

2021

SUSTAINABILITY REPORT

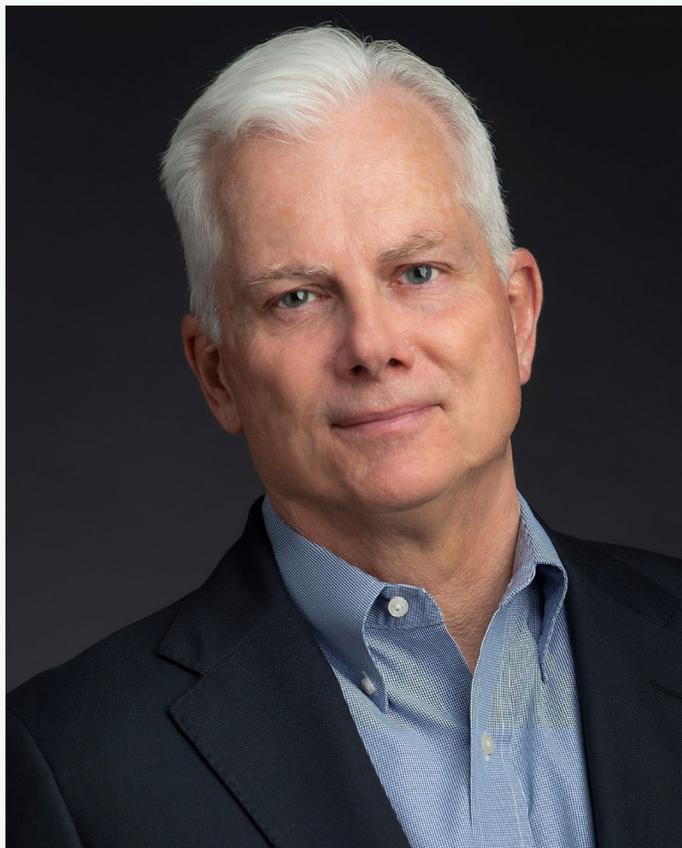


BOSE

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LETTER FROM OUR PRESIDENT AND CHIEF OPERATING OFFICER

While the past year tested us, we've emerged stronger and more resilient.

We faced many challenges that deepened our understanding of each other, the communities we live in, and the planet we share. Our most important responsibility couldn't have been clearer: we focused on keeping our employees and their families safe as the pandemic spread around the world. Beyond government mandates, we put extra precautions in place to provide peace-of-mind during months of uncertainty and fear.

We spent the year working remotely to meet commitments to our customers and partners, but we also did comprehensive planning to make sure we were prepared to re-open our offices around the world when the time came. It has, and we're ready. We know everyone's lives have changed, and some of the solutions we created in 2020 for balancing home and work will transfer to our post-pandemic culture, becoming part of our new normal.

We also continued to make progress on other social and environmental challenges. We formalized our Inclusion, Equity & Diversity program after spending a year learning about ourselves with the counsel and guidance of our fellow employees. The impact of this work was challenged as we faced the racial divisiveness that swept the United States and started conversations inside Bose we've never had before. We needed to be more interested in what we didn't know already. And we didn't want to respond with gestures. We wanted to be sincere.

Our timeless beliefs helped guide us.

At their best, company values are an awesome and serious responsibility—a worthwhile burden to be better people who serve a greater good. Our founder, Dr. Amar Bose, had a vision beyond products. He wanted his company to be a place where everyone could reach their fullest human potential. We have to be accountable to that every day. We owe it to anyone who wants to join Bose and everyone who already works here. In turn, our people have to willingly contribute to creating that climate. That's not new, but it's taken on new meaning over the last twelve months.

I want to thank our employees for their courage, feedback, and remarkable resilience in FY21. You'll learn more about them and our work together in the following pages.

Sincerely,

JIM SCAMMON

PRESIDENT AND CHIEF OPERATING OFFICER

BOSE'S RESPONSE TO COVID-19

At Bose, our top priority has been ensuring the safety and wellbeing of our people. Here are some of the ways Bose has supported our employees and communities during these unprecedented times:

OUR ACTIONS

Task force established in early 2020 to evaluate COVID-19 risk across operations and drive a comprehensive plan of action

Environmental, Health & Safety (EH&S) practices immediately adjusted to boost sanitation protocols and ensure social distancing

Growth of on-site medical staff at manufacturing site in Tijuana, Mexico, to conduct additional checkups, COVID-19 testing, and contact tracing

HVAC units upgraded in buildings to increase airflow and improve filtration

Mental health support and other wellbeing resources provided to employees

Virtual trainings provided to employees, promoting effective remote working skills and encouraging continued learning

Daily communications and biweekly reports provided by Supplier Engagement team on suppliers' operation status to ensure the continuity of global supply chain

Product donations given to local hospitals, health clinics, and neighbors in employee communities

Corporate giving focused on COVID-19 relief efforts

FISCAL YEAR 2021 AT A GLANCE

OUR COMPANY

ANNUAL SALES:
\$3.2 Billion (USD)

COMPANY HEADQUARTERS:
Framingham,
Massachusetts, U.S.



LARGEST MARKET:
United States
of America

**MAIN MANUFACTURING
LOCATION:**
Mexico

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

HEALTH AND SAFETY

INCIDENT RATE **DART RATE**

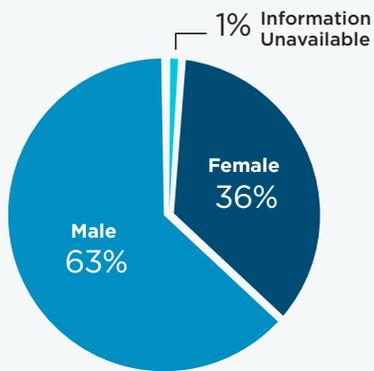
 **1.99**  **0.4**

Total incidents per 200,000 person-hours

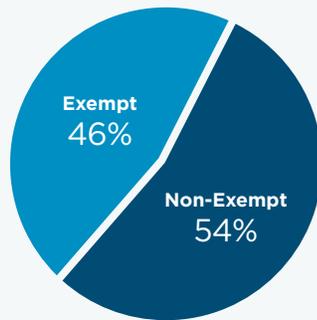
Total days away, restricted or transferred (DART) incidents per 200,000 person-hours

EMPLOYEES

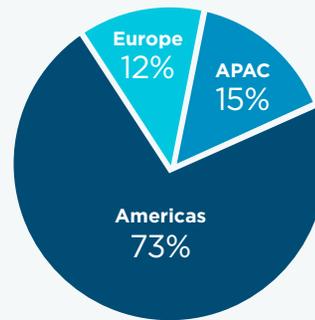
TOTAL EMPLOYEES
WORLDWIDE: ~7,000



BY GENDER



BY EXEMPTION STATUS



BY REGION

ENERGY AND EMISSIONS

 **ELECTRICITY**
151,532 GJ

 **FUEL USE**
47,941 GJ

+

 **TOTAL ENERGY USE**
199,473 GJ

CARBON EMISSIONS (TONNES CO₂e)

SCOPE 1	SCOPE 2	TOTAL
2,450	15,250	= 17,700

Our carbon emissions and energy use figures from prior years were updated due to implemented improvements in data collection and calculations.



OUR COMPANY

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

Bose Consumer Electronics

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 Home Speaker 500, which delivers the widest stereo soundstage 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—now available in both banded headphones and truly wireless earbuds.

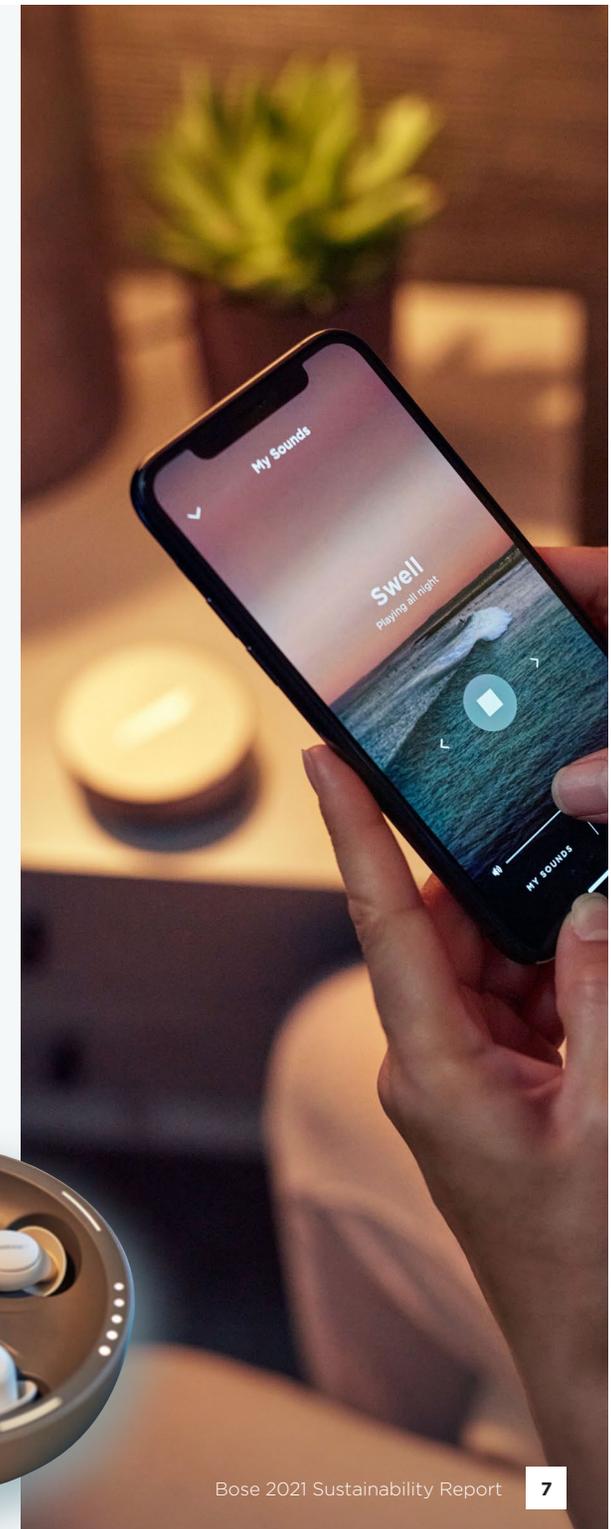
But Bose audio innovation doesn't end with headphones. Recently, we launched the Bose Sport Open Earbuds and the Bose Frames line of audio sunglasses—two new types of wearable devices that allow customers to listen to their music privately without covering their ears. Using new OpenAudio™ technology, these wearables aim sound into customers' ears without blocking them, so they can enjoy their music and experience their surroundings at the same time.

