<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Message from Our President and Chief Executive Officer</td>
</tr>
<tr>
<td>04</td>
<td>At a Glance</td>
</tr>
<tr>
<td>05</td>
<td>Our Company</td>
</tr>
<tr>
<td>06</td>
<td>Product Sectors and History</td>
</tr>
<tr>
<td>08</td>
<td>Dr. Bose’s Legacy</td>
</tr>
<tr>
<td>09</td>
<td>Bose Guiding Principles &amp; Essence and Values</td>
</tr>
<tr>
<td>10</td>
<td>Sustainability Vision and Strategy</td>
</tr>
<tr>
<td>11</td>
<td>Progress Toward Our FY20 Manufacturing Sustainability Goals</td>
</tr>
<tr>
<td>12</td>
<td>Sustainability Governance</td>
</tr>
<tr>
<td>12</td>
<td>Our Value Chain</td>
</tr>
<tr>
<td>13</td>
<td>Engaging Our Stakeholders</td>
</tr>
<tr>
<td>14</td>
<td>Materiality Assessment: Understanding Our Impacts</td>
</tr>
<tr>
<td>15</td>
<td>Product Sustainability</td>
</tr>
<tr>
<td>16</td>
<td>Helping Our Customers Feel More, Do More, and Be More</td>
</tr>
<tr>
<td>17</td>
<td>Designing More Sustainable Products</td>
</tr>
<tr>
<td>18</td>
<td>Continuing to Engage Our Supply Chain</td>
</tr>
<tr>
<td>19</td>
<td>Environmental Initiatives</td>
</tr>
<tr>
<td>20</td>
<td>Energy Efficiency and Carbon Reduction</td>
</tr>
<tr>
<td>22</td>
<td>Reducing Waste and Water Consumption</td>
</tr>
<tr>
<td>23</td>
<td>People</td>
</tr>
<tr>
<td>24</td>
<td>Fostering a Great Work Environment</td>
</tr>
<tr>
<td>26</td>
<td>Helping Our People Reach Their Potential</td>
</tr>
<tr>
<td>27</td>
<td>Employee Health and Safety</td>
</tr>
<tr>
<td>28</td>
<td>Communities</td>
</tr>
<tr>
<td>29</td>
<td>In Our Founder’s Footsteps: Promoting Education</td>
</tr>
<tr>
<td>30</td>
<td>Championing Wellness in Our Communities</td>
</tr>
<tr>
<td>30</td>
<td>Employee-led Community Support</td>
</tr>
<tr>
<td>34</td>
<td>Looking Ahead</td>
</tr>
<tr>
<td>35</td>
<td>About This Report</td>
</tr>
<tr>
<td>36</td>
<td>GRI Content Index</td>
</tr>
</tbody>
</table>
Message from Our President and Chief Executive Officer

It’s an exciting time at Bose as we pursue new strategies that will shape the company for decades to come. At the same time, we must always remember that the actions we take today will affect the generations that come after us.

This is the fundamental idea behind sustainability: it means acting to meet our needs today while at the same time ensuring that future generations can meet theirs. I believe that’s the right thing to do. It’s why we started our sustainability effort at Bose. And it’s why we’ll keep at it.

Bose, like every company, has a responsibility to operate according to sustainable principles and practices. And I feel good about our progress this past year. Our manufacturing facility in Tijuana achieved their goals to reduce energy consumption and to increase community benefits. Our engineering community established a process to identify and remove environmentally-unfriendly substances voluntarily, in advance of any regulations that would require it. And with Bose sleepbuds, we created a new product category to help people achieve a better night’s sleep.

There’s more of course, and you can find lots of other examples in our 2019 Sustainability Report. The work described in the report is possible only because of the thoughtful actions of our employees—employees who realize that each of us can make a difference—today, and for generations to come.

We’re on a sustainability journey that will help make the world a better place, and I’m looking forward to the good we can do in the coming year.

Sincerely,

PHIL HESS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

“The work described in the report is possible only because of the thoughtful actions of our employees—employees who realize that each of us can make a difference—today, and for generations to come.”
AT A GLANCE:
Fiscal Year 2019 (FY19)

OUR COMPANY

ANNUAL SALES:
$4.0 Billion (US)

OWNERSHIP:
Privately Held Company

LARGEST MARKET:
United States of America

MAIN MANUFACTURING LOCATION:
Mexico

COMPANY HEADQUARTERS:
Framingham Massachusetts, US

GLOBAL OPERATIONS*:
Australia, Austria, Belgium, Canada, Chile, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States.

* excludes retail stores

ANNUAL SALES:
$4.0 Billion (US)

OWNERSHIP:
Privately Held Company

LARGEST MARKET:
United States of America

MAIN MANUFACTURING LOCATION:
Mexico

COMPANY HEADQUARTERS:
Framingham Massachusetts, US

GLOBAL OPERATIONS*:
Australia, Austria, Belgium, Canada, Chile, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States.

* excludes retail stores

EMployees

TOTAL EMPLOYEES WORLDWIDE: ~9,000

BY REGION

Americas 65%
Europe 13%
Asia Pacific 22%

BY GENDER

Male 68%
Female 32%

AMONG REGULAR EMPLOYEES

Non-Exempt 56%
Exempt 44%

FY20 MANUFACTURING SUSTAINABILITY GOALS

Increase people management training participation from 84% to 95%

Increase the number of people that benefit from our community programs by 50% (FY17 baseline)

Reduce energy consumption by 6% per unit produced (FY17 baseline)

Increase our waste recycling rate* from 91% to 95%

* Includes materials that are reused or sold to a third party.

ENERGY AND EMISSIONS

ELECTRICITY
190,245 GJ

FUEL USE
58,605 GJ

TOTAL ENERGY USE
248,850 GJ

CARBON EMISSIONS (TONNES CO₂e)

SCOPE 1
SCOPE 2
TOTAL
2,974 + 21,129 = 24,103
Bose Corporation was founded in 1964 by Dr. Amar G. Bose, then a professor of electrical engineering at the Massachusetts Institute of Technology. Today, the company is driven by its founding principles, investing in long-term research to develop new technologies with real customer benefits. Bose innovations have spanned decades and industries, creating and transforming categories in audio and beyond. Bose products for the home, in the car, on the go and in public spaces have become iconic, changing the way people listen to music and engage with the world around them.

Bose Corporation is privately held. The company’s spirit of invention, passion for excellence, and commitment to extraordinary experiences can be found around the world—everywhere Bose does business.
Product Sectors and History

You could say we’re best known for our audio products. But our true passion? Discovering new solutions that are better than anything that’s come before. As our founder, Dr. Bose, said, “Always dream of things that are better and think of ways to reach those things.” From the first noise cancelling headphones for consumers to sunglasses that have an on-board Audio Augmented Reality platform, we invent revolutionary products that help people reach their potential. We are more than audio for listening, Bose is Audio for Life™.

BOSE CONSUMER ELECTRONICS BUSINESS

In 1968, Bose introduced the 901 Direct/Reflecting speaker system, garnering international acclaim and beginning a long history of challenging conventional thinking. For more than 50 years, Bose has developed audio products that have changed norms, defied trends, and delighted listeners including the new Home Speaker 500, the best way to experience the widest sound of any smart speaker.

Over the past quarter-century, Bose has set a standard for excellence in the burgeoning headphones market. In 1989, it introduced the very first noise-cancelling headset for aviation, later adapting the concept for military use. Bose then applied that technology to the iconic QuietComfort headphones, a product line synonymous with unprecedented noise reduction, audio performance, and comfort—and now available in a wireless design with virtual personal assistant.

But we believe there is a market that goes beyond headphones to a new category of products called wearables. We’ve recently launched Bose Frames sunglasses, with audio and more built right into them. Now customers can bring along an everyday item, like sunglasses, and experience an audio augmented world that helps keep them heads-up and hands-free.

