

TEXTRON



2019
CORPORATE
RESPONSIBILITY
REPORT

A LETTER FROM THE CHIEF EXECUTIVE OFFICER

COLLEAGUES, SHAREHOLDERS, AND FRIENDS,

Developing and delivering Textron's innovative products for customers around the world is the result of hard work by our talented people. Alongside these efforts, Textron is committed to being a responsible corporate citizen.

We do this by safeguarding the environment, offering our employees safe and inclusive workplaces with career growth opportunities, upholding our high ethical standards by acting with integrity in everything we do and supporting and building stronger communities.

This report outlines our corporate responsibility progress and highlights the actions we've taken this past year. Specifically, our focus areas include:

- **THE ENVIRONMENT:** Textron's annual goal-setting process, sustainability projects and environmental health and safety framework advance our efforts to minimize our consumption of energy and natural resources and our impact on the environment.
- **OUR PEOPLE:** Delivering leading-edge products and services to our customers starts with our people. That's why we continuously work to make our operations safer, offer health and well-being benefit programs to our employees, create great career opportunities for our workforce and build an engaging, inclusive environment where all employees are treated with dignity and respect.
- **ETHICS AND COMPLIANCE:** Our high ethical standards stem from our values of integrity, respect, trust and the pursuit of excellence. We are always committed to conducting our business with these values in mind.
- **CHARITABLE GIVING AND OUR COMMUNITIES:** Through volunteerism, philanthropic giving and the non-profit Textron Charitable Trust, we support a wide variety of charitable organizations and community interests in the places we do business, work and live.

Our corporate strategy is driven by a desire to continue to improve in these important areas, and our commitment has never wavered. Setting an example as a responsible corporate citizen of the world is more than good business, it's simply the right thing to do.



Scott C. Donnelly

Chairman and Chief Executive Officer



TEXTRON: WHO WE ARE

Textron Inc. is a multi-industry company that leverages its global network of aircraft, defense, industrial and finance businesses to provide customers with innovative solutions and services. Textron is known around the world for its powerful brands such as Bell, Cessna, Beechcraft, Hawker, Jacobsen, Kautex, Lycoming, E-Z-GO, Arctic Cat, Textron Systems, and TRU Simulation + Training.

What began as a small New England business in 1923 has grown into today's \$13.6 billion company. We serve customers in a variety of industries including aerospace and defense, specialized vehicles, turf care, automotive systems and finance.

Throughout our history, Textron's businesses have been a source of ground-breaking technologies and industry-firsts. Major steps in the evolution of aircraft, rotorcraft, armored vehicles, electrical vehicles and automotive systems have emerged from our product development pipelines. View the [Textron product highlights video to learn](#) more about our family of powerful brands.

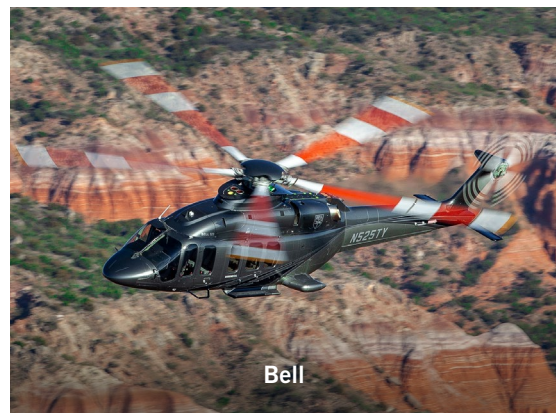
OUR BUSINESS SEGMENTS

We conduct our business through five operating segments: Textron Aviation, Bell, Textron Systems, Industrial and Finance.

- **Textron Aviation** is home to the Beechcraft, Cessna and Hawker aircraft brands and a leader in general aviation. Textron Aviation manufactures, sells and services business jets, turboprop and piston aircraft and special mission and military aircraft.
- **Bell** is one of the leading suppliers of military and commercial helicopters, tiltrotor aircraft and related parts and services in the world.
- **Textron Systems'** product lines consist of unmanned systems, marine and land systems, and simulation, training and other defense, aerospace and general aviation mission support products and services.
- Our **Industrial** segment offers two main product lines: fuel systems and functional components produced by Kautex and specialized vehicles manufactured by the Textron Specialized Vehicles businesses.
- The **Finance** segment provides financing primarily to purchasers of new and pre-owned Textron Aviation aircraft and Bell helicopters.

The day-to-day operations of our businesses are conducted through various subsidiaries and operating divisions while oversight, direction and assistance are provided by Textron's Corporate Office consistent with sound governance practices. For more details about our structure, governance, leadership and financial performance, refer to www.textron.com, the [Textron 2019 Annual Report](#) or the [Textron 2019 Fact Book](#).

TEXTRON AT A GLANCE IN 2019



CORPORATE RESPONSIBILITY AT TEXTRON

Textron is more than a family of businesses and powerful brands. We realize our company's continued success depends on acting responsibly, sustainably, safely and ethically. Our talented workforce that creates our innovative products is deeply connected to the communities where we live and work. Acting responsibly, sustainably, safely and ethically not only aligns with our company values, but it's who we are.

Our corporate responsibility efforts encompass the following tenets:

- Working to decrease the environmental impact of our business activities throughout our operations.
- Enhancing workplace safety and the health and well-being of our employees.
- Offering our employees opportunities to grow and develop their careers.
- Working to increase the diversity of our workforce and supporting inclusive workplaces.
- Ensuring that our businesses are always striving for the right legal and ethical course by upholding our values of integrity, trust, respect and pursuit of excellence in our business and community interactions.
- Supporting non-profit organizations through partnerships with local charities, active volunteerism, philanthropic giving and our non-profit Textron Charitable Trust.



OUR VALUES

At Textron we are committed to the values of **INTEGRITY, RESPECT, TRUST** and **PURSUIT OF EXCELLENCE** in all relationships with **CUSTOMERS, EMPLOYEES, BUSINESS PARTNERS, SUPPLIERS, SHAREHOLDERS, the COMMUNITY** and the **ENVIRONMENT**.

Although it is our values which drive our corporate responsibility efforts, Textron is honored to be recognized in the following ways:



Newsweek America's Most Responsible Companies 2020 (#185)



Forbes' 2019 Best Employers for Women (#179)



2020 Women on Boards Winning Company



Forbes' 2019 America's Best Employers 2019 (#382)



Forbes' 2019 Best Employers for New Grads (#154)



National Guard Education Foundation's Legion de Lafayette medal

TEXTRON AND THE ENVIRONMENT

Textron understands its responsibility to participate in working toward a sustainable future for the environment. Our responsibility to the environment starts with our compliance with regulatory requirements and is supported by our Textron Global EHS Policies and Standards which we follow in all countries where we operate. Beyond compliance, we are focused on reducing the energy and natural resource intensity of our operations and contributing positively to the communities in which we operate.

SUSTAINABLE FOOTPRINT

All Textron business units set annual targets for energy efficiency, greenhouse gas emissions reduction and waste minimization. In 2019, these targets varied by business and generally represented between a 1 and 2.5% annual improvement.

TEXTRON'S 2019 SUSTAINABILITY PROJECTS: REDUCING OUR ENVIRONMENTAL FOOTPRINT

In 2019, Textron operations around the globe completed more than 150 sustainability projects aimed at energy, waste or water use reduction. In addition to saving Textron \$3.3 million, these projects helped Textron improve by increasing energy efficiency and reducing greenhouse gas emissions, water use and waste generation. Project savings on energy were 83,000 mmBTUs, which resulted in reducing greenhouse gas emissions by 9,700 metric tons. Our waste minimization efforts helped to reduce our landfill disposal by almost 2,000,000 pounds. Water projects resulted in 6.5 million gallons of water savings.

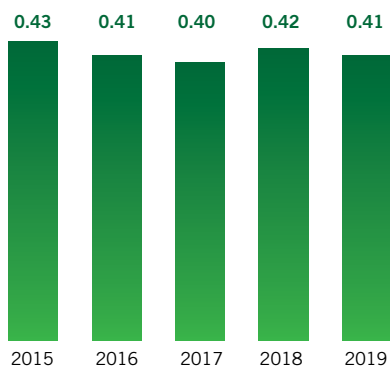
2019 SUSTAINABILITY PERFORMANCE

The charts on this page show our 2019 performance and progress over the past five years on energy consumption and greenhouse gas emissions reduction, as well as our 2019 waste profile and water consumption. Intensity values are normalized to revenue.

