to establish a Supplier Diversity Program which is informed by industry best practices and emphasizes education about the roadblocks surrounding supplier diversity data. We put great effort into selecting a source for diversity data and subsequently screen all our operating companies' supplier spend through this source. This benchmarking provided us with the accuracy and comparability we need for reporting disclosures as well as provided precise insights to ensure we had a positive impact in year one of our Supplier Diversity program.

### GOAL

# 10%

increase in diverse supplier spend in 2021

### ACTUAL

# 12.3%

increase in diverse supplier spend when compared to 2020

## Sourcing Locally

We continue our focus on identifying suppliers that are geographically closer to both our own sites and our customers'. This strategy not only reduces our carbon footprint by decreasing distances between suppliers and our operations, but also promotes business resilience and brings value to local communities. Sourcing locally also decreases our risk of supply chain disruptions, improving our resilience in the face of continued supply chain challenges.



## WORK AND SOURCE RESPONSIBLY

# Human Rights

GRI 103-1, 103-2, 103-3



We uphold fair labor standards for all employees across our operating companies and value chain by cultivating a culture of respect, integrity, and fairness. We are committed to conducting our operations in an ethical and responsible manner.

We also take seriously the need to understand labor and human rights practices across our supply chain. 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.



## Governing Human Rights

Utilizing various governance structures, we pursue continuous improvement of Fortive's own strategy and performance with respect to human rights. Included in our Supplier Code of Conduct, we communicate our expectations that suppliers and subcontractors conduct their business in a manner consistent with our standards and institute policies that prohibit human trafficking, labor violations, and corruption.

In 2021, we worked with key internal stakeholders and external consultants with expertise in global human rights to enhance Fortive's human rights program and policies. As a result, we revised our Supplier Code of Conduct to include specific language on human rights and combating modern slavery. We also ensured better alignment with the International Labour Organization (ILO) to create consistency among our suppliers and peers. Our impact is seen through our Human Rights Risk Management and related Supplier Audit Program.



## Improving Human Rights Risk Management and Our Supplier Audit Program

We have a systematic approach in place to continuously evaluate the human rights risks in our supply chain which leverages independent data sources to assess the potential for corruption and forced labor. In 2021 we added the [Global Slavery Index](#) to this approach, providing more direct linkage to this particular risk which then serves as the basis of the requirements for our Supplier Audit Program.

To better align our suppliers with Fortive’s standards on human rights, we revised our Supplier Audit Program for new and existing suppliers to include more specificity on leading indicators as defined by the “Guiding Principles on Business and Human Rights,” with specific definitions adopted by the ILO for human rights abuses. This conveys clear expectations for how suppliers should demonstrate compliance with our Code of Conduct and provides auditors with guidance when performing their investigations.

With this revised audit program much of the conversation with the suppliers during the audits was focused on education—both regarding the necessity (compliance with the law) and to the relevance (the right thing to do) including the need to flow this down to their own suppliers. While some suppliers were well informed through their other partnerships given the recent changes in the regulatory landscape, many were unaware of the need to specifically acknowledge their supply chain and support processes aligned to support international efforts to protect human rights and abolish forced labor, child labor, and human trafficking and address any issues.

One component of our Supplier Audit Program is the internally certified mutually recognized auditors (MRA), and in 2021 we set out to increase our capacity by ten certified individuals. Unfortunately, due to pandemic restrictions, we fell short of our goal and only certified three individuals. And while these struggles continue in 2022, we once again are motivated to target greater certification numbers in 2022 to equip our people with knowledge and skills to strengthen accountability for human rights and labor rights as part of our broader MRA supplier assessment process.

With these changes, we conducted more supplier audits than any prior year, helping us to be more informed buyers and further demonstrate our commitment to worker safety and human rights.

### GOAL

# 100%

of audits completed within the cycle

### ACTUAL

# 100%

completed by the deadline



# Operate With Principle

*At Fortive we have the courage to take a stand, and know that how we do things matters as much as what we do.*

## CORE ISSUES

- Ethics and Compliance 
- Business Resilience 
- Digital Privacy and Security 



## OPERATE WITH PRINCIPLE

# Ethics and Compliance

GRI 103-1, 103-2, 102-16, SASB RT-EE-510A.1



We are firmly committed to building our business with integrity and dealing honestly and fairly with our employees, customers, business partners, investors, and competitors.

Fortive upholds a simple but powerful concept: *Your Integrity/Our Success*, which continues to inform and guide all aspects of our Compliance Program.

The Fortive Code of Conduct, available in 22 languages and signed by every employee, is a clear guide to act with integrity in everything we do. Our industry-leading compliance program includes a confidential channel for employees or partners to raise issues and concerns, available 24 hours a day in 20 languages.



## Fortive Compliance Program

We believe that ethical business conduct is foundational to the growth and success of Fortive. Stakeholders expect our Compliance Program to identify business risks early, mitigate these risks as needed, and properly enable business strategies. As with all that we do at Fortive, we are committed to continuous improvement.

In 2021, we conducted the following to enhance our Compliance Program:

- We engaged an external party to assess our Compliance Program and to benchmark our Program and execution against best practices;
- We launched a new system and centralized repository that houses all Fortive global policies to enable easier access to policies by employees;
- We launched a “Policy on Policies” to establish better controls and a consistent framework around the creation, approval, review, and update of company policies; and
- Released a Conflict of Interest Policy and concurrently established an electronic reporting mechanism for employees to complete Conflict of Interest Disclosure Questionnaires on a scheduled and ad-hoc basis.

In January 2022, we launched an updated Anti-Corruption Policy, together with additional training modules.

We continue to make advancements in the use of data and analytics to visualize business risks and enable a proactive approach to remediate risks where necessary. With the help of the FBS toolkit and support of The Fort, we merge outputs from multiple systems into a singular destination, providing us with an inclusive view of a region, operating company, or category risks and have ongoing projects to enhance data visualization. Additionally, our Compliance Monitoring and Auditing efforts took a risk-based approach and conducted focused reviews of certain geographies and business activities. These efforts create our “third line of defense.” This provides us more real-time data, with the ultimate goal of spotting and responding to trends quickly and ultimately being more predictive.

## OPERATE WITH PRINCIPLE

# Business Resilience

GRI 103-1, 103-2, 103-3

We're tapping into powerful new systems and standards to monitor, manage, and mitigate risks in real time, and to respond quickly to emerging trends and topics.

Fortive's commitment to Sustainability also contributes directly to business resilience. Diversifying our energy and supply sources minimizes the risk of business and service disruption and gives us the agility to ensure compliance with new and emerging regulatory requirements.

## Managing Risks and Opportunities Through Enterprise Risk Management

In 2021, challenges continued due to the COVID-19 pandemic, economic disruption, and global logistics. Fortive responded and adapted accordingly. We also capitalized on new business opportunities related to cybersecurity and data protection, human capital management, supply chains, business portfolio strategy, and climate change.

Our Enterprise Risk Management (ERM) approach provides continuity of core business operations, including better understanding ESG risks and opportunities. Our integrated approach to risk management and ESG allows us to respond to unexpected events swiftly and effectively, ensuring we continue providing for our customers and employees. For example:

- **Carbon Emissions:** Decreasing carbon emissions is good for business and good for the planet. Lower energy use means cost savings and greater operational efficiency. Diversifying our power sources reduces energy volatility and reduces regulatory exposure.
- **Supplier Risk Management:** Our updated Supplier Risk Assessment process projects the impact of various potential events and improvements made to reduce that impact along with a catalog of risk management strategies ensuring more consistent responses and focus on meaningful actions over words. The Fortive Supplier Risk Management process is intended to inform input for the broader Risk Assessment Process.
- **Human Rights:** We continue to engage more deeply with our suppliers through our supplier audit program to better ensure our supply chain is free from human rights abuses such as forced labor or human trafficking.
- **Ethics and Compliance:** A comprehensive Ethics and Compliance program and mindset enables a better, stronger business through these practices.



These actions provide beneficial impacts to the world around us and for our business. Our risk management actions protect our business reputation and reduce business interruption and unexpected costs, making Fortive a more profitable organization. Further, our Board of Directors provides oversight of these risks and opportunities while we deploy various policies to each operating company to integrate within their existing processes. This allows for a customized and efficient approach to risk management tailored to the specifics of each operating company, which in turn helps Fortive accelerate a resilient and sustainable path forward.

