2021 SUSTAINABILITY REPORT

Accelerating Progress Toward a Sustainable Future

FORTIVE

Our Commitment to Sustainability

Vision: Accelerating progress toward a sustainable future for all

Fortive's commitment to Sustainability has been a priority since day one. We published our first Sustainability Report in 2018, reflecting the outcome of our first materiality assessment as well as the actions and progress we achieved during 2017, our first full year of operation. Since then, we have published an annual Sustainability Report to share the many ways in which our focus on Sustainability is building a future that is stronger, safer, and smarter—for customers, employees, suppliers, communities, and the planet.

Empower Inclusive & Diverse Teams
Advance an equitable and inclusive culture that enables everyone to be authentic and do their best work.

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

Protect the Planet
Protect the environment and resources across the value chain.

Work & Source Responsibly
Raise and reinforce expectations to ensure people, safety, and quality are priority #1.

Operate With Principle
Establish and enforce boundaries to protect critical assets.

For more information on our Sustainability Pillars, please see *Our Sustainability Journey.*

Contents

A Message From Our CEO

Q&A With James A. Lico, President and CEO, Fortive

GRI 102-14

How does Fortive define a sustainable future?

We're working to create a world that's stronger, safer, and smarter for everyone. To us, *stronger* means ethical, resilient, and actively inclusive. *Safer* means ensuring access to clean water, air, and land and protecting health and personal safety. And *smarter* speaks to strengthening communities and connections through principled and forward-looking innovation and technology.

Because our culture of continuous improvement is so fundamental, we're always thinking about how we can apply the power of the Fortive Business System to go further, faster. This year, we refreshed our previous materiality assessment and incorporated the findings into updated pillars to guide our Sustainability strategy going forward. This gives our global teams a powerful blueprint for building that sustainable future together.

How have the social justice-related events of 2020 influenced Fortive's approach to inclusion & diversity?

Our commitment to inclusion and diversity is not new; it's foundational. We've seen first-hand how diversity accelerates innovation by incorporating a wider range of perspectives and experiences, which benefits all of our stakeholders. It's the kind of culture we all want to be part of and the focus of our first Sustainability pillar, **Empower Inclusive and Diverse Teams.**

I'm proud of the actions we're taking to combat bias and create an even more powerful sense of belonging across Fortive. The Courageous Conversations we've had over the past year to confront racism and our growing network of employee and friends resource groups that actively celebrate differences are just a couple of examples.

How does Fortive help employees give back and drive sustainability in their communities?

Involving our team members directly in Sustainability at Fortive is vital to how we're integrating it across the business. Celebrating everyone's contributions to our vision accelerates our progress toward a sustainable future. We're all deeply committed to giving back to our communities around the world, and this is the focus of **Invest in Our Communities,** our second Sustainability pillar.

The Fortive Day of Caring is a great example—this year, even with the limitations of COVID-19, we had employees from all 17 operating companies contributing more than 35,000 volunteer hours in 90 communities around the globe. These employee-led efforts are a powerful complement to our corporate giving through the Fortive Foundation, which focuses on communities impacted by COVID-19 and natural disasters as well as social justice, racial equity, and education.

James A. Lico,
President and CEO

How is Fortive responding to the increasing focus on climate change?

Addressing climate change is urgent, and our third Sustainability pillar, **Protect the Planet,** is a clear call to action. We're harnessing the power of our collaborative problem solving to reduce our operational emissions through energy *kaizens*—continuous improvement events—and energy efficiency projects, and this year we're setting an even more aggressive target for reducing our greenhouse gas emissions intensity.

Fortive is in a unique position, as many of our products and services help customers across numerous industries reduce greenhouse gas emissions—and help with our own Sustainability initiatives. Using intelligent technologies to track and reduce energy usage at large facilities and powering new innovations in clean energy are examples that show what's possible.

What actions is Fortive taking to ensure safety across the company's operations?

This is a key aspect of our fourth Sustainability pillar, **Work and Source Responsibly.** This encompasses our world-class environment, health, and safety program and prioritizing employee health and safety. When COVID-19 hit, putting our people first ensured they could support our customers with the essential technologies they rely upon.

Sourcing responsibly while navigating uncertainty is equally important here, and a number of our operating companies have been recognized for incorporating environmental and social best practices. We're working hard to raise the bar across all of our businesses to reflect our strong commitment to human rights and high-quality products we can be proud of at every level.

How do you think about a sustainable business?

The pandemic has tested us on many fronts, but it has also demonstrated the incredible resilience of our culture, our people, our businesses, and the Fortive Business System. We moved quickly to transition our Fortive Business System toolkit to a digital environment, and it played a critical role in helping us work efficiently and collaborate effectively during a period of rapid change.

I'm proud to say that throughout the challenges and disruptions of 2020, we never lost sight of our values and our commitment to **Operate with Principle,** our fifth sustainability pillar. That deep commitment to acting with integrity, and our adaptability through the Fortive Business System will serve us well in the future and help us reach our ambitious goals as we accelerate progress toward a sustainable future for all.

2020 IN CONTEXT

As we reflect on 2020, we are acutely aware of how this last year tested all of us, as individuals and as a business. We also see that our strength and resilience as a business is made possible by our inclusive and diverse teams, reinforcing that *we are more together*.

Across the Fortive family, our spirit of generosity and optimism led us to focus on developing solutions for our customers and colleagues worldwide. We came together, working harder than ever and applying our adaptability and innovation to work with our customers to address the critical issues that will define this remarkable year: human health, frontline and workplace safety, climate change, and community.

Despite the disruptions that 2020 presented, our teams' ingenuity and collaboration allowed us to make meaningful progress on our business and sustainability goals, respond swiftly to COVID-19, sharpen our commitment to social justice, set bold new targets for reducing greenhouse gas emissions, and expand our community impact through the Fortive Foundation.

COMPANY OVERVIEW

About Fortive →

Values →

Organizational Culture
& Management →

Innovation & Technology →

Material Topics &
Stakeholder Engagement →

Our Sustainability Journey →

About Fortive

GRI 102-6, 102-7

Fortive is a global industrial technology company with leading positions in intelligent operating systems, precision technologies, and advanced healthcare solutions. The company's connected workflow solutions accelerate transformation across a broad range of applications including environmental, health and safety compliance, industrial condition monitoring, next-generation product design, and healthcare safety solutions.

FORTIVE AT A GLANCE

17,000+
employees

17
operating companies

55
countries

$4.6B
2020 sales revenue

Fortive is based in Everett, Washington, with a diverse team 17,000 strong in more than 50 countries. Our forward-looking companies lead the way in software-enabled workflow solutions, applied intelligence, advanced analytics, and other rapidly evolving technologies. Our culture is rooted in continuous improvement, and the proven Fortive Business System (FBS) accelerates our impact.

At Fortive, our commitment to Sustainability reinforces our shared purpose: **essential technology for the people who accelerate progress.**

Our innovations generate solutions that make the world stronger, safer, and smarter. Our customers use our products and services to reduce environmental impacts, create safe workplaces, and prevent infectious disease. Our curiosity, willingness to experiment, and growth mindset guide our Sustainability goals and impact.

In October 2020, we completed the separation of our mobility and transportation business to form Vontier, a new independent company. This year's report covers Fortive's Operating Companies (OpCos) that deliver essential technology across our three strategic business segments: Intelligent Operating Solutions, Precision Technologies, and Advanced Healthcare Solutions.

- Our **Intelligent Operating Solutions** harness applied intelligence and advanced analytics to ensure safety and compliance, improve energy efficiency, and optimize performance.

- Our **Precision Technologies** help solve tough technical challenges to advance world-changing research and product development.

- Our **Advanced Healthcare Solutions** apply intelligent technologies to improve healthcare delivery and help providers focus on the best possible patient care.

Awards and Recognition

Newsweek America's Most Responsible Companies

Fortune Future 50

Corporate Equality Index

INTELLIGENT OPERATING SOLUTIONS

ACCRUENT   FLUKE   GORDIAN

INTELEX   INDUSTRIAL SCIENTIFIC

PRECISION TECHNOLOGIES

SANITARY BY DESIGN ANDERSON-NEGELE   HENGSTLER DYNAPAR

Gems Sensors & Controls   setra   QUALITROL Defining Reliability

Tektronix   PACIFIC SCIENTIFIC ENERGETIC MATERIALS COMPANY

ADVANCED HEALTHCARE SOLUTIONS

ASP   Censis   Invetech

RaySafe   LANDAUER   FLUKE Biomedical

Values

GRI 102-16

Our shared purpose is why we're here.
Our values are how we achieve it.

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. We are fully committed to a strong and inclusive culture.

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 for them.

***Kaizen* is our way of life:** We believe the next time can always be better. Our commitment to *kaizen*—continuous improvement—inspires us to keep growing and learning.

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

Organizational Culture & Management

GRI 103-1, 103-2

Fortive Business System

The Fortive Business System (FBS) is how we accelerate progress at Fortive. It is our competitive advantage for driving innovation and delivering transformational solutions for our customers. FBS is a powerful set of shared tools and methods that help us achieve safety and quality, optimize productivity, minimize waste, deliver for our customers, lead effectively, scale our successes, and achieve new breakthroughs across disciplines, industries, and geographies. It is fundamental to how we work and drives us to adapt and evolve. We apply the FBS mindset and toolkit to our core business operations and continuously explore how we can be better stewards of the environment and society, enhancing our strategy in the process.

FBS—Our Mindset and Toolkit for Continuous Improvement

- Empowers and supports our people to always do better by creating the conditions to maximize the value of teams, problem-solving, and results

- Aligns with sustainability principles by optimizing for efficiency and productivity while eliminating inefficiencies and physical waste

- Captures collective knowledge and proven methods, while providing the flexibility to adapt tools to specific situations

- Provides the framework and tools to experiment, test, and iterate to help continually improve and accelerate progress

Expanding Digital Learning

As we transitioned a majority of our people to remote work, we greatly expanded our digital learning offerings. We created digital learning modules of all the FBS fundamentals in our core languages as well as FBS Bites: short refresher lessons pulled from the full-length FBS fundamentals. We launched over 100 hours of digital learning materials for employees and saw nearly 8,000 course completions by 2,700 managers.

Innovation & Technology

Innovation is an integral part of our dedication to continuous improvement, showcasing our pioneering spirit, resilience, and dedication to sustainable growth. It is our lifeblood, it is written in our DNA. Fortive's innovation strategy is two-pronged. It consists of internal teams within our operating companies working to innovate and generate organic growth. We also leverage external incubation to explore opportunities that are independent of our operating companies.

The Fort

We are investing heavily in artificial intelligence (AI) and machine learning to optimize our operations, improve our current technologies, and create new products and services. These efforts are spearheaded by The Fort, our innovation center focused on strengthening our skillsets in data analytics, AI, and machine learning—critical applications that enhance our data-driven decision-making models. The Fort works with our operating companies to leverage data and develop scalable solutions that become an advantage for us and our customers.

In 2020, The Fort created an automated natural language platform to improve Tektronix's time-intensive and manual handling of calibration requests, and the routing to field calibration partners, which improved data quality and quickly identified the right product for the customer. For another project, The Fort used data analytics to monitor customer use of a software service, allowing the team to better understand customer retention and adapt the products to meet their needs. The Fort also created an Optical Character Recognition tool for the procurement team that extracted a list of raw materials from product engineering drawings to help forecast future raw material purchasing. The tool has now been expanded for trade and compliance applications.
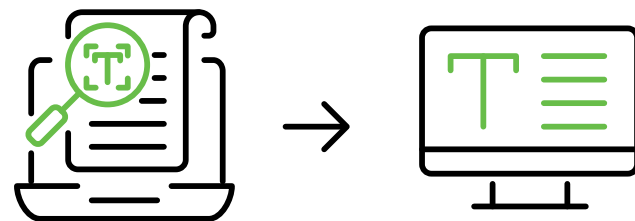

By unlocking the potential of our proprietary hardware data with AI-driven software solutions, we empower our customers to achieve new breakthroughs in productivity, quality, and innovation.

Fortive + Pioneer Square Labs

In 2020, we launched a joint innovation studio with Pioneer Square Labs to serve as an incubator with the focus of solving critical customer challenges through emerging technologies, some of which are sustainability related. Full-time employees from both organizations generate breakthrough ideas and validate their concepts with potential customers, and the most promising ventures receive funding to progress as startup companies.

