# TEXTRON 2021 CORPORATE RESPONSIBILITY REPORT











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## COLLEAGUES, SHAREHOLDERS AND FRIENDS,

IN 2021, we at Textron delivered on our commitments to our stakeholders, while continuing our efforts as a responsible corporate citizen within the communities where we live and work. In this report, we

share an update on the actions we've taken across our Environmental, Social and Governance (ESG) priorities to minimize our environmental footprint, protect the health and safety of our employees, foster an inclusive environment, empower our employees with career development and engagement opportunities and ensure that we operate our business with high ethical standards.

Importantly, in this report we also include an index which, for the first time, maps our disclosures to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and to the disclosure topics and metrics of Aerospace and Defense industry standards established by the Sustainability Accounting Standards Board (SASB). We are proud of this step in our ESG journey and the additional transparency it provides on our approach to managing climate-related risks and opportunities across our businesses.

Our focus on ESG has been a catalyst which has generated new opportunities for innovation and collaboration across our businesses. During 2021, we accelerated electrifying our Textron Specialized Vehicles product line with TSV pledging that 75% of its product offerings by model will be offered as full-electric or hybrid by 2035. Our Textron Systems business, Howe & Howe, unveiled its new all-electric firefighting robot, the Thermite EV2, and Textron Aviation achieved the first flight of its new high-performance turboprop aircraft, the Beechcraft Denali, powered with a more sustainable engine. Perhaps most exciting, we recently acquired Pipistrel, an award-winning pioneer in electrically powered aircraft with the world's first, and currently only, electric aircraft to receive full type-certification from the European Union Aviation Safety Agency. Pipistrel has become part of our new business segment, Textron eAviation, which also includes other research and development initiatives for our long-term strategy to offer a family of sustainable aircraft for urban air mobility, general aviation, cargo and special mission roles. Our businesses are looking ahead and meeting the challenge to help build a better world and create a better future for Textron.

But as much as we have achieved towards our ESG goals, we remain committed to continuous improvement and will continue to measure our progress to ensure that we remain on track to meet our goals for a more sustainable future.

I am proud of the work we've done across our businesses to reduce our environmental impact, build stronger communities, develop talent, keep our employees safe and healthy, and uphold our high standards of ethics and respect for human rights throughout our operations. We look forward to continuing to build on our relationships with our customers, employees, business partners, suppliers, shareholders and communities in our role as a global corporate citizen.

SCOTT C. DONNELLY

Chairman and Chief Executive Officer

## **WHO WE ARE**

From its beginnings in 1923 as a business that dyed and processed synthetic yarns for the New England textile industry, Textron has evolved and grown to become one of the world's leading aerospace & defense companies. Synthetic yarns may have nothing in common with business jets, tiltrotor aircraft and sophisticated technologies, but the thread that runs through our company's history is innovation. Indeed, it's been the guiding force behind our success throughout our company's nearly 100 years in business.

## **TEXTRON AT A GLANCE IN 2021**















BY TEXTRON AVIATION



BY TEXTRON eAVIATION













Textron Company









# OUR BUSINESS SEGMENTS

We are known around the world for our powerful brands of aircraft, defense and industrial products. We provide customers with groundbreaking technologies, innovative solutions and world-class service. During 2021, we conducted our businesses through five operating segments:

## **TEXTRON AVIATION**



Textron Aviation is home to the Beechcraft and Cessna aircraft brands and is a leader in general aviation through two principal lines of business: aircraft and aftermarket. Textron Aviation manufactures, sells and services business jets, turboprop and piston aircraft and special mission and military aircraft.

## **BELL**



Bell is a leading supplier of helicopters and related spare parts and services. Bell is the pioneer of the revolutionary tiltrotor aircraft.

## **TEXTRON SYSTEMS**



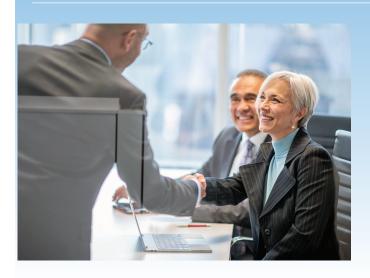
Textron Systems' product and service offerings include unmanned aircraft systems, electronic systems and solutions, advanced marine craft, piston aircraft engines, armored and specialty vehicles and other defense and aviation mission support products and services.

## **INDUSTRIAL**



Our Industrial segment offers two main product lines: fuel systems and functional components produced by Kautex and specialized vehicles, such as golf cars, recreational and utility vehicles, aviation ground support equipment and professional mowers, manufactured by the Textron Specialized Vehicles businesses.

## **FINANCE**



The Finance segment provides financing solutions for purchasers of Textron products, primarily Textron Aviation aircraft and Bell helicopters.

## **OUR VALUES**

At Textron we are committed to the values of integrity, respect, trust and pursuit of excellence in all our employee, business and community relationships. We are also dedicated to reducing our impact on the environment while improving the sustainability of our products and operations, and ensuring workplace safety and the health of our employees. We carry out the company's business with fairness, honesty, integrity and high ethical standards, and in compliance with the laws and regulations of the countries in which we conduct business. These standards govern our conduct when making decisions which affect Textron. This is demonstrated in our relationships with:

#### CUSTOMERS

We maintain a laser-sharp focus on anticipating, understanding and addressing our customers' needs. This applies to all of us, regardless of the role we play in the organization.

#### EMPLOYEES

Our employees are the key to the success of our business. We value the differences among our employees, and ensure everyone feels included and can be their best at work. These differences enrich the workplace and improve our ability to attract employees and work with customers in today's global marketplace. We strive for an environment in which every employee is respected and valued, and we encourage the full contribution of all employees to make our company stronger.

#### BUSINESS PARTNERS

Textron's business partners are an extension of our company and are chosen and monitored carefully. When agents, sales representatives, dealers, distributors, consultants and joint venture partners are engaged in Textron business, they are required to comply with applicable laws and to adhere to standards of business conduct consistent with the Textron Business Conduct Guidelines

#### SUPPLIERS

We work to build strong business relationships with our suppliers based on lawful, honest business practices and the best interests of Textron and our customers. Our purchasing decisions are always based on appropriate business criteria such as price, quality, technical leadership, reliability and the reputation of the supplier. Our suppliers are required to comply with the Textron Code of Conduct for Suppliers and Other Business Partners.

#### COMMUNITY

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.

# BUILDING A SUSTAINABLE FUTURE

SAFE WORKPLACES. A SUSTAINABLE FOOTPRINT. **HEALTHY EMPLOYEES.** RESILIENT FACILITIES.



Textron has established five-year, enterprise-wide sustainability goals through an initiative launched in 2020, called Achieve 2025. These goals have been set to push our sustainability programs further, incorporating sustainability into how we operate each and every day and increasing our focus on striving for safe workplaces, a sustainable footprint, healthy employees and resilient facilities.

These goals represent more than just milestones for our company. By working toward each goal, we'll have fewer employee injuries, reduce our environmental impact, increase employee well-being and meet the growing expectations of our customers, our shareholders and our communities. There are also cost savings—our efforts help to contain our insurance premium costs and protect our assets, while lowering energy usage and waste disposal costs.

## **ACHIEVE 2025 GOALS**

**SAFETY: 20% REDUCTION** IN TOTAL **RECORDABLE INJURY RATES** (TRIR)

SUSTAINABILITY: 20% REDUCTION IN GREENHOUSE GAS EMISSIONS. 10% REDUCTION IN WASTE, WATER AND FNFRGY

WFII-BFING: 20% **IMPROVEMENT IN** WFI I-BFING WORKSITE SURVEY SCORE

RESILIENCY: 90% OR **BETTER AVERAGE** PROPERTY LOSS PREVENTION RANKING

## **OUR EHS VISION**

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.



#### SO HOW DO WE GET THERE?

Reaching our goals will take all of us working together. Working closely with teams across all our facilities, we've incorporated safety, sustainability, health and resiliency into how we operate each and every day.

#### Achieve 2025: Safety

Our ultimate vision is zero injuries and our 2025 goal is a milestone on this journey to zero. We intend to focus on eliminating uncontrolled hazards and to champion employee-led safety, proactive risk reduction and a continuous improvement mindset.

#### **Achieve 2025: Sustainable Footprint**

Our vision is the elimination of adverse environmental impacts. We are working to achieve our 2025 goals by focusing on operationally integrated processes that maximize natural resource efficiency and waste elimination, while creating opportunities for positive engagement with employees, communities and other stakeholders.