### Risk Assessment Process

Our Risk Assessment Process (RAP) serves as the tool for Fortive to identify and manage risks on an annual and ongoing basis. Fortive requires all operating companies to participate in the RAP annually. We identify and monitor risks to track progress on actions to mitigate or reduce the impact of such risks. The results of the RAP are presented to the Board of Directors.

Going into 2022, Fortive has an enhanced process through the introduction of a sustainability category, including more explicit criteria to guide consideration of ESG risks beyond the physical impacts of climate change. In 2021 we fully transitioned the RAP to the Intellex platform, which enables us to leverage the advanced capabilities of the software to conduct and analyze our risk assessment efforts.



## Our Evolving Approach to COVID-19

The COVID-19 pandemic proved Fortive's resilience and ability to take care of the physical and mental wellbeing of our employees. This was displayed amidst the onset of COVID-19, when Fortive developed a COVID-19 Task Force, implemented a multitude of employee resources, and established our guiding principles: Safety, Transparency, Empathy, Science, and Employee Trust.

Today, we are taking what we have learned over the past two years and are shifting away from an acute, pandemic-specific response to a more holistic approach to health and safety. This shift aligns with Fortive's culture—to continuously learn and improve, thus enabling us to provide sustained support to our employee base from now into the future.

Our guiding principles for navigating the COVID-19 pandemic have helped us adapt to new challenges and prepare us for the future.

Fortive continues to implement actions to best care for our employees as the COVID-19 pandemic continues to change our ways of working. We implemented various actions, going beyond the current pandemic, including:

- Forming global and local response teams to create standard processes for best practices and maintain constant contact with our employees;
- Waiving deductibles, co-pays, and co-insurance for COVID-19 testing or treatments and all virtual healthcare visits;
- Enabling flexible work location, schedule, and hours designed to balance the needs for both the company and employees;
- Ensuring that our essential manufacturing team had the education, resources, and support needed to stay safe on the job;
- Providing subsidized childcare, caregiver services, and parental counseling;
- Ensuring pay continuity for quarantine periods for our employees; and
- Providing enhanced counseling and mental health services on a global basis.

These efforts have allowed Fortive to adjust and grow over 2021 and have maintained the continued safety and health of all our employees, their families, customers, and our communities.

## OPERATE WITH PRINCIPLE

# Digital Privacy and Security

GRI 103-1, 103-2

Our commitment to being an employer and partner of choice makes digital privacy and security a top priority. We protect critical assets by establishing and enforcing clear boundaries. We continue to invest in cloud-based infrastructure to strengthen privacy and security for customer and employee data.



## Safeguarding Digital Privacy

Data is a modern currency as valuable as money, and sometimes more so. It is a fundamental necessity for our business and our customers, and we strive to maintain best-in-class data privacy and security programs and safeguards. In 2021, we improved our data privacy and security programs by:

- Introducing a new set of Key Performance Indicators (KPIs) that cover global privacy operations at both the corporate and operating company levels. The KPI results are reviewed by Fortive's most senior leaders on a quarterly basis.
- Centralizing web cookie compliance at the Fortive level, so that users of our operating company web sites around the world will be presented with a compliant cookie banner and consent mechanism based on the requirements of the visitor's location, enabling correct and transparent placement of web cookies on the visitor's equipment.

- Establishing a monthly virtual session called "Privacy Office Hours" to worldwide employees who support our data protection program. This three-hour long "drop-in" event is a way for participants from various operating companies and geographies to share their best practices, problem solve, and provide feedback to the corporate team.
- Creating a quarterly one-hour session for each of our operating companies' privacy support teams where the quarterly KPIs are shared, training on strategic priorities is provided, and the teams seek guidance on any privacy topics of unique concern to their operating company employees and customers.
- Engaging a variety of external data protection experts to complement our internal expertise, advise and upskill our teams on complex transformation projects and strategic transactions.

These practices and programs fortify our approach to digital privacy and inspire confidence in our abilities among those who work inside and alongside Fortive.



## Ensuring Security

Security is part of our value proposition and helps us earn trust with our employees and customers. We safeguard our employees' information, protect customers' sensitive data, and secure our intellectual property with vigor, which allows our teams the freedom to maximize their creative potential, rapidly experiment, and innovate.

To integrate security in everything we do, we maintain a top-down approach that the Audit Committee of our Board of Directors and our CEO regularly review and vet. We also utilize multiple programs to manage for:

- threat detection;
- vulnerability management;
- identify and access management;
- product security;
- Governance, Risk Management, and Compliance (GRC); and
- Business Continuity Planning (BCP), Incident Response Planning to maintain the highest standards of security.

In early 2021 we launched Fortive's multi-year security strategy. This included establishing a governance, risk, and compliance program which involved creating and revising eleven security policies as well as five security standards. Further, the Fortive Security organization built out a security strategy and annual performance targets aligned with the National Institute of Standards and Technology (NIST) Cyber Security Framework. These actions have provided us with better, more comprehensive security rules and standards for Fortive and our operating companies as well as a stronger, standardized strategy aligned with a best-in-class framework.

To ensure we continue progress on our security efforts and goals, we use third parties to audit and validate our process. This includes an external audit report to the Board Audit Committee, a third-party security maturity analysis, and BitSight assessment reports. We are proud of the significant progress we made in 2021, hitting our first set of goals while gaining valuable insights to continue our progress towards superior security.

# Appendix

Data Tables



United Nations Global Compact  
Communication on Progress (UNGC CoP) Index



United Nations Sustainable  
Development Goals (UN SDGs)



Task Force on Climate-Related  
Disclosures (TCFD) Index



Sustainability Accounting  
Standards Board (SASB) Index



Global Reporting Initiative (GRI) Index



**APPENDIX**

# Data Tables

## Stakeholder Engagement

Stakeholder Audience	Frequency	Engagement Approach	Topics of Discussion — Goals, Initiatives, Performance		
			Environmental	Social	Governance
Employees	Quarterly, Monthly, Weekly	Sustainability disclosure, Internal All-hands, All-employee newsletters, Company intranet	<ul style="list-style-type: none"> <li>• Climate-Related Disclosures</li> <li>• Emissions Reductions</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital Management</li> <li>• Inclusion and Diversity</li> <li>• Fortive Foundation</li> <li>• Day of Caring</li> <li>• Digital Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Sustainability Governance</li> <li>• Executive Compensation</li> </ul>
Customers	Ongoing	Operating company sales, Product leaders' communications with customers	<ul style="list-style-type: none"> <li>• Climate-Related Disclosures</li> <li>• Emissions Reductions</li> <li>• Sustainable Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion and Diversity</li> <li>• Fortive Foundation</li> <li>• Day of Caring</li> <li>• Digital Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Governance</li> <li>• Ethics and Compliance</li> </ul>
Shareholders	Annually, Quarterly	Sustainability disclosure, Quarterly results, Annual shareholder engagement program	<ul style="list-style-type: none"> <li>• Climate-Related Disclosures</li> <li>• Emissions Reductions</li> <li>• Sustainable Products and Services</li> <li>• Climate Impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital Management</li> <li>• Inclusion and Diversity</li> <li>• Supplier Diversity</li> <li>• Human Rights</li> <li>• Digital Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Sustainability Governance</li> <li>• Executive Compensation</li> <li>• Business Resilience</li> <li>• Shareholder Rights</li> </ul>
Suppliers	Annually	Sustainability disclosure, Supplier questionnaire, Conflict minerals	<ul style="list-style-type: none"> <li>• Climate-Related Disclosures</li> <li>• Emissions Reductions</li> <li>• Sustainable Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion and Diversity</li> <li>• Supplier Diversity</li> <li>• Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Governance</li> <li>• Conflict Minerals</li> </ul>
Local Communities	Annually and ad hoc	Day of Caring, Ongoing engagement via local events and partnership activities	<ul style="list-style-type: none"> <li>• Climate Impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion and Diversity</li> <li>• Fortive Foundation</li> <li>• Day of Caring</li> </ul>	

## 2021 Employee Diversity

Metric	2021
<b>Gender<sup>[1]</sup></b>	
Female	37%
Male	63%
<b>Employment Type<sup>[2]</sup></b>	
Permanent hourly	4,461
Temporary hourly	471
Full-time, salaried	12,213
Part-time, salaried	294
<b>Region<sup>[3]</sup></b>	
North America (excluding Mexico)	11,866
Western Europe	2,359
Europe	3,463
Asia	3,760
Australia and New Zealand	279
Latin America (including Mexico and Caribbean)	488
Middle East and Africa	76