Bose Health Division

For years, we've developed innovative, high-performing products that 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 Bose Health strives to deliver life-changing products to help people hear and sleep better.

Our all-new Bose SoundControl™ Hearing Aids are the first direct-to-consumer, FDA-cleared hearing aids for adults with mild to moderate hearing loss. They pair with the first self-tuning mobile app that's clinically proven to provide audiologist-quality customization that allows individuals to take control of their hearing needs.

In Sleep, our Sleepbuds™ II are an ultra-small earbud specifically designed to minimize unwanted sounds using Bose noise-masking technology. Tiny and comfortable, they work with the Bose Sleep app to deliver relaxing sounds to calm the mind and enable an easy transition to peaceful sleep.





Professional Systems Division

Bose Professional is the division of Bose Corporation dedicated to pro audio ingenuity—including portable PA systems, conferencing solutions, and installed commercial sound systems. In workplaces, houses of worship, lecture halls, restaurants, retail stores, hotels, and more—for nearly 50 years, Bose Professional has partnered with working musicians, mobile DJs, AV integrators, system designers, installers, and consultants to build incredible audio experiences.

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 and noise management 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, 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 freedom for creative, unencumbered exploration. To Dr. Bose, short-term wins 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.

BOSE RESEARCH GRANTS

MIT's annual Professor Amar G. Bose Research Grants provide three years of funding to MIT faculty pursuing research that defies disciplinary boundaries, challenges convention, and pushes the limits of academic research. Past grants have supported projects focused on increasing the use of orphan crops to adapt to climate change and biosensors able to analyze large quantities of enzymes.





BOSE GUIDING PRINCIPLES & ESSENCE AND VALUES

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

For Dr. Bose, 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 & Essence and Values that Dr. Bose shaped still define our culture. They're how we conduct ourselves, run 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 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

CORPORATE COMPLIANCE AND BUSINESS ETHICS

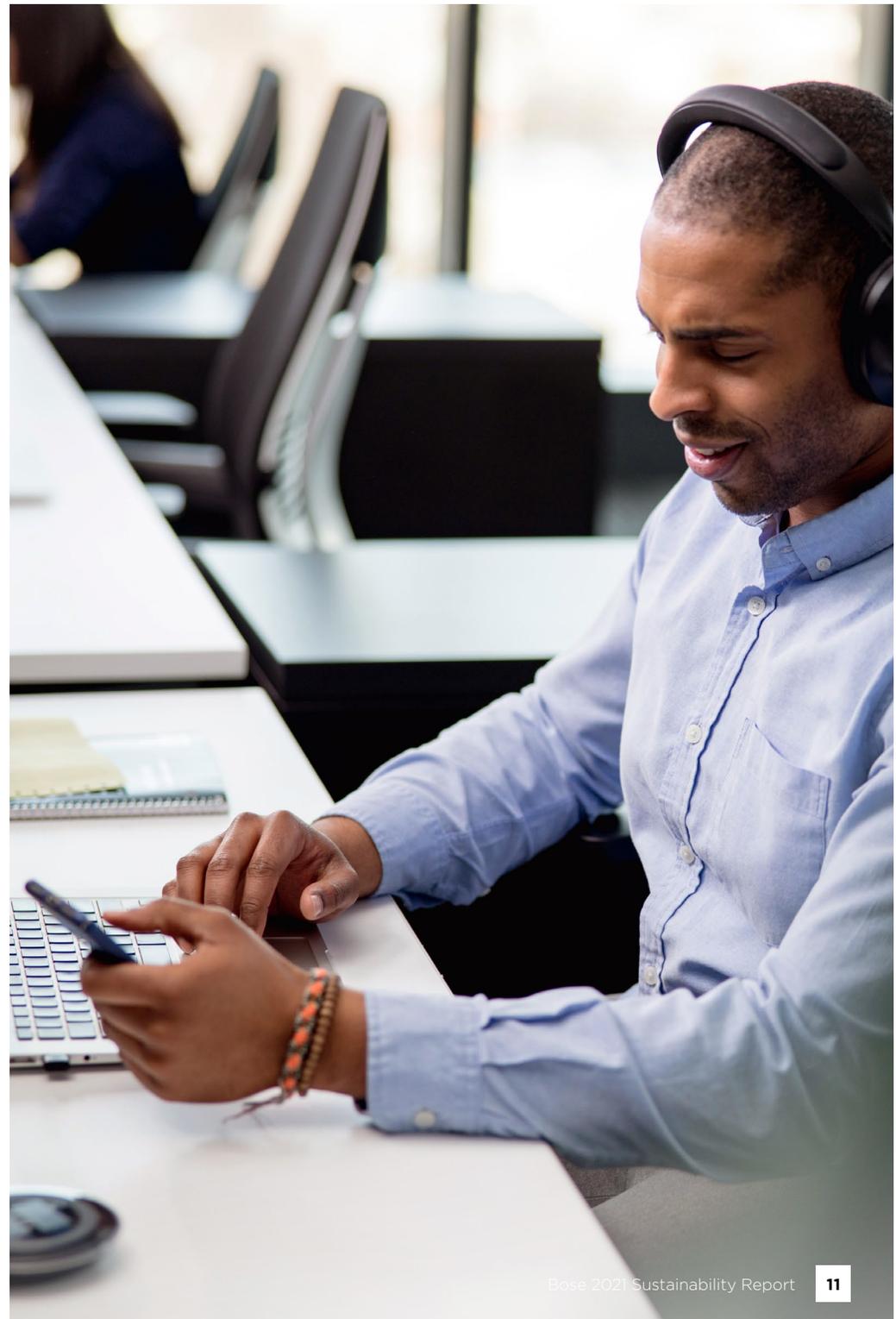
Bose's value of operating with integrity rests on our foundational commitment to ethical business practices, supported by a robust system of policies, oversight, and training. From our earliest days, we've worked continually to build and maintain our reputation as a trusted partner to our customers, consumers, suppliers, and other critical stakeholders. We strive to comply with applicable laws and regulations governing our interactions, wherever we do business.

Our Corporate Ethics Committee, comprised of four senior executives, meets quarterly to oversee our ethics program, which is operationalized across the organization by our Corporate Compliance and Business Ethics function.

All Bose employees are required to adhere to our internal Code of Business Ethics, aligning with all applicable local laws and cultures in our operating regions and is available in local languages.

New hires receive ethics training upon joining the company and we deploy online trainings globally every quarter to reinforce and update our employees' understanding of their ethical obligations. In FY21, our global completion rate for ethics trainings was 99%. Trainings are deployed in local languages and are designed to engage a diverse audience on our Code of Business Ethics and critical subjects such as anti-bribery and corruption, conflicts of interest, and anti-harassment and discrimination. We also offer trainings targeted to specific employee subsets, dealing with regional or role-specific issues.

To facilitate reporting of suspected unethical behavior, we maintain an anonymous compliance hotline available in all relevant languages. Bose conducts timely follow-up investigations and always maintains confidentiality.



SUSTAINABILITY VISION AND STRATEGY

Sustainability is a topic of increasing importance for our business customers, consumers, and employees. They recognize the urgency with which the world must address many of today's most pressing sustainability challenges, and so do we.

At Bose, our sustainability efforts center around driving positive impact across three focus areas: environmental, economic, and social. Our ability to create change in these areas depends on an effective program structure. Leading management practices embedded into the business allow us to drive sustainability into the company culture and build momentum.

Our approach is shaped and guided by a sustainability strategy framework that includes a maturity model against which we measure our progress and ambitions. We operationalize those ambitions through a three-year roadmap, which we revisit annually to ensure the actions we're taking achieve a positive impact for our company and stakeholders—inspiring our employees, supporting our communities, creating operational efficiencies, promoting supply chain responsibility, and innovating more sustainable products for our customers.