#### **Achieve 2025: Healthy Employees**

Our vision is to foster a culture of well-being at all of our workplaces, providing access to resources that empower employees to embrace a healthy and productive lifestyle. We've developed a survey to measure the maturity of each location's well-being programs. Key elements to reach a 20% improvement in our worksite well-being scores include enhancing services related to nutrition, physical fitness and mental health as well as changing the physical layout of certain of our facilities to support our employees' well-being.

#### Achieve 2025: Resilient Facilities

Our vision for operational resiliency is achieved through the implementation of programs that mitigate the risk and enhance our ability to respond to and recover from crisis events and natural disasters, including those related to climate change. We are measuring improvement using the RiskMark rating system developed by our property loss insurer FM Global. The RiskMark rating system evaluates a location's relative risk of experiencing a property loss event due to fire or natural hazards. Our Achieve 2025 goal is to reach 90% of our maximum potential RiskMark score. We are also conducting annual reviews of our worksites by FM Global engineering to evaluate their resiliency, maintaining effective crisis management teams, providing emergency response preparedness training and sharing best practices.

## **TEXTRON AND SAFETY**



#### Safe Workplaces

To maintain and enhance the safety of our employees, we promote a culture of continuous improvement, shared responsibility and individual accountability. This helps us to provide safe workplaces and 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 45001 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 Textron business unit.

In addition to Achieve 2025 goals, 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 2021, we had a Total Recordable Injury Rate (TRIR) of 0.90 and a Lost Time Injury Rate (LTIR) of 0.25.

## **OUR EHS OPERATING PRINCIPLES**

- 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

## **TEXTRON AND THE ENVIRONMENT**

Textron understands its responsibility to contribute meaningfully toward ensuring a sustainable future for the planet. 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.

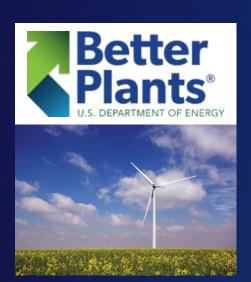
#### **Achieve 2025 Sustainable Footprint Goals**

In 2020, as part of our Achieve 2025 initiative, we established a new set of 5-year sustainability goals specific to the following areas of focus: greenhouse gas emissions, energy use, water use and waste generation. By 2025, Textron will strive to achieve the following goals compared to the 2019 baseline year:



- Reduce greenhouse gas emission intensity by 20%
- Reduce energy use intensity by 10%
- Reduce water use intensity by 10%
- Reduce waste generation intensity by 10%

These goals were developed with the intent for Textron to become more efficient in its use of natural resources to meet the expectations of our customers, shareholders, employees and other stakeholders and to better the communities in which our businesses operate. An added benefit of the Achieve 2025 Sustainable Footprint goals will be economic savings due to more efficient operations.



To accomplish our Achieve 2025 Sustainable Footprint goals, Textron is working with industry experts and key suppliers to carry out resource improvement projects at our facilities as we continuously strive for more efficient manufacturing processes.

- We are leveraging our participation with the U.S. Department of Energy Better Plants Program to evaluate energy efficiency opportunities within our facilities.
- In 2021, Textron Aviation's facilities in Kansas benefitted from over 188,000 Megawatt hours of renewable electricity from the Soldier Creek Wind Energy Center in Nemaha County, Kansas. The use of renewable energy will also play an important role in Textron's efforts to meet our Achieve 2025 greenhouse gas emission goal.

# 2021 SUSTAINABILITY PERFORMANCE

## **TEXTRON'S 2021 SUSTAINABILITY PROJECTS:** REDUCING OUR ENVIRONMENTAL FOOTPRINT

#### 99

**SUSTAINABILITY PROJECTS** AIMED AT **ENERGY, WASTE** OR WATER USE REDUCTION SAVFD **OVER** \$1.5 MILLION

## **OVER 61,400 mmBTUs**

IN ENERGY SAVINGS **RESULTED IN** REDUCING **GREENHOUSE GAS EMISSIONS BY OVER 5,800 METRIC TONS** 

**OUR WASTE MINIMIZATION EFFORTS REDUCED OUR LANDFILL DISPOSAL** 

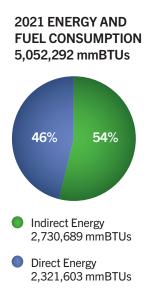
BY OVER 1.6 MILLION **POUNDS** 

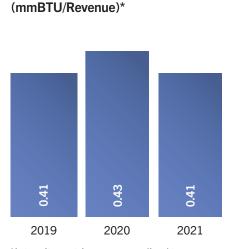
**WE SAVED 31.6 MILLION GALLONS OF WATER** THROUGH WATER USE REDUCTION PROJECTS



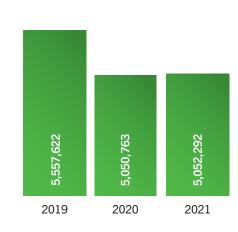
#### **ENERGY CONSUMPTION**

In 2021, Textron facilities consumed approximately 5,050,000 mmBTUs of energy. While absolute energy consumption at our facilities has reduced almost 9% as compared to our Achieve 2025 baseline year of 2019, performance relative to the intensity goal is negligible largely due to residual pandemic impact on company revenue. We continue to identify and implement energy efficiency projects at our facilities and anticipate making progress on this goal in the future.





**3-YEAR TREND ENERGY INTENSITY** 



3-YEAR TREND TOTAL ENERGY

**CONSUMED** 

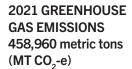
(mmBTU)

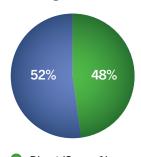
\*Intensity metrics are normalized to revenue.

#### **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 CO<sub>2</sub>-equivalents. Our greenhouse gas emissions and calculation methodology have been verified by an ANSI-accredited independent third party in accordance with ISO 14064-3.

In 2021, Scope 1 and 2 Greenhouse Gas (GHG) emissions attributable to our facilities were approximately 459,000 metric tons CO<sub>2</sub>-e (market-based emissions). Largely due to results of completed energy efficiency projects at our facilities and increased use of renewable electricity in 2021, Textron continued to make progress toward our Achieve 2025 GHG emission goal which calls for a 20% reduction in GHG emission intensity by 2025. 2021 GHG emissions intensity for the company have been reduced almost 15% and we are on track to meet the 20% reduction goal within the goal period.

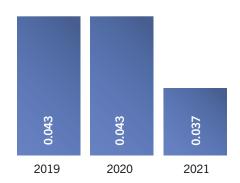




Direct (Scope 1) 222,294 MT

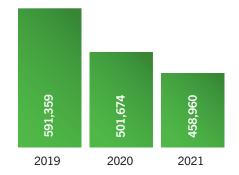
Indirect (Scope 2) 236,666 MT

#### **3-YEAR TREND GHG INTENSITY** (CO2-e/Revenue)\*



\*Intensity metrics are normalized to revenue.

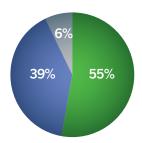
#### **3-YEAR TREND GHG EMISSIONS** (MT CO<sub>2</sub>-e)



#### WASTE MINIMIZATION AND RECYCLING

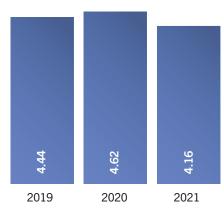
In 2021, Textron facilities generated approximately 51,500,000 lbs of waste, which is approximately 9,000,000 lbs less than the amount of waste generated in our Achieve 2025 baseline year. Waste minimization projects have been implemented at our facilities that have resulted in material substitutions, improved manufacturing methods, and increased recycling rates, all of which have contributed to a 7% improvement in our Achieve 2025 Waste Minimization intensity performance.

#### **2021 WASTE PROFILE**



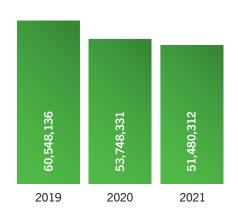
- Waste Recycled 64,484,687 lbs.
- Non-Hazardous Waste Disposed 44,898,381 lbs.
- Hazardous Waste Disposed 6,581,931 lbs.

#### WASTE INTENSITY (Lbs/Revenue)\*



\*Intensity metrics are normalized to revenue.