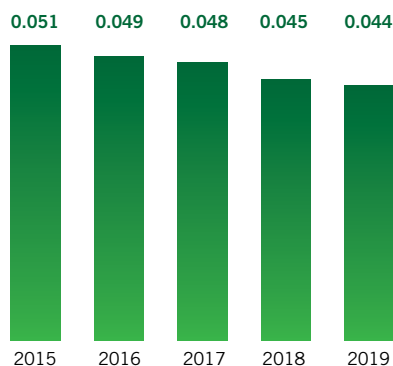
GREENHOUSE GAS (GHG) EMISSIONS

Greenhouse gas (GHG) emissions are determined following the Greenhouse Gas Protocols of the World Business Council for Sustainable Development and the World Resource Institute. Consistent with these protocols, Textron accounts for direct (Scope 1) and indirect (Scope 2) GHG emissions in terms of CO₂-equivalents. Our greenhouse gas emissions and calculation methodology have been verified by an ANSI-accredited independent third party in accordance with ISO 14064-3.

5-YEAR TREND ENERGY INTENSITY
(mmBTU/Revenue)



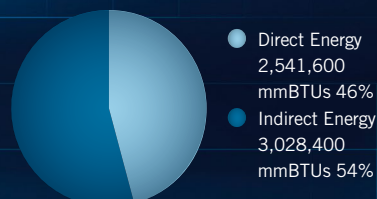
5-YEAR TREND GHG INTENSITY
(CO₂-e / Revenue)*



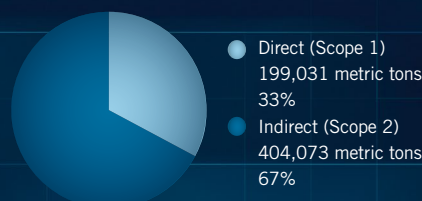
*Intensity metrics are normalized to revenue.



2019 ENERGY AND FUEL CONSUMPTION
5,570,000 mmBTUs



2019 GREENHOUSE GAS EMISSIONS
603,104 metric tons



2019 WASTE PROFILE
Disposed: 56,392,200 lbs.
Recycled: 83,998,300 lbs.
60% Recycling Rate



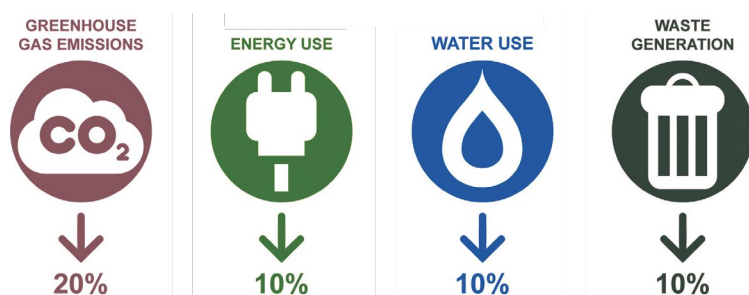
2019 TOTAL WATER CONSUMED
972,245,800 gal.

TEXTRON AND THE ENVIRONMENT (continued)

NEW 5-YEAR SUSTAINABILITY GOALS ESTABLISHED

To further Textron's longstanding commitment to the environment and natural resource conservation, in 2020 we established a new set of enterprise-wide 5-year improvement goals specific to the following areas of focus: greenhouse gas emissions, energy use, water use and waste generation. By 2025, Textron's business will strive to achieve the following goals: 1) Reduce greenhouse gas emission intensity by 20%; 2) reduce energy use intensity by 10%; 3) reduce water use intensity by 10%, and; 4) reduce waste generation intensity by 10%.

2025 ENTERPRISE-WIDE GOALS



To achieve these goals by 2025, Textron intends to partner with our suppliers and stakeholders to carry out resource improvement projects at our facilities and continuously look for more efficient methods in our energy procurement and manufacturing processes.

ENVIRONMENTAL IMPROVEMENT HIGHLIGHTS

Textron Aviation To Power Kansas Facilities With Renewable Wind Energy

Textron Aviation is harnessing Kansas winds with a 20-year wind energy agreement signed with Evergy, Inc. to meet nearly all its electricity needs at the company's facilities located in Wichita and Independence, Kansas, by utilizing renewable wind energy. Evergy's new green energy program will allow Textron Aviation a path towards achieving its long-term sustainability goals using Kansas' abundant, affordable and renewable wind energy.

The multi-year agreement with Evergy will provide Textron Aviation's Kansas facilities with 55 megawatts (MW) of energy from a 300 MW wind farm being constructed near Manhattan, Kansas, in Nemaha County. The Soldier Creek Wind Farm is scheduled to be online by the end of 2020.

The purchase of renewable energy demonstrates our commitment to a more sustainable future for our employees, communities and customers. Textron Aviation expects to utilize nearly 20% of the zero-emission and renewable energy generated by the Soldier Creek Wind Energy Center.

Textron Aviation's commitment to sustainability through this long-term renewable energy agreement also is expected to reduce the company's energy costs by nearly 22%. Potential savings could reach in excess of \$3 million over each five-year period of the agreement.

Textron Aviation uses enough energy to power about 22,500 homes. By supporting wind energy production in Kansas, Textron Aviation will significantly offset its carbon footprint.



TEXTRON: A U.S. DEPARTMENT OF ENERGY BETTER PLANTS PROGRAM PARTNER

The U.S. Department of Energy's (DOE's) Better Buildings, Better Plants Program is a voluntary partnership initiative to drive significant energy efficiency improvement across energy intensive industrial companies and organizations. Textron is one of 234 leading manufacturers and utilities who partner with the DOE through Better Plants to improve competitiveness, drive energy efficiency, and save money.



TEXTRON AND THE ENVIRONMENT (continued)

Lycoming Engines Reduces Environmental Footprint

In the Green Room of the Lycoming Engines plant in Williamsport, Pennsylvania, crankshafts and cylinder barrels are hardened through a patented ion nitriding technology, rather than traditional caustic chemical processes, to reduce environmental footprint, while still providing the same quality product. This room contains solar tubes to provide supplemental natural light and an HVAC system that recirculates hot air in the room to heat the rest of the facility during the winter. These innovations have allowed Lycoming to reduce water usage by 400,000 gallons, electricity usage by 110,000 kWh and emissions by 1.2 million pounds annually.



Kautex Plants Harness Renewable Energy Sources

In March 2019, Kautex's plant in Barcelona, Spain installed 1,350 solar panels on the roof of the facility which can achieve a maximum power capacity of 363kW. The solar panels are expected to produce 5.3% of the plant's energy consumption which will result in an annual savings of approximately 50,000 €. In August 2019, Kautex's plant in Guararema, Brazil switched to 100% renewable sources. This change will result in a reduction of over 250 metric tons of Greenhouse Gas Emissions annually.



PRODUCT SUSTAINABILITY HIGHLIGHTS

Textron is known around the world for its powerful brands of aircraft, defense and industrial products that provide customers with groundbreaking technologies, innovative solutions and first-class service. Our global network of businesses continues to develop a robust pipeline of new products and technologies to excite our customers and meet and exceed their expectations, including improved safety and sustainability product features. Below are some examples of how our products promote safety and environmental and economic sustainability.

TEXTRON SPECIALIZED VEHICLES: EXPANDING LITHIUM TECHNOLOGY IN THE ELITE SERIES OF PRODUCTS

✓ Environmental Sustainability ✓ Economic Sustainability

Textron Specialized Vehicles has pioneered Samsung SDI lithium technology in its ELITE series of fully electric lithium-powered vehicles, introduced in the E-Z-GO ELITE golf cars in 2017 and expanded into Cushman utility vehicles in 2019.

Compared to traditional lead-acid battery technology, the batteries used in E-Z-GO's ELITE vehicles are designed to generate 95% less hazardous materials over their lifetime.

E-Z-GO ELITE lithium golf cars are also significantly more energy-efficient than vehicles with lead-acid batteries and competitive vehicles with lithium batteries. For example, the E-Z-GO RXV ELITE requires 0.83 kWh to complete a round of golf on a typical golf course as opposed to the nearest competing product which requires 1.74 kWh.