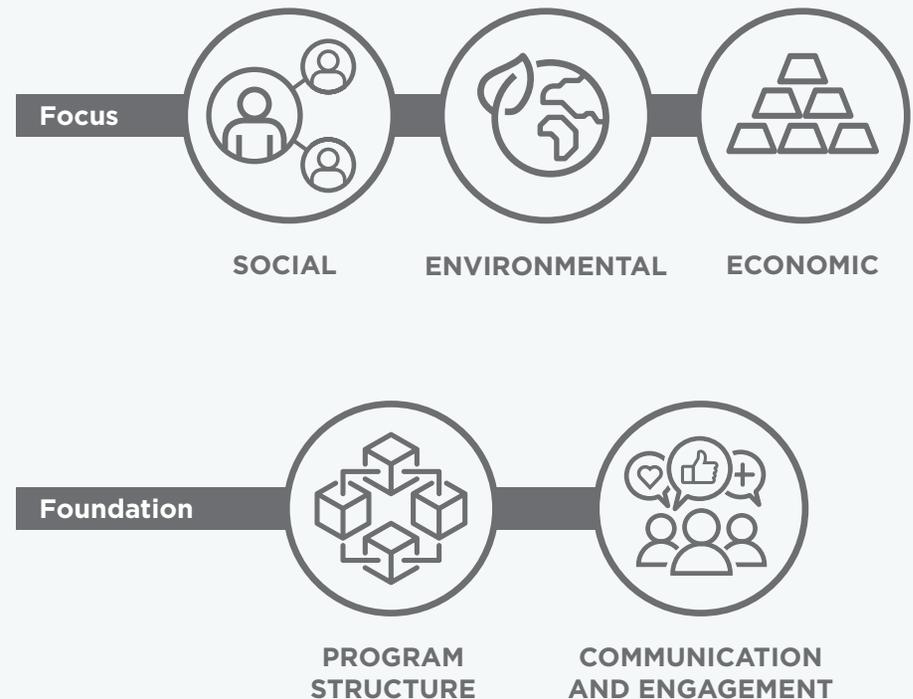
Over the past two years, we have continued to make meaningful progress in advancing our sustainability performance. Our Tijuana, Mexico, facility achieved its FY20 goals for energy, waste, and community impact. We launched Sound Sanctuary, our headline community support initiative. We established our Voluntary Substance Removal Program, which proactively identifies and removes substances that are of concern to our stakeholders. And we introduced new products that improve human wellbeing and drive environmental benefit.

The passion and ingenuity of our people made all these achievements possible and will continue to propel our efforts as we move into a new phase of Bose's sustainability journey. Inspired by company leadership and informed by a newly updated materiality assessment, we plan to reevaluate our sustainability strategy and set new goals to ensure our actions continue to align with our business strategy and our stakeholders' needs and values. With the world evolving around us, we aim to maximize our positive impact and be part of the solution to our common societal challenges.

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.

5 ASPECTS OF SUSTAINABILITY AT BOSE



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. At Bose, we follow a clear, well-established 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 embed sustainability across our global operations.

Sustainability Executive Council

Chaired by the Sustainability Executive Sponsor, the committee is comprised of C-suite level leaders from multiple functions.

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: sales, products, environmental health & safety, facilities and operations, supply chain, manufacturing, human resources, corporate compliance and business ethics, legal, and finance

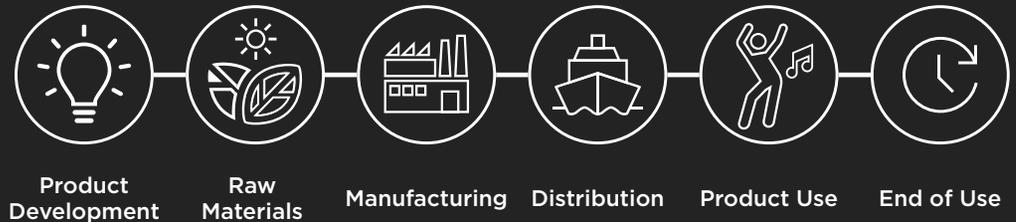
Supports the Global Sustainability Office by driving integration of sustainability principles within functional areas.

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, manufacture, and distribute innovative products that push the boundaries of what's possible, we rely on a global network of people, resources, and infrastructure—all of which come with their own material sustainability issues. From the raw materials used to manufacture a new pair of headphones, to the energy required to create an unforgettable audio experience, we strive to reduce our environmental impact and enhance the social benefit we create across our value chain.



ENGAGING STAKEHOLDERS ACROSS THE BOSE ECOSYSTEM

Our network of stakeholders extends far beyond our corporate walls, encompassing customers, suppliers, and communities around the globe. As we evolve our sustainability strategy, we seek to understand how these groups are engaged with 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, acts responsibly, and seeks to reduce environmental impacts through smart product design. 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.

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.

Local Communities

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

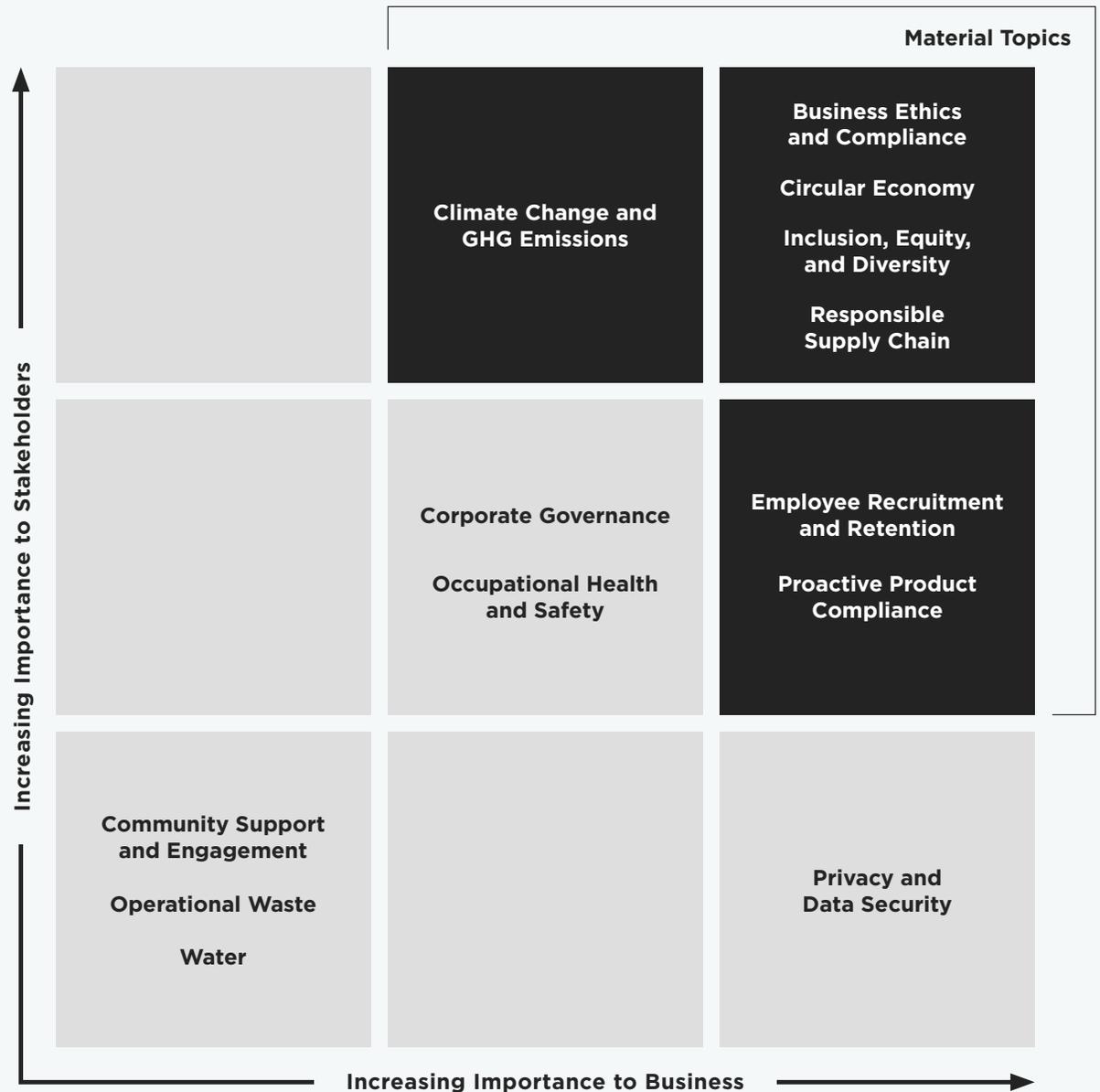
Other Stakeholders

Bose looks to increase 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

In 2021, Bose completed a new materiality assessment that informs the contents of this report and our future sustainability reporting. The assessment synthesizes input from over 100 participants, including Bose employees and executives, suppliers, customers, and consumers, allowing us to rank our most material sustainability topics by importance to our business and importance to external stakeholders. The insights we have gained from this exercise also deepen our understanding of how our stakeholders' priorities are evolving and will inform the strategic direction and objectives of our sustainability program into the future.



PRODUCT SUSTAINABILITY

At Bose, we measure success not just in dollars and cents, but in how far we can push the bounds of technological innovation. For over 50 years, our people have used their creativity to develop game-changing products and experiences that deliver meaningful impact to our customers' lives.

This commitment to innovation has defined Bose throughout our history, informing how we design state-of-the-art audio and life-changing health products to both delight our customers and enable

greater mental, physical, and social wellbeing. We're always thinking, experimenting, and looking for new directions to channel our culture of innovation. Whether it's by fashioning enhancements to accelerate the adoption of electric vehicles, enabling better sleep with our noise masking Sleepbuds™ II, reducing waste through our product refurbishment initiative, or designing in greater product efficiency, Bose is always working to make a difference in the world.



HELPING OUR CUSTOMERS FEEL MORE, DO MORE, AND BE MORE



Bose Automotive Engine Harmonic Enhancement (EHE)

A century of car culture has infused the driving experience with a set of visceral sensory expectations: the sound of the engine, the vibration of the steering wheel, the forward pull of shifting gears. We feel the car, and that feeling is inseparable from the thrill that driving can bring. As society and automakers seek to speed the transition toward electric vehicles (EVs), fulfilling consumers' sensory expectations will be a challenge. To enhance the visceral experience and help speed market-wide EV adoption, Bose has partnered with General Motors on a new innovation that takes our more than 40-year partnership in automotive sound into new territory.

