



# SUSTAINABILITY REPORT 2021



**H.B. Fuller**

Connecting what matters.™

# TABLE OF CONTENTS

<b>3</b>	<b>LETTER FROM OUR CEO</b>	<b>19</b>	<b>WORKPLACE</b>
<b>4</b>	<b>H.B. FULLER AT A GLANCE</b>	20	Letter from Nathan Weaver
<b>5</b>	<b>REPORTING APPROACH</b>	20	Our Workforce
6	Transparency Through Frameworks	21	Health, Safety and Well-Being First
6	GRI and SASB Indices	21	Global Safety Results
6	About This Report	22	Safety Initiatives From our Teams
7	Contributing to Sustainable Development	23	Advancing Diversity and Inclusion
7	External Recognition	24	A Great Place to Work
<b>8</b>	<b>ENVIRONMENTAL</b>	24	Employee Vaccination Efforts
9	Goals and Progress	25	How Has the World of Work Changed?
10	What Sustainability Means to Us	26	Investing in our People
11	New Sustainability Technical Subcommittee	26	Helping Employees Stay Connected
11	Global Sustainability Website	<b>27</b>	<b>GOVERNANCE</b>
12	The H.B. Fuller Way	28	Building a Strong Ethical Culture
13	Investing in a Low-Carbon Future	28	Upholding Responsible Practices
13	Site Achievements	28	Foundational Policies
14	Together Toward the Circular Economy	29	Advancing Ethics & Compliance
14	Our Path to Sustainable Innovations	29	Managing Cybersecurity Risks
15	Voices of our Experts	30	Leading Governance Models
16	Reaching New Heights	<b>31</b>	<b>COMMUNITY</b>
17	Expanding Capacity in Solar	32	Letter from Kimberlee Sinclair
17	Running Life Cycle Assessments	32	Community Impact
18	Adhesives for Sustainable Packaging	33	Make a Difference Day
18	Product Awards	34	Supporting the Next Generation
		34	Sparking STEM Innovation
		35	Commitment to Racial Equity
		36	Supporting International Communities



# Letter from the CEO

At H.B. Fuller, we are proud of our long-standing commitment to global corporate responsibility, and 2021 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.

To achieve these goals, our teams around the world focus on helping our customers develop and produce consumer and durable goods that are stronger, safer, high-performing, and more sustainable. Though we were challenged over the past year with supply chain constraints and inflation, we maintained our strategic focus and commitment to customers, and consistently and purposefully lived our company values.

The world around us is changing rapidly, so companies, like H.B. Fuller, must be good stewards of the planet's finite resources, while at the same time, contributing to human development and progress. And we know that, to remain successful, H.B. Fuller must "win the right way." We do this by:

- Operating our business with a focus on quality, environmental stewardship and sustainability;
- Developing cutting-edge solutions that improve products and manufacturing processes;
- Conducting ourselves in accordance with the law in the global communities where we do business;
- Treating co-workers with respect;
- Investing in the communities where we live and work;
- Measuring and reporting our progress using globally respected frameworks, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

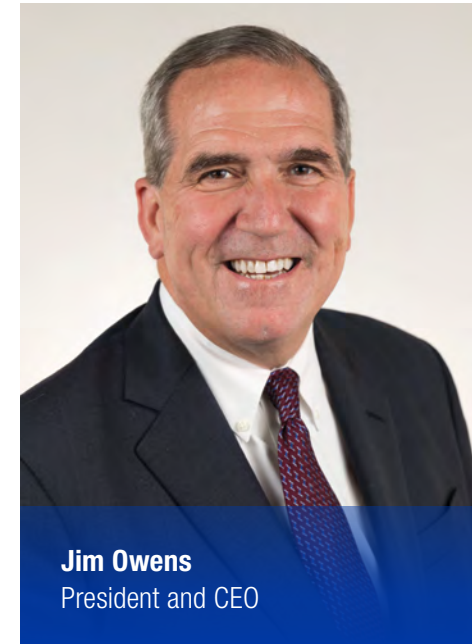
**“The world around us is changing rapidly, so companies, like H.B. Fuller, must be good stewards of the planet’s finite resources, while at the same time, contributing to human development and progress.”**

In everything we do at H.B. Fuller, we believe our responsibility to improve is never done. For example, in 2021, we created a sustainability technical subcommittee of multidisciplinary experts that will coordinate ESG (environmental, social, governance) initiatives at the operations level. This team will help us further develop enterprise-wide goals and market-specific initiatives as well as monitor and report on progress to our well-established executive oversight committee.

In this report, you will learn more about these and other ESG efforts in the geographies where we live and work. Across our company and around the world, H.B. Fuller is connecting what matters to create a better world for generations to come. We are driving sustainable practices in our internal operations and approach to R&D. We are building strong employee networks to strengthen our high-performance, diverse culture. We are investing in nonprofit programs that help young people grow into tomorrow's leaders, provide opportunities to improve racial equity, and improve the economic standing of marginalized populations in developing countries.



**Jim Owens**  
President and CEO



**Jim Owens**  
President and CEO

# H.B. Fuller at a glance

We are a global market leader in adhesives



**6,600+** employees

**135** years of history



**\$3.3 billion** in revenue



**70** manufacturing facilities

**38** technology centers



**125** countries with sales

**35** countries with facilities or offices

**3** global business units serving

**30+** markets



**10,000** adhesive solutions

**492** patents



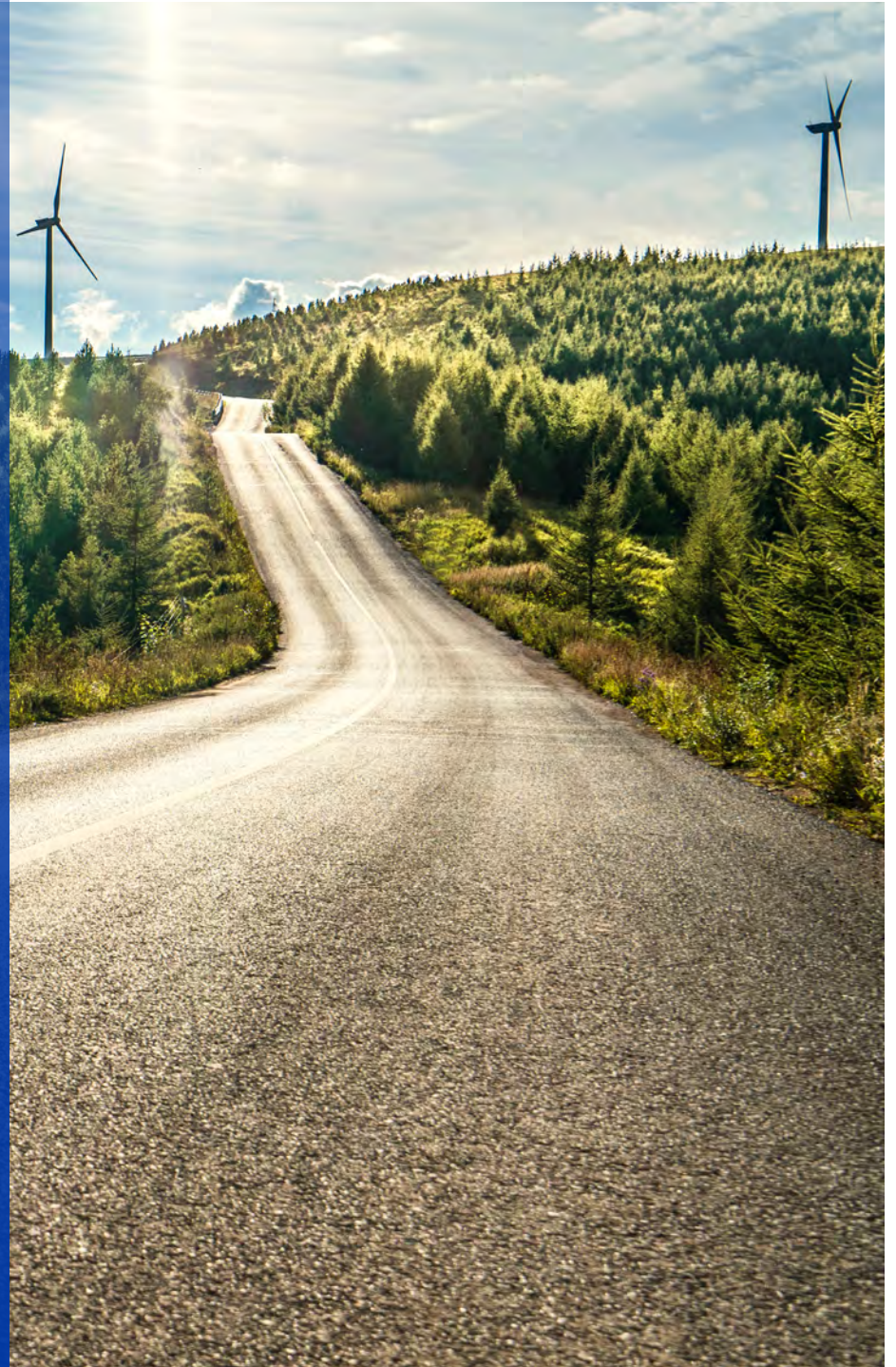
**122,000+** social media followers

# REPORTING APPROACH

## **Evolving our reporting standards**

Accountability and transparency are priorities for H.B. Fuller and are part of the foundation on which we build trust with our employees, customers, 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 continuous steps to strengthen our reporting approach through ongoing stakeholder dialogue and voluntary adherence to global, non-financial reporting standards.



# Transparency through recognized frameworks

Reporting publicly and consistently on our performance demonstrates our dedication to transparency and our commitment to obtaining third-party assurance of our non-financial data to improve accountability and enhance stakeholder confidence in our reporting.