BOSE HEALTH DIVISION

For years, we’ve developed innovative, high-performing products that help get you closer to your music and home entertainment. But we’ve always been more than our headphones and speakers. Our long-standing mission is to create products that improve people’s lives. And with Bose conversation-enhancing Hearphones™ and noise-masking sleepbuds™, we’re introducing the first of many products designed to help consumers and patients live a healthier, more engaged life.
BOSE PROFESSIONAL SYSTEMS
In 1972, Bose introduced its first professional speaker for performing musicians. For more than 45 years, Bose Professional has developed innovative loudspeakers, electronics, and software to meet the needs of demanding professional audio applications. Our products are sold through authorized pro-audio dealers, AV-system integrators and distributors.

We provide substantial support for our distribution network, including product technical information, system design support and after-sale support. Bose sound is found throughout the world in performing arts centers, theaters, houses of worship, stadiums, restaurants, retail stores, corporate buildings and hospitality establishments.

Our product offerings span Loudspeakers, Amplifiers, Signal Processing, Networking and software. We’ve also brought our expertise to products specifically designed for the musician, like the S1 PRO system.

BOSE AUTOMOTIVE SOUND SYSTEMS
In the early 1980s, Bose pioneered the automotive sound market with the first factory-installed premium sound systems custom-designed for individual car models. Since then, we’ve brought the power of sound to the road, where we can enrich the drive with emotion and meaning. Throughout our history, we’ve recognized the inherent power of sound—from music and the human voice to the day-to-day sounds around us. We believe that the power of sound is universal and should be made accessible to all.

We partner with carmakers around the world to make that a reality, providing custom audio solutions for a wide range of vehicles. From smaller, entry-level cars to crossovers, SUVs and pickup trucks, all the way to high-performance sports and luxury cars, Bose Automotive is there. We bring new ideas forward to deliver an experience of emotion, freedom, and confidence.

Recently, we’ve seen technological advances that are fundamentally changing transportation. It’s a dynamic time, full of exciting trends and it’s clear that sound will play an essential part, going beyond music to encompass everything we hear and say in the vehicle interior.
Dr. Bose’s Legacy

To our founder, Dr. Amar Bose, the impossible was just a challenge that hadn’t yet been solved. From a boyhood spent repairing radios in his parents’ basement to a long life as a scientist, educator, and businessman, he followed his insatiable curiosity and innovative spirit to achieve breakthroughs in acoustics and beyond. Through it all, he remained unwaveringly committed to the importance of a research environment that ignores artificial limits and preconceptions and provides latitude for creative, unencumbered exploration. To Dr. Bose, short-term wins always took a backseat to the long-term promise of pushing out to the frontier.

As a scientist, Dr. Bose was driven to pursue visionary research, a spirit he infused into the company that bears his name. As an educator, he spent more than four decades as one of the Massachusetts Institute of Technology’s (MIT) best and most challenging professors, inspiring others to look beyond perceived limits, believe in their own potential to create, and expand their view of what’s possible. In 2011, Dr. Bose gifted the majority of non-voting shares of Bose Corporation to MIT. Bose remains privately held and independent. MIT receives annual cash dividends when dividends are paid by Bose, and those dividends are used to advance MIT’s education and research mission. Through this ongoing relationship with MIT, through continuous research at the company he founded, and through his lasting example, Dr. Bose’s legacy continues to inspire the better future he envisioned.

A couple of ways MIT has decided to use the dividend from Bose are funding the Professor Amar Bose Teaching Fellowships and the Professor Amar Bose Seed Funds for Innovative Research.

Professor Amar Bose Teaching Fellowships help interested students develop better teaching skills, so that as future professors they can provide their own students with a more challenging and inspiring education.

Professor Amar Bose Seed Funds for Innovative Research offer intrepid researchers up to $500,000 (US) over three years, enabling research that might not be easily funded through traditional sources, and which may lie outside the researcher’s core area of expertise. Last year, MIT faculty members received grants to pursue five groundbreaking research projects in areas that range from nanoscale textiles that purify drinking water, to revolutionary new approaches in catalysis, high-speed logic, and drug delivery.
Bose Guiding Principles & Essence and Values

To our founder, going into business was a way to advance the things he believed in. It was about inventing new technologies that bring real benefit to people. It was about creating a culture where innovation and teamwork are paramount. And it was about letting pure research illuminate the path of discovery.

Today, the Guiding Principles and Essence and Values that Dr. Bose shaped still define our culture. They’re how we conduct ourselves, conduct our business, interact with each other, and attract the best new talent. They’re what we stand for, and they’re how we’d like the world to see us.

**BOSE GUIDING PRINCIPLES**

These are the enduring principles we think about every day, as we make decisions both big and small.

- **INNOVATION** and **TECHNOLOGY** that deliver demonstrable benefits to customers
- **TEAMWORK** and **COLLABORATION** that inspire our best people to stay and others to join
- **GROWTH** to reach more customers with the benefits of our technology and to provide opportunity for our employees
- **FINANCIAL VIABILITY** of the business so that we can self-fund research, innovation, and growth over the long run

**BOSE ESSENCE AND VALUES**

These are the qualities that each and every employee knows are expected of them, and the qualities that make up the foundation of Bose culture.

- We conduct business with **INTEGRITY**
- We pursue **EXCELLENCE** in everything we do
- We encourage **INNOVATION** in all aspects of our work
- We have a **PASSION** for what we do and what Bose stands for
- We treat others with **RESPECT**
- Together, we create **VALUE** for our customers
We strive to embed sustainability comprehensively into everything we do, adopting leading management practices across our three pillars: environmental, economic, and social. Realizing this ambition will require us to maintain our commitment over the long run, and continue to improve and innovate at both the leadership and employee level.

Bose’s approach is guided by a long-term sustainability strategy framework we established years ago, that encompasses the three pillars. This framework includes a maturity model that serves as the measuring stick against which we seek to advance. We operationalize our ambitions through a three-year roadmap, which we revisit annually to ensure the actions we take inspire our employees, support our communities, drive operational efficiencies, promote supply chain responsibility, and innovate more sustainable products for our customers.

Over the past two years, we’ve continued to progress on our sustainability journey. In 2018, a 1.7 megawatt (MW) solar array was brought online at our headquarters campus in Framingham, Massachusetts. We developed a product sustainability scorecard that will help us integrate quantifiable metrics into our product development process. Our Health division is continuing to create groundbreaking products that deliver life-changing experiences and help our customers live more fulfilling lives. And, we’ve seen a groundswell of support and engagement from our employees, who have stepped up to take the lead in identifying sustainability opportunities and organizing initiatives within their facilities and local communities across the globe. Over time, it is our intention to integrate sustainability into business decisions we make across the company, and into everyone’s work.

At Bose, we strive to discover new and better solutions that deliver extraordinary experiences for our customers. Some of the complex challenges that our society currently faces also require innovative solutions. While it is not always easy, we believe that doing the right thing is important for our business, our employees, our business partners, and increasingly to our customers.

The Bose Sustainability Vision

Bose Corporation’s commitment to social, environmental, and economic stewardship is a reflection of our Essence and Values. By applying our Guiding Principles to these three pillars of sustainability, Bose will increase the value that we provide to our communities.
Progress Toward Our FY20 Manufacturing Sustainability Goals

In FY17, Bose’s manufacturing operation in Tijuana, Mexico, established a set of three-year sustainability targets. With a baseline year of FY17, these targets are due for completion in FY20. During FY19, Tijuana continued to make progress toward their goals.