GM's electric vehicle sound experience is another example of the flexibility of Bose EHE. As part of our automotive Active Sound Management portfolio, this technology captures, complements, and reinforces the vehicle propulsion system's unique and naturally occurring harmonic signature to create a sensory connection between car and driver—right down to the motor revving when their foot hits the accelerator. Bose EHE is highlighted in GM's new EV Hummer for 2022, providing an immersive sensory experience designed specifically for this vehicle.

Sleepbuds™ II: A Restful Night's Sleep, Re-imagined

The struggle to fall asleep and stay asleep is real. Just in the United States, it's estimated that 50 to 70 million people suffer from sleep disorders. For many, getting control of their sonic environment is key to a restorative night's rest, but snoring partners, loud neighbors, and other disturbances can be unrelenting.

In 2018, we introduced our innovative, award-winning Sleepbuds™ to help sleep sufferers reclaim their sleep through a uniquely engineered sound palette that masks noise and facilitates rest. The journey of our first-generation Sleepbuds™ was filled with firsts and a few challenges. That's why we took the product back to the lab, diving deep to solve problems and evolve the original Sleepbuds™ to the new Sleepbuds™ II. Way more than just an upgrade, Sleepbuds™ II are a reimagining of what's possible. With reliable battery performance, improved charging and connectivity, enhanced noise-masking, and an expanded library of relaxing and noise-masking sounds to choose from, Sleepbuds™ II are more customizable and can better suit an individual's unique needs for a restful night's sleep.

Throughout our history, we've proven that persistence pays off in innovation, delivering the best and most reliable products for our customers—first in audio technology and now in technologies to help our customers achieve better health and wellbeing.

Bose Sleep Technology: Clinically Proven to Help People Fall Asleep Faster

Bose partnered with the University of Colorado Anschutz Medical Campus and the UCHealth CARE Innovation Center to study the impact of Bose sleep technology. In a first-of-its-kind study, 55 self-identified light and moderate sleepers with difficulty falling or staying asleep due to environmental noise participated in the study. The results showed clear sleep improvements: Bose noise-masking technology was clinically proven to help users fall asleep faster. The study found that:

76%

of participants felt it was easier to stay asleep

82%

of participants reported an overall improvement in sleep quality

100%

of participants believed noise was blocked effectively, including snoring & urban noise

DESIGNING MORE SUSTAINABLE PRODUCTS

Bose Certified Refurbished

For decades we've lived in a throw-away culture, discarding items instead of repairing them—but times are changing. As part of Bose's efforts to boost resource productivity and eliminate waste, we maintain a rigorous program that refurbishes returned products for resale on our website—delivering value to our customers, extending the products' usable life, and keeping waste out of landfills.

Every Bose Certified Refurbished product is inspected, repaired as needed, cleaned inside and out, and tested to our high quality and functionality standards. Customer-facing software and firmware is updated, minor cosmetic issues are touched up, and then the product is repackaged with new cables, accessories, and documentation, plus a one-year warranty—good as new, but at a discount. Currently, our refurbishment program covers 45 Bose products and offers free shipping and returns and a risk-free trial.

To extend the life of our products across the board, a dedicated global team of Bose engineers regularly analyzes data on returned products. In FY22 we'll also begin offering product training to key retailers to improve customer service and reduce returns of working products.



Helping at Home: User Tips for a Smaller Footprint

Along with design and engineering, user behavior is an important driver of our products' life-cycle environmental impacts. Simple steps to reduce those impacts include:

Put home audio devices into low-power standby mode

Unplug the product from the wall when not in use

Repair breakdowns with Bose replacement parts, rather than discarding and replacing the device

Don't disable automatic power timeouts

Recycle lithium-ion batteries with a qualified professional

Keep the device away from UV light and high heat to prolong its life

Register the product and download all new software updates

More information can be found in the owner's manuals for individual Bose products.



Product Packaging

From the factory floor to the consumer's home, our packaging has two jobs: exciting customer interest and protecting the product inside. To reduce material waste while fulfilling those mandates, our packaging team experiments with efficient new designs, innovative reuse strategies, and renewable materials.

Lightweight alternatives

Enhancing designs to allow for thinned paperboard and rigid boxes

Material selection

Prioritizing renewable, fiber-based materials over plastic

Returnable packaging

Using reusable packaging to cut down on waste from delivery to our automotive customers

Efficiency improvements

Fitting more product into the same shipping volume

Voluntary Substance Removal

Chemicals used in products are always under the microscope, with research sometimes identifying new safety concerns or greener substitutes. As part of our commitment to using the safest materials in our products, our Voluntary Substance Removal (VSR) process proactively identifies and removes substances that are of concern. Using a structured approach, VSR considers substance risk, substitute availability, and implementation feasibility to inform removal decisions.

Building on the successful elimination of Polyvinyl Chloride (PVC) and Halogenated Flame Retardants (HFRs) from the exterior of all new in-scope Bose products in 2020, we are now onto our next phase of VSR process improvements. We expect these new restrictions to be implemented in our new products by 2023.

e-Waste

As a consumer electronics company, we take the challenge of electronic waste (e-waste) seriously, designing devices with long use-life to minimize disposal, growing our capacity to refurbish and resell returned equipment, and striving to increase the amount of recoverable or recyclable content in our products. We also ensure that what e-waste we do generate is recycled by a certified provider, and we encourage our consumers to take similar action when their product finally reaches the end of its useful life. In Yuma, Arizona, U.S., our facility's centralized accumulation area, which collects and recycles scrap from manufacturing, prototyping, and production returns, is a prime example of how we are working to boost e-waste efforts.



ENGAGEMENT ACROSS OUR SUPPLY CHAIN

Building Bose products and delivering them to market requires a global system of suppliers, contract manufacturers, and distributors. To ensure our values of doing business ethically, responsibly, and with integrity extend to the furthest touchpoints in our supply chain, we continuously monitor to ensure each of our suppliers meets our environmental, social, and governance standards.

Our Supplier Code of Conduct clarifies our requirements pertaining to labor, ethics, health and safety, the environment, and management systems. Based on the Responsible Business Alliance (RBA) Code of Conduct, these standards form a framework to which we hold all our Tier 1 and Tier 2 suppliers accountable. We also review suppliers' own codes of business conduct and require them to undergo mandatory corporate social responsibility (CSR) training to better hold their own suppliers to our standards, adding resiliency across our supply chain and protecting the people and communities it impacts. Contract manufacturers are required to complete self-assessment questionnaires biannually; should any risks or vulnerabilities be identified through audit findings, they are provided with corrective action plans. To better manage expectations and drive accountability during the supplier onboarding process, we introduced a new Supplier Introduction Letter in FY20 that communicates our expectations on supply chain mapping, crisis management, and social responsibility.

COVID-19 and Supply Chain Resiliency

COVID-19 crisis management was the main focus of our supplier engagement team in FY21. As the scope of the crisis became clear in early 2020, the team began communicating daily and producing biweekly reports on our suppliers' operational status to ensure the continuity of our global supply chain and protect the health and safety of our suppliers' workers and their families. The success of these efforts demonstrated the robust systems we've established to monitor and manage our supply chain through environmental disasters and other disruptive events.



Sustainability makes us a better company while helping make a better world. Through our longtime focus on Lean principles and continuous improvement, we are always working to run our business more efficiently—but those efforts benefit more than our bottom line. By shrinking our carbon footprint, reducing our water consumption, minimizing the material waste we send to landfill, and innovating more efficient products and packaging, we're modeling the long-term thinking that will make a real difference to society and the planet.

ENVIRONMENTAL INITIATIVES

CARBON AND ENERGY

Carbon and Energy Management

Bose is committed to driving energy efficiency and reducing greenhouse gas emissions across our operations.

In pursuit of our FY20 manufacturing goal, our Tijuana manufacturing plant reduced its energy consumption 11.6% per unit produced against an FY17 baseline—almost doubling our 6% reduction target. Successes like this, paired with our cultural focus on continuous improvement, are inspiring us to aim higher. In early 2020, we completed a global energy assessment to better understand our global footprint and develop effective reduction strategies.

To monitor and manage our impacts, we use an EHS software system that tracks energy and carbon data from our major sites globally. We are working to expand our tracking capabilities to additional, smaller sites in FY22.

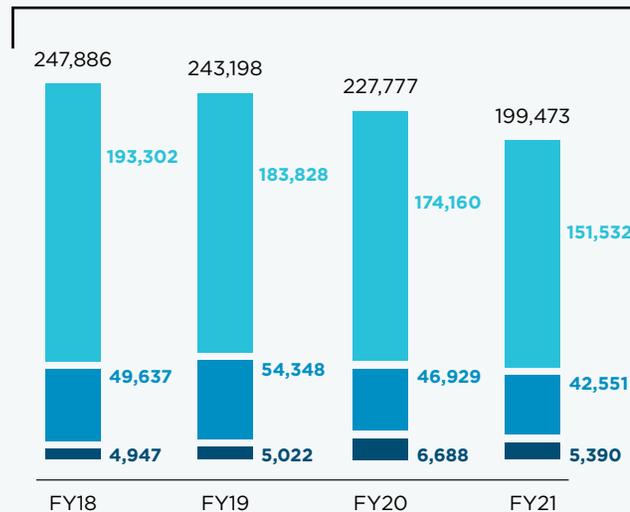
Carbon and Energy Performance

In FY21, we saw our absolute carbon emissions decrease by 13% to 17,700 tonnes CO₂e and our carbon emissions intensity drop 12% to 0.0064 tonnes CO₂e per square foot. Absolute energy use and energy intensity followed similar trends.