Amid the COVID-19 pandemic, we launched three new start-up companies. The pandemic changed the way many businesses manage health and safety, and these particular businesses enable customers to safeguard their employees' well-being and operate more efficiently.

TeamSense is a symptom-tracking and worker status solution to enable real-time management, COVID-19 screening, and employee communications for managers and hourly workers alike. A current customer reported that it screened and identified seven employees who were COVID-19 positive before coming into work, which kept other employees at the factory safe.
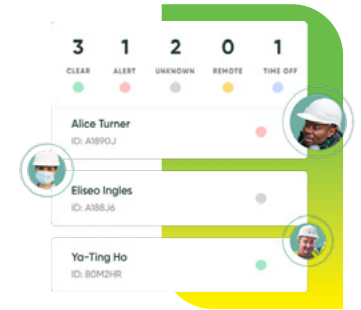
Material Topics & Stakeholder Engagement

GRI 102-40, 102-43, 102-46, 102-50, 102-54

This report outlines Fortive's material topics and Sustainability priorities and summarizes our progress in calendar year 2020.

This report is prepared in alignment with the Global Reporting Initiative (GRI) Standards: Core option and the Sustainable Accounting Standards Board (SASB) Standard for Electrical & Electronic Equipment (RT-EE version 2018–10).

Materiality Assessment

To understand the environmental, social, and governance (ESG) topics most impactful to our business and our diverse stakeholders, we conducted our first materiality assessment in 2017, Fortive's first year as an independent company. We refreshed our materiality assessment in late 2020 to reflect Fortive's newly revised business segments and evolving maturity, using the AI-powered platform Datamaran® to improve data rigor. This platform provides a real-time pulse on the evolving landscape of ESG, allowing us to leverage our 2020 materiality assessment to continue monitoring ESG topics' traction among stakeholders. Our materiality assessment followed the GRI materiality

process of identification, prioritization, and validation. Further details of our materiality assessment are outlined in the GRI Index.

IDENTIFICATION

Identified the appropriate stakeholder universe and narrowed the list of 100+ ESG topics to 27 topics relevant to Fortive
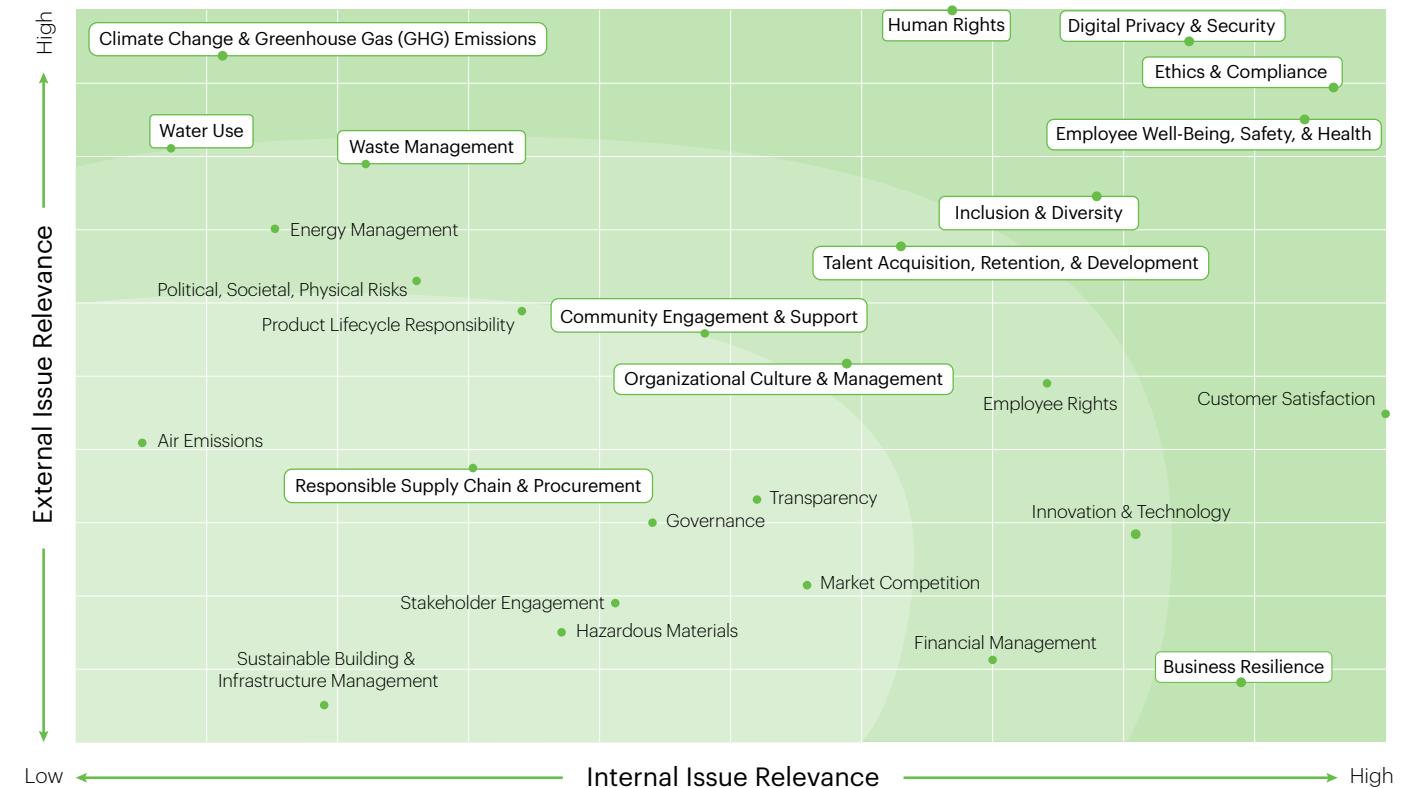
PRIORITIZATION

Surveyed diverse group of over 1,100 global employees to incorporate internal stakeholder feedback

Conducted several investor interviews; used Datamaran to incorporate external stakeholder perspectives

VALIDATION

Validated the 13 emergent topics with executive leaders through interactive workshops

In a traditional materiality assessment, material topics are those in the upper-right quadrant that reflect high relevance from an internal and external view. Because of our diverse portfolio of companies, we drew our prioritization lines to include ESG topics most relevant to internal and external stakeholders. In determining report content, Customer Satisfaction is excluded because interest is primarily internally focused. While Business Resilience is also primarily internally focused, we elected to address it in this report given the 2020 business context and external environment.

Stakeholder Engagement

Our active collaboration with employees, customers, shareholders, suppliers, and local communities allows us to monitor emerging trends and have an open dialogue with our stakeholders about the topics that are most relevant to them. Further details of our stakeholder engagement are outlined in the GRI Index.

Our Sustainability Journey

Fortive is more focused than ever on accelerating progress in workplace safety, engineering, and healthcare. As our strategic direction shifted over the past few years, so have our efforts in environmental and social responsibility. With this evolution, we have aligned our program to meet and exceed best practices, integrated the use of FBS tools and advanced our disclosure practices. Throughout this report, references to Sustainability reflect ESG topics that intersect with ethics, labor, and human rights, with emphasis on environmental stewardship and inclusion & diversity.

The materiality assessment also inspired us to evaluate and refine our Sustainability pillars. Our materials topics and Sustainability goals align with our shared purpose and values.

In 2021, Fortive became a signatory to the UN Global Compact to demonstrate our continued commitment to Sustainability at a global level. Our material topics and sustainability goals align with the United Nations Sustainable Development Goals (UN SDGs) in intention and impact. We are actively evaluating how we can intensify our Sustainability efforts to deliver on the UN SDGs and their objectives.

Sustainability Pillars

GRI 102-47

Empower Inclusive & Diverse Teams

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

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

Invest in Our Communities

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

- Community Engagement & Support

Protect the Planet

Protect the environment and resources across the value chain.

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

Work & Source Responsibly

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

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

Operate With Principle

Establish and enforce boundaries to protect critical assets.

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

EMPOWER INCLUSIVE & DIVERSE TEAMS

Our people are critical to our success. Our culture of inclusion and diversity is both foundational to who we are and how we operate and vital to the durability of our business, the communities we serve, and the innovative solutions we create for customers. The groundswell of social justice movements have only intensified our continuous efforts to improve and ensure Fortive is an equitable, welcoming place for our employees to be themselves and do their best work.

CORE ISSUES

Inclusion & Diversity

Employee Experience Surveys

Talent Acquisition, Retention, & Development

Inclusion & Diversity

GRI 103-1, 103-2

The groundswell of social justice movements in 2020 provided difficult but important learning and helped us reaffirm our commitment to inclusion and diversity (I&D). To realize the promise of Fortive and accelerate progress toward a more equitable world, we are setting bold aspirations to improve diversity at all levels of the organization. We have expanded our commitment to our CEO Action pledge in 2021 by joining the CEO Action for Racial Equity fellowship, the first business-led coalition of its kind with a mission to advance racial equity through public policy.

Being an Equal Opportunity employer is foundational to Fortive, and we will always hire and promote the best talent. Our goals help us measure the progress of our I&D efforts to create an environment where all can succeed. Through internal and external review, we have developed initiatives to build talent pipelines at Fortive so our employee representation reflects the markets and communities we serve. We have identified opportunities to improve underrepresentation of different groups, most notably women and Black and Latinx employees in the United States.

Our pursuit of these aspirations impacts our entire organization, and we are focused on leadership and professional roles where we have greater opportunity for improvement. Our approach is holistic, focusing on creating a more inclusive environment, improving the hiring, retention, and promotion of talent.

	Our 2020 Metrics	Our 2025 Goals
Gender Representation	**36%**	**50%**
Gender Representation in Professional & Management	31%	48%
BIPOC Representation	**34%**	**37%**
BIPOC Representation in Professional & Management	26%	36%
Senior Leader Diversity[1]	**41%**	**50%**
Inclusion & Belonging Score in Employee Experience Survey	**80%**	**85%**

1 Women and U.S. Male BIPOC Director+

Fortive scored 100% in the Human Rights Campaign Corporate Equality Index for a fourth consecutive year.

In the past year, we invested in numerous Fortive-wide Employee & Friends Resource Groups (EFRG) and the introduction of Courageous Conversations, opportunities for our employees to talk in a safe space about their experiences around racism and discrimination, in and out of the workplace. Our CEO and senior leaders were, and continue to be, actively engaged in these conversations, wanting to hear directly from employees about how they can best support an inclusive environment at Fortive. In 2020, we hosted more than 100 Courageous Conversations with over 1,000 participants and implemented a number of changes in response to what we heard. Based on a recommendation from Fortive's Black Outreach EFRG, we aligned our U.S. policies with best practices worldwide to provide employees paid time-off to participate in national elections. The recommendation reflected the additional time required to complete in-person voting due to social distancing and sanitization procedures, and concerns about voter access at polling stations nationwide.

GRI 103-3

Fortive tracks a variety of metrics to assess our inclusion and diversity performance. We made significant progress in our I&D initiatives in 2020.

Strategic Pillars and Objectives	Focus	How We Advanced I&D in 2020	Highlights
I&D Matters Build a diverse Fortive through hiring, developing, and retaining a strong team	Increase overall representation of diverse talent	Embedded inclusion and diversity into hiring processes and decisions	• Increased board diversity by **20%** with appointment of Sharmistha Dubey and Rejji P. Hayes (43% in 2019 to 63% in 2020) • Implemented Diverse Slate Pilots, leading to an increase between 5–13% (operating company variation) for women and black, indigenous and people of color (BIPOC) • Increased women professional and management hires from 36% to 41% at five largest operating companies • **7% and 19%** increase in women and BIPOC representation since 2018, respectively
		Extended continuous improvement culture to inclusion and diversity	• Scored 100% on the Human Rights Index Corporate Equality Index for fourth consecutive year
Everyone Owns Inclusion Invest in development of our teams to build a Fortive where you can be yourself and do your best work	Develop tools and resources to drive inclusive behavior	Empowered leaders, teams, and employees to be inclusive in their organizations	• **25%** of people managers completed Leading Inclusion Workshop • **~95%+** of employees completed unconscious bias training • Published I&D resources and learning guides for all employees on topics such as 'ways to create a more inclusive environment', and 'things to know about cross-cultural awareness' • Embedding I&D into people leader goals for 2021
		Scaled EFRGs to create a sense of community where employees meaningfully connect to each other and Fortive	• Achieved a **+4-point increase** since 2017 in Involvement and Belonging category of our annual Employee Experience Survey • Launched **20+ EFRGs,** 2.5x more than 2019, including Allies Across Fortive, Fortive Asian Network, Fortive Black Outreach, PRIDE Across Fortive, Viva!, and the Womxn's Alliance and Leadership Council
I&D in Our DNA Build a culture of equity that enables greater innovation for customers and the world	Refine processes and systems to drive an inclusive environment	Embedded inclusion and diversity into our FBS, talent, and organizational development processes	• Embedded I&D core principles into our FBS Digital Learning • **86%** of Fortive employees completed Blind Spots training in My Learning • Embedded I&D into all talent and leadership programs and processes
		Aligned our active community engagement to our I&D vision and employee expectations	• Conducted over **100+** Courageous Conversations with more than 1,000 employees to listen and inform our actions on race and social justice • Expanded the scope of Day of Caring to include participation in social justice related events • Offered paid time off for U.S. employees for Election Day • Donated to the Equal Justice Initiative • Signatory to Washington Employers for Racial Equity • Sponsoring a CEO Action for Racial Equity fellow

Employee Experience Surveys

Our Employee Experience Surveys allow us to hear directly from our employees about their needs, concerns, and ambitions, enabling us to create places where our people can do their best, most meaningful work.

