Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Fortive is a provider of essential technologies for connected workflow solutions across a range of attractive end markets. Fortive's strategic segments - Intelligent Operating Solutions, Precision Technologies, and Advanced Healthcare Solutions - include well-known brands with leading positions in their markets. The company's businesses design, develop, service, manufacture, and market professional and engineered products, software, and services, building upon leading brand names, innovative technologies, and significant market positions. Fortive is headquartered in Everett, Washington and employs a team of more than 17,000 research and development, manufacturing, sales, distribution, service and administrative employees in more than 50 countries around the world. With a culture rooted in continuous improvement, the core of our company's operating model is the Fortive Business System. For more information please visit: www.fortive.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2020	December 31, 2020	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Brazil
Canada

China
France
Germany
India
Japan
Netherlands
Republic of Korea
Slovakia
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The entire Board of Directors has oversight responsibility for the Sustainability/ESG program, including climate-related issues.
Director on board	Members of the Board on the Nominating and Governance Committee of the Board oversee Sustainability/ESG reporting, including disclosure of climate-related goals, progress, strategy and innovation. As identified in their charter (Fortive 2020 Proxy Statement, pp. 23-24, 28-29, 36), the Nominating and Governance Committee oversees Sustainability/ESG reporting.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The General Counsel (SVP) reports to the entire Board on Sustainability strategic initiatives, goals, progress, strategy, and performance on a periodic basis. In addition, the General Counsel reports to the Nominating and Governance on the same topics as well as Sustainability reporting. A key Sustainability focus is Fortive's commitment to reducing greenhouse gas (GHG) emissions intensity, including strategy, execution and innovation.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues

Other C-Suite Officer, please specify General Counsel (Senior Vice President)	Both assessing and managing climate-related risks and opportunities [1]	Annually
Other, please specify Director of Sustainability	Both assessing and managing climate-related risks and opportunities	As important matters arise
Risk committee	Assessing climate-related risks and opportunities	Annually

[1] Annually to the Full Board and Biannually to the Nominating and Governance Committee

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

General Counsel (SVP): Executive officer responsible for Fortive's Sustainability Program oversight and progress, as well as EHS and Risk Management. Climate change-related matters are in-scope of the Sustainability Program and include Fortive's publicly updated goal to reduce GHG emissions intensity by 50% by 2025, relative to the 2017 base year. The General Counsel reports to the full Board about Sustainability Program reporting and strategic initiatives on an annual basis, or more frequently, as needed. The General Counsel also reports to the Board about EHS compliance matters and Risk Management, on an annual basis or more frequently as needed.

Director of Sustainability: Executive responsible for the strategy and execution of the Sustainability program, including climate change-related matters.
The General Counsel and Director of Sustainability share responsibility for regular updates to the Fortive senior leadership team, comprised of the CEO, CFO, CHRO, CIO, General Counsel, and Operating Company senior leaders.

Risk Committee: The General Counsel (SVP) is the executive officer responsible for Risk Management. In 2019, the Risk Assessment was updated to include climate change-related impacts in the company-wide Risk Assessment Program. The General Counsel monitors the progress on Sustainability reporting, including the data integrity and disclosure of GHG emissions intensity and performance toward the 50% emissions intensity reduction goal.

Environmental, Health and Safety Leadership Council (EHSLC): The EHSLC reports to the General Counsel and supports the Director of Sustainability with implementation of key climate-related and environmental initiatives.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	On an annual basis, the Compensation Committee establishes performance goals for each executive officer, with such goals designed to align each executive officer's performance objectives with the Company's overall strategic initiatives. In determining the annual incentive compensation for the corresponding fiscal year for an executive officer, the Compensation Committee takes into account the individual's execution against his or her performance goals, while also considering the individual's overall performance, the contribution of such individual to the Company's results and the individual's demonstrated leadership behavior in alignment with the Company's core values.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Other C-Suite Officer	Monetary reward	Other (please specify) Composite Performance Factor/Personal Performance Factor	Fortive's SVP, General Counsel's personal performance goals include (but are not limited to) EHS compliance and management, the Enterprise Risk Management program and effectiveness, and Sustainability program performance, including climate change-related goals and initiatives.
Other, please specify Director of Sustainability	Monetary reward	Other (please specify) Composite Performance Factor/Personal Performance Factor	The Director Sustainability's personal performance goals include development and execution of the company's Sustainability strategy, which centers on climate-change related matters, including Fortive's publicly stated GHG emissions intensity reduction goal.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	5	
Long-term	5		Fortive is building our business for the long-term; we do not place a cap on the time horizon for strategic planning.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Fortive is comprised of 15+ Operating Companies (OpCos) that span multiple industries, from manufacturing to software to healthcare. The definition of substantive varies by OpCo and is directly influenced by the OpCo's business, markets, and industry. However, there are established thresholds for capital allocation that require the OpCo President's approval and, at another threshold, Fortive senior leadership approval. The thresholds are a proxy for substantive financial and strategic impact - at each threshold level, capital allocations are reviewed and decided upon by senior leaders to evaluate and ensure alignment with the strategy and financial plan. At the OpCo level, the Presidents make the final decisions. At the Fortive corporate level, the CEO and CFO evaluate and confirm decisions to ensure alignment with the company strategy and budgeting prioritization.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Fortive identifies, assesses and responds to climate-related risks through our comprehensive enterprise risk management (ERM) program. Through an annual process of standardized and comprehensive assessments, business and functional leaders evaluate and identify the risks inherent in their operations on topics including: International dynamics; Human resources; Regulatory and industry standards; Finance and accounting compliance; Product safety and security; Sales and marketing; Data protection and cybersecurity; General and internet technology; Environmental, Health and Safety; Physical Assets and Natural Disasters, and Supply Chain.