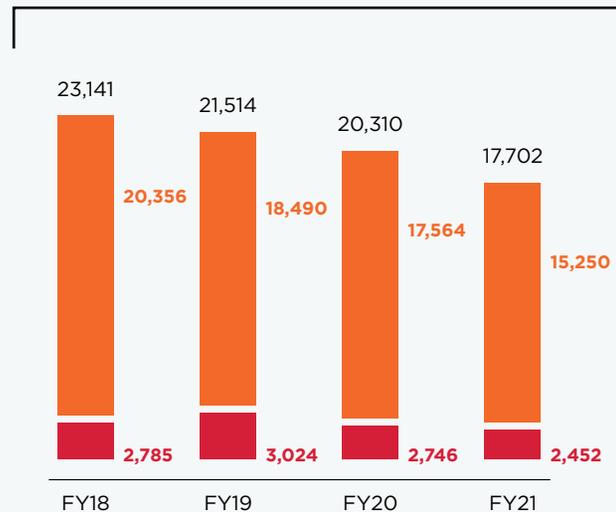
The decline in absolute emissions was driven by our strategic energy efficiency initiatives combined with reductions that occurred due to pandemic-mandated shutdowns and closures.

While we're headed in the right direction, we recognize the need for further improvement, and are continually seeking new strategies for accelerating both the pace and scale of our energy-performance and carbon-reduction efforts going forward.

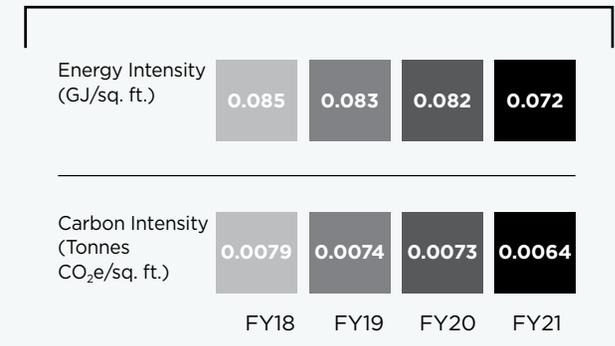
Energy Use at Major Facilities (GJ)



Carbon Emissions at Major Facilities (Tonnes CO₂e)



Energy and Carbon Intensity Across Major Facilities



■ Electricity ■ Natural Gas ■ Other Fuel

■ Scope 1 ■ Scope 2

Energy Efficiency Upgrades

Despite the challenges of the COVID-19 pandemic, we continued to invest in efficiency upgrades for our facilities and operations in FY21. The facilities teams at two of our large warehouses in Tijuana, Mexico, installed new skylights and photocells that automatically adjust 44 ceiling lamps according to need. The combination of natural sunlight augmented by just the right amount of LED lighting has reduced daytime power consumption with no loss of lighting quality or visibility.

In Framingham, Massachusetts, U.S., we upgraded several older rooftop HVAC units with new, energy-efficient models.

Distribution Efficiencies

Bose products are sold all over the world, and our high service standards mean we're committed to fulfilling orders within two days whenever possible. Historically, this has required a sizeable portion of our deliveries to be sent by air from our two U.S. distribution facilities, adding to our overall carbon footprint. To reduce distribution-related energy consumption and emissions without impacting service, we've focused on advancing the efficiency of our distribution network and increasing the portion of deliveries fulfilled by truck. In 2020 87% of e-commerce deliveries were able to be made by ground transportation, leading to a substantial reduction in the logistics portion of our Scope 3 carbon footprint.



1.7 MW

solar array at our Framingham, Massachusetts, U.S. headquarters is a visible symbol of our commitment to sustainability.

Renewable Energy

Transitioning to renewable energy is one of the keys to creating a sustainable society. As our first big step in supporting this transition, a 1.7 MW solar array was installed at our headquarters in Framingham, Massachusetts. We are also procuring renewable power to cover 100% of the energy needs at our European Distribution Center in Tongeren, Belgium.

REDUCING WASTE AND WATER CONSUMPTION



Wasteful business practices are a burden on companies, people, and the planet. By combining Lean manufacturing principles and our spirit of innovation, we're working to reduce Bose's generation of waste materials and reduce inefficiencies that lead to excess water consumption.

While our operations are not water-intensive, we recognize our obligation to minimize consumption, especially in regions of significant water risk. To gain baseline data to inform our long-term strategy, we recently completed a water risk assessment using WRI's Aqueduct tool, gauging our water risks in 2020 and forecasting to 2030 and 2040. The assessment identified four Bose locations in regions of particular anticipated water risk. Going forward, we will improve water tracking within our EHS software and implement further reduction initiatives, with special attention to these four locations.

To reduce materials waste, we're employing strategies and investigating opportunities for reducing raw material demand, cutting manufacturing waste, and mitigating disposal impacts through high-value recycling and reuse opportunities. Current efforts include minimizing waste plastic and ensuring that all e-waste generated in-house is handled responsibly by a certified third-party provider. We have also implemented recycling programs at many of our office buildings, including the Corporate Center in Framingham, Massachusetts, U.S.

Washing Away COVID-19 While Cutting Water Use

As COVID-19 began impacting Mexico in 2020, we made rapid changes at our Tijuana manufacturing plant to protect our workers, generating sustainability gains in the process. To encourage hand washing and mitigate possible COVID-19 transmission from high-touch surfaces, we replaced button-activated timer faucets in our bathrooms with touchless, motion-activated faucets. Along with boosting safety, this led to a 10% reduction in overall water use, consistent with our ongoing efforts to improve our performance in water-stressed regions.

Recycling: Fresh Ideas, Less Waste

Sticking with what you know is easy. Making real change takes determination. At Bose, we are lucky to have employees who are motivated to drive sustainability on the ground.

That's what happened in our warehouse in Tolleson, Arizona, U.S. Leveraging her Six Sigma Green Belt training, one employee engaged with multiple vendors on options for reducing the amount of recyclable material going to landfill. As a result, Tolleson identified new opportunities for plastic wrap, shipping pallets, and breakroom waste, boosting its recycling rate by 22%. Learnings from this effort are already being shared with other Bose facilities, widening the circle of initiative and positive change.



Bose's Unsung Hero: José Miguel Meza

While sustainability is a team effort, it often takes passionate leaders to get the ball rolling. José Miguel Meza, a Bose manufacturing engineer at our plant in Tijuana, Mexico, has been an integral part of our success in pursuing zero-waste-to-landfill and reduced energy consumption.

“

My motivation is my children and the children of coming generations, knowing that I can make a difference to their futures. Bose always supports these sustainability initiatives, and the foundations are very mature, from Lean training to resource availability and people's engagement at all levels. The mindset for sustainability is always, 'What's the next step?' I'm very proud of that.”

— José Miguel Meza

▲ Miguel, showcasing the implemented recycling initiatives on-site in Tijuana, Mexico.

Zero Waste to Landfill in Tijuana, Mexico

Pursuing zero-waste-to-landfill efforts since 2019, our Tijuana, Mexico, manufacturing plant succeeded in cutting 42 tons of manufacturing waste in FY20, but on-site office waste remained an untapped opportunity. So, we began controlling that waste stream by replacing 262 waste containers at employee desks with 13 shared recycling stations.

Tijuana's overall recycling rate for FY21 was 93.5%, down from 95.2% in FY20. While this number reflects gains achieved through our office-waste initiative, it also reflects an entirely new waste stream resulting from extensive use of disposable masks and other COVID-19 personal protective equipment (PPE).

Packaging: From Plastic to Paper

The cushioning in boxes we ship to e-commerce customers from our U.S. distribution centers got a new, sustainable update in FY21 as we switched from polybag film air pillows to brown kraft paper filler, a renewable and easily recyclable material. This initiative, which first took root at our Jeffersonville Distribution Center in Jeffersonville, Indiana, U.S., has eliminated the need for 650,000 square feet of plastic film annually in the United States, equivalent to 11 football fields. In addition to its environmental benefit, the new material streamlines our distribution process and takes up less space on the distribution floor.

OUR PEOPLE

Bose was founded to be a place where people could reach beyond the ordinary, channeling their passion for inquiry and excellence into innovative products that help our customers feel more, do more, and be more. Whether in the lab, on the manufacturing floor, or in our many sales, operations, and support functions, it's our people that keep our wheels turning and connect our products to the world.

To help our employees reach their full potential both professionally and personally, we cultivate a work environment that's inclusive, engaging, and inspiring. Our robust training programs help advance our people's careers, and various wellness and volunteering initiatives encourage strong wellbeing and social connections. In FY21, the COVID-19 pandemic challenged us to find new ways to uphold our strong culture and interpersonal connections, even as many of our employees moved to a work-from-home environment.



FOSTERING A GREAT WORKING ENVIRONMENT



Delivering on the Employee Value Proposition

A great work environment fosters an atmosphere of encouragement, respect, and shared purpose. But 2020 reminded us that a work environment is about more than just shared space. Instead, it's about a culture dedicated to bringing out the best in everyone, championing both business achievement and personal wellbeing. A great work environment transcends distance, bringing people together to do and be their best, every day.

Supporting Our Employees During the COVID-19 Pandemic

As the reality of the COVID-19 pandemic became apparent in early 2020, our top priority was ensuring the safety and wellbeing of our people. In February 2020, we established a task force to evaluate COVID-19 risk across our operations and created a comprehensive plan of action. Environmental, Health & Safety (EH&S) practices were immediately adjusted to boost sanitation protocols and ensure social distancing. HVAC systems were upgraded to increase airflow and improve filtration. Employees' roles and responsibilities were evaluated, and those able to work remotely began doing so by the middle of March. We instituted a contact tracing system and began tracking employee quarantine time, which was not counted against allocated sick days.

