



TEXTRON

2018 CORPORATE RESPONSIBILITY
REPORT



A LETTER FROM THE CHIEF EXECUTIVE OFFICER

Colleagues, Shareholders and Friends,

Textron's 35,000 global employees develop and deliver leading-edge products and services for customers around the world. We are committed to acting responsibly, safely and ethically as we conduct our business and build and maintain relationships with our customers, employees, business partners, suppliers, shareholders and our communities.

In this report, you'll find details about our activities in 2018 to improve the communities in which we work and live, minimize our company's environmental footprint, champion the health, safety, career development and engagement of our employees and steer our business on the right legal and ethical course.

Specifically, our key focus areas of corporate responsibility are:

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

Our commitment to each of these focus areas is driven by our belief that good business and good citizenship go hand in hand. Just as we continue to improve the ways in which we deliver for our customers, we will strive to enhance the lives of our employees and the quality of life in our communities.

Scott C. Donnelly



Chairman and Chief Executive Officer



TEXTRON: WHO WE ARE

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

What began as a small New England business in 1923 has grown into today's \$14 billion company. We serve customers in a variety of industries including aerospace and defense, specialized vehicles, turf care and automotive systems.

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

OUR BUSINESS SEGMENTS

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

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

The day-to-day operations of our businesses are conducted through various subsidiaries and operating divisions while oversight, direction and assistance are provided by Textron's Corporate Office consistent with sound governance practices. For more details about our structure, governance, leadership and financial performance, refer to www.textron.com, the [Textron 2018 Annual Report](#) or the [Textron 2018 Fact Book](#).



Textron at a Glance in 2018

Revenues
\$14 Billion

Employees
35,000

Operations
25 Countries

Fortune 500 Rank
208

NYSE Symbol
TXT

OUR COMMITMENT



Textron is more than a family of businesses and powerful brands. We realize the talented workforce that creates our innovative products is deeply connected to the communities where we live and work. Our company's continued success depends on acting responsibly, sustainably, safely and ethically.

We uphold our commitment by:

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

OUR VALUES

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

OUR COMMITMENT TO OUR COMMUNITIES

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

Below are some examples of employee volunteerism and our businesses' efforts supporting local communities in 2018:

BELL

Bell supports military veterans. In 2018, the company was a sponsor of the **American Airlines Sky Ball**, the premier fundraising event for the Airpower Foundation, which supports active duty, reserve and National Guard families, as well as projects to assist wounded, ill, or injured service members and children of fallen military veterans. Bell also sponsored the **Gary Sinise Foundation**, the **George W. Bush Institute** and **Team Rubicon**, each of which are organizations which support veterans and our communities, with both funding and volunteers.

Bell is committed to education and our future workforce development. Employees volunteered nearly 2,000 hours in programs such as the **Bell "Mission Possible" STEM challenge**, a program to encourage local middle-school students to pursue STEM career pathways, **robotics and drone competitions with several area school districts**, and **numerous mentoring relationships**. Bell also supported local chapters of the **Boy Scouts of America** in hosting a composite merit badge course and a mini-drone competition with **Girl Scouts**.

In Amarillo and Fort Worth, Texas, employees come together every year to raise money to buy bikes for **Toys for Tots**. In 2018, they purchased over 500 bikes, and the Amarillo team assembled 350 of them.

Bell makes charitable contributions and employees volunteer regularly with **Presbyterian Night Shelter** and **Tarrant Area Food Bank** to focus on basic needs and tackle homelessness and hunger in the Dallas-Fort Worth area. Bell also helps provide more affordable housing for the community through its 15-year partnership with **Habitat for Humanity**. Bell employee teams sponsor and help build two homes annually for families in need.



KAUTEX

In Guararema, Brazil, Kautex trains employees to become ambassadors in the community through the **Qualification Program for Employees, Children and Community**. This program prepares local youth for professional life and is taught by employees from functions such as engineering, environmental health and safety, finance, human resources, information technology, logistics, maintenance, manufacturing, procurement, quality and sales. In addition, the program promotes employee engagement at that business, increasing pride in being part of the Kautex Textron team. Six new apprentices have been hired from the pool of program participants.