The results of the ERM assessment inform business decisions related to workplaces, infrastructure investments and/or relocation, current and emerging regulatory regimes, supplier and commodity sourcing, compliance, EHS programs, and climate change impacts. For each risk category, leaders assess and report the severity and probability of the risks affecting operations and identify countermeasures implemented or planned to mitigate the risks. Climate change resiliency plans address the operating company's readiness and response to scenarios including drought, flooding, and heat waves.

We engage employees from representative geographies and operations (at operating company and Fortive corporate levels) to inform and evaluate all risk assessments and company-level risk prioritization. The Fortive Risk Committee reviews and develops the Fortive-level risk assessment based on these

company prioritizations, combined with broader corporate-level risks. The Risk Committee is led by Fortive's General Counsel and Chief Compliance Officer; the General Counsel reports the results to the Board of Directors annually, with our audit committee overseeing our Enterprise Risk Management process.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term

Description of process

Fortive's operating companies assess the EHS Risk at each of our EHS Significant Sites and report the EHS Risk Score on a semi-annual basis. The EHS Risk Score includes 4 primary categories, one of which is Sustainability. The risk and performance metrics associated with Sustainability include leadership engagement, action planning, goals and targets which may include GHG emissions , water use or waste generation reduction, and systemic integration of sustainability principles into operational management. The EHS Risk Score is weighted based on site population, and our goal is to reduce the average EHS Risk Score across the company by implementing EHS programs and energy, GHG emissions, waste generation and water use reduction initiatives.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Every three years or more

Time horizon(s) covered

Short-term

Description of process

We recognize the significant impact that suppliers could have on our business and with our global presence, the planet and natural resources. Fortive suppliers are required to affirmatively commit to the standards outlined in our Supplier Code of Conduct (updated in September 2020; available in 22 languages). In 2019, we added Sustainability-related questions to the supplier questionnaire, which are required to be completed by all suppliers. In conjunction with the questionnaire update, we incorporated training for internal auditors to ensure quality and consistency.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Fortive's Enterprise Risk Management (ERM) and EHS Risk Score include current regulations in their risk registers. Through the ERM, Fortive and its operating companies evaluate regulatory and compliance risks, including environmental regulations, and the management of these risks based on severity and probability. Fortive's EHS Leadership Council and EHS professionals across the company monitor current and emerging EHS regulations, including climate- and environmental regulations. The EHSLC meets bi-weekly and conducts a semi-annual risk assessment of our significant operations to evaluate their relative EHS Risk, including sustainability, occupational health, safety, and environmental compliance, leading EHS metrics and public/reputational risks, among others. As a global company with operations that cross numerous industries, Fortive is subject to a range of environmental laws and regulations. Compliance with these laws and regulations requires, and is expected to require, operating and capital costs. For example, Fortive has significant operations across the European Union, Australia and California where climate-related regulations may be applicable. For example, we monitor requirements such as carbon pricing, Australia's National Greenhouse Gas and Energy Reporting requirements, the European Climate Law, California's State Assembly Bill 32, Low Carbon Fuel Standard and Sustainable Transportation Planning for applicability to our business and the industries and customers we serve. In 2020, Fortive initiated its use of Datamaran(R) for monitoring and evaluating material issues in real-time. Through Datamaran, we

		receive regular updates on current and emerging policies and regulations worldwide; these update reports are integrated into regular and focused meetings regarding risk assessment with internal stakeholders, including the ERM teams, the EHSLC, Investor Relations, Compliance, and the Sustainability team.
Emerging regulation	Relevant, sometimes included	Fortive's Enterprise Risk Management (ERM) evaluates regulatory and compliance risks, including emerging regulations, and the management of these risks based on severity and probability. Emerging environmental risks are evaluated as part of the regulatory & compliance and physical asset and natural disaster assessments, based on severity and probability. Fortive's EHS Leadership Council and EHS professionals across the company monitor current and emerging EHS regulations, including climate- and environmental regulations. The EHSLC meets bi-weekly and conducts a semi-annual risk assessment of our significant operations to evaluate their relative EHS Risk, including management to address environmental impacts, leading EHS metrics and public/reputational risks, among others. Our operating companies monitor emerging regulations and the potential impacts on our customers. For example, emerging regulations for end producer responsibility (EPR) underscores the importance of our product end-of-life management processes. Increasingly, municipalities and states across the U.S. and Europe are increasing the stringency of waste management regulations to reduce landfill disposal due to the land use, emissions and other environmental impacts. In 2020, Fortive initiated its use of Datamaran(R) for monitoring and evaluating material issues in real-time. Through Datamaran, we receive regular updates on current and emerging policies and regulations worldwide; these reports are integrated into regular and focused meetings regarding risk assessment with internal stakeholders, including the ERM teams, the EHSLC, Investor Relations, Compliance, and the Sustainability team.
Technology	Relevant, sometimes included	Fortive's products and services help our customers accelerate progress toward a sustainable future and we recognize that technology is a critical pathway to progress. Fortive's operating companies conduct peer benchmarks and market assessments to understand and stay ahead of current technologies and trends, particularly those that may pose a threat to our business. The climate-related impacts of technology are more indirect than direct, as we operate primarily in the business-to-business space. However, we monitor and are proactive in our cybersecurity policies and information technology practices to ensure the safety and security of our operations and our customers. The role that many of our products and services play in operating and managing critical infrastructure makes our efforts all the more critical. For example, several of our operating companies' sensors are used in critical infrastructure including electrical grid infrastructure and public water services. Security of these devices is critical for sustainable management of these limited resources.