[1] Gender data represents global, salaried, FTE, and PTE employees

[2] Global headcount

[3] All employees globally, including temporary, contractor, part-time workers

## 2021 Parental Leave

Metric	Male	Female	Total
Eligible	6,400	3,773	10,173
Took parental leave	161	101	262
Returned to work	155	98	253
Retention after 12 months	145	95	240
Return to work rate	96%	97%	96.5%
Retention rate	90%	94%	92%

## Employee Experience Survey Results<sup>[1]</sup>

Metric	2020	2021
Overall Employee Engagement Score	77%	76%
Inclusion and Belonging Score	80%	80%
My supervisor gives me the support I need to do my job well.	81%	84%
I am provided with opportunities for learning and development.	74%	76%

[1] The Employee Experience Surveys are a critical element of our continuous improvement culture. With over 80% of our global team participating in our quarterly surveys over the last twelve months, we continue to gain deep, frequent insights about our employees' experiences to inform and improve the work experience of our global team. Similar to other companies in our benchmark data set as we emerge from the COVID-19 pandemic, we saw a decline in Engagement to 74% in our most recent survey. Reflective of the broad impact of leading and working through the challenges throughout the last two years. We are taking action through monthly operating reviews in our operating companies, and in 2021 we improved our ability to take action by providing our people and leaders with resources to manage our evolving hybrid work approach. Our team continues to share a strong sense of inclusion and belonging, with that index score holding at 80% favorable. Inclusion is an important part of hearing from all voices, innovating and servicing our customers. We remain committed to achieving a rating in the top 25% of benchmarked companies across all of our indices—creating the best places to build your career and have an impact in the world.

## 2021 Employee Diversity

Metric	Senior Leaders <sup>[1]</sup>	Professionals and Managers	Total	Age Range <30	Age Range 30–50	Age Range 50+
Women <sup>[2]</sup>	30%	32%	37%	14%	59%	27%
Men	70%	68%	63%	12%	57%	31%
BIPOC <sup>[3]</sup>	22%	27%	34%	17%	53%	31%
Non-BIPOC	78%	73%	66%	12%	47%	42%

[1] Senior Leaders: Employees in Director level roles or higher

[2] Gender data represents global, salaried, FTE, and PTE employees. Diversity data represents U.S. employees.

[3] BIPOC includes Asian, Black or African American, LatinX, and Other (Native American or Alaska Native, Native Hawaiian or Pacific Islander, and “Two or More Races”)

## Inclusion and Diversity

Metric	Our 2020 Metrics	Our 2021 Metrics	Change (2020–2021)	Our 2025 Goals
Gender Representation	36%	37%	1.0%	50%
Gender Representation in Professional and Management	31%	32%	1.0%	48%
BIPOC Representation	34%	34%	0.0%	37%
BIPOC Representation in Professional and Management	26%	27%	1.0%	36%
Senior Leader Diversity <sup>[1]</sup>	41%	43%	2.0%	50%
Inclusion and Belonging Score in Employee Experience Survey	80%	80%	0.0%	85%

[1] Women and U.S. Male BIPOC Director+

## 2021 Employee Benefits

Metric	U.S. Non-Union	Canada	U.K.	China
Life insurance	Yes	Yes	Yes	Yes
Health care	Yes	Yes	Yes	Yes
Disability and invalidity coverage	Yes	Yes	Yes	Yes
Parental leave	Yes	N/A <sup>[1]</sup>	N/A <sup>[1]</sup>	N/A <sup>[1]</sup>
Retirement provision	Yes	Yes	Yes	Yes
Stock ownership	Available based on role through retirement plan	Available based on role and seniority	Available based on role and seniority	Available based on role and seniority
Others	Dental, Vision, HSA, FSA, DCFSA, Basic Life, Voluntary EE Life, Voluntary EE ADD, Voluntary SP Life, Voluntary Child Life, ID Theft, Legal Services, Critical Illness, Accident Insurance, Hospital Indemnity, EAP, Backup/ Emergency Childcare and Eldercare, Financial Well-Being	N/A <sup>[1]</sup>	N/A <sup>[1]</sup>	N/A <sup>[1]</sup>

[1] Our employee benefits are generous across the globe, but because our cross-operating company benefits are only harmonized in the United States, China, the United Kingdom, and Canada, we have focused on those countries. Those four jurisdictions make up over two-thirds of our employee population. Exact benefits, both company-provided and those subsidized by the local government(s), vary by operating company and locality outside of the United States, China, the United Kingdom, and Canada.

## Energy Use and Emissions

Metric	Unit of Measure	2017	2018	2019	2020	2021	2017-2021 (% change)
<b>Energy Use</b>							
Natural Gas	mmBtu	155,099	143,040	143,447	139,593	121,967	-21.4%
Mobile Sources	gallons	152,139	244,507	261,100	53,577	194,607	27.9%
Diesel Fuel	liters	107,724	86,999	69,793	86,777	101,872	-5.4%
No. 2 Fuel Oil	liters	114,575	81,472	114,344	74,280	4,800	-95.8%
Electricity	kWh	127,580,180	127,884,581	126,646,129	113,701,800	112,566,243	-11.8%
<b>Emissions<sup>[1]</sup></b>							
Scope 1	MT CO <sub>2</sub> e	14,068	14,042	20,217	17,891	12,567	-1,501
Scope 2	MT CO <sub>2</sub> e	51,998	48,093	47,537	41,034	41,097	-10,902
Scope 1 and 2	MT CO <sub>2</sub> e	66,066	62,135	67,753	58,924	53,663	-12,403
Absolute Delta	YOY	-	-5.95%	9.04%	-13.03%	-8.93%	-18.8%
Carbon Intensity Delta	YOY	-	-19.13%	-9.20%	-14.35%	-22.04%	-51.0%

[1] The emissions data reported is the most current as of May 2022, and reflects updates to emissions factors, data corrections, and the portfolio of EHS significant sites.

## Membership of Associations

- 135 BACnet Committee – Building Automation and Control Networks
- ABIEPS – Brazilian Association of the Equipment Industry for Petrol Pumps
- ACC – Association of Corporate Counsel
- ACM – Association for Computing Machinery
- AIST – Association for Iron and Steel Technology
- ANSI – American National Standards Institute
- ARM – Alliance for Regenerative Medicine
- ASA – American Supply Association
- ASHE – Association for Safe Healing Environments
- ASHRAE – American Society of Heating, Refrigeration and Air Conditioning Engineers
- ASME BPE – American Society of Mechanical Engineers: Bioprocessing Equipment ASNT – American Society for Nondestructive Testing
- ASTM – American Society for Testing and Materials Automotive Aftermarket
- BayMe VBM – Bayerische M+E (Employers’ Associations of the Metalworking and Electrical Industries)
- BISS Association
- CCRM – Industry Consortium for Regenerative Medicine
- CECOD – Committee of European Manufacturers of Petroleum Measuring and Distributing Equipment
- CEN – European Committee for Standardization
- China Society for Electrical Engineering Committee of Electromagnetic Measurement
- CiA – Canadian Industrial Auctioneers CII – Confederation of Indian Industry
- CompTIA – Computing Technology Industry Association
- DIN – Deutsches Institut für Normung
- EHEDG – European Hygienic Engineering and Design Group
- Energy Institute
- Ethernet Alliance
- Fachausschuss FA 8.14 & 8.16 – Technical committees for heat and temperature
- FEF – Forecourt Equipment Federation
- FISA – Distributors Serving Sanitary Processing association
- IEC – International Electrotechnical Commission
- IEEE – Institute of Electrical and Electronics Engineers
- IHK – Association of German Chambers of Commerce
- IPC – formerly the Institute for Interconnecting and Packaging Electronic Circuits
- ISA – Industrial Supply Association
- ISCT – International Society of Cell and Gene Therapy
- ISHRAE – Indian Society of Heating, Refrigeration and Air Conditioning Engineers
- ISPE – International Society for Pharmaceutical Engineering
- Johanniter Unfall Hilfe e.V (Die Johanniter) – Voluntary humanitarian organization Korean Industry Association and Chambers of Commerce
- LBM – Lhr Aktiver Berufsverband (State Association of Bavarian and Saxon Dairy Specialists and Dairy Farmers)
- MCAA – Measurement, Control and Automation Association
- MSC – Manufacturers and Services Council NACS – National Association of Convenience Stores
- NAED – National Association of Electrical Distributors
- National Safety Council
- National Technical Committee of Standard Voltages, Current Ratings and Frequencies
- National Technical Committee of Temperature Metrology
- NCSLI – National Conference of Standards Laboratories
- NEMA – National Electrical Manufacturers Association
- NEMRA – National Electrical Manufacturers Representatives Association
- ODVA – Open DeviceNet
- OIML – International Organization of Legal Metrology
- Open Industry 4.0 Alliance
- Optec BB
- Patentverein
- PCI – Payment Card Industry Security Standards
- PEI – Petroleum Equipment Institute
- Private Brauerein Föderverien – Association for the promotion of medium-sized private breweries
- Profibus Nutzerorganisation
- Reflow Over Control Task Force Reflow Profiling Task Force
- Regelermittlungsausschuss – Legal Metrology association
- Silicon Saxony
- SITAC – Sensors and Instrumentation Technical Advisory
- Spartanburg Chamber of Commerce
- SPIE – Society of Photo-Optical Instrumentation Engineers
- Test & Measurement Coalition led by EPPA – Emergency Physicians Professional Association
- VDMA – Mechanical Engineering Industry
- VDSI – Verband für Sicherheit, Gesundheit und Umweltschutz bei der Arbeit (German OSHA)
- WVIB – Wirtschaftsverband Industrieller Unternehmen Baden e.V.
- ZVEI – Zentralverband Elektrotechnik- und Elektronikindustrie eV
- Manufacturer’s Alliance
- UNGC – United Nations Global Compact