To stay on top of our team's needs, we conducted quarterly COVID-19 surveys throughout 2020 to understand the resources and support our employees needed for their personal well-being. Based on feedback from our teams, we continued to learn and augment our approach and employee resources, including adding childcare help, physical and mental health and wellness benefits. We also improved our employee assistance program (EAP) offerings, expanded EAP globally, and offered additional benefits for working parents through Care.com.

We are committed to achieving a rating in the top 25% of benchmarked companies across all of our indices, including employee experience and inclusion and belonging.

2020 EMPLOYEE EXPERIENCE SURVEY RESULTS

SASB TC-SI-330A.2

77% Overall Employee Engagement Score

80% Involvement & Belonging Score

81% My supervisor gives me the support I need to do my job well.

91% I feel comfortable voicing my ideas and opinions, even if they are different from others.

Through regular pulse surveys beginning in 2020, we made changes to improve our team's health and wellness, as well as resources to encourage career growth and support our customers.

Talent Acquisition, Retention, & Development

GRI 103-1, 103-2

Great talent and diverse teams are the lifeblood of innovation and we work hard to attract, retain, and develop the strongest and most promising individuals across our global organization. To support teams today, and in preparation for tomorrow, we maintain numerous frameworks and programs to promote professional growth and opportunity. In 2020, our adaptability came to the fore as we continued to provide meaningful growth experiences for our team, even as we shifted the way we work.

As we incorporate more forward-looking innovation and technology into our day-to-day operations, we evolve our talent acquisition strategy to strengthen our digital capabilities, recruit transformational leaders, and scale growth to support our long-term vision and goals.

In 2020, we invested heavily in diversity recruiting, recognizing that diverse teams and an inclusive work environment not only provide value to our people, but also deliver the best results for our customers.

Advancing Our People Strategy With Technology

Our teams and businesses are transforming. To guarantee that Human Resources (HR) remains a strategic driver for the business, we need technology that keeps pace. In 2020, we identified an opportunity to improve efficiencies and launched a new human capital management (HCM) system, MyFortive, to create a common system for HR management across the entire business.

As part of the HCM roll-out, we launched the career framework, a role-leveling system that establishes consistent nomenclature for roles and their corresponding levels across operating companies. Employees seeking to advance their careers have a clearer understanding of where their skills can be applied across the organization and identify how to chart their career path. Launching an HCM system is a significant undertaking during a normal operating year, and we successfully launched ours during 2020, a year unlike any other. Our team members applied FBS to improve existing processes and build a stronger organizational foundation, using data and analytics to make more informed choices about our talent. The combination of the HCM and FBS toolkits enable us to support employee career development in ways we haven't been able to before.

Fortive9

Fortive9 (F9), our leadership framework, is comprised of nine key leadership behaviors that guide how we work, as well as how we select, evaluate, and develop our people and teams. We embed F9 in all we do: recruiting, investing in our leadership, learning initiatives, and developing our current and future teams. F9 is how we aspire to improve, deliver value, and build organization capability each day. All of our leadership experiences incorporate F9 skills and behaviors, while the F9 Manager Toolkit helps our managers bring out the best in their teams and lead with vision and purpose.

Customer Obsessed
We work to deeply understand customers' needs and create solutions that matter.

Strategic
We bring a disciplined mindset to create value today and build for the future.

Innovate for Impact
We deliver breakthroughs by taking risks, experimenting, and iterating quickly.

Inspiring
We are inspired and inspire others to have an impact.

Build Extraordinary Teams
We are authentic and humble in supporting our teams to perform at their best.

Courageous
We face problems head on. We seek and speak the truth.

Deliver Results
We win by getting the right things done and doing what we say we'll do.

Adaptable
We learn by doing—through success and fast failure.

Lead With FBS
It's our mindset, toolset, and culture.

Performance for Growth and Development for Growth

Performance for Growth (P4G) is our year-round performance management process, which drives open and timely dialogue between managers and associates. P4G allows employees to set focused, meaningful individualized goals aligned with the needs of the business, receive candid feedback on their progress throughout the year, and adjust as necessary. In alignment with our pay for performance philosophy, employees receive feedback and rewards based on their contributions.

Development for Growth (D4G) is our year-round focus on personal and professional growth and development. D4G is part of how we utilize and strengthen F9 behaviors, incorporating them in our daily work activities. This development can come in the form of trainings and/or educational programs that support professional growth.

Accelerated Leadership Experience

The Accelerated Leadership Experience (ALE) prepares employees to run Fortive businesses and lead large teams and functions through a hands-on, action learning project. One of our 2020 ALE groups tackled the "future of work." They analyzed other organizations' plans for the future of work and examined employee feedback from our COVID-19 surveys to create models of how Fortive's work environment could look in the future. Their work is informing our return to work plans globally, which have started and will continue throughout the rest of this year.

Our ALE Employee Experience survey results show the ALE directly contributed to high levels of employee engagement, scoring above the global norm for many criteria:

Direct Supervisor Effectiveness **(+5)**

Communication **(+5)**

Growth and Development **(+1)**

Involvement and Belonging
(between +1 and +4)

Recognition **(+6)**

People Leadership Experience

Building on the success of the ALE, a 2019 pilot program, we launched the People Leadership Experience (PLE) across the organization in 2020. Aimed at mid- to senior-level leaders, PLE supports employees moving into positions leading teams. Our PLE Coach Community leverages our people leaders' experience to help develop others in the organization. In 2020, 350 leaders representing 20 countries and 15 operating companies participated in PLE, and 37 leaders joined the program as PLE Coaches.

General Management Development Program

The General Management Development Program aims to become a reliable and sustainable talent pipeline for the Senior Leader at Fortive. The 4- to 6-year program offers MBA graduates the opportunity to grow across businesses, functions, and industries at Fortive operating companies. The experience includes formal learning and development opportunities, visibility to senior leaders, and formal coaching and mentoring. Graduates become global leaders, General Managers, and presidents at an operating company.

FBS Ignite

Forive Business System Ignite (FBS Ignite) is a 3-month program where each Ignite participant works full-time outside of their home OpCo to focus on a major business challenge and deepen their understanding of the tools of FBS. Supported with intensive experiential teaching in the FBS toolkit, active mentoring from the FBS Office, and executive career coaching, Igniters expand their leadership acumen, while developing impactful and scalable solutions leveraging FBS.

Due to the pandemic, we shifted Ignite to a virtual platform, which enabled more individuals to participate and resulted in our largest and most diverse cohort of Igniters. We noticed similar trends at our other internal conferences, where we had a more diverse set of voices contributing to the conversation and more individuals from the operating companies in attendance. The virtual environment created a comfortable format for those who would typically choose not to participate. COVID-19 reinforced our ability to adapt, be agile, and provide programs that enhance our operating companies, sometimes with unexpected benefits along the way. We are incorporating best practices and participant feedback into our planning models for upcoming and future events to provide the best experience possible, for everyone.

Number of Ignite attendees

2019:   2020:

40   **41**

3 cohorts   2 cohorts

Growth Accelerator

Growth Accelerator is a concentrated innovation process that is part of the FBS toolkit. With this approach, our employees identify opportunities to solve customer problems, create solutions, and quickly test uncertainties and risks to enable fast learning and decision-making. In 2020, over 400 team members engaged in rapid innovation, creating over $1.8 billion in market potential and generating over $300 million in additional revenue opportunities.

INVEST IN OUR COMMUNITIES

We are dedicated to fostering partnerships and relationships to drive positive change in the communities where our people live and work. Through community engagement and philanthropic donations, our team members are passionate about investing in our communities through company-sponsored initiatives, such as the Day of Caring, and on their own time.

CORE ISSUES

Community Engagement & Support
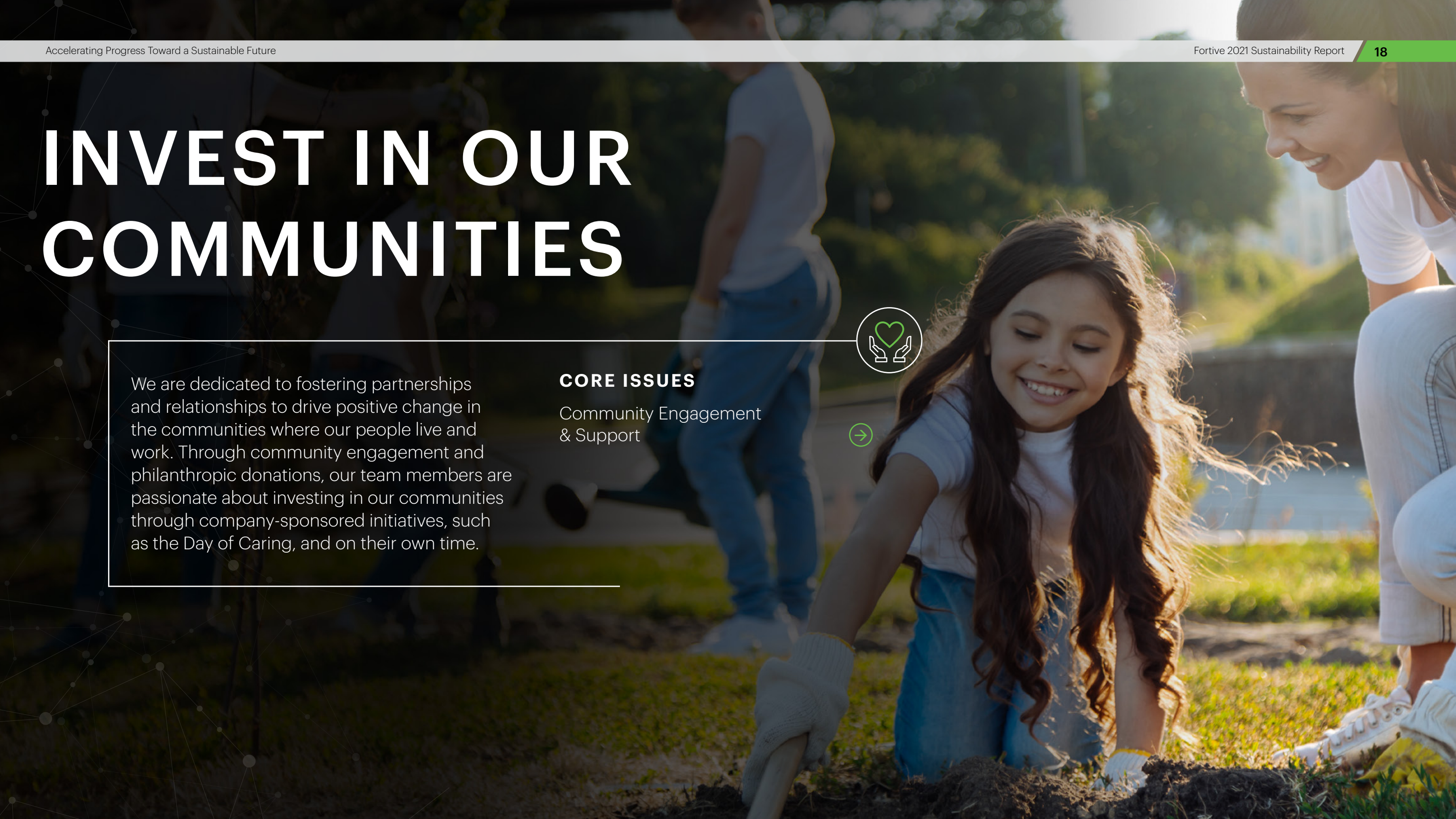
Community Engagement & Support

GRI 103-1, 103-2

The Fortive Foundation

We established the Fortive Foundation in 2019 to accelerate our philanthropic efforts and corporate giving to charitable initiatives that support our communities. In 2020, the Foundation's first full year of operation, we saw the need and opportunity to support communities locally and across the world. The Foundation's 2020 charitable donations focused on three strategic areas:

- Support for at-risk communities impacted by the COVID-19 pandemic;

- Social justice and racial equality; and

- Communities affected by natural disasters worldwide.