As of year-end 2019, more than 80,000 ELITE vehicles were in service at more than 1,350 private golf facilities worldwide. On average, most golf cars complete 201 rounds of golf annually which translates to an estimated savings of approximately 7,679,205 kWh annually compared to lead-acid battery powered vehicles. According to the Environmental Protection Agency, this energy savings is equal to:

- **5,430** metric tons of CO₂ emissions
- **5.98** million pounds of coal burned
- **610,949** gallons of gasoline consumed
- **12,570** barrels of oil consumed
- **919** homes' electricity use for one year
- Enough power to drive **1,153** passenger vehicles for one year



PRODUCT SUSTAINABILITY HIGHLIGHTS (continued)

TEXTRON AVIATION'S COMMITMENT TO PROMOTING SUSTAINABLE AVIATION FUEL (SAF) IN GENERAL AVIATION

✓ Environmental Sustainability

As an industry, general and business aviation is alone in having developed internationally agreed-upon carbon emission reduction standards for both aircraft and operators. The industry is committed to addressing climate change, through three primary goals articulated in the Business Aviation Commitment on Climate Change established in 2009 and reaffirmed in 2015 by the General Aviation Manufacturers Association (GAMA) and the International Business Aviation Council:

- Achieving carbon neutral growth by 2020
- Improving fuel efficiency by 2% per year from 2010 until 2020
- Reducing CO₂ emissions by 50% by 2050 relative to 2005

Textron Aviation's commitment to these goals is demonstrated through its actions on Sustainable Aviation Fuel (SAF). In an internal review process, the company has confirmed SAF as viable across its entire commercial jet and turboprop product line.

In 2019, Textron Aviation flew aircraft to major industry events such as EBACE and NBAA-BACE using an SAF mixture and has since begun offering SAF for selected customer deliveries. The company is supporting organizations such as the General Aviation Manufacturers Association, National Business Aviation Association and the European Business Aviation Association in their work to improve access to and affordability of the fuel and awareness of its benefits among operators.



BELL'S ELECTRICALLY DISTRIBUTED ANTI-TORQUE

✓ Public Safety ✓ Environmental Sustainability ✓ Economic Sustainability

Helicopter design has traditionally required a mechanically driven tail rotor powered by the main engines. Through out-of-the-box thinking and pushing the boundaries of what is technically possible, Bell engineers are exploring a new system called Electrically Distributed Anti-Torque (EDAT) that employs a series of electric propulsion fans.



The EDAT system is composed of four small fans within a tail rotor. Each of the rotors contains four blades and they are powered by four separate motors. The all-electric tail rotor reduces noise pollution, carbon emissions, operating costs and, since the fans stop rotating as soon as the helicopter touches the ground, reduces injury risk—an advancement for on-the-ground safety.

It has been installed on Bell 429 demonstrator aircraft at Bell's facility in Mirabel, Quebec, Canada and began flight testing in May 2019. Since then, the aircraft has completed more than 50 flight hours and is gradually expanding its flight envelope.

PRODUCT SUSTAINABILITY HIGHLIGHTS (continued)

BELL HELICOPTERS: SAVING LIVES

✓ Public Safety ✓ Environmental Sustainability

Rescue Mission

In 2018, a heroic team of divers, first responders and military personnel rescued the 12 players of the Wild Boar soccer team and their coach from Tham Luang cave complex in Thailand. The Royal Thai Police (RTP) also participated in the “Thailand Mission Impossible” and used their Bell 429 helicopters to transport the young athletes to hospitals.

The RTP currently operates 10 Bell 429 aircraft. Instructor pilots from the Bell Training Academy provided more than 880 hours to train RTP pilots in Bangkok, ensuring the force is ready for any mission.

Firefighting Mission

In 2019, as bush fires devastated Australia in eastern Queensland and northeast New South Wales, destroying many homes and forcing thousands of people to evacuate, commercial helicopter operator Sydney Helicopters flew its Bell 412 twin-engine helicopter to assist in combating the fires. Sydney Helicopters commenced its operations with the Bell 412 in December 2018 and has flown it over 370 hours.

The Bell 412 worked tirelessly to extinguish the fires. The 412 is designed to work in some of the most extreme environments and for a variety of tactical and response missions. It has the reputation of reliability and is most commonly used for medical emergency services, search and rescue, law enforcement, corporate transport and at offshore oil fields. This aircraft is popular in the para-public sector, with governments in Canada, Indonesia, Japan, Australia and the United States incorporating the aircraft into their operations.



TEXTRON'S RESILIENT FACILITIES

At Textron we define resilient facilities as ones which have the people, programs and infrastructure in place to respond to and rebound quickly from crisis events. This concept enables us to ensure the safety of our employees, protect our physical assets, and continue to deliver our products and services to our customers around the globe. We prepare for all manner of crisis events, including fires, natural disasters, climate-change-related extreme weather events, pandemics, active shooter situations and industrial accidents.

CRISIS MANAGEMENT FOR EXTREME EVENTS

To stay ahead of a crisis before it occurs, Textron has crisis management teams in place at both the enterprise and individual business unit levels. These cross-functional teams are tasked with developing plans to address potential risks to our facilities and to identify resources that can be utilized in times of crisis. Preparedness is a fundamental part of these crisis management plans, and training is conducted on a frequent basis, both live and simulated, to ensure the crisis management plans meet the needs of both business unit and Textron management.

If an extreme event causes damage to our facilities or endangers our employees, these plans provide guidelines on how management is to address a crisis situation with a rapid, systematic, orderly and controlled response.

Once a crisis has been resolved, the core team evaluates the situation to determine its effectiveness and identify opportunities for improvement to thwart future crises or improve future crisis response.



TEXTRON AND OUR PEOPLE

We're a network of global businesses with people who are passionate about designing, building and supporting some of the most advanced technologies and services the world has ever seen. By working together and supporting one another, amazing things happen—we push the boundaries of what's possible, soar to new heights and reach for the extraordinary.

And it starts here. With our people.

Since people are the foundation of our success, we are committed to ensuring a safe and healthy work environment, offering health and well-being benefit programs to our employees, creating great career opportunities for our workforce and building an engaging, inclusive environment where all employees are treated with dignity and respect.

SAFE WORKPLACES

To maintain and enhance the safety of our employees, we promote a culture of continuous improvement and individual accountability to provide safe workplaces and to strive for our ultimate vision of zero workplace injuries.

SAFETY PERFORMANCE

At the corporate level, our Global Environmental Health and Safety (EHS) Policies and Standards establish a management system framework that includes goal setting, risk reduction, compliance auditing, and performance reporting. Our businesses augment the corporate program with management systems of their own. For instance, Kautex facilities are ISO 14001 and OHSAS 18001 certified. The overall program is guided by the Textron EHS Council, whose members include the senior EHS leaders from the Textron corporate office and each business unit.

We use an annual goal setting process to drive injury rate improvements. The injury rate reduction goal is a performance metric that resides at the highest levels of the organization. Performance to this goal is reported to Textron's Audit Committee and is tracked and reported to senior leadership as part of our Plan-Do-Check-Act process.

Textron uses various metrics to evaluate health and safety performance globally. The United States Department of Labor Occupational Safety & Health Administration (OSHA) recordkeeping rules are the guidelines all Textron facilities use for reporting injuries. In 2019 we had a Total Recordable Injury Rate (TRIR) of 1.28 and a Lost Time Injury Rate (LTIR) of 0.37.



TEXTRON'S ENVIRONMENTAL HEALTH AND SAFETY FRAMEWORK

Textron's EHS Vision and Operating Principles arise from our company values of integrity, respect, trust and the pursuit of excellence in all relationships with customers, employees, business partners, suppliers, shareholders, the community and the environment.

OUR EHS VISION:	OUR EHS OPERATING PRINCIPLES:
<p>We are committed to the health and safety of our employees, contractors, and communities. We will actively champion environmentally sound practices and safe behaviors. We will continuously improve our processes, require individual accountability and demonstrate leadership to strive for zero injuries, eliminate adverse environmental impacts, and contribute positively to the communities in which we operate.</p>	<ul style="list-style-type: none"> • No job or activity is worth risking injury • All injuries and environmental incidents are preventable • Working safely and in an environmentally responsible manner is a condition of employment • Each of us is responsible for the safe behavior of ourselves and others • Environmental, Health and Safety is led by senior management, implemented by line management, with each level accountable to the one above and responsible for the one below • We will design and integrate Environmental, Health and Safety into our products, our facilities and into our management process • All employees will be provided the necessary knowledge, skills and abilities to work safely • Strong environmental, health and safety performance is good business

EMPLOYEE-LED IMPROVEMENTS TO ENVIRONMENTAL, HEALTH AND SAFETY

Each year, the Textron Environmental, Health & Safety Award for Excellence recognizes extraordinary achievements by our employees within the categories of safety, ergonomics, health and well-being and sustainability. Textron's EHS Council chooses a winning team that has successfully implemented a project within each of those categories. Below are the winning projects from 2019.

Kautex 2-Zone System



Safety

At Kautex, logistics safety best practices have been perfected and turned into global standards. At each plant, the 2-Zone System separates pedestrians from vehicle traffic to eliminate accidents. In manufacturing areas, where possible, lift trucks have been replaced with safer vehicles such as tuggers and manually operated pallet jacks. In areas where lift trucks are still required, guarded walkways and barriers protect and separate pedestrians from traffic. In materials areas, such as yards and shipping areas, all unnecessary pedestrian traffic has been eliminated so lift trucks can operate free from unexpected intrusions.