**APPENDIX**

# United Nations Global Compact Communication on Progress (UNGC CoP) Index

UNGC Topic	Principle	Description	References
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<a href="#">Human Rights</a> <a href="#">Supplier Code of Conduct</a>
	Principle 2	make sure that they are not complicit in human rights abuses.	<a href="#">Human Rights</a> <a href="#">Supplier Code of Conduct</a>
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Fortive recognizes freedom of association and the right to collective bargaining as fundamental rights of our employees.
	Principle 4	the elimination of all forms of forced and compulsory labour;	<a href="#">Human Rights</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Transparency in Supply Chains Statement</a> <a href="#">California Transparency in Supply Chains Act of 2010</a>
	Principle 5	the effective abolition of child labour; and	<a href="#">Human Rights</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Transparency in Supply Chains Statement</a>

UNGC Topic	Principle	Description	References
Labor	Principle 6	the elimination of discrimination in respect of employment and occupation.	<a href="#">Supplier Code of Conduct</a>
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<a href="#">Climate Change and Greenhouse Gas Emissions</a>
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	<a href="#">Climate Change and Greenhouse Gas Emissions</a> <a href="#">Environmental, Health, Safety and Sustainability Policy</a>
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<a href="#">Products and Services</a>
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<a href="#">Ethics and Compliance</a> <a href="#">Anti-Corruption Policy</a> <a href="#">Supplier Code of Conduct</a>

**APPENDIX**

# United Nations Sustainable Development Goals (UN SDGs)

Goal	Description	Fortive Pillar Alignment	Impact Alignment
 <p><b>UN SDG 3</b> Good Health and Well-Being</p>	Ensure healthy lives and promote well-being for all at all ages.	Work and Source Responsibly	<a href="#">Advanced Healthcare Solutions</a> <a href="#">Products and Services</a> <a href="#">Employee Well-Being, Safety, and Health</a>
 <p><b>UN SDG 4</b> Quality Education</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Invest in Our Communities	<a href="#">Fortive Foundation</a> <a href="#">Fortive Scholarship Program</a>
 <p><b>UN SDG 5</b> Gender Equality</p>	Achieve gender equality and empower all women and girls.	Empower Inclusive and Diverse Teams Invest in Our Communities Work and Source Responsibly	<a href="#">Inclusion and Diversity</a> <a href="#">Fortive Foundation</a> <a href="#">Day of Caring</a> <a href="#">Responsible Supply Chain and Procurement</a>
 <p><b>UN SDG 7</b> Affordable and Clean Energy</p>	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Protect the Planet	<a href="#">Climate Change and Greenhouse Gas Emissions</a> <a href="#">Products and Services</a>
 <p><b>UN SDG 8</b> Decent Work and Economic Growth</p>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	Work and Source Responsibly Operate With Principle	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a> <a href="#">Ethics and Compliance</a>

Goal		Description	Fortive Pillar Alignment	Impact Alignment
	<b>UN SDG 9</b> Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Protect the Planet Work and Source Responsibly	<a href="#">Intelligent Operating Solutions</a> <a href="#">Precision Technologies</a> <a href="#">Products and Services</a>
	<b>UN SDG 10</b> Reduced Inequalities	Reduce inequality within and among countries.	Empower Inclusive and Diverse Teams Work and Source Responsibly	<a href="#">Inclusion and Diversity</a> <a href="#">Responsible Supply Chain and Procurement</a>
	<b>UN SDG 11</b> Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable.	Protect the Planet Work and Source Responsibly	<a href="#">Intelligent Operating Solutions</a> <a href="#">Precision Technologies</a> <a href="#">Products and Services</a>
	<b>UN SDG 12</b> Responsible Consumption and Production	Ensure sustainable production and consumption patterns.	Protect the Planet Work and Source Responsibly	<a href="#">Products and Services</a> <a href="#">Responsible Supply Chain and Procurement</a>
	<b>UN SDG 13</b> Climate Action	Take urgent action to combat climate change and its impacts.	Protect the Planet	<a href="#">Climate Change and Greenhouse Gas Emissions</a> <a href="#">Products and Services</a>

**APPENDIX**

# Task Force on Climate-Related Financial Disclosures (TCFD) Index

TCFD Topic	Disclosure	Location	TCFD Topic	Disclosure	Location	
Governance	a. Describe the Board’s oversight of climate-related risks and opportunities.	<a href="#">CDP C1.1b</a>	Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	<a href="#">CDP C2.1</a>	
					<a href="#">CDP C2.2</a>	
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	<a href="#">CDP C1.2</a>				<a href="#">CDP C2.2a</a>
		<a href="#">CDP C1.2a</a>			b. Describe the organization’s processes for managing climate-related risks.	<a href="#">CDP C2.1</a>
						<a href="#">CDP C2.2</a>
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">CDP C2.1a</a>			c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<a href="#">CDP C2.1</a>
		<a href="#">CDP C2.3</a>		<a href="#">CDP C2.2</a>		
		<a href="#">CDP C2.3a</a>		<a href="#">CDP C2.1</a>		
		<a href="#">CDP C2.4</a>		<a href="#">CDP C2.2</a>		
		<a href="#">CDP C2.4a</a>				
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<a href="#">CDP C2.3a</a>	<a href="#">CDP C4.2</a>	Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">CDP C9.1</a>
		<a href="#">CDP C2.4a</a>				
<a href="#">CDP C3.1</a>					b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<a href="#">CDP C6.1</a>
<a href="#">CDP C3.2b</a>			<a href="#">CDP C6.3</a>			
	<a href="#">CDP C3.3</a>			<a href="#">CDP C6.5</a>		
	<a href="#">CDP C3.4</a>					
c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">CDP C3.2</a>	<a href="#">CDP C4.1</a>		c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">CDP C4.1</a>	
	<a href="#">CDP C3.2b</a>				<a href="#">CDP C4.1b</a>	
					<a href="#">CDP C4.2</a>	

**APPENDIX**

# Sustainability Accounting Standards Board (SASB) Index

SASB Topic	Code	Metric	Unit	Location
Business Ethics	RT-EE-510a.1 version 2018-10	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	N/A	<a href="#">Ethics and Compliance</a> <a href="#">GRI Index</a>
Materials Sourcing	RT-EE-440a.1 version 2018-10 RT-IG-440a.1 version 2018	Description of the management of risks associated with the use of critical materials	N/A	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a> <a href="#">The Fortive Supplier Code</a> <a href="#">Fortive Conflict Minerals Report</a>
Energy Management	RT-EE-130a.1 version 2018-10 RT-IG-130a.1 version 2018	Total energy consumed, percentage grid electricity, and percentage renewable	Gigajoules (GJ), Percentage (%)	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C8.2a</a>
Recruiting and Managing a Global, Diverse, and Skilled Workforce	TC-SI-330a.2 version 2018-10	Employee engagement as a percentage		<a href="#">Organizational Culture</a>
	TC-SI-330a.3 version 2018-10	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees		<a href="#">Data Tables</a> We are strongly committed to progressing inclusion, diversity, and equity across our businesses as an equal opportunity employer. While we believe our goals and progress best reflect our commitment, our recent <a href="#">EEO-1 report</a> is also available for reference.

