



**SUSTAINABILITY  
REPORT  
2020**



**H.B. Fuller**

Connecting what matters.™



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# Trust and Grit

At H.B. Fuller, we know that our company is best positioned for success when we win the right way – by creating sustainable solutions, taking care of our communities, and planning for the future. In 2020, our values were tested by a series of crises, and I am pleased to say that our team of more than 6,000 employees worldwide not only survived, we thrived.

Throughout the year, H.B. Fuller demonstrated the resilience of our employees and the trust we have in our teams to live our company values. As the COVID-19 pandemic grew, we acted quickly to, first, ensure the health and safety of our employees, and second, to put into place the tools and processes to continue to support our customers through the most challenging business environment in recent history.

We blazed ahead and found new and different ways to create safe workspaces for our people, reach customers, and maintain an effective global supply chain. At the same time, we also maintained our focus on community support and our sustainability commitments.

Early on in the pandemic, we pivoted our philanthropic agenda to find organizations and projects that would support relief efforts in hard-hit areas, like China, the Philippines, Brazil and India. Following the killing of George Floyd while in police custody and the subsequent civil unrest in H.B. Fuller's world headquarters community, we acted quickly to create a new fund that supports programs in Minneapolis and St. Paul, Minnesota, that aim to improve racial equity in the areas of employment, education and safety.

**“Throughout the year, H.B. Fuller demonstrated the resilience of our employees and the trust we have in our teams to live our company values.”**

While those employees who could began to work from home, and at the time of publication, still do, our sites remained open throughout the year, manufacturing adhesives that are critical to human life. At each of our 71 sites globally, we continued to honor our sustainability commitment and innovate on behalf of customers producing medical devices, solar panels, electric vehicles, recyclable and compostable packaging and hygiene products, and energy-efficient buildings, to name a few.

We are proud of our long-standing commitment to global corporate responsibility, and 2020 marked another year where we worked hard to ensure our employees are proud to be a part of our team, customers are excited to work with us, communities trust our company and our employees, and shareholders feel rewarded by our progress.



**Jim Owens**  
President and CEO



**Jim Owens**  
President and CEO

# H.B. Fuller at a glance

H.B. Fuller is a global market leader in adhesives



**6,400+** employees

**130+** years of history



**\$2.8 billion** in revenue



**71** manufacturing facilities

**38** technology centers



**125** countries with sales

**36** countries with facilities or offices

**3** global business units serving

**30+** markets



**10,000** adhesive solutions

**435** patents



**95,000+** social media followers





# REPORTING APPROACH

Accountability and transparency are priorities for H.B. Fuller and are part of the foundation on which we build trust with our people, our customers, our investors and other key stakeholders.

To determine relevant topics for us to manage and report, we regularly evaluate the challenges and opportunities of sustainable development using various tools. We also take steps to strengthen our reporting approach through ongoing stakeholder dialogue and voluntary adherence to global, non-financial reporting standards.





## Materiality assessment

This report provides an overview of H.B. Fuller's global sustainability programs and activities we have identified as priorities for our company and the many ecosystems where we operate.

In 2020, we conducted a materiality assessment with pivotal groups spanning from customers, industry peers, investors and internal business and function leaders, mapping our environmental, social and governance (ESG) issues, validating our sustainability priorities, and identifying emerging material topics.

The insight gained from key stakeholders and best practice reviews helped us align to the Global Reporting Initiative (GRI) framework, the most widely used standard for sustainability reporting. We will continue to regularly report our goals and progress as we continue our ESG journey.

## Aligning with the Global Reporting Initiative (GRI)

H.B. Fuller has developed this report using GRI Standards. GRI is an independent, international organization that helps organizations take responsibility for their actions toward a sustainable future by providing a global, common language to communicate impacts. The GRI assessment covers 21 ESG topics:

### Economic

- Anti-Competitive Behavior
- Anti-Corruption
- Economic Performance
- Indirect Economic Impacts
- Procurement Practices

### Environmental

- Effluents and Waste
- Emissions
- Energy
- Environmental Compliance
- Materials
- Supplier Environmental Assessment
- Water and Effluents

### Social

- Child Labor
- Freedom of Association and Collective Bargaining
- Occupational Health and Safety
- Diversity and Equal Opportunity
- Human Rights Assessment
- Supplier Social Assessment
- Employment
- Non-discrimination
- Training and Education

H.B. Fuller has disclosed on the GRI Standards that are relevant to its business and where the content was publicly available. Public resources referenced include the following: our Global Sustainability Report, our CDP Climate Change and Water Security Responses, our Annual Report and Proxy Statement, and various H.B. Fuller web pages. For more information, please see our [GRI Index](#).

# Contributing to the Sustainable Development Goals

H.B. Fuller supports the United Nations' Agenda for Sustainable Development and is fully committed to its Sustainable Development Goals (SDG), contributing directly to the accomplishment of the most material SDGs within its scope of activity and monitoring their impact on society. Our current corporate social responsibility work aligns with the goals highlighted in the figure.

More information is available at [www.hbfuller.com/Sustainability](http://www.hbfuller.com/Sustainability)

## SUSTAINABLE DEVELOPMENT GOALS



## External recognition

### CDP

We have participated in the Carbon Disclosure Project (CDP) supply chain program since 2013 to foster transparency in our markets and for our investors. Our CDP responses allow us to discuss our policies and activities on the topics of climate change and water. In 2020, we maintained our prior year's climate change score of B (management level), higher than the Chemicals sector average of C, and improved our water response score to A- (leadership level).



### ECOVADIS

We have completed the EcoVadis assessment every year since 2015, providing valuable information to our customers about our environmental, social, ethics and supply chain sustainable practices. In 2020, we received a Silver rating.



### RESPONSIBLE CARE®

As a member of the American Chemistry Council, our North America sites have made a voluntary commitment to uphold the highest standards for protecting health and safety of our employees and the environment as a whole.





# ENVIRONMENTAL

## **Our commitment to minimize our ecological footprint**

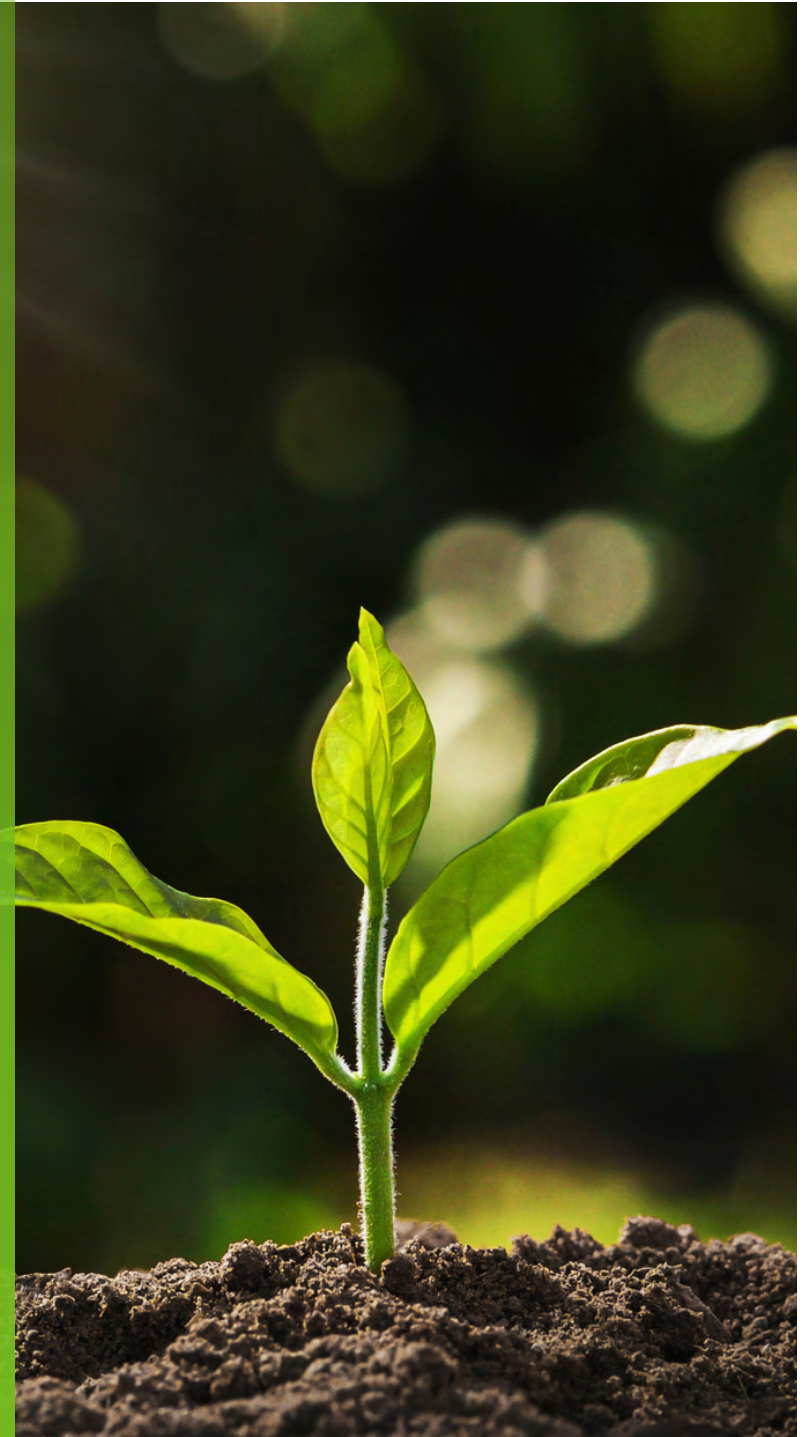
At H.B. Fuller, sustainability is a priority, and we know that we each have a responsibility to protect our planet.