The Results

- **12%** reduction in forklift-pedestrian incidents
- **50%** reduction in logistics incidents involving pedestrians
- Elimination of **thousands** of forklift-pedestrian interactions

TEXTRON'S ENVIRONMENTAL HEALTH AND SAFETY FRAMEWORK (continued)

Textron Aviation Punch Press Load Device

✓ Ergonomics

At Textron Aviation's facility in Chihuahua, Mexico, the loading process for dies previously required manual pushing and pulling by operators which was physically demanding on their backs and arms. A local team developed the new Punch Press Load Device to automate the loading process by using a system of gears and pulleys that performs the die's push and pull operation. In November 2019, this new device was introduced to tool control team members which eliminated ergonomic risks.

The Results

- The operation's Rapid Upper Limb Assessment (RULA) score went from a **7** (high risk) to a **3** (low risk) after introduction of the Punch Press Load Device
- Since its introduction there have been **zero ergonomic cases** attributed to push and pull of heavy tools in the plant

Bell Health & Wellness Center

✓ Health & Well-Being

In 2019, the Bell Health & Wellness Center, an onsite health center and discounted pharmacy for occupational and non-occupational health care, opened within Bell's largest facility in Hurst, Texas. Available to employees and their covered dependents, the Bell Health & Wellness Center offers confidential services such as primary care, occupational health, acute care, clinical lab services, pharmacy services and more. Employees can choose to use Bell Health & Wellness Center as their primary provider. They can conveniently take care of their health without having to take excessive time off work for routine exams or minor procedures.

The Results

- Since its opening, there have been **2,000** non-occupational visits and over **700** occupational on-site visits
- Over **4,500** prescriptions filled by the pharmacy



Bell Efficient Naphtha Flushing

✓ Sustainability

The Bell Repair & Overhaul Center in Hurst, Texas, performs PATCH test flushing operations on military gear boxes to rid the housing of any debris before final assembly and "green" run. Previously, the flushing was done using naphtha, which is a high-vapor pressure, flammable solvent. A project team developed a replacement process—the Brulin Aqueous Solution. With this new process, a recirculation system with a new flush booth and additional process controls to manage solvent use has resulted in a significantly lower vapor pressure product for the final PATCH testing. The new process has lowered cost, decreased waste generation and facilitated air permit compliance.

The Results

- Employee exposure to hazardous chemicals reduced by **78%**
- Monthly hazardous waste consumption reduced from **3300 to 110 gallons**
- **\$1.25 million** in Green Run and Naphtha Fluid Cost Savings in 2019

HEALTHY EMPLOYEES

Textron believes that a healthy workforce is more likely to be engaged, productive and successful.

Our mission is to foster a culture of well-being by providing support and resources that empower our employees and their families to embrace a healthy lifestyle. Our well-being core operating principles are:

- Healthy, empowered employees are safe and more productive employees.
- Management will provide healthy workplaces and promote healthy lifestyles.
- Individuals are accountable for making healthy choices and exhibiting healthy behaviors.

Our businesses offer a wide range of well-being services for employees and their families and regularly solicit feedback to ensure services and resources are meeting their needs. Our initiatives are centered around three major core activities:

1

Developing healthy worksites conducive to well-being

2

Enhancing the well-being of our employees through reduced rates on fitness club memberships or onsite fitness facilities and a variety of health and wellness offerings

3

Promoting programs focused on physical, mental, financial and social well-being that meet the needs of our workforce



PROGRAMS TO BENEFIT OUR EMPLOYEES

Textron's compensation and benefits recognize and reward employees' hard work and effort. U.S.-based employees receive pay-for-performance compensation, healthcare benefits, including medical, prescriptions, and dental and vision coverage, income protection, retirement benefits and more. These programs help our employees achieve their professional goals and enhance well-being for them and their families. Below are some of our programs and policies designed for the well-being of our employees.



EMPLOYEE ASSISTANCE

To help our employees and their families with work, home, personal or family issues, employee assistance is available via phone or online. Our employee assistance program provides a professional, confidential source for employees to turn to when personal, financial, legal, or other problems occur within their lives. Services include, but are not limited to: stress, family concerns, alcohol or drug dependency, workplace conflicts, grief, depression, anxiety, tobacco cessation, legal and financial consultations and work-life balance assistance.



ADOPTION ASSISTANCE

Textron provides financial assistance for adoption. Employees can receive up to \$4,000, up to a lifetime maximum of \$12,000 (subject to FICA & FUTA taxes) per successful adoption for expenses for fees from licensed agencies, legal costs, fees related to immigration or naturalization, and travel expenses.



PARENTAL LEAVE POLICY

To provide flexibility for employees in balancing work and the needs of growing families, in 2018, Textron implemented a parental leave policy for non-bargained salaried and hourly U.S.-based employees. In addition to paid maternity leave benefits which may be available under other policies, employees can take an additional two weeks of paid leave after welcoming a new child into their homes, regardless if it's the birth of a child or through adoption or fostering.



SCHOLARSHIP PROGRAMS

The children of employees of Textron and its subsidiaries are eligible to apply for the Textron Merit Scholarship Program, the Textron Inc. Endowed Scholarship Program at Bryant University and the Textron Inc. Endowed Scholarship Program at Providence College.



FLEXIBLE WORK SCHEDULES

Most of our businesses offer alternative and flexible work schedules to allow employees to meet the personal demands of life that don't always fit into "9-5." In order to balance business and personal needs, managers and employees work together to develop schedules that meet individual and business needs without compromising internal and external customer service levels.



WELL-BEING PROGRAMS

Textron is committed to the health and well-being of our employees. Our locations offer various benefits to support well-being such as the Bell Health & Wellness Center, described above, and access to on-site or discounted local fitness centers.

OUR EMPLOYEE TALENT STRATEGY

Textron is focused on developing employees throughout the enterprise so we have the right people in the right jobs at the right time; this is a key aspect of our talent strategy. When positions become available, we want our employees to be prepared to take on new opportunities and continue to grow and develop themselves.

TALENT DEVELOPMENT PROGRAMS

Our talent development programs are tailored for employees at each stage of their careers and include a mix of enterprise-wide and business unit-specific programs.

- **Entry Level Programs**
 - The **Textron Leadership Development Program** offers roughly 250 participants a year across all functions an opportunity to take rotational assignments at two or more of our businesses over a two-year period.
 - **Rotational programs** within some of our business units allow early career professionals exposure within functional areas such as engineering, integrated supply chain, sales and human resources.
- **Mid-Career Programs**—our business units offer various programs designed for experienced professionals to broaden their skillsets, from functional development to curricula designed to transition individual contributors into leadership roles.
- **Leadership Programs**—Textron offers formal learning experiences and programs for leaders, with offerings customized for first-time managers, managers of managers, managers of functions, and senior executives.

TRAINING AND EDUCATION ASSISTANCE

Textron's employee training strategy uses a learner-centric approach to determine skills gaps and address them with appropriate development programs. Alongside on-the-job training, a wide variety of skills-based training is also offered to our employees by Textron University, an internal corporate function which provides facilitated classroom professional and leadership development programs and an online portal to take web-based courses, register for classroom programs, access advanced skills technical training and manage recertification of existing qualifications.

Our larger facilities sponsor career development events where employees can speak to representatives to broaden their knowledge of other functions, raise awareness of developmental tools and resources and learn about open job positions. Business units provide tailored functional training to match the needs of its business to its workforce such as leadership training programs, educational training for human resources professionals, and career and team development planning.

In addition, Textron's Education Assistance Program reimburses employees for expenses from approved degree or certification programs from institutions accredited by the U.S. Department of Education. Expenses eligible for reimbursement (up to an annual limit) include costs for tuition, books, registration fees, laboratory, College Equivalency Programs and administrative fees. Textron also offers specialized programs, such as the CPA Incentive Package which reimburses employees for study materials, exam and certification fees and offers a financial incentive for passing the CPA exam.



2019 CAREER DEVELOPMENT AT TEXTRON AT A GLANCE

1,480 employees utilized tuition reimbursement via the Education Assistance Program

\$7.2 million reimbursed to employees via the Education Assistance Program

19,089 employees participated in company-provided professional, technical or leadership development instructor-led classes

61,086 classroom completions of company-provided technical (job or functional) and/or professional training

More than **100,000** online professional and technical development courses completed by employees

OUR EMPLOYEE TALENT STRATEGY (continued)

TALENT REVIEWS AND WORKFORCE PLANNING

Textron has a formal annual talent review process in which the current and future talent needs of each business are assessed. Paired with ongoing workforce planning, this process enables our talented employees to be challenged with new and different assignments as our businesses grow and evolve. In addition, leaders from our functional areas within each business belong to enterprise-wide councils which conduct annual talent reviews. In this way, employees who are ready to assume significant leadership roles can be matched to opportunities that best fit their career path, which may be in other businesses within the enterprise.