Four employees at Kautex's facility in Detroit promoted interest in STEM activities by volunteering to participate in the **FIRST Robotics Competition**, sponsored by the Detroit Hispanic Development Corporation. The employees spent four hours during each week of the program to mentor local high school students until they were ready for the April competition.

Kautex's facility in Bonn, Germany sponsored the **Formula Student Germany** (FSG) competition held in August at the Hockenheimring Baden-Württemberg motor racing circuit. FSG is an international design competition sponsored by the Association of German Engineers. Students from around the world compete by building a single-seat formula race car with either a combustion engine or electric powertrain. Kautex employees staffed a refuelling and refreshment station and helped to judge the students' business plan presentations.



OUR COMMITMENT TO OUR COMMUNITIES *(Continued)*

TEXTRON AVIATION

Textron Aviation led a collaboration between the Kansas Department of Education, Wichita Public Schools and WSU Tech to form **Aviation Pathway**, the first aviation technical education pathway for Kansas high school students. Through the program, high school students can receive their high school diploma and technical certificate at graduation, creating the potential for immediate employment within the aviation industry. Aviation Pathway allows students to concurrently take classes at both the student's home high school and at the student's local technical college and exposes them to real work environments through required shadowing and internship experiences during their senior year. Aviation Pathway has created a talent pipeline supporting two focus areas – Aviation Production and Aviation Maintenance – both being critical workforce segments for Textron Aviation and the general aviation industry. The program launched in 2018 at four Wichita area high schools with 250 students enrolled.

Textron Aviation partners with the Kansas Workforce Alliance to offer the **Youth Employment Project (YEP)**. In 2018, 25 local high school students served as paid, part-time interns as part of a six-week program over the summer. Through the program, the YEP interns worked closely with their department leaders, learning more about Textron Aviation's business, necessary workplace skills and future career opportunities.

SkillsUSA is an organization that trains, equips and prepares students for the technical and professional workforce. Club members receive educational training and compete in more than 60 skilled and technical science category competitions. In 2018, 23 Textron Aviation employees supported 12 **SkillsUSA Kansas** competitions, including CNC milling, welding and aviation maintenance technology. As the premiere sponsor of SkillsUSA Kansas, Textron Aviation provided sponsorships to 31 first-place winners in supported competitions as they advanced to the SkillsUSA National Competition in Louisville, Kentucky in June.

Textron Aviation leaders established **Wings for Dreams** in 2015, creating a way to support vital youth organizations in Wichita, Kansas and to give significant, sustainable funding under a consistent brand. The vision of the program is to give youth the ability to dream and to know that there is a community of caring supporters to help make their dreams a reality. In 2018, Textron Aviation's Wings for Dreams event raised \$2.6 million for **Boys & Girls Club of South Central Kansas** through a unique benefit concert.



TEXTRON AND OUR PLEDGE TO AMERICA'S WORKERS

As part of the National Council for the American Worker, the Trump Administration has asked companies and trade groups throughout the country to sign **Our Pledge to America's Workers**—committing to expand programs that educate, train, and reskill American workers from high-school age to near-retirement. Textron is one of more than 200 companies and organizations that signed the pledge in 2018 committing to create new education and training opportunities for students and workers over the next five years.

Scott Donnelly, Textron's Chairman and CEO, pledged to invest in Textron's current workforce and our communities to create opportunities to train future employees. This includes expanding our apprenticeship and work-based learning programs and internships as well as our continuing education and on-the-job training programs. Donnelly says, "Programs like these are good for our people and good for our company – we're looking forward to expanding our work in these areas."

OUR COMMITMENT TO OUR COMMUNITIES *(Continued)*

TEXTRON SPECIALIZED VEHICLES

The **Reaching Potential Through Manufacturing (RPM)** program, a joint initiative of Textron Specialized Vehicles Inc. and the Richmond County School System in Augusta, Georgia, reached a new milestone in 2018, surpassing the 100-graduate mark since its inception. Since the first students matriculated in August 2016, 113 at-risk high school students have earned their diploma through RPM. The program provides at-risk pupils with valuable real-world work experience in manufacturing, a steady income, and a means to make up lost ground toward their high-school diploma. Currently, more than 30 RPM alumni are employed at TSV, and many others have found gainful employment at other companies or continued their education in college.