We continue to align with the Global Reporting Initiative (GRI) Standards and the Carbon Disclosure Project (CDP), while adding indices for one additional framework: The Sustainability Accounting Standards Board (SASB). Aligning our 2021 disclosures with SASB standards is an important addition to our ongoing efforts to identify, manage, and report on the sustainability topics that matter most to us and our stakeholders. This new index reflects our alignment with chemical industry standards under the “resource transformation” sector from the SASB framework. With respect to each such standard, while this report is not intended to meet all the requirements of the standard, we have referenced each relevant section of the standard as to which we believe full or partial responsive information has been provided. For more information, please see our [GRI](#) and [SASB](#) Indexes.

We also continue to build on our long-standing commitment to the United Nations Sustainable Development Goals (SDGs), and we hold a range of industry-wide, external certifications that are relevant to ESG, including ISO 14001, ISO 45001 and ISO 50001. In 2021, we obtained new additional certifications for four sites in the EIMEA region (Nienburg in Germany, Pianezze in Italy, Pune in India, and Surbourg in France).

This report contains disclosures that address elements of the selected frameworks. Public resources referenced include the following: 2021 [Sustainability Report](#), our 2021 [CDP Responses](#), our 2021 [Annual Report](#) and [Proxy Statement](#), and various H.B. Fuller web pages.



**“We regularly assess our sustainability reporting and decided to expand our ESG frameworks to enhance disclosures of financial materiality. The more we progress with our reporting initiatives, the more it becomes clear that our ESG priorities are innately aligned with our company values and strategy. This was evident in 2021 as actions we took to address business effects of the global pandemic, and the need for increased focus on employees’ health and safe communities, also supported advancement of our environmental and social goals.”**

– Barbara Doyle, VP, Investor Relations

**About this Report:** This report provides a summary of H.B. Fuller’s key non-financial global indicators of ESG activities and future commitments that we have identified as top priorities for our business and our key stakeholders. This report was published on March 15, 2022, and represents our global operations as of fiscal year 2021 (Nov. 29, 2020–Nov. 27, 2021) except for our sustainability metrics, which represent the calendar year (Jan. 1–Dec. 31, 2021). H.B. Fuller partnered with WSP to compile and report our sustainability data in accordance and referencing reporting standards and guidelines. All other data contained in this report is compiled and validated independently by our company via performance management systems across multiple H.B. Fuller teams and vetted through an internal controls process, which includes senior leadership. This report does not replace the 2021 Annual Report and 2021 Proxy Statement, which contain an overview of our financial performance and other facts, figures, and analysis of our business. We are committed to reporting our ongoing progress online and invite you to visit our [website](#) periodically for updates.

# Contributing to the UN Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) provide powerful guidance for partnering with all of our stakeholders for good. H.B. Fuller fully supports the UN Agenda for Sustainable Development and is committed to contributing directly to the most material SDGs within its scope of activity and monitoring their impact on society. And by sharing our SDG commitments and progress, we work to drive sustainable practices in our sphere of influence. Our current corporate responsibility and operations align with the 11 priority goals highlighted in the figure below.

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

## SUSTAINABLE DEVELOPMENT GOALS



# External recognition

We know we are making progress as a responsible company when organizations like the ones below recognize our achievements.

## CARBON DISCLOSURE PROJECT (CDP)

H.B. Fuller has participated in and reported to CDP's supply chain program since 2013 to transparently disclose our environmental impacts, and thereby provide relevant stakeholders with information about our climate protection strategy and CO<sub>2</sub> reduction measures. In 2021, we maintained our scores of B (management level) for Climate Change, higher than the global average (B-), and equal to the Chemicals sector average, and A- (leadership level) for Water Security. We also received a Supplier Engagement Rating (SER) of B-, which assessed our performance on governance, targets, scope 3 emissions, and value chain engagement.



## ECOVADIS

We have completed the EcoVadis assessment for the seventh consecutive year, providing valuable information to our customers about our environmental, social, ethics and supply chain sustainable practices. We received a Silver rating for the efforts done during the 2021 calendar year (issued in March 2022).



## RESPONSIBLE CARE®

As a member of the American Chemistry Council, H.B. Fuller is committed to reporting on 13 metrics for our North America sites that are included within the Responsible Care® program. Participation in that program is 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 technologies and manufacturing practices. We also collaborate with customers to create solutions that allow them to meet their sustainability goals. Our adhesives 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



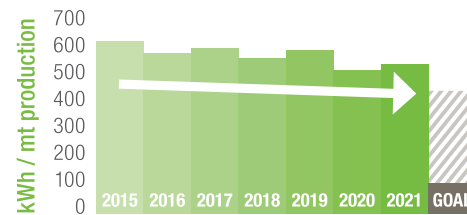
We focus on four key sustainability metrics: energy intensity, greenhouse gas emissions intensity, waste intensity, and water withdrawal intensity. Our sustainability metrics are intensity-based to show performance independent of business change. We normalize these metrics by metric tons of production to accommodate for changes in output. In 2021, we worked with engineering professional services firm, WSP U.S., to enhance and validate our sustainability disclosures.

## GOAL 1 PROGRESS

### Reduce energy intensity by 20% between 2014-2025

Energy intensity illustrates the amount of energy used per metric ton of production. Total energy is the sum of energy from electricity and natural gas use.

#### Energy Intensity

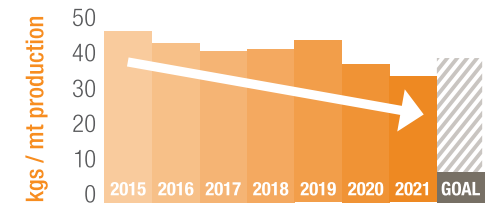


## GOAL 3 PROGRESS

### Reduce waste intensity by 10% between 2014-2025

Waste intensity illustrates the amount of waste disposed per metric ton of production. Waste includes solid waste and hazardous/dangerous waste.

#### Waste Intensity

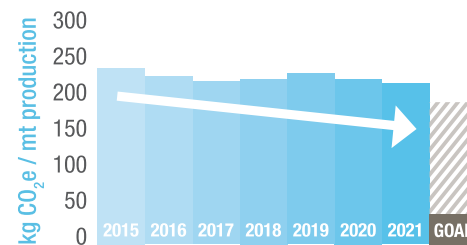


## GOAL 2 PROGRESS

### Reduce scope 1 and 2\* greenhouse gas (GHG) emissions by 20% between 2014-2025

GHG emissions intensity is the amount of GHG emissions per metric ton of production. GHG emissions are measured in carbon dioxide equivalent (CO<sub>2</sub>e), which expresses the effect of GHGs on the atmosphere in terms of carbon dioxide (CO<sub>2</sub>). Our primary sources of emissions are electricity and stationary combustion (e.g., natural gas-fired boilers). Other emission sources include mobile sources (e.g., vehicle fuels), refrigerants, and thermal oxidizer combustion.

#### GHG Emissions Intensity

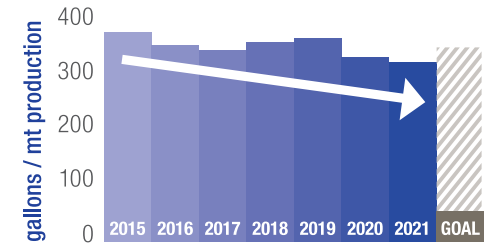


## GOAL 4 PROGRESS

### Reduce water withdrawal intensity by 10% between 2014-2025

Water withdrawal intensity illustrates the amount of water withdrawn per metric ton of production. This metric includes water withdrawals from municipal sources.

#### Water Withdrawal Intensity



\*Scope 1: Direct emissions within H.B. Fuller's operational boundary. Stationary combustion (e.g., natural gas-fired boilers, generators); mobile sources (e.g., fleet vehicles, fork lifts); refrigerants; process sources (e.g., thermal oxidizer combustion).  
Scope 2: Indirect emissions within H.B. Fuller's operational boundary. Purchased utilities (e.g., electricity, steam, chilled water).

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.

# What sustainability means to us



At H.B. Fuller, we view sustainability as a fundamental responsibility and an increasingly strategic priority that touches every aspect of our business. 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.

Our environment, social and governance (ESG) philosophy is deeply embedded in our values, culture, and processes. Our strategy is to:

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

This is not solely a question of business results; it comes down to being a “model corporate citizen”. By focusing our expertise on connecting what matters and reducing our carbon footprint, we are creating sustainable and responsible business growth while supporting communities and life as we know it.

## Q. Why does ESG matter to H.B. Fuller?

For us, it all begins with a recognition that we play a role in protecting our world's finite resources. We aim to deliver more for our customers while operating our facilities by using less. Although ESG first appeared as a term relevant to investors around 2006, it really did not start becoming widely addressed by companies like ours until just a few years ago. However, ESG describes something that has always been important to H.B. Fuller — being committed to business practices that help our company grow responsibly with an aim for long-term success while also undertaking real-time decisions that make a difference for our stakeholders and the planet.

## Q. It is a given that sustainable organizations deliver more value for stakeholders. How are we shaping our company to be more sustainable?

In 2014, we set out to reach four primary sustainability goals by 2025 (see page 9). We have since made steady progress toward all of them, and some have already been achieved well before the target date. As we say, the work we do matters and how we do it matters, too. Most of the more substantial contributions we make in the realm of sustainability are through product innovation — striving to reduce the direct environmental impact of production processes and our adhesive solutions.

## “The work we do matters and how we do it matters, too.”

### Q. Could you highlight best practices that really made a difference to our business in 2021?

ESG is a broad topic that touches almost every part of our business, and in an organization with the size and breadth of H.B. Fuller, it is hard to put a finger on just a few examples. We definitely helped solving some tough challenges for our customers through our innovative formulations, and you can learn more about it under the solutions chapter of this report. Looking ahead, we are focusing on some specific project-based improvements to promote efficiencies at our manufacturing plants, which are expected to significantly reduce CO<sub>2</sub> emissions and water demand. We see a lot of rapid change in the world, but that is not a new phenomenon. We need to anticipate and be nimble in our responses, develop actionable strategies and milestones, and be flexible enough to adapt our program without disruption. That is why I love my position and H.B Fuller's corporate mindfulness in this area.