EMPLOYEE ENGAGEMENT

To support this talent strategy, our businesses periodically conduct employee engagement surveys to gather insight about our employees' perceptions of job satisfaction, leadership, compensation and benefits, training, career development opportunities and workplace culture. In 2019, Textron was focused on preparing an enterprise-wide employee engagement survey which is anticipated to launch in 2020. The results and survey feedback will be shared with Textron's leadership, including the Board of Directors, and will guide actions to improve employee engagement.

Ultimately, ensuring our employees are engaged and supported throughout their career journey at Textron from hire to retire allows us to retain talented people.

DEVELOPING OUR TALENT PIPELINE

As Textron employees take advantage of career growth and development opportunities, they are promoted or move into roles of increasing responsibility. To replenish our talent pool at the entry level, we work with colleges and other educational organizations to offer internships and workforce development programs to their students. Successful participants may be offered direct-hire positions or participation in entry-level programs such as the Leadership Development Program or rotational programs. As a result, these entry-level employees work alongside talented peers, colleagues and managers as they acquire real-world, hands-on experience, develop new skills and chart their career path.

In addition, our business units participate in community and educational workforce development programs such as:

- **AMSkills:** TRU Simulation + Training works with this multi-discipline, advanced technical training and apprenticeship program to prepare future manufacturing leaders in the greater Tampa area.
- **Wichita State Innovation Campus:** Around 40 Textron Aviation employees share facilities with Wichita State students to advance product innovation and help students better understand career opportunities within general aviation by giving them access to real-world applications and the training needed to effortlessly assimilate into the workforce.



OUR EMPLOYEE TALENT STRATEGY (continued)

- The **Reaching Potential Through Manufacturing (RPM)** program, a joint initiative of Textron Specialized Vehicles Inc. and the Richmond County School System in Augusta, Georgia provides at-risk pupils with valuable real-world work experience in manufacturing, a steady income, and a means to make up lost ground toward their high school diploma. Since the first students matriculated in August 2016, 150 at-risk high school students have earned their diploma through RPM. Currently, more than 40 RPM alumni are employed at TSV, and many others have found gainful employment at other companies or continued their education in college.
- Textron Aviation partners with the Kansas Workforce Alliance to offer the **Youth Employment Project (YEP)**. In 2019, 60 (up from 25 in 2018) local high school students served as paid, part-time interns as part of a six-week program during the summer. YEP interns worked closely with their department leaders, learning about Textron Aviation’s business, necessary workplace skills and future career opportunities.

PAY EQUITY

Pay equity is integral to our core values and enables us to attract, retain, develop and motivate highly qualified and diverse people. Our compensation principles support our commitment to fair and equitable pay throughout the employment lifecycle and include enterprise compensation guidelines and regular internal reviews to ensure fair pay.

Further to this commitment, in 2019 we conducted an in-depth analysis of our compensation practices covering all U.S.-based, non-bargained employees. The purpose of this analysis was to identify any pay discrepancies so we can take necessary action to ensure fair and consistent pay practices with respect to race and gender. The analysis confirmed that Textron’s pay practices are fair and consistent and did not identify any areas of systemic discrimination associated with race or gender in our compensation practices.

We will continue to regularly conduct internal and external reviews of our pay practices to ensure that we continue to meet this commitment to fair pay.

EMPLOYEE RECOGNITION

Textron’s businesses, functions and facilities have various employee recognition and incentive programs to recognize excellence. The highest level of employee recognition is the annual **Textron Chairman’s Award for Innovation** which rewards employees who have made significant contributions to innovation, growth, productivity or customer service. In addition to other rewards, each winner is recognized on the Chairman’s Award Wall of Fame at Textron’s World Headquarters.

TEXTRON AND OUR PLEDGE TO AMERICA’S WORKERS

As part of the National Council for the American Worker, the Trump Administration asked companies and trade groups throughout the country to sign **Our Pledge to America’s Workers**—committing to expand programs that educate, train, and reskill American workers from high-school age to near-retirement. Textron, a signatory of the pledge, promised to create 4,100 new education and training opportunities for students and workers over the next five years.

In 2019, Textron reported that we surpassed our pledge, specifically in the area of new workers in internships, college hire rotational programs, co-op programs, continuing education, on-the-job training, reskilling, leadership programs and traditional apprenticeships.

Scott Donnelly, Textron’s Chairman and CEO, says, “Programs like these are good for our people and good for our company—we’re looking forward to expanding our work in these areas.”

DIVERSITY, INCLUSION & BELONGING

Textron is committed to having a diverse workforce and inclusive workplaces throughout our global operations. We employ and hire those who may fall within any spectrum of race, color, religion, sex, age, national and ethnic origin, marital status, veteran status, physical or mental disability, sexual orientation, or gender identity and expression.

We understand the importance of diversity—that it enhances our company, stimulates innovation and creativity and provides opportunities for our growth and advancement. We believe by employing highly talented, diverse employees, who feel valued, respected and are able to contribute fully, we will drive talent retention, improved performance and collaboration, all of which contribute to stronger business results and reinforce our reputation as leaders in our industries and communities.

We are committed to:

- Intentionally building inclusive teams that incorporate different perspectives, cultures and experiences
- Increasing opportunities for all employees to grow and develop their careers
- Encouraging intellectual debate and collaboration to drive innovation that delivers business results
- Enhancing the employee experience

DIVERSITY RECRUITING AND HIRING INITIATIVES

Although we have had diversity initiatives in place for many years, in 2019 Textron formulated a data-driven action plan to increase transparency and to accelerate efforts to diversify our workforce via our hiring processes.

This action plan includes determining availability of eligible diverse candidates for open job requisitions based on data provided from the Department of Labor and the National Center for Education Statistics. Analyzing these statistics allows us to set goals based on the diversity metrics that exist within available talent pools. This process ensures hiring managers receive applicant lists that include highly qualified diverse candidates.

Additionally, we provide inclusion and unconscious bias training to our employees and recruiters to improve diversity in recruiting.

In 2019, Textron added Tuskegee University and North Carolina Agricultural and Technical State University, both historically black colleges and universities, to its list of schools for targeted university recruiting efforts.



TEXTRON RANKS 179th ON FORBES' AMERICA'S BEST EMPLOYERS FOR WOMEN

Each year, *Forbes* publishes the list of America's Best Employers for Women. Companies are chosen based on an independent survey from a sample of 60,000 U.S. employees working for companies employing at least 1,000 people in their U.S. operations. Textron is proud to be recognized with a rank of 179th on the 2019 list.

DIVERSITY, INCLUSION & BELONGING (continued)

ALLIANCES AND SPONSORSHIPS

Via our partnership with the non-profit DirectEmployers Association who helps connect us to diverse job seekers via syndication services, Textron's open position requisitions are displayed on a significant number of military/veteran network, diversity and disability job websites.

Textron is an industry partner of Advancing Minorities Interest in Engineering (AMIE), a non-profit organization whose purpose is to expand corporate, government, and academic alliances to implement and support programs to attract, educate, graduate and place underrepresented minority students in engineering careers. Textron is a Gold Level Sponsor of AMIE.

In 2019, Textron participated in the following Diverse STEM conferences as exhibitors:

- Black Engineer of the Year (BEYA); one Textron employee honored
- Society of Asian Scientists and Engineers (SASE); six Textron employees honored
- Women of Color (WOC); two Textron employees honored

DIVERSITY ALLIANCE HIGHLIGHTS

Bell Collaborates with Tuskegee University

In 2019, NASA announced that Tuskegee University was awarded a grant through its Minority University Research and Education Project (MUREP). The grant-funded project will provide students at Tuskegee with the education and experience needed to help address manufacturing needs in the U.S. aerospace sector.

Through its collaboration with NASA and corporate partner Bell, Tuskegee researchers will identify critical helicopter parts and develop a complete business case for the use of 3D printing in the manufacturing of these parts. The proposed work plan also includes a critical review of the current status of aerospace high-volume manufacturing and supply chain, with a focus on Alabama's aerospace industry.