#### **WASTE DISPOSED (Lbs)**

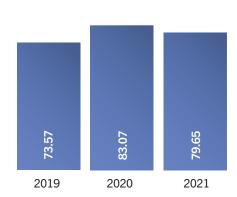


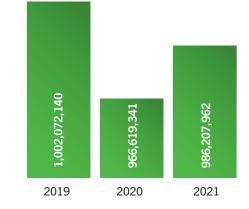
#### **WATER**

In 2021, Textron facilities consumed approximately 986,000,000 gallons of water. While absolute water consumption at our facilities has decreased approximately 2% as compared to our Achieve 2025 baseline year, performance relative to the intensity goal is negligible largely due to residual pandemic impact on company revenue. The responsible use of water, as with other natural resources, is core to our sustainability program. We have identified operations that consume the most water and will continue to implement water resource efficiency projects in order to reach our goals.

#### **WATER INTENSITY\*** (GAL/Revenue)

## **TOTAL WATER CONSUMED (GAL)**





<sup>\*</sup>Intensity metrics are normalized to revenue.

## **ENVIRONMENTAL IMPROVEMENT HIGHLIGHTS**

In pursuit of our 5-year Achieve 2025 Energy Use and Greenhouse Gas Emission reduction goals, we are committed to reducing the environmental footprint of our manufacturing operations. Here are examples of how we are making progress toward those goals.

#### TEXTRON AVIATION: INDUSTRY LEADERSHIP IN GREEN ENERGY



Textron Aviation is offsetting carbon emissions with wind energy. Through a 20-year agreement with Evergy, Inc., the 300 Megawatt Soldier Creek Wind Energy Center in north-central Kansas, which began commercial operation in November 2020, now provides the electricity used by Textron Aviation's aircraft manufacturing operations in Kansas. Nearly all these electricity needs are now met through renewable, zero-emission wind energy. In 2021, this agreement provided over 188,000 Megawatt hours of renewable electricity.

Textron Aviation also joined the U.S. EPA's Green Power Partnership, a program helping to build the nation's green power industry by increasing organizations' voluntary renewable energy use. Using 79 percent renewable energy to power its U.S.-based facilities, Textron Aviation was ranked among the top 100 Green Power Partnership Companies in 2021.

#### TEXTRON SPECIALIZED VEHICLES: SAVING ENERGY AND COSTS ON PRODUCTION LINES



In 2021, Textron Ground Support Equipment Inc. opened a new 275,000-square foot manufacturing facility in Bartow County, Georgia. Within the new facility, Textron GSE is expanding its research-and-development capabilities, particularly in electric-powertrain technology. Textron GSE is moving rapidly to electrify its product lines to address customer needs for equipment that can reduce their carbon footprint, while providing the level of performance and reliability required to meet the demands of daily operations at airports, industrial facilities and military installations.

In 2021, Textron Specialized Vehicles upgraded all its production lines in Augusta, Georgia to LED lighting, which is expected to save approximately \$200,000 per year, reduce energy usage over 1 million kWh, or about the equivalent as 95 U.S. households, and avoid approximately 460 metric tons of greenhouse gas emissions. This new lighting also improves visibility for production line employees.

## **OUR PRODUCT SUSTAINABILITY HIGHLIGHTS**

Textron is known around the world for its powerful brands of aircraft, defense and industrial products. We provide customers with groundbreaking technologies, innovative solutions and world-class service. All of our businesses are dedicated to developing advanced products and technologies to meet the current and future needs of customers—making us leaders in the markets we serve.

Textron continues to blaze a trail with innovative products, while incorporating our commitment to sustainability into product design.

Here are a few examples of how our products promote environmental sustainability and enhance public safety.

#### **TEXTRON AVIATION**



## **ENVIRONMENTAL SUSTAINABILITY**



### BEECHCRAFT DENALI: INNOVATION AND SUSTAINABILITY **BUILT INTO OUR NEWEST TURBOPROP AIRCRAFT**

The Beechcraft Denali, which made its first flight in November 2021, is a clean-sheet single-engine, high-performance turboprop aircraft. It is the first aircraft powered with GE's Catalyst engine, a more sustainable engine that burns up to 20% less fuel than older turboprop technologies. It also features dual channel full authority digital engine control (FADEC), which provides easy power control as well as improved operating efficiencies and engine protections. The Denali also boasts no engine-driven hydraulic

system, minimizing the amount of hazardous hydraulic fluids used, and improving reliability and maintainability of the aircraft.

#### TECHNOLOGIES TO REDUCE ENVIRONMENTAL IMPACT

Li-lon batteries replace NiCD batteries in Longitude aircraft Cessna Citation Longitude aircraft are standardequipped with two Lithium Ion (Li-ion) batteries. Li-ion is a nonhazardous waste, making disposal much safer and less harmful to the environment than traditional batteries made of Nickel-Cadmium (NiCd), which is a toxic heavy material and hazardous waste. In addition, Li-ion batteries weigh about 50 to 60 pounds less than the equivalent NiCd batteries. Less weight means reduced fuel consumption and emissions from the aircraft.

#### **OUR SUSTAINABLE AVIATION FUEL (SAF) INITIATIVE**

The Sustainable Aviation Fuel (SAF) initiatives at our businesses support Textron's Achieve 2025 Sustainable Footprint goal for 20% reduction in greenhouse gas emissions across the enterprise.

As an active proponent of sustainable fuel initiatives, Textron Aviation has worked together with various organizations to increase awareness of SAF benefits among operators.

All Textron Aviation turbine aircraft can operate with SAF, a cleaner source of fuel. Since 2020, all customers of new Beechcraft Turboprop, Cessna Turboprop, and Citation Jet aircraft are offered SAF in their initial tank upon delivery of the aircraft. Additionally, the Textron Aviation Service Center in Wichita, Kansas has recently announced an agreement with AvFuel to receive SAF on a regular basis, enabling it to offer SAF as part of the regular customer service experience.

#### CHAMPIONING CLEANER AND MORE SUSTAINABLE FUELS

In October 2021, Textron Aviation announced that many Cessna piston-powered aircraft were approved to utilize more environmentally friendly aviation gasoline (AvGas). Owners and operators of Cessna 172 Skyhawk, 182 Skylane can utilize 91-octane unleaded (91UL), 94UL or 100VLL (very low lead) fuel in their aircraft wherever it is available. The 206 Turbo Stationair HD aircraft is approved for 100VLL. Unleaded and lower-leaded fuels burn cleaner than higher-leaded fuels currently used on most piston aircraft.

#### **BELL**



## **ENVIRONMENTAL SUSTAINABILITY**



#### **INCORPORATING SAF**

Bell first incorporated SAF in its training and demonstration fleet in March 2021, becoming the first rotorcraft customer to receive SAF supply from global aviation fuel supplier, Avfuel Corporation.

The team working on the Bell 525 Relentless, Bell's super medium commercial helicopter currently in the FAA certification process, is engaged with the FAA on Type Inspection Authorization (TIA) flight testing and is submitting certification artifacts to the FAA in parallel. The aircraft is designed to support long-range missions, including oil and gas, and offers a significant reduction in fuel consumption compared

to other large twin-engine aircraft commonly used for offshore operations. In the summer of 2021, the aircraft completed its first flight using SAF. The 525 also has other sustainable features such as cooling and heating systems independent from the main engines, reduction in usage of chemicals and use of recycled and sustainable chemicals.

Bell is exploring other ways to diminish fuel consumption by testing electrically powered technology. For example, Bell has developed the Bell Autonomous Pod Transport, an all-electric autonomous test vehicle that can carry up to 100 pounds and is designed to be used for business operations, cargo movement and battlefield resource resupply.

#### **BELL: PRODUCTS AIDING IN DISASTER RELIEF AND FIREFIGHTING EFFORTS**





#### **Disaster Relief**

Delivering humanitarian aid and relief to victims of natural disasters is one of the most important missions the Bell Boeing V-22 can undertake. On August 28, 2021, the U.S. Marine Corps operated the MV-22 in Jeremie, Haiti, carrying relief supplies to citizens after a devastating earthquake. Two crews took off from Naval Station Guantanamo Bay, Cuba, flew to Port-au-Prince to pick up supplies, and then made multiple trips across the mountainous southern peninsula to deliver their loads. They stopped only to refuel on board the USS Arlington off the coast of Haiti.

With unparalleled range and vertical takeoff and landing ability, the V-22 seamlessly navigated open ocean and mountainous terrain while traveling more than 860 nautical miles.