**Jonathan Blaine**  
Global Environmental  
Compliance and  
Sustainability Leader

# We are doing our share

Industries, businesses, and operating models' transformation across the globe are necessary to become a truly sustainable organization. By focusing on this priority, we continuously add new innovations that help solve customers' bonding challenges, with the ever-increasing demand for eco-friendly solutions. Our Construction Adhesives portfolio helped builders work in a more energy efficient way; our Health, Hygiene and Consumable technologies have made great strides in packaging material enhancements to reduce downstream waste; and to increase EHS protection for users, the Engineering Adhesives team developed hazardous material label-free 1-K polyurethane solutions for bonding and sealing a variety of materials including wood, metals and many plastics.

## Global sustainability website

In 2021, we enhanced the [Sustainability section of hbfuller.com](#) to highlight our annual initiatives and progress against identified priorities. You also can access further information about our leading-edge, sustainable solutions that give true meaning to H.B. Fuller's vision of helping its customers create stronger, safer, greener, and better performing consumer and durable goods. And more importantly, you can read about our human rights, diversity & inclusion, health and safety, ethics and governance, social responsibility, and philanthropy standards.



### Sustainability technical subcommittee

Beginning in 2021, we embarked on an advanced stage of our sustainability journey with the creation of a new sustainability technical subcommittee comprised of a multidisciplinary team of experts on various areas of intervention directly related to environment, social and governance (ESG) matters. This subcommittee focuses on continuous improvement, integration, and transparency across the enterprise, serving as a lever to develop, monitor and report on sustainability related KPIs and programs. It also provides progress reporting to the Corporate Sustainability Steering Committee, which is led by CEO Jim Owens and Chief Ethics Officer Tim Keenan.

### The Bottom Line

Since establishing our global sustainability goals in 2014, H.B. Fuller has:



**Reduced solid waste by 14,500 metric tons,** saving 1,332 truck trips to the landfill



**Reduced CO<sub>2</sub> emissions by 20,475 metric tons,** which is equal to 16,327 passenger vehicles driven for one year



**Reduced total water withdrawals by 63 million gallons,** which is equal to 95 Olympic sized pools

# The H.B. Fuller Way for sustainable impact



In 2021, we launched *The H.B. Fuller Way*, our new global platform of excellence designed to establish a well-defined, common language, set of metrics, and advanced tools that apply to each of our businesses and factories along with operations and supply chain processes. The aim is to effectively help us meet the needs of our customers and reduce our environmental impact.

Operations and Supply Chain playbooks were developed to outline the expected standards. Both playbooks are divided into sections and establish requirements, resources, and tools to be used globally to meet our strategic objectives. We have set up a governance model, and the Executive Committee oversees the enterprise-wide implementation while each Global Business Unit (GBU) applies the playbook in a phased approach, securing both the necessary flexibility and business-specific factors.

## Putting our words into action

As *The H.B. Fuller Way* continues to evolve, we are well-positioned to report real-world examples where we have used this program to model behaviors and results that will enable material efficiencies and reduced waste.

### Nanjing, China

While running *The H.B. Fuller Way* combined with other efforts, we decreased adhesive waste from 3.17%(t/t) in 2020 to 1.83% (t/t) in the last quarter of 2021, showing an impressive 42% reduction. Waste cleaner usage decreased by 28%. Additionally, OD-related customer complaints were reduced to zero in 2021 (from five cases in 2018), fostering improved product quality and customer satisfaction.

### Fridley, US

The Fridley site was able to leverage OD to improve material and resource efficiency by reducing the number of quality-rejected batches by 81% from 2016 to 2021. Through a commitment to produce every batch the right way, every time, the team was able to significantly reduce waste.



## New operations playbook:

- Environmental, Health and Safety (EHS) – Procedures governing life critical activities and change management to ensure safety of our employees and the communities in which we operate.
- Operational Discipline (OD) – Methodology to build a culture that is committed to carrying out each task correctly and safely every time and to delivering high-quality products and services through processes that more efficiently utilize raw materials and energy.
- Lean Tools – Toolbox focused on improvement process based on Overall Equipment Effectiveness (OEE) to eliminate deviations and unsafe practices.
- Site Metrics – Measure performance from the shop floor through full plant-level metrics.

**“We want to maintain the level of flexibility and agility that is required by customers in all of our different market segments while improving our business through cross learning. At the heart of *The H.B. Fuller Way* is an understanding that our work to improve is never done — we will continuously seek ways to be better in all aspects of our business. As we seek to make measurable progress on this front, we are fortunate to have this program as our driving force. And as we put more and more emphasis on a culture of performance and quality, we keep our commitment to ethical behavior top-of-mind.”**

– Ryan Roark, vice president, Operations, Engineering Adhesives

# Investing in a low-carbon future



As we are working towards a more sustainable world, it is imperative that we pursue opportunities for environmental improvements in everything we do. In that spirit, we have embarked on a set of programs at our world headquarters campus in St. Paul, Minnesota, U.S., that included investments in renewable energy with solar panels and electric vehicle charging stations, and a wide variety of recycling initiatives.

## Using our own products to improve sustainability

A couple of years ago, H.B. Fuller selected solar panels made by one of its largest new energy customers to both introduce renewable energy options to our corporate headquarters facilities as well as provide considerable cost savings. The panels are generating roughly 5% of the energy the campus uses, and our employees can access real-time data of our headquarters solar production.



## Improving recycling effort

We have taken on the challenge to reduce the amount of materials leaving our buildings as trash. The waste reduction initiative began in 2016 in collaboration with Minnesota waste wise experts, [BizRecycling](#), to identify opportunities for improved recycling and waste diversion. The partnership resulted in adding organics recycling streams available to more than 500 employees at our corporate headquarters, and the work continues today. Most recently we drove to enhance our recycling effort with added recycling streams to complement our already established programs and have added snack/coffee wrapper recycling along with plastic grocery bag recycling streams. Overall, we are pleased to report the combined effort has brought about an average of approximately 100 pounds of waste diverted weekly from the trash stream to recycling.

## Starting within our parking lot

As the electric vehicle (EV) market rapidly progresses and more employees and business guests switch to hybrid or electric vehicles, we decided that 2021 was the right time to install a set of free EV charging stations at our corporate headquarters in Minnesota and at our site in Mindelo, Portugal.

# Building new site in Cairo with sustainability in mind

We have been committed to sustainability right from the start at the new manufacturing plant we are building in Cairo, Egypt. During both the design and the construction phases, this new facility has been projected to comply to Hygiene and Food Safety standards and should obtain LEED certification by adhering to the highest green building requisites. Some of the solutions we are implementing include material with SRI (Solar Reflectance Index) value; paints, coatings, and adhesives with

Low VOC (Volatile Organic Compounds); equipment powered through VFDs (Variable-Frequency Drive) to generate energy savings and efficiency; and renewable energy sources. We also are concerned with the reuse of waste or the right way to dispose of it during the ongoing construction. Building materials are being tracked by our Project LEED team to ensure they are environmentally friendly according to LEED technical requirements.

## Site achievements

### Lüneburg, Germany

H.B. Fuller completed the [Food Safety System Certification \(FSSC 22000\) for its plant in Lüneburg](#), Germany, the company's largest in Europe and an important manufacturing facility within its global network to earn this key certificate. Our food and beverage product lines fulfill the requirements of global industry food safe standards in accordance with the Global Food Safety Initiative (GFSI), a Coalition of Action from the Consumer Goods Forum (CGF).

### Wünstorf, Germany

H.B. Fuller's facility in Wünstorf, Germany, has been certified as carbon neutral. For this purpose, the CO<sub>2</sub> balance was drawn up by an independent certifier, and the CO<sub>2</sub> footprint was determined. This business [supports several Gold Standard climate protection projects](#) that aim to sustainably reduce greenhouse gases and support the UN's climate goals.

### Simpsonville, US

Our facility in Simpsonville, South Carolina, was recognized by ReWa – Renewable Water Resources with bronze level for its sustainability efforts and the 100% compliance with wastewater standards in South Carolina, U.S. ReWa is an organization that aims at enhancing their community's quality of life by transforming wastewater into renewable resources through responsible and innovative solutions.

# Together toward the Circular Economy



By partnering with our suppliers and customers, we are addressing some of the world's most pressing environmental issues more broadly and effectively than we could on our own. **We share a common goal with Covestro**, one of the world's largest polyurethane and polycarbonate based raw materials suppliers: to look after the world around us and reduce CO<sub>2</sub> emissions. So do our customers, which is why we partnered with Covestro to develop a solution with a reduced climate impact for the woodworking, composites, textiles and automotive industries.

The new ingredient in our adhesive is a bio-attributed raw material created via a mass balance approach. Renewable raw materials are used as feedstock at the very beginning of the value chain and processed together with fossil-based ingredients in the same production units. The characteristic of the renewable feedstock process is then partly attributed to the end-product. (The usage of the equivalent amount of the alternative feedstock is guaranteed by Covestro through a third-party-verified certification method.)

**“We are excited to supply H.B. Fuller as our first customer for adhesive applications with a mass-balanced product. With the increased use of such alternative raw materials, we want to become less dependent on petrochemical feedstocks and contribute to the reduction of CO<sub>2</sub> emissions. Alternative raw materials are part of a comprehensive program to work with our partners to drive the transition to a Circular Economy and ultimately become fully circular ourselves.”**

– Dr. Thorsten Dreier, Head of Coatings and Adhesives at Covestro

## Our path to sustainable innovations

We follow a solid framework (see image) to guide us through our innovation process, and we remain committed to working closely with our employees and customers across the entire value chain to do our part in shaping a better planet for generations to come.