Legal	Not relevant, included	There were no active or pending climate-related legal claims in the reporting period. Through Fortive's Sustainability team and Enterprise Risk Management (ERM), we regularly evaluate regulatory and compliance requirements (real and emerging), including current or pending climate-related legal actions.
Market	Relevant, always included	Given the diversity of Fortive operating companies, each operating company evaluates risks associated with their industry and market. Risks and opportunities are reflected in each operating company's strategic plan. For example, Intelex is a leading provider of EHS&Q and Sustainability software applications, with a rapidly expanding market opportunity, and also increasing competition in the uptake of organizational management of climate-related impacts and GHG inventory management and reporting.
Reputation	Relevant, always included	Fortive's Enterprise Risk Management (ERM) and EHS Risk assessment programs include metrics related to reputation and community relations. The Investor Relations team also monitors risks that are revealed and/or explored via engagement with investors. Fortive is committed to sustainable performance and through environmental stewardship, corporate citizenship, inclusion & diversity, and high standards of ethics, business conduct and corporate governance. Fortive's Values are foundational to our culture and fundamentally important to how we conduct our business and engagement with customers, employees, suppliers and the communities where we operate. Our reputation is influenced by the real and perceived culture which directly impacts our ability to attract and retain diverse top talent. Stakeholders from investors to prospective employees evaluate Fortive's commitments, performance and innovation associated with climate change-related matters, including our GHG intensity goal and our strategy for performance and integration across the business.
Acute physical	Relevant, always included	Fortive's Enterprise Risk Management (ERM) program includes assessment of acute physical risks in the risk register and management process. Each operating company is required to assess risks associated with physical assets and natural disasters, for example, physical asset/building system reliability and increased operational costs (e.g. increased costs from increased peak demands on energy consumption), business continuity planning and exposure(s) to a lack of contingency planning for natural disasters, terrorism, workplace violence or malicious acts, or IT disaster/non-recovery. We have significant operations located in regions that could have higher risks due to the frequency and intensity of natural disasters and storm events, in particular across Asia, the Americas and Africa. The COVID-19 pandemic that emerged in 2020 exacerbated risks and impacts to all regions of the world, revealing real levels of risk and/or adaptability exhibited by companies, cities, and organizations worldwide. Fortive was impacted by COVID-19 and many of our operations were closed temporarily or for a longer duration out of an abundance of caution. These unforeseen shut-downs, which also impact suppliers, customers and employees, add risk to business continuity.
Chronic physical	Relevant, always included	Fortive's Enterprise Risk Management (ERM) program includes assessment of chronic physical risks in their risk registers and management process. Each operating company is required to assess risks associated with physical assets and natural disasters, for

		example, physical asset/building system reliability and increased operational costs (e.g. sustained increasing costs due to energy and water demand if/when resource scarcity is reflected in market prices). We have significant operations in geographic locations that are experiencing and/or at-risk of sustained increases in average temperatures, reduced water availability, and strained infrastructure services which will increase operational costs over the medium- and long-term, including continental Asia, Australia and South Asia, the Americas and Africa.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Carbon pricing of GHG emissions could potentially result in increased costs for compliance for our businesses. Our businesses' sales and operations are subject to risks associated with changes in laws, regulators and policies, including carbon emission regulations and energy efficiency and design regulations. Failure to comply with any of the applicable regulations could result in monetary and non-monetary penalties as well as potential damage to our reputation. for example, the EU Green Deal includes an emerging carbon pricing mechanism and other emerging carbon tax or ETS schemes. Our current EU operations account for approximately 4% of our total Scope 1 and 2 emissions. Organic and acquisition growth present additional risk for our operating companies headquartered and/or operating in the EU.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

260,000

Potential financial impact figure – maximum (currency)

865,000

Explanation of financial impact figure

A carbon price between $6 (minimum) and $20 (maximum) per metric tonne over the next 5-10 years, conservatively applied to Fortive's Scope 2 emissions, could result in additional utility costs between $260K - $865K annually. This is less than 0.1% of Fortive's annual revenue in 2020.

Cost of response to risk

0

Description of response and explanation of cost calculation

Fortive monitors regulatory updates and evaluates risks for increased costs in risk areas that include climate legislation, regulations and taxes. We implement control measures including supplier diversification, utility contract terms and agreements, and operational efficiency initiatives to mitigate operational cost increases.

Comment

Regulatory monitoring, supply chain management, and internal controls are standard costs of business.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased likelihood and severity of wildfires

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Extreme weather events could result in physical damage to our sites and other assets, disrupting business operations and supply chain, resulting in production delays, temporary reduction of our production capacity, and/or loss of revenue, among other impacts. Our global real estate portfolio could be impacted by a variety of weather events like hurricanes, wildfires, tornadoes, and droughts. We track events and enact crisis management and relief for at-risk sites during extreme weather events. Our EHS, Facilities and Human Resources teams have disaster preparedness and business continuity standard work, as well as rapid response protocols, to ensure the health and safety of our employees first and foremost. These protocols ensure continued operations in a safe and efficient manner.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

95,000,000

Explanation of financial impact figure

A rebuild of a major North American EHS significant site with manufacturing, service or assembly operations, if completely destroyed by an extreme weather event, such as a wildfire or hurricane, could cost up to $95 million to the company. All operating company sites are insured for physical risks and business interruption (revenue) losses, so this figure represents the unmitigated risk.

