



# 2017

BOSE SUSTAINABILITY REPORT

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## Message from Our CEO

This is a period of exciting change at Bose. Through our research and innovation, we have grown a portfolio of increasingly connected products, both in-the-home and on-the-go, which are delivering life-changing experiences to millions of customers and an increasingly younger demographic. Many of these customers are interested in knowing more about what Bose stands for as a company, and we are pleased to share part of that story in this report.

Sustainability is a reflection of our Essence and Values, which are the foundation of Bose's culture. They support our pursuit of excellence and our collective commitments to conduct business with integrity and treat others with respect. These ideals run back to our founder, Dr. Bose, who sought to create an environment where people could realize their fullest human potential. His gift of the majority of non-voting shares to MIT represents a remarkable arrangement between a university and a company. It helps ensure that Bose will remain private and independent, continue to invest for the long term and live out these ideals—a responsibility we take very seriously.

We are proud of the impact our sustainability program is having on our people, communities, and environment, as well as on our business. By pursuing excellence in how we manage our environmental performance and care for our people and communities, we create a culture that engages and motivates our employees, attracts the best new talent, and helps us run our business with greater efficiency. A sustainability focus also dovetails with our efforts to help people feel more, do more, and be more with Bose products and technology. For example, we are increasing our investment in the development of products that support wellness, such as our Hearphones product, which helps people better understand conversations in noisy environments.

Looking back on fiscal year 2017, I am particularly proud of several notable accomplishments:

- We began construction of a 1.7 MW solar power installation on our Framingham campus;
- Our manufacturing plant adopted a set of goals covering energy use, waste, employee engagement, and community support;
- We completed the roll-out of our Global People Management Initiative, which fosters a better work environment by improving the management skills of all 2,200+ leaders;
- We continued to support education and research through mentoring the MIT IDEAS Global Challenge teams, offering Bose Sound System Grants, and other meaningful initiatives;
- We paid a dividend to our stockholders, including MIT, which uses those funds to advance its education and research mission.

While sustainability has been a part of how we do business, this is our first public report—another step forward—and we are pleased to share our progress, priorities, and commitment with our employees, our customers, and the public.

The environmental and social challenges that are important today will be even more critical in the future. As a company that plays for the long run, we must continue strengthening our sustainability practices so that we can do our part to create a responsible, sustainable future.

**BOB MARESCA**  
CHIEF EXECUTIVE OFFICER

# AT A GLANCE: FISCAL YEAR 2017 (FY17)

## OUR COMPANY

### ANNUAL SALES:

\$3.8 Billion (US)

### OWNERSHIP:

Privately Held Company



### LARGEST MARKET:

United States of America



### MAIN MANUFACTURING LOCATION:

Mexico



### COMPANY HEADQUARTERS:

Framingham  
Massachusetts, US

### GLOBAL OPERATIONS\*:

Australia, Austria, Belgium, Canada, Chile, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Poland, Singapore, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States

\* excludes retail stores

## ENERGY AND EMISSIONS



### ELECTRICITY

193,300 GJ



### FUEL USE

57,400 GJ

+



### TOTAL ENERGY USE

250,700 GJ

## CARBON EMISSIONS (TONNES CO<sub>2</sub>e)

Scope 1

Scope 2

Total

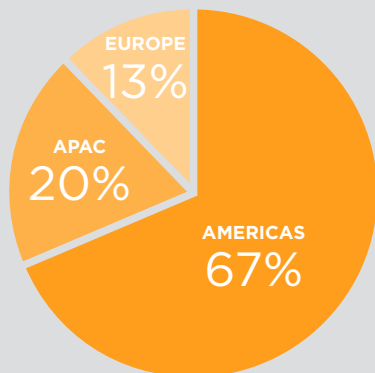
2,940 + 21,360 = 24,300

## EMPLOYEES

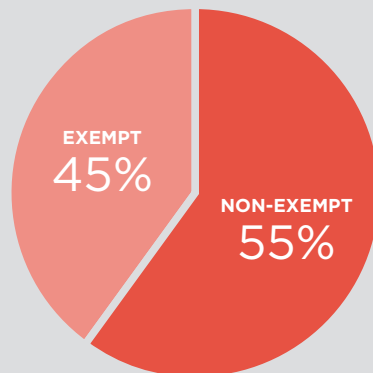
TOTAL WORLDWIDE EMPLOYEES:

8,000+

### BY REGION



### AMONG PERMANENT EMPLOYEES\*\*



\*\*Permanent employees make up 94% of Bose's employees

### BY GENDER

31%  
FEMALE

69%  
MALE

## FY20 MANUFACTURING SUSTAINABILITY GOALS:



- Increase people management training participation from 84% to 95%



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



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



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

A person with curly hair and glasses is looking down at a desk covered with architectural blueprints. The person is wearing a light-colored sweater. The background is a close-up of the blueprints, showing various lines and text. The overall scene is dimly lit, with a warm, brownish tone.

# OUR COMPANY

Bose Corporation was founded in 1964 by Dr. Amar G. Bose, then a professor of electrical engineering at the Massachusetts Institute of Technology (MIT). Today, the company remains driven by its founding principles, investing in long-term research with one fundamental goal: to develop new technologies with real customer benefits. Bose innovations have spanned decades and industries, creating and transforming categories in audio and beyond. Bose products for the home, the car, on the go, and in public spaces have become iconic, changing the way people listen to music.

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



## Product Sectors and History

Despite Dr. Bose's early focus on high-end audio, Bose Corporation's first products were actually high-power amplifiers for converting battery power to AC power in U.S. military aircraft and submarines. From there, our research focus has led us to new product categories both within and outside our core fields.

### BOSE CONSUMER ELECTRONICS BUSINESS

In 1968, Bose introduced the 901 Direct/Reflecting® speaker system, garnering international acclaim and beginning a long history of challenging conventional thinking. For more than 50 years, Bose has developed audio products that have changed norms, defied trends, and delighted listeners. Today, Bose home audio systems include both wired and wireless speakers and audio for video systems—among them SoundTouch® systems, SoundLink® Bluetooth® speakers, and Lifestyle® home entertainment systems.

Over the past quarter-century, Bose has set a standard for excellence in the burgeoning headphones market. In 1989, it introduced the very first noise-cancelling headset for aviation, later adapting the concept for military use. Bose then applied that technology to the iconic QuietComfort® headphones, a product line synonymous with unprecedented noise reduction, audio performance, and comfort—and now available in a wireless design. As the headphone market has grown around the world, Bose has expanded beyond noise-reduction models to provide consumers with audio headphone solutions, including the all-new SoundSport® wireless headphones. Bose headphones use a proprietary approach, developed over decades, to deliver performance like nothing else available.

## BOSE PROFESSIONAL SYSTEMS

In 1972, Bose introduced its first professional speaker for performing musicians. In the years that followed, Bose Professional Systems evolved to include other solutions and technologies used in demanding applications, including the Olympics, large stadiums and arenas, performing arts centers, houses of worship, hospitality venues, and retail chains around the world.



## BOSE AUTOMOTIVE SOUND SYSTEMS

In the early 1980s, Bose pioneered the automotive sound market with the first factory-installed premium sound systems custom-designed for individual car models. Using the Bose Clean Sheet approach, each Bose automotive system is tailored to the unique acoustic blueprint of the vehicle. This approach, combined with patented and proprietary components, electronics, and testing and manufacturing techniques, has established Bose automotive sound systems as the benchmark for performance, quality, and driver satisfaction. Today, Bose automotive sound systems are recognized globally as the industry benchmark for performance and customer satisfaction, validated by independent research rating Bose as the top choice among car consumers in multiple global regions.