#### **Firefighting Efforts**

Around the globe, Bell's aircraft play an essential role in the ever-increasing need for aerial firefighting. With the frequency of wildfires rising every year, and outbreaks becoming more unpredictable, securing a fleet of helicopters that deliver the best possible capabilities to control this life-threatening situation is critical.

A major operator of Bell aircraft in Europe uses 60% of its fleet in firefighting missions. One aircraft it uses for this purpose is the Bell 412. The company's 412s are used to transport water to extinguish and control fires, as well as transport personnel to critical areas for ground firefighting. The 412's advanced capabilities mean both operations can be conducted simultaneously while also carrying specialist equipment. The aircraft are equipped with specialized skids which enable firefighters to be dropped in inhospitable terrain.

"At Bell, our goal is to set the standard for clean aviation and pave the way for a greener future by minimizing our operational impact."

> MICHAEL THACKER, Executive Vice President, Innovation and Commercial Business. Bell

#### KAUTEX: MANUFACTURING PRODUCTS FROM POST-CONSUMER RECYCLED (PCR) MATERIAL



## **✓** ENVIRONMENTAL SUSTAINABILITY

Today, materials obtained from present-day waste streams can only be used in a limited number of recycled products, as different plastics are often mixed together. Kautex's Industrial Products business unit is involved in the R-Cycle cross-industry consortium's efforts to design a global tracing standard to document recyclable packaging based on GS1 standards via a marker applied to the packaging. In this way, waste sorting facilities can identify fully recyclable packaging by using standard detection technologies which makes it possible for more plastics to be recycled.

The 5 liter Jerrican Canister, produced in the Kautex plant in Waldkirch, Germany, is made from 100% high-density polyethylene post-consumer recycled (PCR) material. In 2021, 450,000 units were produced with 500,000 units expected to be produced in 2022. Kautex plans to produce more PCR products with ten different product lines successfully sampled so far.



#### TEXTRON SPECIALIZED VEHICLES: ELECTRIFYING THE PRODUCT LINE



## **ENVIRONMENTAL SUSTAINABILITY**



#### **NOISE REDUCTION**



Textron Specialized Vehicles (TSV) is leading the charge in bringing clean energy electric specialized vehicles to market. As part of its commitment to a more sustainable future, TSV has pledged that 75% of its product offerings by model will be offered as full-electric or hybrid by 2035. Clean energy products introduced in 2021 include:

**E-Z-GO Liberty**—The first of its kind golf car with four forward facing seats is powered by the Samsung SDI ELiTE Lithium-lon (Li-lon) battery, which means zero greenhouse gas emissions. ELiTE Li-lon batteries produce 95% less harmful waste compared

to lead-acid batteries and are 15% more energy efficient than lead-acid batteries. Its IntelliBrake converts speed to electricity, allowing the battery to repurpose energy. The brake components also last longer than traditional brake technology. ELiTE vehicles have saved enough energy to power more than 3,500 homes for a year.

**TUG Alpha 1**—Designed to meet the green ambitions of the global aviation industry, Textron Ground Support Equipment (GSE) unveiled the TUG ALPHA 1, a pushback for narrow-body aircraft that is available with lithium-ion electric as well as diesel and gas powertrains. The electric vehicle offers 15% more energy efficiency compared to traditional lead-acid battery technologies and zero maintenance, resulting in low cost of ownership.

**TUG 660 LI Belt Loader**—Textron GSE introduced the TUG 660 LI, which is powered by a high-performance Lilon electric drivetrain. It offers quiet, energy-efficient and low-cost operation. Compared to products powered by traditional lead-acid battery technologies, the TUG 660 LI consumes less power out of the grid, charges twice as quickly and offered increased range between charges.

**Jacobsen Eclipse 360 ELITE Lithium Mower**—The latest Lithium-Ion battery, outstanding technology, and a hydraulic-free design makes the Eclipse 360 electric greens mower the greenest, quietest and highest quality Jake cut available for golf courses, sports turf and commercial applications.

The Eclipse 360 ELiTE generates zero emissions during use, requires no battery maintenance, uses near-silent technology and is lightweight to protect turf quality.



#### **HOWE & HOWE: ALL-ELECTRIC FIREFIGHTING ROBOT**



## ENVIRONMENTAL SUSTAINABILITY PUBLIC SAFETY





In August 2021, Howe & Howe Inc., a subsidiary of Textron Systems Corporation, unveiled its latest innovations for the firefighting community — its next generation Thermite EV2, an all-electric firefighting robot along with its new, handheld software-driven controller with an 8-inch screen designed to provide real-time situational awareness.

With the ability to operate several hours on a single charge and to move farther into high-temperature, dangerous environments, the Thermite EV2 extends the capabilities of firefighters, while enabling them to maintain a safer distance from the fire.

With the system's advanced technology, unsurpassed mobility and extreme durability, it's an integral partner for firefighters everywhere.



"It's important that we give our first responders the best we have to offer so they can complete their missions and return home safely. Moving forward, we intend to apply our all-electric technology and handheld controller capability to future Thermite models."

- GEOFF HOWE, Senior Vice President, Howe & Howe

## **TEXTRON'S RESILIENT FACILITIES**

At Textron we define resilient facilities as those that 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 the 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.



## **PRODUCT SAFETY**

At Textron, our success in pushing the boundaries of what's possible requires a disciplined and thoughtful approach to the safety and quality of our products. Because our products are complex and often used in highly demanding environments that are extensively governed by state, federal, and international regulations, our businesses have developed and maintain



rigorous processes designed to ensure quality and safety throughout the product lifecycle. This commitment to quality and safety begins with product development, extends through the manufacturing process, and continues throughout the customer's use of our products. Our businesses' quality and safety programs are stringently and consistently reviewed to ensure they meet the specific regulatory guidelines and rules applicable to the products offered by that business.



Textron's aircraft manufacturing businesses, including Textron Aviation and Bell, design, certify, manufacture and support commercial and military airplanes and vertical lift aircraft. All aspects of these business operations are thoroughly regulated by civil and military airworthiness authorities, as applicable, including the U.S. Federal Aviation Administration, the US Department of Defense, Transport Canada and the European Aviation Safety Agency. These governmental bodies issue extensive and detailed safety regulations and requirements, and compliance with these regulations is central to the operations of our aviation businesses. The safety regulations and requirements cover not only the design and certification of aircraft, but also continuing airworthiness support after aircraft are delivered. For their post-production fielded

aircraft, our aircraft manufacturing businesses monitor service and production data for their products, identify issues or events that might affect the operational safety of their products, and interface with the Federal Aviation Administration or other applicable aviation authorities. We continually improve our products' reliability, durability and safety through the issuance of Service Letters, Service Bulletins and model specific communiques which are available to owners, operators and repair stations on the companies' respective customer portals.

Textron's defense businesses develop and manufacture products to the specifications and standards established by our U.S. Government customer. Any proposed engineering changes to a product must be submitted to the Government customer as a formal engineering change proposal and must be approved by the Government

customer prior to implementation. Military products are subject to rigorous testing, including safety testing, during development and must meet all required specifications before they are accepted by the Government customer upon completion.



Textron Specialized Vehicles (TSV) manufactures products that are governed by various voluntary and mandatory industry standards designed to ensure quality and safety. Additionally, for its consumer products, TSV must comply with the Consumer Product Safety Act and other statutes and regulations enforced by the U.S. Consumer Product Safety Commission or similar domestic and foreign administrative bodies. To ensure compliance with these standards and laws, TSV assesses quality and safety throughout the design, manufacturing, and finished product stages, which includes comprehensive testing of product design, components and finished products. When safety or quality issues arise during product development and manufacture, or on products that have already

been sold, TSV utilizes a multidisciplinary review process to identify and address product issues, and, when necessary, undertake recalls, field fixes, and public communications to address identified concerns.

Leadership teams across Textron are committed to ensuring that safety and quality are an essential part of their business. Similarly, through consistent training, a positive safety culture, and rigorous adherence to process, each of our employees is an integral part of product safety commitment. Finally, when circumstances require, our businesses routinely work with government agencies to evaluate safety incidents and work to incorporate lessons learned into our products and services.



# DATA PRIVACY & INFORMATION SECURITY

## **DATA PRIVACY**

#### COMPLIANCE WITH GLOBAL PRIVACY LAWS, REGULATIONS AND STANDARDS

Textron, like all businesses, handles data that may include personal, sensitive, confidential or proprietary information about our employees, customers and others. We use this information for valid business purposes only and undertake to collect, process and transfer this information in compliance with all applicable laws and regulations in the U.S. and globally.