TEXTRON SYSTEMS

Lycoming Engines donated 15 aircraft engines to **Pennsylvania College of Technology**, to be used for instructional purposes in the college's aviation courses. The donation, valued at \$317,500, will benefit students who are enrolled in the Aviation Maintenance Technology bachelor's degree, the Aviation Technology associate degree and the Aviation Maintenance certificate major.

Twelve members of Textron Systems' Young Professionals Association volunteered to participate in Junior Achievement BizTown, which is hosted by **Junior Achievement of Central Maryland**. JA BizTown is a program that combines in-class lessons with participation in a hands-on simulated community. The simulated town and persona allowed the students to discuss the role they play in their community and develop a basic understanding of the free enterprise system as they learn basic business practices and budgeting. Textron Systems' volunteers monitored various businesses around JA BizTown, such as the bank, newspaper, engineering firm and city hall. They worked with the students to teach them about the importance of their jobs and the impact their jobs have in their community.

As part of its annual Veterans Day Ceremony, Lycoming Engines held multiple fundraisers to support **K9s for Warriors**, a non-profit which provides service dogs to former military recovering from post-service trauma. In 2018, the company presented a \$5,100 donation to the organization.

Outdoors Again, a non-profit organization founded by Howe & Howe Senior Vice Presidents Mike and Geoff Howe, holds outdoor events and social activities for those who require the use of a wheelchair. In 2018, Tony Tulo, an employee of Howe & Howe, was recognized by the New England Patriots Foundation for his fundraising and volunteering efforts for Outdoors Again.

TRU SIMULATION + TRAINING

In Lutz, Florida, TRU Simulation + Training works with **AmSkills**, a multi-discipline, advanced technical training program for future manufacturing leaders in the greater Tampa area. Through the AmSkills apprenticeship program, TRU welcomed its first AmSkills apprentice in 2018 who quickly rose from manufacturing intern to full time electric mechanical assembler through her hard work and determination to succeed.



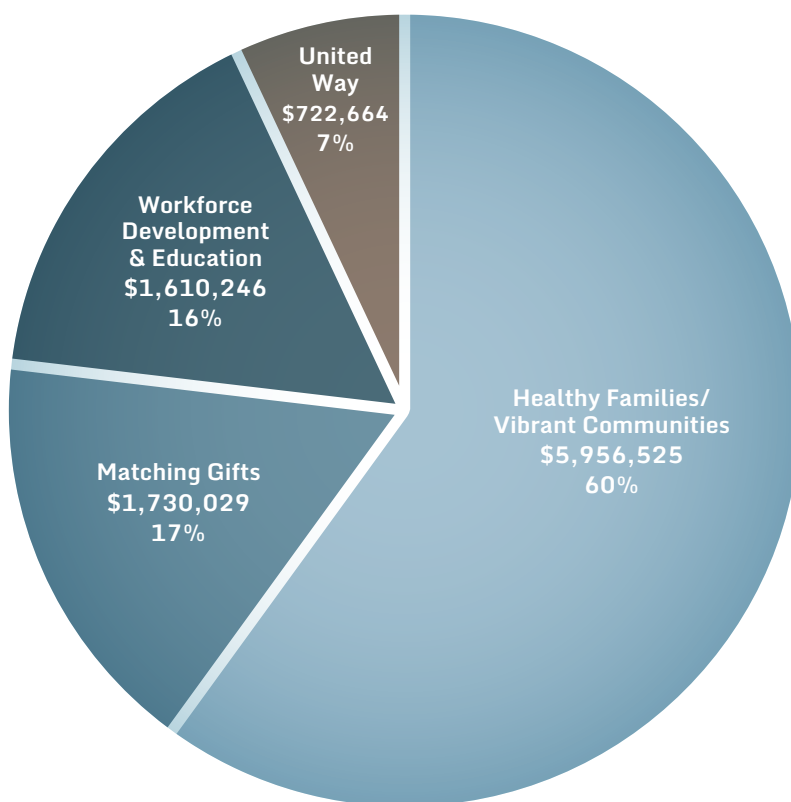
OUR COMMITMENT TO CHARITABLE GIVING

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

In 2018, Textron, including its business units and the Textron Charitable Trust, gave more than \$10 million to support the work these organizations do to better our communities.