<table>
<thead>
<tr>
<th>GOAL</th>
<th>STATUS</th>
<th>FY19 PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase people management training participation from 84% to 95%</td>
<td>ON TRACK</td>
<td>90% of managers have completed the training</td>
</tr>
<tr>
<td>Increase the number of people that benefit from our community programs by 50%</td>
<td>ACHIEVED</td>
<td>23 times as many people benefited compared to FY17</td>
</tr>
<tr>
<td>Reduce energy consumption by 6% per unit produced</td>
<td>ACHIEVED</td>
<td>Energy use per unit was 6.0% lower than in FY17</td>
</tr>
<tr>
<td>Increase our waste recycling rate* from 91% to 95%</td>
<td>ON TRACK</td>
<td>Achieved a 94.3% recycling rate</td>
</tr>
</tbody>
</table>

* Includes materials that are reused or sold to a third party.
Sustainability Governance

For sustainability to result in meaningful change, there must be support at all levels, and it must become a part of the organization’s culture. Early on in our sustainability journey, Bose established a clear sustainability governance structure that formally drives cross-functional support and accountability from our leadership team. It is through this structure that we have been able to build a culture of sustainability at Bose globally.

Sustainability Governance

- SUSTAINABILITY EXECUTIVE ADVISORY COUNCIL
  - Chaired by the Sustainability Executive Sponsor, the group is comprised of C-suite level leaders of our global supply chain, sales, engineering, human resources, and product functions
  - Meets quarterly to provide strategic advice and guidance

- GLOBAL SUSTAINABILITY OFFICE
  - Oversees development of our global sustainability strategy and coordinates deployment of company-wide strategic initiatives

- GLOBAL SUSTAINABILITY COUNCIL
  - Consists of 20+ leaders from business functions such as: products, community relations, environmental health & safety, facilities and operations, supply chain, manufacturing, human resources, corporate information systems, legal, and sales
  - Supports the Global Sustainability Office by driving integration of sustainability principles within functional areas

- FACILITY-LEVEL SUSTAINABILITY COMMITTEES
  - Cross-functional teams of leaders who develop structures and procedures to further implement local sustainability strategies and initiatives

Our Value Chain

To develop innovative products that push the boundaries of what’s possible, we rely on a global network of people and resources. From the raw materials used to manufacture a new pair of headphones, to the energy required to create an unforgettable audio experience, there are a range of material sustainability topics that we consider along our products’ journey. At Bose, we strive to reduce our environmental impact and enhance the social benefit that we create across our value chain.
Engaging Our Stakeholders

Our network of stakeholders extends far beyond our corporate walls, encompassing customers, suppliers, and communities around the globe. As we have refined our sustainability strategy, we have sought to understand how these groups are engaged and impacted by our actions, products, and relationships, and how they can benefit from our sustainability activities.

**EMPLOYEES**
Our people want to work for a company that provides a great employee experience and enables them to pursue a higher purpose. We strive to deliver on these desires through our employee wellbeing and development programs, and by engaging employees in sustainability activities.

**BUSINESS CUSTOMERS**
Bose's business customers are actively pursuing sustainability in their operations, products, and supply chains. Our sustainability efforts support their objectives, and we have established a well-defined process for communicating our progress to them.

**CONSUMERS**
Many of today’s consumers want to buy from companies that share their values. By making sustainability ever more integral to our business, we can help create trust with these critical stakeholders.

**LOCAL COMMUNITIES**
The local communities in which we operate look to us to be an engaged, supportive, and responsible neighbor. We do this through our growing community efforts, which include supporting education and volunteering with local organizations.

**SUPPLIERS**
We employ environmental and social performance questionnaires to help us assess vendor performance and ensure we partner with suppliers that support our sustainability objectives.

**OTHER STAKEHOLDERS**
Bose's future plans include increasing our engagement on environmental and social topics with non-governmental organizations (NGOs), governments, academic institutions, business partners, and the media.
Materiality Assessment: Understanding Our Impacts

We engaged more than 50 Bose executives, employees, and external stakeholders to help prioritize our most material sustainability topics, ranking them by importance to our business and importance to external stakeholders. Through an annual review of this materiality assessment, we’re able to focus our efforts on the highest-priority areas and enhance our reporting practices.
At Bose, we’re always looking for ways to redefine what’s possible. For over 50 years, we have channeled our people’s creativity into game-changing technological innovation, creating products and experiences that previously seemed unimaginable.

This approach has defined Bose since its earliest days, and it continues to be the way we do business today. It informs how we design new audio products to delight our customers, and how we’ve developed our line of life-changing Health products, which enable greater mental, physical, and social wellbeing. Whether it’s helping people stay engaged with family and friends through our conversation-enhancing Hearphones™ or encouraging better sleep with our noise-masking sleepbuds™, we’re having a meaningful impact on our customers’ lives.

But we always want to go further, tackling challenges through new technologies and new approaches. That means not only new products but new ways of improving product energy efficiency, using more sustainable raw materials, and enhancing the environmental profile of our packaging.
Helping Our Customers Feel More, Do More and Be More

Many factors influence how humans experience the world, and when one of them breaks down, quality of life suffers. Through our Health division, we’re innovating solutions to help our customers hear better, sleep better, work better, and live healthier and more engaged lives.

SLEEPBUDSTM: FOR THE SLEEP OF YOUR DREAMS

The quality of our sleep determines the quality of our days, but for millions of people, falling and staying asleep is a struggle. Traffic noise, snoring partners, noisy neighbors: the world offers no shortage of disturbances.

We wanted to create a product that gave people better control of their sleep environment, so in 2018 we introduced Bose noise-masking sleepbuds™. These tiny wireless earbuds, which won an innovation award in 2018, use uniquely engineered sounds to mask noise and facilitate sleep.

As part of our campaign to promote better sleep, we’ve partnered with Thrive Global, whose mission is to help individuals, companies, and communities improve their wellbeing and performance and unlock their potential. Together, we’re raising awareness and providing science-backed “microsteps” to help people change the way they work and live.

ENHANCING CONVERSATIONS WITH HEARPHONES™

Humans have an innate desire to connect with family and friends, but noisy environments can cause some people to feel isolated. We challenged ourselves to solve this problem and in 2017 merged our expertise in audio amplification, directional microphones and noise-cancellation to create Hearphones™, conversation-enhancing headphones, to help people engage socially with their world.

GIVING CONTROL TO PEOPLE WITH HEARING IMPAIRMENT

For 50-plus years, Bose has been helping people hear the intricacies of music better. But a few years ago, we began wondering how we could help people who have difficulty hearing. Around the world, hundreds of millions of people experience hearing impairment, but most suffer without the benefit of hearing aids—usually because they require dispensing and calibration by a licensed professional, are expensive to buy and maintain, and are rarely covered by health insurance.

We wanted to find a way to overcome this challenge. In October 2018, after years of research and development, Bose received a De Novo grant from the U.S. Food and Drug Administration (FDA). Through this De Novo, the FDA created a new class of hearing aids that can be marketed and sold direct-to-consumer for perceived mild to moderate hearing impairment without requiring the assistance of a hearing care professional. This regulatory development is key to opening a new market, paving the way for us to offer a safe, effective, and affordable solution.
Designing More Sustainable Products

As society moves toward more sustainable practices, people are demanding products that have a lighter environmental footprint while meeting their expectations for superior performance. At Bose, we’re evolving with that challenge to create durable and efficient products that delight our consumers.

We recently conducted our first life-cycle assessment (LCA) to understand the environmental impacts of our SoundLink Revolve+ Bluetooth speakers, from raw material extraction to customer use and disposal.

Armed with insights from the LCA, which indicated that the largest impacts occur during manufacturing and product use, we developed a scorecard that quantifies the impacts and trade-offs of design decisions. This exercise will enable us to systematically integrate sustainability principles into our product development process, sparking innovation and driving continuous improvements in our products’ sustainability performance.