# Find an Expert!

Late in 2021, H.B. Fuller launched an improved [Newsroom](#), our official news source for media, investors and customers. The site features a wide range of content, from press releases and media resources to high-quality images and videos as well as announcements about product launches and company initiatives. Additionally, we included a host of distinguished subject matter experts on the [Find an Expert section](#), with many of them with extensive experience and technical expertise in sustainability-focused chemistry, market development, product design and other topics.

We also launched the [H.B. Fuller Academy](#), a new way for customers to access our adhesive experts anytime, anywhere to help solve technical issues, train operators and gain an advanced understanding of what's possible in their industries. Accessible on any device, our new digital platform offers hundreds of trainings on a variety of topics in every market and application we serve.



## Voices of our experts

**“Governments are pushing to meet environmental concerns with stricter requirements. Glass in construction now needs to include energy efficient, sustainable materials. Combining structural glazing façades with advanced products enables long-term performance in construction, and this combination adds multiple functions to installed elements. For instance, the warm edge spacer Ködispace 4SG lowers heat loss, in turn lowering energy costs, while also creating more comfortable living conditions and reducing the potential for mold spores to cause health conditions.”**

– Jason Douglas, Global Business Director, Glass

**“While the elastomers technology is not new, increasing usage of electric vehicles (EV) may sway more tire manufacturers to use high performance tire sealants based on this technology. To reduce climate footprint, providers look to new elastomer and polymer formulations that reduce weight and conserving gas usage and increase gas mileage by eliminating spare tires on vehicles. The qualities of tire sealants based on new elastomer technology build on the foundation of elastomer technology that already benefits vehicle performance, and research is ongoing to find the next best product.”**

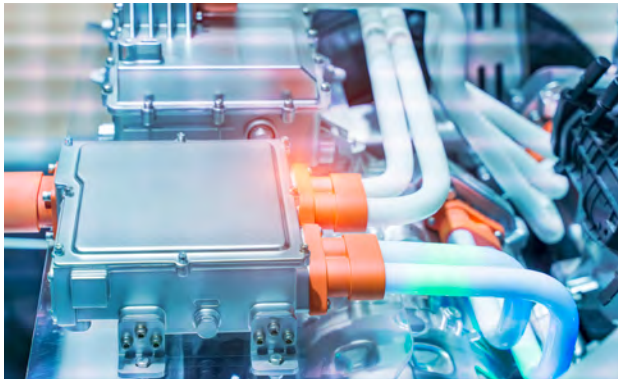
– Dennis Joseph, Technical Services Manager, Engineering Adhesives

**“Being eco-conscious is more and more a reality and a major global trend. What began as a differentiator driven mainly by startups has now become a global effort by brand owners in the hygiene industry. Our latest sustainable developments include high-performance bonding solutions for more demanding natural substrates and adhesives with an increase in bio-based content. Our expertise also helps manufacturers deliver safe articles that are not only compliant but are at even lower limits versus industry Substance of Interest (SOI) targets.”**

– Peter Remmers, Research Fellow

# Reaching new heights

Shock, vibration, impact resistance, and environmental compatibility are all important factors to consider in Electric Vehicles (EV). Our **EV Protect 4006 flame retardant foam encapsulant** for battery modules not only protects from heat, fire and thermal propagation, but its ultra-lightweight feature is more sustainable than traditional encapsulation technologies. EV also can increase power density and range (distance) per charge with this lightweight solution. The five times expandable nature of this product means less material is required per battery pack which reduces manufacturing, shipping, and energy.



**HydroArmor®** water-based, low sag, protective coatings replace solvent-based products and offer significant advantages over asphaltic coatings, which are hard to clean up and an ecological threat due to the release of hydrocarbons. Our HydroArmor® coatings are a high performing, flexible product line that was designed to quickly build a high level of water, weather and corrosion resistance. Easy to use as an undercoating for the transportation industry and higher end products where durability is essential, our solution is environmentally friendly — with no Hazardous Air Pollutants (HAP) and very low Volatile Organic Compounds (VOC).



**Millennium PG-1 EF ECO** utilizes a Hydrofluoroolefin (HFO) propellant that reduces its Global Warming Potential (GWP) by over 1,400 times when compared to competitive products using hydrofluorocarbons (HFCs). PG-1 EF ECO's low GWP propellant equates to a reduction of approximately 857,860 pounds of CO<sub>2</sub> on 120,000 square feet of applied adhesive (an average sized big-box store), or the equivalent generated from burning 425,930 pounds of coal. This solution, mostly used to glue down insulation, cover board and roofing membranes in a commercial roofing assembly, meets GWP and VOC regulations in the U.S. and Canada.

Our new resilient Flooring adhesives were designed to be exceptionally high performance and compliant with the “soft flooring” industry’s demanding goals around sustainability. **Flexera® and Flexera® High Tack** use proprietary acrylic polymers that are locally sourced and manufactured in the Southeast U.S. Its design yields an adhesive that is highly water resistant and that in many cases minimizes the needs for additional moisture mitigating steps. While containing extremely low levels of VOC’s emissions, they are certified compliant with many Flooring Industry Certification programs such as the Carpet and Rug Institute (CRI), MAS Certified Green and Floorscore.



H.B. Fuller **Evolution™ water-based barrier coatings** are an innovative alternative to help reduce the plastic in fiber-based packaging used to ship goods bought online. It can be heat sealable to itself and to paper, and may serve as an oxygen barrier to protect contents inside e-commerce packaging with as little excess packaging as possible. Additionally, these coatings are an alternative to polyethylene (PE) coatings, which are often not recyclable at standard recycling centers.

We launched new customized **Advantra® adhesives** for beverage multi-pack bundling designs KeelClip™ and NatureMultiPack™ in collaboration with GPI and KHS, respectively. These innovative packaging designs reduce the overall amount of plastic used in on-the-shelf packaging for beverages in aluminum cans and PET bottles by eliminating shrink wrap and hi-cone rings. To consumers, these multi-pack designs are very appealing as packaging materials are easily separated and recycled supporting brand owners’ sustainability goals.







## Expanding capacity in solar

We have increased our presence in the solar industry to address explosive growth in utility solar farms and commercial and residential panel installations with a new plant and warehouse facility in Bellevue, Ohio. The integration of STR Holdings' EVA and POE films (acquired in 2021) with existing solar adhesives and sealants technologies, our new state-of-the-art lab in St. Paul, Minnesota, and our global manufacturing network are enhancing H.B. Fuller's position as an **essential partner to solar customers** around the world.



## Running Life Cycle Assessments (LCA)

H.B. Fuller has completed “cradle to gate” LCA for four top technologies spanning **automotive interiors**, **hygiene** and **packaging** applications to evaluate our products' environmental footprint across the value chain, from materials sourcing and production to packaging, warehousing and freight. While going through the Greenhouse Gas Protocol standard methodology, which builds on existing LCA approaches established through ISO 14040 and ISO 14044, we realized that most of the emissions come from the raw material supply, with only a small percentage attributed to adhesive production. This finding drove our R&D and Strategic Sourcing teams to work together actively to reduce CO<sub>2</sub> emissions from our raw materials. They now use a powerful tool that not only offers our company and customers a clear perspective of the actual ecological impact, but also identifies ways for improvement. Our calculations on CO<sub>2</sub> equivalent emissions per kilogram of H.B. Fuller solutions are analyzed versus data that is comparable to industry averages communicated by IVK, the German Adhesives Association.

# Why adhesive choice is vital for the packaging industry sustainable journey



We talked to Elizabeth Staab, Global Sustainability Manager, Rigid Packaging, to find out.

## Q. How can adhesives play an important role in producing more sustainable packaging?

The packaging industry has already seen significant change and will be very different in the future. Brand owners are looking for solutions that reduce packaging materials, allow for reuse, and make recycling easy and intuitive for consumers. Some examples include paper straw adhesives to replace plastic straws or sealed paper packaging for dry foods. We need to continue working closely with our customers to improve their production processes by using more efficient and low application temperature adhesives. Also, the recyclability of the primary packaging material is essential — be it carton board, PET bottles, glass or flexible packaging. And adhesives need to separate easily from fibers, wash-off better or enable mechanical recycling.

## Q. Online shopping is rising with different needs. Are we seeing an e-commerce packaging design revolution?

E-commerce packaging design is being driven by sustainability and logistics efficiencies. We have an entire team focusing on packaging design to help customers develop ship-in-own-container (SIOC) packaging with features, such as easy-opening and resealing. One of our latest developments is a pressure sensitive adhesive to offer consumers the convenience of resealing a package and return unwanted goods to the sellers. This means no additional packaging, tape, or hassle when resealing it. We also see many e-tailers using this closing technology for the initial shipment, as it is so user friendly in the logistics departments. Our adhesive is tested and certified for repulping and separates easily from fibers while going through this process.

## Q. Our Sesame® Evolution™ fiber-based tear tape has won an important sustainability distinction in Europe — what is its competitive advantage?

Our awarded fiber-based opening tear tape offers the functionality of easy opening for e-commerce packaging for an excellent consumer ‘unboxing’ experience, while eliminating the plastic from the package. When integrating this patent pending technology, high quality fiber is added to the recycling stream after its useful life. A great advantage in comparison to current solutions of plastic tear tapes, with waste being removed in the repulping process. And with more than 80% of bio-based material, the solution is also responsibly and sustainably sourced and certified by PEFC (The Program for the Endorsement of Forest Certification).

## Q. Looking forward, what are the exciting areas of sustainable packaging innovation H.B. Fuller is working on?

We are serious about sustainability, and there are various aspects that we are looking at across our businesses. For instance, in Rigid Packaging, we are strongly focused on packaging design and brands, and consumers are open to completely new concepts, such as multipack bundling, which replaces plastic wrap on six-packs of cans or bottles. Innovation will always be our cornerstone. We are collaborating with industry partners across the supply chain to foster innovation projects to develop new packaging alternatives that will really make a difference.