Cost of response to risk

0

Description of response and explanation of cost calculation

Fortive has resources and standard work in place to respond to physical risks. At this time, the potential exposure associated with physical changes is currently assessed and managed through Fortive's Enterprise Risk Management (ERM) program, associated Risk Assessment Process (RAP), and Risk Transfer & Financing. Fortive Corporation works closely with internal and external teams to regularly evaluate, identify and improve onsite risks and processes. Fortive

facilities undergo third party site engineering assessments at varying cadences based on site total insurable value (TIV). In addition, Fortive sites are assigned EHS risk scores which include various criteria and undergo regular internal and external audits, scheduled and unscheduled. Employee safety, business continuity, and disaster response are also key focus areas in our risk management and risk mitigation efforts. Although a comprehensive climate change-related impact assessment of at some sites remains to be conducted, Fortive remains committed to continuous improvement towards our operations, real estate portfolio, standard work and site-related risk assessments.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Enhanced emissions-reporting obligations

Primary potential financial impact

Decreased access to capital

Company-specific description

Fortive has operations in over 50 countries, including in the EU and Asia-Pacific region where emissions reporting requirements are increasing in scope, frequency and detail. Incomplete or a lack of reporting to the agencies or stock exchanges advocating for increased disclosure from companies with operations in these regions could negatively impact Fortive's profile among banks and insurance providers.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact is difficult to calculate or even estimate due to the uncertainty of when the regulations may go into effect and definitive actions by the banks and insurance providers.

Cost of response to risk

0

Description of response and explanation of cost calculation

Fortive continues to monitor current and emerging reporting requirements and adapt our reporting strategy to maintain currency and stay on top of/ahead of the reporting expectations.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify

Energy use reduction and energy efficiency investments

Primary potential financial impact

Reduced direct costs

Company-specific description

In May 2021, Fortive updated our commitment to reduce Scope 1 and 2 greenhouse gas (GHG) emissions across EHS significant sites to a more aggressive reduction - to reduce GHG emissions 50% per dollar of revenue generated by 2025, relative to the 2017 base year. To help achieve that target, operating companies are implementing emissions-reduction projects that will reduce energy use/improve energy efficiency. In most cases, these projects save money and energy. For example, Fluke is implementing infrastructure updates that will reduce energy use by an estimated 1,000,000 kWH (or 1MW) annually.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

2,500,000

Potential financial impact figure – maximum (currency)

7,800,000

Explanation of financial impact figure

This financial impact figure reflects the estimated cost of CapEx investment for energy efficiency projects at several operating companies. The figure does not include OpEx associated with implementation.

Cost to realize opportunity

2,700,000

Strategy to realize opportunity and explanation of cost calculation

Our strategy to reduce GHG emissions is multi-faceted and grounded in the Fortive Business System (FBS). One fundamental aspect of our strategy is to identify and implement energy use reduction/avoidance and/or energy efficiency projects to drive our operational GHG emissions down. Several of the opportunities being implemented were identified via our Energy Kaizen program, an FBS-based process to review, in-depth, the sources of energy use and opportunities for efficiency improvement, energy use avoidance and reduction. We deploy the energy kaizen program at scale, while also evaluating renewable energy and shared service opportunities to improve operational efficiency at scale.

Fortive applies a balanced perspective for investing in GHG emissions reduction projects: we evaluate projects based on their GHG emissions reduction and their financial ROI; we do support projects that have a material GHG reduction even if the pure financial ROI is not favorable.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Water use reduction: GEMS (a Fortive operating company) works with the United Kingdom (UK) environment agency, providing hydrostatic level and pressure sensors to monitor the UK Water supply network. Our sensors contributed to ensuring continuity of water supply and minimization of waste. UK Water leakage has reduced by about a third from the 1994-95 high. Water conservation and efficiency has a positive impact on climate adaptation, resilience and risk mitigation due to water's finite availability and the energy-intensive methods being developed to mitigation risk of depletion.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We are developing and implementing a methodology to tag and quantify sales, revenue and market associated with sustainable products and services.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Many of our operating companies provide products and services that enable and/or accelerate the environmental, energy, health, safety and/or healthcare-enhancing impacts of our customers. Because an industry- or sector-agreed upon definition of sustainable does not exist (yet), Fortive has conducted extensive research, benchmarking and reviews of third-party standards and frameworks to develop a methodology to evaluate and tag those products and services that fulfil a to-be-confirmed definition of "sustainable". Once the methodology is finalized and tested, we will share our definition of "sustainable product/service" relevant figures with key stakeholders.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Many of Fortive's operating companies develop products and services that support customers' effort to manage and mitigate climate change. For example, Qualitrol's iSGM (Intelligent SF6 Gas Monitoring) is an online SF6 gas density / leak detection monitoring system used to protect the Gas Insulated Switchgear in electrical utilities. The iSGM measures SF6 gas density within critical infrastructure including gas insulated systems/switchgear/substations/transformers/lines and gas circuit breakers in real-time to determine areas of potential leakage / estimated time to refill as part of a condition based maintenance process and provide higher accuracy and lower cost in developing SF6 usage reports to environmental agencies. SF6 is prevalent in electrical utility infrastructure because it is one of the best arc distinguishers.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Given the age of many electrical utilities' infrastructure, and the stress of increasingly diversified incoming energy sources the utilities are managing (e.g. solar, wind), the necessity of monitoring and maintaining safe and functional systems is of paramount importance.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Comment

Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	Fortive is early in our sustainability journey. We are evaluating a range of aspirational and future goals to accelerate and drive progress toward reducing our impacts.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