H.B. Fuller actively manages the environmental impact of its operations, people, and products. We optimize our processes to reduce resource usage, and we engage our employees to be knowledgeable about and accountable for reaching our sustainability targets.

We monitor our environmental footprint and continuously innovate for improved sustainability in our products and manufacturing practices.

We also collaborate with customers to create adhesive solutions that allow them to meet their sustainability goals. Our products help customers save energy, reduce waste, and enable recycling and reuse.

Sustainable business practices are not only good for our environment. They also help our company grow responsibly, positioning H.B. Fuller for long-term success and making a difference for customers, employees, and the planet.

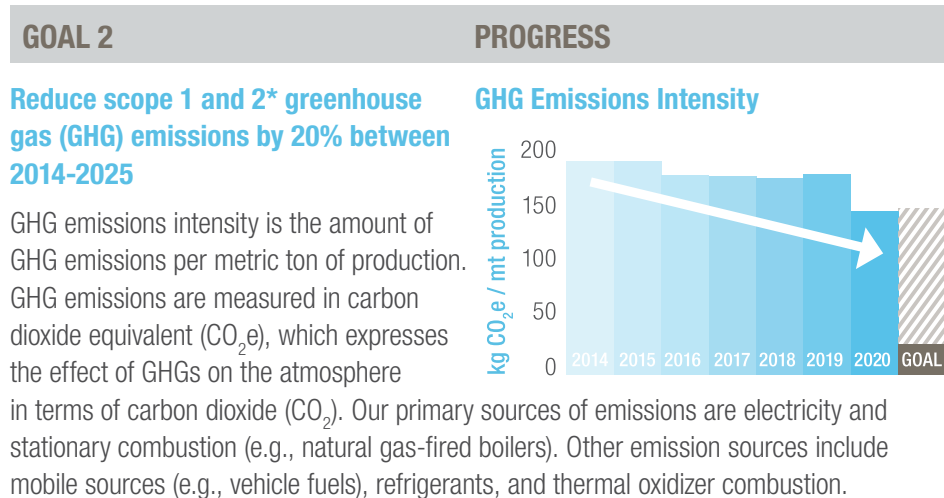
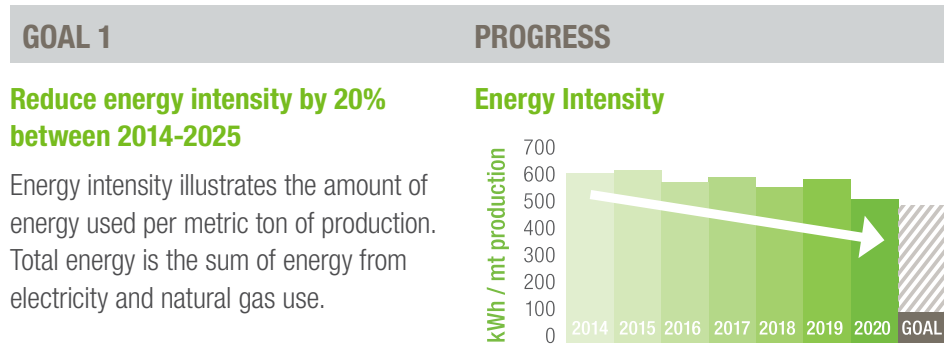




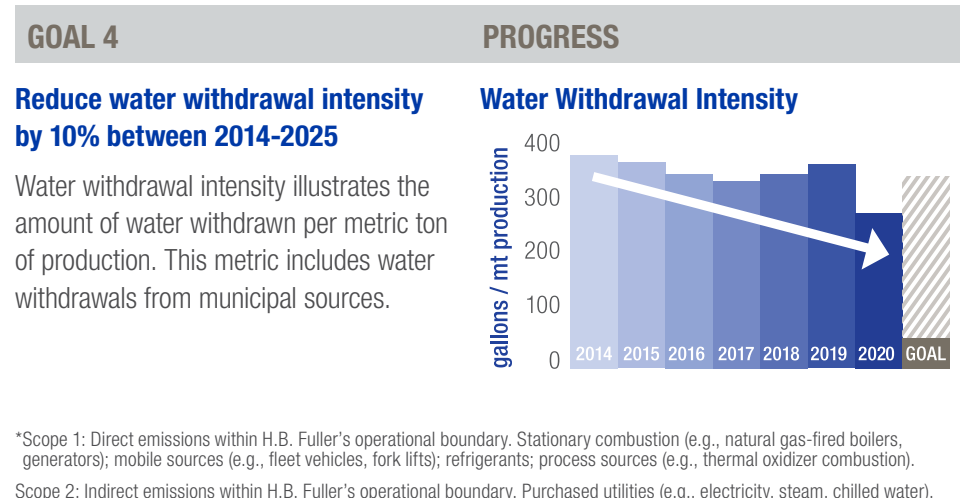
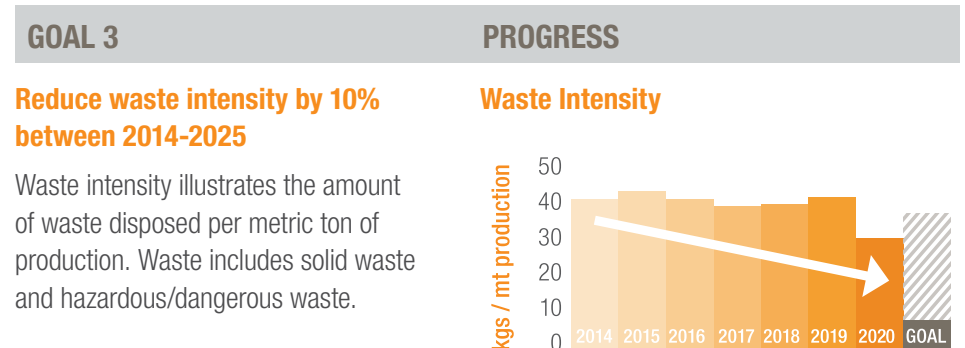
# Global sustainability goals and progress



We focus on four key sustainability metrics: energy intensity, greenhouse gas emissions intensity, waste intensity, and water withdrawal intensity. Our sustainability metrics are intensity-based to show performance independent of business change. We normalize these metrics by metric tons of production to accommodate for changes in output. In 2020, we worked with engineering professional services firm, WSP USA, to enhance and validate our sustainability disclosures.



Since establishing our sustainability goals, H.B. Fuller has made acquisitions, as well as data collection and methodological changes, that have affected our reported energy, GHG, waste and water performance. In the context of our sustainability data management, these changes are considered significant as they impact each of our reported 2014 base year energy, GHG, waste and water metrics by more than two percent. For consistent tracking of these sustainability metrics over time, we have recalculated both our 2014 base year and subsequent reporting years for all sustainability metrics to include these changes. These revisions are common among companies with similar changes, are aligned with our internal Inventory Management Plan (which relies on the GHG Protocol Corporate Accounting and Reporting Standard) and allow us to accurately characterize performance against our goals between 2014 and our 2025 target year.





# Sustainability starts from within

Sustainability issues are often complex and interdependent, indicating that sustainable development, in addition to how willing people are to change, requires a holistic perspective.