#### **GOVERNANCE, ENFORCEMENT AND TRAINING**

Textron has in place a governance framework and management system which guide the administration of data privacy and the monitoring of compliance throughout the enterprise.

Compliance is enforced via regular privacy risk assessments and audits and regular security audits on our technologies and practices affecting user data. Textron and each of its businesses also conduct regular employee data privacy and security training sessions.

#### **DATA PROTECTION SAFEGUARDS**

Information technology security safeguards have long been

in place to protect Textron data, including personal data. Data protection safeguards include technical mechanisms to identify and protect against unauthorized access, use or disclosure, internal restrictions on access and a formal, robust, and auditable IT Risk Assessment process for vetting of new information systems or vendors that may access or process confidential or personal information.

## **INFORMATION SECURITY**

Textron protects information assets and cost-effectively manages risk by creating a culture that designs, communicates and operates securely to reduce the likelihood and impact of security incidents. We achieve this objective by:

- Designing, implementing, and maintaining solutions with appropriate security controls
- Sustaining all solutions with required patching and vulnerability remediation
- Creating and executing controls in support of policy as well as regulatory compliance
- Ensuring that our policies, processes, practices, and technologies proactively protect, shield, defend and remediate cyber threats
- Delivering quality communications and annual training to all stakeholders on cyber awareness and computing hygiene



#### TEXTRON'S SECURITY CULTURE

Textron has adopted a "Live Secure" approach to our security programs. With this approach, we remind our employees, including those within or outside of the IT function, that their conduct is critical to the success of our information security.

Through our robust security awareness program, we keep our employees apprised of threats, risks and the part that they play in protecting both themselves and the company. One of the key components of this program is conducting regular phishing simulations to increase employee awareness on how to spot phishing attempts, and what to do if they suspect an email to be a phishing attack. In addition, educational communications

are published on our intranet regularly, employees are required to complete assigned compliance training modules annually, or, depending upon the business, more frequently, and our businesses collaborate each October to execute a campaign to promote National Cybersecurity Awareness Month.

#### **CYBERSECURITY TALENT**

Our robust cybersecurity professional talent development program includes a cross-functional, cross-business rotational program to ensure our team is well-rounded and experienced. We invest in regular and frequent training to ensure our team members are up to date on the latest technological advancements and threats.

#### SECURITY POLICY AND COMPLIANCE

Textron's centrally defined security policies and processes are based on industry best practices and are revisited regularly to ensure their appropriateness based on risk, threats and current technological capabilities. We monitor compliance with these policies and processes through frequent internal audits and a set of robust metrics that assist in protection of our environment.

As a defense contractor, we are additionally obligated to comply with current Department of Defense regulations such as DFARS and are working towards meeting the Cybersecurity Maturity Model Certification (CMMC) guidelines.

#### **BOARD OVERSIGHT**

In addition to oversight by executive management, oversight of information security matters is largely conducted by the Audit Committee which has been delegated this duty by the Board of Directors as reflected in the Audit Committee's charter. The Audit Committee annually receives a comprehensive presentation on information security and controls from the Chief Information Officer and, as may be necessary for specific topics, follow up occurs at additional Audit Committee meetings during the course of the year.

#### SECURITY LEADERSHIP, COLLABORATION & SHARING BEST PRACTICES

Collaboration with our industry partners and government customers contributes to the protection of Textron's computing environment as well as our military stakeholders. Textron is engaged with various industry groups such as Aerospace Industries Association, National Defense Information Sharing & Analysis Center (NDISAC) and our Defense Industrial Base (DIB) colleagues to ensure that we are aware of and addressing the latest adversarial threats. Additionally, we share cyber best practices to make the industry more secure.

#### **SUPPLY CHAIN SECURITY**

Textron has a rigorous process, including a formal IT risk assessment, to assess our suppliers prior to allowing Textron information to be processed, stored or transmitted by third parties. Additionally, we include standardized contractual requirements in each contract where appropriate.

#### **INSIDER THREAT**

Protections against insider threat is a critical component of our security strategy, particularly within our defense business units. Processes are designed to evaluate potential insider threats so that appropriate protective measures and responses can be implemented.



## **OUR PEOPLE**

## **BUILDING A CULTURE OF DIVERSITY, INCLUSION & BELONGING**

## **DIVERSITY, INCLUSION AND BELONGING**



At Textron, we are committed to fostering an environment of respect and inclusion in which every voice is heard and each employee is given opportunities to contribute and grow professionally. We attract, hire, develop and retain 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, gender identity and expression or any other dimension of diversity.



Employing highly talented and diverse employees who feel valued, respected and are able to contribute fully, will drive improved performance, innovation, collaboration and employee retention. Working together as inclusive teams contributes to stronger business results and reinforces our reputation as leaders in our industries and communities.

"We recognize that our business is stronger when we bring together people with different experiences and perspectives. At Textron, our inclusive culture is a critical element in driving innovation, creating new opportunities and enhancing our workplace experience for each of us."

— JULIE DUFFY, Executive Vice President & Chief Human Resources Officer, Textron

## **EXPANDING OUR DIVERSE WORKFORCE**

Sustaining a diverse workforce is critical to our success. To further build our outreach to diverse candidates, in 2021, we expanded our recruiting efforts at Historically Black Colleges and Universities (HBCUs), enhanced our partnerships with diverse professional organizations and participated in 17 diversity-focused events, including Women in Business, Society of Women Engineers, National Society of Black Engineers and the Multicultural Business Association.





Textron was included among the 2021 "Top Supporters of HBCUs" list. Based on a survey of college deans, this list recognized the corporate and government/non-profit organizations that provide the most support to the 15 ABET-accredited HBCU engineering programs and the corporate-academic alliance, Advancing Minorities' Interest in Engineering (AMIE).

In connection with our partnerships with HBCUs, the Textron Charitable Trust provided scholarships to students attending Tuskegee University and North Carolina A&T University.



#### EMPLOYEE RECOGNITION BY PROFESSIONAL **ORGANIZATIONS AND SOCIETIES**

We are also proud to have employees recognized by various professional organizations and societies for their work in 2021.

- Eight employees were honored by the Black Engineer of the Year
- Four employees were honored by Women of Color in STEM
- One employee was honored by the Society of Asian Scientists and Engineers
- One employee was honored by Great Minds in STEM.

In addition, Textron continues to partner with DirectEmployers

Association, an organization that helps connect us to diverse job seekers via syndication services. This relationship supports Textron reach to share its open positions with military/veteran networks, diversity and disability job websites.

Through our membership in the Minority Corporate Counsel Association (MCCA), we are developing and expanding our relationships with minority bar associations and other legal diversity organizations to introduce and attract diverse candidates to opportunities throughout our family of companies.

Additionally, we sponsor the National Association of Minority and Women Owned Law Firms (NAMWOLF) and participate in the DRI Diversity Conference and EXPO to diversify our outside law firm portfolio. We are also an industry partner and Gold Level sponsor 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 WAS PROUD TO SERVE AS A SPONSOR FOR THE FOLLOWING CONFERENCES:

**SOCIETY OF ASIAN** 

**BLACK ENGINEER** OF THE YEAR

**SCIENTISTS AND ENGINEERS** (SASE) (BEYA)

SOCIETY **OF WOMEN ENGINEERS** (SWE)

**HBCU** CAREER MARKETPI ACE

SOCIETY OF HISPANIC **PROFESSIONAL ENGINEERS** (SHPE)

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

Textron's Diversity, Inclusion & Belonging (DIB) Committee plays a role in helping us to achieve our goal of ensuring an inclusive and welcoming workplace for all. Comprised of colleagues from each of our business units, the DIB Committee provides strategic direction and guidance on actionable steps to support the company's goal of creating a global culture of diversity, inclusion and belonging. Through outreach with internal and external stakeholders, the DIB Committee is dedicated to bringing to life the belief that a diverse workforce is a competitive advantage and is directly linked to driving innovation throughout our businesses.

## INDIVIDUALS WITH DISABILITIES

As an equal opportunity employer, Textron is committed to a diverse workforce and a barrier-free employment process. Textron provides 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 strive to provide all applicants and employees with reasonable accommodations necessary to apply for and perform the essential functions of their jobs.