The focus on our products’ impacts examines not only how they’re designed, but also what they’re made of. While there is no regulation requiring us to do so, we have established a systematic and ongoing practice to identify certain substances we would like to voluntarily reduce or phase out. We’re proactively taking this approach because we believe it is the right thing to do and want to continue making the best products we can for our customers and the environment.

BIG SOUND, LESS ENERGY

How can we get big sound with less energy? That’s a challenge we started looking at in 2009, when we created the Energy Efficient Series Sound System for the Chevrolet Volt. In the years since, we’ve integrated those same energy-efficient innovations across our line of automotive products.

The quest for ever greater efficiency never ends. Recently, we developed the Bose Personal System for Nissan’s Micra supermini, paring car audio back to its essentials and optimizing it for the driver’s seat. The entire system weighs just under 3 kilograms while still delivering exceptional sound quality.

PACKAGING: REDESIGNING FOR IMPROVED SUSTAINABILITY

Between leaving the factory and entering the buyer’s home, our packaging has two big jobs to do: exciting customer interest and protecting the product inside. Our job is to fulfill both mandates while also improving our environmental performance.

To help us view our packaging choices through a sustainability lens, we’re in the process of customizing a third-party tool that will help us assess the environmental tradeoffs of alternative packaging materials.

In some cases, it makes sense to replace plastic packaging with paper, which is biodegradable and more easily recyclable. The packaging for our Soundbar Wall Brackets is now completely paper-based, and we will look to achieve similar results with other products. It’s not always easy as we strive to think more systematically and holistically, but each attempt teaches us more and can drive further innovation.

How to lower the environmental impact of your Bose product

Along with their design, product use behaviors are an important driver of life-cycle environmental impacts. Steps you can take to reduce impacts as you use Bose products include:

- Put in-the-home devices into a lower power state*
- Don’t disable automatic power timeouts*
- Keep the device away from UV light and high heat to prolong its life
- Unplug the product from the wall when it’s not in use
- Recycle lithium ion batteries with a qualified professional

* Customers can find more information in their Bose product owner’s manual

BIG SOUND, LESS ENERGY

How can we get big sound with less energy? That’s a challenge we started looking at in 2009, when we created the Energy Efficient Series Sound System for the Chevrolet Volt. In the years since, we’ve integrated those same energy-efficient innovations across our line of automotive products.

The quest for ever greater efficiency never ends. Recently, we developed the Bose Personal System for Nissan’s Micra supermini, paring car audio back to its essentials and optimizing it for the driver’s seat. The entire system weighs just under 3 kilograms while still delivering exceptional sound quality.

PACKAGING: REDESIGNING FOR IMPROVED SUSTAINABILITY

Between leaving the factory and entering the buyer’s home, our packaging has two big jobs to do: exciting customer interest and protecting the product inside. Our job is to fulfill both mandates while also improving our environmental performance.

To help us view our packaging choices through a sustainability lens, we’re in the process of customizing a third-party tool that will help us assess the environmental tradeoffs of alternative packaging materials.

In some cases, it makes sense to replace plastic packaging with paper, which is biodegradable and more easily recyclable. The packaging for our Soundbar Wall Brackets is now completely paper-based, and we will look to achieve similar results with other products. It’s not always easy as we strive to think more systematically and holistically, but each attempt teaches us more and can drive further innovation.

How to lower the environmental impact of your Bose product

Along with their design, product use behaviors are an important driver of life-cycle environmental impacts. Steps you can take to reduce impacts as you use Bose products include:

- Put in-the-home devices into a lower power state*
- Don’t disable automatic power timeouts*
- Keep the device away from UV light and high heat to prolong its life
- Unplug the product from the wall when it’s not in use
- Recycle lithium ion batteries with a qualified professional

* Customers can find more information in their Bose product owner’s manual
Continuing to Engage Our Supply Chain

We can’t build and deliver our products alone. It takes a global system of suppliers, contract manufacturers, and distributors to bring Bose products to market. These relationships are a key part of our effort to do business ethically, responsibly, and with integrity, so we are continuing to monitor environmental and social factors across our supply chain.

In 2018 we introduced our Supplier Code of Conduct, which clarifies our requirements pertaining to labor, ethics, health and safety, and the environment. Based on the Responsible Business Alliance’s Code of Conduct, these standards form a framework to which all our Tier 1 and Tier 2 suppliers are held accountable. We also ask those suppliers to hold their own suppliers to these standards, adding resiliency to our entire supply chain and protecting the people and communities it impacts. To better understand where risks and vulnerabilities might exist in our supply chain, we are using a geography-based process to identify, assess, and track high-risk suppliers, and asking all identified suppliers to complete a self-assessment questionnaire.

To build stronger business relationships and create a more resilient supply chain, we are also committed to keeping our supply chain partners across the globe engaged and supported. Globally, we’ve partnered with our strategic suppliers by providing trainings on Lean principles and continuous improvement. These trainings introduce strategies to reduce costs and waste and increase operational efficiency. In the U.S., we have been running an initiative over the past several years called Bose and Lean Yokoten Suppliers (BALYS), a network that connects our suppliers and meets regularly to share Lean principles and drive continuous improvement.
In a finite world, sustainability is the logical operating state toward which business should strive: minimizing waste, maximizing efficiency, lowering energy and material use, and making a better world in the process. At Bose, we’re using our innovative spirit and passion for excellence to drive sustainability progressively deeper into our corporate culture. Our strategy is long-term and measured. We are striving for continuous improvements in our efforts to reduce our impact and strengthen the quality of life in our communities. It’s about respect—for each other, our customers, and the environment.
Energy Efficiency and Carbon Reduction

Bose recognizes that truly sustainable business growth includes a commitment to greater energy efficiency and reduced carbon emissions. To more effectively manage and track our energy and carbon footprint across our operations, we employ an established framework with standardized metrics and procedures, and an Environment, Health, and Safety (EHS) enterprise software that enables us to track those metrics across operations and improve accountability.

Our FY19 energy consumption of 248,850 GJ was not substantially different from FY18. Similarly, our carbon emissions total of 24,103 Tonnes CO$_2$e was largely unchanged from the previous year. Across our operations, we are continually exploring ways to reduce our energy and carbon footprint on an ongoing basis.

In FY19, our Tijuana plant achieved a 6.0% reduction in energy use per unit produced compared to FY17. With the plant’s continued focus on energy efficiency initiatives, we believe we are in a good position to exceed our FY20 goal.

We selected the Tijuana plant for our first public energy efficiency goal because it uses the most energy of any of our facilities, accounting for roughly 32% of our energy use and 41% of our carbon footprint. With Tijuana leading the way, our plan is to set a corporate-wide goal that will engage our other facilities in continued energy reduction efforts.

**Energy Use at Major Facilities (GJ)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity</th>
<th>Natural Gas</th>
<th>Other Fuel</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>251,456</td>
<td>199,983</td>
<td>4,496</td>
</tr>
<tr>
<td>FY17</td>
<td>250,697</td>
<td>193,295</td>
<td>4,903</td>
</tr>
<tr>
<td>FY18</td>
<td>246,375</td>
<td>192,498</td>
<td>4,201</td>
</tr>
<tr>
<td>FY19</td>
<td>248,850</td>
<td>190,245</td>
<td>4,002</td>
</tr>
</tbody>
</table>

**Carbon Emissions at Major Facilities (Tonnes CO$_2$e)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>24,940</td>
<td>22,205</td>
</tr>
<tr>
<td>FY17</td>
<td>24,294</td>
<td>21,358</td>
</tr>
<tr>
<td>FY18</td>
<td>24,199</td>
<td>21,491</td>
</tr>
<tr>
<td>FY19</td>
<td>24,103</td>
<td>21,129</td>
</tr>
</tbody>
</table>

**Energy and Carbon Intensity Across Major Facilities**

- **Energy Intensity (GJ/sq. ft.):**
  - FY16: 0.075
  - FY17: 0.087
  - FY18: 0.085
  - FY19: 0.086

- **Carbon Intensity (Tonnes CO$_2$e/sq. ft.):**
  - FY16: 0.007
  - FY17: 0.008
  - FY18: 0.008
  - FY19: 0.008

**FY20 Manufacturing Goal**

**REDUCE ENERGY CONSUMPTION AT TIJUANA PLANT BY 6% PER UNIT PRODUCED (FY17 BASELINE)**

In FY19, our Tijuana plant achieved a 6.0% reduction in energy use per unit produced compared to FY17. With the plant’s continued focus on energy efficiency initiatives, we believe we are in a good position to exceed our FY20 goal.