The events of 2020 underscored the importance of supporting our communities. In its first year, the Fortive Foundation helped us reach communities near and far. In 2020, we directed our support to organizations dedicated to helping communities in need:

- **DirectRelief**—to ensure front line and medical workers worldwide had PPE and medical supplies to treat COVID-19 patients;

- **Feeding America**—to support the thousands of families and individuals impacted by the economic shutdowns and heightened need for food and basic household goods;

- **The Equal Justice Initiative**—in support of their work to promote racial justice and criminal justice reform; and

- **The American Red Cross**—to support their efforts to manage and maintain critical medical supplies, personal protective equipment and blood supplies—here in the U.S. and globally through the vast network of national and international red cross agencies.

Day of Caring

Fortive's spirit of generosity and optimism is reflected in our annual Day of Caring, a commitment we make to our associates and our communities to build and foster community relationships through service. Day of Caring is a Fortive tradition and provides paid time off for all employees to dedicate their time and energy to serving their community, as individuals or in teams.

Day of Caring inspires our people to stay involved with these charities throughout the year and to pursue causes they care about. Employees consistently report that participating in Day of Caring is a positive, transformative experience.

In response to health and safety protocols related to COVID-19 and employee sentiment regarding the social justice movements in 2020, we adapted the Day of Caring to enable employees to participate by:

- Shifting from the traditional October timeframe to an anytime schedule to provide greater flexibility and alignment with initiatives that resonate most with individuals and teams;

- Enabling digital and virtual volunteer opportunities to protect the safety and health of our employees and communities; and

- Adding protests and social justice initiatives as eligible categories, honoring the deep impact that the events leading up to and in 2020 had on employees' emotional and personal well-being.

The response from our employees was powerful. Fortive employees across the globe dedicated themselves to community service activities that included:

- Serving veterans and victims of trafficking

- Supporting food pantries (with food and donations)

- Helping at animal shelters

- Cleaning up local parks, beaches, and open space

- Donating blood and organizing blood drives

- Assembling Ocean Discovery Enrichment Kits for children's hospitals

- Participating in charity walks

- Hosting fundraising auctions

With the COVID-19 vaccine becoming more widely available in 2021, we look forward to the diverse and thoughtful ways in which teams across Fortive will help their communities. Learn more about Fortive's Day of Caring initiatives in 2020 here.

FORTIVE Day of Caring

DAY OF CARING 2020 HIGHLIGHTS

100% operating company participation

35,000 hours of community service

60 communities

25 countries

Fortive Scholarship Program

We believe education can be a powerful equalizer and catalyst for inclusion, opportunity, and intellectual growth. By investing in the next generations of leaders and innovators, we hope to enable more young people to pursue their passions and contribute to a more compassionate, sustainable world.

The Fortive Foundation funds the Fortive Scholarship Program, supporting children of our employees in their undergraduate and graduate studies through scholarship funds. We award the scholarships based on academic performance, leadership potential, and economic need. Each scholarship is renewable for up to 3 years. In 2020, Fortive received **126 applications and awarded 20 scholarships and 33 renewals**. Among the recipients, 23% are from outside the U.S.

Beginning 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 and support the many pathways that empower academic and professional development.

"

The support from Fortive eases the children as well as the parents. It [helps] the children during their studies on the way to their future. As a parent, I am also happy for the other students who are helped by Fortive.

Gerald, Fortive employee and parent of scholarship recipient

"

The generous awards from Fortive have provided me with numerous opportunities for additional learning, personal growth and community involvement that would otherwise not have been possible, and alleviated my concerns regarding the financial obligations associated with higher education.

Ashley, student and Fortive Scholarship recipient

PROTECT THE PLANET

Through environmental stewardship and sustainable business practices, we are applying our commitment to continuous improvement to conserve natural resources and contribute to the global sustainability imperative.

CORE ISSUES

Climate Change & GHG Emissions

Products & Services

Climate Change & GHG Emissions

GRI 103-1, 103-2

As a global company, we recognize that climate change presents a risk to our business, customers, suppliers, communities. We are committed to taking responsible, leading actions to reduce greenhouse gas (GHG) emissions and environmental impacts, and leveraging FBS tools and our continuous improvement culture to meaningfully contribute to local and global initiatives to address climate change.

GOAL

▼50% By 2025, 50% reduction in Scope 1 and 2 GHG emissions intensity relative to a 2017 baseline

In 2019, we announced our commitment to reduce our Scope 1 and 2 GHG emissions intensity by 40% by 2030, from 2017 levels. In May 2021, we announced a more ambitious goal to reduce our Scope 1 and 2 GHG emissions intensity by 50% by 2025, from 2017 levels. To achieve our emissions reduction goal, we are focusing on three strategic levers: operating company performance targets, emissions reduction projects, and energy *kaizen* events.

In 2020, based on in-depth studies of our carbon footprint across the company, we defined GHG emissions reduction targets for our operating companies. The targets were determined through detailed analysis of operating companies' diverse and distinct business portfolios, and reflect their respective emissions intensities. Operating companies have the autonomy to decide how they will achieve their targets and are actively engaged in efforts to achieve the 2025 goal.

To accelerate progress across all of our operating companies, we are investing additional capital for emissions reduction projects. Projects range from infrastructure-related improvements, such as lighting and HVAC system upgrades, to process improvements and operational reconfigurations to optimize work streams. We are also evaluating renewable energy projects in several locations worldwide.

Risks and Opportunities

In addition to risks, climate change provides opportunities for businesses like ours that thrive on innovation and responding to complex challenges. Fortive is uniquely positioned to leverage the breadth of tools and solutions developed by our operating companies to execute our sustainability initiatives. From software solutions to sensing technology and the internet of things, across a range of industries, Fortive's strengths enable us to test and implement a range of services to execute our own Sustainability initiatives and advance our performance.
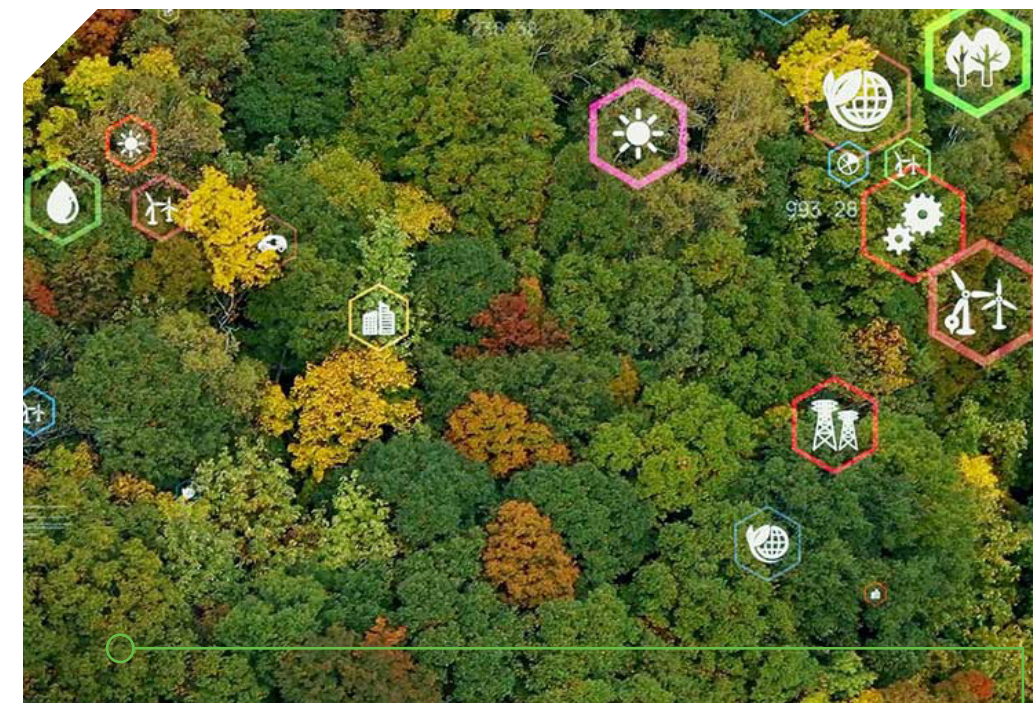
Carbon Accounting: Powered by Intelex

Central to our sustainability initiatives is data. In 2020, we completed our transition to Intelex's Sustainability Performance Indicators (SPI) software. We leverage the computer and data analytics power of the SPI application for our GHG inventory accounting and reporting. SPI enables us to measure and monitor performance, trends, and the impact of emissions reduction projects implemented by our operating companies. With the transition, we moved from annual to quarterly data collection, and we will shift to monthly data collection by the end of 2021. These adjustments in data collection cadence reduce lag time in recognizing and responding to significant changes in energy and fuel consumption, and to forecast with greater confidence.
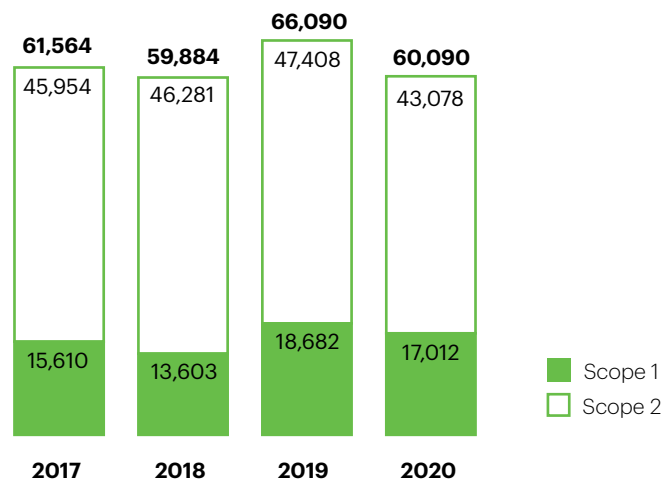
In conjunction with our transition to SPI, we aligned our data collection and accounting processes to The GHG Protocol—Corporate Accounting and Reporting Standard, a cross-industry disclosure standard.

Performance

Due to the COVID-19 pandemic, 2020 was an anomalous year for businesses and organizations worldwide. The pandemic affected our operating companies differently, and overall, we reduced our Scope 1 and 2 GHG emissions intensity 10.5% from 2019, and 31.2% from the 2017 base year. This performance represents an 9.1% absolute emissions reduction from 2019 and a 2.4% absolute reduction from 2017.

In 2020 we reduced our absolute Scope 1 and 2 emissions by 9.1% from the prior year.

GHG Emissions 2017–2020 (MT CO_2e)

Year	Total	Scope 2	Scope 1
2017	61,564	45,954	15,610
2018	59,884	46,281	13,603
2019	66,090	47,408	18,682
2020	60,090	43,078	17,012

■ Scope 1
□ Scope 2

Our 2020 emissions profile reflects a significant reduction (9.1%) in Scope 2 emissions. Some portion of that reduction is attributable to the sudden and widespread shift to remote work and significant step down in building utility use as a result; other reductions are derived from energy efficiency initiatives and utility-provisioned renewable energy. In 2020, we updated our Scope 1 emission inventory to include our limited use of sulfur hexafluoride (SF6) for testing and servicing of industrial instruments designed to detect SF6, a gas commonly used in the electrical industry. With a potency of 22,000x CO_2 over a 100-year period , even trace amounts of SF6 have significant impacts to GHG emissions.