2018 Charitable Contributions

Total: \$10,019,464



THE TEXTRON CHARITABLE TRUST

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

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

Our direct charitable giving, which comprised three-quarters of our total 2018 charitable giving of more than \$10 million, was made in the form of grants, event sponsorships and general funding, and is largely focused in two areas: Workforce Development & Education and Healthy Families/Vibrant Communities. Within these areas of focus, we support non-profit organizations that address issues related to workforce development, education, arts and culture, community revitalization and health and human services programs in communities where Textron has a major business presence.

OUR COMMITMENT TO CHARITABLE GIVING *(Continued)*



60% | HEALTHY FAMILIES/VIBRANT COMMUNITIES | \$5,956,525



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

16% | WORKFORCE DEVELOPMENT & EDUCATION | \$1,610,246



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

17% | MATCHING GIFTS | \$1,730,029



Through the Textron Matching Gifts program, full time employee donations to 501(c)(3) organizations are matched dollar for dollar up to \$7,500 per individual per calendar year. This program supports our employees by investing in the charitable organizations to which they choose to donate. The Textron Charitable Trust provides funding for the program. Approximately 1,700 employees made a charitable gift which was matched by Textron through the program in 2018.

7% | UNITED WAY | \$722,664



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

OUR COMMITMENT TO CHARITABLE GIVING *(Continued)*

2018 CHARITABLE GIVING HIGHLIGHTS

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

Textron pledged a \$10 million gift (to be paid over 5 years), \$4 million of which was paid in 2018, to support the transformation of the "How Things Fly" exhibition at the National Air and Space Museum's flagship building in Washington, D.C. Construction on the gallery is scheduled to begin in 2022.

BELL'S UNITED WAY CAMPAIGN

Bell's United Way Campaign raised over \$636,000 in nine days in Fort Worth and Amarillo with company-sponsored events such as silent auctions, firetruck pulls, cookouts and other activities.

TEXTRON AVIATION'S UPLIFT ORGANIZATION – AN EMPLOYEE-MANAGED NOT-FOR-PROFIT

Uplift is an employee-managed, 501(c)(3) not-for-profit organization created to offer assistance to employees in financial need and to improve the community. While the majority of fundraising efforts support United Way or similar organizations, some funds are retained to assist Textron Aviation employees in times of catastrophic need or are contributed to support additional non-profit organizations. In 2018, Textron Aviation and its employees showed tremendous generosity through the annual UPLIFT fundraising campaign by generating nearly \$2.5 million in total pledges.

TEXTRON SYSTEMS PLEDGES SUPPORT FOR OUR MILITARY AND VETERANS

In 2018, Textron Systems pledged \$20,000 in support of three organizations: K9 for Warriors, which provides service dogs to former military recovering from post-service trauma; Boulder Crest Retreat, which supports military, first responders and their family members; and Dog Tag Bakery, which offers a work-study program that gives veterans skills, education and experience to succeed as civilians.

OUR COMMITMENT TO THE ENVIRONMENT

Textron understands its responsibility to participate in working toward a sustainable future for the environment. Our responsibility to the environment starts with our compliance with regulatory requirements and is supported by our Textron Global EHS Policies and Standards which we follow in all countries where we operate. Beyond compliance, we are focused on reducing the energy and natural resource intensity of our operations and contributing positively to the communities in which we operate. Along these lines, all Textron business units set annual targets for energy efficiency, greenhouse gas emissions reduction and waste minimization. These targets vary by business and generally represent between a 1 and 2.5% annual improvement. Our ultimate long-range vision is zero adverse environmental impact.



TEXTRON'S 2018 SUSTAINABILITY PROJECTS: REDUCING OUR ENVIRONMENTAL FOOTPRINT

In 2018, Textron operations around the globe completed more than 150 sustainability projects aimed at energy, waste or water use reduction. In addition to saving Textron \$2.6 million, these projects helped Textron improve by increasing energy efficiency and reducing greenhouse gas emissions, water use and waste generation. Project savings on energy were 58,000 mmBTUs, which resulted in reducing greenhouse gas emissions by 7,700 metric tons. Our waste minimization efforts helped to reduce our landfill disposal by 800,000 pounds. Water projects resulted in 40 million gallons of water savings.