Our values, vision, and ethics are incorporated in our systems and programs. These values include understanding and respecting the world's finite resources, lifting up communities in need, and building a strong culture where employees are trained and empowered in their work. It all comes down to being a good corporate citizen and building on that to continue our journey of engaging our employees and optimizing our processes. We believe this culture of innovation and transparency will permeate throughout the rest of the value chain and the industry at large.

Our commitment is to thoughtfully consider the impact of our operations, people, and products on the environment, the communities where we live and work, and our stakeholders around the world. To consistently improve our sustainability efforts, we focus on:

- Enabling our customers to improve their products and processes through solutions that help them achieve their sustainability goals.
- Optimizing our facilities' operations and process efficiency.
- Engaging our employees to be knowledgeable about and responsible for safety, wellness, and achieving our sustainability targets.

## Leadership commitment to sustainability

**Q. Changing habits is not easy, but every organization has the power to respond to the climate challenge and build a more sustainable world. How are we doing it?**

Sustainability is fundamental to who we are as a company and a source of competitive advantage. As our customers work to solve some of the world's biggest challenges, such as curtailing climate change, they look to H.B. Fuller as a technology partner. This partnership drives purpose-driven innovation in our products and manufacturing processes and leads to positive externalities throughout the value chain, such as reductions in energy and waste.

**Q. In a year like no other, what would you highlight from the EHS team's efforts?**

Very early in the pandemic, our leadership team developed a business continuity strategy that kept employee safety as our foremost concern at every one of our 71 sites around the world.

Teams were formed in each region to keep up to date on the spread of the COVID-19 virus, apply protective measures, and plan for the safe continuity of our operations to keep providing essential products to our customers. We were "first and fastest" at responding to customer needs, which resulted in a stand-out performance for H.B. Fuller. We simply focused on what was most important – our employees and our customers – and our talented teams around the world stepped up to take care of the rest.

**Q. Regarding our facilities' footprint, what will H.B. Fuller's focus be for 2021 and beyond?**

We have invested in an EHS model that is supported by digital solutions to enhance our data collection and analysis, which enables us to make informed decisions that will lead to reductions in energy, water, waste, and greenhouse gas (GHG) emissions. We also are



**Derek Sharron**  
Global Director - Environmental, Health, Safety, and Security

in the process of developing a playbook for sites to use in pursuit of sustainable best practices. We recognize that there is a widespread desire among our employees to implement sustainability projects, and we want to foster this by defining "The H.B. Fuller Way" for project identification, planning, and execution. Like that, we can capitalize on the innovations of our global team and develop a project pipeline that will position us to better meet our stated goals.



# Striving for operational excellence

H.B. Fuller has long recognized the urgency to limit climate change and drive an environmental protection strategy that leads by example with demonstrable results. Our company continues to seek opportunities to use development and manufacturing processes that do not adversely affect the planet, including improving operations and technologies to minimize waste; prevent air, water, and other pollution; minimize health and safety risks; and dispose of waste safely and responsibly.

In the midst of the global COVID-19 pandemic, our manufacturing teams kept making and shipping products, many of which are core to those essential products that make the world work or help keep people safe during a worldwide crisis. We also leveraged 2020 to accelerate transformation and build back smarter, making our facilities more sustainable, supported by meaningful projects that continuously reinforce our commitment to resources and environmental conservation.

# Reducing footprint with strategic programs

In 2020, we replaced more than 80 trucks in North America across our Global Business Units (GBUs) as part of our electric forklifts program, converting half of them from propane to electric, resulting in nearly \$200,000 in energy savings and 453,000 pounds of CO<sub>2</sub> reduction.

The benefits include contributing to a safer and cleaner environment with climate action via a low carbon and clean energy fleet. As part of the 2019-2021 strategic plan, the company intends to reduce GHG emissions by more than 1 million pounds by extending the forklift conversion to some key sites in Europe, India, the Middle East, and Africa (EIMEA) throughout 2021. Additionally, we are currently assessing more opportunities in other regions, such as Asia Pacific and Latin America, as the program evolves. This joint effort, led by our Global Sourcing, Operations, and EHS teams, is also bringing us 38% savings in Total Cost of Ownership (TCO) year-over-year.



## Rionegro, Colombia

Our Rionegro plant serves a significant number of Hygiene customers in Latin America and is a local benchmark in sustainable practices. The site was designed to capture and re-use most of the rainwater as irrigation water and for fighting fires. In 2020, we replaced 100% of the lamps in the factory to LED technology and invested in solar panels for self-sustaining illumination of the property, which resulted in 30% less energy consumption.

## Langelsheim, Germany

We made a solid investment in an improved, specialized air leakage detection system to enhance the efficiency of our compressed air system in Langelsheim. Our local team of experts implemented the new technical system, generating 40% reduction of compressed air consumption relative to the prior year average. The initiative contributed to decreased electricity usage to produce the compressed air needed for our daily operations.

## Manila, Philippines

In the Philippines, where we serve mostly paper converting and packaging customers, we are committed to our sustainable targets and took direct action in reducing 50% of fuel consumption and 50% carbon emissions by deploying a new 30 HP steam boiler with enhanced power and capacity.



# Partnering to deliver more with less

The world has undergone deep changes that are expected to intensify in the coming years. In the contexts of a global pandemic, decarbonizing the economy, and acceleration of the digital paradigm, creating long-term value requires collaborative innovative solutions developed together with our customers, partners, and other scientific and technological players.

What we do matters, as adhesives can be found in nearly every finished good that you can imagine. They make smaller and faster electronics so people can stay connected; solar- and wind-powered energies; fresher food and safer drinking water to nourish the world; better construction materials for home efficiency and insulation; lightweight materials and designs; and more comfortable, affordable hygiene products to help people feel clean. While adhesives typically make up a very small percentage of most products, and we make the biggest impact downstream in supporting our customers' sustainability goals.

## Innovation for sustainability

In 2020, our scientists and engineers kept watching our markets to make sure we were developing the adhesives and sealants that would support our customers' responses to changing consumer demand, new product designs, and upcoming regulatory and sustainability efforts.

We invested significantly in innovation, research, and expertise, which are crucial for the continuous extraction of value from our business strategy. This also facilitated the creation of new high-performance solutions that enabled customers to improve their products and processes to better achieve their sustainability programs and help transition from a linear to a circular economy.



## Voices of our customers

**“H.B. Fuller embodies quality, productivity and collaboration — all the things we need and expect for our supply base. The product we buy helps to maintain the quality and integrity of our packages, enabling our products to move efficiently from production facilities to the market.”**

– Large global food and beverage brand owner

**“By using H.B. Fuller’s adhesives, we were able to reduce waste, improve our product’s durability and with that contribute to our sustainability programs.”**

– Indian paper products manufacturer

**“We have seen the multiple advantages of the low application temperature adhesive reflected in our sustainability goals – energy savings, operator safety and production line efficiency.”**

– British ice cream producer

**“The warm edge system KÖDISPACE 4SG offers maximum energy efficiency and maximum service life with a unique look and limitless design possibilities. The thermoplastic spacer thus fully meets our demands and helped us achieving the international LEED certification.”**