To help our people adjust to the new reality, we set up an informational website with tools and resources to promote effective remote work, including two new virtual trainings about working in and leading remote teams. The site also provides mental health resources and discusses strategies for staying connected with others and maintaining the Bose culture while working at a distance.

At our Tijuana, Mexico, manufacturing plant, we shut down operations from mid-March through May 2020, then reopened with robust safety measures in place, including temperature checks at entrances, strict PPE requirements, and dividers to ensure distancing. We continued to offer our free commuter buses so employees could avoid public transit, but we added additional services to accommodate more employees and implemented new safety protocols to separate riders.

Beyond these programs and protocols, we made sure to listen to our people, encouraging open communication about their needs and seeking their input on what Bose should look like post-pandemic. Eventually, COVID-19 will not play such a dominating role in our lives, so we're using this time to think through what the future of work will look like at Bose and how we can best meet the needs of our employees and business.

Wellbeing@Bose

At Bose, we're committed to offering programs that help our people maintain healthy bodies and resilient, engaged minds. During FY21, when COVID-19 restrictions led to increased stress, isolation, and physical inactivity for many of our employees, we focused our wellness efforts on maintaining communication, encouraging positivity, and helping our people take time for self-care.

In normal years, our Wellbeing@Bose technology hub delivers personalized content to registered participants based on their goals for physical, emotional, intellectual, financial, and social health. During the first months of the pandemic, we began tailoring content delivered through the app to immediate COVID-19-era challenges. With so many of our people working from home, Wellbeing@Bose provided advice on ergonomic home-office setup and best practices for sanitation and health, including frequent handwashing, keeping hands away from the face, regularly cleaning masks and phones, and self-monitoring for COVID-19 symptoms. To encourage mental wellness, we also included topics related to staying connected, practicing patience, minimizing distractions, and reducing stress. In spring 2020, we ran a self-care challenge that encouraged the formation of positive daily coping habits, as well as a weeklong #WhatIlove campaign on our Yammer social platform that encouraged our people to share activities that bring them joy.



Appreciate@Bose

Our Appreciate@Bose program is designed to support Bose's culture of respect and appreciation by encouraging our people to recognize each other's good work and deeds. In FY21, Bose employees sent 2,534 Appreciate@Bose e-cards to their coworkers, helping create the kind of supportive culture that allows us to attract and retain the best talent.

10th Annual #WearRed Campaign

400 global participants in 2020 heart health awareness campaign

Bose employees sent and received 22,711 Appreciation Awards and 2,534 e-cards in FY21

1,575 employees celebrated a milestone anniversary



Inclusion, Equity and Diversity: A Catalyst for Corporate Sustainability

At Bose, Inclusion, Equity and Diversity is an integral component of sustainability. We recognize the value of embracing diverse communities and the unique voices we serve. We also recognize that the demand to improve environmental, social, and economic performance continues to grow. Our goal is to leverage inclusion, equity, and diversity to create value through sustainability.

Diversity is embedded in the definition of sustainability

Environmental impacts are felt and experienced at the global and local levels. We are intrinsically linked to the people we employ and the places in which we operate.

We also recognize environmental justice as a component of sustainability, with an unequal distribution of environmental costs and benefits among different communities. As a globally diverse company, we partner with others to unlock sustainability opportunities within disadvantaged communities.

Diversity strengthens our business

The more representation, inclusion, and engagement there is in the workplace, the stronger our outcomes. As in other aspects of the Bose business, we seek to ensure that diverse perspectives contribute to our sustainability efforts.

Diversity provides increasing value to our communities

At Bose, our goal is to increase social, economic, and environmental stewardship among our people and the diverse communities we serve—a direct reflection of our Essence and Values. By broadening and elevating our perspectives, Inclusion, Equity and Diversity helps us meet this goal and be better partners to not-for-profits and community groups.

Mountaineers: Championing Bose Culture

The Mountaineers are Bose's volunteer brand-advocacy group, comprising 100-plus members from 15 countries—all of them dedicated to building their institutional knowledge, striving for their fullest human potential, and instilling the values of the Bose culture and brand throughout our organization. Each month, the Mountaineer team gathers for 60-minute virtual “Summit Sessions” focused on sharing knowledge, best practices, and stories from around the company, with featured talks by subject matter experts. Lessons learned are then cascaded to each Mountaineer's individual area of the organization.

In FY21, the Mountaineers heard from company leaders about the work Bose is doing to create a more equitable organization for all. Other experts also detailed the intricacies of product launches for our Sport Earbuds and QuietComfort Earbuds.



Manufacturing Labor Practices

At Bose, one of our central values is treating each other with respect. At our manufacturing facility in Tijuana, Mexico, we're proud of the status we've earned as an employer of choice in the Tijuana community.

Specific policies and procedures support fair pay and human rights protections for all our people. Each hourly employee is paid above minimum wage and we review local salary surveys monthly and perform market analyses annually for all positions. We invest in leading health and safety practices to ensure our people are safe while on the job. Through our STOP program, we empower our employees to raise awareness of workplace safety issues and propose on-site improvements. Audits by our customers and other third parties provide independent verification that these basic standards are being met.

But our practices go well beyond this baseline. On a day-to-day basis during non-COVID-19 times, we provide a menu of breakfast and lunch options in our cafeteria, which also serves as a gathering place for birthday parties, baby showers, and other celebrations. We also host community celebrations for Mother's Day and Father's Day, as well as a year-end dance and raffle.

To help preserve our people's health, personal safety, and security, we provide free medical checkups; on-site preventive medical services and treatment for diabetes, high blood pressure, and other issues; annual training on our discrimination and harassment policy; a certification program to help employees earn their high school diplomas; and life insurance. We also ensure Human Resources representatives are available daily, to ensure employee access to support during every shift.

During COVID-19, we grew our on-site medical staff to conduct additional checkups, COVID-19 testing, and contact tracing. We also instituted stringent safety protocols throughout the facility and created a system of free bus service as a safer commuting option.

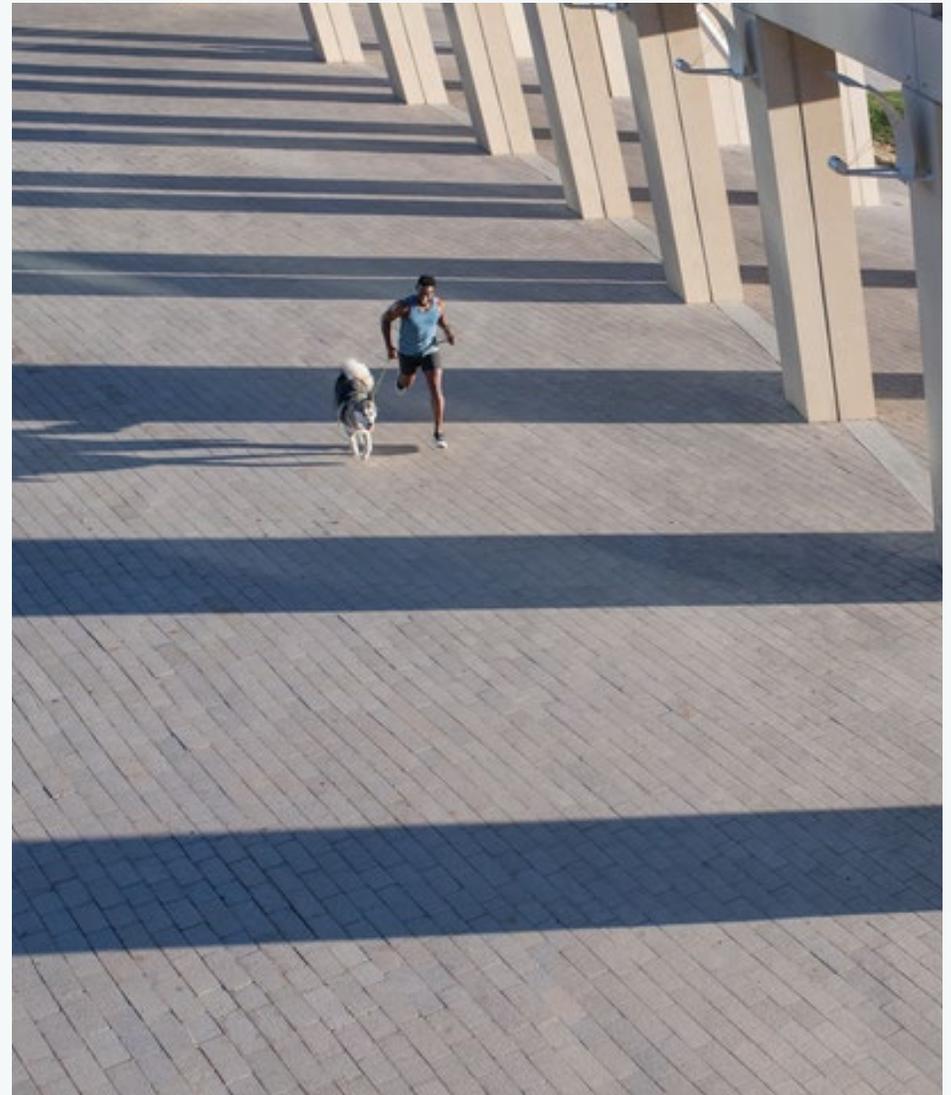
HELPING OUR PEOPLE REACH THEIR FULL POTENTIAL

Our people are valuable to us, enhancing our company through their passion and creativity. In turn, we want to enhance their lives and careers by providing a great work environment and the kinds of training and development opportunities that grow their skills and help them reach their full potential.

In today's disruptive business environment, both companies and individuals need to be constantly learning, improving, and evolving. That was never truer than in 2020, when COVID-19 forced us to re-imagine our learning and development program for a distanced workforce.