We selected the Tijuana plant for our first public energy efficiency goal because it uses the most energy of any of our facilities, accounting for roughly 32% of our energy use and 41% of our carbon footprint. With Tijuana leading the way, our plan is to set a corporate-wide goal that will engage our other facilities in continued energy reduction efforts.
TIJUANA’S CULTURE OF EFFICIENCY

At our Tijuana manufacturing plant, business as usual means employees are constantly on the lookout for ways to become more efficient. Building on our foundation in Lean manufacturing, sustainability is so ingrained in the culture that it’s second nature for our people to integrate environmental considerations into their daily tasks, helping us reduce our impacts.

As part of the FY19 Lean Six Sigma Green Belt training, a group of Bose employees proactively identified three projects that promise to meaningfully improve the facility’s energy efficiency.

Focused on installing more efficient equipment and powering down systems when not in use, the projects have already saved 141 MWh of electricity, with more savings on the way. In total, the three projects are anticipated to save 1.1 GWh and 498.8 Tonnes CO₂e annually.

In pursuit of energy efficiency and other sustainability objectives, the facility also maintains an environmental plan with annual objectives and measures their progress using a formalized maturity model. The facility’s environmental management system is certified under ISO 14001, a leading framework for effectively managing environmental impacts.

Bose’s Unsung Hero: Pedro Rivera

While sustainability is a team effort, it often takes passionate leaders to get the ball rolling. Our Tijuana Facilities Manager, Pedro Rivera, has been one of the driving forces behind our manufacturing plant’s eco-efficiency efforts. His enthusiasm is contagious and has helped grow awareness for, and participation in, sustainability activities at the facility.

“It has been a great experience finding out that there are many people at Bose who share my interest in sustainability. We have a responsibility to our children, the planet, and our community, and I want to take the lessons I’ve learned at Bose over the years and bring them out to our broader community.”

– Pedro Rivera

SUPPORTING RENEWABLE ENERGY

In 2018, a 1.7 MW solar array at our Framingham, Massachusetts headquarters went online, a visible symbol of our commitment to sustainability. Through a power purchase agreement, the system brings enough electricity onto the grid to power a substantial portion of the Framingham campus, which helps Massachusetts meet its renewable energy goals.

LOWER-IMPACT TRANSPORT

It’s a big world, and getting raw materials and components to our plants and finished products to our customers takes a toll in transport costs, energy consumption, and carbon emissions. To reduce all three, we’re continuously looking for opportunities to improve the performance of our transportation network by cutting the distance our products need to travel and transitioning to more energy efficient modes when feasible.

Recent years have brought us a number of transport efficiency wins. Shipments from our Tijuana manufacturing plant now go through a port that is 1,000 miles closer to the facility, reducing the miles they must be trucked. Shipments from Asia to the U.S. east coast are now transferred to our distribution center by rail rather than truck. When possible, we’re also using rail instead of air freight to move shipments from Asia to Europe. Combined, these changes will help reduce both our costs and our carbon emissions.
Reducing Waste and Water Consumption

Efficient companies don’t allow waste to burden their operations. By combining Lean manufacturing principles and our spirit of innovation, we’re seeking to reduce raw materials demand, waste generation, and disposal impacts. Where waste persists, we look for high-value recycling and reuse opportunities.

We also understand the importance of protecting our communities’ water resources. While our operations and manufacturing are not highly water intensive, we do operate in some water-stressed regions and are doing our part to use water resources responsibly.

PHASING OUT SINGLE-USE PLASTICS IN OUR CAFETERIAS

Across the globe, conscientious Bose employees are stepping up to enhance our corporate sustainability culture through people-led waste reduction efforts. At our Purmerend, Lisbon, EDC, and Tijuana sites, employee initiatives replaced single-use drinkware with reusable mugs and glasses, eliminating demand for thousands of plastic cups a day. Some locations also provided staff with reusable water bottles to replace single-use plastic bottles, and EDC employees facilitated their cafeterias’ switch from plastic to reusable metal flatware.

REMOVING PLASTIC VOID FILLER

Employees at our European Distribution Center (EDC) in Tongeren, Belgium, recognized an opportunity to stop using plastic void filler when boxing online orders for delivery. By replacing it with recycled paper, which is biodegradable and easy to recycle, we will cut our plastic use by approximately three metric tons annually. The EDC facility is also working to reduce the amount of plastic cling wrap that is used to prepare pallets of product for shipment.

WATER REUSE

Our production facility in Framingham, Massachusetts, manufactures paper cones for use in some of Bose’s products. From the beginning, we wanted to make efficient use of the water we consumed in the process, so we implemented a recycling solution that has evolved for greater efficiency over the years. Today about 85% of the water discharged from the system is collected, filtered, and then recycled back, reducing demands on our municipal water system and decreasing both our regulatory burden and our environmental impact.

FY20 Manufacturing Goal

INCREASE OUR WASTE RECYCLING RATE* FROM 91% TO 95%

Our Tijuana manufacturing plant currently recycles, reclams, or recovers 94.3% of the waste it generates, including cardboard, plastics, metals, food scraps, and e-waste such as scrap circuit boards and old PCs. As we enter FY20, we believe we are well placed to achieve our 95% recycling goal.

* Includes material that is reused or sold to a third party.
Our company’s success is founded on our people: on their innovative spirit, their energy, and their passion for excellence. They’re our most valuable asset, and we want to help them reach their full potential by creating a work environment that’s engaging, inspiring, and rewarding.

We invest in our employees so they can thrive both professionally and personally, via career development, physical and mental wellness, and social and community engagement. By creating an environment that enables our employees to grow and be successful, we are also able to attract and nurture the talent we need to build Bose’s future.
Fostering a Great Work Environment

A great work environment fosters an atmosphere of encouragement, respect, and shared purpose. It encompasses a culture dedicated to bringing out the best in everyone, championing both achievement and wellbeing in pursuit of a balanced life. A great environment makes people happy to come to work every day—to do and be their best.

WELLBEING@BOSE

At Bose, we’re committed to offering programs that help our people live better lives. We know having healthy bodies and resilient, engaged minds is key to our people reaching their full potential, personally and professionally. Helping them along the path to wellbeing aligns with our core value of Respect and complements our new focus on Health products.

Launched in October 2018, the global Wellbeing@Bose technology hub is the new heart of our effort to build a culture of health, wellness, and vitality among Bose employees. Holistic in nature, the hub encompasses nine “Thrive Areas” of physical, emotional, intellectual, and social health. One feature delivers personalized content to each participant based on their wellbeing goals, helping them track their progress, and promoting better habits over the long term. Another option allows our people to create wellbeing challenges and invite their families, friends, and colleagues to participate, simultaneously strengthening their community and wellbeing. To incentivize engagement with these and other hub options, employees earn points that are redeemable for various rewards.