SASB Topic	Code	Metric	Unit	Location
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	While we do not currently track this data, we are seeking to gather data for future reporting cycles.
	RT-EE-410a.2	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Percentage (%) by revenue	While we do not currently track this data, we are seeking to gather data for future reporting cycles.
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Reporting currency	<p>While we do not currently track this data, we are seeking to gather data for future reporting cycles.</p> <p>In 2021, we partnered with a team from our Accelerated Leadership Experience (ALE) program to define “sustainable” products and services and develop a standard methodology for operating companies to classify their product portfolios. The team, comprised of five employees from diverse functions and operating companies, researched sustainability standards, including SASB, Principles of Responsible Investing (PRI), U.S. Environmental Protection Agency product certifications, and the EU Taxonomy, to inform their work. The team also benchmarked other companies’ sustainable product disclosures to understand and define industry best practices. The results of our work will be shared in 2022.</p>
Activity Metric	RT-EE-000.A	Number of units produced by product category		While we do not currently track this data, we are seeking to gather data for future reporting cycles.
	RT-EE-000.B	Number of employees		~18,000

**APPENDIX**

# Global Reporting Initiative (GRI) Index

GRI Standard	Disclosure	Description	Location or Direct Answer
<b>General Disclosures</b>			
<b>Organizational Profile</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organization	Fortive Corporation
	102-2	Activities, brands, products, and services	<a href="#">About Fortive</a> <a href="#">Fortive Business Directory</a> <a href="#">Form 10-K p. 2-4, 23</a>
	102-3	Location of headquarters	6920 Seaway Blvd, Everett, WA 98203
	102-4	Location of operations	<a href="#">Form 10-K p. 22</a>
	102-5	Ownership and legal form	<a href="#">Proxy Statement p. 8-9</a> <a href="#">Form 10-K p. 22</a>
	102-6	Markets served	<a href="#">About Fortive</a> <a href="#">Form 10-K p. 2-4</a>
	102-7	Scale of the organization	<a href="#">About Fortive</a> <a href="#">Form 10-K p. 2-4</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-8	Information on employees and other workers	<a href="#">Data Tables</a>
	102-9	Supply chain	<a href="#">Form 10-K p. 4</a>
	102-10	Significant changes to the organization and its supply chain	<a href="#">Proxy Statement p. 3-4</a> <a href="#">Form 10-K p. 2</a> <a href="#">Form 10-K p. 25</a>
	102-11	Precautionary Principle or approach	We apply the precautionary principle through our risk assessment process that is grounded in the Fortive Business System (FBS) and implemented by all operating companies.
	102-12	External initiatives	United Nations Global Compact, United Nations Sustainable Development Goals, CEO Action on Diversity, The GHG Protocol Corporate Accounting and Reporting Standard, ISO 14001, 45001, and 50000, Science-based Targets initiative, Sustainability Accounting Standards Board
	102-13	Membership of associations	<a href="#">Data Tables</a>
<b>Strategy</b>			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	<a href="#">A Message From Our CEO</a>
<b>Ethics and Integrity</b>			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	<a href="#">Purpose and Values</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
<b>Governance</b>			
GRI 102: General Disclosures 2016	102-18	Governance structure	<a href="#">Proxy Statement p. 18–36</a> <a href="#">2021 CDP Climate Change Response, C1</a> Our strategy and associated progress is routinely reviewed with the Board as they maintain oversight with respect to reporting and disclosure.
<b>Stakeholder Engagement</b>			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	<a href="#">Data Tables</a>
	102-41	Collective bargaining agreements	<a href="#">Form 10-K p. 5</a>
	102-42	Identifying and selecting stakeholders	We identified our stakeholder audience through the use of interviews with Fortive’s executive leadership, the EHS Leadership Council (EHSLC), and employees. We selected stakeholders based on their knowledge of Fortive’s operations, ESG, and the industries in which Fortive operates.
	102-43	Approach to stakeholder engagement	<a href="#">Data Tables</a>
	102-44	Key topics and concerns raised	<a href="#">Data Tables</a> <a href="#">Proxy Statement</a>
<b>Reporting Practices</b>			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	<a href="#">Form 10-K p. 3; Exhibit 21.1</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-46	Defining report content and topic Boundaries	<p>To identify the initial list of potentially material ESG topics, in 2020 we analyzed which topics aligned with our shared purpose, values, and industry classifications. From more than 100 ESG topics, we narrowed the list to 70+ topics relevant to Fortive’s business and consolidated similar topics into a final list of 27. We surveyed a diverse, representative group of 1,100 employees worldwide<sup>[1]</sup> to rate the relevance of each ESG topic to Fortive’s business.</p> <p>To incorporate external perspectives, we assessed the following data sources: current and emerging/proposed regulations and policies, 1,000+ global news sources, publicly available financial and sustainability reports, and social media. Using AI, Datamaran reviews the prevalence, content, and significance of the ESG topics in publicly available sources, within business parameters such as industry peers, business sectors, and geography. We also asked a select group of key investors for their assessment of the ESG topics’ relevance to Fortive’s business.</p> <p>Among the 27 topics, 11 topics emerged as material from the internal and external views. While many of the material topics identified in the 2017 materiality assessment were reaffirmed, our material topics now reflect existing and new priorities. Finally, our executive leadership team validated the results of the materiality assessment, our revised sustainability pillars, and the report content during an interactive workshop. Unless otherwise stated, the material topics discussed in this report cover our direct operational impacts, rather than impacts across the full value chain.</p> <p>Focusing on the material issues from an internal and external perspective (102-47), the issues were organized into strategic pillars. The Sustainability Strategic Pillars inform the structure of this report, through which we report on annual performance related to the material issues and goals.</p>
	102-47	List of material topics	<a href="#">Our Commitment to Sustainability</a>
	102-48	Restatements of information	There were no restatements or corrections in 2021 compared to prior Fortive Sustainability Reports.
	102-49	Changes in reporting	No new material topics or topic boundaries from 2020 reporting cycle to 2021 reporting cycle.
	102-50	Reporting period	January 1, 2021 through December 31, 2021
	102-51	Date of most recent report	May 2021

[1] Employees represented all operating companies, geographies, and job levels.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-52	Reporting cycle	Annually
	102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@fortive.com">sustainability@fortive.com</a> <a href="mailto:investors@fortive.com">investors@fortive.com</a>
	102-54	Claims of reporting in accordance with the GRI Standards	This report was prepared referencing the Global Reporting Initiative (GRI) Standards, as identified in this GRI Content Index.
	102-55	GRI content index	This serves as the GRI Content Index.
	102-56	External assurance	Fortive did not seek external assurance for this report.