We are working with the operating companies to understand their sources of the emissions and identify potential mitigation solutions. At the time of this report's publication, we are designing a recapture system which is designed to capture over 95% of the SF6 used, which we expect to substantially reduce SF6-generated emissions. We are also evaluating whether the recaptured SF6 is able to be reused, providing an opportunity to create a closed loop system, which would reduce costs and risks over the long-term, in addition to reducing GHG emissions.

CDP

Fortive submitted our first complete public CDP Climate Change disclosure in 2020. We received a C rating, which CDP classifies as "Awareness" according to the CDP scoring. We will complete and submit the 2021 CDP Climate Change disclosure and are committed to continuous improvement.

Energy *Kaizen*

Continuous improvement, or *kaizen*, is core to how we operate. The goal of an energy *kaizen* is to reduce energy use by a targeted amount, typically between 15–25% annually.

A key distinction between an energy *kaizen* and an energy audit is the deconstructive nature of the *kaizen*. Both map the inputs, throughputs, and outputs of energy use in a facility or operation, but an energy *kaizen* deconstructs the processes into detailed work streams and their dependencies, end-to-end. This enables the team to identify inefficiencies and test potential solutions for faster iteration. The ideate-test-fail-retest-prioritize process informs an action plan with implementation responsibility distributed across the team.

Energy *kaizen* events are standard practice at Fortive, and we made key program improvements in 2020. With the geographic distribution and operational diversity of operating companies, we revised the framework for a virtual environment and to reflect current energy management best practices. We completed two pilot virtual *kaizen* events that identified opportunities to reduce annual energy use at those two sites by an average of over 20%. To empower employees, we initiated a quarterly energy meeting in 2021 to share best practices and enable cross-operating company ideation and troubleshooting.

Fluke, ii900 Sonic Industrial Imager

The Fluke ii900 Sonic Industrial Imager plays an important role in our energy *kaizen* events across Fortive. The instrument visually pinpoints the location of compressed air, gas, and vacuum leaks by transforming the soundwaves from air leaks into heat map images. Identifying and mitigating leaks reduces utility bills and GHG emissions.

In April 2020, Fluke launched a product loan program to help essential businesses identify leaks in their compressed air systems and keep their critical processes running. In the U.S. and Europe, Middle East, Africa, Fluke offered its ii900 Acoustic Imager for a free, 2-week trial period to hospitals, medical equipment and personal protective equipment producers, medical infrastructure and service providers, utilities and telecommunications providers, and pharmaceutical and medical gas companies.
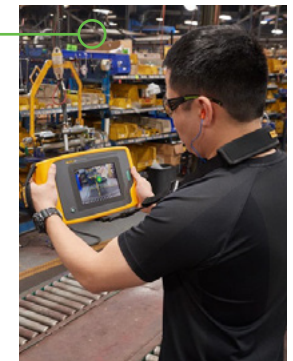
Watch the team at Industrial Scientific using the ii900 Sonic Industrial Image in its facilities.

Products & Services

We are committed to developing transformative solutions and technology for our customers in markets ranging from healthcare and industrial maintenance and safety, to software-enabled workflows and sensing. Together, we partner to power clean energy, reduce water and waste, operate critical infrastructure, and ensure safe, sterile healthcare environments.

Fortive products and services across our three business segments are transforming workplace safety, energy infrastructure, operational efficiency, and healthcare and patient safety.

Intelligent Operating Systems

From smart office buildings to high-tech construction sites and warehouses, Fortive's mission-critical Intelligent Operating Solutions use smart instrumentation to ensure safety and compliance, improve energy efficiency, and optimize performance. Software-enabled workflows, real-time data, and powerful analytics transform the maintenance and management of buildings and other physical assets to supercharge productivity and minimize waste and downtime.

Gordian's Sightlines software solutions enable facility managers to make informed decisions about space, capital and operations. Sightlines Return on Physical Assets provides an analytical framework to guide upgrade and replacement investment decision-making while Sightlines Capital Planning provides a flexible campus asset assessment to enable customers to develop an actionable capital plan that aligns with strategic priorities.

Fluke offers numerous products that support energy efficiency and the clean energy transition. Technicians worldwide rely on the Fluke IRR1-SOL Irradiance Meter and 325 Clamp Meter in the operations and maintenance of solar arrays and wind turbines.

Intelex software solutions help organizations manage complex operational, EHS and Sustainability data. Through applications such as Asset and Compliance Tracking System, SPI, and award-winning Environmental, Health, Safety, and Quality (EHSQ), organizations small and large can easily collect and action their data to monitor and track the impact of their targeted initiatives and performance to goals.

Industrial Scientific's iNet® platform automates gas detection management, from data collection, calibration, and software updates for gas detection equipment. iNet Control provides visibility into the gas detection system data, analysis and performance *and* iNet Exchange sends a replacement instrument to the customer upon identification of an instrument problem.

Precision Technologies

Turning the spark of an idea into a world-changing product requires bold vision, a rigorously customer-centric approach, and specialized expertise in materials, methods, and measurement. Fortive's Precision Technologies help solve tough technical challenges to accelerate breakthroughs in a wide range of applications, from food and beverage production and manufacturing to next-generation communications and clean energy. From deep sea to deep space, engineers and product developers depend on Fortive's essential technologies for safety, precision, and reliability, even in the most demanding and dynamic conditions.

Hengstler-Dynapar's Acuro AC58 Profinet Encoder is robust, precise and energy efficient. The Acuro AC58 is used in a wide range of industrial and IoT applications for remote maintenance, condition monitoring, and predictive maintenance. For example, the encoder enables accurate positioning of multiple stabilizers for cranes or aerial lifts, or automatically determining the height of hospital beds.

The National Weather Service (NWS) relies on **Tektronix** oscilloscopes to provide reliable weather data for local officials and the media. The visual representation of signals and waves enables the NWS to inspect and maintain weather radar equipment for optimal efficiency.

Qualitrol's transformer monitors are critical to prevent unplanned outages of electricity grids. Using predictive analysis, Qualitrol's monitors identify the point of prevention and safety, alert customers when a potential failure may occur, and contain a catastrophic failure using the in-ground systems.

Gems' LS-300TFE & LS-700 Level Switches provide a simple and effective means to detect and monitor cancer detection systems, supporting proper operation and test results for the patient.

Advanced Healthcare Solutions

At hospitals, healthcare facilities, and laboratories, delivering care efficiently while navigating rapid change is more important than ever. They need intelligent technologies and dynamic workflow solutions to ensure that critical safety standards are met, instruments are properly sterilized and operating at peak performance, and complex procedures are followed accurately. Fortive's Advanced Healthcare Solutions help raise the standard of care, keep healthcare environments safe, and ensure that providers can focus on the best possible care for their patients.

Our operating companies create products and services that offer benefits on their own, but when used together address all stages in the sterilization and lifecycle of medical tools.

- **ASP's** AEROFLEX™ Automatic Endoscope Reprocessor sterilizes tools to protect patients from infection and reduce downtime of medical staff between procedures.

- **Censis'** software applications track and monitor medical equipment throughout their lifecycle and alert medical staff when instruments are approaching the end of their useful life. The ScopeTrac application manages the endoscope processing loop from end to end, while the CensiTrac Advanced tracks instruments used in the operating room, making sure they are accounted for, fully sterilized, and reprocessed.

- **Fluke Biomedical's** DALE 301 Rigid Endoscope Tester identifies any damage or dirt on the endoscope that may impair the quality of the image.

Monitoring and detection tools allow medical professionals to spend less time monitoring and calibrating equipment, and more time providing quality patient care, particularly for those suffering from illnesses with sophisticated treatment plans, like cancer.

- **Landauer's** suite of radiation calibration and diagnostic tools monitor radiation equipment and customize radiation treatments.

- **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, more accurate results, and fewer necessary skilled personnel in the operating room.

Kaizen—Our Way of Life

At Fortive, *kaizen* is both a mindset and an FBS tool. As a mindset, *kaizen* represents a commitment to continuous improvement. As a tool, *kaizen* events are multi-day events focused on improving a specific business process or issue. Participants begin with the current state and collaboratively develop a range of solutions to be tested and affirmed in a broader setting, often during the *kaizen* week.

Earlier this year, we conducted our first Sustainability *kaizen* to develop an efficient and scalable process for gathering sustainability updates from our operating companies.

The goal of this cross-operating company Sustainability *kaizen* was to develop a consistent, streamlined methodology to collect and verify product and service information from the operating companies to strengthen Fortive's public sustainability disclosures and improve how we communicate how our product portfolio contributes to a sustainable future. The *kaizen* resulted in three major outcomes:

1. A scalable model for data and content collection;
2. A governance structure for engagement with the operating companies about their products and services; and
3. Mechanisms and channels for better communication with the operating companies about sustainability and their products.

The improved process and workstream developed through the *kaizen* will be evident in Sustainability-related reports and disclosures this year and beyond.

WORK & SOURCE RESPONSIBLY

Quality starts at the source, and our products and services rely on high quality components and materials that we take great care in sourcing. We also prioritize the safety and well-being of the individuals across our value chain. Our procurement and sourcing efforts demonstrate our commitment to ethical and sustainable business practices by adhering to human rights principles, prioritizing supplier diversity and responsible resource use, and reducing our operational environmental footprint, where possible.

CORE ISSUES

Employee Well-Being, Safety, & Health   →

Responsible Supply Chain & Procurement   →

Human Rights   →

Employee Well-Being, Safety, & Health

GRI 103-1, 103-2

Employee Well-Being and COVID-19

The safety, health, and well-being of our employees was our number-one priority during the COVID-19 pandemic. We went beyond simply addressing their physical health and safety by focusing our attention and resources on the emotional health and overall well-being of our teams. Particularly, as many of our employees shifted to working from home, we dedicated resources to help our employees cope and thrive. We offered our managers training on how to be flexible and the importance of checking in with team members. Our COVID-19 response included establishing a COVID-19 Task Force and clear guiding principles: safety, transparency, empathy, science, and employee trust.

From the beginning of the pandemic, we remained focused on physical safety, emotional safety, and compassion. We implemented health screenings, social distancing and adjusted workflow formats, as well as practices and policies, for those whose jobs required they be on-site, to ensure their health, safety. We also instituted screening and safety practices for those who needed to be at work to deliver.

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.

2019 PROGRESS: 50%

2020 PROGRESS: 67%

OUR COVID-19 RESPONSE PILLARS

Safety
The health and safety of our employees, their families, our customers, and our communities is our number-one priority.

Transparency
We will communicate with our employees frequently and be transparent about what we are doing and why.

Empathy
The uncertainty, fear, and real-life impact caused by this epidemic may be causing anxiety and hardship for our colleagues.

Science
We have and will continue to base our decisions on data and expert public health guidance, so those decisions are responsible and sound.

Employee Trust
We trust you to make decisions that are right for you based on your personal circumstances, and to do the right thing.

Environmental, Health, and Safety Risk Score

As part of our commitment to a safe, secure workplace, our operating companies manage and track progress toward our goals using FBS tools. Each has robust environmental, health, and safety (EHS) programs to identify, prevent, and avoid harm to our employees. Across Fortive, 30% of our EHS Significant Sites with manufacturing or light assembly operations are certified to ISO 14001, ISO 45001, and/or the International Contractors Safety Rating System. All certified sites host manufacturing, service, and/or light assembly operations.

GRI 103-3

To quantify and drive continuous improvement, our operating companies assess the EHS Risk at each of our EHS Significant Sites from the annual jumping off point (JOP) and report their EHS Risk Score on a semi-annual basis. The EHS Leadership Council refreshes the EHS Risk Score process on a 3-year cadence, evaluating which and whether significant changes to the business need to be incorporated and identifying opportunities to raise the bar and improve.

We completed an EHS Risk Score refresh this past year, adding the requirement that operating companies conduct hazard assessments and create a risk register of all the risks at their facilities. The new risk register accompanies the already existing safety, environment, and health registers. Requiring our operating companies to evaluate health risks drives them to take action and implement regular improvements. We give our operating companies the freedom to choose how they conduct their hazard assessments, but we also provide standard work, such as the FBS Hazardous Assessment Tool, to manage and track their progress.

Every year, Fortive recognizes the best performing operations in EHS through the EHS Awards program. Best Program sites have top EHS Risk Scores and cultural engagement around sustainability and EHS. Most Improved sites demonstrate percentage improvements in their EHS Risk Score. All of our Most Improved sites had EHS Risk Score improvements of over 50% from their JOP. Qualitrol, Belfast is recognized as the Best EHS Program for 2020 for achieving ISO 45001 certification in the midst of the pandemic, while providing exceptional COVID-19 resources and support towards employee safety and well-being.