## **MILITARY VETERANS**

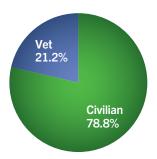
Textron's defense businesses develop the products and services that keep our bravest men and women safe while accomplishing their missions. We appreciate the unmatched experience, skills and perspective veterans provide our company. Job-seeking veterans can access a military skills translator tool on our company's careers page to match their military occupation codes or titles to our open positions. In 2021, more than 1,700 candidates used the tool to apply for more than 2,800 roles in the company. Textron is a member of the Veteran Jobs Mission, a coalition of more than 200 companies committed to hiring veterans. As of the end of 2020, Textron employed approximately 3,800 veterans, representing 14.9% of our U.S. employees, and actively recruits former military candidates.

#### **GOLD MEDALLION AWARD**

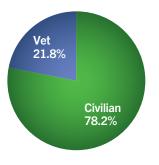
Textron Systems was recognized by the U.S. Department of Labor with a HIRE Vets Gold Medallion Award—the only federal-level veterans' employment award that recognizes a company's or organization's

commitment to recruiting, employing, developing and retaining veterans. Textron Systems was also included in Military Times' "Best for Vets" list in 2021.

#### **BELL U.S. WORKFORCE** ~6,500 EMPLOYEES



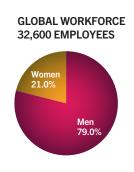
#### SYSTEMS U.S. WORKFORCE ~3,400 EMPLOYEES

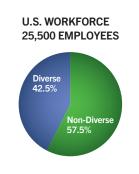


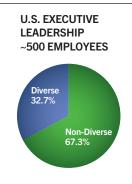


Keeping ourselves on track is important at Textron. The charts below demonstrate our continued progress in building and sustaining a diverse workforce. Diverse employees are defined as people who identify as female or diverse based on race or ethnicity. U.S. executive leadership is defined as employees who are eligible to receive equity-based incentive awards. U.S. management is defined as employees who are managers of people.

## **2021 DIVERSITY METRICS**

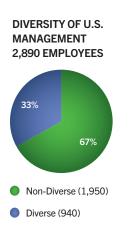


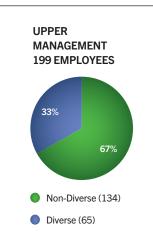




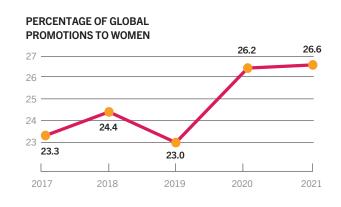


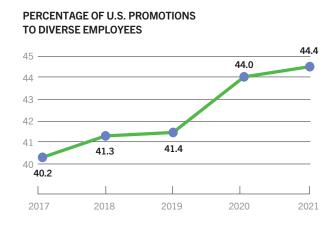
## 2021 DIVERSITY OF **U.S. MANAGEMENT**





## 2021 DIVERSE **PROMOTIONS**



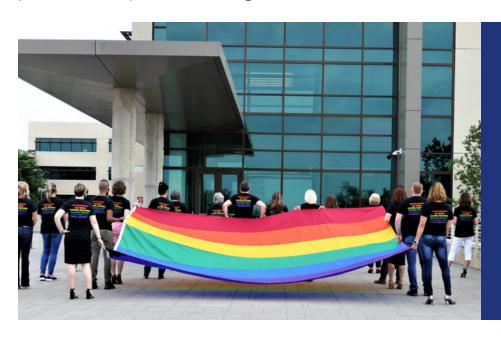


## **OUR PEOPLE**

## **EMPLOYEE RESOURCE GROUPS**

Building a diverse and inclusive organization begins with creating a culture that embraces and celebrates what make each of us unique. Our Employee Resource Groups, or ERGs, provide opportunities for employees to connect, engage and share their culture and values within the ERG, throughout the business and to the larger community.

ERGs have provided our employees with leadership and volunteer opportunities, offering new ways to engage with colleagues with whom they may have a shared experience but may not otherwise meet. ERGs break down barriers of position, function, and experience level and provide a safe space to come together and make a difference.



In celebration of Pride Month, FUSION, BELL'S **LGBTQ+ ERG** hosted its first-ever Ally training workshop. Participants worked with fellow Bell employees and FUSION team members to learn more about what it means to be an ally for the LGBTQ+ community.

**ERGs ACROSS TEXTRON:** 

REPRESENTING:

Young Professionals

Asian-American Employees

**SUSTAINABILITY** 

**HEALTH & WELLNESS** 

**EMPLOYEES WITH DISABILITIES** 

FLYING CLUB

WOMEN

LGBTQIA+

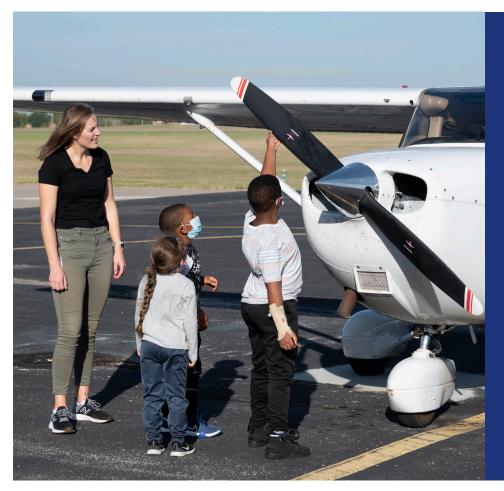
**ENVIRONMENT** 

**BLACK EMPLOYEES** 

Multi-Cultural

VETERANS

Here are a few examples of our ERGs and what they did in 2021:



The **TEXTRON AVIATION EMPLOYEES FLYING CLUB** provided discovery flights to 33 youth served by League 42, a youth baseball league comprised primarily of children from urban areas within Wichita. Participants completed a pre-flight check of the aircraft with a pilot, learned how the aircraft works and finished with a short flight over Wichita.



At its three locations in Augusta, Ga., Cartersville, Ga. and Thief River Falls, Minn., TSV'S YOUNG **PROFESSIONALS GROUP** matched 75 interns to mentors — the matches were outside of the interns' functional group to learn different parts of the business and gain new perspectives.



In 2021, Bell and Textron Systems launched new ERGs related to sustainability. Our Bell Employees for Environmental Sustainability (BEES) and Textron Systems' **Eco-Systems ERGs** enable employees to create awareness and actively implement environmentally sustainable practices and procedures within our day-to-day operations and our local communities.

#### **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.

# **OUR PEOPLE**

### THE EMPLOYEE EXPERIENCE

### **GROWTH AT EVERY LEVEL**

A key focus of Textron's talent strategy is developing employees throughout the enterprise so we have the right people in the right jobs at the right time. We work every day to prepare our employees to take on new opportunities we know will arise and to enable them to continue growing and developing themselves.



# COMPENSATION AND BENEFITS TO RECOGNIZE AND REWARD OUR EMPLOYEES

Our compensation and benefits recognize and reward employees' hard work and effort.

#### REWARDING OUR EMPLOYEES

A "Pay for Performance" philosophy is used throughout Textron to reward our employees in alignment with individual and business performance. We offer pay and benefits packages

that are not only competitive in our markets and industries but reward our employees for their performance. Individual performance impacts base pay, while variable pay depends on individual and business performance. Our goal is to attract and retain talent. We compensate the person in the position, not the position that the person is in. Every employee brings varied experiences and is compensated for the results of their performance.

### PROGRAMS TO SERVE OUR EMPLOYEES' VARYING NEEDS

We offer our U.S.-based employees healthcare benefits, including medical, prescriptions, dental and vision coverage, income protection, retirement benefits, education assistance and more. In addition, we offer a number of programs and policies designed for the well-being of our employees in general and at specific times in their lives. These include the Employee Assistance Program, Adoption Assistance, Parental Leave Policy, Education Assistance and Scholarship Programs.

### **OUR TALENT STRATEGY**





#### TALENT REVIEWS

A formal talent review process, conducted annually and led by our CEO, forms the basis for leadership succession plans and provide our employees with potential new career opportunities. In addition, leaders from functional areas across our businesses conduct annual talent reviews so that we can fill talent needs by matching employees to new career opportunities that best fit their career path within the company.

### **OUR TALENT PIPELINE**

As we develop and promote our talent internally, another important element of our talent strategy is developing an early-career talent pipeline for the future. We work closely with colleges and workforce development programs to identify talent through internships, apprenticeships and other career development initiatives.