Textron Aviation Sponsors Diversity Programs at Wichita State University

In 2019, Textron Aviation committed \$300,000 in financial support to the Division of Diversity and Community Engagement at Wichita State University (WSU) as an exclusive sponsor of four of the division's programs for the next three years. Those programs are: Tenacious Ten, No Veteran Left Behind, Community Engagement Ambassadors and Applied Learning and Partnership Development.



TEXTRON—A 2020 WOMEN ON BOARDS WINNING “W” COMPANY

Textron was named a Winning “W” Company by **2020 Women on Boards (2020WOB)** in recognition of having at least 20% of its [board of directors](#) being comprised of women. 2020WOB is a global education and advocacy campaign committed to building public awareness and momentum toward achieving at least 20% of all public company board seats to be held by women by the year 2020, the milestone 100th anniversary of the 19th Amendment, women's right to vote.

DIVERSITY, INCLUSION & BELONGING (continued)

TEXTRON'S DIVERSITY, INCLUSION & BELONGING (DIB) COMMITTEE

Many diversity initiatives are generated by our employee-led Diversity, Inclusion & Belonging (DIB) Committee, which was formed in 2019, composed of Textron Corporate and business unit representatives. The committee is championed by and reports results and findings to senior Textron leadership.

The DIB Committee's short-term goals include expanding successful individual business unit programs to the enterprise that align with our diverse workforce needs and supporting existing and encouraging the formation of new employee resource groups. Long-term goals include reviewing and recommending adjustments to policies and procedures and raising awareness among all employees of the value of a diverse and inclusive workplace culture.

The DIB Committee operates with the following framework:

OVERARCHING STATEMENT		
We are DIB allies committed to empowering our people to push past possible by fostering a modern culture that achieves value through inclusion, challenging the status quo, promoting new ways of thinking, and advocating for unity.		
WORKFORCE	WORKPLACE	MARKETPLACE
We recruit, develop and retain high-performing, talented and engaged employees with diverse backgrounds and perspectives.	Our teams collaborate to foster an inclusive culture and advocate for the diverse people and skills that develop our breadth of products.	Our diverse business culture makes us competitive across each business unit and promotes a diverse ecosystem of customers, suppliers, colleges and universities.



DIVERSITY, INCLUSION & BELONGING (continued)

EMPLOYEE RESOURCE GROUPS

Company-sponsored Employee Resource Groups (ERGs) across Textron are open to our employees who, based on shared characteristics or life experiences, collaborate to provide a supportive forum for personal and professional development, community outreach or activities. ERGs can be formed around shared interests or experiences as well as various dimensions of diversity such as ethnicity, gender, disability, sexual orientation or generational cohort. Our ERGs include:

BELL

- ACE (Asian Corporation of Employees)
- BAANG (Bell African Ancestry Networking Group)
- Bell Diversity, Inclusion & Belonging (DIB)
- C4D (Champions for Disabilities)
- FUSION for LGBTQ + Employees, Family, Friends and Allies
- HAWC (Health and Wellness Community)
- LaVida (Latin Association for Values-Interaction-Development Assistance)
- Prodigy (PROfessionals for the Development and Integration of Generation-Y Employees)
- VORTEX (Veterans Outreach Through Employee eXperience)
- WLF (Women's Leadership Forum)

KAUTEX

- DRIVE (Develop, Retain, Inspire, Value, Engage)
- Women in Manufacturing

TEXTRON AVIATION

- LEAD (Leadership, Education and Development)
- Plane Talk Toastmasters
- Textron Aviation Employees' Flying Club
- WINGS (Women's Initiative for Networking, Growth & Success)
- Textron Aviation Flyers

TEXTRON CORPORATE

- Employee Connection Committee
- Employee Engagement Team
- Textron Teammates
- Women's Forum

TEXTRON INDIA PRIVATE LIMITED

- BRIDGE Committee
- Cultural Committee
- Sports Committee
- CSR (Corporate Social Responsibility)
- TWIN (Textron India Women Network)
- Toastmasters Club
- POSH (Prevention of Sexual Harassment)

TEXTRON SPECIALIZED VEHICLES

- TSV Women's Forum
- Young Professionals Group

TEXTRON SYSTEMS

- Women's Network
- Veteran's Network
- Young Professionals Network
- DICE (Diversity, Inclusion, Communication and Engagement)
- Employees' Club
- Wellness Committee
- Volunteer Outreach Committee
- Veterans Day Committee



EQUAL EMPLOYMENT OPPORTUNITY AT TEXTRON

Textron is committed to providing Equal Opportunity in Employment to all applicants and employees regardless of race, color, religion, sex (including pregnancy), age, national and ethnic origin, marital status, military service or obligation, veteran status, handicap, physical or mental disability, sexual orientation, gender identity and expression, genetic information or any other characteristic protected by law. This commitment must be followed in all aspects of employment and personnel practices including but not limited to: recruitment, hiring, placement, performance evaluation, upgrading or promotion, demotion, transfer, compensation, benefits, layoff and recall, training and development, social and recreational programs and application of all company policies, procedures, and benefits.

Within the United States, it is Textron's policy to take affirmative action to employ and to advance in employment, all persons regardless of their race, sex, status as individuals with disabilities or protected veterans, and to base all employment decisions only on valid job requirements. Textron develops annual Affirmative Action plans with specific goals to support and promote the employment and advancement and fair pay of minorities, women, qualified disabled persons and veterans.

We are dedicated to maintaining a workplace free of harassment or discrimination and where all employees are treated with dignity and respect. Employees are encouraged to report any suspected harassment or discriminatory conduct, and the Company is committed to investigating all reports of harassing and/or discriminatory conduct and taking appropriate action in response when an investigation reveals any prohibited conduct. Managers and supervisors are specifically responsible for taking actions to prevent violations of Textron's equal employment opportunity policy and to maintain a work environment that is free from harassment or discrimination and reporting any conduct that violates this commitment. Retaliation of any kind against employees for reporting discrimination or participating in investigations is expressly prohibited.

INDIVIDUALS WITH DISABILITIES

As an equal opportunity employer, Textron is committed to a diverse workforce and a barrier-free employment process. Textron is committed to providing workplace accommodations, making all our workplaces accessible to individuals of all abilities. We consider each request for accommodation on a case-by-case basis and are committed to ensuring that all applicants and employees are provided with reasonable accommodations necessary to apply for and perform the essential functions of their jobs.

DIVERSITY, INCLUSION & BELONGING (continued)

MILITARY VETERANS

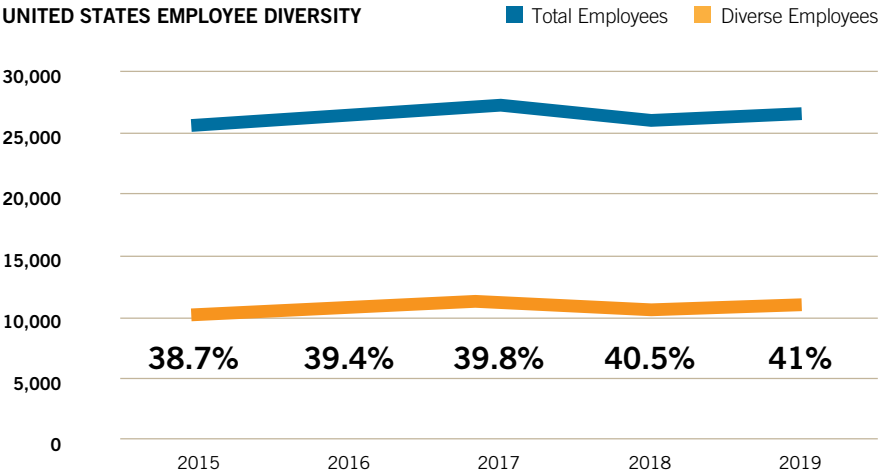
Textron's defense businesses deliver products and systems that are used every day by the men and women of the military to complete their missions effectively and safely. We understand and appreciate the unmatched experience, skills and perspective from our employees who formerly served in the U.S. Armed Forces.

To better assist veterans transitioning to civilian life, in late 2019, we implemented a military skills translator tool on the careers section of the Textron.com website to match military occupation codes or titles to open positions throughout the company. We expect this tool will increase the visibility and connection to military skills and open positions.

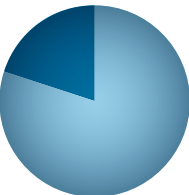
Textron is a member of the Veteran Jobs Mission, a coalition of over 200 companies committed to hiring veterans. As of the end of 2019, Textron employed 4,139 veterans, representing 15.6% of our U.S. employees, and actively recruits former military candidates.

TEXTRON DIVERSITY STATISTICS

In the charts below, diverse employees are defined as women and people of color. Professional hiring includes management, professional and technical job classifications. United States executive leadership is defined as approximately 450 employees who are eligible to receive equity-based incentive awards.