## Dr. Bose's Legacy

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

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

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

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

**Professor Amar Bose Seed Funds for Innovative Research** offer intrepid researchers up to \$500,000 over three years, enabling research that might not be easily funded through traditional sources, and which may lie outside the researcher's core area of expertise. Last year, MIT faculty members received grants to pursue four groundbreaking research projects in the areas of environmental bioremediation, cell reprogramming, protein nanofabrication, and advanced electrochemical reactions.



## Bose Guiding Principles & Essence and Values

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

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



### BOSE GUIDING PRINCIPLES

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

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

### BOSE ESSENCE AND VALUES

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

- We conduct business with **INTEGRITY**
- We pursue **EXCELLENCE** in everything we do
- We encourage **INNOVATION** in all aspects of our work
- We have a **PASSION** for what we do and what Bose stands for
- We treat others with **RESPECT**
- Together, we create **VALUE** for our customers

# Sustainability Vision and Strategy

When we latch on to a good idea, we want to take it all the way. That's true for our research and product development, and it's true for our sustainability program as well.

We strive to embed sustainability comprehensively into everything we do, adopting leading management practices across our three pillars: environmental, economic, and social. Realizing this ambition will require us to maintain our commitment over the long run, and continue to improve and innovate at both the leadership and employee level.

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

This past year, we've made important progress advancing our program. At our headquarters campus in Framingham, Massachusetts, we have signed a power purchase agreement for a 1.7 megawatt (MW) solar array, which is currently under construction. Our manufacturing plant in Mexico has established improvement goals for energy, waste, employee training, and community impact. And, we've published the sustainability report you're reading now—the first one we have shared publicly, marking an important step in helping our customers better understand what Bose stands for and who we are as a company. Over time, it is our intention to fully integrate sustainability into business decisions we make across the company, and into everyone's work at Bose.

In a world of complex environmental challenges and escalating social needs, sustainability is simply the right thing to do—for the planet, for society at large, and for the individual communities in which we live and work. Doing the right thing is also important for our business, our employees, and recruiting the best new talent. It's important to our business partners, and increasingly to our consumers.

## THE BOSE SUSTAINABILITY VISION

Bose Corporation's commitment to social, economic, and environmental stewardship is a reflection of our Essence and Values. By applying our Guiding Principles to these three pillars of sustainability, Bose will increase the value that we provide to our communities.

## 3 PILLARS OF SUSTAINABILITY



## FY20 MANUFACTURING SUSTAINABILITY GOALS

*Relevant for Bose's manufacturing plant, which is located in Tijuana, Mexico*



INCREASE PEOPLE  
MANAGEMENT TRAINING  
PARTICIPATION FROM  
**84% to 95%**



INCREASE THE  
NUMBER OF PEOPLE  
THAT BENEFIT FROM OUR  
COMMUNITY PROGRAMS  
by **50%**  
(FY17 baseline)



REDUCE ENERGY  
CONSUMPTION BY  
**6% per unit**  
PRODUCED  
(FY17 baseline)



INCREASE OUR  
WASTE RECYCLING  
RATE<sup>1</sup> FROM  
**91% to 95%**

<sup>1</sup> Includes materials that are reused or sold to a third party.

# Sustainability Governance

For sustainability to get traction at a company there must be top-to-bottom buy-in with policies and processes incorporated into the business's fabric and culture. Bose has been working to push this idea forward over the last several years and has a robust governance structure that coordinates and communicates our sustainability programs and objectives.



## SUSTAINABILITY EXECUTIVE STEERING COMMITTEE

- Chaired by the Sustainability Executive Sponsor, the group is comprised of C-suite level leaders of our manufacturing, engineering, human resources, and products functions
- Meets quarterly to provide strategic oversight and guidance

## GLOBAL SUSTAINABILITY OFFICE

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

## GLOBAL SUSTAINABILITY COUNCIL

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

## FACILITY-LEVEL SUSTAINABILITY COMMITTEES

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

### EMPLOYEES



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

### BUSINESS CUSTOMERS



Bose's business customers are actively pursuing sustainability in their operations, products, and supply chains. Our sustainability efforts support their objectives, and we have established a sustainability database and an improved process for communicating our progress to them.

### CONSUMERS



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



## Engaging Stakeholders Across the Bose Ecosystem

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

### SUPPLIERS



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

### LOCAL COMMUNITIES



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

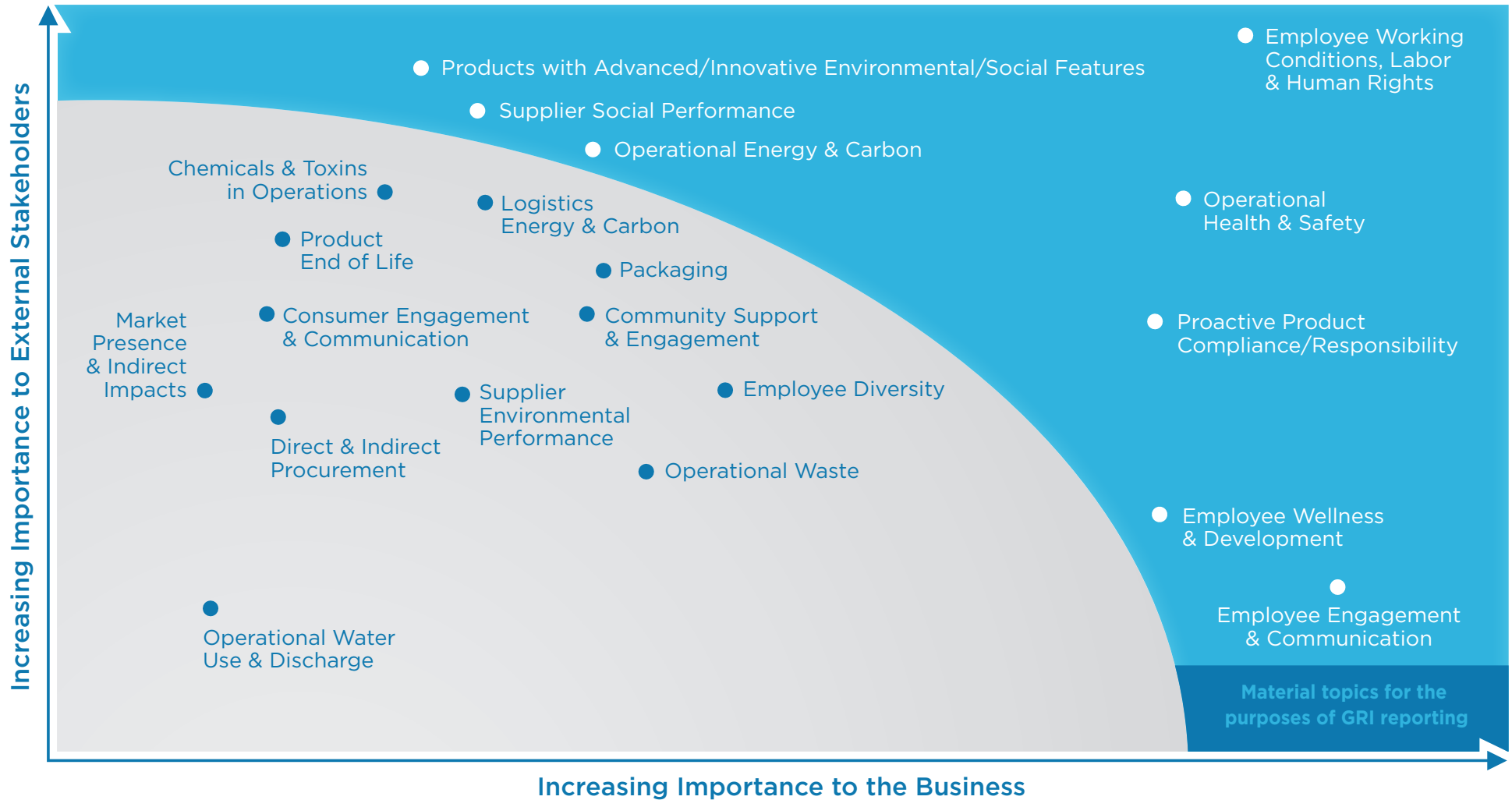
### OTHER STAKEHOLDERS



Bose's future plans include increasing our engagement on environmental and social topics with non-governmental organizations (NGOs), governments, academic institutions, business partners, and the media.