GRI 403-2

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 & Industrial Hygiene, and Environmental Compliance criteria. In 2020, we incorporated Sustainability criteria and metrics into the EHS Risk Score framework to evaluate the sustainability performance of each operating company. Criteria and metrics include procurement and supply chain management, leadership engagement, energy efficiency and emissions reduction initiatives, and action plans in support of Sustainability targets.

We know that using metrics and data promotes greater awareness of the importance of new or revised standards and promotes uptake across the operating companies and at the site level. The EHS Risk Score provides a feedback mechanism for the operating companies to understand their performance and drive continuous improvement.

BEST EHS PROGRAM

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

MOST IMPROVED

- Qualitrol, Belfast
- Fluke, Wuhu City
- Hengstler/Dynapar, Aldingen
- ICG, Tianjin
- Iris Power, Mississauga
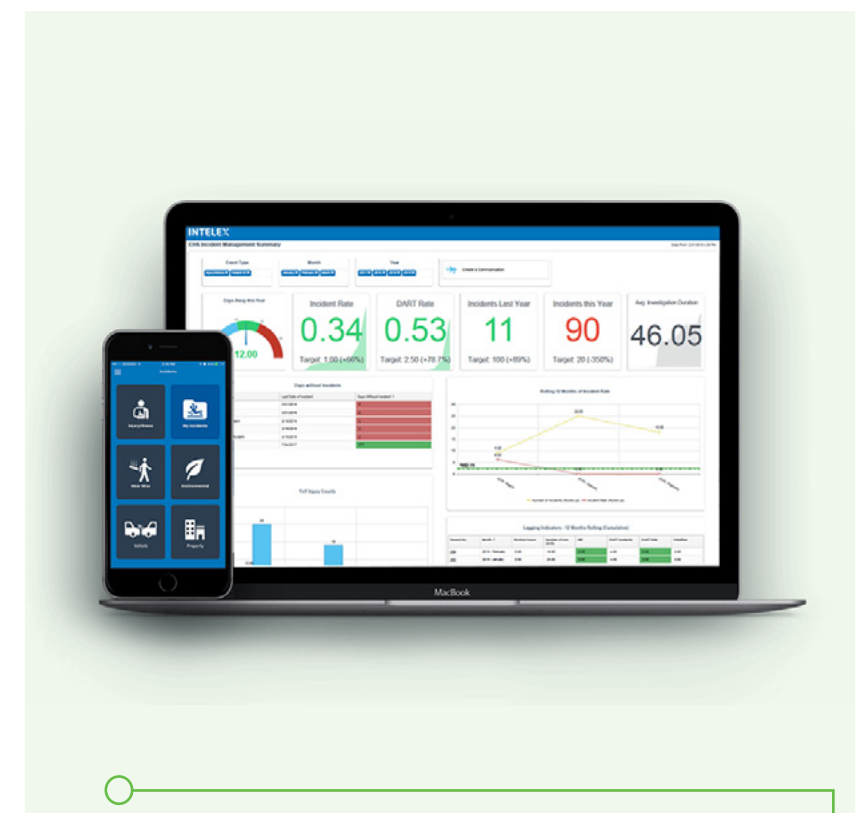
Intelex, Exposure Tracker

To effectively respond to COVID-19, organizations must monitor and manage employee exposures. Intelex built its Exposure Tracker application specifically to respond to the COVID-19 pandemic, enabling users to track suspected or confirmed employees exposed to the virus. Through the app, organizations can observe and adjust employee current work status, conduct contact tracing, and see a holistic view of the organization's overall COVID-19 status. The Exposure Tracker helps organizations keep their employees safe and mitigate their pandemic risks. Intelex also offered its EHSQ software platform free of charge to support essential service providers.

Responsible Supply Chain & Procurement

GOAL

▲10%   10% improvement to supplier diversity in 2021

Our operating companies are increasingly recognized for implementing environmental and social best practices across their supply chains. Industrial Scientific earned a Silver rating from EcoVadis for its supply chain responsibility efforts, while Tektronix was one of 38 suppliers in Intel's supply chain to receive an Intel Supplier Achievement Award for its COVID-19 response.

We continue to evolve our supply chain and procurement practices, and the excellence demonstrated by our operating companies highlights our commitment to developing further efforts in our supply chain.

We are committed to identifying and cultivating inclusive and diverse supplier relationships that foster responsible sourcing, inspire collaboration, and accelerate innovation. This commitment creates growth, opportunity, and value for our employees, shareholders, suppliers, and communities. The first step is measuring the diversity of our current and future supplier base in a consistent way across our operating companies and setting clear goals.

Human Rights

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

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

As outlined in our Supplier Code of Conduct, we expect suppliers and permitted subcontractors who do business with Fortive and our operating companies to share these same commitments and to establish policies and practices to prohibit corruption, labor violations, and human trafficking. Additionally, our Conflict Minerals Policy Statement states that our suppliers source precious metals and minerals only from conflict-free smelters.

We recognize the impact achieved through our supplier audit process and regularly implement efforts to improve our processes. In 2020, we focused on scaling the completion rate of audits for our high-risk suppliers. We achieved 100% audit completion of the 43 suppliers identified through our risk process. We also aimed to increase our number of certified mutually recognized auditors (MRA). The MRA certification process is rigorous, and our target was to certify 20 individuals in 2020. Due to travel bans associated with COVID-19 and limited acceptance of a virtual audit process, we certified nine individuals. We aim to train even more auditors in 2021.

We regularly monitor the regulatory landscape and receive recommendations from an internal steering committee about when and how to update our processes. For example, we identified a need for greater specificity in our audit program to demonstrate compliance with numerous regulations. Moving forward, we are improving supplier audit rigor and refining our processes to integrate additional human rights criteria.
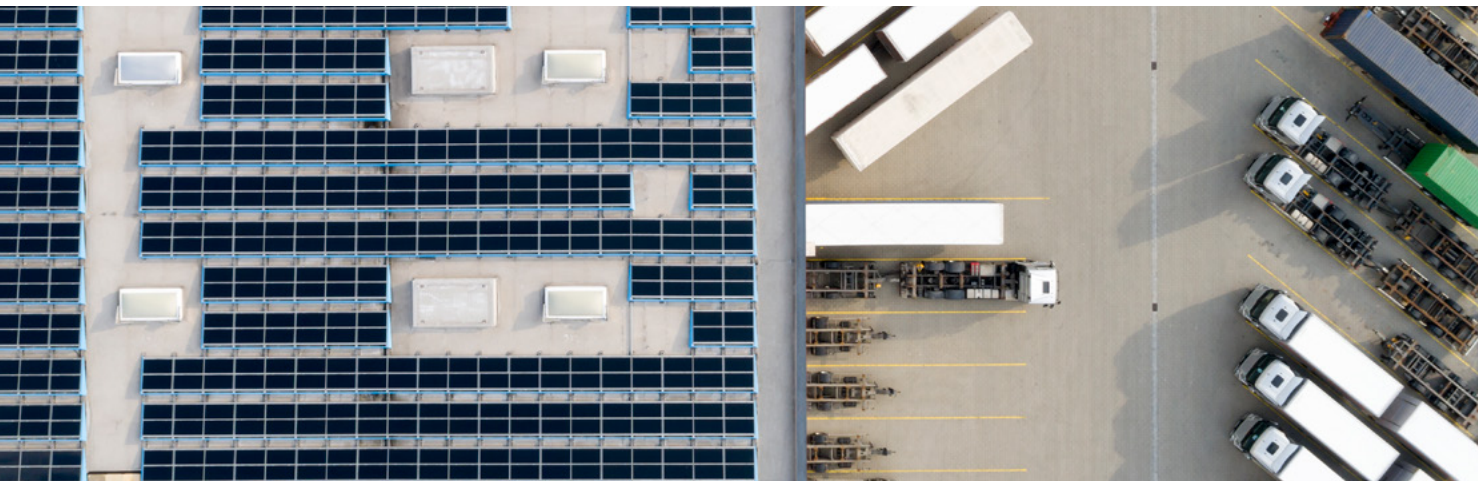
OPERATE WITH PRINCIPLE

As we look ahead to an evolving work and customer environment, our business remains grounded in a culture of integrity and our continued dedication to privacy, security and resiliency through FBS.

CORE ISSUES

Digital Privacy & Security →

Ethics & Compliance →

Business Resilience →

Digital Privacy & Security

GRI 103-1, 103-2

The privacy and security of our customer and employee data is a top priority for Fortive. As we shift our product evolution toward greater digital transformation and AI-driven software solutions, we evolved our approach and invested in added infrastructure to further protect the privacy and security of our stakeholders. We strengthened privacy and governance considerably by centralizing cookies management and legal issues management into an advanced cloud-based platform, which provides greater oversight and optimizes our processes. We are also in the process of enhancing our corporate governance cyber/data risk and compliance program to standardize our data security response across all operating companies.

Our actions often transcend legal privacy requirements. For example, in response to Brazil's new privacy law, Lei Geral de Proteção de Dados, we require our operating companies to send privacy questionnaires to their service provider vendors, even though the law does not require it. Similarly, we continue to voluntarily adopt California's stringent requirements set by the California Consumer Privacy Act across our U.S. operations.

We will continue to innovate and adapt our approach in response to our evolving portfolio, identifying ways to increase efficiencies using FBS tools.

Ethics & Compliance

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

At Fortive, our compliance program is founded on a simple but powerful concept—Your Integrity/Our Success. We believe that individual actions and decisions that reflect our values position both the individual and the company to grow and succeed. In 2020, we launched a new Code of Conduct (the "Code"), an important reflection of who we are as an organization and the high standards that we set for ourselves and those who do business with Fortive.

Available in 22 languages, the Code speaks to the intersection of our values and our culture, clearly defining business and professional conduct expectations for every employee, at every level.

We launched a new Code of Conduct in 2020 and are improving employee accessibility to ethics policies.

Our compliance program also made significant advancements in the use of data and data analytics to advance our understanding of risk in our business and enabling us to be more proactive (and ultimately predictive) with identification and remediation where appropriate. By harnessing the power of visual management from the FBS toolkit and with the support of The Fort, we built bespoke tools that enable us to

visualize the outputs from multiple systems in one place, thus enabling a more fulsome view of a particular region, OpCo, or category.

We have an established history of supporting SpeakUp! We maintain a phone hotline in over 20 local languages and a web reporting tool available to hear our employees' concerns, in addition to our leaders driving a culture of openness and transparency. We review our Speak Up! volume and activity daily and use it to inform upcoming training and communications, review it against external benchmarks, and regularly review associated data and metrics with both the Audit Committee and the Board of Directors.

We have an annual enterprise risk assessment process known internally as Risk Assessment Process (RAP). In 2020, we partnered with the Intelex OpCo to customize existing Intelex software to enable our RAP process.

Every OpCo participates in RAP, the results of which are rolled up and presented to the Board of Directors. Progress on actions to mitigate risk are tracked quarterly throughout the year, and this year will be tracked in the Intelex system as well.

Fortive has a comprehensive library of global policies that provide guidance on important topics for our business and daily work. The Anti-Corruption Policy and Anti-trust/Fair Competition Policy are two important examples. Similarly, there is a comprehensive training

and communications program to support the Code, our policies, and other important topics relevant to our business. Employees complete multiple online course modules throughout the year that are supported by live trainings and reinforced by communications and learning toolkits. In 2021, we are launching a new system to house all of the Fortive global policies for greater accessibility, search capability, and version control. At Fortive, operating with integrity is our commitment to our fellow employees, our customers, our business partners, and our shareholders.

Business Resilience

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

2020 brought unprecedented economic disruption and social justice and equality movements that tested us as individuals, teams, and as a business. We responded quickly and with care to ensure the health and well-being of our people, customers, suppliers, and the business. We will continue to apply the learnings we gained from facing the challenges of 2020 and apply them across our operations, including de-risking our supply chain, to ensure business continuity and agility.

We immediately jumped into action to protect the safety of our employees and the continuity of our core business operations. With our global presence in Asia, we monitored the progress of COVID-19 while the virus was still contained in China. As a result of this early monitoring, we implemented our COVID-19 response faster and earlier than many other companies, which is notable given our size, scope, and decentralized operating model.