– South Korean conglomerate

# Technologies for the circular economy

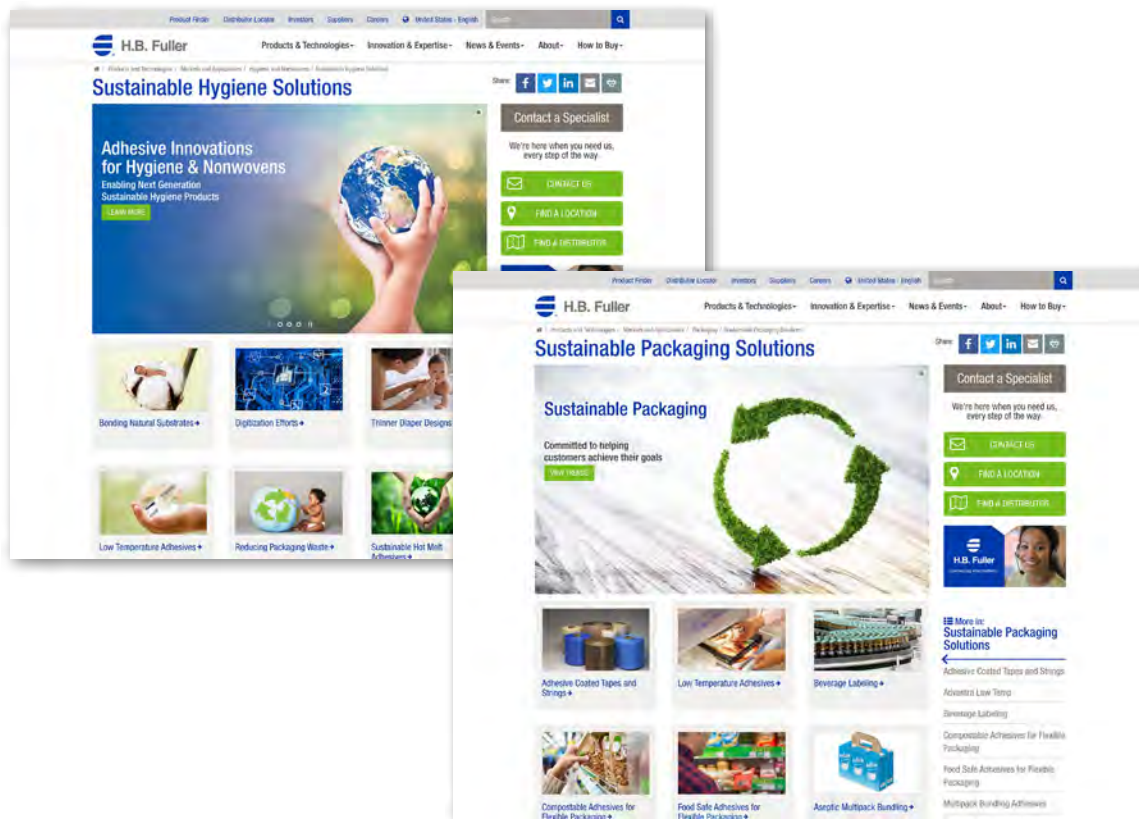


Increasing environmental awareness of consumers, strict legislation, and the popularized move towards a circular economy across industries is significantly impacting the way we live and do business.

At H.B. Fuller, we are committed to long-term sustainability and meeting the needs of the present without compromising future generations. With that comes the increased responsibility to promote more resource-efficient design, production, and consumption across the entire value chain.

With a solid vision and an advanced technology portfolio, we are taking action to tackle everyday sustainability issues.

In 2020, we launched a wealth of insights and unique applications in new sections of our website dedicated to sustainable packaging and hygiene and nonwovens solutions, along with new adhesive upgrades that enable customers to deliver the next generation of products and more efficient processes that require smaller ecological footprint and facilitate the circularity of those industries.



**“Innovation does not occur in a vacuum but at the interface of customer, equipment, substrate suppliers and our technical experts. Although our adhesives are typically less than 2% of our customers’ final products, they are many times the key enabler of sustainability. It could be though improved performance of our products allowing more sustainable processes, lowering energy demands, and less consumable substrates. We are uniquely poised to make those market needs connections and find innovative ways to turn that 2% into impactful sustainable solutions.”**

– Nicholas Lehman, Vice President, Global Technology | Hygiene, Health and Consumable Adhesives

**“Nearly all our global market segments ask for sustainability, such as safer products and renewable sources, recycling of durable goods at the end of life cycle, and energy efficiency and localization to reduce transportation needs. Our R&D plays a critical role in developing new solutions and new products to achieve those goals.”**

– Lee Polance, Vice President, Global Technology | Engineering Adhesives

**“The world needs to reduce GHG emissions and improve air quality to remain habitable. To address this successfully, we must recognize this need and continue innovating our products. When thinking about next generation products, the expectation is that they will be responsibly sourced, enhance energy efficiency, and enable recycling to create an efficient cradle to cradle loop. Our role is to find novel materials and processes that facilitate responsible innovation.”**

– Construction Adhesives: Scott Cowen, Global R&D leader | Utilities and Infrastructure; Justin Bates, Global R&D Leader | Roofing; and Greg Schad, Global R&D Leader | Flooring



# Responsible stewardship of adhesives



## Hygiene, Health and Consumable Adhesives



Our **Flextra™ Evolution** product line offers two compostable solutions as part of the drive towards sustainable options for flexible packaging throughout the value chain. In industrial composting facilities, the adhesives decompose with no toxic residue, microplastics, or other pollutants. The 2K solventless adhesive drives outstanding sound deadening and excellent adhesion to a variety of biodegradable film substrates; and the 2K water-based works well on an assortment of film-to-paper laminations and is Industrial Compostable certified through the Biodegradable Products Institute (BPI), North America's leading certifier of compostable products and packaging.

**Full-Care™ 5885** is a high wet-strength adhesive that allows hygiene manufacturers to confidently switch to natural substrates like 100% cotton and viscose and offers great value by combining high-performance bonding at low cost in use. It also allows for application at lower temperatures, ease of use for application set up and optimal line efficiency. With consumers demanding more natural-based products, Full-Care 5885 also offers extra assurance as it meets the certification requirement of the ECO PASSPORT by OEKOTEX®, an independent certification that is increasingly used by the Hygiene industry to show ecological responsibility.

## Engineering Adhesives

**Rakoll® 4020**, our new reactive hot melt low monomer adhesive for the woodworking industry, was developed to meet upcoming strict regulations and fulfill market demand for non-hazardous labeling obligations as it contains less than 0.1% of monomeric content, contributing to lower hazardous emissions and enabling environmental benefits in the workplace. It also makes the reactive polyurethane versatile and robust enough to adapt to all possible conditions and materials.



**Swift® lock 2009** is an advanced solution that bonds non-polar substrates, like untreated polypropylene, defining a new standard in strength development and inventory reductions. While adding a fast cross-linking performance on top of the overall known reactive olefin technology benefits, it also contributes to lightweight initiatives, product durability, and energy and production cost reduction for automotive interior trim customers. Since it is isocyanate monomer-free, this technology also offers worker safety improvement and better air quality in the interiors.

## Construction Adhesives

**Fast 2K™** has been developed to replace concrete when setting deck or fence posts. This patented lightweight product allows for easy handling, fast setting, less material, and long-term performance. It's estimated that 100 million fence posts are set in the United States every year, requiring approximately 200 million bags of cement that necessitate 357,000 truckloads of transportation. Since Fast 2K is an expanding composite backfill that allows for a single 1-kilogram bag to replace a 40-kilogram bag of concrete, a single pallet can replace more than a truckload of cement and consequently generate more than a 90% reduction in CO2 tail pipe emissions in transportation.

**Sprayable Bonding Adhesive** is part of our key portfolio that enables more economically and environmentally sustainable buildings and products. The technology allows commercial roofing contractors to increase the speed of installations, reduce labor requirements, and reduce costs. The high-quality solution is delivered via a convenient pressurized canister and applied as a fast-drying contact adhesive that is approved for use in all VOC-regulated markets.