# Materiality Assessment: Understanding Our Impacts

We engaged more than 50 Bose executives, employees, and external stakeholders to help prioritize our most material sustainability topics, ranking them by importance to our business and importance to external stakeholders. Through annual review of this materiality assessment, we're able to focus our efforts on the highest-priority areas and enhance our reporting practices.





# OUR PEOPLE

Innovation comes from one place: the minds of people whose curiosity pushes them to think beyond the everyday. At Bose, we're compelled to push things forward, to invent products people may never have dreamed were possible.

Our founder, Dr. Bose, knew that people are our most valuable resource, and he believed deeply in helping them reach their fullest potential—encouraging their passions so their ideas can take flight. As an innovation-focused company, investment in our people's engagement, wellness, and personal development is a big part of how we thrive, and makes Bose a magnet for great minds, now and into the future.

# Unlocking Our People's Potential

## FOSTERING A GREAT WORK ENVIRONMENT

Curiosity: It's what drives us as a company—always looking around the next corner and finding solutions to seemingly unsolvable problems. That same obsessive curiosity is what brings the best people to Bose and keeps them striving toward innovation, day in and day out. To match their dedication, we commit ourselves to providing a supportive, fulfilling work environment and the right opportunities to help them flourish.

As a company that operates across geographies and cultures, Bose knows that diversity and inclusion are integral to a truly great workplace. Fostering an environment that respects and honors differences in areas such as race, gender, sexual orientation, culture, and ways of thinking is part of the Bose Essence and Values, helping us build a more cohesive workforce and a stronger, more innovative business.

To make sure our people have a say in shaping their working environment, we use a biennial employee survey. We carefully analyze the results to gauge how our people are doing, identify what motivates and engages them, and understand where they'd like to see improvements in how Bose is run. The title of our survey, "Say More, Be Heard," represents a promise we're serious about keeping. In recent years survey feedback has led directly to the creation of two important initiatives: our Recognize & Celebrate program, which helps show our appreciation for our people's dedication and commitment, and our Global People Management Initiative, which helps leaders become better managers.

## Recognize & Celebrate: Rewarding Distinction

Doing quality work is its own reward—but a little recognition doesn't hurt either. Now in its third year, our Recognize & Celebrate program aims to reward and engage our global workforce and foster a culture of appreciation.

### RECOGNIZE

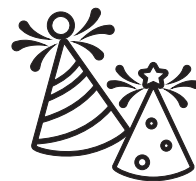
The "Recognize" portion of the program is a pat on the back from one colleague to another in appreciation of a job well done. Through an online portal, employees can send coworkers an eThanks, eButton, or animated card for immediate, personal recognition, or formally nominate a colleague for a monetary award.



**MUCH RESPECT:**  
BOSE EMPLOYEES SENT AND RECEIVED 39,213 NOMINATION AWARDS AND eTHANKS IN FY17

### CELEBRATE

"Celebrate" recognizes longstanding members of the Bose family with an award for each five-year employment anniversary, including a personal message from our company president.



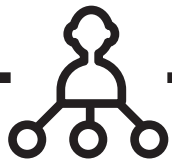
### HATS OFF:

260 PEOPLE CELEBRATED BOSE CAREER MILESTONES IN FY17

## HELPING OUR PEOPLE REACH THE NEXT LEVEL

We admit it: We're obsessed. Obsessed with challenging ourselves. Obsessed with continuously improving our company, our products, and the way we do things. The same goal applies to our people, which is why we offer a range of training opportunities designed to help them achieve their potential: enhancing their skills, fostering engagement with their work and the company, and unlocking new career opportunities.

This commitment extends to people at every level of the organization. For example, for U.S. employees, Bose offers a tuition reimbursement program and also partners with external organizations to provide business-critical training. At our factory in Tijuana, Mexico, a secondary school certification program provides funding for teachers and materials, helping employees whose education had been disrupted earn their high school diplomas.



**FISCAL YEAR 2020  
MANUFACTURING GOAL:  
INCREASE PEOPLE  
MANAGEMENT TRAINING  
PARTICIPATION FROM  
84% to 95%\***

\* Metric includes anyone with at least one direct report.

## Global People Management Initiative (GPMI)

We believe the more engaged a manager is with the development of his or her employees, the more likely those employees are to feel motivated, supported, and respected.

Designed to address that challenge, GPMI is a key program for Bose, going beyond a training program and focusing on long-term, continuous improvement in our management style for all people managers. By the end of FY17, all of our managers across the globe had participated in GPMI. Given its importance, we enroll newly promoted and newly hired managers into the program on a continual basis to help set them up for success early on. The formal GPMI training is designed to introduce best practices, instill core people management concepts, and provide the tools, coaching, and support to apply those practices effectively.

Available in six languages, GPMI is an ongoing process. Following in-class training, online modules and mentoring help ensure that managers make good use of their new skills, while direct-report surveys dig deep into the manager's capabilities. Follow-up behavioral studies and the results of our 2016 global engagement survey show that GPMI is working, with employees reporting clear management improvements in several areas directly related to core GPMI principles.

## CORE GPMI DISCIPLINES

1

### HIRE AND INSPIRE:

Hire great people, welcome them, and inspire them to stay

4

### RECOGNIZE & CELEBRATE:

Recognize and celebrate progress and success

2

### SUPPORT PERFORMANCE:

Align with employees for maximum results

5

### MODEL THE BOSE WAY:

Model our Essence and Values. Build a foundation of trust

3

### EMPOWER DEVELOPMENT:

Support the growth and development of employees

## Bose Lean Enterprise (BLE) Training

Lean Six Sigma is a collaborative, data-driven discipline focused on optimizing business processes, eliminating waste, improving performance, and creating value. It's a core competency at Bose, its principles woven deeply into our operations, our culture, and our emphasis on excellence.

BLE trainings are offered worldwide and teach valuable, career-building business skills. The core Lean philosophy of doing more with less also dovetails perfectly with our environmental efforts. Our BLE training group is currently working to integrate sustainability principles into the program, and to help participants choose training projects that tie into sustainability themes.

Over the years, we have offered multiple levels of BLE trainings, so Bose employees can continue to build their skills. In FY17, 400 employees across the globe completed BLE training.





## SYNCHING BODY, MIND, AND SOUL

Like the natural environment, the human body is an interconnected system, requiring a holistic approach to wellbeing. Our Wellbeing@Bose program is designed with that interconnectivity in mind, stressing three principal pillars: physical wellbeing, resilience to stress, and financial wellbeing. These pillars can be enhanced by adopting better personal habits and behaviors, making improvements to the work environment, and expanding access to wellbeing resources in our peoples' home communities.

Each calendar year, Wellbeing@Bose puts a special emphasis on one of its three pillars, building a campaign and educational opportunities designed to make a difference. In 2016, we engaged employees on the pillar of physical fitness, offering annual corporate-wide challenges (see #StepItUp 2016), promoting wellbeing topics through a monthly newsletter, and implementing location-specific initiatives tailored for local and cultural needs. Last September, for example, half of our Tijuana employees participated in a 51-game soccer tournament, with their families supporting from the sidelines. In Shenzhen, China, team-based sports activities drew participation from a third of our office's employees.