Fortive announced its first greenhouse gas (GHG) reduction goal in 2019 and in May 2021, announced our accelerated goal, to reduce GHG emissions intensity 50% by 2025, relative to our 2017 base year. With this announcement, we shared our commitment to align with TCFD disclosure in 2022. We conducted a TCFD scenario planning gap analysis earlier in 2021 and plan to action climate scenario planning within the next two years as we evolve the Sustainability program to include more detailed and scientific analysis.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Fortive's customers are making the world stronger, safer, and better by powering clean energy, reducing water waste, keeping critical infrastructure up and running, and ensuring safe, sterile healthcare environments. Our customers count on Fortive's innovative products and services to accelerate progress toward these ambitious, world-shaping goals. Our data-driven Voice of the Customer (VOC) informs us of the needs of our customers, and their plans to fulfil their customers' demands. We are partnering for safer hospitals and highways, renewable energy solutions, and smarter use of precious natural resources. Climate-related risks and opportunities accelerate the demand and our innovative culture to develop and enhance products and services to realize the impacts our products enable, at scale.

Supply chain and/or value chain	Evaluation in progress	In 2019, we added Sustainability-related questions to our supplier questionnaire which Fortive requires be completed by all suppliers. The questionnaire responses will enable us to establish an initial baseline, including the response data gathered in 2020. Climate-related risks and opportunities are in the roadmap for Value Chain assessment.
Investment in R&D	Yes	Many of our operating companies provide products and services that enable customers to mitigate climate change impacts across a range of industries, including software and technology solutions, sensing technology and IoT, transportation and mobility, and healthcare. Fortive's operating companies account for climate-related risks and opportunities by prioritizing R&D investments in the capital allocation process that respond to known and anticipated customer needs.
Operations	Yes	Through the Enterprise Risk Management, EHS Risk Score and energy kaizen programs, we account for climate change-related risk and energy use reduction opportunities. Climate change-related risks are identified through the ERM and the EHS Risk Score. The energy kaizen program is a proactive program used to identify energy use and carbon reduction opportunities at the site and operational level.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital allocation Acquisitions and divestments	Indirect costs: climate-related increases in global average temperatures presents risk to operational costs (i.e., indirect costs) due to increased demand for energy to maintain and manage workplace temperatures. For example, in 2020 there were wildfires across the western United States which impacted many of our employees and certain operational sites, requiring one site to close for several days and have employees evacuate the area. There were increased costs associated with closing down and reopening the facility, driven by lost productivity and increased HVAC operations to ensure indoor air quality could be returned to operational-required levels. Capital allocation: climate-related impacts to the industries and customers we serve influences how capital allocation is approved, based on impact and alignment to near-term business objectives and longer-term strategic investments. Operating company presidents determine capital allocation based on customer priorities and alignment to the business strategy, including development of additional or

		enhanced products and services that power clean energy, reduce water waste, keep critical infrastructure operational and support transportation electrification. We also invest in emissions reduction projects to reduce energy use/improve energy efficiency to reduce GHG emissions and indirect costs. Revenues: An increase in demand for sustainable operations and renewable energy delivered increases in revenue across our operating companies. For example, Fluke offers industrial instrumentation that support operational efficiency such as the ii900, Sonic Industrial Imager and Fluke's Norma 6000 series of portable power analyzers. These tools enable operations teams to identify leaks in compressed air systems, which comprise approx. 10% of industrial electricity usage. Tektronix oscilloscopes and Qualitrol's DGA-LT1 wireless digital gas analyzer monitor support the renewable energy industry, providing precise measurements for electrical systems and continuous tracking of failure indicators in wind turbines to prevent outages and ensure consistent energy delivery to the grid. Acquisitions and divestments: From software solutions to sensing technology and the internet of things, across a range of industries, Fortive's strengths enable us to test and implement a range of services to execute our own Sustainability initiatives and advance our performance. As we move toward Fortive 3.0, our portfolio is transitioning to more software-based (vs. manufacturing) businesses. With this transition, the carbon intensity of our operations is decreasing and shifting more toward indirect emissions. In 2020, we spun off five operating companies into a new, independent public company, Vontier. The operating companies that were divested in the separation are in the transportation and industrial sectors, and were some of our more energy-intensive operations.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

In support of our GHG intensity reduction goal, Fortive is investing in emissions reduction projects (projects specifically targeting energy and carbon reductions), revised and renewed conducting energy kaizens to identify energy use reduction and efficiency opportunities, and formally transitioned to Intelex's Sustainability Performance Indicators (SPI) software, a platform specifically designed for sustainability data collection, analysis and reporting. Each of these initiatives is guided by standard work (policies, processes, SOPs) to drive and improve the integrity and rigor of Fortive-wide sustainability performance.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO2e per unit revenue

Base year

2017

Intensity figure in base year (metric tons CO2e per unit of activity)

0.01924

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

50

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.00962

% change anticipated in absolute Scope 1+2 emissions

11

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.01307

% of target achieved [auto-calculated]

64.1372141372

Target status in reporting year

Revised

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

In May 2021, Fortive announced an acceleration of our GHG emissions intensity goal - to reduce GHG intensity 50% by 2025, relative to our 2017 base year. We are researching SBTs and are considering establishing a SBT-net zero carbon goal within the next 12-18 months.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	48	5,667
To be implemented*	4	557
Implementation commenced*	4	534
Implemented*	8	319
Not to be implemented	7	773

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

170

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

98,000

Investment required (unit currency – as specified in C0.4)

203,000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Lighting upgrades to LEDs throughout multiple facilities

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

115

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

114,580

Investment required (unit currency – as specified in C0.4)

298,000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

HVAC system repairs, updates and replacement with energy efficient/lower-emission refrigerants

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Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

24

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

8,900

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Process optimization, including reconfiguration of light assembly equipment and tech labs; shift consolidation

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low-carbon product R&D	Fortive invests in the development and modification of its products and services in response to actual or anticipated customer demands for solutions to help customers achieve their emissions reduction goals. For example, across Fortive, our operating companies fund and staff testing laboratories for products and services that support lower carbon market solutions (e.g., renewable energy, sensing technology) and our customers' carbon intensity. Where appropriate, we apply those solutions to our own operations to drive performance and emissions reductions.