## Product awards

Sesame® Evolution™ fiber-based tear tape has won the European Federation of Corrugated Board Manufacturers (FEFCO) Sustainability Award — the only recipient in this category in 2021.

H.B. Fuller has been honored with the STAR AWARD 2021 from the Indian Flexible Packaging and Folding Carton Association (IFCA) for the “Environment Friendly Product” category with our compostable adhesive solutions.

# WORKPLACE

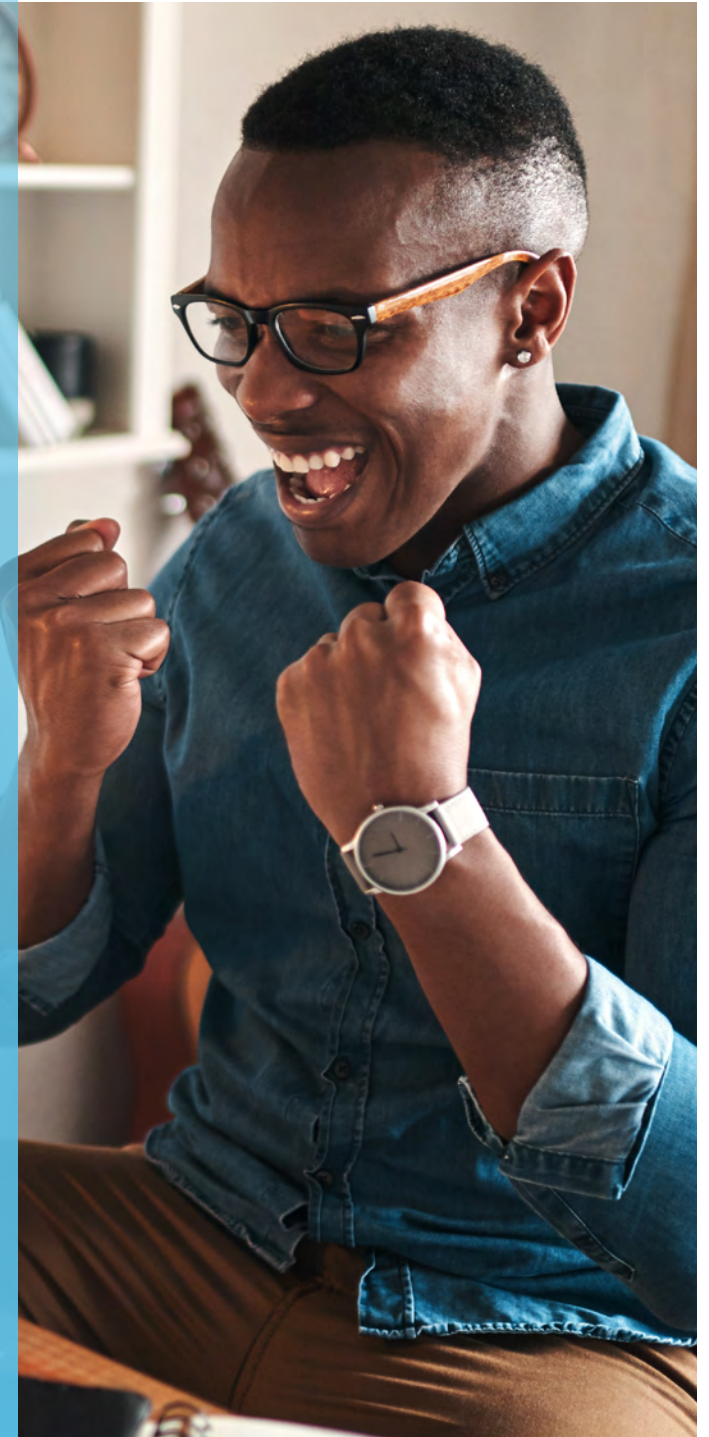
## Engaging employees around the world

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 — 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.





**Nathan Weaver**  
Vice President,  
Human Resources

## Our remarkable employees drive our success

In recent years, our employees have been challenged like never before. Thanks to our remarkable, hard-working employees, we have been able to succeed consistently in a tough environment. They truly are the glue that holds our company together and enable us to connect what matters every day for our customers.

It's everything that they do – from the everyday to the extraordinary – that makes a difference, and more than 2,330 of employees were recognized for their exemplary efforts last year. Here are a few examples:

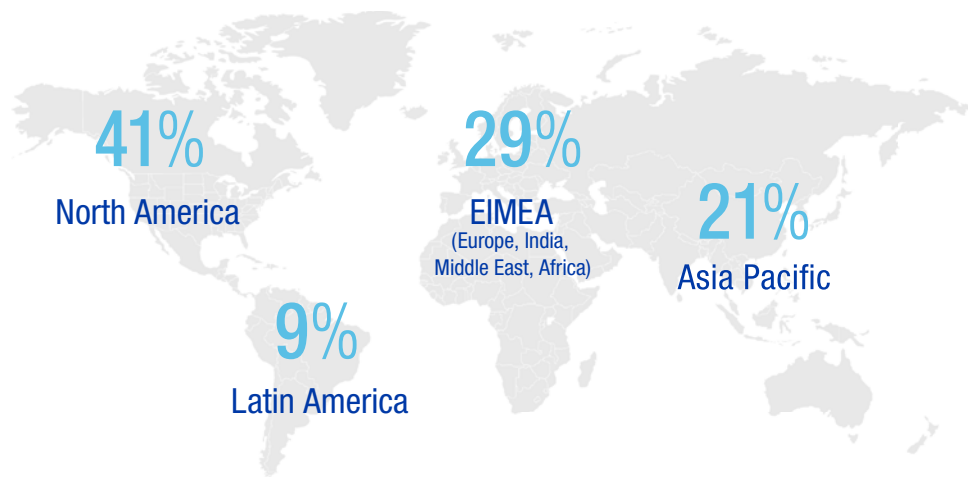
**Spirit of Winning:** Our strategic sourcing team oversees over 18,000 unique raw materials and a wide range of indirect goods and services through strategic partnerships with more than 15,000 suppliers. We truly consider our suppliers to be partners, and this collaborative win-win approach has been key to securing the materials we need in these challenging times.

**Power of Collaboration:** As the year presented a number of challenges across the globe, including a reduced labor pool, a decrease in the number of applications, and candidates considering multiple offers, our talented recruiters worked closely with hiring managers to move quickly and make quality hires. In 2021 alone, we hired 40% more employees than the previous year.

**Essence of Courage:** The world is buying in different ways, and our marketing, sales and communications teams are thinking creatively about new and better means to extend our market reach. In 2021, the team generated more than 3,000 leads from our website through digital ads, QR codes, webinars, and other strategies, and they launched our Amazon sales channel.

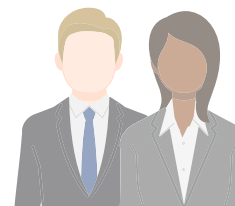
Thank you to these – and all H.B. Fuller employees – who contribute to our success and make H.B. Fuller a great place to work.

## OUR CULTURALLY DIVERSE WORKFORCE IN 2021



OVER **6,600** EMPLOYEES IN **35** COUNTRIES  
**42,000** HOURS OF TRAINING

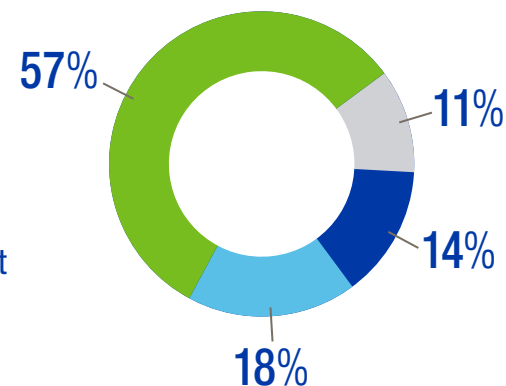
**764**  
PROMOTIONS



**1,313**  
NEW HIRES

## TYPE OF WORK

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



# Health, safety and well-being first

Protecting the safety, health and well-being of our teams is a value at H.B. Fuller because nothing we do is worth the risk of getting injured. Whether in the lab, office or manufacturing setting, or working remotely, safety is paramount to our success, and, in turn, that creates an environment where employees can bring passion, leadership, and accountability to work, and expertise and innovation to our products. But that can only happen if they feel empowered to raise safety concerns and confident they will leave work safe and healthy every day.

**“Our safety goals are simple: zero injuries, zero pollution, and zero violations. This is a collective aspiration in which each employee must commit to, own and deliver on a daily basis. Year over year, we also strive to incrementally improve safety at all our sites to protect employees and communities.”**

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

## 2021 GLOBAL SAFETY RESULTS

	2016		2017		2018		2019		2020		2021	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
<b>Recordable Injury Rate</b>	0.5	0.81	0.7	0.90	1.00	1.47	1.00	0.93	0.8	0.77	0.70	0.87
<b>Lost Workday Injury Rate</b>	0.2	0.21	0.2	0.23	0.35	0.63	0.35	0.43	0.35	0.28	0.35	0.45

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.



# Safety Week in India

In observance of Safety Week (March 4–11, 2021), which celebrates the foundation of the National Safety Council of India, our EHS team in Pune organized a comprehensive program to further raise awareness about the importance of adhering to our safety measures. Under the theme, “Learn from Disaster and Prepare for a Safer Future,” the activities ranged from hanging safety posters throughout the facility and every member of the team taking a group oath to commit themselves to actively contributing to a safe workplace, to conducting an evacuation drill and quizzing employees on their safety knowledge.