### #STEPITUP 2016

This year's wellbeing challenge was a three-week #StepItUp challenge, in which employees across the globe pushed themselves to increase their daily step count to boost their fitness. Competing on an individual and team basis, participants logged a total of 60,000 miles (>80,000 km)—more than twice around the earth. Teams engaged in healthy competition via our internal social media platform, building collaboration and community across geographical regions. Our top stepper averaged over 40,145 steps daily, losing 20 pounds in the process.

## WELLNESS IN TIJUANA

At our Tijuana manufacturing plant, Bose is going the extra mile to care for our people's health by providing preventative healthcare services, exceeding the basic infirmary services required by law. Employees can schedule appointments directly at the plant for a wide range of services—from preventive services like mammograms and vaccines, to information on reproductive health and chronic degenerative diseases, and treatment for diabetes, blood pressure and other health issues. In November 2016, Bose was recognized for the number of health services provided to employees for the period of January to October 2016, ranking #1 among 1,310 enrolled companies in the region's Health Merit Program.

# Employee Health & Safety

Though Bose facilities are generally not high-risk environments, we are committed to preventing workplace injuries and illnesses, complying with applicable occupational health and safety regulations, promoting a health and safety culture throughout the company, and continually evaluating opportunities for improvement.

Environmental Health & Safety (EH&S) functions across our various global locations provide training for all employees on job-related hazards, mandatory safety procedures, and best practices for identifying and mitigating safety risks. Leveraging an EH&S information management system, we also track incidents, accidents, near misses, and other important H&S metrics across our facilities.

## FY17 EH&S METRICS

### INCIDENT RATE

 3.1

Total incidents  
per 200,000 hours

### DART RATE

 0.6

Days away,  
restrictions and transfers

Data boundaries for health and safety metrics reflect major facilities that were under Bose's operational control at any point in FY17, as well as U.S. retail stores and field sales.



## Fostering a Sustainability Mindset

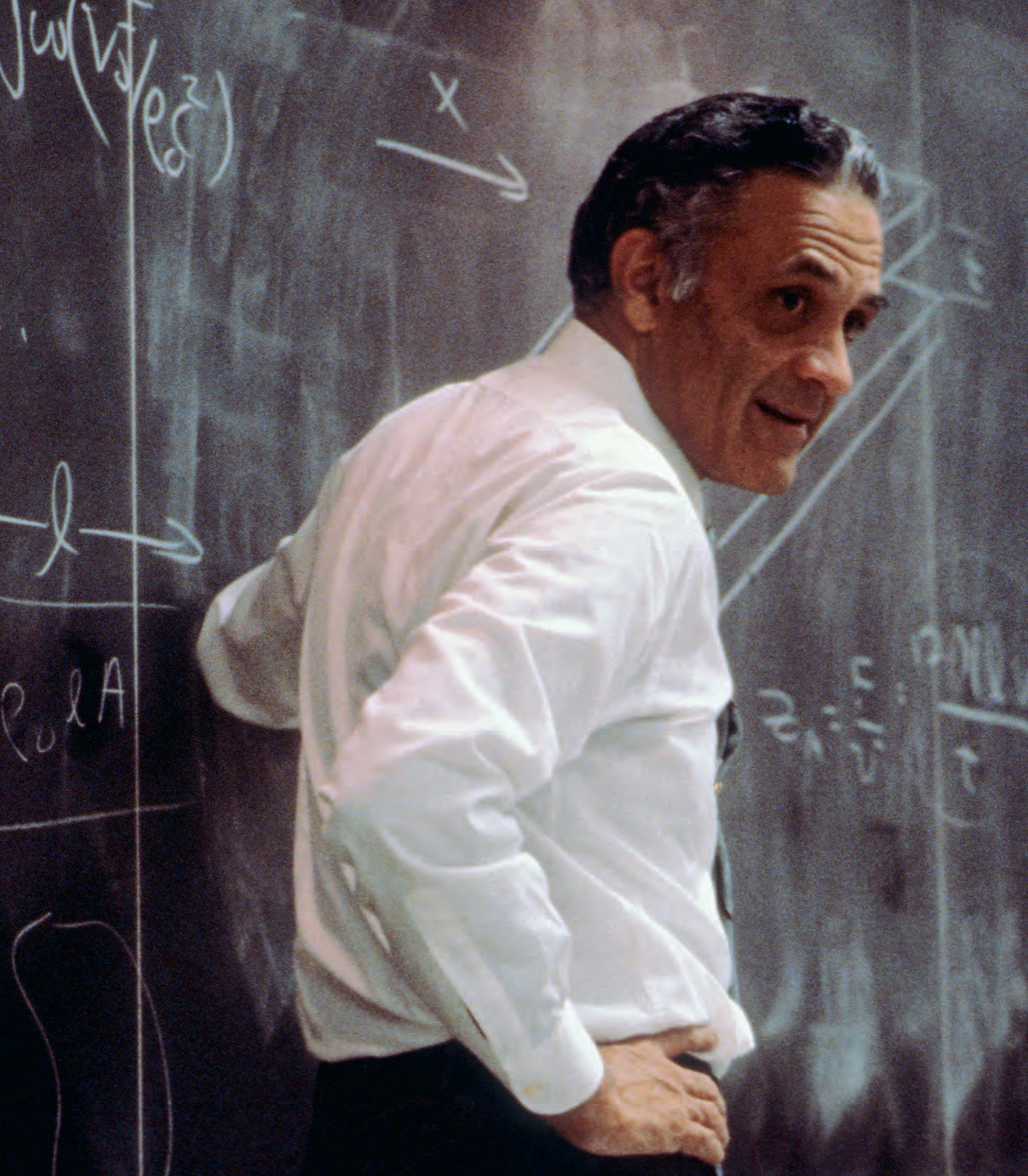
Engaging our people with regular sustainability activities is a win-win: It resonates with many employees, and also serves the goals of the business.

Building a sustainability mindset begins on day one, with new hires receiving an overview of our program. In our regular operations, various activities and promotions are planned to further engage employees. For instance, several global locations organized Earth Month activities this year, with our Tijuana plant giving 300 trees to employees for planting, and employees in China volunteering for a trash clean-up at a local park.

A woman with dark hair, wearing a yellow and white patterned sweater, is looking out of a window with a black metal railing. The background is a blurred view of a building's exterior. The word "COMMUNITIES" is written in large, white, sans-serif capital letters across the middle of the image, enclosed in a white rectangular frame.

# COMMUNITIES

We are passionate engineers, researchers, and innovators—and also neighbors in the community. We are dedicated to putting our passion, expertise, and goodwill into action to support the places where we live and work, and the causes we believe in. At a corporate level, this manifests in Bose's longstanding commitment to enrich education in the regions where we operate, and in our support for the men and women of the U.S. military. At the individual level, our drive to push things forward comes out in our people's volunteer efforts in their local communities. An investment in communities is also an investment in our own people, motivating them to be their best selves while also strengthening relationships with local stakeholders, wherever we operate.



## In Our Founder's Footsteps: Promoting Education

We couldn't do what we do without the tools a good education provides: the ability to think critically, seek solutions, and translate ideas into action.

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

Like Dr. Bose, we are committed to sharing our knowledge with the next generation—helping to advance the cause of research, inspiring the young engineers of tomorrow, and giving our own people a deeper life and work experience.