Global People Management Initiative

Great leaders uplift everyone around them, developing their people's full potential in an atmosphere of respect, support, and motivation. To help all our managers develop those leadership skills and bring their teams to new heights, we provide trainings focused on continuous, long-term improvement through our Global People Management Initiative (GPMI). Built around core disciplines of inspiration, support, development, recognition, and modeling the Bose way, GPMI introduces best practices, instills critical people management concepts, and provides key leadership tools. Due to the pandemic and a program redesign, deliveries of our legacy program were put on hold until a fully reimagined program launched in July FY21. Switching to a fully virtual learning experience, the updated program includes real-time virtual classroom events with both self-paced and on-demand modules. Content has been updated to better equip managers to effectively support employees in the areas of performance management and engagement. Additional new material instructs managers on their responsibilities within various Human Resources systems and employee lifecycle tasks. Since the program roll-out, 2,867 employees around the globe have completed GPMI trainings.



New Hire Orientation

COVID-19 pushed us to take new-hire onboarding and orientation virtual in FY21, affording the add-on benefit of including global participation. Our new orientation model provides global corporate and brand training modules along with separate regional breakout modules to discuss local benefits. We are evaluating the virtual program's success for possible continuation post-pandemic.

Enterprise Leadership Program

In FY21, we launched our new Enterprise Leadership Program (ELP) to build the capabilities needed to execute against our strategy and fortify our leadership pipeline. Offered over 10 to 12 months, ELP gives our valued future Bose leaders the opportunity to focus on their own development by learning from Harvard instructors and guest executives, networking with both current and future Bose leaders across all functions, and collaborating on solving real-world business problems. Attendees are eligible for nomination through our annual talent planning process and by the company's top leadership. Thirty-four nominees completed the program in FY21 and our FY22 program has just launched with 38 participants.

Bose Lean Enterprise 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, with Lean principles woven deeply into our operations, our culture, and our value of pursuing excellence in everything we do. We offer Bose Lean Enterprise (BLE) trainings worldwide, teaching career-building business skills at multiple levels. Sustainability principles are woven into the program, aligning perfectly with the core Lean philosophy of doing more with less, and many participants seeking Six Sigma certifications chose demonstration projects that help minimize waste, materials, or energy consumption. In FY20, 155 employees across the globe completed BLE trainings, followed by an additional 75 employees in FY21.

The Gig Marketplace

The Gig Marketplace is an internal talent-sharing and mobility program that allows Bose employees to stretch their skill sets by devoting up to 30% of their work hours to short-term project work in an area of interest. Offered twice a year, the program benefits both the organization and our employees, developing cross-functional skills and encouraging networking and a one-Bose mindset.



Trainings to Help Employees Thrive in a Virtual Environment

Working in a Remote Team:
140 attendees, 11 sessions

Leading a Remote Team:
151 attendees, 12 sessions

Bose 2021 Sustainability Report **32**

HEALTH AND SAFETY

As part of our commitment to our people, we are diligent about preventing workplace injuries and illnesses and promoting a culture centered around health and safety. Across our global locations, our Environment, Health & Safety (EH&S) functions provide training for employees job-related hazards, mandatory safety procedures, and best practices for identifying and mitigating safety risks. In 2020, EH&S's scope expanded to include COVID-19 mitigation protocols.

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 and other important health and safety metrics.

FY21 HEALTH AND SAFETY METRICS

INCIDENT RATE

 1.99

Total incidents per
200,000 person-hours

DART RATE

 0.40

Total days away, restricted or
transferred (DART) incidents
per 200,000 person-hours





As isolation taught us in 2020, community is everything. Whether at home, at work, or at play, it's engaging with others and with society that gives us a sense of purpose, self-realization, and simple happiness. Globally and locally, Bose encourages our people to channel their passions into meaningful impact. Whether supporting groups fighting COVID-19 and social injustice, raising money for local hospitals and food banks, or using their skills to advance technology education, our people are living out our shared values—creating relationships, solving challenges, and building pride in Bose.

OUR COMMUNITIES

SERVICE THROUGH SOUND

Our products provide more than entertainment. For some people, they're a lifeline to a more engaged, less stressful, and more fulfilling life. In 2019, we launched our Sound Sanctuary program to connect more directly with those people, seeking out giving opportunities at both individual and institutional levels.

During the COVID-19 pandemic, Sound Sanctuary focused its efforts on supporting the resilience of frontline healthcare workers and other first responders, donating our products to hospitals to help staff decompress between shifts. We also partnered with the nonprofit Musicians on Call to help deliver the healing power of music to patients' bedsides, and with the National Football League to provide 55 healthcare workers with TV speakers to enhance their enjoyment of the Super Bowl.

To help people directly, Sound Sanctuary's online portal gives individuals the opportunity to share their stories and explain how a Bose product could change their life or the life of someone close to them. From the hundreds of entries, we choose thirty winners each month.

Learn more about Bose
Sound Sanctuary



#MusicGivesBack

Running three times a week from March through June 2020, the #MusicGivesBack campaign welcomed 19 musical artists including Jack Johnson, Pitbull, Lindsey Stirling, and Travis Barker on Instagram Live for a series of music lessons and performances. In return, Bose donated to charities of the performers' choice, including music education nonprofits and the MusiCares and CrewNation initiatives, which provide aid and services to in-need musicians, stage crews, and others in the music community, during COVID-19 and beyond.



Passing the Mic to Support Social Justice

As part of our response to social injustice, Bose turned over our Instagram account to our Black employees for a series of "Pass the Mic" conversations amplifying the voices of individuals and organizations making a difference in the BIPOC community. Guests included representatives of the nonprofits such as; the 15 and the Mahomies Foundation, which supports children's academic, science, art, and athletics programs. During these sessions, guests shared their nonprofit's missions, views on challenges and opportunities in the struggle for social justice, and ways for people to support their goals.



PROMOTING EDUCATION

MIT IDEAS Social Innovation Challenge

Bose has a long history of supporting the Massachusetts Institute of Technology (MIT) in its mission to advance knowledge and educate students in science and technology. In an effort to support today's MIT students, Bose hosts an annual speed-mentoring session as part of the MIT IDEAS Social Innovation Challenge, an entrepreneurial competition enabling students to use their education to tackle quality-of-life issues around the globe. In April 2020, the event had to quickly pivot to a virtual environment. Bose volunteers were determined to deliver a valuable experience and they succeeded. Utilizing web-conferencing and breakout room functionality, 11 Bose employees volunteered their time and expertise to help 18 student teams improve their business ideas. Each of those teams received grant funding ranging from \$1,000 in prototyping support to larger cash awards for scaling operations.

Best Buy Teen Tech Centers

Creative technology can set imaginations ablaze, but many young people lack access at home or school to professional equipment for graphic design, music production, animation, robotics, and other pursuits. Best Buy's Teen Tech Centers address that problem by providing free access to these technologies at community locations across the United States. Building upon our past involvement, in 2020 a group of Bose employees developed a hybrid virtual/in-person "playshop" on design-build thinking where youth assembled donated BoseBuild do-it-yourself headphones. In February 2021, our Women@Bose group hosted a second virtual workshop on the theme "Embracing Uncertainty."

EMPLOYEE-LED GIVING



80¢ Campaign

Nearly ten years ago, our manufacturing facility in Tijuana, Mexico, launched the 80¢ Campaign, through which our people can donate part of their paychecks to support local hospitals, mental health clinics, and senior-care centers. Growing year after year, the campaign raised enough in 2020 to provide 3,185 medical treatments for 2,858 individuals, demonstrating our Tijuana employees' passionate commitment to community service.