Our Wellbeing@Bose program also has 150 Wellbeing Champions at our facilities around the world to organize local activities and encourage participation in quarterly corporate challenges that put various Thrive Areas into practice. In our “Appreciate Your Colleague Challenge,” employees were encouraged to recognize their coworkers by sending e-cards—an exercise that can help strengthen relationships, reduce stress, and enhance productivity.

LOCAL WELLBEING INITIATIVES

Tijuana Health Fair

At our Tijuana manufacturing plant, we are going the extra mile to care for our people’s health and wellbeing. Nurses are on-site 24/7, supported by an on-site doctor four hours a day. In 2018, about 150 employees took advantage of health benefits including free flu vaccines, mammograms, eye exams, and reduced-price eyeglasses. In 2017, nearly 1,800 employees attended a health fair that brought together different healthcare providers and tackled issues including nutrition, mental health, dental hygiene, and HIV prevention.

EDC Walking Challenge

Nearly 100 employees at our European Distribution Center participated in a walking challenge for charity, raising €12,750 for an organization fighting cancer. This was the EDC’s first local wellness challenge organized through the Wellbeing@Bose hub. Building on the momentum, the EDC is already building out a calendar of wellbeing events for FY20.
DIVERSITY AND INCLUSION

Creativity and innovation thrive in an environment where people from many different backgrounds come together, sharing and comparing their distinct ideas and viewpoints to surface the best solutions.

Building diversity and inclusion simultaneously is a complex challenge, but it’s an important one that aligns with our values as a company. Demonstrating respect for what each of our people brings to the table helps us build a stronger team, drive greater innovation, connect with more diverse customers, and attract, retain, and develop our critical talent.

Our approach to diversity and inclusion is considered and deliberate. Bose’s leadership team is gathering insights across our global operations to find the right approach for us and is committed to developing a strategy that is unique to Bose and aligns with our Guiding Principles & Essence and Values.

These efforts are already underway in the areas of recruiting, affinity groups and training. Over the past five years, we’ve seen a significant increase in female engineers participating in our internship program. We are also continuing to build more formal affinity group programs such as Women in STEM, Bose Heritage and Bose Young Professionals. These groups have been designed to provide networking and development opportunities.

MOUNTAINEERS: CHAMPIONING BOSE CULTURE

The Mountaineers are a group of about 90 brand advocates who live and breathe Bose. In 2018, a Mountaineer program solicited employee ideas for promoting a great working environment. Ideas that were implemented include opening up Bose’s Makerspace workshop—stocked with 3D printers, laser cutters, welding equipment, sewing machines and more—to all Framingham employees for both work related and personal project use; a three-month program of on-site fitness classes that led many participants to develop new health and wellbeing habits; a community-sponsored agriculture (CSA) program that delivered shares of organic produce weekly from a local farm to participants’ Bose office; and one year of access for 100 people to a meditation app, which can improve mental health and wellbeing.

APPRECIATE@BOSE

Practicing gratitude isn’t just good manners; researchers have found that it’s actually good for you. The simple act of saying “thanks” to a colleague can reduce stress and boost enthusiasm. On the receiving end, being recognized can make you feel valued and motivated to do your best. It’s a virtuous circle that builds the kind of workplace Bose has always strived to create.

Our rebranded Appreciate@Bose program aims to grow the culture of respect and appreciation that is so important to Bose, encouraging our people to recognize their colleagues’ good work and good deeds. Appreciate@Bose e-cards make this process easy. In FY19, Bose employees sent 8,311 appreciation cards to their coworkers, helping create the kind of supportive culture that allows us to attract and retain the best talent, and succeed into the future.

Celebrating career milestones is also important to making our people feel valued. Our CEO has recently begun sending an email on every employee’s first anniversary with Bose, thanking them for their contributions. After three years at the company, employees now receive a personalized yearbook with comments from their peers and leaders. Thereafter, each five-year anniversary sparks a new milestone moment.

4 Pillars of Appreciate@Bose

Gratitude
Recognize
Celebrate
Amplify

Bose employees sent and received 46,080 Appreciation Awards and 8,311 e-cards in FY19

1,727 employees celebrated a milestone anniversary
Helping Our People Reach Their Potential

We know that we have some of the best people out there, and that they choose to come to work at Bose every day. We want to give them the best work environment we can, helping them reach their full potential as they continue to enhance our company with their passion and creativity.

In today’s disruptive business environment, both companies and individuals need to be constantly learning, evolving, and improving. We offer a range of training and development programs that help our people enhance their skills and unlock new career opportunities. By empowering our people to increase their engagement, follow their passions, and advance in their careers, we’re living up to our responsibility as an employer.

GLOBAL PEOPLE MANAGEMENT INITIATIVE (GPMI)

Great leaders help their people grow to their full human potential in an atmosphere of respect, support, and motivation. At Bose, we truly care about developing our people. It’s part of our Essence and Values, and it’s why we’ve invested in a program of leadership training that better prepares our managers to build strong relationships with their employees and helps them develop the capabilities to lead high performing teams.

Now in its sixth year, GPMI focuses on long-term, continuous improvement for all people managers. It starts with a three-day Foundations Workshop, which 81% of our people managers globally have completed, exceeding our goal of 80%. Built around our core GPMI disciplines—hire and inspire, support performance, empower development, recognize & celebrate, and model the Bose way—the workshop introduces best practices, instills critical people management concepts, and provides key leadership tools.

To encourage continuing development, we recently launched the next phase for graduates of our Foundations Workshop. Called GPMI Advanced Topics, it covers areas such as “Leading Change” and “Leading Remote and Virtual Teams.” Our goal is to launch four advanced topics each year, all of which will be available remotely using webinars, e-learning, and self-paced courses. GPMI is available in six languages, making it accessible across our global workforce.

BOSE LEAN ENTERPRISE (BLE) TRAINING

Lean Six Sigma is a collaborative, data-driven method to optimize business processes, eliminate waste, improve performance, and create value. It’s a core competency at Bose, where Lean principles are woven deeply into our operations, our culture, and our emphasis on excellence.

BLE trainings are offered worldwide and teach valuable, career-building business skills at multiple levels. The core Lean philosophy of doing more with less also dovetails perfectly with our environmental efforts. We are now integrating sustainability principles into the program, and many participants have chosen projects that help minimize waste, materials or energy consumption. In FY19, 475 employees across the globe completed BLE trainings.

FY20 Manufacturing Goal

INCREASE PEOPLE MANAGEMENT TRAINING PARTICIPATION FROM 84% TO 95%

As of FY19, 90% of managers at our Tijuana manufacturing plant have now received people management training. Each year, the total number of people who receive this training continues to grow, putting us on a path for achieving our FY20 objective.
Employee Health and Safety

As part of our commitment to our people, we are diligent about preventing workplace injuries and illnesses and promoting a health and safety culture. Across our global locations, our Environment, Health and Safety (EH&S) functions provide training for employees on job-related hazards, mandatory safety procedures, and best practices for identifying and mitigating safety risks. We comply with applicable occupational health and safety regulations, and continually evaluate opportunities for improvement. Our facilities use our EH&S enterprise software system to track incidents, accidents, and other important health and safety metrics.

FY19 HEALTH AND SAFETY METRICS

INCIDENT RATE

1.8

Total incidents per 200,000 person hours

DART RATE

0.4

Days away, restrictions and transfers
COMMUNITIES

People thrive when they are involved in their communities—at home, at work, and at play. Engaged people want to strengthen their communities: identifying challenges, discovering solutions, and building relationships. Globally and locally, we champion our people’s efforts to channel their passion into meaningful impact. Inspired by our founder, Dr. Bose, we have a longstanding commitment to education. We’re also developing partnerships with organizations that promote wellbeing and help people reach their full potential. By investing in the locations where we live and work, we are living out our shared values, strengthening our relationships with local stakeholders, motivating our people, and building pride in Bose.
In Our Founder’s Footsteps: Promoting Education

Our founder, Dr. Amar Bose, was a proponent of education throughout his life. As an MIT professor for more than four decades, Dr. Bose influenced thousands of young minds. His efforts both within and beyond the classroom reflected his belief in the power of education to unlock people’s highest potential.