## MIT IDEAS GLOBAL CHALLENGE

Bose hosts a speed-mentoring evening as part of MIT's IDEAS Global Challenge, a collaborative, year-long competition in which students and others in the MIT community develop innovative projects to address development issues in the world's underserved communities. During the mentoring event, Bose experts share their knowledge one-on-one with participating teams, helping them work through challenges related to business strategy, engineering and design, user experience, and more, with the goal of creating more effective and innovative solutions. In 2016, 5 of the 17 teams we mentored received grants to implement their projects.

## MIT VENTURE MENTORING SERVICE

Since 2014, Bose has also provided expert guidance through the MIT Venture Mentoring Service. Bose mentors meet with entrepreneurs associated with MIT for 6 to 12 months, advising them on brand building, business development, manufacturing management, sustainability, and other issues their ventures may be facing. In the process, Bose mentors expand their perspective on different industries, technologies, and markets.



## BEST BUY TEEN TECH CENTERS

Working with one of our major retail partners, Bose has donated headphones and other audio products to Best Buy Teen Tech Centers across the United States. Located in libraries and other community spaces, the centers provide technology, mentorship, and a venue where teens can learn and practice computer coding, robotics, video editing, music production, and other creative interests.

## BOSE SOUND SYSTEM GRANTS

Bose Sound System Grants provide funding to upgrade school auditorium sound systems, covering both equipment and installation costs. The most recent grant was awarded to a local elementary school in Framingham, Massachusetts.

## SCHOLARSHIPS FOR SCIENCE AND ENGINEERING

Currently in its second decade, Bose's annual scholarship and funding programs support high school students in our Massachusetts communities. Bose provides selected students with scholarships for pursuing degrees in engineering or science, and also sponsors local high school robotics teams that are applying their engineering skills first-hand.

## ANK EDUCATIONAL LEARNING CENTER

Under Indian law, qualifying companies must donate a percentage of their profits to philanthropy activities. Many companies do so through government funds earmarked for socioeconomic development, but Bose decided to take a more personal route, committing to long-term funding of the new ANK Educational Learning Center in East Delhi's New Ashok Nagar neighborhood. Aligning with our focus on education, the NGO-led center's mission is to provide educational opportunities for underprivileged children in the local area. The program focuses on language, math, computer skills, confidence building, public speaking, and life skills to equip and empower students, many of them girls, to lift themselves out of poverty. Currently, the center instructs around 120 students daily, and plans are underway to establish volunteer opportunities at the center for Bose India employees.

## Supporting Service Members and Veterans

Supporting America's service members and veterans is another focus area of Bose's community engagement efforts, going back decades and building on our position as a longtime supplier of communications and other technologies for the U.S. military. At the very birth of our company, Bose helped develop power-regulating systems for military jets. And in 1991, when the U.S. Air Force needed an innovative solution to improve in-flight communications, it turned to Bose and became one of the first customers for our noise-cancelling technologies.

Today, active-duty service members still use these products, and our technology can also provide a safe sanctuary for veterans re-adapting to civilian life. Over the past several years, we have donated thousands of Bose products to service members and veterans' organizations via several different initiatives.



### FISHER HOUSE

Bose has donated audio products for Fisher House locations around the country, supporting the organization's mission of providing free lodging to families while their loved ones receive medical treatment at major U.S. military and VA medical centers nearby. Bose products help make these facilities personal sanctuaries during stressful times.



### TRAVIS MILLS FOUNDATION RETREAT

Bose is proud to support the Travis Mills Foundation in its mission to help combat-injured veterans overcome physical obstacles. Bose is donating SoundLink III Bluetooth Speakers for use in all suites at the foundation's new retreat in Maine, which provides veterans and their families with well-deserved rest and relaxation. Bose is also donating products for the common areas of the suites as well as the retreat's library and theater room.



### HOMES FOR OUR TROOPS

The nonprofit organization Homes for Our Troops builds houses for severely disabled U.S. military veterans. Bose has donated Bose Wave systems to bring music and sound to many of these new homes.



## Being the Change in Our Local Communities

Around the world, where our people have seen a need, they have stepped up and put Bose's innovative, problem-solving spirit to work. Beyond our two main strategic efforts—furthering the cause of education and supporting U.S. service members—we take pride in the impactful work our employees accomplish in our local communities, and we encourage that work by giving our corporate employees eight hours of paid volunteer time per year.

### CHARITY CHOICES CAMPAIGN

Charity Choices is our largest annual fundraising initiative, enabling Bose employees in the U.S. to support the certified charities of their choice through a one-time donation or payroll deduction, matched dollar-for-dollar by Bose. Employee giving has grown year over year, with employees supporting over 200 local and national charities.



**FISCAL YEAR 2020  
MANUFACTURING GOAL:  
INCREASE THE NUMBER OF  
PEOPLE THAT BENEFIT FROM  
OUR COMMUNITY PROGRAMS  
BY 50%**  
(FISCAL YEAR 2017 BASELINE)

### ROLLING UP OUR SLEEVES FOR THE COMMUNITY

Every year, Bose employees take time out from their normal routines to give time and service to their communities, simultaneously giving back, demonstrating Bose's values and commitment to excellence, and strengthening relationships through doing good as a team.

Last year in our headquarters' hometown of Framingham, Massachusetts, our Consumer Electronics Product Engineering group led a Volunteer Service Day, organizing 160 employees together for community help and improvement projects that included park and beach cleanup, painting and landscaping at family and women's shelters, and work at a dog rescue facility. In nearby Lancaster, 80 employees from our Global Development Engineering group spent two days volunteering on improvement and support projects at the Robert F. Kennedy Children's Action Corps Lancaster School, a residential and day school that serves students with social and emotional disabilities.



### TIJUANA "80 CENT" CAMPAIGN

Our plant in Tijuana, Mexico has a longstanding commitment to the Hospital Infantil de las Californias and the Fundación Castro Limón, which provide medical treatment for children. In FY17, more than a third of plant employees chose to donate part of their paycheck to fund treatments and surgeries for children with cancer, Down syndrome, and cleft palate. Some of the kids being treated are children of plant employees.





# SUSTAINABLE PRODUCTS

Bose's mission is to deliver life-changing experiences to our customers: to astonish them with extraordinary sound, filter out the chaos of a noisy world, and help them get more joy from the things they love.



## Building More Sustainable Products

Aligning our products' quality with more sustainability-focused design and manufacturing helps us better meet our customers' demands for more compact, durable, and efficient products. Keeping those imperatives top-of-mind keeps us on our toes, helping to drive innovation, find better and more cost-effective solutions, and evolve along with our customers.

We're also creating new products that tangibly improve people's quality of life. For instance, our new Hearphones™ may look like comfortable earbuds, but they're actually designed to focus wearers' hearing, filtering out audio chaos to let them hear their conversations, clearly and comfortably.



The length of a product's useful life is a determining factor in its overall environmental impact. As part of our roadmap toward more sustainable product design, we're currently undertaking a formal product life-cycle assessment (LCA), evaluating environmental impact and performance from the manufacturing process through customer use and disposal.

We take great pride in creating high-quality, long-lasting products, but are always looking for ways to do better. Through the insights derived from this LCA, we'll get a fuller picture of sustainability benefits and tradeoffs to inform continued improvements in our products' environmental profile.