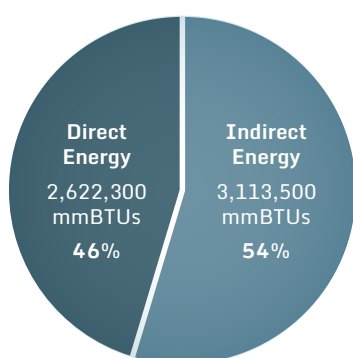
OUR COMMITMENT TO THE ENVIRONMENT *(Continued)*

2018 PERFORMANCE

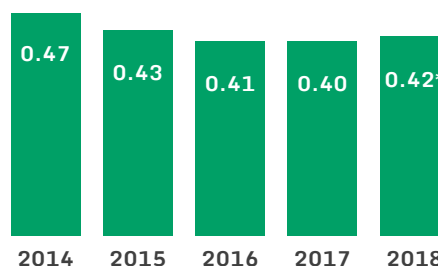
The charts below show our 2018 performance and progress over the past five years on energy consumption and greenhouse gas emissions reduction, as well as our 2018 waste profile and water consumption. Intensity values are normalized to revenue. Historical data has been adjusted to remove the impact of our Tools & Test businesses which we sold in July 2018.

ENERGY CONSUMPTION

2018 Energy and Fuel Consumption
5,735,800 mmBTUs



**5-Year Trend
Energy Intensity**
(mmBTU/Revenue)

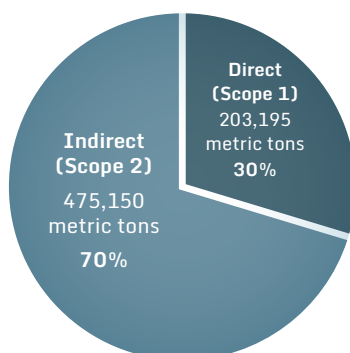


*2018 energy intensity increased due to the addition of product lines and acquisitions.

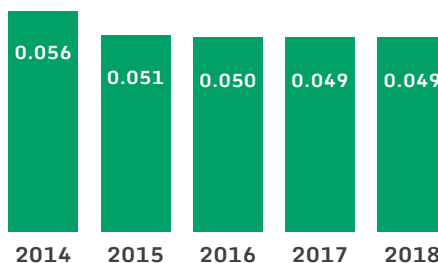
GREENHOUSE GAS EMISSIONS (GHG)

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

2018 Greenhouse Gas Emissions
678,345 metric tons



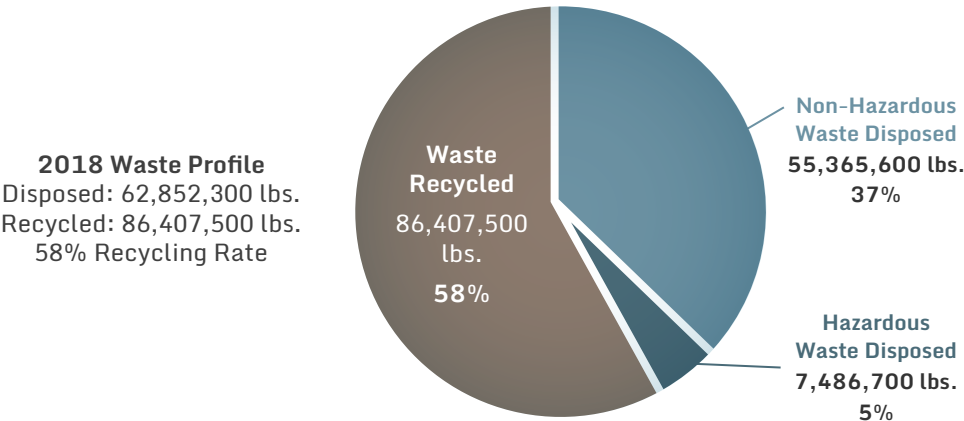
**5-Year Trend
GHG Intensity**
(CO₂-e/Revenue)*



*Intensity metrics are normalized to revenue.