A good education enables people to think critically, find solutions, and translate ideas into action—the skills we seek in the people who will drive Bose’s future success. To inspire the next generation and our people today, we are continuing Dr. Bose’s dedication to education by sharing our knowledge, sparking curiosity, and helping to advance the cause of research and innovation.

BOSE LEAN ENTERPRISE UNIVERSITY PROGRAM

Lean enterprise principles are central to our culture of continuous improvement and excellence that minimizes waste to maximize value. The robust Lean training program we’ve developed for our employees is an asset we can share outside of Bose, to instill these valuable principles in the next generation of engineers. We’ve been partnering with universities in our communities to add Lean training to their curriculums. Recently, we established a formal partnership with CETYS Universidad in Tijuana to bring a Lean enterprise training to students and provide hands-on experience. In Massachusetts, we encourage our cooperative education (co-op) students to participate in the Lean training programs we provide employees to further grow their skills. These efforts not only create more expert candidates for future Bose recruitment, but also extend that expertise to our local communities wherever these students ultimately create their careers.

MIT IDEAS GLOBAL CHALLENGE

Our relationship with MIT goes to the roots of our organization. Among our support initiatives for today’s MIT students, Bose hosts a speed-mentoring session as part of the annual MIT IDEAS Global Challenge, an innovation and social entrepreneurship competition designed to solve social challenges. Bose employees volunteer their time and expertise, helping participating teams improve their business ideas in areas such as sales and marketing, product design, and business strategy. In 2018, 34 Bose employees mentored 12 teams, two of which received grants to develop and deploy their solutions.

BEST BUY TEEN TECH CENTERS

Creative technology can set imaginations ablaze, but many young people lack access in their homes and schools. Best Buy’s Teen Tech Centers address that problem by providing free access to professional equipment for graphic design, music production, animation, robotics, and more, conveniently located in community-based organizations across the United States. We’ve provided Bose headphones and speakers for the Tech Centers’ computer stations; sponsored a recording studio at the new center in Roxbury, Massachusetts; and are committed to supporting all 60 Teen Tech Centers, nationwide.
Championing Wellness in Our Communities

Our Health Division is helping people live better, more fulfilling lives, and with our planned entrance into the market of self-fitting hearing aids, we hope to improve the lives of the hearing impaired. To further our efforts to increase awareness about the importance of hearing health, Bose is supporting the Hearing Loss Association of America (HLAA). In 2018, Bose employees took part in HLAA’s Walk4Hearing for the second consecutive year. To promote wellness for our employees, customers, and communities, we’re also working with partners such as Thrive Global, which develops strategies and tools for promoting wellbeing and reducing stress.

Bose employees’ problem-solving spirit doesn’t just switch off when they leave the workplace. Instead, they step up and apply it to challenges in their communities. We’re proud of their spirit and encourage it by giving our U.S. employees three days of paid volunteer time per year to do good in their communities.

Employee-led Community Support

Bose employees came together at the community service day of Bose’s Consumer Electronics division, employees volunteered 1,800 hours of support to 39 community projects in our headquarters city of Framingham, Massachusetts. From painting to landscaping, sorting food and preparing meals, no job was too big or small.

For example, a team transformed a community room in a local affordable housing complex, painting and refurnishing the space, and equipping it with a new Bose speaker. It is now an after-school hangout space for young residents. Activities also included using items donated by Bose employees to assemble over 280 hygiene kits for the homeless.
80 CENT CAMPAIGN

In 2012, our manufacturing facility in Tijuana launched the 80 Cent Campaign, a program through which employees can donate part of their paychecks to raise money for charity. Over the years the impact of the campaign has continued to grow as hundreds of passionate employees joined in the effort, and in 2018, 1,500 employees donated over $40,000 (US) to the campaign. The majority of the donation covered medical treatments for more than a thousand families in the local Tijuana community (including over 200 children of plant employees).

Through this campaign and other community initiatives, Bose Tijuana is leading the way in supporting the local community, and in 2018 received recognition for its Good Social Responsibility Practices from the Industry Association of Human Resources in Tijuana.

FY20 Manufacturing Goal

INCREASE THE NUMBER OF PEOPLE THAT BENEFIT FROM OUR COMMUNITY PROGRAMS BY 50% (FY17 BASELINE)

Through increased engagement in the 80 Cent Campaign, our Tijuana manufacturing plant far exceeded its FY20 goal. In fact, the plant has been able to increase its impact by 23 TIMES when compared to its FY17 baseline.

BOSE’S UNSUNG HERO: BRENDA CAPUZZIELLO

The greater a person’s passion, the greater their potential impact. Brenda (pictured center above) came to Bose seven years ago after working for a non-profit. Through her passion for helping others, she has been a driving force behind the CE Service Day, which has had a great impact on our Framingham community.

“Being able to help people and letting them know that someone sees them and cares about them is what is important to me. At Bose, with the support of my manager, leadership, and colleagues, I’ve had the privilege of working with our Community Relations team to coordinate our Volunteer Service Day.”

- Brenda Capuzziello
EARTH MONTH #ACTSOFGREEN

To extend our emphasis on sustainability and environmental stewardship, Bose has been participating in the global celebration of “Earth Month” for the past several years. In April 2018, Bose employees across our global facilities found ways to reduce their impact and enrich their local environment, then shared their personal “acts of green” on our social media platform to inspire one another.

Tijuana, Mexico
Employees participated in a “Plant for the Planet” event, committing to plant and care for 500 plants from edible species including palm, basil, lemon, chili, fern, mint, and aloe vera.

Shenzhen, China
Nearly 50% of employees participated in green challenges to reduce their personal environmental impact, such as eating a meat-free meal or traveling by public transport. The event culminated in a litter cleanup at a large local park.

Framingham, United States
Our CEO, Phil Hess, planted a tree at our Framingham, Massachusetts campus and employees were given 300 daisy plants.

Lisbon, Portugal
Employees worked together to build a garden on the 8th floor terrace of their building, bringing green space to their urban work environment.
A SAMPLING OF THE BIG AND SMALL WAYS BOSE EMPLOYEES SUPPORT THEIR COMMUNITIES

From organized initiatives to individual acts, our people found many ways to help in FY18 and FY19.

**BOSTON, UNITED STATES**

*Hope Lodge*
Twice a year, Bose employees host an Italian bistro dinner at Hope Lodge, which provides free accommodation for people receiving cancer treatment at Boston hospitals. In addition to a delicious dinner, guests enjoy live Irish music performed by Bose employees.

**GILLINGHAM, UNITED KINGDOM**

*Twilight Gears*
To promote community engagement, members of the UK/Ireland leadership team supported Age UK’s Twilight Gears project, helping create a space where elderly people can restore old and unclaimed bicycles to give to underprivileged people in the community. Some of the elderly participants were later invited to the Bose Christmas party.

**PURMEREND, NETHERLANDS**

*Running for Charity*
To promote wellness and community support, our Purmerend facility’s Give and Entertain committee organized and sponsored 30 employees to participate in a 5km/10km run to raise money for charity.

**TONGEREN, BELGIUM**

*“Give More Project”*
In a six-week period, sixty percent of employees at our EDC participated in community challenges including a food sharing event, a charity walk for cancer, a blood drive, and carpooling to reduce emissions.

*Beehives*
Bose’s EDC installed two beehives to help the local fruit industry with pollination. It’s a sweet deal, as EDC employees get to enjoy a little fresh honey, too.