**Specific Disclosures**

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Performance is not a material topic for Fortive. <a href="#">2021 Annual Report</a>
	103-2	The management approach and its components	Economic Performance is not a material topic for Fortive. <a href="#">2021 Annual Report</a>
	103-3	Evaluation of the management approach	Economic Performance is not a material topic for Fortive. <a href="#">2021 Annual Report</a>
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<a href="#">Form 10-K p. 58</a>
	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">2021 CDP Climate Change Response, C2.3</a> <a href="#">2021 CDP Climate Change Response, C3.1</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>
	103-2	The management approach and its components	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>
	103-3	Evaluation of the management approach	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	52% of our direct materials spend in the last 12 months (excluding divestitures and acquisitions) was from locally sourced purchasing factories, where local is defined as in-country.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Ethics and Compliance</a>
	103-2	The management approach and its components	<a href="#">Ethics and Compliance</a>  Fortive's Global Compliance Program is managed at the corporate level, where the Chief Compliance Officer and the compliance team oversee Fortive's global compliance program. The team sets global standards and issues global policies that establish expectations for the operating companies. In addition to the Corporate team, each operating company has a compliance team. The Board of Director's Audit Committee has oversight responsibility for the compliance program overall.  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 adopt more explicit, restrictive, and/or additional policies or procedures. Compliance is a significant element of the risk assessment process, which is conducted annually. We recently customized the Intalex software to enable a software-based annual risk assessment.
	103-3	Evaluation of the management approach	Our compliance programs are evaluated through internal self-assessment and external assessment. In the spirit of continuous improvement, we had an external, third-party review of the compliance program conducted in 2021. An external assessment occurs periodically every 3-5 years.  Measuring and tracking our KPIs for ethics and compliance is integral to continue making positive and real change. We review our metrics on a quarterly basis with Fortive's senior leadership to provide visibility and transparency on our current state and improvement opportunities.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Annual ethics and compliance training and learning toolkits is provided for email/computer enabled employees. Typical curriculum topics include Code of Conduct, Sexual Harassment Awareness and Prevention, Anti-bribery/Anticorruption, Fair Competition, and Financial Integrity. Approximately 12,300 employees, participated in online training on ethics and compliance topics and we are currently averaging a 99% on-time completion rate for our online compliance-related training modules.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change and GHG Emissions</a>
	103-2	The management approach and its components	<a href="#">Climate Change and GHG Emissions</a>
	103-3	Evaluation of the management approach	<a href="#">Climate Change and GHG Emissions</a>
GRI 302: Energy 2016	302-1	Energy consumption within the organization	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C8.2a</a>
	302-3	Energy intensity	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C9.1</a>
	302-4	Reduction of energy consumption	<a href="#">Data Tables</a>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Fortive's primary industry classification is Electronics & Electrical Equipment; however, across Fortive, our businesses span industries including Healthcare Equipment & Supplies, Industrial Machinery & Goods, and Software & IT Services industry categories. Water use is not identified as a material issue for the broader Industrials category and the SASB Sustainable Industry Classification System does not identify water as material for any of the four industry classifications, including Electronics & Electrical Equipment.
	103-2	The management approach and its components	To determine and periodically analyze materiality, we collect water use data from EHS significant sites on a quarterly basis via our Sustainability Data Collection campaign. The data is reviewed by a designated operating company EHS and/or Facilities professional, and once approved, submitted to the Corporate Sustainability Team for review, reconciliation and/or approval. The data is reviewed quarterly for consistency, trends, and to better understand the water intensity of our sites. If anomalies or outliers are observed, a quality review process is initiated and followed to resolution or completion.  We define sites as EHS Significant if they have 50 or more employees and/or any manufacturing, light assembly or laboratory operations. We have 70 EHS significant sites which comprise more than 77% of our real estate footprint.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	We are developing a management review process for implementation in 2022. Through this process, the Corporate Sustainability Team will report the Sustainability data to the EHS Leadership Council for awareness and engagement with their operating company sites.
	103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change and GHG Emissions</a> Our 2021 goal to reduce GHG emissions 50% by 2025 from 2017 levels is applicable to our EHS significant sites, i.e., sites that have an employee population of 50 or more and/or have operations that include manufacturing, light assembly, servicing, or laboratory operations. The EHS Significant Sites account for approximately 22% of our total global real estate footprint.
	103-2	The management approach and its components	<a href="#">Climate Change and GHG Emissions</a> We implemented standard work to align our GHG inventory management and disclosure to the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard, updating our emissions factors to the IEA's 2018 emission factors and EPA's 2018 emissions factors. We published a renewable energy policy to define what we consider renewable energy. This policy provides guidance to operating companies as they explore renewable energy procurement through their utility providers.  We have a third-party provider who monitors and manages energy procurement in deregulated markets in U.S. and Europe.
	103-3	Evaluation of the management approach	In 2020, we transitioned our sustainability data management to the Intelix Sustainability Performance Indicators (SPI) platform, where data quality tollgates and checks are configured to automatically flag anomalous and/or significantly different consumption quantities of key sources of GHG emissions.  Environmental data undergoes a quarterly internal audit to improve data quality. Feedback is provided to users when data anomalies are found and corrective actions are needed.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C6, C7</a>
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C6.2, C6.3</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 305: Emissions 2016	305-4	GHG emissions intensity	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C4.1b</a>
	305-5	Reduction of GHG emissions	<a href="#">Data Tables</a> <a href="#">2021 CDP Climate Change Response, C7.9</a>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	We track hazardous and non-hazardous waste generation at our EHS significant sites. Hazardous waste is monitored and measured with rigor due the compliance requirements. The non-hazardous waste profiles of our EHS significant sites require further evaluation to understand and determine whether non-hazardous waste is material to our business.
	103-2	The management approach and its components	<p>We track hazardous and non-hazardous waste generation at our EHS significant sites. Hazardous waste is monitored and measured with rigor due the compliance requirements. The non-hazardous waste profiles of our EHS significant sites require further evaluation to understand and determine whether non-hazardous waste is material to our business.</p> <p>We collect waste data from EHS significant sites on a quarterly basis via our Sustainability Data Collection campaign. The data is reviewed by a designated operating company EHS and/or Facilities professional, and once approved, submitted to the Corporate Sustainability Team for review, reconciliation, and/or approval.</p> <p>The data is reviewed quarterly for consistency, trends, and to better understand the waste generation profile at our sites. If anomalies or outliers are observed, a quality review process is initiated and followed to resolution or completion.</p> <p>We define sites as EHS Significant if they have 50 or more employees and/or any manufacturing, light assembly, or laboratory operations. We have 70 EHS significant sites which comprise more than 77% of our real estate footprint.</p>
	103-3	Evaluation of the management approach	<p>We track hazardous and non-hazardous waste generation at our EHS significant sites. Hazardous waste is monitored and measured with rigor due the compliance requirements. The non-hazardous waste profiles of our EHS significant sites require further evaluation to understand and determine whether non-hazardous waste is material to our business.</p> <p>For non-hazardous waste, we are developing a management review process for implementation in 2022. Through this process, the Corporate Sustainability Team will report the non-hazardous waste data to the EHS Leadership Council for awareness and engagement with their operating company sites.</p>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>
	103-2	The management approach and its components	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>  We assigned a Senior Director in our Supply Chain team to govern our responsible sourcing policies and make changes to our Supplier Code, Supplier Audit Program, and Supplier Assessment as needed. Through these programs, we deploy actions including briefings with C-Suite executives and senior Operations and Procurement leaders and e-learning modules to inform employees on updates and changes to policies and procedures such as environmental related permits for the operations they manage.
	103-3	Evaluation of the management approach	<a href="#">Human Rights</a>  Using third-party service providers and industry groups, we benchmark against peers through various indices to ensure our management approach and programs utilize best practices available. These findings informed updates to our Supplier Code and Supplier Audit Program.
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	100% of our suppliers in the Responsible Sourcing Audit program were screened using environmental criteria.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Organizational Culture</a>
	103-2	The management approach and its components	<a href="#">Organizational Culture</a>
	103-3	Evaluation of the management approach	The Employee Experience Survey measures the effectiveness of our employee-related programs. A supervisor effectiveness score is generated from the Employee Experience Survey and every people leader receives a score. People leaders are expected to understand their scores and create action plans to improve their scores and respond to feedback.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Data Tables</a>
	401-3	Parental leave	<a href="#">Data Tables</a>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Talent Acquisition, Retention, and Development</a>
	103-2	The management approach and its components	<p><a href="#">Talent Acquisition, Retention, and Development</a></p> <p>Prioritization of employee-related topics and programs are determined based on the company strategy. In 2021, we discussed how Human Resources can enable the journey to Fortive 3.0 through talent acquisition, and employee experience, development, and learning.</p>
	103-3	Evaluation of the management approach	<p>We use internal tracking to evaluate the success and impact of employee-related projects and programs, measuring both qualitative and quantitative metrics. Our quarterly pulse Employee Experience Surveys measures the effectiveness of our employee-related programs. In 2021, we saw increased inclusion and belonging scores among our people participating in Fortive's EFRGs, showing us that our progress towards I&amp;D is reflected in how our employees feel about working at Fortive. Additionally, a supervisor effectiveness score is generated from the Employee Experience Survey and every people leader receives a score. People leaders are expected to understand their scores and create action plans to improve their scores and respond to feedback.</p> <p>We have an established history of supporting SpeakUp!, our phone hotline in over 20 local languages and a web reporting tool available to hear any and all employee concerns. We continue to evaluate and evolve this process to reflect changing standards and best practices. We review our Speak Up! activity daily, using it to inform upcoming trainings and communications, review against external benchmarks, as well as analyze and report the data and metrics with our Audit Committee and Board of Directors.</p>
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Omission: Minimum number of weeks' notice regarding operational changes is omitted. Reason for omission: information unavailable. We will engage with our internal talent teams to gather this information for next year's report.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Employee Well-Being, Safety, and Health</a>