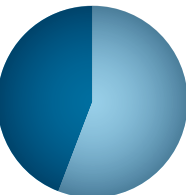


2019 WORLDWIDE EMPLOYMENT BY GENDER
(Total Headcount: 35K)



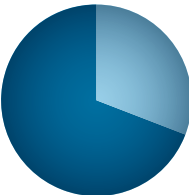
Male 80%
Female 20%

2019 U.S. PROFESSIONAL HIRING



Diverse Hires 44%
Non-Diverse Hires 56%

2019 U.S. EXECUTIVE LEADERSHIP DIVERSITY



Diverse Leaders 31%
Non-Diverse Leaders 69%



2019 U.S. MILITARY VETERANS DEFENSE BUSINESS SEGMENTS

- **Bell:** 22.3% of U.S. employees
- **Textron Systems:** 23.6% of U.S. employees

BELL SIGNS AGREEMENT WITH ARMY PARTNERSHIP FOR YOUTH SUCCESS

In 2019, Bell signed an agreement with the Army Partnership for Youth Success (PaYS) to help qualified veterans find careers at Bell. PaYS helps prepare active-duty soldiers for careers outside the Army by connecting them with potential employers. This relationship is intended to help qualified veterans find careers at Bell. Bell currently employs more than 1,300 veterans. The agreement was signed during a Veterans Day ceremony at Bell's Fort Worth, Texas headquarters.

TEXTRON AND ETHICS & COMPLIANCE

Integrity is the cornerstone of the way we do business at Textron. Our adherence to a high standard of ethical behavior is not only the right thing to do but has earned us the trust and respect of our customers, shareholders, employees and the communities where we live and work.

All Textron employees—regardless of position or title—are accountable for safeguarding and furthering the high ethical standards associated with our company in the global marketplace. Adherence to our policies and the laws and regulations of each country within which we conduct business is expected. Our values of integrity, respect, trust and the pursuit of excellence are the foundation of our culture of responsible and ethical behavior.

For more than 30 years, Textron's Ethics and Compliance Program has provided a road map and resources for our employees and has continued to evolve with changes in our business and regulations. The Program requires each of our business units to assess ethics and compliance risks annually and, based upon changes in the business, the operating environment and other factors, prepare annual risk-based Ethics and Compliance Action Plans which include action steps for risk mitigation. A variety of rigorous processes, ongoing monitoring, audits to detect violations, self-assessments by each Textron business unit and other performance checks are in place to ensure we are on the right course. Where appropriate, we incorporate lessons learned from these performance checks into our Ethics and Compliance Action Plans and use them to otherwise improve our Program.



BUSINESS CONDUCT GUIDELINES

[Textron's Business Conduct Guidelines](#) reflect our philosophy and best practices in providing ethics and compliance guidance. Our Business Conduct Guidelines apply to our Board of Directors and every Textron employee around the world. They define our values and our code of conduct and point the way for all of us.

ETHICS & COMPLIANCE OVERSIGHT

Oversight of Textron's Ethics and Compliance Program resides at the highest levels of the organization. The Textron Steering Committee on Corporate Ethics and Compliance Program is responsible for oversight and review of the Program as well as its implementation and effectiveness. The Committee meets quarterly, and its members include Textron's Chairman and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Executive Vice President, Human Resources. The Committee is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron Inc., who also reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters at each Audit Committee meeting.



GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

Textron's Global Anti-Corruption Compliance Policy applies to our Board of Directors and every Textron employee. It provides detailed standards and processes related to interaction with government officials and onboarding and monitoring of third-party business partners. The Policy prohibits improper payments to government officials and commercial bribery, and it strictly restricts facilitating payments to extremely limited situations where they are necessary to ensure the safety, health or well-being of Textron employees or their family members. The Policy provides detailed approval processes that govern gifts, entertainment, hospitality, and travel expenses for government officials, as well as non-U.S. charitable donations and non-U.S. political contributions. It also requires periodic training, certification, and background checks for employees in high risk positions.

TEXTRON AND ETHICS & COMPLIANCE (continued)

With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.

REINFORCING ETHICAL AND COMPLIANT BEHAVIORS

BUSINESS CONDUCT GUIDELINES AND COMPLIANCE CERTIFICATIONS

All new employees are asked to review and acknowledge receipt of Textron's Business Conduct Guidelines, which constitute our Code of Conduct, and we administer annual employee compliance certifications for both our Business Conduct Guidelines and our Global Anti-Corruption Compliance Policy.

COMPLIANCE TRAINING MODULES

Training and awareness are an integral part of the Ethics and Compliance Program. Live and/or online compliance training are required for employees, including management. More than 123,000 online training modules on various ethics and compliance topics were completed by our employees in 2019.

RECOGNIZING OUR EMPLOYEES

Textron employees are recognized for their achievements in ethics and compliance in one of three categories—Culture of Compliance, Standards and Procedures, and Communication and Training—through Textron's annual Ethics and Compliance Award for Excellence. Positive reinforcement of best practices encourages our employees to make ethics and compliance a priority.

COMPLIANCE CULTURE SURVEYS

In 2018, Textron conducted a confidential employee survey of nearly half of our workforce to measure our efforts in creating and sustaining a culture of compliance. This survey, results of which were shared with Textron's Board of Directors, asked employees their views on a wide range of compliance culture topics including Textron's expectations regarding ethical behavior, communications from management on the importance of compliance, fear of retaliation, confidence that compliance concerns raised would be addressed, and pressure to compromise ethical standards. When asked if the company expects them to conduct Textron business with high ethical standards and in compliance with all applicable laws and regulations, 99% of responding employees agreed. Textron intends to conduct this type of survey on a regular basis to help shape our ethics and compliance program.

ETHICS HELPLINE

Multiple avenues exist to raise issues, ask questions or report violations without fear of retaliation, including through our confidential Ethics and Compliance HelpLine.

TEXTRON AND CHARITABLE GIVING

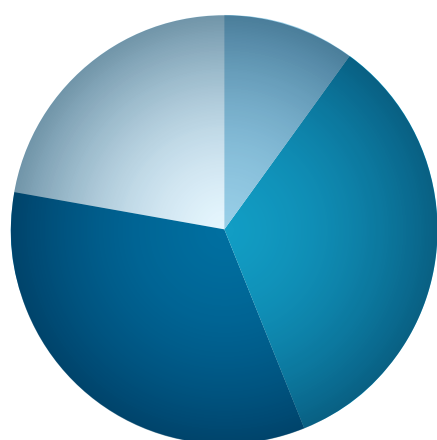
Textron works diligently to build better communities and to be a responsible corporate citizen. Through active volunteerism and philanthropic giving, we work alongside non-profit organizations that address needs within our local communities.

In 2019, Textron, including its business units and the Textron Charitable Trust, gave more than \$7.1 million to support the work these organizations do to better our communities.

Textron's charitable giving comes from two sources: Textron Inc., including its business units, and the Textron Charitable Trust.

Our direct charitable giving, which comprised three-quarters of our total 2019 charitable giving, was made in the form of grants, event sponsorships and general funding, and is largely focused in three areas: Healthy Families/Vibrant Communities, Workforce Development & Education, and the United Way. Within these areas of focus, we support non-profit organizations that address issues related to workforce development, education, arts and culture, community revitalization and health and human services programs in communities where Textron has a major business presence.

2019 CHARITABLE CONTRIBUTIONS: TOTAL \$7,199,816



- UNITED WAY
\$739,859.93
10%
- HEALTHY FAMILIES/VIBRANT COMMUNITIES
\$2,436,751.28
34%
- WORKFORCE DEVELOPMENT & EDUCATION
\$2,443,671.93
34%
- MATCHING GIFTS
\$1,579,533.42
22%



THE TEXTRON CHARITABLE TRUST

The Textron Charitable Trust is a private, non-profit charitable trust funded and operated by Textron Inc. The Trust provides philanthropic support for charitable or educational purposes as determined by its Contributions Committee which is comprised of several Textron officers and employees.

TEXTRON AND CHARITABLE GIVING (continued)

34% HEALTHY FAMILIES/VIBRANT COMMUNITIES | \$2,436,751

The focus of these programs is to invest in the quality of life in the communities where we do business. A wide range of organizations fit this description, encompassing arts and culture, community revitalization and/or health and human services.

34% WORKFORCE DEVELOPMENT & EDUCATION | \$2,443,671

These programs help develop our communities' future workforce, providing educational experiences for people of all ages and socioeconomic backgrounds. They include job training and employment development, educational enrichment and mentoring programs for youth and college/university assistance.