Dedicated budget for energy efficiency	Fortive is investing in emissions reduction projects to reduce our operational carbon emissions. This includes energy efficiency projects such as lighting upgrades, process improvements, equipment updates and retrofits and more. The funding for these projects is in addition to standard CapEx funding and is approved based on impact to GHG emissions reductions.
Dedicated budget for other emissions reduction activities	Fortive is investing in emissions reduction projects to reduce our operational carbon emissions. This includes infrastructure upgrades and improvements, gas recovery systems, and energy use avoidance. The funding for these projects is in addition to standard CapEx funding and is approved based on impact to GHG emissions reductions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Intelex, a Fortive company, develops web and mobile applications that streamline and simplify environmental, safety and quality management to help companies around the world ensure compliance, reduce risk and improve performance. Their products include ESG-focused applications such as the Sustainability Performance Indicators (SPI) solution that enables organizations to effectively manage and analyze their ESG data including GHG inventories. By empowering customers to have ESG and GHG data in real-time, customers are positioned to action their data, measure the impacts, understand what is - and isn't - working, and communicate easily with stakeholder audiences.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Accounting infrastructure is aligned to The GHG Protocol standards

% revenue from low carbon product(s) in the reporting year

5

Comment

Given the increasing demand for auditable GHG and emissions-related data for public reporting, we anticipate the demand for Intelex's SPI platform, and supporting products will increase in the near- and mid-term.

Level of aggregation

Group of products

Description of product/Group of products

Fluke’s ii900 series of acoustic imaging camera enable enables maintenance teams to quickly and accurately locate air, gas and vacuum leaks in compressed air systems; even in noisy environments. The visual interface allows technicians to isolate the sound frequency of the leak to filter out loud background noise, enabling quick and easy identification of air leak repairs needed to ensure efficient operations and reduce utility bills.

in the industrial sector, compressed air use uses 5-10% of electricity consumption; in certain industrial industries (e.g. glass) it is more than 20% of electricity use. Being able to quickly identify compressed air leaks *without shutting down or interrupting* operations saves operators time, energy waste and money. According to the US EPA, the Industrials sector accounts for an estimated 30% of all electricity use. Reducing electricity use via identifying and repairing compressed air leaks reduces GHG emissions at the site level and contributes to reducing the energy-intensity of the Industrials sector.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Analysis of product accuracy rate; simple calculations applied to longitudinal industry averages for electricity use loss associated with compressed air use

% revenue from low carbon product(s) in the reporting year

Comment

Level of aggregation

Product

Description of product/Group of products

Qualitrol's new DGA-LT1 wireless digital gas analyzer monitor continuously tracks failure indicators in wind turbines. This helps to prevent unexpected outages and ensures a steady supply of clean energy to the grid.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

In simple terms, utilities track and calculate system down-time and amount of energy generation lost. This is converted to GHG emission avoidance lost/gained by applying utility-level emissions factors with- and without- wind energy contribution

% revenue from low carbon product(s) in the reporting year

1

Comment

The percent of revenue is a very conservative estimate. Fortive is developing a methodology to define and track products and services that provide a downstream GHG emissions reduction. Once the Methodology is defined, we plan to apply across our operating companies and disclose the operational and downstream impacts/opportunities.

Level of aggregation

Group of products

Description of product/Group of products

Accruent's integrated facilities management software supports ongoing operational efficiency for more than 10,000 customers in 150 countries. The software helps customers monitor building systems and physical resources, reducing damage, extending lifespan, and managing assets. Positive outcomes include an average 2–5% reduction in refrigerant usage and 15% reduction in energy costs.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

In simple terms, customers track and calculate system efficiency compared to baseline. This is converted to GHG emission avoidance lost/gained by applying relevant emissions factors to energy use avoided/reduced.

% revenue from low carbon product(s) in the reporting year

Comment

Level of aggregation

Product

Description of product/Group of products

Qualitrol's iSGM – Intelligent SF6 Gas Monitoring software product enables electrical utilities (customers) to monitor and manage SF6 levels in their insulated switchgear. SF6, the most potent GHG, is one of the best arc distinguishers, which are critical to understanding potential risks within the electrical energy systems and keep workers safe. The iSGM provides real-time automatic ranking of highest leaking gas zones at global utility level and/or per substation level and real-time automation of year to date and per annum SF6 emissions and leak rates. By identifying leaks when they first arise, utilities can avoid further SF6 leakage, which reduces process gas emissions and saves money.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year

0.3

Comment

Conservative estimation of this singular product's contribution to overall revenue.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

16,891

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Scope 2 (location-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

45,994

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We are implementing market-based accounting in 2H-2021

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

17,464

Start date

January 1, 2020

End date

December 31, 2020

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

20,881

Start date

January 1, 2019

End date

December 31, 2019

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

15,662

Start date

January 1, 2018

End date

December 31, 2018

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

16,891

Start date

January 1, 2017

End date

December 31, 2017

Comment

Note: Same data as reported in C5.
In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

We are implementing market-based accounting in 2H-2021.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

43,121

Start date

January 1, 2020

End date

December 31, 2020

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 1

Scope 2, location-based

47,453

Start date

January 1, 2019

End date

December 31, 2019

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 2

Scope 2, location-based

46,324

Start date

January 1, 2018

End date

December 31, 2018

Comment

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

Past year 3

Scope 2, location-based

45,994

Start date

January 1, 2017

End date

December 31, 2017

Comment

Note: Same data as disclosed in C5.