	103-2	The management approach and its components	<p><a href="#">Employee Well-Being, Safety, and Health</a></p> <p>The Environmental, Health, and Safety Leadership Council (EHSLC), which includes senior EHS representatives from across the company, sets the EHS strategy for the company at the corporate level. The EHSLC determines which areas of focus are most important for the business and task the operating companies with implementation of any objectives.</p> <p>Our internal EHS management system is now managed using the Intelix Environmental, Health, Safety, and Quality (EHSQ) platform. To quantify and drive continuous improvement, our operating companies assess the EHS Risk level at each of our EHS significant sites and report an EHS Risk Score on a semi-annual basis. EHS significant sites are those with 50 or more employees that have any level of manufacturing or light assembly operations. The EHS Risk Score is a Fortive standard metric comprising EHS performance criteria, organized into three major categories: Operational Risk, Leadership Engagement, and EHS Metrics. Operational Risk includes Safety, Health and Industrial Hygiene, and Environmental Compliance criteria. In 2021, we incorporated Sustainability criteria and metrics into the Risk Score framework to evaluate the sustainability performance of each operating company. The EHS Risk Score is weighted based on site employee population and our goal is to reduce the average EHS Risk Score across the company by implementing EHS and Sustainability programs and initiatives tailored to the work environment.</p> <p>13 of our 68 EHS Significant Sites are certified to ISO 14001, ISO 45001, and/or the International Contractors Safety Rating System, and 100% of our manufacturing EHS significant sites are ISO certified. All certified sites host manufacturing, service, and/or light assembly operations.</p> <p>We leverage data and FBS tools for EHS management across all our operating companies. FBS tools such as Standard Work (similar to standard operating procedure) provide a consistent baseline direction for applicable operations, which sites can tailor for their specific operations. This approach creates consistency and a common understanding for any employee to understand processes, operations, and decision-making, which is vital for a functional EHS program. FBS tools also enable EHS management to seamlessly integrate with other business partner operations, making EHS compliance a standard practice in how we conduct our business.</p>
	103-3	Evaluation of the management approach	<a href="#">Employee Well-Being, Safety, and Health</a>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<p>Many operating companies have EHS management systems that are consistent with the requirements of recognized standards, including ISO 14001, ISO 45001, OHSAS 18000, OSHA's Voluntary Protection Program, and Process Safety Management.</p> <p><a href="#">The Code</a></p> <p><a href="#">Environmental, Health, Safety and Sustainability (EHS&amp;S) policy</a>: The EHS policy aligns with ISO 14001. The policy affirms our commitment to continuous improvement in EHS performance, waste minimization, prevention of pollution, promotion of sustainable practices and policies, and prevention of workplace accidents and injuries. The EHS&amp;S policy was reviewed and updated in 2021.</p> <p>We are currently in the process of rolling out the Intalex software suite of EHS management tools, including injury and incident reporting and audit tools.</p>
	403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Employee Well-Being, Safety, and Health</a>
	403-3	Occupational health services	All Fortive employees have access to occupational health services, appropriate for the risks they may be exposed to at work. These occupational health services may be external and/or internal based on an assessment of in-house capabilities, exposure types, and required skills/competencies to ensure all employees have access to the required occupational health support. The results of occupational health exposure monitoring are available only to the respective worker and the required EHS and occupational health staff. In any case of exposure above acceptable levels, managers/supervisors may need to be involved to help resolve an exposure issue but will not be provided access to the individual's occupational health records. Any use of information from occupational health records for negative treatment of an employee would constitute a violation of our ethics policy. Fortive provides its employees with access to an internal website providing practical solutions and support on life, health, family, work and finances. Such topics can include health related information which encourage employees to self-care via personal fitness, proper diet and understanding and dealing with medical conditions.
	403-4	Worker participation, consultation, and communication on occupational health and safety	Fortive operates an EHS Leadership Council that consists of EHS Leaders from multiple operating companies who meet at a regular cadence to develop, implement, and evaluate the occupational health and safety management systems for Fortive. The EHS Leadership Council works closely with their respective OpCo's to ensure awareness and adherence to the policies and recommended procedures. Employees are actively engaged in health and safety awareness through online and in-person training, internal/external program auditing, regular communications, and system performance. Employee communications include meetings, training events, and presentation of health and safety topics. Work councils or committees, where in place at a majority of EHS Significant Sites, are proactively engaged in the review of health and safety programs and advise on matters of work safety and accident prevention. These committees typically consist of both employee and management representation to ensure that all activities and recommendations are adequately supported by the organization. Most typically, the work councils or committees meet at least quarterly and conduct an annual review and consultation with site management. The scope of the EHS management includes all employees under management's operational control at the site, which includes contractors operating on-site.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Operating companies conduct training as required by local and regional law and regulation. Training topics are tailored to the operations, and are regularly updated to comply with changing regulations and workplace risks. They are delivered in various formats depending on the operating company and the type of training. Our operating company EHS teams deploy trainings regularly—in most cases, monthly, and in some cases, daily or weekly—via EHS stand-ups.
	403-6	Promotion of worker health	No changes were made to existing core programs, such as medical, dental, vision, life, disability, retirement, parental leave, etc. We expanded the Employee Assistance Program visits to 10 per covered event in the U.S. and added a global/international EAP for all employees. Additionally, we added backup/emergency childcare and eldercare for U.S. employees, and added financial wellness and well-being support for U.S. employees.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Omission: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships is omitted. Reason for omission: information unavailable. Fortive corporate does not outline an approach for occupational health and safety impacts. Operating companies implement site-level contractor safety programs and can be gathered for future reporting.
	403-8	Workers covered by an occupational health and safety management system	Omission: Workers covered by an occupational health and safety management system is omitted. Reason for omission: information unavailable. Internal systems do not currently track this information.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Talent Acquisition, Retention, and Development</a>
	103-2	The management approach and its components	<a href="#">Talent Acquisition, Retention, and Development</a> Utilizing MyFortive, our human capital management system, we continue to roll out resources, trainings, and educational programs for our employees in alignment with our Development for Growth (D4G) philosophy.
	103-3	Evaluation of the management approach	We use internal tracking to evaluate the success and impact of employee-related projects and programs, measuring both qualitative and quantitative metrics. The Employee Experience Survey measures the effectiveness of our employee-related programs. A supervisor effectiveness score is generated from the Employee Experience Survey and every people leader receives a score. People leaders are expected to understand their scores and create action plans to improve their scores and respond to feedback.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	<p><a href="#">Talent Acquisition, Retention, and Development</a></p> <p>At the corporate function level, we create tools and frameworks to support the operating companies with leadership development. We require all employees to set development and performance goals. Employees have access to training resources through libraries, such as LinkedIn Learning. Our approach to employee upskilling is to dedicate efforts at the point of greatest impact, which is at the operating company level. Technical and upskilling to learn a new software or a new skill occurs at the respective operating companies and varies at each.</p> <p>Our Performance for Growth (P4G) program allows employees to sustain an open dialogue with managers through quarterly check-ins to discuss topics around goal setting, career development, and performance. In alignment with our pay for performance philosophy, employees receive feedback and rewards based on their contributions.</p>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Talent Acquisition, Retention, and Development</a>
	103-2	The management approach and its components	<a href="#">Inclusion and Diversity</a>
	103-3	Evaluation of the management approach	To track our progress towards achieving our internal I&D goals, we use a combination of governance practices, tracking infrastructure, and programmatic initiatives. Our internal tracking infrastructure, MyFortive, allows us to track diversity and employment metrics in the U.S. and globally, as well as metrics on career progression, employee experience, and pay. This technology and information provides us with a better and more holistic view of our culture and the daily experience in our employees. The data and trends we see directly impacts how we evolve our I&D programs and efforts.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	<p><a href="#">Data Tables</a></p> <p>We are strongly committed to progressing inclusion, diversity, and equity across our businesses as an equal opportunity employer. While we believe our goals and progress best reflect our commitment, our recent <a href="#">EEO-1 report</a> is also available for reference.</p>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Inclusion and Diversity</a>
	103-2	The management approach and its components	<a href="#">Inclusion and Diversity</a>
	103-3	Evaluation of the management approach	To track our progress towards achieving our internal I&D goals, we use a combination of governance practices, tracking infrastructure, and programmatic initiatives. Our internal tracking infrastructure, MyFortive, allows us to track diversity and employment metrics in the U.S. and globally, as well as metrics on career progression, employee experience, and pay. This technology and information provides us with a better and more holistic view of our culture and the daily experience in our employees. The data and trends we see directly impacts how we evolve our I&D programs and efforts.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Omission: Total number of incidents of discrimination is omitted. Reason for omission: information unavailable. This data is maintained by the operating companies and extends beyond our topic boundary.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>
	103-2	The management approach and its components	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>  We assigned a Senior Director in our Supply Chain team to govern our responsible sourcing policies and make changes to our Supplier Code, Supplier Audit Program, and Supplier Assessment as needed. Through these Programs, we deploy actions including briefings with C-Suite executives and senior Operations and Procurement leaders and e-learning modules to inform employees on updates and changes to these policies and relevant procedures.
	103-3	Evaluation of the management approach	<a href="#">Responsible Supply Chain and Procurement</a> <a href="#">Human Rights</a>  Using third-party service providers and industry groups, in 2021 we benchmarked against peers through various indices to ensure our management approach and programs utilize best practices available. These results were reported up to the most senior leaders within the organization.
GRI 409: Forced of Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We amended our responsible sourcing processes, and thus the audit account, to incorporate the Global Slavery Index (GSI) to supplement the perception corruption index (PCI) which reflects the specific forced labor risk alongside corruption risk related to geography. With the inclusion of GSI, the count of audits increased, however this is primarily the result of our 1, 3, 5-year audit frequency, and this being the 3rd year of the cycle. Greater audits are expected for years 3 and 5.  97 direct material suppliers were identified in 2021 based on our risk matrix, which is not limited to “significant risk.” None of these suppliers qualify as “significant risk.” Responsible Sourcing Audits were completed with all 97 suppliers. No findings required escalation or further investigation (i.e. suppliers are rated as satisfactory) and areas for improvement were limited to policy/process improvements as a result of our expanded scope of questions in this audit year.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Human Rights</a>
	103-2	The management approach and its components	<a href="#">Human Rights</a> <a href="#">Conflict Minerals Policy Statement</a> <a href="#">The Fortive Supplier Code</a> <a href="#">Transparency in Supply Chains Statement</a>
	103-3	Evaluation of the management approach	<a href="#">Human Rights</a>
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Omission: Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country, are omitted. Reason for omission: information unavailable. We do not currently track this data, but we are improving supplier audit rigor and refining our processes to integrate additional human rights criteria.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Community Engagement and Support</a> <a href="#">Fortive Corporation Charitable Contributions Policy</a>
	103-2	The management approach and its components	<a href="#">Community Engagement and Support</a> <p>The Fortive Foundation is governed by a Board comprised of three senior officers of the company and managed by a team led by two senior directors and two program managers. The management team proposes charitable contributions that support and align with Fortive’s shared purpose, values, and Sustainability strategy. The Board and Management Team develop an annual plan and contributions are executed on a quarterly basis.</p> <p>The Day of Caring is coordinated and executed at the local level (i.e. site- or operating company-level) by the site/ operating company Champion. The Champions are responsible for communication, coordination, and recording participation in the event(s) planned by the site/operating company. Participation and impacts are reported to the operating company President and to the Corporate Communications and Corporate Sustainability Teams for data aggregation and all-employee communications.</p>