10% UNITED WAY | \$739,859

This amount reflects annual grants to the United Way made by Textron business units and the Textron Charitable Trust. The United Way partners with member agencies to support initiatives in education, employment, health and the creation of strong neighborhoods. In addition, each year, Textron businesses organize United Way employee-giving campaigns to facilitate contributions to non-profit organizations that address local needs within our communities.

22% MATCHING GIFTS | \$1,579,533

Through the Textron Matching Gifts program, full-time employee donations to 501(c)(3) organizations are matched dollar for dollar up to \$7,500 per individual per calendar year. This program supports our employees by investing in the charitable organizations to which they choose to donate. The Textron Charitable Trust provides funding for the program. In 2019, more than 1,900 employees made a charitable gift to over 1,200 organizations which was matched through the program.

CHARITABLE GIVING HIGHLIGHTS

TEXTRON SUPPORTS SMITHSONIAN'S NATIONAL AIR AND SPACE MUSEUM WITH A \$10 MILLION GIFT

Textron has pledged a \$10 million gift to support the transformation of the “How Things Fly” exhibition at the National Air and Space Museum’s flagship building in Washington, D.C. Construction on the gallery is scheduled to begin in 2022.

SUPPORT OF THE NATIONAL GUARD EDUCATION FOUNDATION

Textron is a long-time supporter of the National Guard Education Foundation (NGEF) and a member of the Legion de Lafayette, a funding program comprised of the NGEF’s largest benefactors. In 2019, the Textron Charitable Trust’s \$10,000 grant will support the NGEF’s work which includes operation of the National Guard Memorial Museum, Library and Archive, the National Guard Monument overlooking Omaha Beach in Normandy, France, and scholarship programs to benefit children of fallen Guardsmen.

TEXTRON AND OUR COMMUNITIES

Textron is committed to responsible corporate citizenship and helping improve the quality of life in communities where our employees live and work. Volunteerism and support of local non-profit organizations are part of our culture across the Textron enterprise and strengthen our community relationships.

Below are some examples of employee volunteerism and our businesses' efforts supporting local communities in 2019:

BELL

Bell is a major supporter of the **United Way of Tarrant County** in Texas. Every year employees rally for a two-week long fundraising campaign. In 2019, employees raised over \$350,000 through a variety of events including a casino night, puppy adoptions, Oktoberfest, a talent show, escape rooms and a silent auction. Over 60 committee members helped plan and facilitate the events. The amount raised resulted in a \$40,000 increase of funds over the previous year.

Bell is committed to furthering STEM education in schools and launched its third annual **Bell Vertical Robotics Competition** in 2019. In this event, 17 high school teams were provided with a drone kit to assemble and modify to accomplish several unique missions. The teams were given six weeks to design, fabricate and test their concepts using guidance from Bell Engineering mentors. Bell's Education Committee started this competition to challenge and ignite passion for STEM. More than 60 volunteers committed over 1,000 hours in planning, coordinating, mentoring and day-of-event volunteering.

Bell challenged employees to commit to health and wellness by participating in the **American Heart Association CycleNation and Heart Walk**. Employees and four members of the Executive Team took part in the CycleNation spin bike challenge and over 200 employees participated in the Heart Walk. They raised over \$20,000 to help fight heart disease and strokes.



TEXTRON AND OUR COMMUNITIES (continued)

KAUTEX

A team of employees in Troy, Michigan volunteered to pack food boxes for the homeless and hungry at **Gleaners Food Bank**. The Kautex team packed 9,360 lbs. of food. Alongside other participating teams, a total of 37,905 lbs. of food were packed and distributed to 3,024 families in need.

In the United Kingdom, employees from the Hengoed plant in Wales raised money for **MIND Cymru**, a mental health awareness organization based in Cardiff. Fundraising activities included raffle ticket sales, football game sponsorship and a bake sale. Overall, their efforts raised over \$1,700 for the charity.

TEXTRON AVIATION

Textron Aviation leaders established **Wings for Dreams** in 2015, creating a way to support vital youth organizations in Kansas and to give significant, sustainable funding under a consistent brand. The vision of the program is to give youth the ability to dream and to know that there is a community of caring supporters to help make their dreams a reality. In 2019, Textron Aviation's Wings for Dreams event raised \$3.1 million for **Rainbows United**, a non-profit dedicated to improving the lives of special needs children and their families, through a unique benefit concert.

Paving the way for economic awareness and success is at the heart of **Junior Achievement's** mission. In Wichita, Kansas, Textron Aviation employees lead the community with the largest number of volunteers mentoring K-12 students by teaching lessons based in financial literacy, work readiness and entrepreneurship. Since the partnership began in 2007, employees have taught Junior Achievement in more than 230 local classrooms and volunteered more than 1,500 hours. In 2019, Textron Aviation volunteers spent more than 260 hours in 51 different classrooms, ultimately reaching 1,000 students within the community.

TEXTRON SPECIALIZED VEHICLES

Textron Specialized Vehicles hosted the 25th annual **E-Z-GO Golf Classic** at The Reserve Club at Woodside Plantation in Aiken, South Carolina on Oct. 7, 2019. The event raised \$58,584.24 for the **Boys and Girls Clubs of the CSRA** and the **First Tee of Aiken**, an international youth development organization. These funds help support these organizations to improve facilities, acquire new equipment, and expand youth programs. In its history, the Classic has raised more than \$1.1 million to support youth programs in our community.

Textron Specialized Vehicles spent two days volunteering to help the **Boys and Girls Clubs of the CSRA** prepare for the opening of their new Augusta facility. Nearly 30 TSV employees assisted with putting together the facility's new workout equipment, hanging TV's, putting together furniture, and setting up the club's new computer lab.

Textron Specialized Vehicles hosted **Earth Day** clean-up efforts at all four of its main facilities. This included Augusta, Georgia, Thief River Falls, Minnesota, Kennesaw, Georgia, and Ipswich, U.K. Dozens of employees spent their weekend cleaning up trash and helping beautify local parks and roads around our facilities.



ONLINE EMPLOYEE VOLUNTEER PORTAL

Since community engagement is highly valued among Textron employees, a recently launched online volunteer portal allows them to connect with community volunteering activities, utilize our matching gift program and to manage their personal charitable giving.

TEXTRON AND OUR COMMUNITIES (continued)



TEXTRON SYSTEMS

During 2019, Textron Systems supported multiple communities in which employees live and work with over \$56,000 in direct financial support, including \$25,000 donated to **Team Rubicon** for disaster relief efforts related to Hurricane Dorian. Summer interns in Goose Creek, South Carolina volunteered at the **Ronald McDonald House** to enhance the grounds. And in Williamsport, Pennsylvania, employees sponsored 78 children diagnosed with life-threatening or terminal illnesses by donating toys and gifts to the **Magical Memories** annual holiday event. Additionally, Textron Systems employees at several sites volunteered for local **Meals on Wheels** chapters and held drives to support **Toys for Tots**.

To enrich the lives of the next generation of leaders, Textron Systems donated over \$44,000 in support of **education and STEM (science, technology, engineering and mathematics) programs** for local school systems in 2019.

Across Textron Systems' locations, our businesses donated or raised over \$65,000 for veteran-centric organizations. In Hunt Valley, Maryland, the Veterans Network employee resource group raised \$5,000, which was matched by Textron Systems for a total donation of \$10,000, for the **Maryland Center for Veterans Education and Training (MCVET)**, in addition to collecting 461 lbs. of clothing. In Louisiana, Textron Systems donated over \$9,000 to multiple **local military non-profit organizations**.

TEXTRON CORPORATE & TEXTRON INDIA PRIVATE LTD.

In Providence, Rhode Island, more than 40 employees donated time and the company loaned over \$8,000 worth of E-Z-GO golf cars at **Operation Stand Down Rhode Island's outreach event** to help homeless and special needs veterans secure stable housing and employment as well as other assistance according to individual needs including case management, basic human needs, referrals, and education and training services.

Textron India took the **TB Pledge: Workplace and Corporate Social Responsibility Initiative**, an effort by the American Chamber of Commerce in India to help the central government to eradicate tuberculosis from India by 2025. Through its support of the **Sathya Sai Trust**, district healthcare centers provide health camps and tuberculosis screening for government schoolchildren and pregnant women in rural parts of Karnataka.

“Our employees are generous throughout the year—whether it's volunteering to mentor students in STEM programs, cleaning and beautifying neighborhoods or participating in team charity walks or rides. These good works are part of our commitment as a company to be a responsible corporate citizen and support the communities where we live and work.”

SCOTT C. DONNELLY

*Chairman and
Chief Executive Officer*





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