**“Our Safety Week is an eagerly awaited event in the year where people have the chance to celebrate that national mark and be recognized for their good practices around our ‘9 Principles of Safety.’ On a more personal note, and according to our employees, they feel proud that the event is also extended to their families, as we teach safety measures ‘Off the Job’ and opened the Safety Poster and Slogan contests to the children, who were thrilled to participate with their drawings.”**

– Prashant Kulkarni, EHS Coordinator, Pune, India



# Outstanding performance in Asia Pacific

In 2021, each of our five Engineering Adhesives (EA) plants in Asia Pacific (AP) embarked on an intensive waste reduction program designed to track monthly waste, and control and reduce hazardous waste. The team reduced waste by approximately 130 metric tons with a cost savings of more than \$110,000. In Nanjing, China, for example, we optimized the process used to change its cleaner and reduced glue residue generation. Hot melt production, like at plants across the H.B. Fuller network, requires very high temperature operations, which also require cleaning solutions with a flashpoint that is at a minimum. A small team from Operations, R&D and Sourcing worked quickly to identify and test a new effective, compliant cleaner with a flash point of 182°C. They have shared this information with other plants who are incorporating the new, safer solution in their cleaning processes.

Also, our Hygiene, Health and Consumable Adhesives (HHC) sites in AP have reported Zero Recordable Injury across all functions and locations in the region.



# Advancing diversity and inclusion

A key strength of our company is our diversity. At H.B. Fuller, we have employees in every corner of the world, from every walk of life, and who have unique backgrounds. This diversity fosters innovation and problem solving by driving each of us to look at things from different perspectives. It is vital that we create an environment where all employees feel a sense of belonging and are encouraged to share their perspectives.

To that end, we launched the H.B. Fuller Employee Networking Groups (ENGs) — employee-led groups that help build community and support skill development. They help connect employees across our company who have shared interests or life experiences. These groups also will serve as a resource to leadership on employee and community issues, needs and policies.

Some of these groups include professional and personal development workshops, live and virtual networking activities, discussions with company leaders, participation in university recruiting and new hire onboarding, and engagement in community service projects. To date, about 550 employees have joined one or more of the ENGs. Each group has plans to grow its membership and expand geographically.

We are excited about the possibilities that lie ahead with the addition of the ENGs, including making H.B. Fuller an even greater place to work.

**“The Black Employee Network is important to me because it promotes an inclusive work environment. It also provides a new fresh approach to bridging gaps and strengthening relationships in and outside of our company. Right now, our communities are calling for collaboration, explanation, and a new way to improve old processes, and I really think the B.E.N. is a perfect response.”**

– Chris Pressley, account manager and B.E.N. member

**“We brought together several of H.B. Fuller’s women in leadership for a panel discussion, during which, the leaders shared their thoughtful insights on their journeys and great advice for other women hoping to have greater impact at H.B. Fuller and advance their careers.”**

– Traci Jensen, VP, Global Business Process Improvement and W@F executive sponsor

**“Being a part of the NGP group has been a very positive experience. It has allowed me to meet peers in other functions that I would not have met otherwise and to build connections beyond work. The presentations from and opportunity to network with senior leadership have been so valuable for my growth in my career.”**

– Susan McNichols, Sourcing and NGP committee member



## New Employee Networking Groups

- Next Generation Professionals (NGP) – A network of employees early in their career in the U.S. and Canada with gradual expansion globally.
- Black Employee Network (B.E.N.) – A network of Black employees in the U.S. and Canada.
- Women at Fuller(W@F) – A network of employees who identify as women in the U.S. and Canada with gradual expansion globally.

# A great place to work

Attracting and retaining the best employees is not only critical to achieving our company's goals but is a key competitive advantage. Many businesses have struggled to do so throughout the labor shortage caused by the pandemic. In 2021 alone, we hired 40% more employees and grew our workforce due to the strong culture we have built, and by supporting our employees and providing them opportunities to innovate and thrive.

## One of the best companies to work for in Portugal

We are pleased to have been recognized as one of the Best Companies to Work for in Portugal, according to

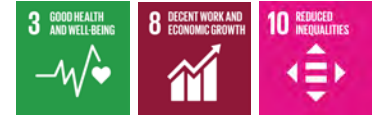


the 2021 ranking led by Exame Portugal magazine, in partnership with Manpower Group. Companies were assessed based on their organizational practices, relationship-building with employees, and the community, and performance and policies related to people, culture, the environment, society, and governance. Responsible people management combined with access to learning and a solid recognition program that distinguishes outstanding work throughout the year were key factors in H.B. Fuller being recognized on the list.

“Stick Together”, an informal volunteer group of our site in Mindelo, Portugal, worked to help increase connectedness and employee engagement, which was impacted by the pandemic and remote work. The group hosted many activities and team building events, working to ensure everyone had an opportunity to participate. A birthday is never forgotten, and the holiday seasons or special dates are celebrated with moments or gifts. Recently, they launched a new video series that highlights the talents and personal stories of our team members, so employees can get to know one another on a deeper and more personal level.

## Top 10 best companies for young professionals in Costa Rica

Our team in Costa Rica was recognized by Employers for Youth (EFY), a quantitative study that seeks to recognize the best companies for young professionals (those born in 1986 or after). EFY evaluates work environment, quality of life, reputation, infrastructure, diversity and culture, innovation, recognition, benefits, talent, and career development. H.B. Fuller was ranked in the top 10 at #7 in 2021, up from the 17th spot in 2020.



## Employee vaccination efforts

At H.B. Fuller, we believe that COVID-19 vaccination is an effective way to protect oneself against the virus and to prevent its spread in our workplace and communities. We are committed to encouraging employees to get vaccinated through education and incentives through specific programs in the U.S. and other efforts globally.

### On-site clinics

We partnered with one of the largest pharmacies in the U.S. to help employees across various of our locations get access to a vaccine.

### Time off for vaccination and recovery

The company paid for any regularly scheduled working hours that an employee missed to get or recover from the vaccine.

### Extra day of paid time off

Employees who provided their vaccination status by the deadline received an extra day (8 hours) of paid time off to use in 2022.

### Site-based bonuses

As an extra incentive, we introduced a special bonus of \$200 to be earned by each employee if his or her site achieves a 90% vaccination rate.



# How has the world of work changed for you?

The world of work is always evolving with change a certainty, but the evolution in the way we work has been monumentally sped up by the ongoing global pandemic. Whether you work in an office setting, in a lab, on the road, or from the production floor, the pandemic has shifted the way each and every one of us works.

We asked some of our employees to tell us how the world of work has changed for them, and here's what they had to say.

## What positive changes have you seen or experienced at H.B. Fuller as a result of the pandemic?

**Darby Quast, USA:** There is more emphasis on flexibility for working hours. As long as the work gets done, people have the freedom to pick up their kids from school.

**David Ogando, Spain:** I think efficiency has improved. The limited business travel has made people available to focus on and improve their work.

**Catherine Huang, China:** H.B. Fuller's Future of Work initiative gave employees more flexibility to choose where work gets done.

**Lindsay Costa, USA:** Teamwork, perseverance and resiliency are the first three positive changes that come to mind. Opening a warehouse can be difficult, but opening a warehouse in the middle of the pandemic came with a whole other set of challenges.

## What specifically has contributed to your professional success during the pandemic?

**Lindsay:** Our never-give-up motto has contributed to my team's success. I try to teach them that just because something is new or hard doesn't mean we give up; it means we keep trying until we find a way that works.

**Shruti Chakraborty, India:** Having given a little more time to my family when they needed me the most, while also being productive at work has been somewhat challenging, but has resulted well due to the flexibility and managing time well.

**Yang Xue, China:** The pandemic brought a big change to the world we live in and change itself is full of power. It pushed me to think of the best ways to adapt to the changing world. If we do nothing, we may remain the same or fall behind, limiting our opportunities to lead.

## What lessons have you learned?

**Darby:** Time management. It is easy to lose work-life balance when working from home because work is always there and always available. There are benefits to picking up the phone and talking with someone versus handling everything over email.

**David:** Learned that some activities that need deep interchange of information are better onsite, but simple business reviews, and certainly "small-and-fast" decision-making, are better virtually. Before, we could visit three to four customers per day. Now, we can jump from one meeting to another in a click.

**Iñaki Sigler, Spain:** Be flexible with the possibility that plans, despite all of your best efforts, can be cancelled or postponed.

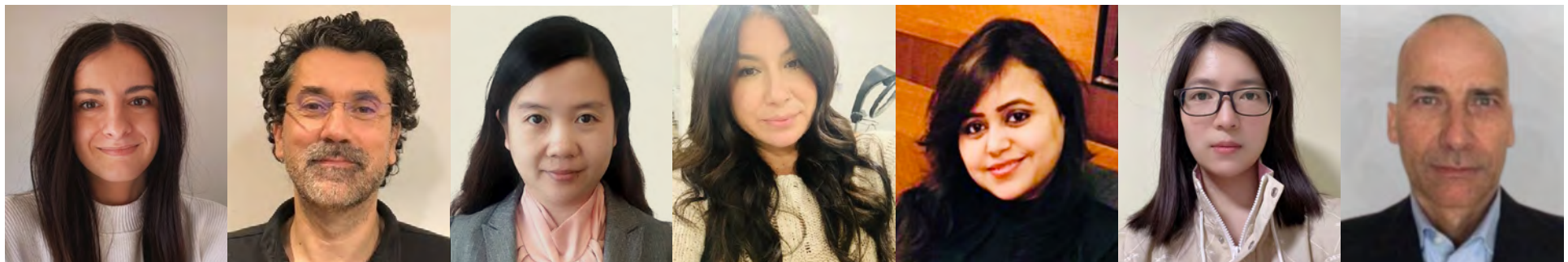
## What do you see as the future of work?

**Darby:** I believe that we will permanently be in a hybrid state of work from home and in the office.

**Iñaki:** I think the digital communication tools will coexist with traditional business meetings, allowing higher efficiency, and just as important, more sustainable interactions.

**Shruti:** Remote work, e-commerce, and automation all speeded up due to the pandemic. I believe it will be a mix of both enhanced productivity and innovation. Of course, it will have its own challenges, but for sure the HR strategy also will involve and rethink workforce and people development.

**Yang:** The work mode keeps changing, even without a pandemic. It changes as the production model changes. And technology development will accelerate it.