# WORKPLACE

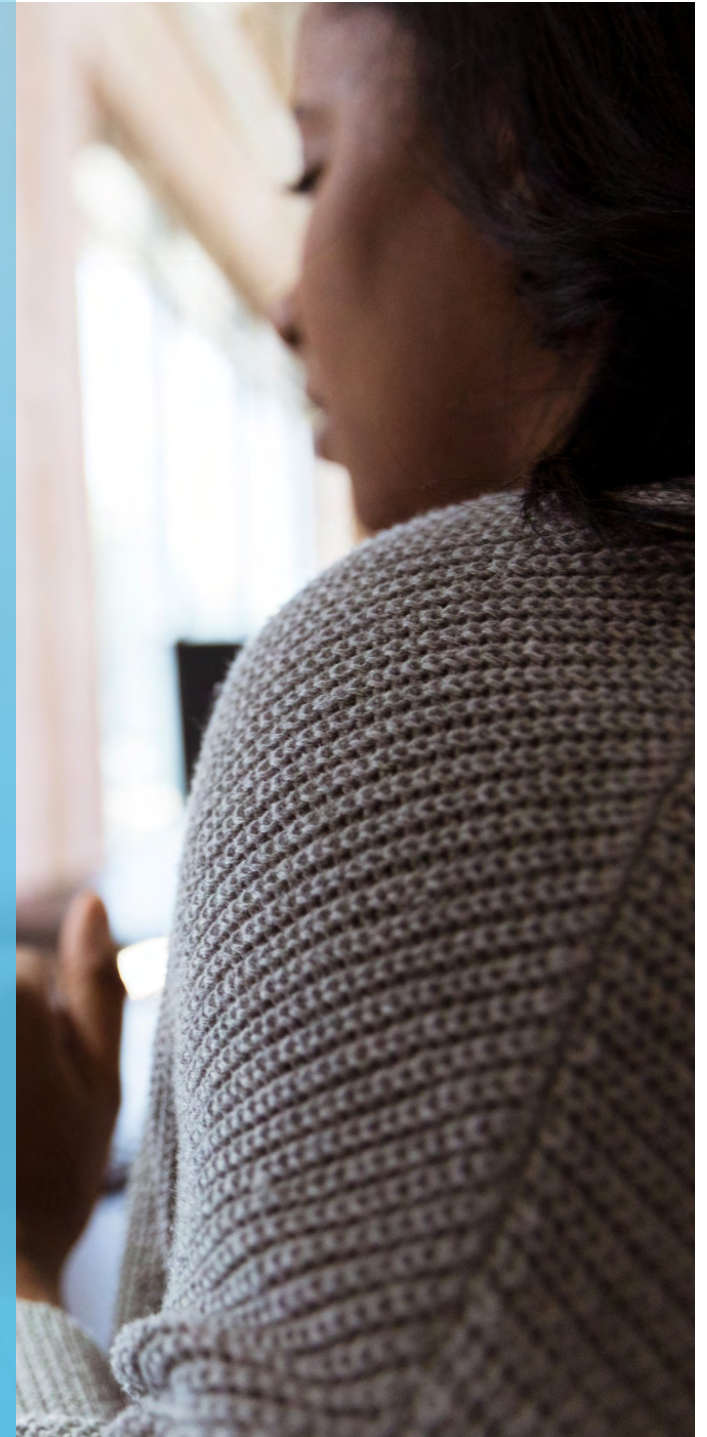
## Engaging employees around the world

As a respected company supplying varied industries around the globe, we have built our reputation on a foundation of dependability and trust. We earn that trust by making sure that our actions and behaviors are always in line with our company's values and policies. H.B. Fuller's values include, Winning the Right Way, Embracing the Essence of Courage, Fostering the Power of Collaboration, and Embodying the Spirit of Winning.

We have embedded respect for global human rights principles into our policies, systems, and processes. We believe this integrated approach reflects our long-standing commitment to improving the lives of employees and communities where we operate and allows us to manage our business behavior efficiently and effectively. H.B. Fuller is committed to ensuring there is no modern slavery or human trafficking in our supply chain or in any part of our business.

We believe the most effective teams represent a diverse range of voices and perspectives. Our values are guided by the principles of diversity and inclusion, equal opportunity, and the promotion of a culture of respect and social integration.

We incorporate the principles of empowerment and leadership into our culture while fostering innovation and the development of outstanding global talent. Therefore, we are committed to providing effective training, powerful learning tools, applicable resources, and development programs to our employees at all levels of the organization.





## Staying true to our beliefs

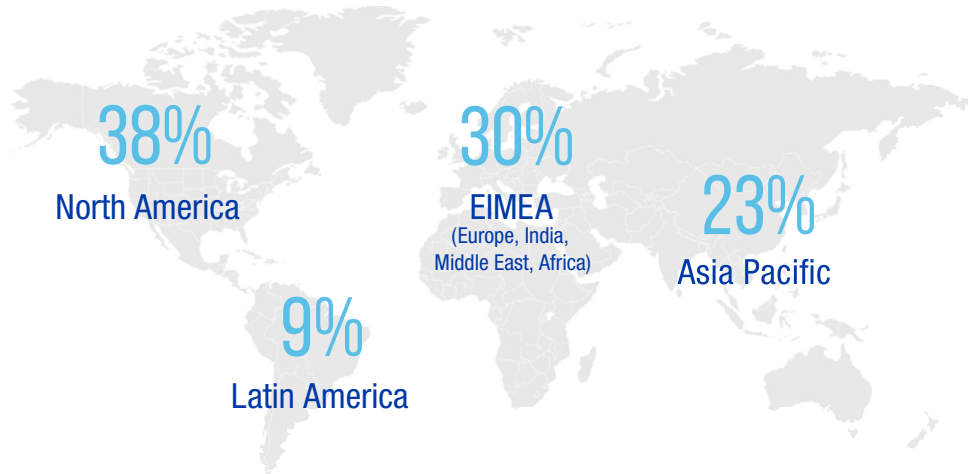
This past year presented numerous challenges, from natural disasters and pandemic-related shutdowns to economic uncertainty and completely new ways of working – all of which have dramatically affected our people and our business. The H.B. Fuller team proved, time and again, that we have the strength to withstand amazing challenges and deliver what's most important to our company, our employees and our communities. We stayed true to our beliefs and leveraged the strong foundation we have built, which enabled us to continue serving customers better and faster than the competition.

What we learned about ourselves and the strength of our company over the past year has been valuable. We set up makeshift offices from our homes and used limited supplies to keep one another safe in our facilities. And, all of us had to learn better ways of working and new technologies to collaborate with one another. We have taken these insights and have formalized them into our new way of working, which we are calling, "The Future of Work at H.B. Fuller." This is about applying those things that worked previously, while taking the lessons learned throughout 2020, and renewing our organization so that we are even stronger going forward.

We have emerged from the past year a stronger company. I am proud of the hard work and dedication of our employees who made it happen. And, I am looking forward to the new opportunities our Future of Work will bring.

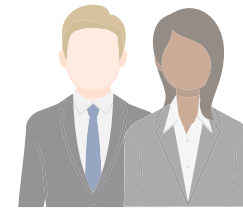
**Nathan Weaver**  
Vice President,  
Human Resources

## OUR CULTURALLY DIVERSE WORKFORCE IN 2020



OVER **6,400** EMPLOYEES IN **35** COUNTRIES  
**33,700+** HOURS OF TRAINING

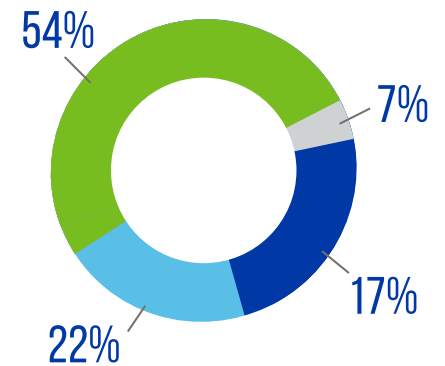
**520**  
PROMOTIONS



**766**  
NEW HIRES

## TYPE OF WORK

- Manufacturing
- Sales/Technical & Customer Service
- Research & Development
- Functional Support, Administrative & Other



In 2021, we will review our diversity metrics with a goal to provide more robust workforce disclosures in future reporting.

# Finding new and better ways of working



The global pandemic has forced us to think and act differently to keep ourselves healthy and safe, to stay connected with one another, and to continue to support our customers and communities.

Our teams have leveraged our investments in digital tools to improve service to customers, deliver innovation faster, collaborate internally more effectively, and increase the speed of decision-making. For example, our sales and technical service teams pivoted to mobile devices, online meeting technology and smart glasses to troubleshoot issues and stay connected to our customers. As a result, we were able to shorten sales cycles, increase share with existing customers and win business with new accounts.

Our teams also turned to technology within our walls to drive true collaboration, where there is equal engagement between those who are physically present and those who are not, and to challenge ourselves to learn new skills to be better communicators and collaborators. In 2020, we moved our Building Management Skills course from its traditional, multi-day, classroom format to a new six-week virtual training journey. This allowed us to continue to offer important training to our new managers of people during a time when it wasn't feasible to do so in person. The new format has been well received by participants, with 90% reporting that the program has prepared them to better manage their teams, and it has become a model for future training.

In addition, when our global teams needed to come together during the pandemic, they turned to a hybrid meeting model, with some leaders attending socially distanced in person while others participated virtually. We designed and held an entirely different senior leadership conference with all 100-plus global leaders attending face-to-face virtually. With time zone conflicts as a key challenge, the event team worked hard to plan a thought-provoking and fun virtual event that brought our leaders more closely together at all times of the day and night around the globe.

The pandemic has undeniably hit us all hard, but it has also opened the door to new opportunities, like finding new and better ways of working, which will serve each of us and our company well long into the future.

**Since beginning the program in April 2020, more than 100 employees have helped to complete 25 projects outside their normal work duties.**

## Redeploying our resources to get work done

When COVID-19 hit, the type and amount of work for many of our employees changed dramatically. For some of our businesses, plants and functions, workloads more than doubled overnight. For others, work came to a standstill as a dramatic change in consumer demand affected some of the markets we serve.