In 2020, Fortive separated 5 operating companies to form Vontier (VNT), an independent public company. Consistent with the accounting methodology outlined

in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting standards, immediately post-separation, we updated the GHG inventory to reflect current day Fortive operating companies back through the 2017 base year.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not evaluated

Please explain

Capital goods

Evaluation status

Not evaluated

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Please explain

Upstream transportation and distribution

Evaluation status

Not evaluated

Please explain

Waste generated in operations

Evaluation status

Not evaluated

Please explain

Business travel

Evaluation status

Not evaluated

Please explain

Employee commuting

Evaluation status

Not evaluated

Please explain

Upstream leased assets

Evaluation status

Not evaluated

Please explain

Downstream transportation and distribution

Evaluation status

Not evaluated

Please explain

Processing of sold products

Evaluation status

Not evaluated

Please explain

Use of sold products

Evaluation status

Not evaluated

Please explain

End of life treatment of sold products

Evaluation status

Not evaluated

Please explain

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable. Neither Fortive nor the operating companies lease any owned assets to third parties.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable. Neither Fortive nor the operating companies own or operate franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable. Neither Fortive nor the operating companies have or maintain investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable. There are no additional upstream sources of emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable. There are no additional downstream sources of emissions.

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	No, and we do not plan to start doing so within the next two years	

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.01307

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

60,585

Metric denominator

unit total revenue

Metric denominator: Unit total

4,634,000,000

Scope 2 figure used

Location-based

% change from previous year

12.7

Direction of change

Decreased

Reason for change

The emission intensity reduction is due primarily to GHG emissions reductions, achieved through improved operational efficiency and at some sites, reduced site occupancy due to the impacts of the COVID-19 pandemic. As a result of the pandemic, 2020 was an anomalous year for businesses and organizations worldwide. The pandemic affected our operating companies differently, yet overall, Fortive realized a 3.7% absolute reduction and 32.1% intensity reduction between the 2017 base year and YE 2020, and an 11.3% absolute reduction and 12.7% intensity reduction from 2019-2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	13,845	IPCC Second Assessment Report (SAR - 100 year)
CH4	0.29	IPCC Second Assessment Report (SAR - 100 year)
N2O	0.08	IPCC Second Assessment Report (SAR - 100 year)
SF6	9,514.6	IPCC Second Assessment Report (SAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	16,668
Canada	20
United Kingdom of Great Britain and Northern Ireland	118
Germany	108
China	18
India	51
Switzerland	59
Australia	0
Netherlands	209
Brazil	1
Slovakia	211

Japan	0
Democratic People's Republic of Korea	0
France	0
Sweden	3
Taiwan, Greater China	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Accruent	0
Advanced Sterilization Products (ASP)	1,577
Anderson-Negele	70
Censis	0
Fluke	10,129
Fortive Corporate	469
Gems Sensors	300
Gordian	0
Hengstler/Dynapar	369
Industrial Scientific	839

Invetech	0
Pacific Scientific EMC	293
Qualitrol	238
Setra	198
Tektronix	2,820
Fluke Health Systems	162

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	30,149		90,465	
Canada	9		298	
United Kingdom of Great Britain and Northern Ireland	911		3,565	
Germany	703		1,757	
Japan	283		567	
China	7,600		9,870	
India	1,290		1,554	
Republic of Korea	32		59	
France	19		592	
Switzerland	44		1,455	
Australia	1,033		1,275	

Netherlands	399		984	
Sweden	4		212	
Brazil	14		212	
Slovakia	467		2,321	
Taiwan, Greater China	165		214	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Accruent	358	
Advanced Sterilization Products (ASP)	169	
Anderson-Negele	427	
Censis	273	
Fluke	9,475	
Fortive Corporate	533	
Gems Sensors	893	
Gordian	170	
Hengstler/Dynapar	5,215	
Industrial Scientific	3,196	

Invetech	1,064	
Pacific Scientific EMC	2,654	
Qualitrol	430	
Setra	780	
Tektronix	15,758	
Fluke Health Systems	1,728	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1.3	Decreased	0	Due to slightly lower electricity demand in one site location where renewable energy is the sole source of electricity, from 2019-2020 there was a minor reduction in renewable energy use (market-based which is not reported in this year's disclosure).
Other emissions reduction activities	6,305.7	Decreased	81	Energy efficiency projects, energy and Scope 1 source use reductions, process improvements
Divestment	0	No change	0	The separation of Vontier occurred in 2020, and upon completion, the GHG accounting and inventory were revised for the reporting year and back through to the 2017 base year to reflect current-state Fortive.