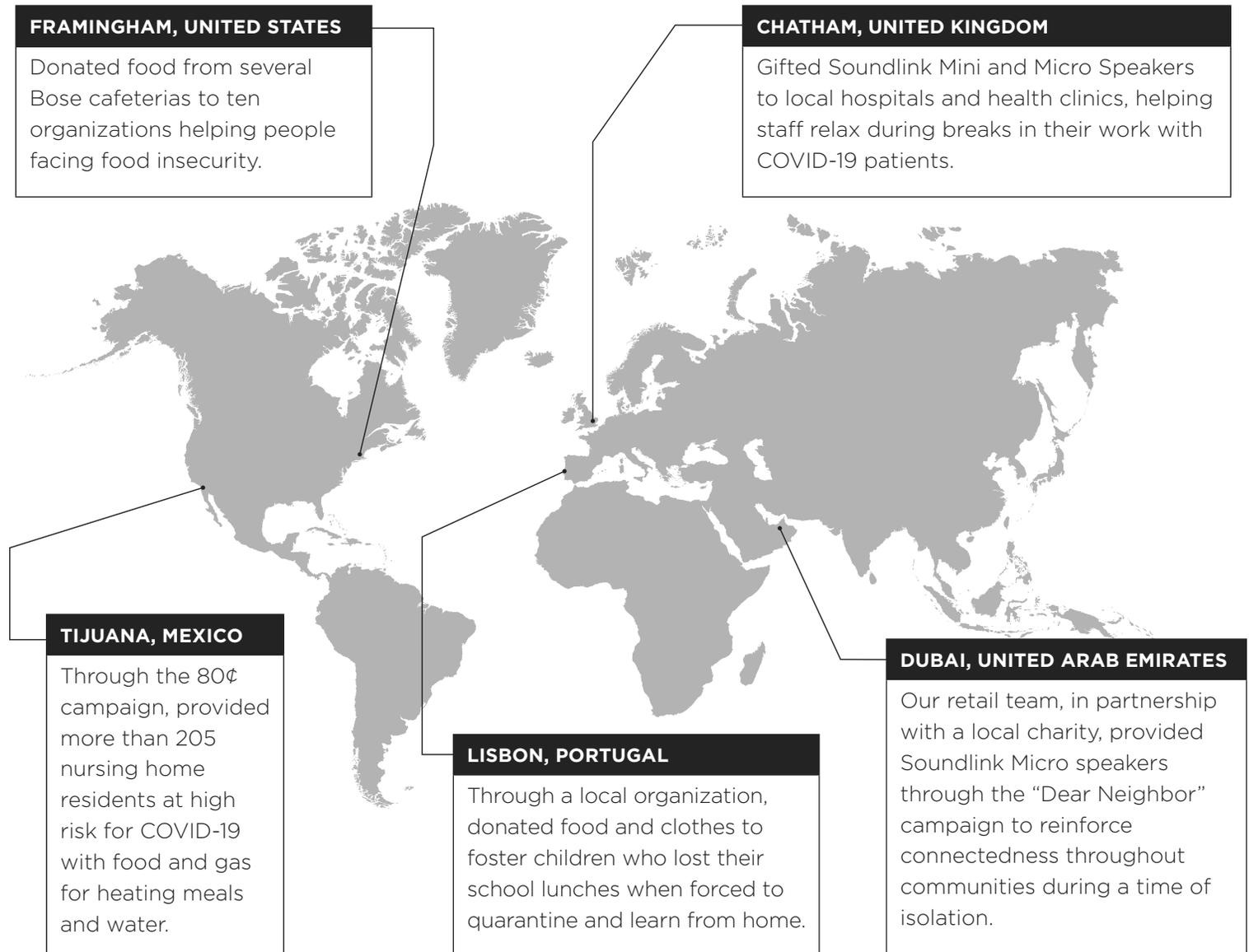
BoseGives

Launched in April 2020, our new BoseGives platform helps our employees come together, reach out to their communities, and make a difference via donation opportunities and virtual and in-person volunteering. Throughout the year, our people stepped up strongly to support nonprofits combatting COVID-19, as well as organizations working for social justice and social-service charities and organizations working for social justice.



COMBATING COVID-19 IN OUR COMMUNITIES

Whether through organized initiatives or individual acts, our people continued to support their communities throughout the COVID-19 pandemic.



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In our 20+ years working at Bose, we have had the opportunity and privilege to help in many local community/sustainability events, due to Bose’s commitment to helping others.

Volunteering and giving back to our communities are core to who we are as a company and we love seeing fellow employees come together for volunteer events.”

— Liana Vincini and Cindy Baer



▲ Cindy and Liana gathering unused pantry items in Framingham, Massachusetts, U.S., for donation to local community members in need.

Bose’s Unsung Heroes: Liana Vincini and Cindy Baer

When the pandemic set in and the majority of our employees began working from home, veteran Bose employees Liana Vincini and Cindy Baer realized that our kitchens were stocked with many food items that were likely to expire before they were used. The two led an effort to gather and catalogue over 6,000 useable items which were then delivered to local food pantries and nonprofits for distribution to those in need. This effort is only the latest that Liana and Cindy have spearheaded. Previously the pair, along with the AV team, collected audio-visual equipment removed during conference room upgrades and donated it to schools, churches, and other organizations in need.

OUR PEOPLE

Thank you for reading Bose's 2021 Sustainability Report. This report covers key activities and accomplishments of Bose Corporation during our 2020 and 2021 fiscal years related to environmental protection, social responsibility, and economic progress. This report contains disclosures from the Global Reporting Initiative (GRI) Standards.

Reporting Period

This report covers Bose Corporation's 2020 and 2021 fiscal years (FY20 and FY21), the time period from April 1, 2019, through March 31, 2021.

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. Prior to this report, our most recent full report was published in June 2019, followed by a concise report update in July 2020.

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.

Health and Safety

Data boundaries for health and safety metrics reflect major facilities that were under Bose's operational control at any point in FY21, as well as U.S. retail stores and field sales.

Carbon Emissions and Energy Consumption

Data includes all major facilities under Bose's operational control at the end of FY21, excluding retail stores. Energy figures are based on actual energy data or estimates when actual data are not available and include 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. Our carbon emissions and energy use figures from prior years were updated due to implemented improvements in data collection and calculations.

GRI CONTENT INDEX

STANDARDS	DESCRIPTIONS	PAGE REFERENCE OR ANSWERS
GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Bose Corporation
102-2	Activities, brands, products, and services	Pages 7 and 8
102-3	Location of headquarters	Bose is headquartered in Framingham, MA, USA
102-4	Location of operations	Page 5
102-5	Ownership and legal form	Bose Corporation is a privately held company, registered as a Delaware Corporation.
102-6	Markets served	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
102-7	Scale of the organization	Page 5
102-8	Information on employees and other workers	Page 5
102-9	Supply chain	Page 20
102-10	Significant changes to the organization's size, structure, ownership, or supply chain	No significant changes in locations or operations except related to compliance with occupancy restrictions and operational standards instituted as part of COVID-19 protocols during 2020 and into 2021 in line with Company COVID-19 Taskforce standards and as required by local country rules and regulations. Relocation/downsizing of some sales offices occurred, but a physical presence has remained.
102-11	Precautionary Principle or approach	Pages 18 and 19
102-12	External initiatives	Bose is a member of the Responsible Business Alliance (RBA), and our Supplier Code of Conduct is based on the RBA Code of Conduct.
102-13	Membership of associations	<ul style="list-style-type: none"> • Responsible Business Alliance • Consumer Technology Association • American National Standards Institute • International Electrotechnical Commission • IPC • JEDEC

STANDARDS	DESCRIPTIONS	PAGE REFERENCE OR ANSWERS
STRATEGY		
102-14	Statement from the most senior decision-maker of the organization	Page 3: Jim Scammon, Bose's President and COO, shares executive leadership responsibilities with Lila Snyder, our CEO. For the purposes of the executive statement in this report, Mr. Scammon was determined to be the more relevant executive.
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Page 10
GOVERNANCE		
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 13.
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Page 14
102-41	Collective bargaining agreements	None of Bose's employees are covered by collective bargaining agreements in the United States.
102-42	Identifying and selecting stakeholders	Page 14
102-43	Approach to stakeholder engagement	Page 14
102-44	Key topics and concerns raised	Page 14
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	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.
102-46	Defining report content and topic boundaries	The content included in this report was selected based on our sustainability strategy and key activities, expectations of our stakeholders, and GRI Standards.
102-47	List of material topics	Page 15
102-48	Restatements of information	Our carbon emissions and energy use figures from prior years were updated due to implemented improvements in data collection and calculations.
102-49	Changes in reporting	There are no changes in reporting from prior years.

STANDARDS	DESCRIPTIONS	PAGE REFERENCE OR ANSWERS
102-50	Reporting period	Page 40
102-51	Date of most recent report	Page 40
102-52	Reporting cycle	Page 40
102-53	Contact point for questions regarding the report	Contact us at https://www.bose.com/en_us/contact_us.html .
102-55	GRI content index	GRI Content Index
102-56	External assurance	Bose does not seek external assurance for its sustainability report.
MANAGEMENT APPROACH		
103	Generic disclosures on management approach	Page 13
ENVIRONMENTAL		
ENERGY		
103	Generic disclosures on management approach	Pages 21 and 22
302-1	Energy consumption within the organization	Page 22
302-3	Energy intensity	Page 22
302-4	Reduction of energy consumption	Page 23
EMISSIONS		
103	Generic disclosures on management approach	Pages 21 and 22
305-1	Direct (Scope 1) GHG emissions	Page 22
305-2	Energy indirect (Scope 2) GHG emissions	Page 22
305-4	GHG emissions intensity	Page 22
305-5	Reduction of GHG emissions	Page 23
SOCIAL		
OCCUPATIONAL HEALTH AND SAFETY		
103	Generic disclosures on management approach	Page 33
403-1	Occupational health and safety management system	Page 33
403-2	Hazard identification, risk assessment, and incident investigation	Page 33
403-9	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	Page 33

STANDARDS	DESCRIPTIONS	PAGE REFERENCE OR ANSWERS
TRAINING AND EDUCATION		
103	Generic disclosures on management approach	Page 31
404-1	Average hours of training per year per employee	In FY21, employees completed an average of 410 minutes of training captured in our LMS. Efforts are underway this year to encourage all training groups to track activity in our LMS. We are also identifying a more comprehensive way of collecting this data for our next report.
404-2	Programs for upgrading employee skills and transition assistance programs	Bose offers employees extensive trainings and opportunities for lifelong learning as described on pages 31 and 32. Bose also provides career transition assistance to some employees depending on the nature of the departure.
404-3	Percentage of employees receiving regular performance and career development reviews	All regular Bose employees receive an annual performance review in which their managers discuss with them their strengths and areas for further development.
HUMAN RIGHTS ASSESSMENT		
103	Generic disclosures on management approach	Page 11
412-2	Employee training on human rights policies or procedures	In 2020, employees received a total of 3,879 hours of training for Code of Conduct, 2,586 hours for Respect Training which includes anti-harassment and discrimination, and 2,586 hours of Conflict of Interest training, for a total of 9,051 hours of Ethics Compliance training. 96% of applicable GSM employees were trained on recognizing forced labor.
SUPPLIER SOCIAL ASSESSMENT		
103	Generic disclosures on management approach	Page 20
414-2	Negative social impacts in the supply chain and actions taken	Bose Corporation has a supplier risk assessment that is used to identify social impacts in our supply chain. Currently, four suppliers have completed the supplier risk assessment for seventeen sites, which accounts for over 80% of Bose Corporation's direct spend. All results received to date are low risk.

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