In some industries, this shift resulted in layoffs, or some businesses closed altogether. Instead, we saw an opportunity to leverage a pre-pandemic idea to redeploy our resources to get the increased work done, and as a result, Project Redeploy was born. The goal of this program was to create a way to easily match those who had a project or work assignment with those who had the capacity and interest in taking on additional work. This program not only led to business results, but it also gave employees additional breadth of experience, and in some cases, a development opportunity. Since beginning the program in April 2020, more than 100 employees have helped to complete 25 projects outside their normal work duties.

Due to its success, we are now making Project Redeploy a part of our larger Future of Work strategy at H.B. Fuller. Our vision is that it becomes an integral part of our culture, which will allow more work to get done, tapping into the collective talent within our company, and providing opportunities for our employees to stretch and grow.



# Appreciation is the glue that holds our company together



Offering positive feedback is a powerful way of recognizing and valuing another person. At H.B. Fuller, we believe that when we take the time to show our appreciation for one another on a regular basis, we make our company a great place to work.

Recognizing our colleagues has never been more important. In the current environment, so many of our employees are working in new and creative ways to serve customers, to keep our sites open for business, and to help one another succeed during these challenging times.

The H.B. Fuller Employee Recognition Program, which we implemented more than 10 years ago, provides employees with a formal opportunity to nominate a colleague – or team of employees – for one of the company's recognition awards. In 2020, more than 1,000 employees received a Spirit Award and more than 100 employees received a Power Award.

**SPiRiT AWARD** The Spirit Award recognizes those who model one or more of Our Beliefs and consistently deliver exceptional work, contributing to our company's growth. Winners receive U.S. \$100 (or comparable local value) after taxes per individual or team member.

**POWER AWARD** The Power Award recognizes those who deliver a significant financial impact in addition to modeling one or more of Our Beliefs. Winners receive U.S. \$500 (or comparable local value) after taxes per individual or team member.

In addition, hundreds of employees from around the world sent in personal thank you notes to share with their colleagues who continued to work on-site in our manufacturing facilities and labs. These notes of appreciation for keeping H.B. Fuller open for business were compiled and reproduced onto a "thank you" banner that was sent to each of our 71 facilities across the world.



## Sharing in our success

H.B. Fuller believes in sharing the company's success with the employees who make it happen, and our President & CEO Jim Owens has long been a champion of making more employees shareholders by providing stock.

Not only is this a good way to take care of employees, but it's good for business. For employees, a stock award is a reward for dedication and hard work and an incentive for future business growth. It gives employees financial benefits at no cost to them, with the potential to earn even more if the company's stock performs well. Companies who offer stock to their employees tend to be more productive, faster growing, more profitable and have lower turnover.

What was once viewed as a component of executive compensation, has now expanded greatly, and stock is now offered to more employees in more parts of our organization. In early 2021, we **awarded company stock to 1,500 employees in manufacturing roles** as a way to say, "thank you," for their contributions and dedication throughout the pandemic. Many of these employees became H.B. Fuller stock award recipients for the first time.

We also share our success with employees through the company's bonus programs. And, even in our most challenging years, we have ensured that employees receive merit pay increases.

# Protecting our people

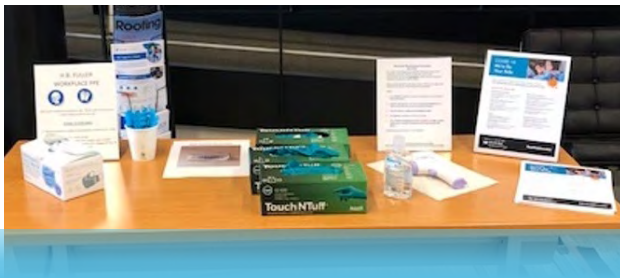


Ensuring the health and safety of our employees is our number one priority. Throughout the pandemic, we quickly implemented personal and workspace protection and enhanced cleaning protocols, following the local health guidelines at every H.B. Fuller site worldwide. And, our teams looked out for each other. When we began to have issues securing personal protective equipment (PPE) and other supplies needed to work safely, our quick-thinking employees were able to combat these shortages with some creative and resourceful approaches.

## Securing much needed and in demand PPE

Early in the pandemic, as the outbreak began to spread and face coverings became difficult to secure, our team in South Korea purchased 5,500 masks locally and shipped these to their colleagues in China in time to meet that government's face covering mandate.

Due to the strong relationships that two of our company's leaders had built with their suppliers and distributors over the years, we were able to buy about 500,000 KN95 masks, 500,000 pairs of gloves, and drums of hand sanitizer, which were later decanted into 2,000 bottles. The supplies were shipped in bulk to our headquarters in the U.S., where teams of employee volunteers repacked these materials for distribution to each of our plants, labs and virtual employees in North America.



Before face masks became widely available for purchase to the public, various mask-making activities popped up across our company, including by one employee in Frankfort, Illinois, U.S., who made 130 masks for her fellow employees using material that was originally intended to make blankets, and another effort where employees in our Michigan Center, Michigan, U.S., facility sewed 495 masks to protect their co-workers.

## Keeping our workplaces and homes virus-free

Following the World Health Organization (WHO) and the Centers for Disease Control (CDC) guidance, we enacted social distancing measures in all of our 71 facilities worldwide. Some of these have involved further spacing desks and work areas. In addition, we installed barriers and plexiglass dividers as well reduced meeting room and common area capacity. Where possible and practical, our employees worked from home to help limit our essential manufacturing, technical service and technology employees' potential exposure.

We expanded our procedures to include frequent disinfecting of common areas and high touch surfaces. And, we increased the availability of cleaning and disinfecting supplies for employees throughout our buildings, including through dedicated cleaning stations.

We also found a way to leverage one of our own products to keep our employees safe, making our Foster® 40-80 First Defense™ disinfectant available to employees at work and in their homes. Since First Defense was proven to be effective against viruses similar to COVID-19 on hard, non-porous surfaces and approved for use in the United States and Canada, we worked quickly to get a supply to each facility in those countries to properly disinfect our working areas. We then provided more than 2,000 North American employees a supply for their personal use, free of charge. Since then, a new version has been already approved in some European countries and we have been able to expand its availability.





## Effective communication and education critical to fighting COVID-19

As soon as the coronavirus outbreak expanded outside of Wuhan, affecting our employees in China, we knew that communication and education would be key to fighting the spread of the virus. We immediately increased the frequency and reach of our employee communications, including through email, videos, town halls and informative virtual meetings, onsite posters, just to name a few. And, we introduced a new publication, *HBF Alert*, to keep employees aware of the impact of COVID-19 on our business across the globe. Leveraging materials from the WHO and the CDC, we have been able to provide up-to-date, accurate information and resources as employees needed them, including tips for preventing illness, how to determine if you might have COVID-19, what to do if you get sick or are exposed to someone who is ill, and more. Not only did these regular messages keep our employees informed throughout the pandemic but have also brought our entire company closer together.