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	<p>In 2021, the Foundation Management team proposed an Annual Plan model, to be executed on a quarterly basis. This method is being deployed in 2022. An annual review of the management approach will be conducted as part of the annual planning process.</p> <p>On an annual basis, the Corporate Communications and Corporate Sustainability teams conduct a Day of Caring launch meeting to kick off planning. Before and after the Day of Caring season, the teams and the site/operating company Champions evaluate the program for effectiveness and impact. Any changes to the program are communicated at the Day of Caring launch meeting conducted with the site/operating company Champions.</p>
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<p><a href="#">The Fortive Foundation</a></p> <p>100% of our operating companies participate in local community engagement through the Fortive Day of Caring.</p>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<p><a href="#">Responsible Supply Chain and Procurement</a></p> <p><a href="#">Human Rights</a></p>
	103-2	The management approach and its components	<p><a href="#">Responsible Supply Chain and Procurement</a></p> <p><a href="#">Human Rights</a></p> <p><a href="#">The Fortive Supplier Code</a></p> <p><a href="#">Fortive Conflict Minerals Report</a></p> <p>To fully integrate responsible sourcing as a focus topic in our leadership, we hired a Senior Director to lead our Supplier Diversity program. We further strengthened this program by drafting robust governing policies, setting ambitious goals, and working closely with leaders at our operating companies to fully understand, articulate, and measure its value.</p>
	103-3	Evaluation of the management approach	<p>To evaluate the effectiveness of our supply chain and sourcing programs, we analyze cost, compliance, and coverage measures associated with each function to ensure that baseline performance within the business has been established along with targets to improve results year over year. Measures of performance are comparable with industry peers and we benchmark our progress with peers within and across industry.</p>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	100% of our suppliers in the Responsible Sourcing Audit Program were screened using social criteria.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Digital Privacy and Security</a>
	103-2	The management approach and its components	<p><a href="#">Digital Privacy and Security</a></p> <p>Our Chief Information Security Officer (CISO) examines Fortive’s security program, the effectiveness of our security efforts, defines an appropriate policy baseline, and works with the operating companies to implement technical controls to implement those policies. Some operating companies have their own Chief Security Officers, but there is a clear delineation of roles and responsibilities between the corporation and the operating companies. Additionally, we consider this to be an area of great importance when considering the attributes and experience of those individuals sitting on the Board of Directors.</p> <p>Our digital security program includes a combination of procedural elements, policy aspects, and technical controls. We have a vulnerabilities management program and regularly invest in industry leading technical controls, such as network perimeter security controls and antivirus-like capabilities. As a decentralized model, resources exist within the operating companies to address digital privacy and security issues. The CISO defines the roles and responsibilities of all the core cybersecurity functions for Fortive at the corporate level, including defining policies focused on governance, risk, and compliance. Risk management processes are in place to capture, manage, and document security risks and manage exceptions to the policy.</p> <p>Our incident response is a combination of directly managed resources, matrix resources across the operating companies, matrix resources into the corporate IT infrastructure teams to manage their technical controls, and a dedicated managed securities provider.</p> <p>We recently completed our centralized cookies management system and continue to maintain the systems so that users around the world are presented with a cookie banner and consent mechanism that delivers correct and compliant cookies for their web session based on the laws and regulations of the jurisdiction from which they are visiting our web pages.</p>
	103-3	Evaluation of the management approach	We regularly assess our cybersecurity processes both from an internal and external perspective. We use our own tool, the Fortive Risk Score, to provide monthly metrics at the operating company level. These are shared with both operating company leaders in IT and segment leaders. A macro level view of these data are presented at the executive and board levels. We monitor risks and associated strategy on a quarterly basis with the audit committee, presented by the Chief Information Officer. Externally, a third-party consultant performs an annual assessment of our cybersecurity process. We also use a service for external assessment with BitSight to identify issues at the operating company level. This number is reported to the audit committee.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Omission: Complaints received from outside parties and substantiated by the organization are omitted. Reason for omission: information unavailable. We are reviewing our internal processes to more clearly capture this data and will include in next year’s report.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Business Resilience</a>
	103-2	The management approach and its components	<p>Our Enterprise Risk Management (ERM) process uses both a bottom-up and top-down approach. ERM is a collective and collaborative process owned by each operating company. The operating companies collect and analyze risks from both probability and magnitude perspectives. All risks have a listed countermeasure(s) and are constantly actioned. These risks are entered into individual risk matrix profiles, which are reviewed by SVPs. These results are reported to senior management and the risk committee, and distilled into a Board report. The risks identified by the operating companies are supplemented by strategic thinking led by the Board and senior management.</p> <p>In 2021, we increased focus on our supply chains to increase resiliency. As a product manufacturing business, we rely on the stability and resiliency of our suppliers throughout the value chain. Our operating companies apply FBS to optimize their supply chains and to respond well to disruptions. They also position themselves for the future by anticipating the disruptions, reviewing supplier and operating company readiness and implementing Risk Management plans tailored to a specific supplier.</p> <p>In 2021, we added human capital management, strategy, and corporate culture to our priority risks and opportunities. We have seen this topic become an increasingly important issue to stakeholders and as such Fortive's compensation committee is responsible for managing this risk. The committee keeps ahead of this risk through performing deep dive studies on diversity, equity, and inclusion to progress our company's culture to advocate for inclusion and diversity. We report progress in this area to the Board on a routine basis.</p> <p>Fortive's strategy in regard to ESG continues to be of utmost importance. Our strategy and associated progress is routinely reviewed with the Board as they maintain oversight with respect to reporting and disclosure. The topic is woven into different facets of the business, including monitoring and assessing it during the mergers and acquisitions due diligence process. We are already seeing the effects of climate change on our business and facilities, including wildfires and hurricanes, which will only increase in likelihood in the future. And while numerous risks lie in this area, we also see the immense amount of opportunities. Our products and service offerings will help customers improve energy efficiency and deal with the expected and unexpected outcomes of climate change.</p>
	103-3	Evaluation of the management approach	A formal review of the ERM process occurs annually. Additionally, we regularly evaluate and assess the health of the business to determine how best to maintain business continuity.



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