### SUMMER INTERNSHIP PROGRAM

As part of our long-term talent strategy, Textron conducts an annual enterprise-wide summer internship program. In 2021, Textron hosted a summer internship program for approximately 700 interns, most of whom are college students. Managers across our businesses provide our interns with a meaningful work experience and projects, allowing interns to gain new

insights and learn valuable skills that they will take back with them to school in the fall. This program also enables our businesses to gain the perspectives of a new generation of talent and, in many cases, offer them full-time opportunities at Textron upon completion of their degree. More than 50% of our interns converted to full-time positions or second internships in 2021.

### **EDUCATION AND TRAINING PROGRAMS**

The talent, creativity and hard work of our people are what drive our success. We're committed to ensuring that the 33,000 employees across Textron have the resources to learn, grow and achieve—at every level and every step in their career path. Below are a few ways we do this:

### TEXTRON LEADERSHIP DEVELOPMENT **PROGRAM**

This program provides a talent pipeline for early-career professionals for structured learning, on-the-job training and mentoring through a two-year rotational program at two or more of our businesses. In 2021, approximately 170 employees participated in the Leadership Development Program.

### **FUNCTIONAL ROTATIONAL PROGRAMS**

Some of our businesses provide early career professionals with exposure within functional areas, such as engineering, integrated supply chain, sales and human resources. This allows our employees to remain in one business while rotating among different positions and accelerate learning.

### **MID-CAREER PROGRAMS**

Our business units offer various programs and targeted development opportunities for experienced professionals to broaden their skill sets and help them transition from individual contributors into leadership roles.

### **LEADERSHIP PROGRAMS**

Textron offers formal learning experiences and programs for experienced leaders, with offerings customized for managers of managers, managers or function and senior executives.

# 686 **SUMMER INTERNS**

**ACROSS TEXTRON** 

**2,175 EMPLOYEES PARTICIPATED** IN 25 PROFESSIONAL/LEADERSHIP **PROGRAMS**—IN-PERSON AND VIRTUAL—THROUGH **TEXTRON UNIVERSITY** 

## 1,362 EMPLOYEES

WHO UTILIZED TUITION REIMBURSEMENT VIA **EDUCATION ASSISTANCE PROGRAM** 

15,199 COMPLETIONS OF COMPANY-PROVIDED TECHNICAL (JOB OR FUNCTIONAL) AND/OR PROFESSIONAL TRAINING (ONLINE AND CLASSROOM)

### **EDUCATION ASSISTANCE PROGRAM**

To support continued growth and development, our Education Assistance Program reimburses employees for expenses of approved degree or certification programs from institutions accredited by the U.S. Department of Education. Eligible expenses (up to \$8,000 annually for undergraduate and certificate programs and up to \$10,000 annually for graduate programs) include tuition and books as well as other expenses associated with the particular program. In addition, Textron 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.

### **FUTURE WORKFORCE DEVELOPMENT**

Community- and educational-based workforce development programs are additional sources of talent in addition to college intern programs. Below are a few examples from last year:

### **Brooks Academy of Science and Engineering**



Internships are great ways to provide hands-on experience for young people who are considering going into a specialized career field. Kautex San Antonio has partnered with Brooks Academy of Science and Engineering on an internship program, providing high school seniors with opportunities in Manufacturing, Engineering, Quality and IT.



### **Youth Employee Project**

In partnership with the Workforce Alliance, Textron Aviation offers paid, part-time internships through the Youth Employment Project for local high school students between the ages of 16-19 to gain hands-on experience in the aviation industry. Textron Aviation also offers summerterm externship opportunities for educators to align educational instruction and curriculum with evolving industry and workforce needs.

### **Manufacturing Academy**

Bell supported the Canyon Independent School District in Canyon, Texas in the development of a manufacturing academy, and worked with the district to develop an appropriate curriculum. This skills-based

learning program is intended to provide students with the opportunity to learn the manufacturing process, particularly welding and machining. Participants who complete the three-year program can earn certifications, such as the OSHA general industry safety certification and the American Welding Society DI welding certification. The academy prepares students for extended training at Amarillo College and for the opportunity to have a career at Bell.

### Reaching Potential through Manufacturing (RPM): A Partnership with the Community

A joint initiative of Textron Specialized Vehicles (TSV) and the Richmond County School System (Georgia), RPM is a unique cooperative learning initiative to help high school students who are at risk of dropping out to earn their diplomas. Through a combination of job training, mentoring and classroom instruction, the students continue their education while gaining valuable employment experience in an environment that is half-schoolhouse, halfmanufacturing plant. The students' instructional day includes a paid four-hour shift on a manufacturing floor, where they produce components and subassemblies for E-Z-GO golf cars and Cushman utility vehicles. Since its inception, there have been more than 250 RPM graduates. Of those graduates, more than half joined TSV as full-time employees with others finding paid employment at other companies or continuing their education.

### Manufacturing Day in a Box—Inspiring the Next Generation

We take pride in celebrating the role our skilled manufacturers play in the success of our industry, and we're passionate about inspiring the next generation of manufacturers. For National Manufacturing Day, Textron Aviation's K-12 team developed "Manufacturing Day in a Box" kits for middle schoolers within Wichita school districts. Not only was it a great way to engage with students and educators with hands-on activities they could do in the classroom, but also to take them home and continue to explore with their families.

# **EMPLOYEE ENGAGEMENT SURVEY**



Understanding the perspectives of our employees is important to Textron leaders. In 2021, we followed up on our enterprise engagement survey with a smaller "pulse" survey to gain additional insights from our employees. Consisting of five questions, the pulse survey was part of our commitment to respond to employee feedback. Taken together, the survey results provided our leaders with insights that we have used to strengthen our work environment and enhance the employee experience.

Approximately 67% of our 33,000 employees responded to the survey, providing 11,800 comments. Our overall engagement score improved from the previous survey. We took these results and honed our action plans, communicating results as milestones were reached. We are conducting a longer survey for all employees in 2022 to help us continue to drive constructive actions at every level.

### **CHAIRMAN'S AWARD FOR INNOVATION**

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.



# 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 roadmap and resources for our employees and has continued to evolve in response to changes in our business and the legal environment in which we operate. 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, including ongoing monitoring, audits to detect violations, self-assessments by each Textron business unit, live and computer-based compliance training and other performance checks, 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 improve our Program.

#### **BUSINESS CONDUCT GUIDELINES**

Textron's Business Conduct Guidelines set a strict standard for business conduct in areas including conflicts of interest, protection of assets, equal opportunity, diversity, environmental protection, health, safety, personal data protection, gifts and entertainment and anti-corruption. Our Business Conduct Guidelines apply to our Board of Directors and every Textron employee and have been translated into multiple languages and dialects for use by Textron's global workforce. 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 Programs 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.

With respect to third parties, the Global Anti-Corruption Compliance Policy establishes a risk-based due diligence process for the review, approval and appointment of sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners who will act on behalf of Textron outside the U.S. The policy also establishes requirements for the inclusion of specific compliance language in contracts with third parties, mandating specific processes for making payments and for ongoing monitoring and periodic review.

### **BEHAVIORS**

### **Business Conduct Guidelines and Compliance Certifications**

All new employees are asked to review and acknowledge receipt of Textron's Business Conduct Guidelines (BCGs), which constitute our Code of Conduct. In addition, segments of Textron's workforce annually certify as to the BCGs and, depending upon their role in the organization, to the 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 160,000 online training modules on various ethics and compliance topics were completed by our employees in 2021, including trainings on anti-corruption, on the prevention of harassment and on IT security awareness. Each of these training topics was available in English and multiple other languages and dialects.

#### Recognizing Our Employees

Textron employees who have contributed to improving our compliance program 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.

### Culture of Compliance Surveys

Textron periodically surveys segments of its workforce for purposes of measuring its success in cultivating and sustaining a culture of integrity and compliance. These surveys ask employees their views on Textron's expectations regarding ethical behavior, management's leadership with respect to compliance, fear of retaliation, level of confidence that compliance concerns will be properly addressed and whether they feel pressured to compromise on our ethical standards. Textron intends to use these surveys to continue the process of shaping 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 third-party administered confidential Ethics and Compliance Helpline. Helpline reports may be made online as well as by phone. Telephonic reports are taken by trained professionals and are relayed to Textron's compliance professionals for appropriate resolution. Availability and use of the Helpline to report compliance concerns is promoted on Textron's intranet and on posters displayed in the common areas of each Textron facility.