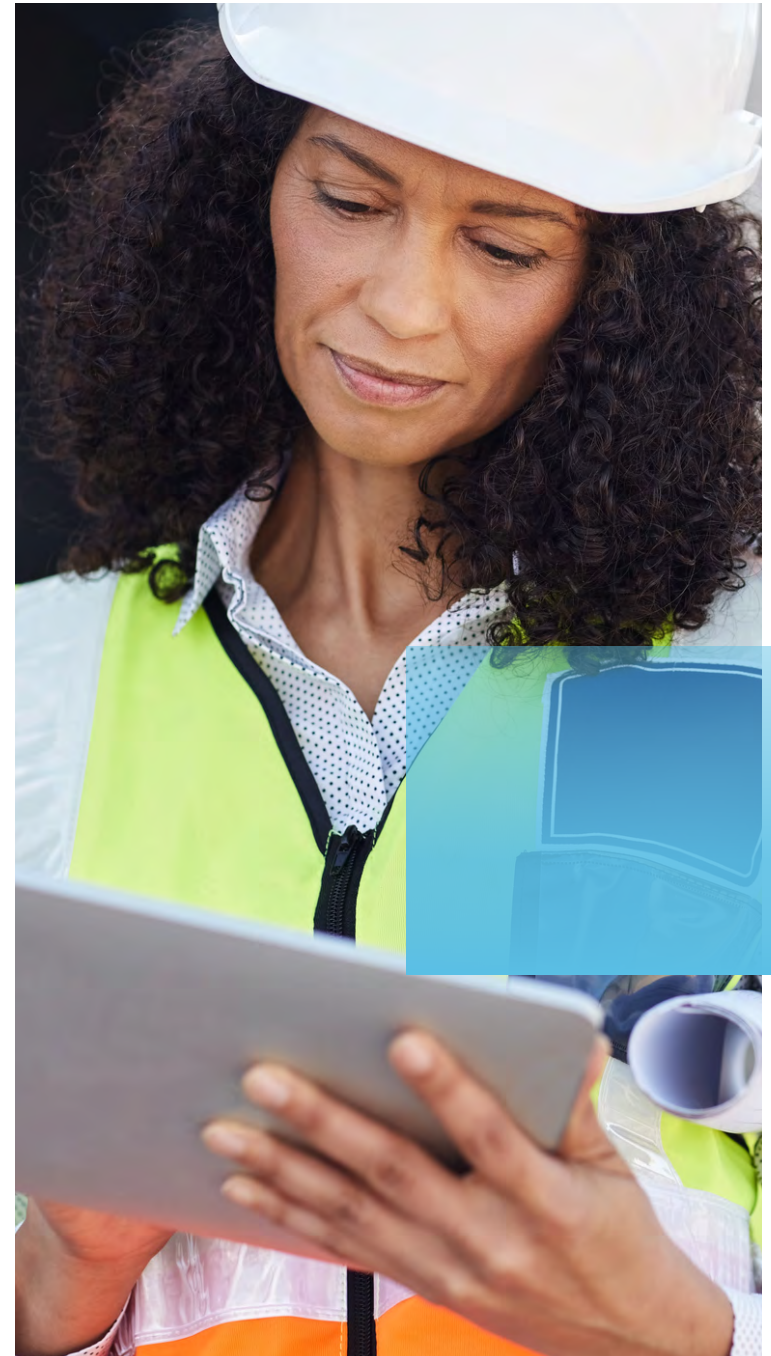


## 2020 GLOBAL SAFETY RESULTS

	2015		2016		2017		2018		2019		2020	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
<b>Recordable Injury Rate</b>	0.5	0.88	0.5	0.81	0.7	0.90	1.00	1.47	1.00	0.93	0.8	0.77
<b>Lost Workday Injury Rate</b>	0.2	0.29	0.2	0.21	0.2	0.23	0.35	0.63	0.35	0.43	0.35	0.28

**19** TOTAL LOST WORKDAY INJURIES. **0** FATALITIES SINCE BEFORE 2015.

RECORDABLE INJURY (RI): An occupational injury and illness case resulting in medical treatment, work restriction(s) or days away from work.  
 RI RATE: An incidence rate showing the number of injury and illness cases per 200,000 hours worked, equivalent to 100 employees per year.  
 LOST WORKDAY INJURY: Recordable injury that was serious enough for the doctor to prescribe days away from work.



# GOVERNANCE

## A business focused on ethics, quality, and safety

H.B. Fuller has a strong reputation of doing business with integrity and innovating responsibly for more than 130 years.

We are committed to consistently meeting or exceeding the regulations that govern our work. Our promise to respect the law and internationally proclaimed ethics and human rights principles is the common thread connecting our business, operations, people and suppliers and is firmly supported in our corporate policies.

We ensure our employees follow an ethical path by setting and communicating high compliance standards. Each year, all employees, officers and directors of the company are required to certify that they have read, understand and will comply with the Code of Business Conduct. In addition, we assign and track mandatory online ethics training courses for our employees through our global learning management system, including courses covering areas such as harassment, discrimination, safety and ethical decision making.

At H.B. Fuller, we are committed to safeguarding confidential information, data privacy, and information security. As a global company with a tradition of upholding the highest ethical business standards, we respect and are committed to protecting personal data in a manner that is consistent with both business needs and the laws of the countries in which we operate.

You may also learn more about our corporate governance practices and Board of Directors on our recently redesigned Investor Relations website.





# Conducting business with integrity

Doing business ethically is a great source of pride for our company. We believe that an ethical culture is critical to our growth. Customers choose to work with us due to our integrity and unwavering commitment to upholding the highest ethical principles and corporate responsibility. We expect our employees, regardless of the position or function they perform, to support our commitment by acting in an ethical manner every day.

## Building a leading ethical culture

Our Code of Business Conduct is at the heart of the H.B. Fuller's corporate compliance program and clearly outlines that strong commitment. Our Code, which is available in 10 languages, summarizes our practices and compliance with laws applicable everywhere we do business. It provides guidelines to help address the tough decisions that confront us every day. It also serves as a promise to our stakeholders, including shareholders, investors, customers, suppliers, and the communities with which we interact, that we will always behave in a professional and ethical manner.

We consistently strive to model appropriate behaviors and continue to review our human rights policy and associated supply chain transparency, among other ethics standards and best practices in the marketplace, to understand how we can best meet our global responsibility commitments.

## Communication and training

To ensure that all employees comprehend our ethical principles, we offer a range of resources, including required online training courses and an employee helpline.

When issues arise, employees are encouraged to speak up to report concerns and potential legal or ethical violations. H.B. Fuller presents varied options for reporting, including managers, HR representatives, the Law department or our 24-hour ethics helpline, through which employees may report confidentially and, where allowed by law, anonymously, by internet or phone.

In 2020, H.B. Fuller employees worldwide were trained on a variety of ethics and compliance topics including: Anti-Trust Competition, Health & Safety, Corporate Governance, Records Retention, Business Confidentiality, Securities and Insider Trading, Information Security, Data Protection, Harassment, and the Code of Conduct with certification. We achieved completion rates of 94% across all our employees. The goal is to maintain our high completion rate for training and to continue to evaluate our initiatives to make sure they remain effective.



“Living up to our values is more critical than ever in today’s challenging world. Our commitment to ethics, human rights, and strong corporate governance is a key element of our business strategy and is essential for growth and the safeguarding of our people, customers, brand, and performance. Navigating the coronavirus pandemic over the last year has highlighted the inter-dependencies of business operations across regions, industries and communities around the world. In this environment, as in the past, “winning the right way” is a key value and driver of success for H.B. Fuller. Count on us to continue operating with transparency and integrity, and collaborating with our stakeholders to become more efficient and resilient in times of crisis. Together with our more than 6,000 employees around the world, our customers, and our partners, we are committed to building a future of shared success to achieve sustainable growth by following the highest standards of ethics and compliance.”

– Tim Keenan, Vice President, General Counsel and Corporate Secretary

## A history of strong corporate governance

The responsibility to advance corporate citizenship at H.B. Fuller starts at the top with our Board, our corporate officers, and our Chief Executive Officer, and cascades through our structure. From the Board Committee Charters and Governance Guidelines to our Business Code of Conduct and Core Values, our governance principles provide a framework that defines the roles, rights, and responsibilities of our Board, corporate and regional management, and all employees.

We regularly post governance news, events, and information in the recently redesigned Investor Relations section of our website.







# COMMUNITY

## Supporting people where we live and work

The inspiring work done by our employees shows that community involvement brings powerful, positive change to the community.

H.B. Fuller continues to invest in strengthening communities, support employee volunteerism, and connect employees with causes they value.

Our philanthropic vision is to help young people grow into productive, successful adults. The H.B. Fuller Company Foundation and our corporate giving are focused on STEM (Science, Technology, Engineering, and Math) education, youth leadership development, and racial equity. We are proud to support initiatives around the world that prepare the next generation of leaders and innovators.

We are deeply committed to making a difference in building strong communities. Our employees bring that commitment to life by participating in our various corporate social responsibility programs that encourage volunteerism in their communities.





**Kimberlee Sinclair**  
 Senior Director, Corporate Communications  
 Executive Director,  
 H.B. Fuller Company Foundation

## We are stronger together

2020 was a year like no other. It offered us a unique opportunity to demonstrate the strength of H.B. Fuller's values, particularly the power of collaboration and courage. Our focus on taking care of employees, solving customers' challenges in new ways, and supporting our communities when they need us most never faltered.

From wildfires in Australia and the United States to civil unrest in cities around the world and the COVID-19 pandemic, our employees responded to changing needs in our communities with innovative spirit. This, in turn, helped our nonprofit partners as they pivoted their programming to reflect a new "normal."

Our commitment to STEM education and youth leadership development did not waver, and we created a new funding focus to address racial inequities in the areas of employment, education and safety. Additionally, employees around the world took part in company-sponsored matching programs and a variety of virtual or socially distanced volunteer opportunities to amplify their impact on issues they care about.