When COVID-19 escalated to a global concern, we acted quickly to create a COVID-19 Task Force, a team of functional leaders and experts across the organization globally. We assembled representatives from legal, communications, environmental health and safety, procurement, benefits, privacy, technology, HR, and global trade.

Our COVID-19 Task Force led our policy and planning efforts, creating the standard work that helped our senior leaders make COVID-19 related decisions for our organization. Our standard work included policies, procedures, and responses addressing topics such as our requirements for physical distancing in the manufacturing setting, changes to our travel policy, sick leave policy, and procedures for what to do if an employee tests positive or in the event of a close work contact.

Our FBS tools allowed us to establish the necessary governance structure for a streamlined and effective response, and the daily visual management to communicate both employee and business health to the executive team weekly. Additionally, our enterprise risk management (ERM) process continuously monitors potential risks, allowing us to adapt as necessary.

We also leveraged the unique medical expertise of our operating company, ASP, communicating with their in-house medical advisor to help the team interpret medical reports and documents, bolstering our corporate response.

COVID PRODUCT CASE STUDIES
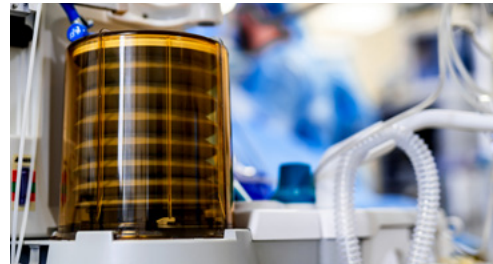
Ventilators were in high demand during 2020 as hospitalization rates skyrocketed due to COVID-19. **Gems Sensors & Controls'** Solenoid valves played a critical role in these life-saving ventilators, blending pure oxygen with ambient air to achieve the right concentration and oxygen level based on patient needs. Gems increased ventilator valve production more than tenfold to meet the incredible demand, allowing our customers producing the ventilators to support hospitals and save lives.

ASP secured emergency use authorization approval in the U.S. for use of their STERRAD® Systems to disinfect compatible single-use N95 respirator masks at healthcare facilities. Reprocessing triples the usable lifespan of these masks. A single ASP STERRAD® System can reprocess over 400 masks per day, supplying healthcare professionals with hundreds of thousands of reprocessed masks around the globe every day as they combat the spread of coronavirus.

Anderson-Negele is supplying hygienic sensors to six major COVID-19 vaccine manufacturers worldwide. The team applied FBS to triple its output in order to support mass vaccine production using sanitary requirements including precise pressure flow and temperature.

Accruent developed a free predictive app to help hospitals track which ventilator replacement parts they should keep in stock.

In just a few short weeks, the team at **Setra Systems** built the AIIR Watch negative pressure machine, which uses ultraviolet light and HEPA filters to remove airborne contaminants, including coronavirus. AIIR Watch can be used to create pressurized isolation rooms to limit the spread of infection at hospitals, long-term care facilities, schools, and office spaces.

COVID-19 resulted in a significant increase in demand for the **Fluke Health Solutions** VT900A gas flow analyzer ventilator tester from hospitals, manufacturers, and developers. The company mobilized a cross-functional team to ramp up the supply chain and expand manufacturing. Engineers helped companies like Virgin Orbit and Jet Propulsion Lab quickly switch their manufacturing operations over to emergency ventilator production, increasing the availability of this critical equipment for patients around the globe.

DATA TABLES

Stakeholder Engagement

Stakeholder Audience	Frequency	Engagement Approach	Topics of Discussion
Employees	Quarterly	CSR Report, CEO Message, company intranet	Updates
Customers	Ongoing	Operating company sales and product leaders' communications with customers Supplier questionnaires	Product features, customer needs, product performance, Fortive and operating company ESG performance
Shareholders	Quarterly	Quarterly results	ESG highlights
Suppliers	Annually	Supplier questionnaire	ESG questions and issues
Local Communities	Annually and ad hoc	Day of Caring, ongoing engagement via local events and partnership activities	Fortive's community engagement goals, community needs and opportunities for partnerships
Other (Insurance Agencies)	Quarterly, Annually	CSR Report, insurance applications, underwriter Q&A	ESG highlights

Employee Diversity

GRI 102-8

Metric	2020
Gender[1]	
Women	36%
Men	64%
Employment type[2]	
Permanent hourly	2,964
Temporary hourly	1,013
Full-time, salaried	10,591
Part-time, salaried	2,478
Region[3]	
North America (excl. Mexico)	9,909
Western Europe	2,649
Europe	3,288
Asia	3,064
Australia and New Zealand	256
Latin America (incl. Mexico & Caribbean)	377
Middle East & Africa	134

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

2 Global headcount

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

Employee Diversity

GRI 405-1

Metric	Senior Leaders[1]	Professionals & Managers	Total
Women[2]	27%	31%	36%
Men	73%	69%	64%
BIPOC[3]	22%	26%	34%
Non-BIPOC	78%	74%	66%

1 Senior Leaders: Employees in Director level roles or higher.

2 Gender data represents global, salaried, FTW 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")

Parental Leave

GRI 401-3

Metric	Men	Women	Total
Eligible	6,607	3,721	10,328
Took parental leave	178	112	290
Returned to work	169	106	275
Retention after 12 months	150	101	251
Return to work rate	95%	95%	95%
Retention rate	84%	90%	87%

Employee Benefits

GRI 401-2

Benefit	U.S. Non-Union	Canada	UK	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[1]	N/A[1]	N/A[1]
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[1]	N/A[1]	N/A[1]

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

GRI 302-1

Metric	2017	2018	2019	2020	2017–2020	% Change
Natural Gas	11,445.7	9,582.5	8,673.3	7,147.6	(4,298.13)	-37.6%
Diesel/No. 2 Fuel Oil	596.0	451.5	494.2	350.1	(245.88)	-41.3%
Electricity	45,954.0	46,281.1	47,408.0	43,077.7	(2,876.30)	-6.3%

Emissions

GRI 305-1, 305-2

Metric	2017	2018	2019	2020	2017–2020
Scope 1 MT CO_2e	15,610	13,603	18,682	17,012	1,403
Scope 2 MT CO_2e	45,954	46,281	47,408	43,078	-2,876
Scope 1 & 2 $MTCO_2e$	61,564	59,884	66,090	60,090	-1,474
Absolute Delta (YOY)		**-2.7%**	**10.4%**	**-9.1%**	**-2.4%**
Carbon Intensity Delta (YOY)		**-16.4%**	**-8.1%**	**-10.5%**	**-31.2%**

Data Privacy

Metric	2020
Complaints from regulatory bodies	None
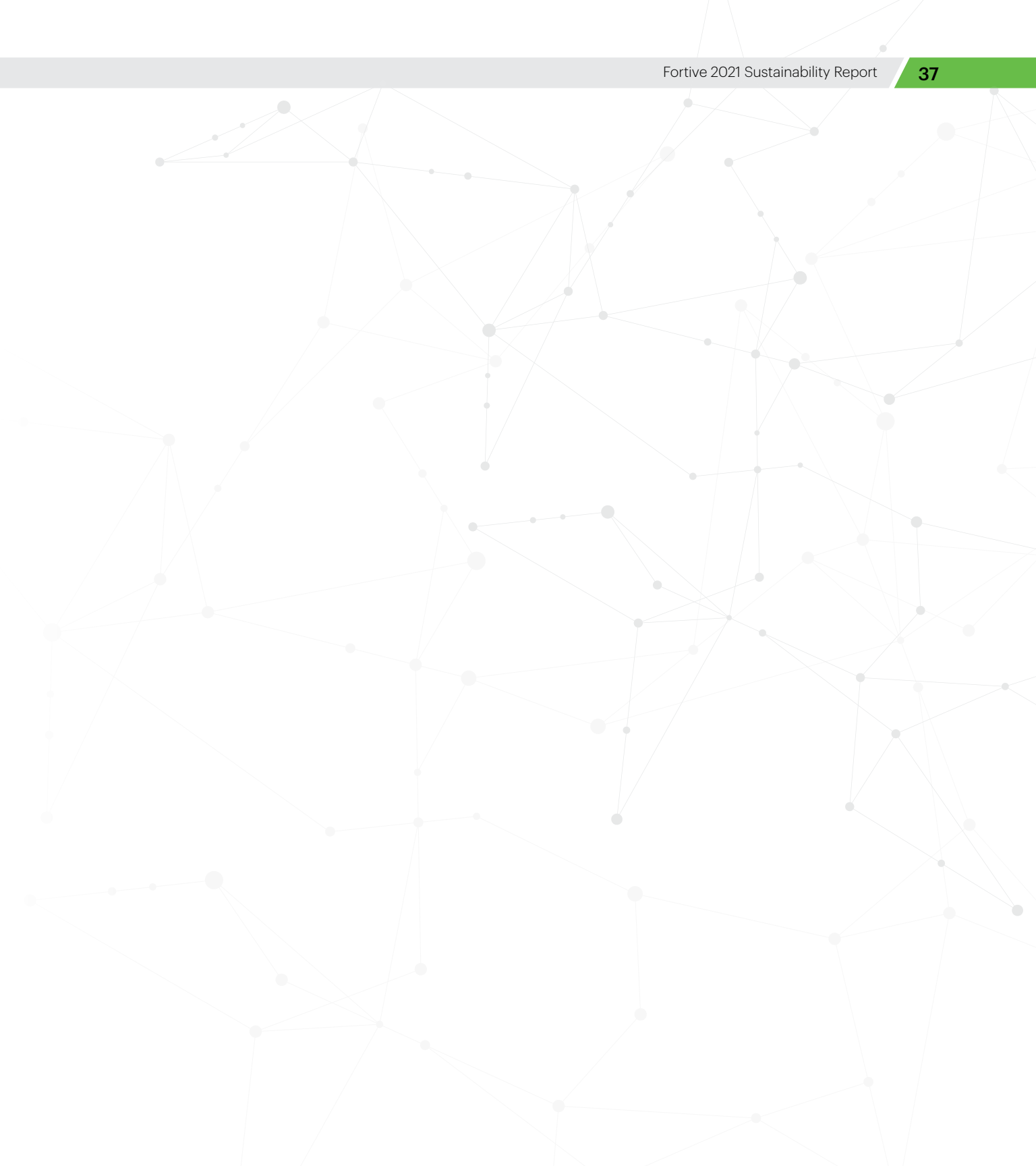
Membership of Associations

135 BACnet Committee—Building Automation and Control Networks

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

BayMe VBM—Bayerische M+E (Employers' Associations
of the Metalworking and Electrical Industries)

BISS Association

CCRM—Industry Consortium for Regenerative Medicine

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

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

Open Industry 4.0 Alliance

Optec BB

Patentverein

PCI—Payment Card Industry Security Standards

Private Brauerein Föderverien—Association for the promotion
of medium-sized private breweries

Profibus Nutzeroganisation

Reflow Over Control Task Force Reflow Profiling Task Force

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

CONTENT INDICES

Global Reporting Initiative (GRI) Content Index

General Disclosures

GRI Standard	Disclosure	Description	Location or Direct Answer
Organizational Profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization	Fortive Corporation
	102-2	Activities, brands, products, and services	Products & Services Fortive Business Directory
	102-3	Location of headquarters	6920 Seaway Blvd, Everett, WA 98203
	102-4	Location of operations	Form 10-K p. 2
	102-5	Ownership and legal form	Proxy Statement p. 13–14 Form 10-K p. 2
	102-6	Markets served	About Fortive Form 10-K p. 2–4
	102-7	Scale of the organization	About Fortive Form 10-K p. 5
	102-8	Information on employees and other workers	Data Tables

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-9	Supply chain	Form 10-K p. 4
	102-10	Significant changes to the organization and its supply chain	Proxy Statement p. 3–4 Form 10-K p. 2, 25
	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	UN Global Compact, CEO Action on Diversity, The GHG Protocol, ISO 14001, 45001, and 50000
	102-13	Membership of associations	Data Tables
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	A Message From Our CEO
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	About Fortive
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	2020 Carbon Disclosure Project (CDP) Climate Change Response, C1 Proxy Statement p. 36
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Material Topics & Stakeholder Engagement Employees, customers, shareholders, suppliers, local communities.
	102-41	Collective bargaining agreements	Form 10-K p. 5

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	Material Topics & Stakeholder Engagement Data Tables
	102-43	Approach to stakeholder engagement	Material Topics & Stakeholder Engagement Data Tables
	102-44	Key topics and concerns raised	Board composition; Board governance; Sustainability reporting and performance; Sustainability priorities and initiatives; Executive compensation; Inclusion and diversity strategy, goals and initiatives; Fortive Foundation charitable donations; Day of Caring initiatives, plans, and events.
Reporting Practices			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Form 10-K p. 3
	102-46	Defining report content and topic Boundaries	Material Topics & Stakeholder Engagement To identify the initial list of potentially material Environmental, Social, Governance (ESG) topics, we analysed which topics aligned with our shared purpose and values. 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 group of 1,100 employees worldwide to rate the relevance of each ESG topic to Fortive's business. 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. 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.