### **HUMAN RIGHTS**

Textron is committed to respecting fundamental human rights throughout our global operations and our supply chain. For decades, our regard for human rights has been grounded in the values of our Business Conduct Guidelines. We recently reaffirmed and strengthened this dedication by creating the **Textron Human Rights Commitment**, a robust document that expresses our commitment to respect and protect human rights and sets forth the principles we expect our businesses and employees, as well as our customers, suppliers and other business partners, to uphold.

### **OUR VALUES:**

INTEGRITY, RESPECT, **TRUST** and **PURSUIT OF EXCELLENCE** 

in all relationships with

**CUSTOMERS, EMPLOYEES, BUSINESS PARTNERS.** SUPPLIERS, SHAREHOLDERS, the **COMMUNITY** and the **ENVIRONMENT.** 

Key provisions of our Human Rights Commitment address the following topics: Non-Discrimination and Harassment, Work Environment and Compensation, Forced Labor, Child Labor and Human Trafficking, Health and Safety, Privacy, Freedom of Association and Collective Bargaining, Environment and Sustainability, Relationships with Suppliers and Business Partners, Ongoing Supply Chain Management, and Supplier Diversity.

To maintain a culture with respect for human rights, we provide and publicize multiple channels for employees to raise concerns regarding human rights without fear of retribution, including the Textron Ethics HelpLine. Textron strongly encourages any employee to report any potential violation of our Human Rights Commitment.

Read our full Human Rights Commitment.

# GIVING BACK TO OUR COMMUNITIES

Strengthening our communities. Supporting job training programs for people of all ages and backgrounds. Investing in educational enrichment programs for youth. Matching dollar for dollar the donations of our employees who give to qualified charitable organizations. These are among the ways that we are improving the way of life in our communities.

# WORKFORCE DEVELOPMENT ORGANIZATIONS \$1,892,770

These programs help develop our communities' future workforce, providing educational experiences 11% for people of all ages and socioeconomic 32% backgrounds. They 26% include job training and employment development, educational enrichment 31% and mentoring programs for youth and college/ university assistance.

# HEALTHY FAMILIES/VIBRANT COMMUNITIES \$1,854,709

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.

### MATCHING GIFTS PROGRAM \$1,587,802

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 2021, more than 1,500 employees made a charitable gift to more than 1,350 organizations which was matched through the program.

### **UNITED WAY \$670,725**

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 employeegiving campaigns to facilitate contributions to non-profit organizations that address local needs within our communities.

\$6,006,005

### TEXTRON'S TOTAL CHARITABLE CONTRIBUTIONS

### 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.

# OUR EMPLOYEES HELPING THEIR COMMUNITIES













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# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

	DISCLOSURES	REFERENCES			
Governance	Describe the board's oversight of climate-related risks and opportunities.	<ul> <li>Textron 2021 10-K - pages 14, 15</li> <li>Textron 2022 Proxy Statement - page 15</li> <li>CDP Climate Change Questionnaire - Response C1.1b</li> </ul>			
	Describe management's role in assessing and managing climate-related risks and opportunities.	<ul> <li>Textron 2022 Proxy Statement - page 15</li> <li>CDP Climate Change Questionnaire - Response C1.2, C1.2a and C2.2</li> </ul>			
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP Climate Change Questionnaire - Response C2.3a and C2.4a			
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<ul> <li>Textron 2021 Corporate Responsibility Report - pages 14-19</li> <li>CDP Climate Change Questionnaire - Response C2.3a, C2.4a, C3.3, C3.4 and C3.4a</li> </ul>			
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 Celsius or lower scenario.	CDP Climate Change Questionnaire - Response C3.2a			
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	<ul> <li>Textron 2022 Proxy Statement - page 15</li> <li>CDP Climate Change Questionnaire - Response C2.2 and C2.2a</li> </ul>			
	Describe the organization's processes for managing climate-related risks.	<ul> <li>Textron 2022 Proxy Statement - page 15</li> <li>CDP Climate Change Questionnaire - Response C2.2</li> </ul>			
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul> <li>Textron 2022 Proxy Statement - page 15</li> <li>CDP Climate Change Questionnaire - Response C2.2</li> </ul>			
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul> <li>Textron 2021 Corporate Responsibility Report - pages 6-13</li> <li>CDP Climate Change Questionnaire - Response C4.1b, C4.2b, C9.1 and C-TO9.3/C-TS9.3</li> </ul>			
	Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul> <li>Textron 2021 Corporate Responsibility Report - pages 6-13</li> <li>CDP Climate Change Questionnaire - Response C6.1, C6.3 and C6.5</li> </ul>			
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul> <li>Textron 2021 Corporate Responsibility Report - pages 6-13</li> <li>CDP Climate Change Questionnaire - Response C4.1b, C4.2b and C9.1</li> </ul>			

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) — 2021 REPORTING YEAR

This is our first disclosure mapping to SASB Standards and we have focused on the categories below that best align with available information and data. We intend to continue mapping our progress as we further develop our sustainability strategy and reporting.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE OR LOCATION
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-AE-130a.1	(1) 5,283,738 GJ; (2) 45%; (3) 16%
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-AE-150a.1	(1) 2,985 t; (2) This information is not available
	Number of aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-AE-150a.2	1, 36 kg
Data Security	(1) Number of data breaches, (2) percentage involving confidential information	Quantitative	Number, Percentage (%)	RT-AE-230a.1	Textron considers this information to be confidential,
	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products		n/a	RT-AE-230a.2	See Textron 2021 10-K, page 13 See Textron 2022 Proxy Statement, page 15 See Textron 2021 Corporate Responsibility Report, pages 25-27
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-AE-250a.1	During 2021, Textron Specialized Vehicles (TSV) voluntarily initiated two consumer product recalls with the U.S. Consumer Product Safety Commission and Transport Canada: 1) Recall related to Personal transportation and Off-Road Vehicles; 2) Recall related to snowmobiles. Information related to these recalls can ben found on the Consumer Product Safety Commission's website or Transport Canada's website. In conjunction with the Personal Transportation and Off-Road Vehicle recall, TSV also voluntarily recalled similar non-consumer vehicles.
	Number of counterfeit parts detected, percentage avoided	Quantitative	Number, Percentage (%)	RT-AE-250a.2	Textron's businesses have quality and safety controls in place to ensure that parts are only produced through approved suppliers. With respect to aftermarket parts, post-production counterfeit parts issues are generally managed by the U.S. Federal Aviation Administration (FAA) through the FAA's Suspected Unapproved Parts Program, and related information is publicly available on the FAA's website.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE OR LOCATION
Product Safety (cont.)	Number of Airworthiness Directives received, total units affected	Quantitative	Number	RT-AE-250a.3	All Airworthiness Directives related to our Textron Aviation, Bell and Lycoming aircraft products are publicly available. The most recent information concerning those directives can be found on the appropriate regulatory sites. For more information see:  1. European Aviation Safety Agency-regulated Airworthiness Directives 2. FAA-regulated Airworthiness Directives 3. Transport Canada-regulated Airworthiness Directives See also Textron's 2021 Corporate Responsibility Report, page 23
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	RT-AE-250a.4	Textron considers this information to be confidential,
Fuel Economy & Emissions in Use-phase	Revenue from alternative energy- related products	Quantitative	Reporting currency	RT-AE-410a.1	2021 revenue from alternative energy-related products: \$720M
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	Discussion and Analysis	n/a	RT-AE-410a.2	See Textron's 2021 Corporate Responsibility Report, pages 15-21 See CDP Climate Change Questionnaire - Response C3.4
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-AE-440a.1	See Textron's Conflict Mineral Policy and Annual Conflict Minerals Report
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Quantitative	Reporting currency	RT-AE-510a.1	Textron considers this information to be confidential.
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index	Quantitative	Reporting currency	RT-AE-510a.2	2021 Revenues from Band E Countries - \$713M, 2021 Revenues from Band F Countries - \$45M
Business Ethics (cont.)	Discussion of processes to manage business ethics risks throughout the value chain	Discussion and Analysis	n/a	RT-AE-510a.3	See Textron's 2021 Corporate Responsibility Report, pages 42-43

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE OR LOCATION
Production by reportable segment	Quantitative	Number	RT-AE-000.A	See Textron 2021 10-K
Number of employees	Quantitative	Number	RT-AE-000.B	Approximately 33,000







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