OUR COMMITMENT TO THE ENVIRONMENT *(Continued)*

WASTE MINIMIZATION AND RECYCLING



WATER CONSUMPTION



2018 Total Water Consumed
1,026,011,000 GAL



OUR COMMITMENT TO OUR PEOPLE: WORKPLACE SAFETY

Textron is committed to maintaining and enhancing the safety and well-being of our employees. We promote a culture of continuous improvement and individual accountability to strive for our ultimate vision of zero workplace injuries.

At the corporate level, our Global Environmental Health and Safety (EHS) Policies and Standards establish a management system framework that includes goal setting, risk reduction, compliance auditing, and performance reporting. Our businesses augment the corporate program with management systems of their own. For instance, Kautex facilities are ISO 14001 and OHSAS 18001 certified. The overall program is guided by the Textron EHS Council, whose members include the senior EHS leaders from the Textron corporate office and each Textron business unit. We use an annual goal setting process to drive environmental sustainability and injury rate improvements. The injury rate reduction goal is a performance metric that resides at the highest levels of the organization. Performance to this goal is reported to Textron's Audit Committee and is tracked and reported to senior leadership as part of our Plan-Do-Check-Act process.

Textron uses various metrics to evaluate health and safety performance globally. The United States Department of Labor Occupational Safety & Health Administration (OSHA) recordkeeping rules are the guidelines all Textron facilities use for reporting injuries. In 2018 we had a Total Recordable Injury Rate (TRIR) of 1.05 and a Lost Time Injury Rate (LTIR) of 0.27.



TEXTRON'S ENVIRONMENTAL HEALTH AND SAFETY FRAMEWORK

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

Our EHS Vision:

We are committed to the health and safety of our employees, contractors, and communities. We will actively champion environmentally sound practices and safe behaviors. We will continuously improve our processes, require individual accountability and demonstrate leadership to strive for zero injuries, eliminate adverse environmental impacts, and contribute positively to the communities in which we operate.

Our EHS Operating Principles:

- No job or activity is worth risking injury
- All injuries and environmental incidents are preventable
- Working safely and in an environmentally responsible manner is a condition of employment
- Each of us is responsible for the safe behavior of ourselves and others
- Environmental, Health and Safety is led by senior management, implemented by line management, with each level accountable to the one above and responsible for the one below
- We will design and integrate Environmental, Health and Safety into our products, our facilities and into our management process
- All employees will be provided the necessary knowledge, skills and abilities to work safely
- Strong environmental, health and safety performance is good business

OUR COMMITMENT TO OUR PEOPLE: WORKPLACE SAFETY *(Continued)*

RECOGNIZING EMPLOYEE-LED IMPROVEMENTS TO ENVIRONMENTAL, HEALTH AND SAFETY

Each year, the Textron Environmental, Health & Safety Award for Excellence recognizes extraordinary achievements by our employees within the categories of safety, ergonomics, health and well-being and sustainability. Textron's EHS Council chooses a winning team who has successfully implemented a project within each of those categories. Below are some of the winning projects from 2018.



Improving Safety At Kautex: New Process For Preventing Injury Reoccurrence

Kautex analyzed facility accidents and significant near-misses over a year and a half and categorized the data. This allowed the business to close identified system gaps by documenting and sharing lessons learned and implementing countermeasures across its global locations to prevent reoccurrences. The new Prevent Re-Occurrence (PRO) process has significantly eliminated repeat injury events and driven faster, deeper replication across the business.

THE RESULTS

55% reduction in
injury rates

85% process implementation
across all Kautex locations

Reducing Ergonomics Risks At Textron Aviation: Automatic Drilling Of Wing Spars

A wing spar is a major structural component of the wing on fixed-wing aircraft such as the Beechcraft KingAir and Cessna piston aircraft lines. Previously, wing spar assembly required manual drilling which presented ergonomic challenges and contributed to downtime and high scrap costs. The Textron Aviation team designed and built an automated drilling machine which dramatically reduced ergonomic and quality risks.