# Investing in our future leaders

VISTA Leadership Academy is H.B. Fuller’s premier executive development experience designed to recognize and prepare future leaders of the company. Individuals are invited to be part of the VISTA program based on performance, goals, and leadership potential.

27 participants were engaged with high-level academic leaders from the University of Minnesota Carlson School of Management, U.S., in collaboration with their Executive Education program, and the H.B. Fuller Board of Directors and leadership, as well as learn from each other.

By being exposed to great thought leaders and asking them to stretch themselves to think bigger and beyond their current assignments, employees have been able to expand their networks, enhance analytical skills, and leverage strengths.

Our people provide a competitive advantage for our company. Investing in our employees ensures H.B. Fuller remains a leader in the adhesives industry.

**“Through VISTA I learned that leadership is a skill that I need to purposefully work on and continually hone. VISTA also allowed me to take a step back from the day-to-day of running a business and exposed me to the importance of having a clear strategy that is built and owned by my team. In addition, I expanded my H.B. Fuller network that I could tap into when I needed advice.”**

– Heather Campe, senior vice president, International Growth. Since her participation nearly 12 years ago, she has risen to the highest levels of the organization and is now leading our international growth strategy.



## Helping employees stay connected



In a dynamic organization like ours, there is a lot going on at any given time, and it can be challenging for employees to stay informed about what is happening

across H.B. Fuller. Being in the know is important to staying engaged at work, remaining connected to others, and understanding company and business strategy, so employees can align their work accordingly. That’s why, we launched *Stay Connected*, our new global weekly e-blast as part of our overall internal communications strategy and mix of channels aimed at helping employees feel more connected, productive, and engaged. Employees have come to expect the *Stay Connected* in their inboxes every Monday. By year-end 2021, we had produced 28 issues since our launch in June and shared about 200 stories.

**“*Stay Connected* has allowed us to reach our employees more often with the news and information they need to stay updated, reduce the amount of email hitting our inboxes, and generate more content for our communication channels.”**

– Heather Bacigalupo, Manager, Corporate Communications & Community Affairs

# 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 135 years.

We are committed to consistently meeting or exceeding the regulations that govern our work, and supporting and respecting the rights of all people. 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.

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 Investor Relations website.



# Building a strong ethical culture

H.B. Fuller is recognized as a leading [environmental, social and governance \(ESG\)](#) company for our commitment to delivering the right results in the right way. We are focused on operating safely and sustainably. We believe that a diverse and inclusive workforce is critical to our organization. We strive to make a difference through social impact initiatives and contribute to a more inclusive society where anyone can thrive.

## Upholding responsible policies and practices

We believe that integrity, reputation and successful execution of our ethics and compliance programs are key to our growth strategy, and we expect our employees to act in a respectful and ethical manner every day. Globally, we ensure they follow an ethical path by:

**Setting a high ethical standard** – We are committed to ongoing compliance with a wide range of laws and regulations that govern our business. Acting with integrity in all of our business practices in every location where we operate is pivotal to H.B. Fuller’s philosophy of winning the right way.

**Empowering employees through training** – Our Code of Business Conduct is at the heart of the H.B. Fuller’s corporate compliance. It summarizes our practices and guides our everyday actions and interactions with internal and external stakeholders and is available in 10 languages. In 2021, we required all employees to complete online training on topics within our Code, such as Bribery & Corruption, Diversity, Equity and Inclusion, Respectful Communications & Social Media, Hotline Reporting & Investigations, Ethics & Compliance Program Management, and Antitrust & Competition, and we achieved completion rates of 94% across our organization of more than 6,600 employees.

**Offering ethics resources** – To ensure that all employees comprehend our ethical principles, we offer a range of resources. When difficult issues arise, we encourage employees to ask questions, seek advice from their manager, Human Resources or the Law Department, or to report their concern(s) online or by phone, and anonymously if they choose where legally permitted, through our 24-hour ethics helpline. Each report is reviewed and investigated as appropriate, and any applicable corrective actions are taken. H.B. Fuller will not tolerate retaliation against anyone who reports a problem in good faith, nor will we tolerate retaliation against anyone who participates in an investigation.



## Foundational corporate policies:

Our commitments to ethics, human rights and corporate governance are a key driver of our business strategy and the foundation on which we build trust.

- [Code of Business Conduct](#)
- [Human Rights Policy](#)
- [Supplier Expectations Letter](#)
- [Conflict Minerals Policy](#)
- [Modern Slavery and Human Trafficking Statement](#)
- [Confidential Information, Information Security and Data Privacy Statement](#)
- [Political Advocacy Statement](#)



# Advancing Ethics & Compliance

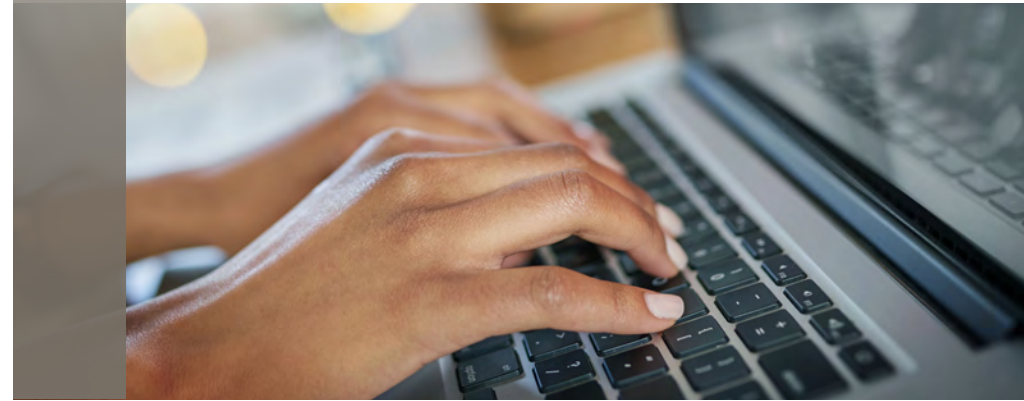
A central, robust corporate Ethics and Compliance function reinforces our commitment to integrity and is supported by compliance leaders and teams embedded within H.B. Fuller's businesses. And in 2021, our Ethics & Compliance team has developed and overseen the implementation of key programs that convey our company values and expectations and increase our stakeholder's ethical awareness.

One of the focus areas has been data privacy, including not only Europe's General Data Protection Regulation (GDPR) requirements but those of many other jurisdictions where we employ people or do business. Safeguarding data is one of our most important responsibilities in building and maintaining trust, not only with our employees, but also with our customers and other partners. We are continually improving our approach to information security and data protection, identifying emerging threats and driving appropriate behavior to prevent and mitigate issues.

Therefore, H.B. Fuller is committed to meeting these ever-evolving requirements in a practical manner that is standardized across countries as much as possible. And to assure this, we have established a Data Privacy Governance Committee to oversee privacy compliance initiatives and coordinate this work globally, boosting efficiency while mitigating risks of non-compliance. This committee is focused on compliance with new privacy regulations in jurisdictions such as Brazil, Turkey, and China. Also, foundational documents updated or created in 2021 to support these important projects included the Intra-Group Data Transfer Agreement, Website Privacy Notice, Employee Data Processing Notices, and the Applicant Privacy Policy. Further, in collaboration with the HR and IT teams, we formalized a set of best practices into a standard, global procedure for ensuring suppliers' compliance with data privacy laws and regulations.

**“We also advanced our Third-Party Compliance Program centered around the use of specialized software that allows H.B. Fuller to better vet and manage compliance risk relating to our commercial partners, such as distributors, agents and vendors who interact with government. In 2021, we completed a pilot at our Tonsan business in China, and the goal is to continue expanding this program to the rest of the company throughout 2022.”**

– Joan Steinmann, Assistant General Counsel



## Managing cybersecurity risks

Our goal is to maintain a secure environment for our products, data and systems that effectively supports our business objectives, employees' collaboration, and customer needs. Our commitment to cybersecurity emphasizes cultivation of a security-minded culture through security mandatory training.

H.B. Fuller's cybersecurity and privacy teams work to safeguard the company and customers' data. We have adopted a comprehensive **information security** program that clearly articulates our goals with respect to acceptable use, risk management, **data privacy**, education and awareness, security incident management and reporting, security monitoring (related to physical assets, products, networks and systems), and vulnerability identification. Last, we partnered with other companies and external experts to protect access to information, test our cybersecurity controls, ensure the security of data storage and transmission and track and communicate information regarding cyber threats.

Facing the unique challenges and evolving global mandates created by COVID-19 pandemic, we took additional steps to protect sensitive personal data to respond to the new operational realities resulting from many of our people working remotely. We regularly educate and share best practices with our employees to raise awareness of cyber threats. And we continuously take measures to improve and update our cybersecurity defenses, including independent program assessments, penetration testing and scanning of our systems for vulnerabilities.

## Leading governance models

Our clear corporate governance structure and Ethics & Compliance program — grounded in our core beliefs and Code of Business Conduct, drive our strategic business decisions and actions as we strive to foster a culture of integrity, transparency, inclusivity and respect for all people.

The business and affairs of the company are managed under the overall direction of the **Board of Directors**. H.B. Fuller’s corporate governance matters are described in our 2022 Proxy Statement, as well as our **Corporate Governance Guidelines** and **committee charters** - Audit, Compensation, and Governance and Nominating, which are all published on our **corporate website**. These documents outline the role of our Board and its committees and our key governance practices, as well as the experience and qualifications of our directors.