# Bose Ride®

## PUTTING WELLNESS IN THE DRIVER'S SEAT

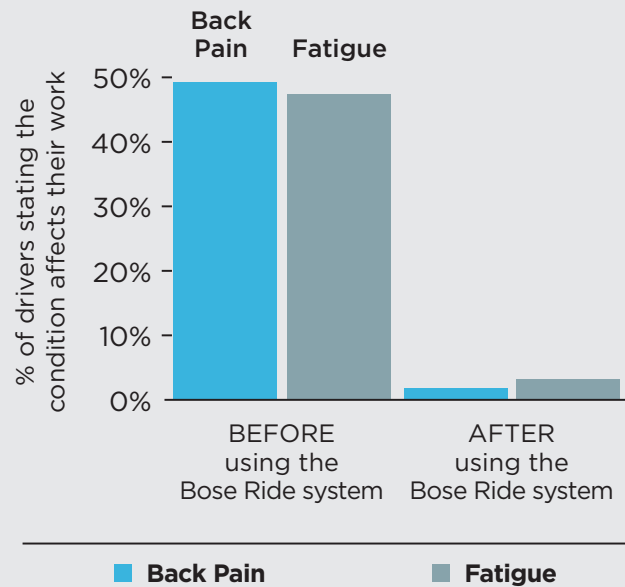
Innovation always begins with a question: "What if?" Decades ago, our founder asked whether automotive suspension could be redesigned to control motion intelligently, optimizing both comfort and handling. In the 1980s, Bose engineers began to seek the answer, and in 2010 we debuted the Bose Ride system, a revolutionary replacement for the typical air-suspension seating found in heavy trucks.

Bose Ride is designed to address significant health and wellness issues suffered by many long-distance truck drivers. By sensing, analyzing, and instantaneously counteracting vibration and jolts from the road, Bose Ride reduces damaging whole-body vibration that's known to cause chronic back, neck, arm, and leg pain, contributing to driver fatigue, accidents, and injuries that end some drivers' careers.

We're continually making improvements to the Bose Ride system. This year, we debuted a more compact seat base and several other innovations that expand its potential for use in shipping and warehouse tractors, emergency and agriculture vehicles, and utility trucks, among other applications.



### MEASURING THE BENEFIT



A 2014 study confirmed the efficacy of the Bose Ride technology, showing that with conventional seating, about half of over-the-road drivers surveyed report suffering regular fatigue and pain, at levels that interfere with their work. After using the Bose Ride system, 97% of these users reported reduced back pain and 94% reported reduced fatigue. The study also reported that these drivers had less need for non-mandatory breaks, more rapid recovery after driving, and increased energy during their off-time.

*Impact of Ride Quality on Truck Driver Health & Safety: A TCA Member Case Study. March 2014.*



## BOSEbuild™

### ENCOURAGING HANDS-ON EXPLORATION

Human beings are hard-wired to explore. It's how we learn, from the time we're babies: by looking, touching, taking things apart, and putting them back together.

Launched in FY16, BOSEbuild is a new line of build-it-yourself products designed to engage children in the joy of hands-on learning and foster a passion for understanding how things work. Our first BOSEbuild product, the Speaker Cube, is a complete kit that teaches children about the science of sound as they build a working Bluetooth speaker they can enjoy for years to come.

BOSEbuild kits employ high-quality parts and materials for durability, with assembly instructions designed to promote discovery and education—not just showing how to connect a part, but teaching what the part does and the science behind the sound. Instructions are delivered via a companion app or, for an upcoming classroom version, through a curriculum that helps teachers explore concepts of magnetism, waves, sound, and music with their students.

Our founder, Dr. Bose, dedicated his life to research and education. BOSEbuild is part of that legacy, aiming to inspire the next generation of inventors, doers, and makers.

## Packaging

### DOING MORE WITH LESS

A good product package has two main jobs: protecting what's inside and helping excite and inform the customer. But its value is ephemeral, ending once the product is unboxed.

To address this sustainability challenge, we are actively looking for ways to reduce packaging size and employ materials with less environmental impact.

Over the past year, we have been redesigning future packaging for three of our wireless headphone products, creating a design that will reduce the material used for the outer printed component by a third. Our packaging team is also investigating biodegradable paper foam made from potato starch and paper fiber, as well as bio-based plastics and molded fiber made from sugarcane waste.

In the coming years, our packaging team plans to more formally consider the sustainability implications of their decision-making, in an effort to launch more innovative, sustainable solutions to help our customers reduce their environmental footprint.

## Good as New

### REMANUFACTURING FOR WASTE REDUCTION

As part of our waste-reduction efforts, we've designed processes to better remanufacture products so they're good as new or recover usable materials. Remanufacturing and recovery helps conserve resources and assures that we're extracting the greatest value from our materials.

We consider remanufacturing an imperative right from the birth of a product, challenging our design teams to build recyclability, disassembly, and reparability into their specifications. For example, the glass top section of our Acoustimass® 300 subwoofer is screwed to the speaker and housing enclosure rather than glued, allowing it to be replaced independently of the rest of the product.



## Encouraging Responsible Supply Chains

Organizations like Bose exist in vast systems that encompass suppliers, contract manufacturers, distributors, and other third parties, all across the world. Our supply chain relationships are vital to bringing Bose products to market, and they also play a key role in our efforts to do business with ethics, integrity, and responsibility. To align with these principles, live up to our Essence and Values, and maintain our brand and revenue stream, Bose is actively tracking environmental resiliency and social risk factors across our supply chain. We are also a member of the Electronic Industry Citizenship Coalition (EICC), which supports the rights and wellbeing of workers and communities affected by the global electronics supply chain.

To better manage potential supply chain risks, our commodity managers and their teams use a risk-based scoring system to make informed decisions for all our commodities, and monitor suppliers using dashboards that cover high-risk factors associated with certain geographies and labor practices. We also work with a third-party provider of supply chain resiliency and risk management intelligence and analytics, which alerts us to emerging events that could affect our manufacturing and distribution processes. In outsourcing relationships with joint design manufacturers (JDMs), we maintain a collaborative approach to sustainability issues.

Our new and existing strategic suppliers are asked to complete our corporate social responsibility (CSR) self-assessment survey, which assesses their labor, ethics, health and safety, and environmental practices. To date, the CSR survey has been sent to Tier 1 suppliers that represent 90% of spend and we have received responses from 85% of these suppliers. The CSR survey is one of four supplier surveys (along with others covering supply chain mapping, business continuity, and financial resiliency) that inform our Business Continuity Management (BCM) program, which seeks to proactively monitor and manage environmental resiliency and social risk in the Bose supply chain.



# ENVIRONMENTAL INITIATIVES

Big challenges can open the door to big opportunities, and that's how we see sustainability: It's the right thing to do, but it also promises clear, quantifiable benefits that align with our business goals. By retooling our business to minimize the company's environmental impact, we'll be able to lower energy and materials costs, reduce commodity risks, and enhance our ability to deliver the kinds of efficient products our customers want.

Optimizing resource efficiency is inherent in Bose's culture of excellence and pursuit of Lean operations, enabling us to be better environmental stewards. We still have a long way to go, but we're a company that thinks long-term. We know that operating sustainably means being respectful to each other, to our customers, and to the planet—and we know that's good for business.



## **ENVIRONMENTAL MANAGEMENT SYSTEM**

To tackle challenges most effectively, it helps to read from a common script. That's why we've devoted considerable effort in recent years to bringing all our sustainability efforts into a common framework, with standardized metrics and procedures.

Our EH&S management system is used by all our major facilities globally, enabling us to track environmental metrics across operations, manage compliance requirements, and improve goal-setting and accountability. To help optimize this system, in FY17, an independent third party provided an assessment of our environmental data accuracy, completeness, reporting processes, and controls. Improvements made as a result of this effort have given us greater confidence in the data we report.

At the plant level, our manufacturing facility in Tijuana currently maintains an annual plan that lays out yearly environmental objectives. The plant is certified under ISO 14001, a leading framework for creating effective environmental management systems.

## ENERGY EFFICIENCY AND CARBON REDUCTION EFFORTS

As we expand Bose's global reach, we are committed to boosting energy efficiency and reducing carbon emissions from our operations, including our manufacturing and distribution activities.