GRI Standard	Disclosure	Description	Location or Direct Answer
GRI 102: General Disclosures 2016	102-47	List of material topics	Material Topics & Stakeholder Engagement
	102-48	Restatements of information	There were no restatements or corrections in 2020 compared to prior Fortive Corporate Social Responsibility (CSR) Reports.
	102-49	Changes in reporting	After conducting a materiality assessment in 2020, there were changes to our material topics list. Material Topics & Stakeholder Engagement
	102-50	Reporting period	January 1, 2020, through December 31, 2020
	102-51	Date of most recent report	May 2020
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions regarding the report	sustainability@fortive.com investors@fortive.com
	102-54	Claims of reporting in accordance with the GRI Standards	This report is prepared in alignment with the GRI Standards: Core option, but is not fully in accordance with the standard.
	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.

Topic-Specific Disclosures

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
GRI 200 ECONOMIC STANDARD SERIES				
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Performance is not a material topic for Fortive. 2020 Annual Report	
	103-2	The management approach and its components	Economic Performance is not a material topic for Fortive. 2020 Annual Report	
	103-3	Evaluation of the management approach	Economic Performance is not a material topic for Fortive. 2020 Annual Report	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Form 10-K p. 58	
	201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Climate Change Response, C2.3, C3.1	
Procurement Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Supply Chain & Procurement Human Rights	
	103-2	The management approach and its components	Responsible Supply Chain & Procurement Human Rights	
	103-3	Evaluation of the management approach	Human Rights	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	57% 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 Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Anti-Corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Ethics & Compliance	
GRI 103: Management Approach 2016	103-2	The management approach and its components	Ethics & Compliance 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 occurs annually. We recently customized the Intelex software to better enable our 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 are having an external, third-party review of the compliance program in 2021. An external assessment occurs periodically every 3 to 5 years.	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Annual ethics and compliance training is required for email/computer enabled employees. Typical curriculum topics include Code of Conduct, Sexual Harassment Awareness and Prevention, Antibribery/Anticorruption, Fair Competition, and Financial Integrity. Approximately 14,670 employees participated in online training on ethics and compliance topics. **Omission:** Total number and percentage of employees that received training about anti-corruption policies and procedures is omitted. Reason for omission: information unavailable. Data will be collected and included in next year's report.	
SASB RT-EE version 2018-10: Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: corruption and bribery and anti-competitive behavior	Ethics & Compliance	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
GRI 300 ENVIRONMENTAL STANDARDS SERIES				
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Climate Change & GHG Emissions	
	103-2	The management approach and its components	Climate Change & GHG Emissions	
	103-3	Evaluation of the management approach	Climate Change & GHG Emissions	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	2020 CDP Climate Change Response, C8.2a Data Tables	SASB RT-EE 130a.1 version 2018-10: Energy Management SASB RT-IG 130a.1 version 2018: Energy Management
	302-3	Energy intensity	2020 CDP Climate Change Response, C9.1 Data Tables	
	302-4	Reduction of energy consumption	This data will be included in our 2021 CDP Climate Change disclosure.	
Water & Effluents				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	We are in the process of gathering data to ascertain whether this issue is material to our business.	
	103-2	The management approach and its components	We are in the process of gathering data to ascertain whether this issue is material to our business.	
	103-3	Evaluation of the management approach	We are in the process of gathering data to ascertain whether this issue is material to our business.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Climate Change & GHG Emissions	
	103-2	The management approach and its components	Climate Change & GHG Emissions We created Standard Work to align our GHG inventory management and disclosure to The Greenhouse Gas Protocol—*A Corporate Accounting and Reporting Standard,* including updating our emissions factors to the US EPA's 2018 emissions factors. We also developed a Renewable Energy Instruments & Procurement policy to delineate which energy sources Fortive accounts for in our GHG inventory as renewable energy. This policy provides energy source selection and procurement guidance for operating companies. We have a third-party provider that manages select energy procurement contracts 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 Intelex Sustainability Performance Indicators (SPI) platform, where data quality checks are built into the system. 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	2020 CDP Climate Change Response, C6.1 Data Tables	
	305-2	Energy indirect (Scope 2) GHG emissions	2020 CDP Climate Change Response, C6.2, C6.3 Data Tables	
	305-4	GHG emissions intensity	2020 CDP Climate Change Response, C4.1b Data Tables	
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	2020 CDP Climate Change Response, C7.9 Data Tables	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	We are in the process of gathering data to ascertain if this issue is material to our business.	
	103-2	The management approach and its components	We are in the process of gathering data to ascertain if this issue is material to our business.	
	103-3	Evaluation of the management approach	We are in the process of gathering data to ascertain if this issue is material to our business.	
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Supply Chain & Procurement Human Rights	
	103-2	The management approach and its components	Responsible Supply Chain & Procurement Human Rights	
	103-3	Evaluation of the management approach	Human Rights	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	100% of suppliers were screened using environmental criteria.	
GRI 400 SOCIAL STANDARDS SERIES				
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Organizational Culture & Management	
	103-2	The management approach and its components	Organizational Culture & Management	SASB TC-SI-330a.2 version 2018-10: Recruiting & Managing a Global, Diverse & Skilled Workforce
	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, Direct Answer, or Omission	SASB Standard
GRI 401: Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Data Tables	
	401-3	Parental leave	Data Tables	
Labor/Management Relations				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Acquisition, Retention, & Development	
	103-2	The management approach and its components	Talent Acquisition, Retention, & Development	
			Prioritization of employee-related topics and programs are determined based on the company strategy. This past year, we discussed how HR can enable the journey to Fortive 3.0 through talent acquisition, and employee experience, development, and learning.	
	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 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, Direct Answer, or Omission	SASB Standard
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Employee Well-Being, Safety, & Health	
	103-2	The management approach and its components	Employee Well-Being, Safety, & Health	

The Environmental, Health and Safety (EHS) 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.

Our internal EHS management system is now housed on the Intelex 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. EHS-significant sites represent over 65% of our global facility portfolio. 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 & Industrial Hygiene, and Environmental Compliance criteria. In 2020, 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.

30.2% of our 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.

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.

| | 103-3 | Evaluation of the management approach | Employee Well-Being, Safety, & Health | |

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	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. The Code EHS policy; 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.	
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Well-Being, Safety, & Health	
	403-3	Occupational health services	**Omission:** Description of the occupational health services' functions is omitted. Reason for omission: information unavailable. With our use of the Intelex EHSQ platform, we intend to outline these EHS processes and gather this information for next year's report.	
	403-4	Worker participation, consultation, and communication on occupational health and safety	**Omission:** Worker participation, consultation, and communication on occupational health and safety is omitted. Reason for omission: information unavailable. With our use of the Intelex EHSQ platform, we intend to outline these EHS processes and gather this information for next year's report.	
	403-5	Worker training on occupational health and safety	Operating companies develop and deliver 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 Safety 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 employee assistance program (EAP) 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 are omitted. Reason for omission: information unavailable. Internal systems do not currently track this information.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Acquisition, Retention, & Development	
	103-2	The management approach and its components	Talent Acquisition, Retention, & Development	
	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, including EHS programs. A supervisor effectiveness score is generated from the Employee Experience Survey and every people leader receives a score, including EHS leaders and managers. People leaders are expected to understand their scores and create action plans to improve their scores and respond to feedback.	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	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.	
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Inclusion & Diversity	
	103-2	The management approach and its components	Inclusion & Diversity	
	103-3	Evaluation of the management approach	To track our progress towards achieving our internal Inclusion & Diversity (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. One of the company's internal core value drivers is "engagement", which includes I&D. Core value drivers are used to review the success of the business and are incorporated into monthly, quarterly, annual operating reviews. Every person in the business is measured against core values in their respective reviews, highlighting that engagement is embedded into the business.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Data Tables **Omission:** Percentage of individuals within the organization by age, and non-salaried employees category are omitted. Reason for omission: information unavailable. We currently track diversity data in alignment with our diversity goals, but our new internal human capital management system allows us to gain more granular employee data.	SASB TC-SI-330a.3 version 2018-10: Recruiting & Managing a Global, Diverse & Skilled Workforce
Non-Discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Inclusion & Diversity	
	103-2	The management approach and its components	Inclusion & Diversity	
	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 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. These data are maintained by the operating companies and extends beyond our topic boundary.	
Forced or Compulsory Labor				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Human Rights	
	103-2	The management approach and its components	Human Rights	
	103-3	Evaluation of the management approach	Human Rights	
GRI 409: Forced of Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We amended our supplier risk management process, and the audit account to incorporate the perception corruption index (PCI) to reflect the higher risk related to geography. After incorporating the PCI, the number of supplier audits we need to conduct and actions to pursue increased. 43 direct material suppliers were identified in 2020 based on our risk matrix, which is not limited to "significant risk". None of these suppliers qualify as "significant risk". CSR 4Q Audits were completed with at-risk suppliers.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Human Rights	
	103-2	The management approach and its components	Human Rights Transparency in Supply Chains Statement	
	103-3	Evaluation of the management approach	Human Rights	
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.	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Engagement & Support Fortive Corporation Charitable Contributions Policy	
	103-2	The management approach and its components	Community Engagement & Support	
	103-3	Evaluation of the management approach	After completing the Fortive Foundation's first full year of operation, we are now evaluating the best way to assess the effectiveness of the foundation's programs. We currently track key performance indicators related to dollars donated and individuals or communities impacted.	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	100% of our operating companies participate in Fortive Day of Caring.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Human Rights Responsible Supply Chain & Procurement	
	103-2	The management approach and its components	Human Rights Responsible Supply Chain & Procurement Fortive Conflict Minerals Report	SASB RT-EE version 2018-10: Materials Sourcing SASB RT-IG version 2018: Materials Sourcing
	103-3	Evaluation of the management approach	To evaluate the effectiveness of our supply chain and sourcing programs, we analyse 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.	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	100% of new suppliers were screened using social criteria.	
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Digital Privacy & Security	
	103-2	The management approach and its components	Digital Privacy & Security 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. 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. Our incidence 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.	

GRI Standard	Disclosure	Description	Location, Direct Answer, or Omission	SASB Standard
GRI 103: Management Approach 2016	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. 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.	
Business Resilience				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Resilience	
	103-2	The management approach and its components	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 analyse 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.	
	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.	

Sustainable Accounting Standards Board (SASB) Index

Accounting Metrics

SASB Topic	Code	Metric	Location
Business Ethics			
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Ethics & Compliance GRI Index, Anti-Corruption
Materials Sourcing			
Materials Sourcing	RT-EE-440a.1 RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Fortive Conflict Minerals Report
Energy Management			
Energy Management	RT-EE-130a.1 RT-IG-130a.1	Total energy consumed, percentage grid electricity, and percentage renewable	Data Tables GRI Index, Energy
Recruiting & Managing a Global, Diverse & Skilled Workforce			
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.2	Employee engagement as a percentage	Organizational Culture & Management
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for management, technical staff, and all other employees	Data Tables

FORTIVE

GENERAL CORRESPONDENCE

Fortive Corporation
6920 Seaway Boulevard
Everett, Washington 98203
Email: sustainability@fortive.com
www.fortive.com

INVESTOR CONTACTS

Postal correspondence
should be mailed to:
Computershare
P.O. 505000
Louisville, KY 40233
Overnight correspondence
should be sent to:
Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202

FORTIVE INVESTOR RELATIONS

If you would like to contact a
member of Fortive's Investor
Relations team, you may do
so by email, telephone, or mail:
Fortive Investor Relations
6920 Seaway Boulevard
Everett, Washington 98203
Email: investors@fortive.com
Tel: (425) 446-5000