**“Our values and commitment to integrity make us a trusted partner for customers and communities everywhere. Also, our governance efforts include executive-led, strategic committees focused on communicating the company’s vision for sustainability, ethics, cybersecurity, and EHS (environmental, health, and safety) and tracking progress against measurable goals in each area. We consistently strive to model appropriate governance behaviors and continue to review our human rights position and associated supply chain transparency, among other ethics standards and good practices in the marketplace, to understand how we can best meet our global responsibility commitments.”**

– Tim Keenan, VP General Counsel

We continuously assess our corporate governance policies and initiatives. In fiscal 2021, the Board approved a strategic enhancement by adding environmental, social and governance (ESG) oversight as a responsibility of our **Corporate Governance and Nominating Committee**, in recognition of the heightened level of importance dedicated to global responsibility at the company. This Committee will receive periodic updates from management on ESG policies and practices and

ensure the right positioning, engagement and disclosures to shareholders and other interested parties.

As part of our top-down support for ESG at H.B. Fuller, our CEO Jim Owens, continues to lead our Sustainability Steering Committee, which develops and monitors our ESG values and strategy. Moreover, the company has C-suite-led committees responsible for the coordination and integration of workplace environmental, health and safety, cybersecurity, and sustainability. The work of these committees is monitored by the Board through direct reports from the CEO and other executives to the full Board or the relevant committee.



# 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 and promoting social progress. 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

## Focusing on social impact

We know that, as a company, we can only be as successful as the neighborhoods, towns and cities around us. Through the ongoing pandemic and continued civil unrest around the world, we have witnessed the resilience of our employees, customers, and other key partners in our success. Our employees have demonstrated an exceptional level of commitment, not only to their work, but also to the communities where we live and work.

In 2021, our employees recognized gaps in service across a range of circumstances and have invested time and resources to support their neighbors. They conducted drives to collect food and toys, cleaned up neighborhoods, raised funds for those affected by natural disasters, and more.

Close collaboration with community partners enhances our ability to reach those most in need. Employee-led initiatives, through local Community Affairs Councils and Employee Networking Groups, coupled with the H.B. Fuller Company Foundation, consistently provide resources to support those efforts

By following the lead of our employees and our communities, we are able to make a meaningful impact far and wide.

## 2021 COMMUNITY IMPACT



Donations Made



Employee Volunteers



Organizations Supported



Volunteer Hours

### 25 COUNTRIES REACHED:

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





# Make a Difference Day



Our employees are the engine driving H.B. Fuller’s community engagement around the world. For the 13th consecutive year, groups from more than 20 countries volunteered their time to make a difference in their communities through service as a part of our **Make a Difference initiative**.

While still following COVID-19 safety measures around the globe, Make a Difference projects allowed employees to deepen connections with their community and to specific, relevant issues by providing direct support to individuals in need. Time and again, employees were moved to see how simple acts of service and solidarity can dramatically affect, not only individuals served by the nonprofit organizations, but on themselves individually.

Examples of the meaningful volunteerism made:

- Our colleagues in Lüneburg, Germany, partnered with the Association for the Blind and Visually Impaired in Lower Saxony to test a GPS app that can be used by blind and visually impaired people to become more independent.
- Employees in Shanghai, China, visited the Jinchang Charity, which serves people with paraplegia. While being onsite with that group, employees gained an appreciation for what paraplegics experience and set up a strong connection for future activities.
- A group in Minneapolis, Minnesota, U.S., created a meditation garden in a community hit hard by violence and feelings of hopelessness.
- Curitiba, Brazil, employees packed kits of personal care items, introducing many to the importance of access to hygiene products.

With each perceived difference, there were so many more similarities that bound participants together. Coming face to face with people affected by an issue shines a light on inequities in our communities and helped illustrate to employees how empathy and service can go a long way to connect what matters.



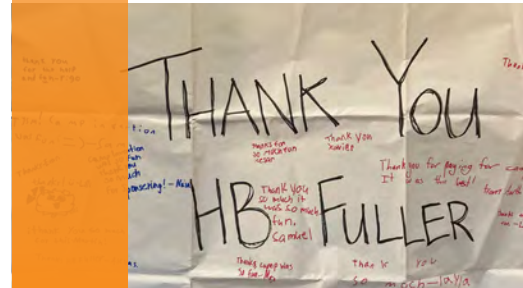
# Supporting the next generation through scholarships

Providing access to higher education is one way H.B. Fuller displays its commitment to young people, through grants to nonprofit agencies and scholarships to individuals that make a lasting difference in the lives of students around the world.

- Since the 1970s, H.B. Fuller has awarded more than \$1.6 million to 1,230 children of our employees through [the Elmer & Eleanor Andersen Global Scholarship Program\\*](#) to advance their studies. Rewarding academic achievement is a priority of the program, which provided support to 55 students in 2021.
- The [H.B. Fuller Chemistry Scholarship](#) was first awarded in 2021 and is intended to encourage and support a student pursuing chemistry at Century College, White Bear Lake, Minnesota. It was developed from the partnership between the college and our company, fostered by long-time H.B. Fuller employee, currently Director, Global SAP, and Century College Foundation Board member, Greg Mueller.
- To nurture and support talented female students, H.B. Fuller provides a significant scholarship each year to a student enrolled in the University of Minnesota MBA program with an undergraduate degree in a STEM field. Earning an MBA can be a powerful step toward career fulfillment, higher pay, and greater leadership opportunity for women.



\*Funded since 1959 by the Elmer L. & Eleanor J. Anderson Foundation, this program provides college scholarships to the sons and daughters of H. B. Fuller Company or subsidiary company employees.



**“My daughter is more able to apply concepts to her environment to be more creative and inventive. She is excited to create and think of creative solutions. She doesn’t let obstacles stop her and she finds ways to address them confidently.”**

– Parent of one of the participants

## Sparking STEM innovation

Curious kids living in cities around the United States (South Bend, IN; Simpsonville, SC; Peabody, MA; Paducah, KY; Michigan Center and Grand Rapids, MI; Roseville MN) were provided new access to [Camp Invention](#), a program of National Inventors Hall of Fame.

The program works to show children that choosing to study and possibly pursue a career in STEM (science, technology, engineering, and mathematics), one of the fastest-growing career segments, can be an exciting option. The program also helps to reduce summer learning loss for students and close the overall achievement gap between underserved children and their more affluent peers.

Implemented in partnership with local area schools and districts, Camp Invention uses creative teaching practices to bring STEM to life for children in grades K-6 with curricula focused on developing creativity, inventive thinking and problem-solving skills.

In addition to providing an immersive, hands-on STEM learning experience for children, this Camp supports local teachers as they develop the skills, tools and techniques necessary to create and nurture the 21st Century classrooms, particularly in the areas of STEM, creativity and innovation. Many teachers report transferring the inquiry-based methodology from Camp Invention back to their school-year classrooms, positively affecting even more children.

# Commitment to racial equity



**Ain Dah Yung Center** (ADYC) promotes resilience through culture by giving young people the tools to establish a positive sense of self, rooted in their cultural identity as indigenous people — replacing a sense of blame and shame with pride and positive cultural acquisition. ADYC programs effectively address the systemic and structural barriers to equity for those communities and achieve success in addressing education and workforce goals.

H.B. Fuller funds ADYC’s Youth Entrepreneurship Initiative, which provides American Indigenous youth with experiential opportunities that build their workforce skills within a culturally responsive permanent supportive housing context. Activities include employment coaching and goal setting through case management planning and training in point-of-sale, customer service, inventory management, profit/loss budgeting, financial literacy, and specific software applications. The program leverages hands-on work opportunities in their on-site store, food pantry, and clothing closet and can obtain additional training and work experience through partnerships with local businesses.

The young people who participate in the initiative receive life skills training, including time management, team-building, and interpersonal skills building, as well as job interview preparation coaching, including cover letters, resumes and mock interviews. As with all ADYC programs, indigenous cultural traditions and values are integrated into every experience.

The goal of the youth entrepreneurship initiative is to equip youth with the skills and practices they need to create their own personalized pathways to meaningful careers as they enter adulthood. Many of the participating indigenous youth have experienced homelessness, so the first objective is to provide the teens and young adults with the spaces and experiences they need to heal from historical trauma. The participants are given the time and resources to re-establish and strengthen their sense of identity as a young person. Therefore, and in addition to our [Foundation funding](#), H.B. Fuller employees spent a day at a transitional housing facility, helping to make the space feel safe and comfortable for the young adults who call it their home.



# Caring about the world's vulnerable people



Featured GlobalGiving Photo: Community Development in East Java by [Compassion First](#).

H.B. Fuller has a history of supporting some of the most vulnerable communities around the world. Our support of Compassion First and their cemetery outreach has been particularly meaningful.

There is a 17-acre cemetery in East Java, Indonesia, which serves as home for women and children from the region. The residents are susceptible to abuse, exploitation, trafficking, and are gripped by poverty. With support from our company, Compassion First opened and operates two community centers on cemetery grounds, with a focus on providing education and safety for mothers and their children.

Assistance to mothers includes entrepreneurship and skills training, reading lessons, parenting classes, and micro loans. With this support, women have learned new competences, and some have already started their own businesses, offering the opportunity to earn money and move out of the cemetery area.

And the children who live on the grounds are provided a safe space to play and receive care, as well as the opportunity to access educational support, including tutoring, scholarships and supplies to help mitigate their cycle of poverty and vulnerability. We are **proud of the role we are playing** in improving the situation for many residents of the cemetery community in East Java.



Meals packed by employees in Minnesota, U.S., during National Volunteer Week in April 2021, were received in Cuba by EchoCuba, a humanitarian charitable organization providing relief and assistance to those in extreme poverty.

## Disaster relief

In 2021, natural disasters directly impacted our employees and customers all around the globe. To support relief efforts, our employees donated funds in support of seven different disaster situations, ranging from floods to hurricanes to wildfires to tornadoes to uncharacteristic winter storms. The H.B. Fuller Company Foundation matched employee gifts dollar for dollar, resulting in a total of \$32,475 provided to [American Red Cross](#), Canadian Red Cross, Feeding Houston, Feeding North Texas, Global Giving, and Turkish Philanthropy Funds.

# Connect with us



[www.hbfuller.com](http://www.hbfuller.com)



**H.B. Fuller**

Connecting what matters.™

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