In FY17, our energy use (fuel use and electricity) was essentially unchanged from FY16, at 250,700 GJ. Our energy use per square foot increased from 0.07 to 0.09 GJ. We continue to explore new energy efficiency and renewable energy projects that will enable us to reduce our footprint on an ongoing basis. A new energy reduction goal for our Tijuana manufacturing plant will help drive further reductions.

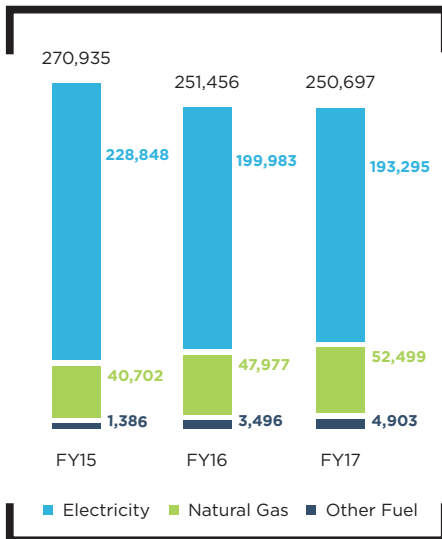
### Energy and Carbon Intensity Across Major Facilities\*

	FY15	FY16	FY17
Energy Intensity (GJ/sq. ft.)	0.09	0.07	0.09
Carbon Intensity (Tonnes CO <sub>2</sub> e/sq. ft.)	0.010	0.007	0.008

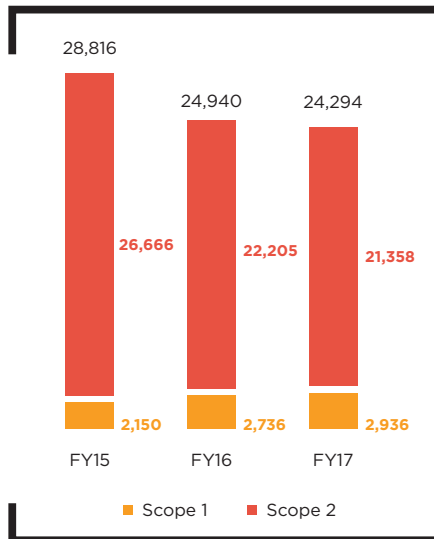
Our Tijuana manufacturing plant is our largest energy consumer, accounting for roughly 30% of our worldwide operations (40% of our carbon footprint). That's why it's our starting point for setting energy reduction goals.

With Tijuana leading the way, our plan is to have other Bose locations follow, by setting goals to drive future progress.

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



### Carbon Emissions at Major Facilities\* (Tonnes CO<sub>2</sub>e)



**FISCAL YEAR 2020  
MANUFACTURING GOAL:  
REDUCE ENERGY  
CONSUMPTION  
BY 6% PER  
UNIT PRODUCED  
(FISCAL YEAR 2017 BASELINE)**

\* Using Greenhouse Gas Protocol guidelines, the data provided does not include two major facilities that Bose divested midway through FY17. Including the two facilities' partial FY17 data would bring Bose's overall FY17 metrics to: 307,763 GJ energy use; 0.078 GJ/sq. ft. energy intensity; 32,208 Tonnes CO<sub>2</sub>e carbon emissions; 0.008 Tonnes CO<sub>2</sub>e/sq. ft. carbon intensity.

## SUPPORTING RENEWABLE ENERGY

Our commitment to sustainability will soon be a visible feature of Bose's headquarters campus in Framingham, Massachusetts. As part of a national trend in which corporations are helping to bring renewable energy online, we recently signed a power purchase agreement to build and host a 1.7 MW solar array, which is currently under construction on our property.



## LEAN THINKING DRIVES ENERGY EFFICIENCY

At Bose, we apply the Lean methodology to everything we do, implementing a process of continuous improvement to boost efficiency, reduce waste, and shrink our carbon footprint. Over the years, Lean principles have led us to identify and implement numerous impactful energy efficiency projects and identify savings for the business.



## BUILDING AND FACILITY EFFICIENCY

### Efficiency by Design

Bose's new office in Purmerend, Netherlands, was engineered for sustainability, with energy-efficient HVAC, insulated windows, automated light and water sensors, and automated screens that deploy to shade the building on sunny days. The building is also close to public transportation routes.

Our facility in Tongeren, Belgium, recently upgraded to a new energy-efficient HVAC system that recovers energy from waste conditioned air and allows for more efficient heating and cooling of individual indoor areas. In both our Tongeren offices and our Tijuana manufacturing facility, we recently replaced a significant amount of lighting with more efficient LED panels and bulbs, and added motion sensors to automatically turn the lights off when areas are not in use.

### Efficiency Upgrades

Tijuana's hot climate presents a challenge: keeping our people comfortable on the facility floor while also managing energy use. In FY16, air conditioning accounted for over half of the facility's total energy use, so in FY17 we installed AC timers in all offices and production areas, to ramp down the system when not in use. Our production areas also modified their compressors and duct system for greater efficiency, saving almost 500,000 kWh per year (225 metric tonnes CO<sub>2</sub>e).

## IT ENERGY MANAGEMENT

Traditional corporate data centers are notoriously inefficient, with servers often operating significantly below capacity while still consuming full-strength power. To address this opportunity for improvement, our Corporate Information Systems group has been moving data and infrastructure from proprietary Bose servers to cloud servers that offer more efficient and elastic infrastructure.



## LOGISTICS: OPTIMIZING TRANSPORT FOR LOWER IMPACTS

On any given day, trucks, trains, and ships around the world are on the move, loaded with raw materials to feed our manufacturing plants and finished products to delight our customers. It's a constant flow, entailing both enormous transport costs and also a significant burden in energy consumption and carbon emissions.

While our freight transport is primarily operated by third-party logistics providers, we are actively involved in managing its impacts and creating efficiencies to reduce both monetary costs and carbon emissions. For example, a pilot program in Belgium is replacing trucks with lower-emitting river barges for moving product from the harbor docks to our distribution center. We're also pursuing in-region manufacturing in certain markets to reduce the need for long-distance transport.



## Waste Reduction Initiatives

Operations and manufacturing are rife with opportunities for waste, but when you're a Lean company they can present an innovation opportunity instead. We seek to lower demand for input materials and reduce disposal costs, and where we have not yet identified ways of cutting waste, we look for the highest purpose for our waste materials, whether through reuse or recycling.



### REUSE AND RECYCLING IN ACTION



**FISCAL YEAR 2020  
MANUFACTURING GOAL:  
INCREASE OUR WASTE  
RECYCLING RATE\* FROM  
91% TO 95%**

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

#### MASSACHUSETTS

In Massachusetts, a single-stream recycling initiative has almost tripled the volume of materials recycled at our Stow facility, and has been rolled out to four additional corporate facilities in the state. The program promotes greater participation by making recycling easy, with all materials going into a single receptacle to be separated later at a downstream facility.

#### TIJUANA

Our Tijuana plant currently recycles, reclaims, or recovers 91% of the waste it generates, comprising cardboard, plastics, metals, and e-waste (e.g., scrap circuit boards, old PCs). Now the plant has committed to an even more aggressive goal, shooting for a 95% recycling rate by FY20.

#### INDIA

One of our India locations generated \$14,000 in revenue in FY17 by responsibly recycling e-waste, an earth-friendly and business-friendly practice.



# LOOKING AHEAD

As a company, we're fortunate. We're fortunate to have been created by a visionary, who imbued his enterprise with strong principles and values. We're fortunate to have attracted brilliant, dedicated people, who pour their curiosity into creating products that improve lives. We're fortunate that those products resonate with customers, and find a new audience with each successive generation.