THE RESULTS

Reduction of ergonomic
injuries by automating the
drilling of **130** holes
per assembly

40% reduction in cycle time

90% improvement in
drilling quality

OUR COMMITMENT TO OUR PEOPLE: EMPLOYEE HEALTH AND WELL-BEING

Textron believes that a healthy workforce is more likely to be engaged, productive and successful. We strive to develop a culture that empowers employees and their families to adopt and maintain a healthy lifestyle. Our well-being core operating principles are:

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

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

- Developing healthy worksites conducive to well-being.
- Enhancing the well-being of our employees through reduced rates on fitness club memberships or onsite fitness facilities and a variety of health and wellness offerings.
- Promoting programs focused on physical, mental, financial and social well-being that meet the needs of our workforce.



OUR COMMITMENT TO OUR PEOPLE:

EMPLOYEE HEALTH AND WELL-BEING *(Continued)*

EMPLOYEE PROGRAMS BENEFIT OUR EMPLOYEES

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

EMPLOYEE ASSISTANCE



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



ADOPTION ASSISTANCE

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



PARENTAL LEAVE POLICY

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



SCHOLARSHIP PROGRAMS

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

OUR COMMITMENT TO OUR PEOPLE: CAREER DEVELOPMENT

CAREER DEVELOPMENT

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

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

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

Alongside on-the-job training, a wide variety of skills-based training is also offered to our employees by Textron University, an internal corporate resource which provides facilitated classroom professional and leadership development programs and an online portal to take web-based courses, register for classroom programs, access advanced skills technical training and manage recertification of existing qualifications.

In addition, Textron's Education Assistance Program reimburses employees for expenses from approved degree or certification programs from institutions accredited by the U.S. Department of Education. Expenses eligible for reimbursement (up to an annual limit) include costs for tuition, books, registration fees, laboratory, College Equivalency Programs and administrative fees.

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

2018 CAREER DEVELOPMENT AT TEXTRON AT A GLANCE

1,630 employees utilized
tuition reimbursement
via the Education
Assistance Program

\$7.9 million reimbursed
to employees via the
Education Assistance
Program

18,373 employees
participated in
company-provided
professional, technical or
leadership development
instructor-led classes

43,553 classroom
completions of
company-provided techni-
cal (job or functional) and/
or professional training

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

OUR COMMITMENT TO OUR PEOPLE: EMPLOYEE ENGAGEMENT & DIVERSITY



EMPLOYEE ENGAGEMENT

Our businesses periodically conduct surveys to gather insight about our employees' perceptions of job satisfaction, leadership, compensation and benefits, training, career development opportunities and workplace culture.

In 2018, over 6,000 employees from Kautex, Textron Corporate and Textron Systems participated in employee engagement surveys. Based on the results, leadership established committees to address identified issues and to drive initiatives to meet the needs of our employees.

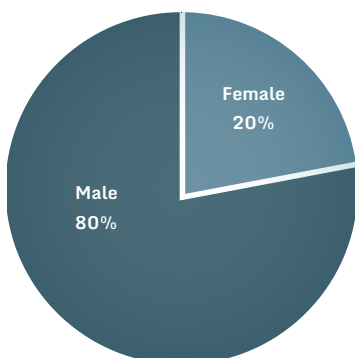
DIVERSITY AND INCLUSION

Textron is committed to having a diverse workforce and inclusive workplaces throughout our global operations. We understand the importance of diversity - that it enhances our company, stimulates innovation and creativity and provides opportunities for our growth and advancement. We believe by employing highly talented, diverse employees, who have a variety of perspectives, cultures and experiences, we will drive talent retention, improved performance and collaboration, all of which contribute to stronger business results. Maintaining inclusive workplaces where employees feel valued, respected and able to contribute fully is central to how we do business and critical to our success.

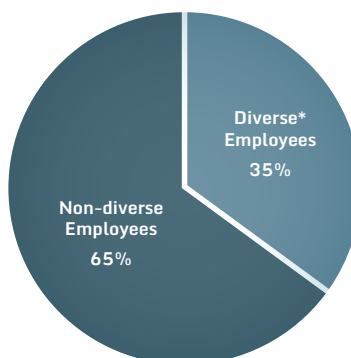
As a matter of practice, our internal recruiters encourage hiring managers to consider diverse job candidates by ensuring that applicant lists include highly qualified diverse candidates. We also provide inclusion and unconscious bias training to our human resources professionals and business leaders to improve diversity in recruiting.