**TIJUANA, MEXICO**

*Disaster Relief*
After the 2017 Mexico City earthquake and the 2018 Sinaloa State floods, Bose’s Tijuana employees donated food and other items to support victims. Monetary donations were matched by Bose Tijuana.

**LISBON, PORTUGAL**

*Supplies for Animal Shelter and the Homeless*
Inspired by a passionate employee, the Bose Lisbon team took it upon themselves to donate clothing and blankets for a local homeless shelter and collected supplies for a local animal shelter that was running low on much needed food, hygiene and cleaning products.

**WEAR RED – GLOBAL**

Bose makes annual donations to help prevent and raise awareness of heart disease. Over the years Bose employees around the world participated in our Wear Red campaign, wearing red outfits and sharing pictures via our internal social media site.
We’ve come a long way in our sustainability journey. We’ve done so through a commitment to continuous improvement, our creativity and problem-solving spirit, and countless individual contributions from our employees. Our passion for innovation is hardwired into our DNA, and as we move forward, we’ll continue to push the bounds of what’s possible.

We’re excited about what the future holds for Bose, and we know that it is the diligence and creativity of our people that will drive us there. From our testing labs to our retail counters, we are a passionate group of people dedicated to making the best products we can, but we are also mothers, fathers, aunts, uncles, grandmothers, and grandfathers. We want to leave the world a better place for our children, for generations to come. That’s the kind of challenge we can all get behind.
About This Report

Thank you for reading Bose’s 2019 Sustainability Report. This report covers key activities and accomplishments of Bose Corporation during our 2018 and 2019 fiscal years related to environmental protection, social responsibility, and economic progress. This report contains disclosures from the Global Reporting Initiative (GRI) Standards.

BOSE’S REPORTING APPROACH
Bose reports annually on our sustainability efforts. Every two years Bose produces a full sustainability report, like this one. In off-years, we issue brief report updates to ensure stakeholder access to timely information on our core metrics and our most impactful environmental, social, and economic activities. Our most recent full report was published in August 2017 and we published a concise report update in July 2018.

REPORTING PERIOD
This report covers Bose Corporation’s 2018 and 2019 fiscal years (FY18 and FY19)—the period from April 1, 2017, through March 31, 2019.

REPORTING SCOPE AND BOUNDARIES
This report covers sustainability-related activities and impacts under Bose Corporation’s operational control globally but is not all-inclusive. It also includes select supplier- and product-related impacts. In this report, “Bose,” “the company,” “we,” “our,” “its,” and similar terms are used for convenience to refer to Bose Corporation and its subsidiaries and branches. Data pertaining to carbon emissions, energy, and health and safety contained in this report are subject to restricted boundaries due to data availability; Bose is in the midst of scaling up tracking capabilities for energy and carbon data and plans to expand the number of sites included in its reporting.

Health & Safety
Data boundaries for health and safety metrics reflect major facilities that were under Bose’s operational control at any point during FY18 and FY19, as well as U.S. retail stores and field sales.

Carbon Emissions & Energy Consumption
Data includes all major facilities under Bose’s operational control at the end of FY19, excluding retail stores. Energy figures are based on actual energy data or estimates when actual data are not available and includes electricity and fuel consumption. Bose uses the Greenhouse Gas Protocol, The Climate Registry (TCR), and the EPA for all emissions conversion factors. Carbon emissions calculations include CO₂, CH₄, and N₂O.
<table>
<thead>
<tr>
<th>STANDARDS</th>
<th>DESCRIPTION</th>
<th>PAGE REFERENCE OR ANSWER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL DISCLOSURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>Bose Corporation</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>Pages 6 and 7</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Bose is headquartered in Framingham, MA, USA</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Page 4</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Bose Corporation is a privately held company, registered as a Delaware Corporation.</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Page 4</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>Page 4</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>Page 4</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Page 18</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>There were no significant changes to the organization or its supply chain during the reporting period.</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>Pages 17 and 19</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>Bose is a member of the Responsible Business Alliance (RBA), and our Supplier Code of Conduct is based on the RBA Code of Conduct.</td>
</tr>
</tbody>
</table>
| 102-13 | Membership of associations | • Responsible Business Alliance  
• Consumer Technology Association  
• American National Standards Institute  
• International Electrotechnical Commission  
• IPC  
• JEDEC |
<p>| <strong>STRATEGY</strong> | | |
| 102-14 | Statement from the most senior decision-maker of the organization. | Page 3 |
| <strong>ETHICS AND INTEGRITY</strong> | | |
| 102-16 | Values, principles, standards, and norms of behavior | Page 9 |
| <strong>GOVERNANCE</strong> | | |
| 102-18 | Governance structure | Bose Corporation is a privately owned company and the governance structure is not publicly disclosed. The Global Sustainability Office, which oversees the sustainability program, is described on page 12. |</p>
<table>
<thead>
<tr>
<th>STANDARDS</th>
<th>DESCRIPTION</th>
<th>PAGE REFERENCE OR ANSWER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Page 13</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>None of Bose’s employees are covered by collective bargaining agreements in the United States.</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>Page 13</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>Page 13</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>Page 13</td>
</tr>
<tr>
<td><strong>REPORTING PRACTICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>This report covers sustainability-related activities and impacts under Bose Corporation’s operational control and control of its subsidiaries and branches, located in Australia, Austria, Belgium, Canada, Chile, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic Boundaries</td>
<td>The content included in this report was selected based on our sustainability strategy and key activities, expectations of our stakeholders, and GRI Standards.</td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics</td>
<td>Page 14</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>There are no restatements from prior years.</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>There are no changes in reporting.</td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>Page 35</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>Page 35</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Page 35</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Contact us at <a href="https://www.bose.com/en_us/contact_us.html">https://www.bose.com/en_us/contact_us.html</a>.</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>GRI Content Index</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>Bose does not seek external assurance for its sustainability report.</td>
</tr>
<tr>
<td><strong>MANAGEMENT APPROACH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Page 12</td>
</tr>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ENERGY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Pages 19 and 20</td>
</tr>
<tr>
<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>Page 20</td>
</tr>
<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>Page 20</td>
</tr>
<tr>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>Page 21</td>
</tr>
<tr>
<td>STANDARDS</td>
<td>DESCRIPTION</td>
<td>PAGE REFERENCE OR ANSWER</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>EMISSIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Pages 19 and 20</td>
</tr>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Page 20</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Page 20</td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>Page 20</td>
</tr>
<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
<td>Page 21</td>
</tr>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OCCUPATIONAL HEALTH AND SAFETY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Page 27</td>
</tr>
<tr>
<td>403-9</td>
<td>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender</td>
<td>Page 27</td>
</tr>
<tr>
<td><strong>TRAINING AND EDUCATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Page 26</td>
</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>In FY19 employees completed an average of 463 minutes (global average) of training.</td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Bose offers employees extensive trainings and opportunities for lifelong learning as described on page 26. Bose also provides career transition assistance to some employees, depending on the nature of the departure.</td>
</tr>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>All regular Bose employees receive an annual performance review in which their managers discuss with them their strengths and areas for further development.</td>
</tr>
<tr>
<td><strong>HUMAN RIGHTS ASSESSMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Page 9</td>
</tr>
<tr>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>In FY19, employees received a total of 8,602 hours for Ethics training and 4,576 hours for Maintaining Respect training, which includes anti-harassment, discrimination, and abusive conduct.</td>
</tr>
<tr>
<td><strong>SUPPLIER SOCIAL ASSESSMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Generic Disclosures on Management Approach</td>
<td>Page 18</td>
</tr>
<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>Bose has a supplier risk assessment it uses to identify labor risks within its supply chain. The company actively addresses any labor issues it finds at its suppliers’ operations. Through a supplier risk assessment, Bose has not identified suppliers that have or pose higher potential risk.</td>
</tr>
</tbody>
</table>