We're fortunate, but we've also worked for it, dedicating ourselves whole-heartedly to research, innovation, and invention. We're the people who pull all-nighters in the lab, consumed with a new idea. We're the people who look for new solutions far outside the box—and in the process, transform the box. All of us know that at Bose, we have the freedom to stretch our imaginations, push our abilities, and bring our ideas to life.

The strengths of Bose's corporate culture align perfectly with our commitment to sustainability. We push ourselves to be a better and stronger company that delivers great benefits to our customers, communities, and employees. By evolving our environmental and social performance, we'll also achieve efficiencies that save on costs, reduce risks, make the places we live and work better, and ensure that we remain competitive in a fast-changing marketplace.

By following our passion for excellence and our culture of continuous improvement, we'll translate our commitment and aspiration into the kind of action our world needs, both now and in the years to come.

# ABOUT THIS REPORT

Thank you for reading Bose's 2017 Sustainability Report. This report covers key activities and accomplishments of Bose Corporation during our 2017 fiscal year related to environmental protection, social responsibility, and economic progress. This is our first public sustainability report, and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

## REPORTING PERIOD

This report covers Bose Corporation's 2017 fiscal year (FY17) — the time period from April 1, 2016, through March 31, 2017. Our most recent previous report was published internally in June 2016.

## REPORTING SCOPE & BOUNDARIES

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

### Health & Safety

Data boundaries for health and safety metrics reflect major facilities that were under Bose's operational control at any point in FY17, as well as U.S. retail stores and field sales.

### Carbon Emissions & Energy Consumption

Data includes all major facilities under Bose's operational control at the end of FY17, excluding retail stores. Historical figures for FY15 and FY16 were adjusted according to the Greenhouse Gas Protocol guidelines to account for the divestiture of two manufacturing facilities. Energy figures are based on actual energy data or estimates when actual data are not available, and includes electricity and fuel consumption. Bose uses the Greenhouse Gas Protocol, The Climate Registry (TCR), and the EPA for all emissions conversion factors. Carbon emissions calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

# GRI CONTENT INDEX

STANDARD DISCLOSURES	DESCRIPTION	PAGE REFERENCE OR ANSWER
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision-maker of the organization	Page 2
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	Bose Corporation
G4-4	Primary brands, products, and/or services	Page 5-6
G4-5	Location of organization's headquarters	Bose is headquartered in Framingham, MA, USA.
G4-6	Number of countries where the organization operates	Page 3
G4-7	Nature of ownership and legal form	Bose Corporation is a privately held company, registered as a Delaware Corporation.
G4-8	Markets served	Page 3
G4-9	Scale of the reporting organization	Page 3
G4-10	Total workforce by employment type, employment contract, and region, broken down by gender	Page 3
G4-11	Percentage of employees covered by collective bargaining agreements	None of Bose's employees are covered by collective bargaining agreements in the United States.
G4-12	Description of the organization's supply chain	Page 27
G4-13	Significant changes during the reporting period	In 2016, ownership and operation of Bose's manufacturing and development operations in San Luis, Mexico and Penang, Malaysia were transferred to a strategic supply chain partner.
G4-14	Precautionary approach or principle	Page 28-29
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives	Bose has not officially endorsed any externally developed sustainability charters, principles, or initiatives.
G4-16	Memberships in associations	Bose is a member of the Consumer Technology Association's Energy Efficiency Working Group, Environmental Policy Group and Recycling Subcommittee, and the Electronic Industry Citizenship Coalition (EICC).

STANDARD DISCLOSURES	DESCRIPTION	PAGE REFERENCE OR ANSWER
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	This report covers sustainability-related activities and impacts under Bose Corporation's operational control and control of its subsidiaries and branches, located in Australia, Austria, Belgium, Canada, Chile, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Poland, Singapore, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.
G4-18	Process for defining report content	The content included in this report was selected based on our sustainability strategy and key activities, expectations of our stakeholders, and GRI guidelines.
G4-19	Material Aspects identified in the process for defining report content	Page 12
G4-20	For each material Aspect, report the Aspect Boundary within the organization	For all material topics, the aspect boundary includes all of Bose Corporation's operations, including all Subsidiaries and Branches. However, energy and carbon reporting includes only facilities that were in Bose's operational control at the end of FY17. See G4-13 for context.
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	For products with advanced/innovative environmental/social features, we consider our consumers in the countries in which we do business. For supplier social performance, we consider our suppliers in the countries in which they operate.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	There are no restatements from the prior year.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	This is Bose's first public sustainability report.
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	List of stakeholder groups	Page 11
G4-25	Basis for identification and selection of stakeholders with whom to engage	Page 11
G4-26	Approaches to stakeholder engagement	Page 11
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Page 11
<b>REPORT PROFILE</b>		
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	Page 35
G4-29	Date of most recent previous report (if any)	This is our first public sustainability report. In the past Bose has produced an internal sustainability report, the most recent of which was produced in June 2016.
G4-30	Reporting cycle (annual, biennial, etc.)	Bose reports annually on sustainability.

STANDARD DISCLOSURES	DESCRIPTION	PAGE REFERENCE OR ANSWER
G4-31	Contact point for questions regarding the report or its contents	Contact us at <a href="https://www.bose.com/en_us/contact_us.html">https://www.bose.com/en_us/contact_us.html</a> .
G4-32	Table identifying the location of the Standard Disclosures in the report	GRI Content Index
G4-33	Policy and current practice with regard to seeking external assurance for the report	Bose does not seek external assurance for its sustainability report.
<b>GOVERNANCE</b>		
G4-34	Governance structure	Bose Corporation is a privately owned company and the governance structure is not publicly disclosed. The Executive Steering Committee, which oversees the sustainability program, is described on page 10.
<b>ETHICS AND INTEGRITY</b>		
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Page 8
<b>CATEGORY: ENVIRONMENTAL</b>		
<b>ASPECT: ENERGY</b>		
G4-DMA	Generic Disclosures on Management Approach	Pages 28-30
G4-EN3	Energy consumption within the organization	Page 30
G4-EN5	Energy intensity	Page 30
G4-EN6	Reduction of energy consumption	Page 32
<b>ASPECT: EMISSIONS</b>		
G4-DMA	Generic Disclosures on Management Approach	Pages 28-30
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 30
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 30
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 30
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 32
<b>ASPECT: PRODUCTS AND SERVICES</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 24

STANDARD DISCLOSURES	DESCRIPTION	PAGE REFERENCE OR ANSWER
<b>CATEGORY: SOCIAL</b>		
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>		
<b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 17
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 17
<b>ASPECT: TRAINING AND EDUCATION</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 15
G4-LA9	Average hours of training per year per employee by gender, and by employee category	In 2016, employees completed an average of 596 minutes (global average) of training.
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Bose offers employees extensive trainings and opportunities for lifelong learning as described on page 15. Bose also provides career transition assistance to some employees, depending on the nature of the departure.
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	All regular Bose employees receive an annual performance review in which their managers discuss with them their strengths and areas for further development.
<b>ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 27
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Bose has a supplier risk assessment it uses to identify labor risks within its supply chain. The company actively addresses any labor issues it finds at its suppliers' operations.
<b>SUB-CATEGORY: HUMAN RIGHTS</b>		
<b>ASPECT: INVESTMENT</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 8
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	In 2016, employees received a total of 7,973 hours for Ethics training and 2,980 hours for Maintaining Respect training, which includes anti-harassment, discrimination, and abusive conduct.
<b>ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>		
G4-DMA	Generic Disclosures on Management Approach	Page 27
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Through a supplier risk assessment, Bose has not identified suppliers that have or pose higher potential risk.



***BOSE***