2018 Diversity Statistics

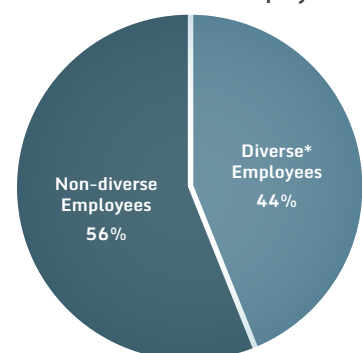
Worldwide Employees by Gender



United States Employees



United States Management and Professional Level Employees



**Diverse employees are defined as women and people of color.*

OUR COMMITMENT TO OUR PEOPLE: EMPLOYEE ENGAGEMENT & DIVERSITY *(Continued)*

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

Textron was named a Winning “W” Company by 2020 Women on Boards (2020WOB) in recognition of having at least 20% of its board of directors being comprised of women in 2018. 2020WOB is a global education and advocacy campaign committed to building public awareness and momentum toward achieving at least 20% of all public company board seats to be held by women by the year 2020, the milestone 100th anniversary of the 19th Amendment, women’s right to vote.

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

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

MILITARY VETERANS

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

Textron is a member of the Veteran Jobs Mission, a coalition of over 200 companies committed to hiring veterans. As of the end of 2018, Textron employed 3,990 veterans and actively recruits former military candidates.

2018 U.S. MILITARY VETERANS DEFENSE BUSINESS SEGMENTS

Bell: 22.3% of U.S. employees
Textron Systems: 22.7% of U.S. employees

INDIVIDUALS WITH DISABILITIES

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

OUR COMMITMENT TO OUR PEOPLE:

EMPLOYEE ENGAGEMENT & DIVERSITY *(Continued)*

EMPLOYEE RESOURCE GROUPS

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



Bell

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

Kautex

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

Textron Aviation

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

Textron Corporate

- Employee Connection Committee
- Textron Teammates
- Women's Leadership Forum

Textron India Private Limited

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

Textron Systems

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

OUR COMMITMENT TO OUR PEOPLE: EMPLOYEE ENGAGEMENT & DIVERSITY *(Continued)*

EQUAL EMPLOYMENT OPPORTUNITY AT TEXTRON

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

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

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



OUR COMMITMENT TO ETHICS & COMPLIANCE



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

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

For more than 30 years, Textron's Ethics and Compliance Program has provided a road map and resources for our employees and has continued to evolve with changes in our business and regulations.

The Program requires each of our business units to assess ethics and compliance risks annually and, based upon changes in the business, the operating environment and other factors, prepare annual risk-based Ethics and Compliance Action Plans which include action steps for risk mitigation. A variety of rigorous processes, ongoing monitoring, audits to detect violations, self-assessments by each Textron business unit and other performance checks are in place to ensure we are on the right course. Where appropriate, we incorporate lessons learned from these performance checks into our Ethics and Compliance Actions Plans and use them to otherwise improve our Program.

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

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

TEXTRON'S 2018 ETHICS & COMPLIANCE SURVEY

In 2018, Textron conducted a confidential, enterprise-wide survey targeted to more than half of our workforce to measure our efforts in creating and sustaining a culture of compliance.

When asked to respond to the statement "Textron expects me to conduct Textron business with high ethical standards and in compliance with all applicable laws and regulations," **99%** of responding employees agreed.

OUR COMMITMENT TO ETHICS & COMPLIANCE *(Continued)*



BUSINESS CONDUCT GUIDELINES AND COMPLIANCE CERTIFICATIONS

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



GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

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

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



COMPLIANCE TRAINING MODULES

Training and awareness are an integral part of the Ethics and Compliance Program. Live and/or online compliance training are required for employees, including management. More than 126,000 online training modules on various ethics and compliance topics were completed by our employees in 2018.



RECOGNIZING OUR EMPLOYEES

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



ETHICS HELPLINE

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



TEXTRON

www.textron.com

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