Overall, the gifts of time, talent and financial resources provided by H.B. Fuller and its employees in 2020 had an immeasurable effect on communities around the world.

## 2020 COMMUNITY IMPACT

\$1.2M

Donations Made

1,435

Employee Volunteers

304

Organizations Impacted

### Total Volunteer Hours:



### 24 COUNTRIES REACHED:

- |           |            |         |           |              |                |
|-----------|------------|---------|-----------|--------------|----------------|
| Argentina | Chile      | Egypt   | India     | Mexico       | Switzerland    |
| Australia | China      | France  | Indonesia | Philippines  | Vietnam        |
| Brazil    | Colombia   | Germany | Kenya     | Portugal     | United Kingdom |
| Canada    | Costa Rica | Greece  | Malaysia  | South Africa | United States  |





# Making a difference in the world



For the 12th year in a row, we demonstrated our commitment to drive positive change through our Make a Difference month, a time for H.B. Fuller employees around the world to select meaningful opportunities to volunteer their time and give back to their communities.

Our employees were tireless in overcoming pandemic-related restrictions in their planning and deployment of volunteer events, drawing on their creativity and innovation to organize virtual or distanced activities while ensuring the safety and well-being of employees, volunteers, and community members.

In 2020, despite all the challenges, employees in 25 countries donated nearly 4,000 hours of service to their communities, positively affecting thousands of lives. They selected causes that they are passionate about and that addressed local needs. This year's 39 Make a Difference projects included outreach to those isolated due to COVID-19, participation in food drives, support for communities affected by civil unrest, environmental restoration efforts, and enrichment activities for children in need, among others.

We are proud of the many initiatives that made a lasting difference, and here are just a few examples.

- In Brazil, employees collected food, toys, and hygiene items for local children and held a virtual talent show to bring smiles and a distraction to those isolated due to COVID-19.
- The team in Germany coordinated an orchestra concert put on by local teenagers for the benefit of residents of a senior citizen facility.
- In the U.S., one group spent a day cleaning, refurbishing, and updating a community center located blocks away from George Floyd Square in Minneapolis.



# Caring for our communities during COVID-19

This past year, people around the world dealt with a crisis unlike anything most of us have ever faced. The COVID-19 pandemic affected the world in big and small ways, touching the lives of every person on our planet. Combating the pandemic and providing relief to our neighbors was an important focus in 2020.

Here are some of the ways that our employees helped our communities.

- Our team in India sourced, packaged and distributed 1,000 food and hygiene kits to local populations in need.
- A group of chemists in Minnesota, U.S., mixed and donated hand sanitizer for donation to local nonprofits, producing 6,000 2-ounce bottles. In Nienburg, Germany, we responded to a community request by providing 2,500 bottles for distribution of hand disinfectant to many frontline health organizations and other services. Likewise, our team in Portugal produced and donated more than 1,000 liters of hand sanitizer to hospitals and nursing homes that were in need.
- As the world faced shortages in personal protective equipment, PPE, one of our U.S. employees used his personal 3D printer to produce more than 250 face shields and approximately 15,000 ear strain relievers to be used in U.S. healthcare.
- Employees all over the world donated supplies, food vouchers, and funds to area nonprofit organizations.
- Employees had the opportunity to direct donations of H.B. Fuller's Foster® First Defense™ disinfectant to nonprofit community partners, including food shelves, schools, churches, and first responders. The company donated more than 300 gallons to organizations important to our employees across North America.



## Providing aid after natural disasters

Even before the pandemic took hold, H.B. Fuller employees were already supporting urgent and emerging needs across the globe. Disasters impacting human, environmental, and animal health prompted our employees to generously respond.

Employees acted fast in support of their neighbors in need by providing funds for disaster relief efforts for those affected by the Taal volcano eruption in the Philippines, bushfires in Australia, and wildfires in the western U.S.



# Partnering to foster STEM education

Throughout 2020, educators around the world were confronted with the issue of how to meaningfully engage children from afar. When it became evident that in-person camps were not going to occur, Bell Museum redirected efforts and funding to create at-home STEM (Science, Technology, Engineering, and Math) kits for 9,000 children (ages 5-11) in the communities surrounding H.B. Fuller's world headquarters.

Each kit was developed with autonomy in mind so children could complete activities on their own or with minimal involvement from caregivers. To address some of the challenges related to a lack of access to technology, travel, and program opportunities, the Bell Museum has utilized free meal pick-up sites, shelters, and community-based organizations for families as the distribution hubs.

We are proud to support the Bell Museum's paramount efforts in providing meaningful, accessible content and activities to nourish the minds of our next generation.

# Commitment to youth development

We are particularly committed to education, careers, and gender-equity opportunities for young people.

## A signature project in the US

Keystone Community Service's mission is to strengthen the capacity of individuals and families to improve their quality of life, and their mission and values – advocacy, equity, innovation, professionalism, support, and responsibility – are embedded in their programming.

The Youth Express program is a signature project that aims to provide support for early youth employment in Minneapolis, Minnesota, which is vitally important in closing disparities in employment for people of color and provides advantages in their pursuit of education and

careers. The program teaches about work readiness and social entrepreneurship skills and provides a paying job through apprenticeships.

We have collaborated with Keystone to support and deliver their programs in helping low-income teens succeed in the workforce through grant-making, volunteering, product donation drives, and hand sanitizer distribution.

## Expanding our social engagement in India

H.B. Fuller has a history of providing funds to support the education of girls around the world who are often left behind.

Our support of Vishrantwadi Girls' Hostel, through our partnership with GlobalGiving and the Karuna Trust, has provided support to residential and educational facilities, including library and IT access, for 78 girls from disadvantaged backgrounds. Most of them are daughters of rural day laborers living in villages around Pune, India, where our facility is located.

The hostel provides the support and tools that allow girls to stay and advance in school, as well as self-development workshops to help build confidence to overcome the stigma of poverty and caste discrimination that many of the girls face.

**“The students were absolutely excited to pick up kits at our open house. Seeing their big eyes and hearing them say ‘these are for me?’ made my day! They may seem basic to anyone else but knowing that every single student has access to materials is amazing.”**

– Anna Whiting, teacher at Northrop Elementary School.



Last year, because of our grant, hostel staff was able to continue their support of the girls by distributing emergency food and health supplies to families amid the pandemic. Now, while

they wait for restrictions to ease and for the return to residential learning and living, the hostel team continues to provide educational support for girls in the Pune region.



Photo taken in 2019

# Mobilizing to improve racial equity

The Black Tech Geeks (BTG), a program of 30K Feet in St. Paul, Minnesota, is committed to connecting Black youth to STEM and computer science careers and reducing recidivism in the juvenile court system. Formerly known as ANEW BAM, 30K uses culturally-responsive art and technical skills, social emotional learning, and African-American history and culture to advance academic success.

BTG offers practical technological education and employment for teenagers living in poverty, with 50% of jobs going to teens involved in the juvenile delinquency system. The goal is to help students take control of their futures while expanding the number of African Americans who pursue a career in computer science fields.

**“For many of these kids, this is the first time someone has trusted them and believed in them. The transformation in their confidence level is amazing!”**

— Kevin Robinson, Executive Director and co-founder, 30k Feet, St. Paul, Minnesota.

Participants in the program need to complete training in computer science competencies aligned with industry certifications and hands-on projects at partner sites. By identifying and helping to fund organizations like 30K, H.B. Fuller is addressing long-term, systemic racism in our communities and supporting real, lasting change.



# Promoting healing in our home town

Civil unrest erupted all over the world following George Floyd’s death while in police custody on May 25, 2020. H.B. Fuller was outraged by the actions surrounding his death, which occurred in our global headquarters community, and we acted quickly to do our part to promote the community’s recovery from these events.

One of the areas hardest hit was the Lake Street corridor in Minneapolis. In response, our employees collected and donated hundreds of pounds of food, hygiene and cleaning supplies, and pallets of bottled water to people who live in that neighborhood. They also raised more than \$10,000 to support local recovery efforts of the small businesses that were affected by property damage and loss of income. Also, several employees went to the local YWCA, a nonprofit multicultural organization whose mission is to eliminate racism, empower women, and promote peace, justice, freedom, and dignity for all, and volunteered to distribute essential goods to neighborhood families who were without access due to closures and safety measures.





# Connect with us



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Connecting what matters.™