Acquisitions	0	No change		One acquisition (ehsAI) occurred in 2020; there were no additions to the EHS significant site boundary due to the acquisition.
Mergers	0	No change		No mergers were completed in 2020.
Change in output	0	No change	0	No material changes
Change in methodology	0	No change	0	Addition of SF6 and mobile fuel sources to the GHG inventory enhance the completeness of our GHG accounting and reporting. Where any/all "new" sources of GHG emissions data is incorporated, data is captured and accounted for back to the 2017 base year. This is why there are not MTCO2e impacts associated with the changes.
Change in boundary	0	No change	0	No change to accounting/reporting boundary
Change in physical operating conditions	1,443	Decreased	18	In 2020, Fortive made changes to our real estate holdings due to decreased demand (COVID-19 was a primary but not the only driver) and opportunities to consolidate or revise operations' locations (separation of Vontier led to shared space 'ownership' assessments and changes in certain locations).
Unidentified	0	No change	0	N/A
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

We don't have any Scope 3 emissions data

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		39,438.4	
Consumption of purchased or acquired electricity		2,037.5	113,654	115,691.5

Total energy consumption		2,037.5	153,092.4	115,691.5

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

754.11

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

73.96

Unit

kg CO2e per million Btu

Emissions factor source

US EPA Emissions Hub, International Energy Agency

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

39,438.37

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

28,581.71

Emission factor

53.06

Unit

kg CO2e per million Btu

Emissions factor source

US EPA Emissions Hub, International Energy Agency

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

564.31

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

73.25

Unit

kg CO2e per million Btu

Emissions factor source

US EPA Emissions Hub, International Energy Agency

Comment

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	No, but we plan to start doing so within the next two years	Fortive is undertaking research and analysis to develop a consistent, transparent framework to evaluate, quantify and validate the efficiency of products and services across our operating companies. Existing frameworks are being evaluated for efficacy and applicability, and given the diverse nature of our operating companies, we are evaluating across a range of industries.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify

Energy intensity per operational square foot

Metric value

35,890.41

Metric numerator

MMBTu

Metric denominator (intensity metric only)

square footage (SF)

% change from previous year

12.3

Direction of change

Decreased

Please explain

We evaluate operational energy use per site square footage annually as a benchmark and to identify hot spots within our operations.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Smart systems

Stage of development in the reporting year

Full/commercial-scale demonstration

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

Comment

Setra Remote Energy Monitoring; these sensor-based systems enable customers to apply sensors where they want to track energy use at a systems or equipment level; the data is then fed into a centralized software interface to provide real-time monitoring and a detailed understanding of where/how energy is used throughout the facility/campus.

Technology area

Machinery automation

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

Comment

Andersen-Negele develops sensors used throughout the food and beverage sector to ensure precision homogenization and pasteurization to reduce water and other additive usage in the beverage production process.

Technology area

Renewable energy

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

Comment

Among Fluke's products are industrial instruments designed to enable users (customers) to easily identify sources of energy and/or electricity waste. For example, the FLUKE ii900 acoustic imager and the Norma 6000 portable power analyzer are both products specifically designed with identify energy/power use waste.

Technology area

Renewable energy

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

Comment

The Qualitrol DGA-LT1 is a cost-effective wireless transformer monitor specifically designed for monitoring failure and safety risks on distribution pad mount transformers. The DGA-LT1 brings a cost-effective means to reduce site safety risks and prevent costs associated with unplanned outages due to failures.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No emissions data provided

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Fortive is evaluating the potential impacts of emerging carbon pricing regulations. At a minimum, our strategy will employ emissions reductions strategies and efficiency upgrades as well as feasibility assessments for on- and off-site renewable energy investments. The scope of the strategy will be comprehensive, across all of Fortive's operating companies, and will prioritize those regions where carbon pricing is or is expected be most applicable (e.g. the EU).

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

50

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Fortive's operating companies share data and information about product/service capabilities with all customers. A few operating companies have data and information they share with customers re: specific certification and/or performance statistics. However, we are in the process of evaluating, identifying and developing a framework that references existing certification schemes and defines qualifications for product/service sustainability claims for use by our full portfolio of operating companies.

The nature of the engagement is sales and marketing information, and customer-relevant data and information through direct customer service and customer success engagement. Operating companies also solicit customer feedback through surveys and other indirect forms of engagement, to ensure a well-rounded, informed perspective.

Impact of engagement, including measures of success

We employ the Fortive Business System tools that are specifically designed for capturing customer feedback (e.g. Voice of the Customer, CSAT baseline and longitudinal data collection) and actioning the data (e.g. Value Stream Mapping, Value Analysis / Value Engineering (VAVE)) and define JOP (jumping off point/baseline) metrics, goals, and action plans to achieve the goals.

FBS is a powerful set of shared tools AND methods that help us achieve safety and quality, optimize productivity, minimize waste, deliver for our customers, lead effectively, scale our successes, and achieve new breakthroughs across disciplines, industries, and geographies. It is fundamental to how we work and drives us to adapt and evolve. We apply the FBS mindset and toolkit to our core business operations and continuously explore how we can be better stewards of the environment and society, enhancing our strategy in the process.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

No

C12.3g

(C12.3g) Why do you not engage with policy makers on climate-related issues?

Fortive announced its first greenhouse gas (GHG) reduction goal in 2019. We are focused on developing and scaling foundational programs as well as systems and processes necessary to align our Sustainability program to best practices and position the company to achieve its goals. Policy engagement is in our roadmap as we evolve the Sustainability program strategy. We are monitoring the rapidly evolving policy, regulatory and voluntary issues and initiatives through systems and other internal and external channels.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Fortive_2021_Sustainability_Report_FINAL.pdf

Page/Section reference

2,3,10,11,21-24,29,37,45-47

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

FTV-2021-Proxy-Statement.pdf

Page/Section reference

33-36

Content elements

Governance
Strategy

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President and General Counsel	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms