

A Benchmark of Letters from Leadership across:

Proxy Statements

Annual Reports

Sustainability/ESG/CSR Reports



Introduction

Effective leadership letters can set the tone from the top, define corporate culture, clarify strategy and articulate the purpose of a company. The culture of a company begins with its leadership, so a letter is a key personal conduit for communicating with stakeholders.

In response to investor interest, the most effective leadership letters in the proxy statement go beyond compliance to discuss themes including company purpose and strategy for long-term value creation and sustainability. CEO letters in the annual report continue to share results and are increasingly expected to clearly explain, define and share corporate purpose to stakeholders. In sustainability reports, letters go beyond environmental themes to address a company's role in the community and people themes including employment opportunity and diversity.

In This Thought Piece

This Thought Piece presents letters from leadership across investor communications from the proxy statement to the annual report and sustainability/CSR/ESG report.

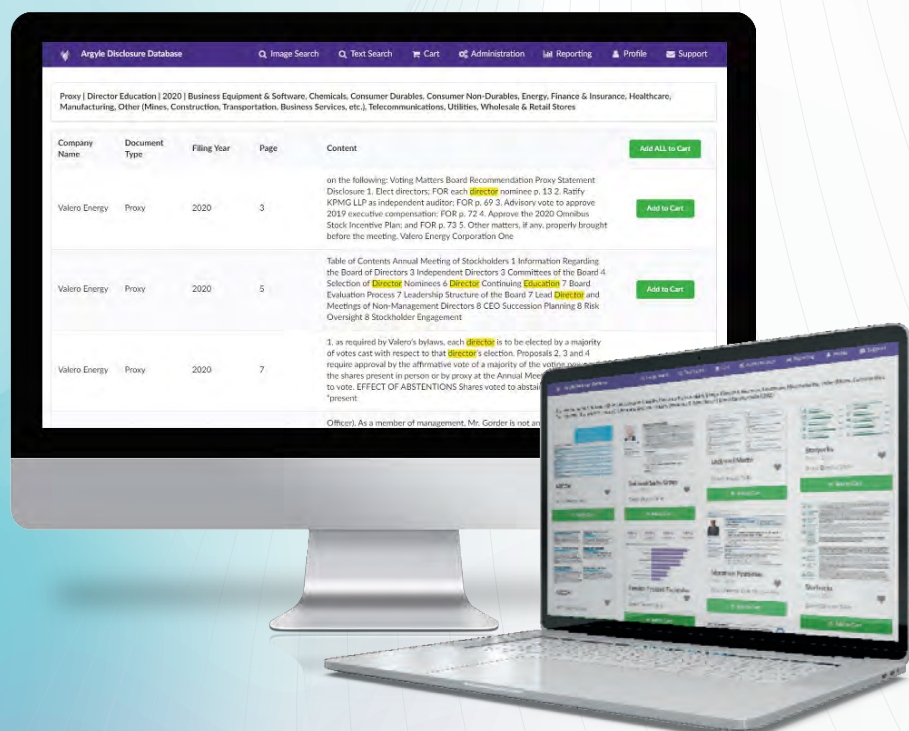
To understand how the largest companies in America are using letters from leadership, we took a look at each of the letters included in the most recent reports published by the Dow 30 and the Fortune 50 combined (63* companies in total).

* Fortune 50 companies Fannie Mae, Freddie Mac and State Farm Insurance did not publish any of these statements in 2019 or 2020.

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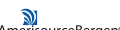










































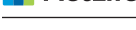

















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* Companies that have letter/s from leadership with COVID-19 disclosure

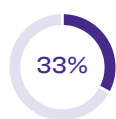
Overview

Messages from Leadership across all Reports

Company	Proxy Statement Letter	Annual Report Letter	Sustainability Report Letter	Other Report Letter
3M	✗	✓	✓	-
Alphabet	✓	✗	✓	✓ Responsible Supply Chain Report
Amazon	✗	✓	✗	-
American Express	✗	✓	✓	-
AmerisourceBergen	✓	✓	✓	-
Anthem	✓	✗	✓	-
Apple	✗	✗	✓	✓ Supplier Responsibility Report
AT&T	✓	✓	✓	✓ Diversity & Inclusion Annual Report
Bank of America	✓	✓	✓	✓ Task Force on Climate-related Financial Disclosures (TCFD) Report
Berkshire Hathaway	✗	✓	✗	-
Boeing	✓	✓	✓	-
Cardinal Health	✓	✓	✓	-
Caterpillar	✗	✓	✓	-
Centene	✗	✓	-	-
Chevron	✓	✓	-	✓ Update on Climate Change Resilience
Cigna	✓	✓	✗	-
Cisco	✗	✓	✓	-
Citigroup	✓	✓	✓	-
Coca-Cola	✓	✗	✓	-
Comcast	✗	✓	✓	-
Costco Wholesale	✗	✓	-	-
CVS Health	✓	✓	✓	-
Dell Technologies	✗	✓	✓	-
Dow	✗	✓	✓	-
Exxon Mobil	✓	✓	✓	-
Facebook	✗	✗	✓	-
Fannie Mae	-	✗	-	-
FedEx	✗	✓	✓	-
Ford Motor	✓	✓	✓	-
Freddie Mac	-	✗	-	-
General Electric	✓	✓	✗	-
General Motors	✓	✗	✓	-
Goldman Sachs	✓	✓	✓	-
Home Depot	✓	✓	✓	-
IBM	✓	✓	✓	✓ Corporate Responsibility Report
Intel	✓	✓	✓	-
Johnson & Johnson	✓	✓	✓	-
JPMorgan Chase	✓	✓	✓	✓ Understanding Our Climate-Related Risks and Opportunities
Kroger	✗	✓	✗	-
Lowe's	✗	✓	✓	-
Marathon Petroleum	✗	✓	✓	✓ Perspectives on Climate-Related Scenarios
McDonald's	✓	✓	✗	-
McKesson	✓	✓	✓	-
Merck	✓	✗	✓	-
MetLife	✓	✗	✓	-
Microsoft	✓	✓	✗	-
Nike	✓	✓	✓	-
Pfizer	✓	✓	-	-
Phillips 66	✓	✓	✓	-
Procter & Gamble	✗	✓	✓	-
Raytheon Technologies	✗	✓	-	-
State Farm Insurance	-	-	-	-
Target	✗	✓	✓	-
Travelers Companies Inc.	✗	✓	✓	-
United Parcel Service	✓	✓	✓	-
UnitedHealth Group	✓	✗	✗	-
Valero Energy	✗	✓	✓	-
Verizon Communications	✓	✓	✓	-
Visa	✗	✓	✓	-
Walgreens Boots Alliance	✓	✗	✓	-
Walmart	✓	✗	✓	-
Walt Disney	✓	✗	✓	-
Wells Fargo	✓	✓	✓	-
Total	37/63 (59%)	48/63 (76%)	48/63 (76%)	

Messages from Leadership in Proxy Statements

From our sample, at the time of publishing their most recent proxy statements:



21 companies (33%)
have **separate** Chairman and CEO
Of the 63 benchmarked companies...

2/21 (10%) present a message from the CEO
Anthem Boeing

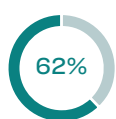
4/21 (19%) present a message from the CEO shared with the Chairman
Cigna UnitedHealth Group
CVS Health Wells Fargo

10/21 (48%) present a message from the Chairman
Alphabet Intel
Anthem McDonald's
Boeing McKesson
Cardinal Health MetLife
Ford Motor Walmart

2/21 (10%) present a message from the Lead Independent Director
Walgreens Boots Alliance Walmart

2/21 (10%) present a message from the Board of Directors
Citigroup Microsoft

In total, 17/21 (81%) companies with a separate Chairman and CEO present some form of message from leadership.



39 companies (62%)
have **combined** Chairman and CEO
Of the 63 benchmarked companies...

10/39 (26%) present a message from the Chairman and CEO

AT&T Merck
Coca-Cola Nike
General Motors Pfizer
Goldman Sachs Phillips 66
IBM United Parcel Service

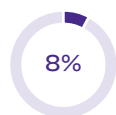
4/39 (10%) present a message from the Chairman and CEO shared with the Lead Independent Director
Chevron JPMorgan Chase
Home Depot Verizon Communications

12/39 (31%) present a message from the Lead Independent Director

AmerisourceBergen Goldman Sachs
AT&T IBM
Bank of America Johnson & Johnson
Coca-Cola Merck
General Electric Pfizer
General Motors Walt Disney

In total, 19/39 (49%) companies with a combined Chairman and CEO present some form of message from leadership.

Compensation Committee Letters



5/63 (8%) present a message from the Compensation Committee or the committee they designated to oversee compensation, and 2 of these (3%) are from the Chairman of the Committee
CVS Health Exxon Mobil General Electric Johnson & Johnson McKesson

Messages from Leadership in Annual Reports

From our sample, at the time of publishing their most recent annual reports:



50/63 (79%) companies include a wrap in their annual report

3M, Amazon, American Express, AmerisourceBergen, AT&T, Bank of America, Berkshire Hathaway, Boeing, Cardinal Health, Caterpillar, Centene, Chevron, Cigna, Cisco, Citigroup, Comcast, Costco Wholesale, CVS Health, Dell Technologies, Dow, Exxon Mobil, FedEx, Ford Motor, General Electric, Goldman Sachs, Home Depot, IBM, Intel, Johnson & Johnson, JPMorgan Chase, Kroger, Lowe's, Marathon Petroleum, McDonald's, McKesson, Microsoft, Nike, Pfizer, Phillips 66, Procter & Gamble, Raytheon Technologies, Target, Travelers Companies Inc., United Parcel Service, Valero Energy, Verizon Communications, Visa, Walgreens Boots Alliance, Walmart, Wells Fargo

14/21 (67%) present a message from the CEO

Boeing	Ford Motor
Cardinal Health	Intel
Cigna	Lowe's
Citigroup	McDonald's
Costco Wholesale	McKesson
CVS Health	Microsoft
Dow	Wells Fargo

4/21 (19%) present a message from the Chairman

Boeing	Intel
Ford Motor	Wells Fargo

34/39 (87%) present a message from the Chairman and CEO

3M	Home Depot
Amazon	IBM
American Express	Johnson & Johnson
AmerisourceBergen	JPMorgan Chase
AT&T	Kroger
Bank of America	Marathon Petroleum
Berkshire Hathaway	Nike
Caterpillar	Pfizer
Centene	Phillips 66
Chevron	Procter & Gamble
Cisco	Raytheon Technologies
Comcast	Target
Dell Technologies	Travelers Companies Inc.
Exxon Mobil	United Parcel Service
FedEx	Valero Energy
General Electric	Verizon Communications
Goldman Sachs	Visa

1/39 (3%) presents a message from the Lead Independent Director

Bank of America

In total, 14/21 (67%) companies with separate Chairman and CEO present some form of message from leadership.

In total, 34/39 (87%) companies with a combined Chairman and CEO present some form of message from leadership.

Messages from Leadership in Sustainability/ ESG/CSR Reports

For the 21 companies with **separate** Chairman and CEO:

19/21 (90%) companies published 1 sustainability/ ESG/CSR report	
Anthem	Lowe's
Boeing	McDonald's
Cardinal Health	McKesson
Cigna	MetLife
Citigroup	Microsoft
Costco Wholesale	UnitedHealth Group
CVS Health	Walgreens Boots Alliance
Dow	Walmart
Ford Motor	Wells Fargo
Intel	
2/21 (10%) companies have 2 sustainability/ESG/CSR reports	
Alphabet	Apple

For 39 companies with **combined** CEO and Chairman:

28/39 (72%) companies published 1 sustainability/ ESG/CSR report	
3M	Goldman Sachs
Amazon	Home Depot
American Express	Johnson & Johnson
AmerisourceBergen	Merck
Caterpillar	Nike
Cisco	Phillips 66
Coca-Cola	Procter & Gamble
Comcast	Target
Dell Technologies	Travelers Companies Inc.
Exxon Mobil	United Parcel Service
Facebook	Valero Energy
FedEx	Verizon Communications
General Electric	Visa
General Motors	Walt Disney
6/39 (15%) companies published 2 sustainability/ ESG/CSR reports	
AT&T	IBM
Bank of America	JPMorgan Chase
Chevron	Marathon Petroleum

In total, 23 reports were considered at the time of this benchmarking:

10/23 (43%) present a message from the CEO

Anthem	Lowe's
Boeing	McKesson
Cardinal Health	MetLife
Citigroup	Walmart
Intel	Wells Fargo

3/23 (13%) present a message from the CEO shared with the Chairman

CVS Health	Walgreens Boots Alliance
Ford Motor	

5/23 (22%) present a message from the Sustainability Officer or the leader/officer who oversees sustainability/ESG/CSR initiatives

Apple (Environmental Progress Report)	CVS Health
Boeing	Dow
	Walmart

3/23 (13%) present a message from other leaders/officers

Alphabet (Environmental Report and Responsible Supply Chain Report)	Apple (Supplier Responsibility Progress Report)
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In total, 40 reports were considered at the time of this benchmarking:

34/40 (85%) present a message from the Chairman and CEO

3M	Marathon Petroleum (Sustainability Report and Perspectives on Climate-Related Scenarios)
American Express	Merck
AmerisourceBergen	Nike
AT&T (Corporate Responsibility Summary and Diversity & Inclusion Annual Report)	Phillips 66
Bank of America (Human Capital Management Report)	Procter & Gamble
Caterpillar	Target
Chevron (Corporate Sustainability Responsibility and Update to Climate Change Resilience)	Travelers Companies Inc.
Cisco	United Parcel Service
Coca-Cola	Valero Energy
Comcast	Verizon Communications
Dell Technologies	Visa
Exxon Mobil	Walt Disney
FedEx	
General Motors	
Home Depot	
IBM (Corporate Responsibility Report)	
Johnson & Johnson	
JPMorgan Chase (Environmental Social & Governance Report and Understanding Our Climate-Related Risks and Opportunities)	

1/40 (3%) presents a message from the Chairman and CEO shared with other executive officers

Goldman Sachs

7/40 (18%) present a message from the Sustainability Officer or leader/officer who oversees sustainability/ESG/CSR initiatives

3M	Dell Technologies
AmerisourceBergen	IBM (Annual Environmental Report)
AT&T (Corporate Responsibility Summary and Diversity & Inclusion Annual Report)	United Parcel Service

4/40 (10%) present a message from other leaders/officers

Bank of America (TCFD Report)	IBM (Annual Environmental Report)
Facebook	Travelers Companies Inc.

Letters from Leadership

3M

Proxy Statement Letter

Annual Report Letter

Sustainability Report Letter



Annual Report

https://s24.q4cdn.com/834031268/files/doc_financials/2019/ar/2019-3m-annual-report.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD AND CEO (PAGES 1-5)

Fellow shareholders,

Everything 3M does is guided by our vision:

3M Technology Advancing Every Company
3M Products Enhancing Every Home
3M Innovation Improving Every Life

This vision resonates deeply with our 96,000 employees around the world, and helps drive our purpose as an enterprise. Every day we use science to solve problems and improve lives, and we are committed to delivering value for all of the stakeholders who have placed their trust in us: our customers, shareholders, employees, communities and business partners.



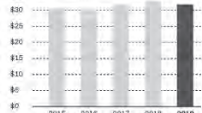
Mike Roman
3M Chairman of the Board and Chief Executive Officer

Overall, I am pleased with the progress we made against each of our strategic priorities in 2019. As a result, we are well-positioned to improve our performance and return to growth in 2020. Moving forward, I know there is a lot more we can and must do to reach our full potential as an enterprise. Our entire team is focused on delivering extraordinary value for all of our stakeholders — including premium returns for you, our shareholders.

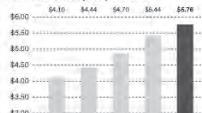
Thank you for your confidence in 3M.

Mike Roman
3M Chairman of the Board and Chief Executive Officer
February 6, 2020

Sales (billions)



Cash dividends paid per share



Earnings per share-diluted



*Earnings per share-diluted, excluding the net impact of significant litigation-related charges, declassification of the Company's Vested stockholders, and measurement period adjustments, related to the U.S. Tax Cuts and Jobs Act (TCJA) (non-GAAP measure) in 2015, 2018, and 2019, is approximately \$10.49. See the Overview section of Item 1 of the 2019 Annual Report on Form 10-K for further details.

2019 Performance

Throughout 2019 3M faced declines in key and markets — specifically China, automotive and electronics — which represent approximately 30% of our total sales. In the face of these challenges, I am encouraged how our team stepped up our execution, made improvements to our operations and drove strong cash flow as we moved through the year.

For the full year we posted organic growth of -1.5%, along with earnings of \$7.81 per share, or \$9.10 on an adjusted basis. We expanded free cash flow by 10% year-over-year to \$5.4 billion — an all-time high for our enterprise — while delivering a strong conversion rate of 118%. We posted a good return on invested capital of 18% — including the impact of acquisitions — along with operating margins of 19%. On an adjusted basis, our team delivered operating margins of nearly 22%, even while reducing inventory levels by \$270 million — which reflects the strength of the 3M model. Finally, in 2019 we returned \$4.7 billion to our shareholders through dividends and share repurchases, and last year marked 3M's 61st consecutive year of dividend increases.

Transforming for the future

Beyond financial results, I view 2019 as a fundamentally significant year for 3M as we implemented major change to position us for the future.

In last year's Annual Report, I wrote about the strength and vitality of the 3M Value Model. Our company has deep competitive advantages that we leverage across our businesses — unique technology platforms, advanced manufacturing, leading brands, and global capabilities — all of which make 3M greater than the sum of our parts.

It is our responsibility to constantly build on that foundation, which we are doing through our four priorities for long-term growth and value creation: Transformation, Portfolio, Innovation, and People & Culture.



Transformation

3M has been on a journey to transform how we work, we're capturing and competing. We have deployed a new enterprise-wide information technology ecosystem, including a new enterprise resource planning (ERP) system. Enabled by this ecosystem, we've rolled out new standardized business processes, service models and digitalization capabilities across 3M in Europe and Canada — which are our furthest along in our transformation — are seeing enhanced customer service, improved margins, better use of data analytics and better innovation.



In 2019 we began to take the next step in our transformation journey, including a new global operating model and streamlined organizational structure. In April we moved from five to four business groups to better align around our customers and go-to-market models. We have also reorganized the entire company around our new business groups to take full advantage of our transformation capabilities. On January 1, 2020 we implemented a new, streamlined global operating model designed to improve growth and operational efficiency. In this new model, our business groups have full responsibility for all facets of strategy, portfolio and resource allocation across our entire global operations. Under the prior model, areas and country teams — which comprised 3M's international organization — set activities in their regions. All of our international people now report into the business groups and functions they are part of.

This new model will drive more accountability to our business

People & Culture

In 2019 we took significant action to develop our people and continue to advance our culture. 3M's transformation journey is as much a cultural change as it is a technology change. We are simplifying work lives, enabling employees with new tools, and empowering them with more autonomy to increase speed and service to our customers. I am pleased with how our team is embracing these changes.



At the same time, we are deepening our commitment to 3M's core values, including diversity and inclusion. 80% of our 100 leaders are diverse, one-third of our corporate officers and board members are women, and we are doing more to integrate inclusion into our daily life. Underpinning everything we do is our Code of Conduct, and in 2019 3M again was named one of the World's Most Ethical Companies[®] by the Ethisphere Institute.

Innovation

Innovation differentiates 3M in the marketplace, and supports organic growth and our long track record of delivering premium margins and return on invested capital. In 2019, we invested \$3.8 billion in the combination of research and development and CapEx, which enable us to both invent and manufacture new and unique solutions for customers. Last year we also expanded 3M's portfolio to 31 technology platforms, and we continue to see strong returns from our priority growth platforms which serve emerging and fast-growing markets. In 2019 these platforms grew 10%, as we create differentiated solutions for customers in areas such as automotive electrification, connected safety and structural adhesives.

3M is also stepping up our leadership in sustainability, particularly in our three focus areas:
Science for Circular
Science for Climate
Science for Community

In 2019 we moved our 9L Plant headquarters to 100% renewable electricity, while committing to move our entire global operations to renewable electricity by 2020. Starting last year, we are also formally embedding sustainability into every new 3M product, ensuring it must help solve an environmental or social challenge. To that end, we continue to introduce a broad range of solutions that help our customers reduce their greenhouse gas emissions — from simple reducing energy consumption, to films that make homes, electronics and automobiles more energy efficient. And from a government perspective, in 2019 our Board of Directors established a new Science, Technology and Sustainability committee to ensure we are building on our strong innovation capabilities, while advancing our already high profile, knowledge leadership.

Our commitment to sustainability includes stewardship of water, and active management of PFAS (per- and polyfluorinated substances) related issues. In this, as with everything, we are guided by the principles of sound science, corporate responsibility and transparency, and are committed to being part of the solution. I encourage you to visit our PFAS Resources website to learn more about the actions we are taking.

Sustainability Report

<https://multimedia.3m.com/mws/media/18367470/2020-sustainability-report.pdf>

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CEO (PAGES 4-5)

A message from Mike Roman



3M is a long-time leader in Sustainability.

We started our groundbreaking Pollution Prevention Pays program back in 1975 — preventing over two million tons of pollution to date — and we are continuously working to build on our leadership. Over the last two decades, for example, as 3M's revenues have doubled, we have reduced our greenhouse gas emissions by nearly 70%, and moved 35% of our manufacturing sites to zero waste. At the same time, we've intensified our focus on creating a range of innovative solutions that help our customers be more sustainable — from glass bubbles that enable lower vehicle weight and improved fuel economy, to films that make homes, businesses, and electronics more energy efficient. I'm pleased that last year alone, 3M Science helped our customers avoid 17 million metric tons of emissions, which is the equivalent of taking more than three million cars off the road.*

The COVID-19 pandemic underscored the critical role that science and the business community have in solving global challenges.

As a science-based company, our highest priorities have been the safety of the public, which includes supporting our heroic health care workers and first responders with vital products and supplies.

I think often about the impact I want to make on the world

In my personal life and in the organization I am honored to lead.

For 3M, our purpose is articulated in our vision statement, ending with "improving every life." It's also reflected in our commitment to Sustainability, which is a value that matters deeply to our people, to our customers, and to me personally.

Additionaly, we moved our St. Paul headquarters to 100% renewable electricity, while committing to move our entire global operations across 70 countries to renewable electricity by 2050. And we took several other actions to accelerate our Sustainability leadership — from partnering with Clean Air Asia to create more livable cities, to establishing a new goal to provide 300,000 hours of skills-based volunteerism by 2025.

We also continue to advance the knowledge and importance of science itself.

We've finding new and more exciting ways to support STEM education, and you'll see examples throughout this report. We have appointed one of our top engineers, Dr. Jayshree Seth, to be 3M's first-ever Chief Science Advocate.

And we continue to partner with Nobel Media to support science. In 2020, we hosted events with Nobel Laureates and students in Asia, Europe, and Latin America.

Our commitment to Sustainability includes active management of PFAS (per- and polyfluorinated substances) related issues. As with everything, we are guided by the principles of sound science, corporate responsibility, and transparency, and are committed to being part of the solution. I encourage you to visit our PFAS Stewardship website to learn more about the actions we are taking.

The climate, environmental, and public health challenges the world faces may seem daunting, but they are not insurmountable —

especially if tackled with a collaborative, purpose-driven, and science-based approach. In addition to our ongoing support for the UN Global Compact, as CEO of 3M, I commit to doing our part and partnering with others to make this a decade of action — for the sake of our business and the greater good.

— Mike Roman
3M Chairman of the Board and Chief Executive Officer

*U.S. Environmental Protection Agency
https://www.epa.gov/ghg-reports/2019/2019-ghg-reports-2019-01-2019-02-2019-03-2019-04-2019-05-2019-06-2019-07-2019-08-2019-09-2019-10-2019-11-2019-12-2020-01-2020-02-2020-03-2020-04-2020-05-2020-06-2020-07-2020-08-2020-09-2020-10-2020-11-2020-12-2021-01-2021-02-2021-03-2021-04-2021-05-2021-06-2021-07-2021-08-2021-09-2021-10-2021-11-2021-12-2022-01-2022-02-2022-03-2022-04-2022-05-2022-06-2022-07-2022-08-2022-09-2022-10-2022-11-2022-12-2023-01-2023-02-2023-03-2023-04-2023-05-2023-06-2023-07-2023-08-2023-09-2023-10-2023-11-2023-12-2024-01-2024-02-2024-03-2024-04-2024-05-2024-06-2024-07-2024-08-2024-09-2024-10-2024-11-2024-12-2025-01-2025-02-2025-03-2025-04-2025-05-2025-06-2025-07-2025-08-2025-09-2025-10-2025-11-2025-12-2026-01-2026-02-2026-03-2026-04-2026-05-2026-06-2026-07-2026-08-2026-09-2026-10-2026-11-2026-12-2027-01-2027-02-2027-03-2027-04-2027-05-2027-06-2027-07-2027-08-2027-09-2027-10-2027-11-2027-12-2028-01-2028-02-2028-03-2028-04-2028-05-2028-06-2028-07-2028-08-2028-09-2028-10-2028-11-2028-12-2029-01-2029-02-2029-03-2029-04-2029-05-2029-06-2029-07-2029-08-2029-09-2029-10-2029-11-2029-12-2030-01-2030-02-2030-03-2030-04-2030-05-2030-06-2030-07-2030-08-2030-09-2030-10-2030-11-2030-12-2031-01-2031-02-2031-03-2031-04-2031-05-2031-06-2031-07-2031-08-2031-09-2031-10-2031-11-2031-12-2032-01-2032-02-2032-03-2032-04-2032-05-2032-06-2032-07-2032-08-2032-09-2032-10-2032-11-2032-12-2033-01-2033-02-2033-03-2033-04-2033-05-2033-06-2033-07-2033-08-2033-09-2033-10-2033-11-2033-12-2034-01-2034-02-2034-03-2034-04-2034-05-2034-06-2034-07-2034-08-2034-09-2034-10-2034-11-2034-12-2035-01-2035-02-2035-03-2035-04-2035-05-2035-06-2035-07-2035-08-2035-09-2035-10-2035-11-2035-12-2036-01-2036-02-2036-03-2036-04-2036-05-2036-06-2036-07-2036-08-2036-09-2036-10-2036-11-2036-12-2037-01-2037-02-2037-03-2037-04-2037-05-2037-06-2037-07-2037-08-2037-09-2037-10-2037-11-2037-12-2038-01-2038-02-2038-03-2038-04-2038-05-2038-06-2038-07-2038-08-2038-09-2038-10-2038-11-2038-12-2039-01-2039-02-2039-03-2039-04-2039-05-2039-06-2039-07-2039-08-2039-09-2039-10-2039-11-2039-12-2040-01-2040-02-2040-03-2040-04-2040-05-2040-06-2040-07-2040-08-2040-09-2040-10-2040-11-2040-12-2041-01-2041-02-2041-03-2041-04-2041-05-2041-06-2041-07-2041-08-2041-09-2041-10-2041-11-2041-12-2042-01-2042-02-2042-03-2042-04-2042-05-2042-06-2042-07-2042-08-2042-09-2042-10-2042-11-2042-12-2043-01-2043-02-2043-03-2043-04-2043-05-2043-06-2043-07-2043-08-2043-09-2043-10-2043-11-2043-12-2044-01-2044-02-2044-03-2044-04-2044-05-2044-06-2044-07-2044-08-2044-09-2044-10-2044-11-2044-12-2045-01-2045-02-2045-03-2045-04-2045-05-2045-06-2045-07-2045-08-2045-09-2045-10-2045-11-2045-12-2046-01-2046-02-2046-03-2046-04-2046-05-2046-06-2046-07-2046-08-2046-09-2046-10-2046-11-2046-12-2047-01-2047-02-2047-03-2047-04-2047-05-2047-06-2047-07-2047-08-2047-09-2047-10-2047-11-2047-12-2048-01-2048-02-2048-03-2048-04-2048-05-2048-06-2048-07-2048-08-2048-09-2048-10-2048-11-2048-12-2049-01-2049-02-2049-03-2049-04-2049-05-2049-06-2049-07-2049-08-2049-09-2049-10-2049-11-2049-12-2050-01-2050-02-2050-03-2050-04-2050-05-2050-06-2050-07-2050-08-2050-09-2050-10-2050-11-2050-12-2051-01-2051-02-2051-03-2051-04-2051-05-2051-06-2051-07-2051-08-2051-09-2051-10-2051-11-2051-12-2052-01-2052-02-2052-03-2052-04-2052-05-2052-06-2052-07-2052-08-2052-09-2052-10-2052-11-2052-12-2053-01-2053-02-2053-03-2053-04-2053-05-2053-06-2053-07-2053-08-2053-09-2053-10-2053-11-2053-12-2054-01-2054-02-2054-03-2054-04-2054-05-2054-06-2054-07-2054-08-2054-09-2054-10-2054-11-2054-12-2055-01-2055-02-2055-03-2055-04-2055-05-2055-06-2055-07-2055-08-2055-09-2055-10-2055-11-2055-12-2056-01-2056-02-2056-03-2056-04-2056-05-2056-06-2056-07-2056-08-2056-09-2056-10-2056-11-2056-12-2057-01-2057-02-2057-03-2057-04-2057-05-2057-06-2057-07-2057-08-2057-09-2057-10-2057-11-2057-12-2058-01-2058-02-2058-03-2058-04-2058-05-2058-06-2058-07-2058-08-2058-09-2058-10-2058-11-2058-12-2059-01-2059-02-2059-03-2059-04-2059-05-2059-06-2059-07-2059-08-2059-09-2059-10-2059-11-2059-12-2060-01-2060-02-2060-03-2060-04-2060-05-2060-06-2060-07-2060-08-2060-09-2060-10-2060-11-2060-12-2061-01-2061-02-2061-03-2061-04-2061-05-2061-06-2061-07-2061-08-2061-09-2061-10-2061-11-2061-12-2062-01-2062-02-2062-03-2062-04-2062-05-2062-06-2062-07-2062-08-2062-09-2062-10-2062-11-2062-12-2063-01-2063-02-2063-03-2063-04-2063-05-2063-06-2063-07-2063-08-2063-09-2063-10-2063-11-2063-12-2064-01-2064-02-2064-03-2064-04-2064-05-2064-06-2064-07-2064-08-2064-09-2064-10-2064-11-2064-12-2065-01-2065-02-2065-03-2065-04-2065-05-2065-06-2065-07-2065-08-2065-09-2065-10-2065-11-2065-12-2066-01-2066-02-2066-03-2066-04-2066-05-2066-06-2066-07-2066-08-2066-09-2066-10-2066-11-2066-12-2067-01-2067-02-2067-03-2067-04-2067-05-2067-06-2067-07-2067-08-2067-09-2067-10-2067-11-2067-12-2068-01-2068-02-2068-03-2068-04-2068-05-2068-06-2068-07-2068-08-2068-09-2068-10-2068-11-2068-12-2069-01-2069-02-2069-03-2069-04-2069-05-2069-06-2069-07-2069-08-2069-09-2069-10-2069-11-2069-12-2070-01-2070-02-2070-03-2070-04-2070-05-2070-06-20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Alphabet

Proxy Statement Letter	✓
Annual Report Letter	✗
Environmental Report Letter	✓
Responsible Supply Chain Letter	✓

Proxy Statement

🔗 https://abc.xyz/investor/static/pdf/2020_alphabet_proxy_statement.pdf?cache=ce8ed0f

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS (PAGES 4-5)



LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Fellow Stockholders,

As I am writing this, our world is gripped by the COVID-19 global pandemic. There's a lot of uncertainty about what our lives will look like when this is all over, which is scary for everyone. That's why I find it especially important to find opportunities for optimism, and we should all take pride that Alphabet's response to this crisis has been a source of support and hope for people around the globe.

Your company has rallied to help people in numerous ways. Google's services are keeping people informed and connected; GSuite and Chromebooks are helping adults to work and children to learn; the company has major efforts to support small businesses and nonprofits; it is helping people looking for accurate and trustworthy answers to their questions. Beyond this, we're investing in mask production to help health care workers on the front lines, and Verily has been rolling out a testing service in the Bay Area and beyond.

We're particularly focused on actively supporting our own workforce in this difficult time, including our extended workforce and caregivers – like parents who need more flexible working arrangements at this time.

All told, it's been truly inspiring to watch our company step up to meet a historically great challenge with the ingenuity, integrity and creative problem-solving we were built on.

Our response has been driven and overseen by the Google and Alphabet CEO, Sundar. This past year, Larry and Sergey left their posts as leaders of Alphabet and the Board appointed Sundar to lead us into the future (Larry and Sergey remain involved as founders and Board members). Obviously, we all owe a huge debt of gratitude to Larry and Sergey for building this company with the vision and inventiveness that made us what we are today, 22 years after it all started. I am also very excited to see where Sundar takes us going forward.

The Alphabet structure allows us to have a portfolio of different businesses with different time horizons, while also allowing us to set up independent companies that can raise money from outside investors, which Other Bets like Waymo and Verily have successfully done.

As our company builds technologies that improve the lives of people everywhere, the Board continues our commitment to making sure everything we do is ethical, fair, and responsible, serving the best interests of our users, employees, and stockholders at all times. Over the past year, the Board has overseen the company's initiatives in a number of important areas.


- Ethical use of technology:** The benefits of technological progress lately have come with some negative unintended side effects, generating questions about the ethics and responsibilities of those of us working in this industry. We've dedicated ourselves to doing what we can to mitigate some of the consequences of bad actors using technology for harmful ends. For example, we have strengthened YouTube's content policies, leading to more removals of hate speech, supremacist content, while also elevating authoritative sources. We have given people improved ways to control and remove their data when they use Google's services. Our AI Principles were created to guide the ethical use of AI, helping to ensure that AI technology is deployed in a manner that is safe, accountable, minimizes bias, and generates societal benefit. In one case, we've collaborated with independent experts using the UN's Guiding Principles on Business and Human Rights as a framework, to assess new products' potential impact on human rights.
- Improving our workplace:** We're constantly working to ensure our employees are treated fairly, compensated equitably, and that substantiated claims of misconduct are dealt with firmly. Over the last year, Google eliminated the requirement of arbitration for employment claims, giving claimants broader leeway in how they bring about their complaints. Our latest pay-equity report included the highest-ever percentage of Googlers (93%) and led to more than \$5 million in pay adjustments. We continue to build on our commitment to hire, retain, and equitably compensate the most diverse and inclusive workforce possible.
- Championing sustainability:** We are focused on sustainability across all of our products and services. We've been a carbon-neutral company since 2007, and in 2019, we made the largest corporate purchase of renewable energy in the world. Compared with five years ago, our data centers now deliver around seven times as much computing power with the same amount of electrical power, and we're applying machine learning to drive energy efficiency even further. We also implemented a program that offsets the carbon emissions from shipping for any product you buy on Google Shopping or any Made by Google hardware.

This is by no means an exhaustive list; they're just some of the ways we are creating an Alphabet built with transparency, care, and integrity, as top priorities.

As a Board, we realize that you have placed your trust in us to help lead Alphabet into the future, and to do so in a way that makes you proud not just of what we do, but how we do it. We cherish that trust, and look forward to working with you to make sure we're all building the best possible company, together.

On behalf of the Board of Directors, we look forward to working with you, and serving you, in the years to come. Thank you for your support and feedback.

Very truly yours,



JOHN L. HENNESSY
CHAIRMAN OF THE BOARD
OF DIRECTORS

Environmental Report

https://services.google.com/fh/files/misc/google_2019-environmental-report.pdf

LETTER FROM THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER SHARED WITH THE SENIOR VICE PRESIDENT OF TECHNICAL INFRASTRUCTURE (PAGE 2)

Environmental sustainability at Google

At Google, we believe that technology can be used to help address the biggest issues facing humanity. Climate change is a pressing global issue that poses an imminent threat to our planet. In 2018 alone, we experienced unprecedented heat waves, wildfires, and flooding in California, along with many other extreme weather events around the world. It's clear that immediate action must be taken on a global scale if the impacts of climate change are to be mitigated and, ideally, reversed.

Google has a longstanding commitment to climate action and environmental stewardship. Sustainability has been a core value since Google's founding, and we strive to build sustainability into everything we do. In 2018, we achieved twelve consecutive years of carbon neutrality and, for the second year in a row, matched 100% of the electricity consumption of our global operations with renewable energy. We also announced our long-term goal to power our operations with carbon-free energy, 24x7, 365 days a year.

We're exploring the role of artificial intelligence in helping us achieve even greater energy efficiency gains in our data centers, and we're prioritizing the use of healthy materials with safe chemistry across Google's built spaces. Beyond Google's operations, we're expanding access to the benefits of technology through energy-saving initiatives like the Nest Power Project. We're also working closely with partners to develop tools for policymakers, planners, and researchers that will enable better-informed decisions and actions, like the Environmental Insights Explorer, which provides city-level carbon emissions data.

In the years to come, we'll focus on how Google can accelerate the transition toward carbon-free energy and a circular economy, empower everyone with technology that enables sustainable action, and benefit the communities where we operate.

Google remains steadfast in its commitment to sustainability, and we will continue to look for collaborative partnerships and innovative opportunities to help create a clean and healthy planet for everyone.

Ruth Porat
Senior Vice President and
Chief Financial Officer

Urs Hölzle
Senior Vice President of
Technical Infrastructure

Responsible Supply Chain Report

<https://www.gstatic.com/gumdrop/sustainability/google-2019-rsc-report.pdf>

MESSAGE FROM THE VICE PRESIDENT OF SUPPLY CHAIN TECHNICAL INFRASTRUCTURE SHARED WITH THE CHIEF OPERATING OFFICER, DEVICES AND SERVICES (PAGE 2)

Supplier responsibility at Google

Google is a company built on ingenuity and innovation—not just in our products and technology but in the way we create those products and how we work. Our passion for finding new and better ways of doing things propels us forward and inspires us to take a closer look at the interconnected pieces and processes throughout our supply chain. To dig deep. To uncover the broader impacts and ripple effects of every action we take. Each year, we look forward to sharing our insights and experiences on this journey in our Responsible Supply Chain Report.

In 2018, we set a goal to help our suppliers transition to renewable energy. We also strengthened our commitment to develop markets that will enable access to affordable renewable energy in the communities where we source and produce our products. We're excited to share progress on a few projects aimed at increasing renewable energy access, both in key manufacturing regions and further upstream in mining communities.

Throughout this report, you'll see these and other examples of our progress with conflict minerals, materials traceability, renewable energy, and recycled materials use, among other areas. You'll meet some of the vendors that share our commitments toward community, discover how we're partnering with other like-minded organizations, and learn how we're taking a comprehensive view of our entire supply chain to better serve the individuals, communities, and environments it touches. You'll also get insight into our current projects—and a glimpse at what the future holds.

Ultimately, we hope to do more than just improve our supply chain. We hope to challenge and inspire our industry to do the same. Success will rely on collaboration, and we're always looking for others to join us on this journey.

Karl Braitberg
Vice President, Supply Chain
Technical Infrastructure

Ana Corrales
Chief Operating Officer
Devices and Services

Amazon

Proxy Statement Letter

Annual Report Letter

Sustainability Report Letter

Annual Report

https://s2.q4cdn.com/299287126/files/doc_financials/2020/ar/2019-Annual-Report.pdf

LETTER FROM THE CHAIRMAN AND CEO



To our shareholders:

One thing we've learned from the COVID-19 crisis is how important Amazon has become to our customers. We want you to know we take this responsibility seriously, and we're proud of the work our teams are doing to help customers through this difficult time.

Associates are working around the clock to get necessary supplies delivered directly to the doorsteps of people who need them. The demand we're seeing for essential products has been and remains high. For online, predictable holiday usage, this spike occurred with little warning, creating major challenges for our suppliers and delivery network. We quickly prioritized the stocking and delivery of essential household supplies, medical supplies, and other critical products.

Our Whole Foods Market stores have remained open, providing fresh food and other vital goods for customers. We are taking steps to help those most vulnerable to the virus, setting aside the first hour of shopping at Whole Foods each day for seniors. We have temporarily closed Amazon Books, Amazon 4-star, and Amazon Pay-It-Forward stores because they don't sell essential products, and we've offered associates from those closed stores the opportunity to continue working in other parts of Amazon.

Critically, while providing these essential services, we are focused on the safety of our employees and customers around the world—we are deeply grateful for their heroic work and committed to their health and well-being. Consulting closely with medical experts and health authorities, we've made over 150 significant process changes in our operations network and Whole Foods Market stores like keeping stores fully staffed, and we conducted daily audits of the measures we've put into place. We've distributed face masks and implemented temperature checks at sites around the world to help protect employees and support staff. We regularly sanitize door handles, stairway handrails, lockers, elevator buttons, and touch screens, and disinfectant wipes and hand sanitizer are standard across our network.

We've also introduced extensive social distancing measures to help protect our associates. We have eliminated stand-up meetings during shifts, moved information sharing to bulletin boards, staggered break times, and spread out chairs in breakrooms. While training new hires is challenging with new distancing requirements, we continue to ensure that every new employee gets six hours of safety training. We've shifted training protocols so we don't have employees gathering in one spot, and we've adjusted our hiring processes to allow for social distancing.

A next step in protecting our employees might be requiring others of all Associates, including those showing no symptoms. Regular testing on a global scale, across all industries, would help keep people safe and help get the economy back up and running. For this to work, we as a society would need vastly more testing capacity than is currently available. If every person could be tested regularly, it would make a huge difference in how we fight this virus. Those who test positive could be quarantined and cared for, and everyone who tests negative could re-enter the economy with confidence.

We've begun the work of building incremental testing capacity. A team of Associates—from research scientists and program managers to procurement specialists and software engineers—moved from their normal day jobs onto a dedicated team to work on this initiative. We have begun assembling the equipment we need to build our first lab and hope to start testing small numbers of our frontline employees soon. We are not sure how low for we will get in the relevant timelines, but we think it's worth trying, and we stand ready to start anything we learn.

While we explore longer-term solutions, we are also committed to helping support employees soon. We increased our minimum wage through the end of April to \$2 per hour in the U.S., \$2 per hour in Canada, £2 per hour in the UK, and £2 per hour in many European countries. And we are paying associates double our regular rate for any overtime weekend—a minimum of \$34 an hour—an increase from time and a half. These wage increases will cost more than \$300 million, just through the end of April, and likely more than that over time. While we recognize this is expensive, we believe it's the right thing to do under the circumstances. We also established the Amazon Relief Fund—with an initial \$25 million in funding—to support our independent delivery service partners and their drivers, Amazon Flex participants, and temporary employees under financial distress.

In March, we opened 100,000 new positions across our fulfillment and delivery network. Earlier this week, after successfully filling those roles, we announced we were creating another 75,000 jobs to respond to customer demand. These new hires are helping customers who depend on us to meet their critical needs. We know that many people around the world have suffered financially as jobs are lost or interrupted. We are happy to have them on our teams until things return to normal and other their former employer can bring them back or new jobs become available. We've welcomed Joe Huffy, who joined after losing his job as a merchant at Newell, report and learned about an opening from a friend who is an Amazon operations analyst. Dallas preschool teacher Darby Griffin joined after school closed in March and now helps manage new inventory. We're happy to have Darby with us until she can return to the classroom.

Amazon is acting aggressively to protect our customers from bad actors looking to exploit the crisis. We've removed over half a million offers from our sites due to COVID-based price gouging, and we've responded more than 600 selling accounts globally for violating our fair pricing policies. Amazon brand owner information about offers we suspect engaged in price gouging of products related to COVID-19 is 42 state attorneys general offices. To accelerate our response to price gouging incidents, we created a special communications channel for our attorneys granted to quickly and easily escalate customer complaints to us.

Amazon Web Services is also playing an important role in this crisis. The ability for organizations to access scalable, dependable, and highly secure computing power—whether via virtual hardware work, to help maintain contact learning, or to keep represented numbers of employees online and productive from home—is critical in this situation. Hospital networks, pharmaceutical companies, and research labs are using AWS to care for patients, explore treatments, and mitigate the impacts of COVID-19 in many other ways. Academic institutions around the world are transitioning from in-person to virtual classrooms and are relying on AWS to help ensure continuity of learning. And governments are leveraging AWS as a secure platform to build our new capabilities in their efforts to end this pandemic.

We are collaborating with the World Health Organization, supplying advanced cloud technologies and technical expertise to track the virus, understand the outbreak, and better contain its spread. WHO is leveraging our cloud to build large-scale data lakes, aggregate epidemiological country data, rapidly translate medical training videos into different languages, and help global healthcare workers better treat patients. We are supporting a public AWS COVID-19 data lake available as a controlled repository for up-to-date and curated information related to the spread and characteristics of the virus and its associated illness so experts can access and analyze the latest data in their battle against the disease.

We also launched the AWS Diagnostic Development Initiative, a program to support customers working to bring more accurate diagnostic solutions to market for COVID-19. Better diagnostics help enable treatment and containment of this pandemic. We committed \$20 million to accelerate this work and help our customers harness the cloud to build this solution. While the program was established in response to COVID-19, we also are looking toward the future, and we will fund diagnostic research projects that have the potential to limit future infectious disease outbreaks.

We've also committed to reaching 80% renewable energy by 2024 and 100% renewable energy by 2030. (The team is actually pushing to get to 100% by 2025 and has a challenging but credible plan to pull that off.) Globally, Amazon has 60 solar and wind projects that have the capacity to generate over 2,500 MW of deliver more than 6.1 million MWh of energy annually—enough to power more than 500,000 U.S. homes.

We've made tremendous progress cutting packaging waste. More than a decade ago, we created the Transition-Fueled Packaging program to encourage manufacturers to package their products in easy-to-open, 100% recyclable packaging that is ready to ship to customers without the need for an additional shipping box. Since 2006, the program has saved more than \$100 million in packaging material and eliminated the use of 1.4 billion shipping boxes.

We are making these significant investments to drive our carbon footprint to zero despite the fact that shipping online is already inherently more carbon efficient than going to the store. Amazon's sustainability scientists have spent more than three years developing the models, tools, and metrics to measure our carbon footprint. Their detailed analysis has found that shipping online consistently generates less carbon than driving to a store, since a single delivery van can carry approximately 100 shipments via journey off the road on average. Our scientists developed a model to compare the carbon intensity of shipping Whole Foods Market groceries online versus driving to your nearest Whole Foods Market store. The study found that, averaged across all basket sizes, online grocery deliveries generate 85% lower carbon emissions per item compared to shipping to stores. Smaller basket sizes generate even greater carbon savings.

AWS is also inherently more efficient than the traditional in-house data center. That's primarily due to two things—higher utilization, and the fact that our servers and facilities are more efficient than what most companies can achieve running their own data centers. Typical single-company data centers operate at roughly 10% server utilization. They need that excess capacity to handle large usage spikes. AWS benefits from multi-tenant usage patterns and operates at higher server utilization rates. In addition, AWS has been successful in increasing the energy efficiency of its facilities and equipment, for instance by using more efficient evaporative cooling in certain data centers instead of traditional air conditioning. A study by AWS Research found that AWS's infrastructure is 3.6 times more energy efficient than the median U.S. enterprise data center surveyed. Along with our use of renewable energy, these factors enable AWS to do the same tasks as traditional data centers with an 80% lower carbon footprint. And that's not all—we're not going to get there just by 22 percent—we'll make AWS 100% carbon free through more investments in renewable energy projects.

Leveraging scale for good

Over the last decade, our company has created more jobs than Amazon. Amazon directly employs 844,000 workers worldwide, including over 590,000 in the U.S., 115,000 in Europe, and 95,000 in Asia. In total, Amazon directly and indirectly supports 2 million jobs in the U.S., including 660,000 plus jobs created by Amazon's investments in small business construction, logistics, and professional services, plus another 850,000 jobs created by small and medium-sized businesses selling on Amazon. Globally, we support nearly 4 million jobs. We are especially proud of the fact that many of these are entry-level jobs that give people their first opportunity to participate in the workforce.

And Amazon's jobs come with an industry-leading \$15 minimum wage and comprehensive benefits. More than 40 million Americans—many making the federal minimum wage of \$7.25 an hour—earn less than the lowest-paid Amazon associates. When we raised our starting minimum wage to \$15 an hour in 2018, it had an immediate and meaningful impact on the hundreds of thousands of people working in our fulfillment centers. We want other big employers to join us by raising their own minimum pay rates, and we continue to lobby for a \$15 federal minimum wage.

Customers around the world have leveraged the cloud to scale up services and meet up responses to COVID-19. We joined the New York City COVID-19 Rapid Response Coalition to develop a centralized digital credit as a risk and elderly New Yorkers to receive accounts, timely information about medical and other important needs. In response to a request from the Los Angeles Unified School District to transition 700,000 students to remote learning, AWS helped establish a call center to field IT questions, provide remote support, and enable staff to answer calls. We are providing cloud services to the CDC to help thousands of public health practitioners and clinicians gather data related to COVID-19 and inform response efforts. In the UK, AWS provides the cloud computing infrastructure for a project that analyzes hospital occupancy levels, emergency room capacity, and patient wait times to help the country's National Health Service decide where best to allocate resources. In Canada, CFIN—one of the world's largest virtual care networks—is scaling its AWS-powered video service to accommodate a 4,000% spike in demand to support citizens as the pandemic continues. In Brazil, AWS will provide the São Paulo State Government with cloud computing infrastructure to guarantee online classes to 1 million students in public schools across the state.

Following CDC guidance, our Alexa health team built an experience that let US customers check their risk level for COVID-19 at home. Customers can ask, "Alexa, what do I do if I think I have COVID-19?" or "Alexa, what do I do if I think I have coronavirus?" Alexa then asks a series of questions about the person's symptoms and possible exposure. Based on those responses, Alexa then provides CDC-sourced guidance. We created a similar service in Japan, based on guidance from the Japanese Ministry of Health, Labor, and Welfare.

We're making it easy for customers to use Amazon.com or Alexa to donate directly to charities on the front lines of the COVID-19 crisis, including Feeding America, the American Red Cross, and Save the Children. Today users have the option to say, "Alexa, make a donation to Feeding America COVID-19 Response Fund." In Seattle, we've partnered with a catering business to distribute 75,000 meals to 2,700 elderly and medically vulnerable residents in Seattle and King County during the outbreak, and we donated 4,200 laptops to help Seattle Public Schools provide guest access to device while classes are conducted virtually.

Beyond COVID

Although there are incredibly difficult times, they are an important reminder that what we do as a company can make a big difference in people's lives. Customers count on us to be there, and we are fortunate to be able to help. With our scale and ability to innovate quickly, Amazon can make a positive impact and be an organizing force for progress.

Last year, we co-founded The Climate Pledge with Christiana Figueres, the UN's former climate change chief and founder of Global Optimism, and became the first signatory to the pledge. The pledge commits Amazon to meet the goals of the Paris Agreement 10 years early—and we set our carbon by 2040. Amazon faces significant challenges in achieving the goal because we don't just move information around—we have extensive physical infrastructure and deliver more than 60 billion items worldwide a day. And we believe if Amazon can get to net zero carbon two years early, any company can—and we want to work together with all companies to make it a reality.

To that end, we are recruiting other companies to sign The Climate Pledge. Signatories agree to measure and report greenhouse gas emissions regularly, implement decarbonization strategies in line with the Paris Agreement, and achieve net zero annual carbon emissions by 2040. (We're announcing new signatories soon.)

We plan to meet the pledge, in part by purchasing 100,000 electric delivery vans from Rivian—a Michigan-based producer of electric vehicles. Amazon aims to have 10,000 of Rivian's new electric vans on the road as early as 2022, and all 100,000 vehicles on the road by 2030. That's good for the environment, but the promise is even greater. This type of investment needs a signal in the marketplace to start investing and developing new technologies that large, global companies need to transition to a low-carbon economy.

We want to improve workers' lives beyond pay. Amazon provides every full-time employee with health insurance, a 401(k) plan, 20 weeks paid maternity leave, and other benefits. These are the same benefits that Amazon's most senior executives receive, tied with our rapidly changing economy, we are more clearly than ever the need for workers to evolve their skills continually to keep up with technology. That's why we're offering \$700 million to provide more than 100,000 Amazonians access to training programs, at the place of work, in high-demand fields such as healthcare, cloud computing, and machine learning. Since 2012, we have opened Choice Center, a pay-paid tuition program for fulfillment center associates looking to move into high-demand occupations. Amazon pays up to 95% of tuition and fees toward a certificate or diploma in qualified fields of study, leading to enhanced employment opportunities in high-demand jobs. Since its launch, more than 25,000 Amazonians have received training for in-demand occupations.

To ensure that future generations have the skills they need to thrive in a technology-driven economy, we started a program last year called Amazon Future Engineer, which is designed to educate and train low-income and disadvantaged young people to pursue careers in computer science. We have an ambition goal to help hundreds of thousands of students each year learn computer science and coding. Amazon Future Engineer currently funds Introduction to Computer Science and AP Computer Science classes for more than 2,000 students in underserved communities across the country. Each year, Amazon Future Engineer also gives 100 four-year, \$40,000 college scholarships to computer science students from low-income backgrounds. These scholarship recipients also receive guaranteed paid internships at Amazon after their first year of college. Our program in the UK funds 120 engineering apprenticeships and helps students from disadvantaged backgrounds pursue technology careers.

For now, my own time and thinking continues to be focused on COVID-19 and how Amazon can help while we're in the middle of it. I am extremely grateful to my fellow Amazonians for all the grit and ingenuity they are showing as we move through this. You can count on all of us to look beyond the immediate crisis for insights and lessons and how to apply those going forward.

Reflect on this from Theodore Seuss Geisel:

"When something bad happens you have three choices. You can either let it define you, let it destroy you, or you can let it strengthen you."

I am very optimistic about which of these civilizational is going to choose.

Even in these circumstances, it remains Day 1. As always, I attach a copy of our original 1997 letter.

Sincerely,

Jeffrey P. Bezos
Founder and Chief Executive Officer
Amazon.com, Inc.

Proxy Statement Letter	✕
Annual Report Letter	✓
Environmental, Social and Governance Report Letter	✓

Annual Report

🔗 <https://ir.americanexpress.com/Cache/IRCache/c2f76864-a0b7-64e4-cdfb-4903ae939d5c.PDF?O=PDF&T=&Y=&D=&FID=c2f76864-a0b7-64e4-cdfb-4903ae939d5c&iid=102700>

LETTER FROM THE CHAIRMAN AND CEO (PAGES I-IV)

DEAR SHAREHOLDERS:

2019 was another good year for our shareholders, our customers and our colleagues. We continued the steady, consistent performance that we have delivered over the past two years. In doing so, we generated broad-based growth across our businesses by remaining focused on our vision to deliver the best customer experience every single day.

Our 2019 results demonstrate that our strategy of investing in share, scale, and relevance is working:

- Revenue reached a record \$43.6 billion, and the fourth quarter of 2019 marked our 10th straight quarter of FX-adjusted revenue growth at or above 8 percent.
- Our growth was driven by a well-balanced mix of fee income, Card Member spending, and lending growth, with our subscription-like card fee revenue becoming our fastest growing revenue line.
- Worldwide spending surpassed \$1.2 trillion, up 5 percent from the prior year.
- We achieved our goal of virtual party merchant acceptance in the U.S. as of year end, an ambitious goal we set in 2016. And we remained committed to continuing expanding merchant acceptance globally.

We achieved these milestones by providing differentiated products, benefits and services, including refreshed premium and cobrand cards for our consumer and commercial customers, and new capabilities that are helping drive engagement in our digital channels. Over the past two years, we refreshed or launched over 50 proprietary products across both our consumer and commercial businesses around the world, resulting in greater customer engagement and strong new card acquisitions, which are driving our revenue growth. These investments have also enabled us to maintain strong retention rates and bring in younger customers, including millennials, who now comprise more than half of the new U.S. Consumer Platinum Card® Members we acquire. In total, we added 11.5 million new proprietary cards, with approximately 70 percent of new Card Members choosing fee-based products.

In 2019, revenues net of interest expense increased 9 percent after adjusting for the impact of foreign exchange.¹ Diluted earnings per share for the year was \$7.99, or \$8.20 per share when adjusting for a litigation-related charge in the first quarter, representing an increase of 12 percent from the prior year.²

2019 Progress

My confidence in our ability to generate steady and consistent results over the long term is based on several factors, including the fundamental strengths we derive from our differentiated business model: the significant growth opportunities we see across our business; and our demonstrated success in executing against our four strategic imperatives:

- Expanding our leadership in the premium consumer space,
- Building on our strong position in commercial payments,
- Strengthening our global integrated network to provide unique value, and
- Making American Express an essential part of our customers' digital lives.

We continued to make progress on each of these goals in 2019, providing a solid foundation for American Express to build on in 2020. Let me share the highlights from each area:

Premium Consumer Space

Our focus on premium products and services continues to pay off, as we've seen a notable lift in spend, acquisition and Card Member engagement across these portfolios globally. We expanded our leadership in the premium consumer space by continuing the disciplined, strategic approach of refreshing our premium products and upgrading our cobrand portfolios globally.

These included a series of upgrades to our Platinum Card in a number of international markets; the refresh of our iconic Green and Centurion® cards in the U.S.; the launch of a new line of Marriott Bonvoy American Express® cards; and the announcement of a series of upgraded Delta cobrand cards as part of the long-term, enterprise-level agreement we signed earlier in the year. We also continue to expand the reach of our Centurion® Lounges with the opening of three new lounges in Los Angeles's LAX Airport, Phoenix and Charlotte, N.C., and plans to open three additional lounges in New York's JFK Airport, Denver and London's Heathrow Airport.

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We're also working with our partners and our internal development teams to deepen our relationships with current customers, attract new ones and harness the power of new online and mobile capabilities. A couple examples include our "split-the-bill" feature, which we developed with our partner PayPal, on our new U.S. Green Card, and home-grown offerings such as our Early Pay financing solution to help our business customers capture discounts and manage their cash flow. On the dining front, we are integrating a reservation booking feature in the American Express® Mobile App for searching, booking and managing restaurant reservations at more than 10,000 restaurants globally. The tool is currently available to select Platinum Card Members and will be rolling out to Platinum and Centurion Card Members in the first half of 2020.

These launches demonstrate our commitment to provide digital-first Membership benefits to our Card Members and back our merchants by doing so that American Express becomes an indispensable part of their lives. We're seeing good results, as customer engagement with our digital channels is strong and growing. In 2019, 81 percent of our active Card Members digitally engaged with us through the American Express mobile app or website, and we have seen a 26 percent increase year-over-year in customers who use our mobile app daily.³

Enabling Our Colleagues to Thrive

Our colleagues are instrumental in enabling American Express to deliver on our vision to provide the world's best customer experience every day. To attract and retain the best talent, we continuously invest in programs, benefits and resources to ensure our colleagues can grow in their careers and thrive professionally and personally. Our focus has helped us build a reputation for being an employer of choice, earning a spot in the top 20 companies on Fortune's ranking of the World's Most Admired Companies for the last 10 years, ranking ninth on the 2020 Fortune 100 Best Companies to Work For® list, as well as top rankings in a number of other "best place to work" surveys in the U.S. and around the world.

Our focus in this area cuts across talent development, policy and benefits, and culture, as we strive to foster an inclusive environment where people can be themselves and feel empowered to contribute their unique perspectives. As part of our commitment to creating a diverse and inclusive workplace, it is imperative that our pay and reward structure is equitable, transparent and free from bias. I am pleased to report that as of 2019, American Express is at 100% parity globally, with women and men being paid equally, according to our most recent compensation review conducted by a third-party consultant. This is up from 99% in 2018 and reflects our continued investments to ensure all colleagues are treated fairly. We also expanded our Annual Incentive Award program to cover all colleagues, including those in more junior roles who were not previously eligible for other bonus and incentive programs, a recognition of our commitment to having all our colleagues' backs.

Backing Our Communities

We remain steadfast in our support of the communities in which our colleagues and customers live and work. That means we must operate our business responsibly, ensuring our practices are sustainable and consider the impact on all of our constituents. I am pleased by the advancements we have made, including becoming a Carbon Neutral® company and shifting our energy consumption to 100 percent renewable sources.

In 2019, we marked the 10th anniversary of Small Business Saturday®, a campaign we founded to help small businesses in the aftermath of the Great Recession and that has evolved into a full-scale movement. Each year community organizers, civic leaders and other stakeholders show up to support the small businesses that help bring vitality to their Main Streets. Last year, U.S. shoppers who shopped at independent retailers and restaurants on Small Business Saturday reported spending a record high total of an estimated \$19.6 billion, according to the 2019 Small Business Saturday Consumer Insights Survey from American Express and the National Federation of Independent Business.⁴

To maximize our community impact, we believe it is vital to invest in the future leaders of tomorrow. We continued to advance this mission through The American Express Leadership Academy, which provides training to emerging nonprofit leaders and social entrepreneurs around the world. Since 2008, we have invested more than \$90 million to help develop more than 125,000 social purpose leaders who are tackling some of society's most complex issues, including through our signature American Express Leadership Academy. Last year, we hosted our first American Express Leadership Academy for leaders from LGBTIQ+ organizations, as well as the inaugural Academy in Southern Africa for women NGO leaders that was held in Johannesburg. We also inspired the commitment that our colleagues make to better their communities. Last year, through our gift matching programs, colleagues pledged more than \$5 million in donations to charities and organizations of importance to them, which we matched dollar-for-dollar. In total in 2019, American Express contributed nearly \$42 million in charitable giving to support leadership development, historic preservation and community services.

I'm proud that in recognition of our continuous work in this area, we earned the 12th spot out of 300 companies included in Newsweek's 2020 list of America's Most Responsible Companies and were recently named to the CDP Climate A List for the first time, recognizing our efforts to back our communities through environmentally sustainable practices and climate action.

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In all these cases, we added features, services and capabilities that our Card Members value. This is illustrated by our continued strong acquisitions of new Card Members. We also continue to make headway in broadening our customer base. Our new Card Members are skewing younger and are more digitally engaged. As an example, over 50 percent of the new Card Members in our U.S. Consumer Platinum portfolio are millennials. Our refreshed products are also enabling us to re-engage with our existing customer base, helping to increase organic spend, push net promoter scores to all-time highs, and maintain steady attrition rates.

Building on our Commercial Payments Strength

In the commercial payments space, our goals are to be the leading payments and working capital provider for small and mid-sized enterprises globally, and to build on our leadership in travel and expense management to become a leader in non-card B2B payments solutions for large and global companies.

Today, we are the leading provider of corporate and small business card programs globally. To build on that position, we are focused on differentiating and growing our card offerings for businesses of all sizes. One of the ways we are doing that is by extending our successful card refresh strategy to our business card portfolio. In 2019, we upgraded our small business Platinum cards in a number of countries around the world, and we announced the refresh of our Corporate Program for larger companies. Similar to our consumer initiatives, our refreshed products have been enhanced with new features, benefits and capabilities that are designed specifically to meet the needs of our business customers. We also added to our portfolio by launching several new products, including new cobranded SME cards with Singapore Airlines and British Airways, the innovative new American Express Business Edge® Card in Canada, and a new extension of our Corporate Card program that addresses the unique needs of start-up companies.

On the working capital and non-card B2B front, we are focused on scaling our business financing offerings for SME customers and our supplier management solutions for companies large and small. In this space, we are partnering with cutting-edge technology industry leaders and start-ups to meet the needs of our business customers who increasingly tell us they want to simplify their approach to managing cash flow, supplier payments and invoice management. In 2019, this included expanding our Accounts Payable automation solutions with the acquisition of acempany®, a digital payment automation platform, and partnerships with SAP Ariba, Coupa and Bill.com.

Expanding Our Network

Our relationship with millions of merchants around the world is a key component of our integrated payments platform, and consistently expanding the number of places where American Express Cards are accepted continues to be one of our top priorities. In 2019, we made great strides in expanding our merchant network in the U.S. and internationally. First, in the U.S., I am pleased to report that as of year-end 2019, we achieved virtual party merchant acceptance, with approximately 99 percent of credit card-accepting merchants in the U.S. now able to accept American Express.⁵ Achieving this ambitious goal is key to our overall business strategy, as expanding merchant coverage drives Card Member and partner satisfaction while also increasing spend on our network.

The work on this front will not stop. The merchant landscape is dynamic, with hundreds of thousands of U.S. businesses opening and closing every year. We will continue to focus on maintaining virtual party coverage in the U.S. going forward.

We also made good progress increasing merchant coverage in international markets where our Card Members live, work and travel to the most, adding more than 2 million merchant locations in 2019. This remains a focus for us in 2020. Going forward, as we continue to grow our network, we will work with our merchant partners in the U.S. and around the world to ensure that our Card Members are warmly welcomed and encouraged to spend in the millions of places where their American Express® Cards are accepted.

In another milestone, the People's Bank of China officially accepted American Express® network application, which was an important next step in our plan to build a network business in China.

Driving Digital Engagement

By leveraging the unique assets of our integrated payments platform, we continue to bring American Express membership to life in our digital channels in ways that are driving increased engagement with our customers. We have been hard at work integrating the acquisitions we've made over the last few years, including our latest additions of Resy® and LoungeBuddy®, to provide our Card Members with premium access and experiences across a wide range of travel, dining and lifestyle services that differentiate us from our competitors.

II

Building On Our Strengths

Looking ahead to 2020 and beyond, our business is strong, and our focus is clear. We have an incredibly talented team at all levels of the company and strong relationships with a wide array of outstanding business partners, from our cobrand and digital partners to our millions of merchant partners around the globe, all working together to deliver the best products and services for our customers.

We are excited about the opportunities that lie ahead in 2020 and beyond and are confident in our ability to continue to deliver sustainable growth for our shareholders.



STEPHEN J. SQUERI

CHAIRMAN & CEO

AMERICAN EXPRESS COMPANY

FEBRUARY 13, 2020

¹ FX-adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translations into U.S. dollars (e.g., assumes the foreign exchange rates used to determine results for the year ended December 31, 2019 apply to the year ended 2018) against which such results are being compared. Management believes the presentation of information on an FX-adjusted basis is helpful to investors by making it easier to compare the company's performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates. FX-adjusted revenues constitute non-GAAP measures.

² Adjusted diluted earnings per common share, a non-GAAP measure, excludes the impacts of a litigation-related charge in Q1 19 and certain discrete tax benefits in Q4 19. See Appendix I for a reconciliation to EPS on a GAAP basis. Management believes adjusted EPS is useful in evaluating the ongoing operating performance of the company.

³ Source: AXP Internal data and The Nilson Report, Issue 1669, "General Purpose Cards – U.S. 2019, Table: 2019 Merchant Acceptance Locations in the U.S."

⁴ Digital Engagement represents Card Member accounts with spend greater than \$0 and at least one American Express website or mobile app visit vs. all Card Member accounts with spend greater than \$0, for full year 2019.

⁵ The 2019 Small Business Saturday Consumer Insights Survey was conducted by Teton on behalf of American Express, and the National Federation of Independent Business (NFIB). The study is a nationally representative sample of 2,287 U.S. adults 18 years of age or older. The sample was collected using an email invitation and an online survey. The study gathered self-reported data and does not reflect actual receipts or sales. It was conducted anonymously on December 1, 2019. The survey has an overall margin of error of +/- 2.0%, at the 95% level of confidence. Projections are based on the current U.S. Census estimates of the U.S. adult population, age 18 years and over.

IV

LETTER FROM THE CHAIRMAN AND CEO (PAGES 4-6)

Letter from the Chairman and CEO

At American Express, we believe the fundamental purpose of a corporation is to serve the needs of society and that backing our colleagues, customers and communities so they can thrive is critical to our success. These beliefs have been our North Star for 170 years and through many challenging times – from helping evacuate travelers during World Wars, to ensuring the safety of our customers' funds during the Great Depression, to creating the Shop Small® movement to help small businesses recover from the Financial Crisis, to providing aid to communities impacted by many natural disasters and so much more.

These core beliefs are also what guide us today in the face of the current global health crisis. As we navigate through one of the most extraordinary periods in recent history, I am extremely proud of how our American Express colleagues have come together to back our customers, communities, partners, shareholders and one another.

BACKING OUR COLLEAGUES

For generations, the key to our success has been the determination and resilience of our American Express colleagues, and the world-class service they deliver to our customers every day. That is why the first principle in our response to the pandemic was to ensure our colleagues' health and safety and provide them with job security, flexibility and the resources they need.

In early March, we swiftly moved to work from home arrangements in almost every location around the world within weeks. This required a new approach to how we operate across the Company, including a complete transformation of our global customer service and travel operations from brick-and-mortar call centers to virtual, home-based service centers. As the situation continues to evolve, with countries and states at various stages of reopening schools and local businesses, we are taking a phased, location-by-location approach to returning to our offices around the world, prioritizing our colleagues' well-being and giving them flexibility to help manage their work and family obligations by providing the option to continue temporarily working from home through June 30, 2021.

Recognizing the importance of job and pay assurance, we committed to no COVID-19-related layoffs for

colleagues who could not work from home and whose offices remain closed during 2020. We have also enhanced our mental health and well-being programs as well as communications and tools to help our colleagues cope with challenges during this time. With these actions, our colleagues around the world can focus on what's most important – staying healthy, safe and caring for their families – while continuing to provide the very best support to our customers.

Additionally, in the wake of recent acts of violence against members of the Black/African American Community in the United States, we are taking a hard look at our own business and colleague practices and developing a comprehensive plan to drive meaningful and lasting change to create opportunities for people of all genders, races, ethnicities. Accordingly, we recently created the Office of Enterprise Inclusion, Diversity and Engagement, which reports directly to me and is responsible for intensifying our focus on driving term change in our culture and the way we do our framework for this effort is composed of pillars across our business: Brand, Culture, Customer, Business and Community. Each pillar will have comprehensive, multi-year plan clear objectives, timelines and metrics. To solidify our commitment and provide transparency of progress, we have provided enhanced disclosure around the diversity representation of our workforce in this report. We view this as just the beginning of our multi-year commitment to further advance and diversity priorities across our enterprise, address issues of inequality, promote social justice and stand against racism.

We also took a step back to reevaluate our Business Values, which guide how we operate as a company. These are the values to which we hold all colleagues accountable. This year, we made some important changes to be more explicit about our efforts to create an inclusive and diverse workforce, add two new values: "We Embrace Diversity" and "Stand for Inclusion." These updated values are designed to make it clear that we do not tolerate bias of any kind and to reinforce our commitment ensuring we have a welcoming and inclusive culture where everyone's voice matters and where people of all races, ethnicities, genders, gender identities, sexual orientations, ages, religions, disabilities and backgrounds can thrive. You may find a full list of

INTRODUCTION

In recent years, we have also focused on achieving pay parity and advancing female leadership at all levels of the enterprise. In 2019, we were proud to achieve pay parity for women globally, as well as across races and ethnicities in the United States. We are also committed to supporting the advancement of women inside and outside of our Company through innovative programs such as The American Express Ambition Project, designed to back women's collective success and address the unique challenges women face in the workplace. In recognition of these efforts, we are pleased to be ranked #15 on Fortune's Best Workplaces for Women 2020 and to have been included in Bloomberg's Gender-Equality Index since its inception.

BACKING OUR CUSTOMERS

To support the long-term growth of our Company, it is critical that we remain focused on backing our customers in ways that matter to them most, especially those who have been impacted by the pandemic.

For our Consumer, Small Business and Corporate customers who need additional financial assistance during this time, we are providing a range of enhanced short-term and long-term relief programs. As part of this initiative, we created a Customer Pandemic Relief Program to provide short-term support for customers impacted by COVID-19, and we enhanced and expanded our longer-term Financial Relief Program to provide assistance to customers in need in 20 countries. For our merchant partners, we adjusted certain policies to back them, including raising contactless transaction thresholds and removing them that we do not require Card Members' signatures at the point of sale. Additionally, we participated in the U.S. Paycheck Protection Program, designed to provide small businesses with support to cover payroll and certain other expenses.

We also doubled down on our commitment to supporting small businesses around the world, which have been significantly impacted by the pandemic. Earlier this year, we launched our largest-ever global Shop Small Campaign with a commitment

of more than \$200 million to support a Card Member offer and the associated marketing campaign to help jumpstart spending at small merchants in a dozen countries. We also created 'Stand for Small', a coalition of now more than 100 companies across media, technology, consumer goods, professional services and many other industries, that have come together on one digital platform to provide meaningful support to small businesses as they navigate the impacts of COVID-19.

To further increase our support of Black-owned businesses, we built a coalition with the U.S. Chamber of Commerce Foundation and four national U.S. Black Chamber organizations including the National Black Chamber of Commerce, the National Business League, the U.S. Black Chambers, Inc. and Walker's Legacy. Through the collaboration, we are committing \$10 million over the next four years to provide grants to U.S. Black-owned small businesses to assist in their recovery and address the challenges they face due to racial and social inequalities.

BACKING OUR COMMUNITIES

As an organization, we are focused on helping address the most pressing societal issues in our communities.

Throughout 2019, we provided more than \$42 million in charitable giving globally, including grants from the American Express Foundation, our Center for Community Development and colleague gift-matching programs, to help empower organizations and people addressing our society's most complex challenges.

In the first half of 2020, in response to the COVID-19 pandemic, we committed more than \$7 million in grants to back communities, organizations and healthcare professionals on the front lines of this deadly disease. We worked with our longtime partners Hilton and Marriott to provide accommodations at no cost to healthcare workers in the United States. Through a partnership with World Central Kitchen, Hilton was able to provide frontline workers in some of the hardest hit cities with healthy meals to sustain them during their stay, so they could concentrate on what matters most: saving lives. We also pledged \$3 million in grants to the NAACP Legal Defense and Educational Fund, the National Urban League and other People of Color-led organizations focused on supporting the Black/African American Community, and we matched the contributions of our U.S. colleagues in these and other social justice organizations through our gift-matching program.

Our colleagues continue to come together to help serve their communities. In 2019, more than 30,000 volunteer opportunities were provided to colleagues across 15 countries through our Serve2gether volunteer program. In 2020, we adapted this program to prioritize practical and safe ways to support nonprofits during the pandemic, such as through our Serve2gether Consulting® platform, where American Express colleagues can leverage their expertise in marketing, IT, social media and more to help nonprofits remotely. Colleagues can nominate nonprofits they believe would benefit from the platform, and as of July, more than 50 nonprofits sponsored

by American Express have received consulting help through the program.

Another important way we back our communities is by continuing to do our part to protect the environment and support a low-carbon future. We remain a carbon-neutral company powered by 100% renewable electricity. In 2019, we were named to the CDP Climate A List, which recognizes corporate leaders for their climate action and transparency. We also set new 2025 global environmental goals that include eliminating single-use plastics across our operations and sourcing 100% of our paper from certified, responsibly managed forests. Additionally, we launched the first-ever American Express Card manufactured primarily from recycled plastic collected from oceans and coasts and led an award-winning global campaign to address the issue of marine plastic pollution. In 2020, we also conducted a climate risk scenario analysis that is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) to assess our Company's physical risks related to climate change.

LOOKING AHEAD

Throughout our history, we have been there for our colleagues, customers, partners and communities, and this time is no different. As we continue to deal with the impacts of the global pandemic, American Express has remained financially strong, ensuring the safety of our colleagues and soundness of our business so that we can continue backing all our constituents during this unprecedented time.

Moving forward, our commitment to implementing strong environmental, social and governance (ESG) policies and activities remains a key priority. In 2020, we conducted an ESG materiality analysis to better understand the expectations of our internal and external stakeholders. One key insight from this process was the interconnectedness of many key ESG issues, such as the impact that inclusion and diversity, climate change and financial resiliency have on important priorities such as colleague attraction and retention, customer satisfaction and community resiliency. Another finding was that many of these themes were already embedded in our culture and business imperatives. From these insights, we developed an updated ESG framework that will drive our strategy moving forward. To support the integration of this strategy into our business, we created a new ESG Steering Committee made up of senior business leaders from across our organization who will drive the development of our new goals and metrics.

As we look to 2021, we will continue backing our colleagues, customers and communities through their recovery from the pandemic and beyond, while positioning our Company for a sustainable, inclusive and successful future. The path ahead may be uncertain, but I believe that by marshaling our collective will, creativity and resources, we will emerge stronger and make strides in making this a better, more just world for all who inhabit it. My colleagues and I at American Express are fully committed to helping make that vision a reality.



"As we look to 2021, we will continue backing our colleagues, customers and communities through their recovery from the pandemic and beyond, while positioning our Company for a sustainable, inclusive and successful future."


STEPHEN J. SQUERI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

"Implementing strong environmental, social and governance policies and activities remains a key priority for American Express. I believe that by marshaling our collective will, creativity and resources, we will emerge stronger and make strides in making this a better, more just world for all who inhabit it."

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Proxy Statement

https://s24.q4cdn.com/386340686/files/doc_downloads/2020/01/AmerisourceBergen-Corp-DEF-14A-Proxy-Statement-DL.pdf

LETTER FROM THE LEAD INDEPENDENT DIRECTOR (PAGE 1)



January 24, 2020

Dear Stockholder:

As your Lead Independent Director, I am pleased to invite you to attend our 2020 Annual Meeting of Stockholders on Thursday, March 5, 2020 at 2:00 p.m. Eastern Time. The meeting will be held at the Four Seasons Hotel, One North 19th Street, Philadelphia, Pennsylvania. The Notice of the 2020 Annual Meeting of Stockholders and the proxy statement describe the items of business for the meeting. Your vote is very important. Whether or not you plan to attend the 2020 Annual Meeting of Stockholders, we urge you to vote and to submit your proxy over the Internet, by telephone or by mail.

The AmerisourceBergen Board of Directors believes that our governance structure should be continually reviewed and enhanced. As described on page 19 of this proxy statement, the Board recently established a Compliance and Risk Committee in furtherance of our responsibility for oversight of the Company's businesses, including the Company's long-standing commitment to ethics and compliance. AmerisourceBergen's Chief Compliance Officer, who oversees the Office of Compliance, reports directly to the Compliance and Risk Committee.

We continue to value input from our stockholders. In 2019, AmerisourceBergen undertook significant outreach, as discussed in the "Stockholder Engagement" section on page 24. This engagement included key discussions on corporate governance, risk management and corporate citizenship. Through meetings with institutional investors and others, we identified issues that our investors and stakeholders consider important, as well as topics for which they requested and we provided more information.

The publication in September 2019 of a report titled the *Safe and Secure Distribution of Controlled Substances* is an example of our commitment to clear and direct communication. Through this report and the annual Corporate Citizenship Report, as well as additional disclosures that can be found on the Company's website, we have provided greater transparency regarding distribution operations and other matters that are of particular interest to our stakeholders, including sustainability, diversity, and the efforts of the AmerisourceBergen Foundation.

We also view Board refreshment as integral to maintaining independent oversight of management. The Board recently expanded from nine to ten members and elected Dennis M. Nally, the former Chairman of PricewaterhouseCoopers, as an eighth independent director. In his role as Chairman of PwC, Mr. Nally oversaw a complex multinational business during a time when its industry underwent significant regulatory change. While leading PwC, he prioritized management of human capital and leadership development and led the firm's growth to over 195,000 employees worldwide. Mr. Nally brings an extraordinary combination of skills and experience that will serve the Board, AmerisourceBergen and our stockholders well. Mr. Nally is one of ten director nominees up for re-election at the 2020 Annual Meeting of Stockholders and I encourage you to review his biography and the biographies of the other director nominees beginning on page 10 of this proxy statement.

In 2019, AmerisourceBergen delivered strong financial performance, as discussed on page 30. Highlights include solid year-over-year revenue increase of 6.9% and a notable increase in gross profit across both the Pharmaceutical Distribution Services and Global Commercialization & Animal Health businesses. We continue to focus on our *One ABC* initiative, which will include the opening of a single headquarters in calendar year 2021. Working together as a unified and connected organization, AmerisourceBergen created value for stockholders, partners, customers and patients in the past year and is well positioned for further growth in 2020.

Your vote is very important to us. We strongly encourage you to read both our proxy statement and annual report in their entirety, and ask that you vote with our recommendations.

Thank you for your continued investment in AmerisourceBergen.

Sincerely,

Jane E. Henney
Lead Independent Director



Annual Report

https://s24.q4cdn.com/386340686/files/doc_financials/2019/ABC_AnnualReport_2019-Final.pdf

STATEMENT FROM THE CHAIRMAN, PRESIDENT AND CEO (PAGES 7-11)

CEO Statement



Steven H. Collis
Chairman of the Board,
President and Chief Executive Officer

During fiscal 2019, AmerisourceBergen continued to execute its differentiated strategy and position the Company for long-term growth as a pharmaceutical-centric global healthcare solutions leader. Together, we accomplished many notable achievements. We received several high-profile awards and recognition during the year, including being ranked #10 on the *Fortune 500* and Good Neighbor Pharmacy®—a national independent pharmacy network offered through AmerisourceBergen—being ranked #1 for “Best Customer Service” by *Newsweek*. In this dynamic market environment, AmerisourceBergen continues to drive innovation, advancing partnerships and creating solutions that improve product access, supply chain efficiency, and patient experience. Our 22,000 purpose-driven associates enable AmerisourceBergen to continue to create value for our customers, partners, stockholders, and ultimately, the patients they serve. As a company, we remain committed to further strengthening the collective engagement of our associates—becoming even more unified as we execute on our strategy and advancement of our culture.

we expected, bolstering the strong performance of this segment. Our continued strength in Specialty distribution and practice management services produced another year of double-digit growth for that business. Our position in key specialty areas—such as oncology, ophthalmology, and rheumatology—continues to create an advantage for our market-leading Specialty distribution franchise. In addition to growth in our provider customer base, we are benefiting from a robust pipeline of pharmaceutical manufacturer innovation, utilization trends and overall demographics. In fiscal 2019, our Global Commercialization Services & Animal Health businesses delivered strong revenue growth of 9%. As a group, these businesses continued to unlock value through their focus on building strong partnerships with, and providing robust services for, manufacturers. NWI Animal Health's revenue grew 5%, delivering solid results as it continues to support growth and demand of its

strong customer base, particularly with corporate accounts, where the business is successfully collaborating with key partners to create value commercially. NWI's highly efficient distribution network and strong demand create capabilities provide pharmaceutical manufacturers with the capabilities required to advance animal health, while further expanding relationships with our customers. Additionally, our global commercialization services businesses collectively grew revenue by 14%. Our portfolio of commercialization services businesses offer pharmaceutical manufacturers critical global specialty and third party logistics services, market access strategies, patient access and adherence solutions, and regulatory and compliance support needed to facilitate access to life-saving pharmaceuticals. These businesses provide differentiated services that continue to create value for manufacturers, especially as even more new, innovative therapies are expected to launch in the coming years.

These businesses are also benefiting from investments in leading data and technology platforms across the group, like NOVA at World Courier and Fusion at Lach, which continue to drive efficiency and execution excellence. As manufacturers' essential commercialization partner, AmerisourceBergen has invested in forward-thinking and patient-centric solutions and remains committed to further enhancing the customer experience and advancing access and adherence outcomes for manufacturers. In fiscal 2019, we returned \$1 billion dollars to our stockholders through opportunistic share repurchases and dividends, and invested \$310 million dollars in our businesses through capital expenditures. Our strategic approach to capital deployment enables us to maintain the appropriate balance between returning capital to stockholders, and investing internally and through acquisitions to both sustain our business and further enhance our commercial value proposition.



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AmerisourceBergen Summary Annual Report 2019

Fostering a Purpose-Driven Culture

AmerisourceBergen's purpose provides the direction and guidance through which we evaluate everything that we do. Our purpose—we are united in our responsibility to create healthier futures—means that we recognize our responsibility to provide access to healthcare efficiently and effectively and to operate sustainably. Our purpose unites, motivates and empowers us to deliver value for all of our stakeholders, making a positive impact on our communities, our partners and the patients they serve. Our purpose exists in harmony with our growth strategy to ensure that we are a company that does well, while also being a good corporate citizen. This is a challenge and a commitment we have always accepted and one that we are well positioned to achieve. We are confident in our strategy, focused on execution, and dedicated to driving long-term value for all of our stakeholders. Working as one unified and connected organization to

improve product access and efficiency throughout the healthcare supply chain.

Creating Value for our Customers, Partners and Stockholders

Overall, AmerisourceBergen performed well in fiscal 2019. Our revenue increased 7% to \$179.6 billion and, on the basis of U.S. generally accepted accounting principles, diluted earnings per share was \$4.04. Adjusted diluted earnings per share increased 9% to \$7.09 due to strong execution across our Pharmaceutical Distribution and Global Commercialization Services & Animal Health teams that delivered adjusted operating income growth, as well as, due to a lower share count. Our focus on core business execution and the delivery of best-in-class services and solutions for our partners in fiscal

2019, combined with our unique pharmaceutical-centric foundation of businesses, enabled us to achieve these results within an ever-evolving healthcare landscape.

In fiscal 2019, our Pharmaceutical Distribution Services segment delivered strong revenue growth of 7%. Our core pharmaceutical distribution business achieved strong performance, delivering best-in-class services and solutions to a solid portfolio of customers, while maintaining strong execution across the various groups. Our teams utilize a customer-centric approach to address current market needs and to capitalize on new opportunities, which further differentiates AmerisourceBergen and drives our success. Finally, we successfully integrated H. D. Smith and realized the operational synergies of the acquisition more quickly than

Adjusted diluted earnings per share increased 9% to \$7.09 due to strong execution across our Pharmaceutical Distribution and Global Commercialization Services & Animal Health teams that delivered adjusted operating income growth, as well as, due to a lower share count.



See page 14 for more information regarding the non-GAAP financial measure adjusted diluted earnings per share.

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AmerisourceBergen Summary Annual Report 2019

Our strategy—focused on robust customer partnerships, leadership in specialty distribution and commercialization services, delivering innovative services and solutions, and being successful financial and talent stewards—is a pillar that differentiates and positions AmerisourceBergen for long-term and sustainable growth.

Addressing the Opioid Epidemic and Resolving Related Litigation

AmerisourceBergen has been committed to engaging and mobilizing to help address the opioid epidemic, both by partnering with key stakeholders and by helping bring solutions to the table. We continue to work diligently and alongside partners to help combat drug diversion, while supporting solutions to help address the crisis in the communities across the country that we call home, work in and serve. In October, AmerisourceBergen, along with our peers, reached a settlement with two Ohio counties in the first track of the multi-district opioid litigation. We believe that settling the case is an important stepping stone in ongoing efforts toward a possible global resolution and demonstrating that our industry is being constructive and thoughtful in how we can help address this crisis.

To the extent a settlement can be reached, we expect settlement funds to be used in support of initiatives to combat the opioid epidemic. **We take our role in the supply chain seriously.** AmerisourceBergen is a logistics company that plays a critical role in getting FDA approved medications from pharmaceutical companies that manufacture them to DEA registered pharmacies that dispense them based on prescriptions written by licensed healthcare providers. As we continue to work closely with stakeholders to evaluate next steps concerning these complex matters, AmerisourceBergen will remain responsible stewards of stockholders' capital. Together, our Board of Directors, management team, and associates are focused on developing meaningful solutions for this epidemic. AmerisourceBergen also remains committed to transparency and—as we are able—to providing stockholders and

other stakeholders with information on our efforts and solutions to address the opioid epidemic and related litigation.

Building Long-Term and Sustainable Growth

Our strategy—focused on robust customer partnerships, leadership in Specialty distribution and commercialization services, delivering innovative services and solutions, and being successful financial and talent stewards—is a pillar that differentiates and positions AmerisourceBergen for long-term and sustainable growth.

In fiscal 2020 and beyond, we will continue to leverage our differentiated strategy, partnerships, and a strong balance sheet to grow our business and continue to create stockholder value. AmerisourceBergen is well positioned to deliver long-term value for all of our stakeholders as we continue to focus on innovation, execution, advancing our talent and culture, and living our purpose of being united in our responsibility to create healthier futures.

Thank you again for your interest and investment in AmerisourceBergen.
Sincerely,

Steven H. Collis
Chairman of the Board,
President and Chief Executive Officer

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AmerisourceBergen Summary Annual Report 2019

Corporate Citizenship Overview

https://www.amerisourcebergen.com/-/media/assets/amerisourcebergen/corporate_citizenship/abc_corpcitizenship_report_2019.pdf

STATEMENT FROM THE CHAIRMAN, PRESIDENT AND CEO (PAGES 4-5)

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AmerisourceBergen Corporate Citizenship Overview

CEO Statement



Steven H. Collis
Chairman of the Board, President
and Chief Executive Officer

At AmerisourceBergen, we believe that it is our responsibility to give back to the communities where our associates and customers live and work.

The pressing issues our society faces, however, cannot be solved by the private sector alone. Solutions require concerted, cohesive efforts—powerful, engaged stakeholders across the board—working together at their best. There is a critical need for the private, public and non-profit sectors to join together to solve global healthcare access and affordability issues.

AmerisourceBergen exists within a complex and dynamic environment—and we are incredibly proud of the role we provide in driving efficiency in the supply chain, ensuring access to quality care and supporting the viability of healthcare providers and pharmaceutical innovators.

The driving force behind everything we do is our purpose—we are united in our responsibility to create healthier futures. Our team of 22,000 global associates understands the importance of strong corporate citizenship as a cornerstone to improving overall health. While no single solution

alone will ensure a healthier future, our efforts aim to boost our impact and reach.

Our view of corporate citizenship is broad and multidimensional. We continue to focus on three core areas: engaged associates, sustainable operations and healthy communities.

Inspired Associates

To engage our workforce, we foster an inclusive culture that values diversity of background and experience—and this commitment starts with our Executive Management Committee where 3 out of 7 members are women. Associates are encouraged to participate in employee resource groups—such as our Women's Impact Network, Veterans in Action, LGBT Allies and more. And this year, we announced an enhanced parental leave policy to support our associates when they welcome new children to their families.

Putting people do. In the midst of that struggle, our associates supported the safe rescue and transport of animals and supported their colleagues through the Associate Assistance Fund. And to empower associates to give back to the causes that matter most to them, the AmerisourceBergen Foundation launched myCommunityImpact, our matching gifts and dollars-for-donors program.

Supplies, ensured the safe rescue and transport of animals and supported their colleagues through the Associate Assistance Fund. And to empower associates to give back to the causes that matter most to them, the AmerisourceBergen Foundation launched myCommunityImpact, our matching gifts and dollars-for-donors program.

Sustainable Operations

We recognize the importance of business adaptation for climate change, and we are taking a longer-term view. To improve the sustainability of our operations, we have implemented practices that reduce energy use and waste as well as packaging innovations, such as reusable totes in our distribution centers and innovative solutions to ship cold chain. We continue to invest in solar energy projects and sustainable building infrastructure, including LEED certified office spaces.

Healthy Communities

Through our independent not-for-profit charitable organization, the

AmerisourceBergen Foundation, we have been supporting health-related causes that enrich the global community. These investments have helped increase access to healthcare for human and animal populations and ensure prescription drug safety. We continue to invest and form deeper relationships with our non-profit partners. In 2019, we hosted an inaugural Foundation Grantee Conference rooted in collaboration with more than 50 non-profits represented.

Among the critical impacts that the Foundation has had, none is more important than the work being done to address the devastating effects of the opioid epidemic. Through the work of our Foundation, we aim to mitigate the effects of the crisis and positively impact communities in the U.S. and globally.

I hope that you will enjoy learning more about our corporate citizenship initiatives in this report, which demonstrates how we are uniting with partners across the supply chain to create a healthier future for all.

Sincerely,

Steven H. Collis
Chairman, President and Chief Executive Officer

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AmerisourceBergen Corporate Citizenship Overview

Message on Corporate Citizenship



Gina K. Clark
Executive Vice President and Chief
Communications & Administration
Officer, AmerisourceBergen
President, AmerisourceBergen
Foundation

At AmerisourceBergen, we are united in our responsibility to create healthier futures.

For us, it means we understand that our duty as a company extends beyond the services we provide, the customers we serve, the associates we employ and the communities where we live and work. It means we understand our moral obligation to improve the wellbeing of human and animal populations by expanding access to quality healthcare, operating sustainably and upholding the highest standards of safety and quality.

When we established our corporate citizenship strategy just a few years

ago, we began to embed these core principles into our daily work. Now, we track our results, refine our focus, test our capacities and strive to get better every year.

One of our key priorities this year was increasing our efforts to address the opioid epidemic. It's a crisis that hits at the heart of our industry and we continue to support measures for the safe disposal of opioids and resources for abuse prevention. Through these efforts, we have provided nearly 1.2 million drug deactivation kits to more than 250 organizations in every state in the U.S.

We're also deeply committed to collaboration and partnership with



organizations, customers and stakeholders to amplify our impact and reach. To that end, we have continued strategic partnerships with non-profit organizations, such as Eluna, CADCA, Family Reach, Healthcare Ready and Southeastern Guide Dogs. In addition, we are excited to support our new partners National FFA Foundation, K9 Partners for Patriots, and National Search Dog Foundation as we strengthen our focus on animal health within the Foundation. Partnerships like these are critical to achieving our corporate citizenship goals.

We have made tremendous progress, yet we know there's more to be done. In the coming year, we plan

to continue to integrate corporate citizenship even more deeply into our business, including expansion of our programs internationally, increased focus on our diversity and inclusion efforts, scale our environmental sustainability efforts to adapt to a changing climate, and deepen relationships with strategic partners to advance the work of the Foundation.

I want to thank all of our stakeholders for supporting us in these efforts and I look forward to building upon the progress we've made and continuing to fulfill our promise of strong corporate citizenship.

Sincerely,

Gina K. Clark
Executive Vice President and Chief
Communications & Administration Officer, AmerisourceBergen

President, AmerisourceBergen Foundation



Proxy Statement

<https://ir.antheminc.com/static-files/382b6b73-293a-4bce-aa9f-8ad8140c942b>

LETTER FROM THE PRESIDENT AND CEO (PAGE 1)

Letter from Our President and Chief Executive Officer

March 27, 2020

Dear Fellow Shareholders,

We look forward to welcoming you to our 2020 Annual Meeting, to be held at Anthem's headquarters, 220 Virginia Avenue, Indianapolis, Indiana 46204 on May 21, 2020 at 8 a.m. Eastern Daylight Time.

Our Annual Meeting is an opportunity to review our 2019 accomplishments, as well as our plans to build on the positive momentum from the past year as we look ahead to 2020 and beyond.

In 2019, Anthem delivered strong performance with growth across all of our businesses. Year-over-year, our operating revenue grew by 12.9% to \$103.1 billion, income before income tax expense grew by 18.1% to \$6.0 billion and operating gain grew by 10.6% to \$6.9 billion. Our medical membership increased by 1.1 million members to 41 million members as of year-end and we successfully launched IngenioRx, our new pharmacy benefits manager. We developed innovative, industry-leading digital solutions and continued to make healthcare more affordable, accessible and effective.

We understand that we play an important societal role. Our mission – improving lives and communities, simplifying healthcare, and expecting more – drives our aspirations. Corporate responsibility is integral to our success as a company, and as such, we were proud to once again be named to the Forbes Just 100 list of most sustainable companies, as well as the Dow Jones Sustainability North America Index for a second consecutive year for our work to empower communities, improve the sustainability of our business, operate with integrity and advance an inclusive workplace.

Looking ahead, we will continue to build on our momentum and accelerate our investments in strategically important capabilities – innovative technologies, clinical integration and provider collaboration – all designed to simplify healthcare for those we serve. We believe healthcare should be personalized, proactive and preventative, and we are supporting this effort by putting consumers at the center of everything we do while building the right capabilities and tools around them. Our culture – with our mission, vision and values – provides the foundation we need to deliver on our commitments to our stakeholders.

Details for attending the Annual Meeting are included in this proxy statement. Also enclosed are details for how and when to vote. Your vote is very important to us, so if you are unable to attend the meeting, please vote in advance of the Annual Meeting, either online, by mail or by telephone, to ensure your shares are represented at the meeting.

Thank you for your continued investment in our Company. We appreciate your confidence and look forward to seeing you at our Annual Meeting.

Sincerely,

Gail K. Boudreau
President and Chief Executive Officer



"We developed innovative, industry-leading digital solutions and continued to make healthcare more affordable, accessible and effective."

LETTER FROM THE INDEPENDENT CHAIR OF THE BOARD (PAGE 2)

Letter from Independent Chair of the Board

March 27, 2020

Dear Fellow Shareholders,

As your Board of Directors, we take our responsibilities very seriously and are committed to representing your interests in the long-term. We believe our shareholders are best served when the Company achieves sustainable results in a responsible manner. We are pleased with the Company's performance and are happy to share specific actions that the Board has taken in the past year.

Purpose & Culture. The Board oversaw the continued roll-out of the Company's mission, vision and values, which were updated in 2018 and serve as the Company's guiding north star. As part of our strategic oversight, we ensure that the Company's mission of improving lives and communities and simplifying healthcare is embedded in the Company's strategy and business plans. We have a special meeting each year dedicated to strategic oversight, as well as regular strategy discussions throughout the year.

The Board recognizes the importance of culture in achieving long-term success and is supporting management in the important work of shaping, changing and guarding the Company's culture. We are updated regularly on initiatives in this area and monitor our progress towards our goals. In addition, we focus on the "tone at the top" to ensure that management sets appropriate ethical standards taking into account all of our constituents, and that all associates feel engaged and part of the effort to better meet the needs of every consumer. We are proud that the Company was named in 2019 as one of the top 10 Most Just Companies by Forbes Magazine and JUST Capital.

Board Skills, Diversity & Refreshment. Board succession planning is also essential to the Company's success. As Chair, I have the privilege to work with a highly qualified and diverse group of board colleagues who bring thought leadership, perspective and accountability to their roles in overseeing the talented executive team at Anthem. Your Board is highly diverse in terms of background, expertise, ethnicity, age and gender, and includes four women directors and four ethnically diverse directors. The key leadership positions of Chair of the Board, Chair of the Audit Committee, Chair of the Governance Committee and President and CEO are held by diverse directors. We believe that having leaders and decision makers who represent the breadth of our communities is important for the Company's success.

Refreshing your Board with new perspectives and ideas is critical to ensuring that it remains strategic, inclusive and forward-looking. Each year, we conduct a rigorous evaluation process, including board and individual director evaluations facilitated by an external party. Over the past couple of years, three new directors have joined the Board and two directors have retired. The past year we were pleased to welcome Ryan Schneider to the Board. Ryan has extensive executive, financial, marketing and technology experience and recently led a significant digital transformation in the financial services industry.

Environmental, Social & Governance (ESG). We believe our ESG practices promote the long-term interests of our shareholders and strengthen Board and management accountability. The Board's Governance Committee is responsible for establishing the Company's corporate governance practices, as well as monitoring the Company's social responsibility and environmental sustainability initiatives. As overseers of risk and stewards of long-term enterprise value, we play a vital role in overseeing the Company's environmental and social impacts and related risks of ESG issues on the Company's operating model, long-term performance and stakeholders. In particular, the Company recognizes the link between environmental health and the health of our consumers and communities and is committed to continually improving the environmental sustainability of its operations. We are proud that the Company was named to the 2019 Dow Jones Sustainability North America and World Indices in recognition of our ESG practices.

On behalf of the Board, thank you for investing in Anthem.

Sincerely,

Elizabeth E. Talbot
Independent Chair of the Board



"The Board recognizes the importance of culture in achieving long-term success and is supporting management in the important work of shaping, changing and guarding the Company's culture."

Annual & Corporate Responsibility Report

<https://www.antheminc.com/annual-report/2019/>

MESSAGE FROM THE PRESIDENT AND CEO

A message from our President and CEO

A year ago, we announced a new era at Anthem. One defined by growth, innovation, and the transformation of healthcare as we know it. Our mission is clear—we are focused on the health and wellbeing of people and communities. While the journey is just getting started – in 2019, we delivered.

We achieved strong top- and bottom-line growth across the enterprise. We delivered record organic top-line growth of 13%, and we had our best year of organic, risk-based membership growth in over a decade. Our medical membership increased by 1.1 million members to 41 million members as of year-end, and we successfully launched IngenioRx, our new pharmacy benefits manager.

Our innovative, industry-leading digital solutions continued to make healthcare more affordable, accessible and effective. We continue our focus on affordability by partnering with care providers through value-based care arrangements and by empowering consumers with access to the information they need to take an active role in their own health and wellness.

Now more than ever, we recognize the important societal role we play, where corporate responsibility is not only essential, but integral to our success as a company. Our mission – improving lives and communities, simplifying healthcare, and expecting more – not only drives our aspirations...but also reflects who we are.

We were proud to once again be named one of America's most JUST Companies by *Forbes* and JUST Capital – the highest-ranked company in the healthcare providers category, as well as the Dow Jones Sustainability Index for a second consecutive year, for our work to empower communities, improve the sustainability of our business, operate with integrity and advance an inclusive workplace.

We believe that being a responsible corporate citizen means working to shape our company, our communities and our world for the better. Every one of our more than 77,000 associates takes this responsibility seriously.

Our associates live out our values every day by going above and beyond to improve lives and communities. They recognize that diversity makes us stronger and better able to serve our consumers. And they give generously of their time, delivering more than 100,000 volunteer hours this past year, a historic high.

Throughout 2019, Anthem focused on some of the most pressing issues facing the U.S., with an emphasis on food insecurity. Through our strong partnerships with nonprofit organizations across the country, such as Feeding America and the Food Trust, we were able to bring innovative programs to life, making a direct impact within our local communities. We remain committed to removing social barriers for the nation's most vulnerable populations.

At Anthem, we believe that our business and social responsibility stories are one – better health is our social responsibility. As such, we are pleased to present Anthem's first integrated Annual and Corporate Social Responsibility report.

Across these pages, you will read stories about how we are truly making a difference – simplifying healthcare through innovation, creating a more diverse workforce by lifting up underserved populations, and reducing our impact on the environment by transitioning to renewable energy, among others. And you can visit our reporting hub, which includes financial as well as Environmental, Social and Governance (ESG) information, including our GRI Index.

What you'll discover here are just a few examples of the positive impact we have on our consumers, our associates, our company and on society.

In 2020, we will continue to carry out our mission with determination. In light of the enormous challenges our nation faces from the COVID-19 pandemic, we are uncovering additional ways to support individuals, families and the country's healthcare system in this uncertain time.

As always, we will remain focused on redefining what's possible, and improving the life of each person we touch by considering true whole person care.

It's more than healthcare. And it ensures a better future for all of us.



Gail K. Boudreaux
President and CEO, Anthem

Proxy Statement Letter	✕
Annual Report Letter	✕
Environmental Progress Report Letter	✓
Supplier Responsibility Report Letter	✓

Environmental Progress Report

https://www.apple.com/environment/pdf/Apple_Environmental_Progress_Report_2020.pdf

LETTER FROM THE VICE PRESIDENT OF ENVIRONMENT, POLICY & SOCIAL INITIATIVES (PAGE 3)



Supplier Responsibility Report Letter

https://www.apple.com/supplier-responsibility/pdf/Apple_SR_2020_Progress_Report.pdf

LETTER FROM THE SENIOR VICE PRESIDENT OF OPERATIONS



Proxy Statement Letter	✓
Annual Report Letter	✓
Corporate Responsibility Summary Letter	✓
Diversity & Inclusion Annual Report Letter	✓

Proxy Statement

<https://otp.tools.investis.com/clients/us/atnt2/sec/sec-show.aspx?FilingId=13998178&Cik=0000732717&Type=PDF&hasPdf=1>

LETTER FROM THE CHAIRMAN AND CEO



Letter from the Chairman and CEO

Dear Stockholders:

It's a pleasure to invite you to our 2020 Annual Meeting of Stockholders. I hope you can join us on Friday, April 24, 2020, at 9:00 a.m. at the Moody Performance Hall, 2520 Flora Street, Dallas, Texas.

At this year's meeting, we'll update you on the progress we're making as a modern media company.

You'll hear about our launch plans for our innovative new streaming service, HBO Max, and why we're so excited about its potential. We'll also tell you how we're building on the solid performance of our communications and entertainment businesses. And we'll discuss our plans to grow revenues, free cash flow and earnings per share – as well as our capital allocation framework that enables us to continue investing in growth while maintaining a solid, steady dividend for you, our owners.

In recent years, you have seen us dramatically transform our company. But one thing has not – and will not – change. That's our goal of delivering strong results for you and sustainable, long-term growth and success for AT&T. On behalf of the Board and our management team, thank you for your continued support.

Sincerely,

Randall Stephenson

LETTER FROM THE LEAD DIRECTOR



Letter from the Lead Director

Dear Stockholders:

As your company's Lead Independent Director, I'm proud of AT&T's strong commitment to sound, forward-looking governance. The Board's role is to keep our company focused on the long term and protect the interests of our shareholders. We do that by challenging conventional thinking and offering different points of view, all while maintaining a sharp focus on creating shareholder value.

We've worked hard to continuously refresh our Board and have added new directors with the skills and experience to guide our evolving business strategies.

I hope you're able to join us at our Annual Meeting. Until then, please accept the gratitude of our entire Board for your confidence in AT&T.

Sincerely,

Matthew Rose

Annual Report

<https://investors.att.com/~media/Files/A/ATT-IR/financial-reports/annual-reports/2019/complete-2019-annual-report.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-10)



Randall Stephenson
Chairman and Chief Executive Officer
AT&T Intellectual Property

TO OUR INVESTORS,

Over the past several years, we've made a series of strategic investments to drive a major transformation of our company. Those investments have been fully aligned with 2 unassailable trends:

- > First, consumers will continue to spend more time viewing premium content where they want, when they want and how they want.
- > And second, businesses and consumers alike will continue to want more connectivity, more bandwidth and more mobility.

As demand continues to rise for both premium content and connectivity, the foundational elements of our investment thesis are clearer than ever. And the portfolio of businesses built, organically and inorganically, provides us with an enviable competitive advantage in 4 essential areas:

370M+
DIRECT CONSUMER
RELATIONSHIPS

As we prepare to launch HBO Max, our direct consumer relationships are an asset that any media company would love to have.

Consumer Relationships

Direct consumer relationships are the second essential element in our strategy – and we have about 370 million of them across mobile, pay TV and broadband. That number rises to more than 370 million when you include viewers on our digital properties, including CNN Digital and FilmStreet Report.

As we prepare to launch HBO Max, our direct consumer relationships are an asset that any media company would love to have.

Gaining scale in linear pay TV was the core rationale behind our DIRECTV acquisition. We realized the satellite business was mature. We anticipated subscriber losses. But the content cost savings quickly turned our U-verse pay TV business from a loss to a profit. And since we bought DIRECTV, it's generated healthy cash flows of \$4 billion or more per year – and a total of \$22 billion by the end of 2019.

Premium Content

Third, we believe that the value of premium content will only increase over time as consumer demand continues to grow and new video engagement formats made possible by 5G emerge. And you've seen that value increase with some of the multiples paid for media companies after we did our Time Warner deal.

The old business models in which premium content is created for distribution exclusively through such traditional channels as theaters, cable and satellite companies just aren't sustainable. Technology is driving these business models together, and we believe those companies that can integrate scaled content creation businesses with scaled distribution will hold a critical advantage in the years to come.

Ad-Tech

Last, our vast distribution network and subscriber base bring us valuable viewer and customer insights. That gives us a unique opportunity to create an ad-tech platform and pair it with our large advertising inventories. In 2019, we launched Community, a premium video marketplace for buyers and sellers.

Building upon these 4 critical capabilities positions us in 2020 as the leader in network performance and capacity. We also have one of the premier entertainment companies in

AT&T INTELLECTUAL PROPERTY
2019 ANNUAL REPORT

AT&T INTELLECTUAL PROPERTY
2019 ANNUAL REPORT

#1
NETWORK

AT&T has the fastest fixed and mobile network speeds.

"We're now in full execution mode and moving forward as a modern media company."

- Advanced high-capacity networks built on a foundation of high-quality spectrum.
- A large base of direct consumer relationships across mobile, pay TV and broadband.
- Scaled capabilities to produce premium TV, theatrical and gaming content, coupled with one of the deepest and richest content libraries anywhere.
- Advertising technology and inventory that enable us to make the most of the insights we glean from our customer relationships.

With those elements in place, we're now in full execution mode and moving forward as a modern media company. And we're doing it at a time when those content and connectivity trends have arrived sooner than many anticipated.

Networks

If all starts with advanced high-capacity networks, it was clear to us early on that the mobile internet revolution and a world of streaming video would require much more capacity than people were anticipating. So, we began investing for future demand.

These investments included well in excess of \$30 billion over the past 7 years in premium spectrum licenses and the acquisition of Leap Wireless, which gave us additional spectrum.

We also were selected by the U.S. government to build and manage the FirstNet first responder network. This brought with it another layer of premium spectrum capacity. Over the past 2 years, we've put this capacity into service with dramatic performance improvements.

As a result, AT&T has the best and fastest wireless network in the United States.

By year-end 2019, we had launched 5G to 50 million people, and we expect to have nationwide coverage in the second quarter of 2020.

We've also invested in high-capacity networks in Mexico. In 4 years, we've built a high-speed, nationwide mobile network and have more than doubled the customer base.

Since 2015, we've also undertaken the most aggressive fiber deployment program in the U.S. – with more than 27 million locations passed.

the world, with scaled production capabilities for both TV and theatrical content and vast, unmatched intellectual property libraries.

And in May, we'll bring all these critical elements together in a whole new way with the launch of HBO Max. It's terrific, and we expect it to grow to about 36 million U.S. subscribers by the end of 2020. By the end of 2025, we expect that HBO Max will reach 50 million U.S. subscribers and generate about \$5 billion in annual incremental revenue. Add all that up, and I wouldn't trade places with anyone.

WE'VE EXCEEDED ALL 2019 COMMITMENTS

Pulling all of these elements together required us to allocate a significant amount of, in the form of debt and share issuances. Entering 2019, our priority was to address that load and then focus on retiring the equity we issued in subsequent years. To that end, we began the year by laying out several commitments. And we delivered on every single one of them, as the chart below shows.

2019 Commitments	2019 Accomplishments
Generate \$20 billion in free cash flow	✓ Record free cash flow of \$20 billion ¹
Delever to ~7.5x net debt to adjusted EBITDA	✓ Achieved ~5.5x net debt to adjusted EBITDA ✓ Retired 14 million common shares
Maximize net \$10.8 billion in assets	✓ Overachieved, closed on ~\$12 billion
Grow adjusted EPS in the low single-digit range	✓ Adjusted EPS of \$3.47 , up 1.4% ²
Deliver on merger plan; HBO Max	✓ \$700 million in synergies ✓ HBO Max unveiled
Grow wireless service revenues	✓ Up nearly 5% for full year
Stabilize Entertainment Group EBITDA	✓ \$70 billion in 2019 vs. \$70 billion in 2018
Capital investment in \$2.5 billion range	✓ \$2.7 billion gross capital investment ³
Achieve network leadership	✓ Best and fastest wireless network

And we accomplished all this while integrating WarnerMedia and hitting our synergy leading the way in deploying our 5G mobile capabilities, and launching several new

3-YEAR OUTLOOK AND CAPITAL ALLOCATION PLAN

Looking ahead, we believe we have all the pieces in place to continue to drive compelling returns for you, our shareholders. Let me take you through some of the key points of our financial outlook and capital allocation plan.

Revenue Growth

We expect total company revenues from 2020 through 2022 to grow by 1-2% per year, driven by strength in our mobility business, increased fiber penetration and WarnerMedia

Adjusted EBITDA Margin Growth⁴

We expect our adjusted EBITDA margin to be stable in 2020, and that's with our incremental investments in HBO Max and pressure from the strong growth in mobility equipment revenues that are expected to be driven by customers upgrading to 5G devices. Looking to 2022, we are driving to expand adjusted EBITDA margins by 200 basis points above 2019 levels, giving us an adjusted EBITDA margin of 35%. When you apply that to a revenue base that's growing 1-2% per year, we anticipate an EBITDA lift in the neighborhood of \$6 billion by 2022. And that includes significant further investments in our growth areas, like HBO Max.

"Looking ahead, we believe we have all the pieces in place to continue to drive compelling returns for you, our shareholders."

This margin growth is anticipated to be driven by combining WarnerMedia cost synergies, core growth

in our wireless business, EBITDA turning positive at AT&T Mexico and a new initiative to substantially improve our operating efficiency and cost structure across the entire company, beyond what we're already doing. This new cost effort is well underway and is being led by an executive team we've assembled that has a proven track record of creating best-in-class cost structures.

Free Cash Flow

Our free cash flow has grown significantly over the past few years. That's thanks in part to the fact that our DIRECTV and Time Warner acquisitions were both cash flow accretive on Day 1. Going forward, we expect free cash flow in the \$28 billion range in 2020. And as the HBO Max investment declines and we execute against our cost reduction initiatives, our plan is for free cash flow to grow by more than \$1 billion in 2021 and by another \$1 billion in 2022, to reach \$30-\$32 billion in 2025.⁵

\$20
BILLION

Capital Allocation

A key element of our 3-year plan for 2020-2022 is our capital allocation framework.

First and foremost, we will continue to invest aggressively and at top-tier levels in our core businesses, and we expect our 2020 gross capital investment to be approximately \$20 billion.

We'll also continue to grow our quarterly dividend, as we've done for 36 straight years – ever since I joined the company. We expect modest annual increases in our dividend and a dividend payout ratio as a percent of free cash flow below 50% in 2022. We finished 2019 with a payout ratio of 51%⁶.

Our focus over the next 3 years will be on retiring the common shares we issued to acquire Time Warner. After paying the dividend, we intend to use 50% to 70% of our free cash flow to retire about 70% of those shares. That's about 10% of our outstanding shares at the end of 2019. We retired about 16 million shares last year and will retire about 100 million shares in the first quarter of this year through a \$4 billion accelerated share repurchase agreement.

"We'll continue to grow our quarterly dividend, as we've done for 36 straight years – ever since I joined the company."

At the same time, we plan to continue to reduce our debt going forward. We are on pace to retire 100% of the debt we took on to acquire Time Warner by the end of 2022. And when we do that, our target is a very comfortable net debt to adjusted EBITDA ratio of between 2.0x and 2.25x.

Given the quality of our assets, we anticipate no major acquisitions during the next 3 years. Based on our financial outlook and the benefits of our capital allocation approach, we expect

Time Warner Debt Reduction and Share Retirements on Track

100%
DEBT RETIRED

70%
SHARES RETIRED

By 2022, we expect to retire 100% of the debt we took on and ~70% of the shares we issued to acquire Time Warner.



2020 adjusted earnings per share growth in the low single digits. But by 2022, we expect \$1 to be between \$4.50 and \$4.80.¹ A large part of that EPS growth by 2022 will result from retiring shares of our common equity. These EPS expectations include our investment in HBO Max of between \$0.15 and \$0.20 per share in 2020, and then \$0.10 per share in both 2021 and 2022.

With our 3-year plan, we expect to see revenue, adjusted EBITDA and adjusted EPS growth every single year. Meanwhile, we expect free cash flow to be about \$28 billion this year and then grow again in 2021 and 2022.

When you combine our current dividend yield with share retirements of more than 2% a year for the next 3 years, that provides a yield of about 8.5% per year—and when you factor in the growth we are expecting, you get a solid double-digit return.²

This plan has greatly benefited from close collaboration with our board of directors, as well as from regular engagement with our owners. We have a high degree of confidence in our ability to execute it, and we believe it will deliver both substantial and consistent financial improvements for the next 3 years. This plan puts us on a path to create significant future value for shareholders.

PORTFOLIO MANAGEMENT

We have a record of routinely pruning our portfolio of assets. And over the last few years, we've monetized more than \$30 billion in assets, including those that do not contribute to our core strategy. And you can expect continued evaluation of our businesses and more progress in divesting assets that are no longer core to our fundamental mission. We have targeted the monetization of another \$5-\$10 billion of non-core assets in 2020.

This is a continuous process for us, and it is one of the areas to which our board of directors dedicates a tremendous amount of time and attention. With the support of our board generally, and the corporate development and finance committee in particular, we are well into the next review of our portfolio. We'll keep you updated on our progress as we have done over the past year.

We're committed to an objective, diligent and disciplined process. We'll analyze the merit of each of our businesses individually and as part of the whole.

GOVERNANCE AND LEADERSHIP

We continue to enhance AT&T's governance and leadership, starting with our board of directors. As our company has evolved, so has our board.

Over the last few years, we have continuously refreshed our board under the leadership of Matt Rose, our independent lead director and chair of our nominating committee. Today, the average tenure of our independent directors is just 7.5 years or less. And of our 12 independent directors, 11 have joined the board since 2012.

In the course of directing our transformation into a modern media company, we've steadily and deliberately added new directors with the skills and experience to guide our evolving business strategies. That includes 3 new directors since 2015 with particularly strong backgrounds in large-scale video distribution, media and entertainment, and digital media.

"We continue to enhance AT&T's governance and leadership, starting with our board of directors. As our company has evolved, so has our board."

In anticipation of 2 current directors retiring over the next 15 months, we appointed

Stephen L. Lizza, chairman of Seagate Technology, to our board late last year. His deep experience in technology and his skill at executing strategic cost initiatives make him an excellent fit. Stephen serves on the corporate development and finance committee, which, as I noted, has responsibility for overseeing our cost program and evaluating our portfolio. We plan to add another new director in 2020 who also has strong skills and experience aligned with our objectives.

A natural question people often ask me is when I intend to retire. The board and I haven't yet set any formal plans for my retirement as CEO, but I can assure you that detailed planning for my succession is underway. The plan is that I will remain AT&T's CEO through 2020 to make sure we hit the objectives we've set to drive significant, long-term shareholder value. We'll keep you informed as our succession plan evolves.

Last summer, the board appointed my talented colleague John Scanlon as our president and chief operating officer. John led the successful integration of WarnerMedia and is now leading our efforts to execute on our objectives across AT&T Communications, WarnerMedia and Xandr. John has a unique mix of communications industry and media experience, and the board and I have high expectations of him and the entire team to deliver on our 3-year plan.

Your board views leadership and CEO succession as one of its most important responsibilities to shareholders. The board's HR committee, led by its chair, Beth Mooney, oversees management program and our succession planning process. Under the HR leadership, the board's evaluation of all potential candidates for the CEO position is underway for some time and continues today.

Last May, the board decided that, whenever my transition as CEO occurs, it will chairmen and CEO positions.

DOING BUSINESS RESPONSIBLY

Over the past several years, our company has undergone a transformation that's so much in our 140-year history. But in the midst of tremendous change and disruption, we remain mindful of our values. These core beliefs—listed on page 11—unite our employees and extend their impact beyond the workplace and deep into our communities. Together,

"In the midst of tremendous change and disruption, we are ever mindful of our values. These core beliefs... unite our employees and extend their impact beyond the workplace."

important, eco environmental social issues

AT&T is taking climate change seriously, and we're committed to reducing our carbon footprint.

energy purchases surpassed 1.5 gigawatts of clean energy capacity, making the top U.S. purchaser of renewable energy. Our efforts have placed us on CDP's "A" list for the past 4 years, and we continue to look for ways to make an impact on this serious issue. That includes working with the U.S. government's Argonne Laboratory on an industry-leading Climate Resiliency Project to better anticipate and adapt to the impacts of climate change on our business and our community as part of our active and continuous review of how we invest and deploy our resources.

1.5
GIGAWATTS OF
CLEAN ENERGY

AT&T is now the largest purchaser of renewable energy in the U.S., with clean energy purchases exceeding 1.5 gigawatts of clean energy capacity.

We continue to connect with our customers and the communities we serve. Believes®. This employee-led program delivers solutions to local community efforts and we are now active in more than 35 U.S. cities, focusing on such needs as digital homelessness and access to education.

We view our commitment to responsible corporate citizenship as a partnership with stakeholders. Together, we listen, exchange ideas and innovate solutions. To

strengthen these valuable relationships, we're bringing even more transparency to our external reporting and disclosures about key sustainability initiatives, especially those related to climate change, political involvement and social impact measures.

Finally, I'm proud of our commitment to a diverse and inclusive workforce. This year, AT&T earned the number one spot on DiversityInc's Top 50 Companies for Diversity list. And WarnerMedia released its inaugural Diversity and Inclusion Interim Report—an entertainment industry first.

WORDS OF THANKS

As we look ahead to 2020 and beyond, I want to express my heartfelt gratitude to AT&T's employees for their unwavering spirit of service. True to that spirit, they are always there through wildfires, hurricanes and other disasters—ensuring that our communities and first responders are always connected and, thanks to CBTA, informed. After all these years, I never cease to be amazed by the commitment and resilience, the courage and creativity, that they bring to work with them every day. They are the source of my unfailing confidence in our ability to achieve our objectives.

I also want to express my deepest appreciation to our board of directors for their endless supply of wise, candid counsel and for the rigorous, hands-on approach they bring to guiding our company. After nearly 12 years as your CEO, I can tell you that I have never seen our board more fully engaged or more personally invested in shaping our strategy and advancing our objectives. And for that, I can't thank them enough.

Finally, I'm extremely thankful to you, our shareholders, for your continued confidence in AT&T. You stood by us as we made the strategic investments that have brought us to the position of strength we hold today. It's now time to reap the rewards of these investments and deliver strong returns. As evidence of that, we delivered a total shareholder return of 40% (including dividends) in 2019. And I believe we're positioned to continue creating shareholder value over the next 3 years and beyond. Thank you for your continued confidence in our company.

Sincerely,

Randall Stephenson
Randall Stephenson
Chairman and Chief Executive Officer
AT&T
November 1, 2019

Corporate Responsibility Summary

<https://about.att.com/ecms/dam/csr/2019/library/corporate-responsibility/2019-2020-Summary.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 3)

2019/2020 AT&T CORPORATE RESPONSIBILITY SUMMARY

INTRODUCTIONGLOBAL CHALLENGES & OPPORTUNITIESGOVERNANCEPROGRESS TOWARD GOALS40%RECOGNITION3

WE ARE DEFINED BY OUR COMMITMENT TO CORPORATE RESPONSIBILITY

RANDALL STEPHENSON
Chairman and Chief Executive Officer

CCOVID-19 has changed our world in profound and challenging ways, with major implications for how we congregate, work, learn, travel and interact. In such a world, the power of connectivity—keeping us in touch, informed and entertained—has never been more important.

At AT&T, we've been connecting people, communities and businesses for more than 140 years, and we take that responsibility very seriously. Thanks to the resilience of our people and our networks, we've weathered many crises over the decades. And every time, we've emerged stronger than before.

Whether they're in the field serving customers and maintaining our network, on the front lines putting their lives at risk to report breaking news, or at home remotely supporting key business operations, AT&T employees are always there for our communities and for one another—giving their all to continue providing essential services.

To help ease the burden on the people who keep our company strong, we took a number of steps, including bonuses for front-line employees and managers, as well as temporary paid family leave to help all employees cover a broad range of COVID-related needs. And our Employee Relief Fund—a \$501(c)(3) public charity supported by employee donations and matching grants from the AT&T Foundation—is helping

colleagues experiencing financial hardship due to circumstances beyond their control.

We also launched a \$10 million Distance Learning and Family Connections Fund to help give parents, students and teachers tools for at-home learning. We've temporarily extended service and waived late fees for customers who let us know they needed help as a result of coronavirus disruptions. And we offered additional news, educational and entertainment channels for free to our customers during this time.

The work we do is critical to millions of people around the world, and we're committed to being there when our colleagues and communities need us most.

Through FirstNet®, we're providing advanced connectivity to the true heroes—first responders, healthcare providers, government agencies, military, police, fire and EMS. As a public safety partner, it's an honor to serve and support them. We've also helped provide meals to those on the front lines and are using our text-to-donate capabilities to encourage others to contribute.

The events of 2020 have also highlighted the critical need for society to do better for our Black neighbors and colleagues. The deaths of George Floyd, Breonna

Taylor, Ahmaud Arbery and far too many others expose deep-rooted injustices that continue to impact the Black community. We can and will help address systemic racism by supporting law enforcement reform and enhanced access to education, health care and economic opportunities for underserved communities.

AT&T has long been committed to advancing social and racial equality and inclusion, and we know there is much more work to do. We believe it's a moral and business imperative for large companies to speak up when people are treated unfairly, to help influence needed policy change and to be an example for others by encouraging frank dialogue and learning among employees and community partners.

I'm proud of how our employees and our company have been there for our communities when they've needed us most. In addition to leadership on critical issues affecting society, we continue to encourage people not to text behind the wheel of a vehicle. We're working to address climate change as one of the top U.S. purchasers of renewable energy, and we're adopting science-based targets for our operations and supply chain. We remain committed to skills building for our current and future employees. And we're active in our communities, providing hands-on support through corporate giving, the AT&T Foundation and the generosity of our employee volunteers.

AT&T's historic commitment to doing business responsibly—and to our values of living true, being there, and making a difference—is foundational to who we are as a company and as individuals. Our strong governance structure will continue to guide and support these efforts, proving that great things can happen when we all come together to address important issues facing our communities and our world.

— June 2020



LETTER FROM THE SENIOR VICE PRESIDENT FOR CORPORATE SOCIAL RESPONSIBILITY AND CHIEF SUSTAINABILITY OFFICER (PAGE 4)

2019/2020 AT&T CORPORATE RESPONSIBILITY SUMMARY

INTRODUCTIONGLOBAL CHALLENGES & OPPORTUNITIESGOVERNANCEPROGRESS TOWARD GOALS40%RECOGNITION4

WE ARE HERE TO MAKE A DIFFERENCE

CHARLENE LAKE
Senior Vice President, Corporate Social Responsibility and Chief Sustainability Officer

Despite how unpredictable things may be today, AT&T's desire to positively impact our world has helped sustain our company for generations. Through our leadership in telecommunications and the inherited legacy of our WarnerMedia brands, AT&T delivers essential services, entertains, informs and fosters innovation.

Our employees are the soul of our efforts. Whether shaping the next generation of technology or pushing the boundaries of purposeful storytelling, they never stop dreaming. We share an unwavering pledge to serve customers and support our neighbors through selfless volunteerism and dedication to important societal issues.

Long-term success requires us to be deliberate in our planning, but responsive to the needs of stakeholders and communities.

The dramatic impact of the COVID-19 pandemic highlights the importance of our legacy programs, and how quickly companies can be called to act in times of need.

Because the core of our operations is considered essential by the U.S. Department of Homeland Security, we continue to ensure our workforce has the technical and leadership skills for the jobs of tomorrow. Each year we invest approximately

\$200 million in programs that help our employees gain expertise in fields such as data science, coding and computer analytics. We also help cultivate the future talent pipeline for AT&T—and industry at large—by supporting skills development and career readiness in our communities.

For more than a decade, our AT&T Aspire initiative has been investing in projects and organizations that provide access to education and training for those who need it most. In these unprecedented times, we've reinforced our commitment and relationships to help provide parents, students and teachers the tools they need for home learning and resources to maintain meaningful connections when it's not possible to be together in person.

Today's societal issues also underscore the importance of localized, community support. That's where the passion and service of AT&T employees really delivers. Our employees lead AT&T BelievesSM, our grassroots effort that blends corporate financial support with sweat, equity, and leverages our expertise, time and company scale to maximize impact. COVID-19 has heavily impacted our communities, so we've dedicated \$55 million to help provide needed meals for first responders, medical personnel and others serving around the clock.

AT&T Believes volunteers also are working to promote social justice. For example, Believe AtlantaSM and Believe IndySM volunteers

are working to strengthen ties between law enforcement and the community. And Believe ChicagoSM and Believe Los AngelesSM are working to create opportunities for Black communities through hiring, education and skills development.

To help amplify critical messages in support of racial equity, our WarnerMedia brands are donating advertising inventory and production assistance to civil rights organizations. In fact, we're offering platforms to raise voices in many ways, such as our CNN town hall with characters from Sesame Street designed to help kids and families talk about race and inclusion.

While we're focused on today's critical issues, we're maintaining our commitments to help tackle the ongoing climate emergency. AT&T has signed agreements surpassing 1.5 gigawatts of renewable energy capacity, making us one of the largest corporate purchasers in the U.S.


To enhance the resiliency of our operations, our Climate Change Analysis Tool currently helps visualize climate-related risks to network infrastructure and operations in the southeastern U.S. up to 30 years into the future. And we're making the data sets we use available to external organizations conducting their own research.

In the pages of this report, you'll see how AT&T is delivering solutions to leading global challenges and working to ensure our

business—and our society—is prepared for a more resilient tomorrow.

We're proud of our efforts and collective impact over the past year. We know our work will never be done, and we are committed to the challenges that lie ahead. I welcome your feedback, questions and thoughts.

— June 2020



LETTER FROM THE CHAIRMAN AND CEO (PAGE 4)

THE STORIES WE TELL AND THE NEWS WE REPORT HAVE THE POWER TO INFORM, INSPIRE AND ENTERTAIN PEOPLE ALL OVER THE WORLD.

At AT&T, we believe that championing diversity and fostering inclusion do more than just make us a better company—they contribute to a world where people are empowered to be their very best.



Randall Stephenson
Randall Stephenson
Chairman & Chief Executive Officer

That's why one of our core values is "Stand for equality" and why our mission is to "Inspire human progress through the power of communication and entertainment."

As a communications company, our innovations have helped people connect

and interact for more than a century. And as a modern media company, the stories we tell and the news we report have the power to inform, inspire and entertain people all over the world. We're especially proud to have introduced the entertainment industry's first policy to ensure greater inclusion in front of and behind the camera.

In 2019, AT&T earned the top spot on the DiversityInc Top 50 Companies for Diversity list. And for the fourth year in a row, AT&T has been named one of the Best Workplaces for Diversity by Great Place to Work and FORTUNE. Independent recognition like this is gratifying and inspires us to work even harder.

In this report, you will see many powerful examples of how our employees are standing for equality and inspiring human progress, at work and in their communities. I invite you to discover some of the ways AT&T is working to build a more diverse, inclusive world. That work is, and will remain, vital to how we support each other through the COVID-19 pandemic to emerge stronger than ever.

Employees
Communities
Customers
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Suppliers
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ATT DI Annual Report 2019

LETTER FROM THE SENIOR VICE PRESIDENT OF HUMAN RESOURCES AND CHIEF DIVERSITY OFFICER (PAGE 5)

WHEN EVERYONE'S UNIQUE STORY IS CELEBRATED, WE'RE ABLE TO CONNECT, CREATE AND INNOVATE IN REAL AND MEANINGFUL WAYS.

Our 2019 AT&T Diversity & Inclusion Annual Report is much more than a collection of figures and lists. It tells the story of our culture of inclusion—a culture that has never been stronger.

It's a story about people: from our more than 50 vibrant employee groups inspiring their members, elevating their communities and supporting our business priorities, to our employees working in underserved communities to develop valuable career skills, and young filmmakers breaking down barriers to tell powerful narratives from a unique perspective.

We know that when everyone's unique story is celebrated, we're able to connect, create and innovate

in real and meaningful ways. The employees featured in these pages are a testament to the power of AT&T and to a culture that continually strives to ensure that all walks of life can bring their whole selves to work every day.



Corey Anthony
Senior Vice President, Human Resources
& Chief Diversity Officer

It's why our employees tell us they feel valued, have a sense of belonging and are fully engaged in our success. And we work every day to engage our customers, suppliers and communities in the same way.

While we still have more work to do, I hope you share my pride in all that we accomplish when we come together. I'm excited to share this story of our culture with you.



Employees
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ATT DI Annual Report 2019

Bank of America

Proxy Statement Letter	✓
Annual Report Letter	✓
Human Capital Management Report Letter	✓
Task Force on Climate-related Financial Disclosures (TCFD) Report Letter	✓

Proxy Statement

<http://investor.bankofamerica.com/static-files/599c40f7-721e-47fd-8fe1-a63a89d47532>

LETTER FROM THE LEAD INDEPENDENT DIRECTOR

Letter from our Lead Independent Director



Dear Fellow Shareholders:

The independent directors and I join Brian in inviting you to attend our company's 2020 annual meeting of shareholders.

The Board values input from our shareholders as the company executes our long-term strategy. As the Board's Lead Independent Director, I meet regularly with investors. I share investors' viewpoints with the Board, and that input enhances our decision-making.

During 2019, our dialogue again covered broad-ranging topics, including the company's financial performance; the Board's governance practices and composition; the Board's role in strategic planning, risk management, and overseeing the company's Responsible Growth execution; the company's environmental and social initiatives, including human capital management; and my role as Lead Independent Director.

So that all shareholders have the opportunity to hear directly from our Board members, video interviews of each director discussing our company's governance practices and what Responsible Growth means to us are available on our annual meeting website at <https://about.bankofamerica.com/annualmeeting>.

I encourage you to read our 2020 Proxy Statement, our 2019 Annual Report, and the other proxy materials. I also encourage you to read our inaugural Human Capital Management Report published at the end of 2019, also available on our annual meeting website.

Our Board remains committed to building long-term value in the company and returning excess capital to our shareholders. On behalf of the directors, I join Brian and the management team in thanking you for choosing to invest in Bank of America.

Sincerely,



Jack O. Bovender, Jr.
Lead Independent Director

Annual Report

<http://investor.bankofamerica.com/static-files/898007fd-033d-4f32-8470-c1f316c73b24>

LETTER FROM THE CHAIRMAN AND CEO (RESPONSIBLE GROWTH DROVE OUR PERFORMANCE IN 2019; PAGES 1-8)

A letter from Chairman and CEO Brian Moynihan:
Responsible Growth drove our performance in 2019

To our shareholders and clients,
To my teammates,
To leaders and partners in the communities we serve
across the U.S. and around the world,

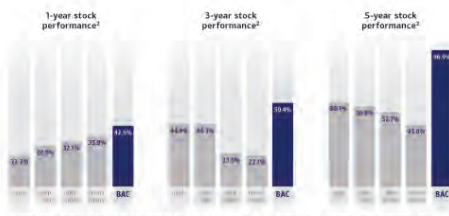
I am pleased to share the 2019 Bank of America Annual Report with you. In this report, my teammates and I share highlights of the progress our company made during the year, which capped off a decade of growth for our company and for the U.S. and global economy.

In 2019, your company followed its Responsible Growth operating principles and delivered \$2.4 billion in earnings, or \$2.75 per share. After adjusting for a third-quarter non-cash impairment charge, we earned \$2.03 billion. That adjusted figure exceeded our record 2018 results. We returned more than \$34 billion in capital to you, our shareholders, including \$2.8 billion in share buybacks and \$3 billion in common dividends. We raised the annual dividend by 22%, from \$0.54 to \$0.66 cents per share. Through our capital deployment over the last two years, we reduced the number of outstanding shares to below \$1 billion last year, 2.5 billion fewer than at the peak. We committed to you that we would bring out the share dilution caused by the increased capital levels required under the new capital rules and the shares we issued to rebuild our base of capital last decade. We remain committed to that reduction and will accomplish it while continuing to invest in our company.

We enter 2020 with strength and momentum after a decade of transformative change. Our capital, liquidity and capacity to serve clients are excellent, and we are delivering strong earnings. Our products are best in class, and we continue to improve them. Our team gets stronger every day, as we continue to invest heavily to make sure we are the best place to work.

Over the course of the decade that just ended, we earned \$27 billion and returned \$97 billion to you, our common shareholders, and \$11 billion to you and our preferred shareholders together. The rest is in our capital base to serve our customers. Our stock returns have also been strong and you can see our one-, three- and five-year charts below. We have balanced our risk and streamlined our company, and our returns are well in excess of our cost of capital.

What a difference a decade makes.



Responsible Growth has four straightforward tenets:

We have to grow—no excuses.

We have to be client focused in our growth.

We have to grow within our risk appetite.

And our growth must be sustainable, which has three elements: 1) we have to drive operational excellence; 2) we have to be a great place to work; and 3) we have to share our success with our communities.

Grow and win in the market—no excuses

The first pillar of Responsible Growth is to grow, no excuses. And we did that in 2019. Client activity was strong across all business lines, allowing the benefits of our growth in loans and deposits to offset the impact of lower rates. Average deposits grew \$65 billion, or 5%, year over year. We have grown deposits every quarter over the prior year by more than \$40 billion for nearly five years now. Average loans were up 3% last year, again led by Consumer Banking, where average loans grew 6%. Dean Athanasiou, who leads Consumer Banking and Small Business, shares some insights in his Q&A on page 14 about how we continue to deliver for retail and preferred clients and small business with innovation and great service.

We saw commercial loan growth last year of 4% and a 10% increase in our lending to small businesses and loans to middle market clients. We are proud this year that we became the largest U.S. lender to small businesses, the lifeblood of the American economy. We also became the largest commercial and industrial lender in the U.S. Our growth efforts continue to bear fruit as we added hundreds of commercial and small business bankers across our footprint. And you can rest assured, we have done so by staying within our risk appetite, as I will discuss below. In a Q&A on page 22, Chief Operating Officer Tom Montag discusses the investments we are making to deepen our client relationships and the other opportunities ahead in our Global Banking and Global Markets businesses.

Each of our businesses contributed to our strong earnings last year. And most of them grew their market share while producing good bottom-line growth. Consumer Banking earned \$13 billion last year by deepening relationships with our clients while we continued to invest in infrastructure and client capabilities. Our wealth management teams saw net new household growth of more than 20% last year, earning record income of \$4.3 billion with average client deposits up \$15 billion. Our Global Banking business earned \$8.1 billion, and our Global Markets business earned \$3.5 billion. Combining the results for these businesses, as other financial services companies report them, would result in \$11.6 billion for 2019.

We must grow and remain customer focused

We deliver Responsible Growth by focusing on our clients and what they need to live their financial lives. All our growth is organic. We call it growth that will stick to our ribs, not run off. We are seeing the results of our client focus in many areas. Client satisfaction scores across our eight lines of business, for instance, are at an all-time high. Our brand continues to be very strong. We see continued gains in attracting new clients, and importantly our current clients continue to do more with us. That means we are doing a great job for them.

Our 65,000-strong team in our consumer businesses has grown Consumer Banking checking balances 44 consecutive quarters. At the end of 2019, Consumer Banking held more than \$700 billion in deposits. Our 66 million consumer and small business clients value our online and mobile capabilities along with the convenience of 4,300 financial centers and more than 16,800 ATMs. In addition to this high-touch capability, our clients value the high-tech capabilities we offer. We interact with our clients almost 28 million times every day, and 87% of these interactions come from our 38 million active digital banking clients. Our clients benefit from our investments in artificial intelligence (AI) to help personalize their individual financial habits, goals and priorities. Clients who use Zelle® for sending and receiving money through their mobile phone made 300 million transfers representing \$78 billion last year. Our AI-driven digital assistant, Erica®, was launched in 2018, and we topped 10 million users last year, while reaching 90 million clients on our version of Erica.

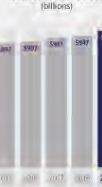
Each of our businesses contributed to our strong earnings last year. And most of them grew their market share while producing good bottom-line growth.



We continue to use our operational excellence work to drive operational risk out of the company. We are growing the right way.

Client activity was strong across all business lines, allowing the benefits of our growth in loans and deposits to offset the impact of lower rates.

Total loans and leases (billions)



Total deposits (billions)



Those accomplishments are due to our team. It starts with our dedicated group of independent directors, led by Jack Bowerman, our lead independent director. You can see the board's commitment to our strategy in Jack's letter on page 7 of this report. I thank Jack for his board leadership. His term runs through our 2021 annual meeting. Jack's leadership is stellar, and his eventual successor will have big shoes to fill.

Our team includes the 208,000 teammates who work tirelessly every day to serve our customers well and deliver the returns for you. They are led by a talented management team, many of whom share their insights about our company in this report. I thank the board and the management team for the work they do on behalf of our company.

At Bank of America, we focus on results, and we focus on how we deliver them. One of the things we should all be proud of is how we have delivered for our traditional stakeholders, customers, teammates and shareholders, and how we delivered for the broader society at the same time. A concept we embrace—the "genius of the and"—applies to how we are delivering

for customers, for teammates, for shareholders, AND for our communities and the society in which we operate.

In a separate note on page 9 of this report, I offer a more extended discussion that addresses questions being raised about whether the challenges we face are so profound that our capitalist system itself is incapable of addressing them.

While we must acknowledge and address some shortcomings within our capitalist system, I will discuss our belief at Bank of America that the remedies to these shortcomings are found within capitalism itself.

So how does Bank of America produce these results? We do it by delivering on Responsible Growth. Let's discuss how we did in 2019.

Responsible Growth

Our 208,000 teammates delivered the 2019 results I mentioned earlier—\$2.03 billion in adjusted earnings and \$34 billion in capital returns to you—through their disciplined focus on Responsible Growth.

range of access that reflects the many ways clients choose to do business with us.

Client-centered growth drove our results in our wealth management businesses, too. Wealth management client balances exceeded \$3 billion for the first time. The Bank of America Private Bank saw an increase of 64% in net new households, while Merrill saw a 25% gain. Merrill alone brought in more than 40,000 net new affluent households, and we added 60% more private bank relationships in 2019 over 2018. Our wealth management clients benefit from a high-touch and high-tech mix, too. Household mobile usage was up 39% in the private bank and 44% in Merrill, and we had the most top adviser rankings in the industry. For a deeper look at how we are transforming wealth management, look for a discussion on page 16 with Kay Knox, president of Bank of America Private Bank, and Andy Sieg, president of Merrill Lynch Wealth Management.

We're driving deeper client engagement with our Global Banking and Global Markets teams, too. Our teams

are doing a great job for them. Our teams are doing a great job for them. Our teams are doing a great job for them.

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Growing in a sustainable manner

Earlier I stated the three tenets to growth that is sustainable. They are 1) drive operational excellence; 2) be the best place for teammates to work; and 3) share our success with our communities. The combination of delivering all the results I've discussed rests upon a bedrock of this pillar of Responsible Growth. This ensures that we are investing long term, while delivering near-term results. This lens ensures that we deliver for all our constituencies. And this lens ensures we have the best team.

Operational excellence generates savings and efficiencies that make it possible for us to continue to invest by improving the way we source, procure, streamline our internal processes, and creating other efficiencies that stem from the thousands of ideas our teammates generated last year. We were able to invest in our capabilities even as we managed our expenses consistently with the \$53 billion target for 2019, which we set in 2018. This has been a continuous process of improvement.

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and in helping make progress on many societal priorities. And—by the way—we made these investments while returning our excess of our earnings to you—\$14 billion—through dividends and buybacks. A company like ours can invest and manage its capital. Here are a few highlights of investments we made for 2019 alone:

- We made \$1.7 billion in capital investments in new and modernized facilities in 2019. This past decade, we invested in new buildings in Charlotte, Dallas, Houston, Chicago, Paris, Hong Kong and many other markets. We modernized more than 1,300 financial centers the last three years, and the plan we announced in 2016 to upgrade and expand our entire financial center and ATM network by 2021 is on track.
- In 2019, we added 3,600 new teammates. We hired 32,000 employees, including 6,300 new employees from low- and moderate-income neighborhoods, and 4,000 college and MBA graduates. We passed a major milestone of our 100-year support for the military, and reached our five-year goal to hire 10,000 military veterans.

• For our employees, it was the third consecutive year in which we recognized approximately 95% (all but the top 5% paid) of our teammates for driving Responsible Growth with a special compensation award. (In total, more than \$1.5 billion in the last three years.) In the first quarter of 2020, we raised our minimum starting salary to \$20 per hour, up from \$17 per hour in 2018.

As you can see, operational excellence allows us to deliver industry-leading efficiency, while investing heavily. And that serves us well no matter what environment is ahead of us.

A great place to work
Being a great place to work is another driver of sustainable Responsible Growth. To provide the best service to our clients and to support the communities in which we operate, we must continue to attract and retain the best talent. Being a great place to work includes our ongoing commitment to developing and managing talent, employee engagement, equal pay for equal work and core values anchored in our commitment to diversity and inclusion.

In 2019, we published our first Human Capital Management Report. Throughout the report, we provide detailed information about the actions our company has taken for teammates and their families across the globe. I encourage you to review it carefully; there is additional detail and insight throughout this report, as well.

To highlight one area of focus, since 2012, there has been no increase in medical premiums for teammates earning less than \$50,000. For all teammates, we vary the medical premium contribution by annual pay level, with larger company subsidies for those earning less. Also, our average contribution increases since 2012 have been below national health care trends. Another area of focus in the report is the progress we continue to make to ensure diverse representation at all levels of our company, including a board of directors and management team who are more than 45% diverse. Additionally, women comprise more than 45% of the management team and 40% of the top three levels of our company.

We saw significant internal and external awareness for being a great place to work. In 2019, the Diversity & Inclusion Index in our 2019 Employee Engagement Survey was the highest it has ever been. Bank of America also was the top financial institution in the 2019 LinkedIn Top Companies, which recognizes the most sought-after places to work.

Sharing success
One way we share our success is through our local market and country teams and their support of local partners through community development lending and philanthropy. Over the last decade, we have provided around \$50 billion in community development lending, including for priorities in affordable housing and economic mobility, and \$2 billion in philanthropy. Last year alone, we delivered nearly \$5 billion in community development financing for affordable housing and other community priorities, and made more than \$250 million in philanthropic contributions. Our employees directed more than \$60 million through individual giving and matching gifts and logged nearly 2 million volunteer hours to strengthen local communities.

Sharing success also includes the work we do in our Environmental Business Initiative. In 2019, we met our 10-year, \$25 billion environmental business initiative—six years ahead of schedule. We established a new target of \$300 billion in clean energy finance by 2030. Consistent with the objectives of our Environmental Business Initiative, we have met our 2020 goal of becoming carbon neutral in our own activities. Look for a discussion on page 24 with Vice Chairman **Anne Finucane**, who leads our sustainable development work and co-chairs with **Tom Montag** our broader work in sustainable finance, on the leadership we bring to driving progress on the societal priorities through our core financing and other activities.

The external recognition includes several areas that reflect our commitment to being a great place to work, another tenet of Responsible Growth. Earmoney named us the World's Best Bank for Diversity & Inclusion, and Forbes included us in their JUST 100: Companies Doing Right by America ranking of how the country's largest publicly traded companies perform in important areas including fair wages, acting ethically and setting the standard in stakeholder treatment.

Looking ahead to 2020

I hope you'll enjoy reading about your company in the following pages, where you can look at how we're helping make financial lives better through every connection.

Our performance and recognition took place against a backdrop of a growing U.S. and global economy, driven by solid consumer spending. While geopolitical and trade uncertainty remains, we saw some of it clear up as trade agreements with Canada, Mexico and China were concluded in 2019.

There are factors beyond our control that impact the markets and economies in which we operate. As this report is being completed, we are experiencing volatility because of uncertainties around the impacts of the coronavirus. We are taking the necessary measures to look after our employees and serve them in this situation.

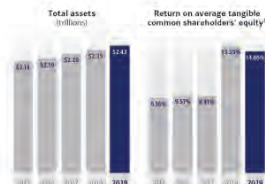
Despite headwinds that may arise from time to time, over the last decade we have built a strong, stable platform, with significant liquidity and capital, and we will remain resilient as we maintain disciplined focus on what we can control, which is embedded in delivering Responsible Growth.

As we look ahead to 2020 and beyond, we will maintain our focus on delivering Responsible Growth through disciplined adherence to the tenets I've discussed, by serving our clients, managing risk well and ensuring those results are sustainable through operational excellence, being a great place to work for our teammates, and sharing our success. The three-year company strategy that our board of directors reviewed in the fall of 2019 is based on continued adherence to this approach. And as always, we will continue to listen with it most important to those we serve by asking:

What would you like the power to do?

Let me know at brian.l.moynihan@bofa.com

Brian Moynihan
March 3, 2020



* Required to report to the SEC under the Dodd-Frank Act, for more information on bank financial ratios and metrics, see the accompanying "Supplemental Data" to the 2019 Financial Review, and Supplemental Financial Data on page 40 and the SEC EDGAR submission on page 102 of the 2019 Financial Review section.

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In the United States, one of the important ways we engage and share success in the communities we serve is through our market president organization. Our network of 90 market presidents is responsible for leading an integrated team to deliver for clients, teammates and the community, serving as the chief executive for Bank of America in that market. You will see a more detailed discussion of how our market president organization does this through the experience of **Raul Anaya**, our Los Angeles market president, on page 21.

External recognition

Because of our investments in our capabilities and in our people, in 2019 we received recognition in many areas, including for our products and services, for our commitment to our team and to diversity and inclusion, and for our contributions addressing important societal priorities.

We are proud that Global Finance of America as the Best Bank early 2020, Fortune named us the 100 Great Places to Work financial services firm on its list of the top 100 Best Big Companies to Work For.

Also last year, our research team was recognized as Top Global Research Firm by Institutional Investor, an honor we held for most of the last decade, including each year from 2011 to 2016.

Global Finance also named Bank of America the Best Consumer Digital Bank in America and Money magazine ranked us the Best Bank for College Students. Reflecting our focus on managing risk well, for ourselves and for our clients, we earned prestigious recognition from Risk magazine, which named us Derivatives House of the Year, Equity Derivatives House of the Year and OTC Client Clearer of the Year.

MESSAGE FROM THE LEAD INDEPENDENT DIRECTOR (PAGE 7)

A message from Lead Independent Director Jack Bovender



Dear fellow shareholders,

As the lead independent director and on behalf of the independent directors of Bank of America Corporation, thank you for choosing to invest in Bank of America. The directors comprise individuals representing a diverse range of informed expertise. Sixteen of the 17 directors are independent; 65% have CEO-level experience; and 35% have senior executive experience at financial institutions.

Your board reviews and approves the company strategy as presented by the management team each fall. The directors oversee the execution of the strategy by engaging in a year-round strategic assessment and planning process. Throughout 2019, our dialogue at the board and with the company's management included regular review of the company's adherence to its tenets

of Responsible Growth, including risk management and environmental, social and governance practices. We remain abreast of developments in markets, the economy and geopolitical issues that may affect them. We discuss and assess trends in the financial services industry, all with an eye toward ensuring the long-term, sustainable value of the company.

I also meet regularly with shareholders and gather viewpoints that I share with the board. This direct engagement with shareholders provides feedback on executive compensation, capital allocation and other important matters. That feedback informs our board meeting agendas and helps enhance our governance discussions. You will find extensive discussion of all of these matters throughout this annual report and in our 2020 Proxy Statement. I encourage you to review this material carefully.

On behalf of the directors, I join Chairman and CEO Brian Moynihan and the management team in thanking you again for your investment in our company.

Sincerely,

Jack D. Bovender, Jr.

A message from Brian Moynihan: Responsible Growth and stakeholder capitalism in action

What would you like the power to do?

Our core job is to ask this question of our teammates, our clients, our shareholders and the communities we serve. By listening to the answer, we learn what is most important to them. And then we try to help them do it.

Our clients want the best capabilities, services and ideas to help them live their financial lives.

Our employees want to be able to bring their authentic selves to work and to create a good life for themselves and their families with competitive compensation and benefits.

Our shareholders want the best returns on their investment in Bank of America.

By driving Responsible Growth, we deliver for these stakeholders.

At the same time, we also serve broader society. We must tackle important societal problems, such as affordable housing, economic mobility and a clean energy future. And we are. There is a lot of discussion today about the best ways to mobilize the resources needed to address these challenges. The discussion includes questions about how effective our capitalist economic system is at prioritizing these needs and whether we need to think differently about it. "Simply stated, Can capitalism address the most challenging societal priorities, or might we need to think about another economic model?"

In 2019, the Business Roundtable in the U.S. issued a Statement on the Purpose of a Corporation. Bank of America is a member of the Business Roundtable, and I signed the statement. Because it reflects the way our company has operated for many, many years. The statement is straight forward, and I encourage everyone with an interest in Bank of America to read it.

The Business Roundtable based its statement in the context of this ongoing discussion about capitalism. In that context, the statement has been interpreted in some quarters as a step away from the important responsibility we have to deliver the best financial returns to our shareholders so that companies can focus on other, "more important," societal priorities.

At Bank of America, we reject that false choice. The simple fact is that at Bank of America, we believe we must continue to deliver great returns AND help solve progress on societal priorities. There is ample evidence to suggest the wisdom of this approach. The BuA Global Research team—ranked number one in

the world by institutional investor for seven of the last nine years—has published a series of research reports, demonstrating that companies that pay close attention to environmental, social and governance (ESG) priorities are much less likely to fail than companies that do not.

At Bank of America, we believe capitalism is best at creating opportunity for people to realize their hopes and dreams. We believe if we keep aiming capital—ours, yours—toward the challenges we face, we can make significant progress on society's most pressing problems.

Bank of America's role is that system is to help all of our stakeholders—our clients, shareholders, employees and those in the communities where we operate—grab the opportunities they see for themselves by helping with their financial lives.

We also believe, though, that it is important to acknowledge questions being raised, such as:

- How do we ensure equal access to opportunity?
- Are companies sharing their success equitably with their employees?
- Are we doing all we can do to accelerate the transition to a low carbon, clean energy economy?
- What will happen to today's employees as technology advancements change the nature of work?
- Can companies hold themselves accountable through strong self governance?

These discussions are at the heart of the policy debates in legislative and executive bodies around the world. There are concerns for our clients, our communities and increasingly for our shareholders. Our teammates discuss them with their families and with each other.

Bank of America



changes. We hired 100,000 veterans over the last five years. Our funding in low- and moderate-income neighborhoods has produced more than 8,000 hires in the last two years.

Fourth, we do it without compromising capitalism—our core activities. We provide examples of that in our annual report. For example, Bank of America is one of the largest underwriters of green bonds, and we have helped companies raise more than \$40 billion on behalf of more than 100 clients to provide critical funding in environmental projects.

Another example is in our consumer product design. We have one of the lowest pricing (checking account options) in the industry, with a monthly maintenance fee of just under \$5 for access to our banking channels, including mobile, online services, ATMs and financial centers. And our Advantage SafeBalance Banking, introduced in 2014, was one of the first banking accounts to waive overdraft fees and non-sufficient fund fees. The account was the primary reason Money magazine named us the "Best Bank for College Students" in 2019. We surpassed 1 trillion Advantage SafeBalance Banking accounts in June 2019.

Fifth, we help our investor clients find opportunities to drive impact investing, ESG investing or blended finance across the SDGs.

We dedicate all of our business operations to driving great returns for our shareholders AND to addressing these priorities. If each company focuses on delivering both through their individual routine business operations and practices, then we can channel the world's capital to make meaningful progress on the SDGs.

One important way to ensure we are making progress is to have a basic framework for measuring it. We need to do this so we can demonstrate progress to all stakeholders. With a measurement framework, we can reward the companies that achieve goals, as

investors can prioritize their investments and capital in companies making progress, over those that are not. Remember, the BuA Global Research team has demonstrated that operating companies that don't pay attention to these priorities are more risky and less profitable.

There is no shortage of ways to measure this progress. This actually has been a barrier to progress, because there is no standard method of gaining alignment between the operators of companies that are doing so much to address these priorities and the investors seeking to direct capital toward them. There is a large and growing number of external forums and bodies trying to advance this work. By some estimates, there will be as many as 500 conferences in the U.S. alone this year to discuss ESG, sustainability, and sustainable business and finance models.

There is a dizzying number of measurement systems and metrics, too. Public companies face requests from many stakeholders—investors, public officials, regulators and developers of their own proprietary measurement systems—that we adopt their preferred metric or routine to address a particular priority. The volume of approaches and the varied metrics and methodologies make it difficult for those of us who operate companies to determine how best to provide consistent reporting. And many of us would rather put our energy into actually making progress on the SDGs than debating the measurement of progress.

Company management teams and the board members and asset managers who invest in these companies need a straightforward framework by which to compare non-financial information in these areas across companies in a given industry and across industries. To determine which companies are making progress on the issues most critical toward ensuring a sustainable global economy.

Bank of America

How do we ensure the opportunities are available to all and that we harness the energy of capitalism to address society's concerns? These issues can be solved if the private sector is engaged and helping to drive forward. But it has to be done the right way.

Which brings me back to our question.

What if we asked the world: "What would you like the power to do?"

The answer might be summed up in what the U.S. and nearly 200 other countries agreed to at a summit in 2015 when they set forth the Sustainable Development Goals (SDGs). The SDGs represent 17 categories of societal priorities that address equality of opportunity—access to clean water, renewable energy, affordable housing—and other priorities, with specific goals to be met. World leaders agreed that these goals are the ones we need to address to build a sustainable future and create opportunity and prosperity for all.

The SDGs are estimated to require about \$6 trillion annually of investment capital. This will take all sectors of society. Certainly philanthropy and governments have critical roles to play, but all annual charitable contributions in the world total just over \$800 billion. Total global non-profit foundation assets are about \$15 trillion. Even if annual charitable contributions and every endowment and foundation in the world were directed toward reaching the SDGs and no other priorities—not the arts, not additional medical causes, not any of the other worthy priorities that get support today—we still would fall far short of what is needed.

Governments alone also cannot address the challenges laid out in the SDGs. The U.S. operating budget is the largest in the world at about \$4.5 trillion. If all of it were dedicated to the SDGs only—meaning not funding national security, basic research, basic services for the U.S. taxpayers, and not paying the federal debt—we still would fall short of the annual need.

So how can we fund these needs?

The private sector and capitalism.

This goes well beyond corporate philanthropy, as important as that is. Since I became CEO of Bank of America in 2010, we have delivered more than \$2 billion in support to important priorities in the world around the world. Our teammates have, with support, volunteered about 2 million hours of their each year to non-profit organizations and causes. I'm proud of that, but even if every company on the

Fortune 500 delivered that amount of philanthropy in a year, we would still fall well short of the need.

What the private sector is doing, and what is reflected in the Business Roundtable statement, is aligning our ordinary business activities to help solve these challenges.

For Bank of America, that means we have to bring our \$2.4 trillion balance sheet to bear to the task.

We have to bring our \$53 billion expense base to the task.

We have to bring our \$268 billion equity base to the task.

We have to bring our trillions a year of capital raising for our clients to the task.

Based on client desires, we have to usher the \$3 trillion in assets in our wealth management business to the task.

If all operating companies continue to align themselves to deliver on those SDGs on which they can have the most impact, and if we measured ourselves to be sure we're making progress, we would deliver the capital, the creativity and the expertise to address the world's most pressing challenges.

How does Bank of America do that?

First, we do it with our own operations. We are carbon neutral as of this year. We are reducing paper, we focus on the environmental efficiency of our buildings and we continuously reduce waste.

Second, of course we drive our charity, our philanthropy and volunteering and our nearly \$5 billion in annual community development lending and investing to address the areas. You can find those in our annual report.

Third, we do it with our employment and human resources practices, which we will lay out in our 2019 Human Capital Management Report. We employ teammates, support families and their economic development by providing funding for education and many other useful purposes. We provide strong and progressive health and wellness benefits. All teammates get the same plans, and lower paid teammates pay a lot less for them. Other benefits include paid family leave of 16 weeks, industry-leading bereavement benefits and a minimum starting salary of \$20 an hour, about \$42,000 a year. We make available to our teammates the reskilling resources and opportunities as work

AMERICA 2019

The International Business Council, which I am privileged to chair, of the World Economic Forum (WEF) has recently addressed this need. The WEF asked the accounting firms Deloitte, EY, KPMG and PwC to develop a framework to provide all stakeholders, including shareholders, a consistent method to evaluate the progress companies are making. Bank of America is one of the many companies that are making progress on the SDGs. Our objective is to develop a scorecard based on a consistent measurement framework for companies to disclose the progress they are making on specific SDGs. Our scorecard is one step toward creating some convergence among the many existing ESG metrics and measurement systems that are available. The experts working on this have identified a narrow and impactful range of metrics from some of the most widely acknowledged measurement systems available. The intent is for stakeholders to have a common set of metrics to measure the material impact that companies are having on the SDGs across and within industries.

so that investors and other stakeholders can compare and evaluate progress. This is to simply show how capitalism is aligned generally and how each company is aligned specifically to delivering the progress. The metrics also will help investors evaluate the long-term value and sustainability of companies seeking to make progress on the SDGs.

Just imagine how much intellectual and financial creativity we can harness if we all accept that capitalism is the best way to create access to opportunity for the most people. 2) acknowledge the shortcomings in our capitalist system just the same, and 3) address those shortcomings by harnessing the world's capital toward the SDGs agreed to by nearly 200 countries. That's a powerful force for progress.

At Bank of America, we believe it is not only possible but it is the desired outcome for us to serve our clients, deliver for our shareholders AND deliver for the societies and communities we serve. That's Responsible Growth and stakeholder capitalism in action.



Bank of America Board of Directors

Front row (from left): Michael White, David Yost, Maria Zuber, Jack Gowerder, Brian Moynihan, Susan Blies, Linda Hudson, Lionel Nowell
Back row (from left): Thomas Woods, Frank Bramble, Denise Ramos, Pierre de Weck, Monica Lozano, Thomas May, Sharon Allen, Clayton Rose, Arnold Donald

Human Capital Management Report

<http://investor.bankofamerica.com/static-files/17b95153-a73b-4ab2-a869-d3d216843389>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 1)



Task Force on Climate-related Financial Disclosures (TCFD) Report

<https://about.bankofamerica.com/assets/pdf/task-force-climate-financial-disclosures-report.pdf>

LETTER FROM THE VICE CHAIRMAN (PAGE 3)



The remaining non-insurance businesses that Berkshire owns – and there are many – had aggregate earnings of \$2.7 billion in 2019, down from \$2.8 billion in 2018.

Our total net income in 2019 from the non-insurance businesses we control amounted to \$17.7 billion, an increase of 3% from the \$17.2 billion this group earned in 2018. Acquisitions and dispositions had almost no net effect on these results.

I must add one final item that underscores the wide scope of Berkshire's operations. Since 2011, we have owned Lubrizol, an Ohio-based company that produces and markets oil additives throughout the world. On September 26, 2019, a fire originating at a small next-door operation spread to a large French plant owned by Lubrizol.

The result was significant property damage and a major disruption in Lubrizol's business. Even so, the company's property loss and business-interruption loss will be mitigated by substantial insurance recovery. Lubrizol will receive.

But, as the late Paul Harvey was given to saying in his famed radio broadcasts, "Here's the rest of the One of the largest insurers of Lubrizol was a company owned by . . . uh, Berkshire.

In Matthew 6:3, the Bible instructs us to "Let not the left hand know what the right hand doeth." Our chairman has clearly behaved as ordered.

Property/Casualty Insurance

Our property/casualty ("P/C") insurance business has been the engine propelling Berkshire's growth since 1967, the year we acquired National Indemnity and its sister company, National Fire & Marine, for \$8.6 million. Today, National Indemnity is the largest P/C company in the world as measured by net worth. Insurance is a business of promises, and Berkshire's ability to honor its commitments is unmatched.

One reason we were attracted to the P/C business was the industry's business model: P/C insurers receive premiums upfront and pay claims later. In extreme cases, such as claims arising from exposure to asbestos, or workplace accidents, payments can stretch over many decades.

This collect-now, pay-later model leaves P/C companies holding large sums – money we call "float" – which will eventually go to others. Meanwhile, insurers get to invest this float for their own benefit. Though individual policies and claims come and go, the amount of float an insurer holds usually remains fairly stable in relation to premium volume. Consequently, as our business grows, so does our float. And *how* it has grown, as the following table shows:

Year	Float (in millions)
1970	\$ 39
1980	237
1990	1,632
2000	27,871
2010	65,832
2018	122,732
2019	129,423

We may increase our float by more than 3% in any year. We may also receive more demands for component in the U.S.

Late in 2012, Ajit Jain, the invaluable manager of our insurance operations, called to tell me that he was buying a tiny company – GUARD Insurance Group – in that small Pennsylvania city for \$221 million (roughly its net worth at the time). He added that Sy Foguel, GUARD's CEO, was going to be a star at Berkshire. Both GUARD and Sy were new names to me.

Bingo and bingo. In 2019, GUARD had premium volume of \$1.9 billion, up 379% since 2012, and also delivered a satisfactory underwriting profit. Since joining Berkshire, Sy has led the company into both new products and new regions of the country and has increased GUARD's float by 265%.

In 1967, Omaha seemed an unlikely launching pad for a P/C giant. Wilkes-Barre may well deliver a similar surprise.

Berkshire Hathaway Energy

Berkshire Hathaway Energy is now celebrating its 20th year under our ownership. That that we should be catching up with the company's accomplishments.

We'll start with the topic of electricity rates. When Berkshire entered the utility business in 1967, the company's residential customers in Iowa paid an average of 8.8 cents per kWh. Prices for residential customers have since risen less than 1% a year, and we have promised that rate price increases through 2025. In contrast, here's what is happening at the other large investor-owned utility. Last year, the rates it charged its residential customers were 61% higher than BHE's. Recently, it rate increase that will widen the gap to 70%.

The extraordinary differential between our rates and theirs is largely the result of our focus on converting wind into electricity. In 2021, we expect BHE's operation to generate about 25.2 mwh of electricity (MWh) in Iowa from wind turbines that it both owns and operates. That output is annual needs of its Iowa customers, which run to about 24.6 million MWh. In other words, our wind self-sufficiency in the state of Iowa.

In still another contrast, that other Iowa utility generates less than 10% of its power from what we know of no other investor-owned utility, wherever located, that by 2021 will have achieved self-sufficiency. In 2000, BHE was serving an agricultural-based economy; today, three of its four are high-tech giants. I believe their decisions to site plants in Iowa were in part based upon BHE's renewable, low-cost energy.

Of course, wind is intermittent, and our blades in Iowa turn only part of the time. In the air is still, we look to our non-wind generating capacity to secure the electricity we need. As we sell the excess power that wind provides us to other utilities, serving them through what's called "net metering," we sell them supplies their need for a carbon resource – coal, gas, or natural gas.

Berkshire Hathaway now owns 91% of BHE in partnership with Walter Scott, Jr. and never paid Berkshire Hathaway a dividend since our purchase and has, as the years have passed, of earnings. That pattern is an outlier in the world of utilities, whose companies customarily sometimes reaching, or even exceeding, 80% of earnings. Our view: The more we can invest, the more we can grow.

Today, BHE has the operating talent and experience to manage truly huge utility investments of \$100 billion or more – that could support infrastructure benefiting our country, our shareholders. We stand ready, willing and able to take on such opportunities.

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If our premiums exceed the total of our expenses and eventual losses, our insurance operation registers an underwriting profit that adds to the investment income the float produces. When such a profit is earned, we enjoy the use of free money – and, better yet, get *paid* for holding it.

For the P/C industry as a whole, the financial value of float is now far less than it was for many years. That's because the standard investment strategy for almost all P/C companies is heavily – and *properly* – skewed toward high-grade bonds. Changes in interest rates therefore matter enormously to these companies, and during the last decade the bond market has offered pathetically low rates.

Consequently, insurers suffered, as year by year they were forced – by maturities or issuer-call provisions – to recycle their "old" investment portfolios into new holdings providing much lower yields. Where once these insurers could safely earn 5 cents or 6 cents on each dollar of float, they now take in only 2 cents or 3 cents (or even less if their operations are concentrated in countries mired in the never-never land of negative rates).

Some insurers may try to mitigate their loss of revenue by buying lower-quality bonds or non-liquid "alternative" investments promising higher yields. But those are dangerous games and activities that most institutions are ill-equipped to play.

Berkshire's situation is more favorable than that of insurers in general. Most important, our unrivaled mountain of capital, abundance of cash and a huge and diverse stream of non-insurance earnings allow us far more investment flexibility than is generally available to other companies in the industry. The many choices open to us are always advantageous – and sometimes have presented us with major opportunities.

Our P/C companies have meanwhile had an excellent underwriting record. Berkshire has now operated at an underwriting profit for 16 of the last 17 years, the exception being 2017, when our pre-tax loss was a whopping \$3.2 billion. For the entire 17-year span, our pre-tax gain totaled \$27.5 billion, of which \$460 million was recorded in 2019.

That record is no accident. Disciplined risk evaluation is the daily focus of our insurance managers, who know that the rewards of float can be drowned by poor underwriting results. All insurers give that message lip service. At Berkshire it is a religion, Old Testament style.

As I have repeatedly done in the past, I will emphasize now that happy outcomes in insurance are far from a sure thing: We will most certainly not have an underwriting profit in 16 of the next 17 years. Danger always lurks.

Mistakes in assessing insurance risks can be huge and can take many years – even decades – to surface and ripen. (Think asbestos.) A major catastrophe that will dwarf hurricanes Katrina and Michael will occur – perhaps tomorrow, perhaps many decades from now. "The Big One" may come from a traditional source, such as wind or earthquake, or it may be a total surprise involving, say, a cyber attack having disastrous consequences beyond anything insurers now contemplate. When such a mega-catastrophe strikes, Berkshire will get its share of the losses and they will be *big* – *very* big. Unlike many other insurers, however, handling the loss will not come close to straining our resources, and we will be eager to *add* to our business the next day.

Close your eyes for a moment and try to envision a locale that might spawn a dynamic P/C insurer. New York? London? Silicon Valley?

How about Wilkes-Barre?

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Investments

Below we list our fifteen common stock investments that at yearend had the largest market value. We exclude our Kraft Heinz holding – 325,442,152 shares – because Berkshire is part of a control group and therefore must account for this investment on the "equity" method. On its balance sheet, Berkshire carries the Kraft Heinz holding at a GAAP figure of \$11.8 billion, an amount that represents Berkshire's share of the audited net worth of Kraft Heinz at December 31, 2019. Please note, though, that the market value of our shares on that date was only \$10.5 billion.

Shares*	Company	12/31/19	
		Percentage of Company Owned	Cost** Market
			(in millions)
151,610,700	American Express Company	18.7	\$ 1,287 \$ 18,874
259,866,566	Apple Inc.	5.7	25,287 73,667
947,760,000	Bank of America Corp.	10.7	12,560 33,380
81,488,751	The Bank of New York Mellon Corp.	9.0	3,696 4,101
5,426,469	Charter Communications, Inc.	2.6	944 2,632
400,000,000	The Coca-Cola Company	9.3	1,299 22,140
70,910,456	Delta Air Lines, Inc.	11.0	3,125 4,147
12,435,814	The Goldman Sachs Group, Inc.	3.5	890 2,859
60,059,932	JPMorgan Chase & Co.	1.9	6,556 8,372
24,669,778	Moody's Corporation	13.1	248 5,857
46,692,713	Southwest Airlines Co.	9.0	1,940 2,520
21,938,642	United Continental Holdings Inc.	8.7	1,195 1,933
149,497,786	U.S. Bancorp	9.7	5,709 8,864
10,239,160	Visa Inc.	0.6	349 1,924
345,688,918	Wells Fargo & Company	8.4	7,040 18,598
	Others***		28,215 58,159
	Total Equity Investments Carried at Market		\$110,340 \$248,027

* Excludes shares held by pension funds of Berkshire subsidiaries.

** This is our actual purchase price and also our tax basis.

*** Includes \$10 billion investment in Occidental Petroleum Corporation consisting of preferred stock and warrants to buy common stock.

Charlie and I do not view the \$248 billion detailed above as a collection of stock market wagers – dalliances to be terminated because of downgrades by "the Street," an earnings "miss," expected Federal Reserve actions, possible political developments, forecasts by economists or whatever else might be the subject *de jour*.

What we see in our holdings, rather, is an assembly of companies that we partly own and that, on a weighted basis, are earning more than 10% on the net tangible equity capital required to run their businesses. These companies, also, earn their profits without employing excessive levels of debt.

Returns of that order by large, established and understandable businesses are remarkable under any circumstances. They are truly mind-blowing when compared to the returns that many investors have accepted on bonds over the last decade – 2½% or even less on 30-year U.S. Treasury bonds, for example.

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Forecasting interest rates has never been our game, and Charlie and I have *no* idea what rates will average over the next year, or ten or thirty years. Our perhaps jaundiced view is that the pundits who opine on these subjects reveal, by that very behavior, far more about themselves than they reveal about the future.

What we *can* say is that *if* something close to current rates should prevail over the coming decades and *if* corporate tax rates also remain near the low level businesses now enjoy, it is almost certain that equities will *over time* perform far better than long-term, fixed-rate debt instruments.

That rosy prediction comes with a warning: *Anything* can happen to stock prices tomorrow. Occasionally, there will be major drops in the market, perhaps of 50% magnitude or even greater. But the combination of The American Tailwind, about which I wrote last year, and the compounding wonders described by Mr. Smith, will make equities the much better long-term choice for the individual who does not use borrowed money and who can control his or her emotions. Others? Beware!

The Road Ahead

Three decades ago, my Midwestern friend, Joe Rosenfield, then in his 80s, received an irri his local newspaper. In blunt words, the paper asked for biographical data it planned to use in Jo didn't respond. So? A month later, he got a second letter from the paper, this one labeled "URGENT."

Charlie and I long ago entered the urgent zone. That's not exactly great news for u shareholders need not worry: Your company is 100% prepared for our departure.

The two of us base our optimism upon five factors. First, Berkshire's assets are deployed in variety of wholly or partly-owned businesses that, averaged out, earn attractive returns on the capital t Berkshire's positioning of its "controlled" businesses within a single entity endows it with som enduring economic advantages. Third, Berkshire's financial affairs will unfailingly be managed in a the company to withstand external shocks of an extreme nature. Fourth, we possess skilled and *devo* for whom running Berkshire is far more than simply having a high-paying and/or prestigious job. Fir directors – your guardians – are constantly focused on both the welfare of owners and the nurturing is rare among giant corporations. (The value of this culture is explored in *Margin of Trust*, a new Cunningham and Stephanie Cuba that will be available at our annual meeting.)

Charlie and I have very pragmatic reasons for wanting to assure Berkshire's prosperity in th our exit: The Mungers have Berkshire holdings that dwarf any of the family's other investments, and of my net worth lodged in Berkshire stock. I have never sold any shares and have no plans to do so. of Berkshire shares, aside from charitable donations and minor personal gifts, took place in 1980, w other Berkshire stockholders who elected to participate, exchanged some of our Berkshire shares for Illinois bank that Berkshire had purchased in 1969 and that, in 1980, needed to l bank holding company law.

Today, my will specifically directs its executors – as well as the administering my estate after the will is closed – not to sell *any* Berkshire sl executors and the trustees from liability for maintaining what obviously will be a

The will goes on to instruct the executors – and, in time, the trustees – A shares into B shares and then distribute the Bs to various foundations. Those their grants promptly. In all, I estimate that it will take 12 to 15 years for the en my death to move into the market.

Absent my will's directive that all my Berkshire shares should be held i the "safe" course for both my executors and trustees would be to sell the B control and distribution: personal lia

I myself feel comfortable that Berkshire shares will provide a safe and rewarding investment during the disposal period. There is always a chance – unlikely, but not negligible – that events will prove me wrong. I believe, however, that there is a high probability that my directive will deliver substantially greater resources to society than would result from a conventional course of action.

Key to my "Berkshire-only" instructions is my faith in the future judgment and fidelity of Berkshire directors. They will regularly be tested by Wall Streeters bearing fees. At many companies, these super-salesmen might win. I do not, however, expect that to happen at Berkshire.

Boards of Directors

In recent years, both the composition of corporate boards and their purpose have become hot topics. Once, debate about the responsibilities of boards was largely limited to lawyers; today, institutional investors and politicians have weighed in as well.

My credentials for discussing corporate governance include the fact that, over the last 62 years, I have served as a director of 21 publicly-owned companies (listed below). In all but two of them, I have represented a substantial holding of stock. In a few cases, I have tried to implement important change.

During the first 30 or so years of my services, it was rare to find a woman in the room unless she represented a family controlling the enterprise. This year, it should be noted, marks the 100th anniversary of the 19th Amendment, which guaranteed American women the right to have their voices heard in a voting booth. Their attaining similar status in a board room remains a work in progress.

Over the years, many new rules and guidelines pertaining to board composition and duties have come into being. The bedrock challenge for directors, nevertheless, remains constant: Find and retain a talented CEO – possessing integrity, for sure – who will be *devoted* to the company for his/her business lifetime. Often, that task is hard. When directors get it right, though, they need to do little else. But when they mess it up,

Audit committees now work much harder than they once did and almost always view the job with appropriate seriousness. Nevertheless, these committees remain no match for managers who wish to game numbers, an offense that has been encouraged by the scourge of earnings "guidance" and the desire of CEOs to "bat the numbers." My direct experience (limited, thankfully) with CEOs who have played with a company's numbers indicates that they were more

to. Consequently, plain paying large experience.

regularly-scheduled actions of a CEO's

I orchestration for I have yet to see a d yes, include me

Growth, Gillette, Light, Salomon,

Those objectives are not new. They were the goals of able CEOs sixty years ago and remain so. Who would have it otherwise?

Short Subjects

In past reports, we've discussed both the sense and nonsense of stock repurchases. Our thinking, boiled down: Berkshire will buy back its stock only if a) Charlie and I believe that it is selling for less than it is worth and b) the company, upon completing the repurchase, is left with ample cash.

Calculations of intrinsic value are far from precise. Consequently, neither of us feels any urgency to buy an estimated \$1 of value for a very real 95 cents. In 2019, the Berkshire price/value equation was *modestly* favorable at times, and we spent \$5 billion in repurchasing about 1% of the company.

Over time, we want Berkshire's share count to go *down*. If the price-to-value discount (as we estimate it) widens, we will likely become more aggressive in purchasing shares. We will not, however, prop the stock at any level.

ving at least \$20 million in value of A or B shares and an inclination to sell shares to Berkshire broker contact Berkshire's Mark Millard at 402-346-1400. We request that you phone Mark +3:06-3:30 p.m. Central Time, calling only if you are ready to sell.

ire sent \$3.6 billion to the U.S. Treasury to pay its current income tax. The U.S. government on corporate income tax payments during the same period. From these statistics, you can take delivered 1½% of the federal income taxes paid by all of corporate America.

ago, when Berkshire entered its current incarnation, the company paid *nothing* in federal moon, too: Over the previous decade, the struggling business had recorded a net loss.) Since of nearly all of its earnings, the beneficiaries of that policy became not only the company's federal government. In most future years, we both hope and expect to send *far* larger sums

- A-3, you will find details about our annual meeting, which will be held on May 2, 2020, streaming the event worldwide. There will be one important change, however, in our format: shareholders, media and board members that Ajit Jain and Greg Abel – our two key given more exposure at the meeting. That change makes great sense. They are outstanding gers and as human beings, and you should hear more from them.

to this year send a question to be asked by our three long-serving journalists may specify that g. They, like Charlie and me, will not have even a hint of what the questions will be.

will alternate questions with those from the audience, who also can direct questions to any of ap your zingers.

me to Omaha. Meet your fellow capitalists. Buy some Berkshire products. Have fun. Charlie tire Berkshire gang – are looking forward to seeing you.

Warren E. Buffett
Chairman of the Board

Boeing

Proxy Statement Letter



Annual Report Letter



Global Environment Report Letter



Proxy Statement

https://s2.q4cdn.com/661678649/files/doc_financials/2019/ar/2020_Boeing_Proxy_Statement.pdf

MESSAGE FROM THE CHAIRMAN

Message from Our Chairman

To our fellow shareholders:



As your board chairman, I stand with Boeing's people in mourning the lives lost in the Lion Air flight 610 and Ethiopian Airlines flight 302 accidents. We are deeply humbled by these tragedies and committed to fulfilling our responsibilities to all of our stakeholders.

Your board and management team are dedicated to meeting trust with some customers and the flying public, our employees, global regulators and our shareholders. We recognize this shared burden by staying true to our roots, listening and following promises, making change.

Over the past year, our board and our company have shown this in several ways. In addition to mourning the lives lost, we created a permanent Aerospace Safety Committee to oversee the design, development, manufacturing, operation, maintenance and delivery of products and services. Inside the company, we are installing a new design requirements program that will ensure we act on lessons learned and continuously improve. We are also adding new safety roles and expanding safety reporting systems both inside Boeing and within our supply chain. In addition, we are looking for new ways to enable and practice actions that improve safety, strengthen our culture and help us meet customer commitments.

We have a strong mix of expertise and talent on our board today. Since our last annual meeting, Admiral John Richardson, the 31st Chief of Naval Operations for the U.S. Navy, has joined our board, and we are pleased that Alvin J. Pitt, former Chief Financial Officer of United Technologies, and Steven M. Harkopf, Chief Executive Officer of Qualcomm, have agreed to be nominated for election to the board at this year's meeting. With these changes, we have strengthened the board's safety, engineering and technical expertise. At the same time, I want to extend my personal thanks to our last retiring director, who has provided leadership and oversight service to the board. Bill Luby has reached the board's mandatory retirement age, and Mike Safford has decided not to stand for re-election after 15 years on our board. We are grateful for their many contributions over the years.

As you will read in the pages that follow, your board has been actively overseeing the company's efforts toward restoring trust with stakeholders and recommitting to our core values. But we know that there is more work to do. You have my word that we will continue to evaluate additional actions in 2020 and beyond to strengthen our culture of transparency and accountability. This includes recommitting to Boeing's values at every level of the company, safety, quality and integrity are paramount in service to the company and the communities where Boeing's people live and work. The challenges of the past 18 months have reinforced that Boeing is more than a company. We are accountable across the globe for safety, engineering people and places, serving men and women in uniform, including space exploration, and driving innovation throughout the aerospace industry. Our duty to all stakeholders is based on this trust.

Building that trust and ensuring sustainable, long-term value requires regular dialogue with our stakeholders. We completed customer outreach in 2019, during which new members of the board and management engaged with shareholders representing approximately 40% of our outstanding stock. The input from these conversations informed the decision-making process and many of the recent actions we have taken, and it will continue to influence our path forward.

Finally, we hold our debt grateful in Boeing's more than 160,000 employees. Your ongoing contributions will continue to strengthen Boeing, internally, at Boeing's people and the jobs they create that reach true life with hope and confidence for the future.

Lawrence W. Kellman
Lawrence W. Kellman
Chairman of the Board
The Boeing Company

MESSAGE FROM THE CEO

Message from Our CEO

To our shareholders:



As Boeing's new president and CEO, I am now experiencing each day the usual Boeing struggle for. Our people are tirelessly devoted to the customers who purchase, fly on and use our products and services. They are devastated, as I am, by the loss of life in the 737 MAX accidents and feel the deepest sorrow for the loved ones of those who died. Together, we are determined to implement the lessons we continue to learn from that experience.

Thank you for recognizing the way we do business and making us stronger as a company. We are engaging one another and our stakeholders with greater transparency and honesty, asking and answering tough questions throughout the company, and focusing our efforts and our organizational resources more sharply on what matters most. Above all, we are holding ourselves accountable to the highest standards of safety, quality and integrity. The aviation industry and the world are looking to Boeing for leadership. We are committed to this.

This is a crucial time for Boeing. For most of our history, we have been known for service and setting back trust with our customers. We are committed to delivering excellent service to our customers, ensuring our production quality, ensuring our future and further strengthening our culture.

We will get these things done, and we will get them done right.

Throughout my first month, I have seen with my people, our customers, our partners, our regulators, and other stakeholders to ensure we understand their expectations. In these conversations, I have seen deep support for our company and appreciation for the changes we are making to improve. Know that we are committed to listening to the high expectations you as shareholders have for us and that we set for ourselves.

From through the 737 MAX crisis, our Boeing team continues to deliver quality products and provide rapid, engaged products and services that improve the lives and enhance the security of people around the world.

And we have taken decisive steps to improve our ability to deliver safe products and services to our customers. For example, we have established a new Product and Service Safety organization that reviews all aspects of product safety. And we are strengthening our engineering teams by engineering them into a single function with a direct reporting line to the chief engineer. We have also launched an enhanced reporting channel for employees to speak up about safety, quality and ethical concerns. I am determined to ensure that accountability begins with our leaders – and that starts with me.

I am proud to be part of the Boeing team and am confident in our future.

David L. Calhoun
David L. Calhoun
President and CEO
The Boeing Company

Annual Report

https://s2.q4cdn.com/661678649/files/doc_financials/2019/ar/2019_Boeing_Annual_Report.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD (PAGE 8)

LETTER FROM THE PRESIDENT AND CEO (PAGES 9-10)

LETTERS TO OUR SHAREHOLDERS



TO MY FELLOW SHAREHOLDERS AND THE EMPLOYEES OF THE BOEING COMPANY:

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Lawrence W. Kellman
Chairman of the Board
The Boeing Company



TO OUR SHAREHOLDERS AND PEOPLE:

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I am proud to be part of the Boeing team and am confident in our future.

48 BILLION POUNDS	\$240 MILLION	SAFETY
Boeing's 2019 revenue	Boeing's 2019 operating profit	Boeing's 2019 safety record

Learning Our Lesson
Boeing's 2019 safety record is a testament to the dedication of our employees and the commitment of our leadership. We are committed to ensuring that our products and services are safe and reliable, and we are committed to providing the highest quality customer service.

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President and CEO
The Boeing Company

Global Environment Report

https://www.boeing.com/resources/boeingdotcom/principles/environment/pdf/2020_environment_report.pdf

MESSAGE FROM THE PRESIDENT AND CEO (PAGE 1)

MESSAGE FROM OUR
PRESIDENT AND CEO

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At Boeing, we're committed to environmental leadership — an important pillar of our broader sustainability strategy to help make the world a better place for future generations.



Throughout the company, our people are making ambitious strides to protect air, land, water and human health in partnership with our stakeholders and in line with our customers' needs. You can see examples of our progress across our innovative products and the conscientious ways we build and service them. We're also identifying opportunities to continuously improve, including adopting more transparency and data in our technical reporting and achieving our ambitious environmental targets.

You can learn more about our global environmental efforts and our team members' passion for them in the pages of this report.

We have a responsibility to lead in this area, and you have my commitment that we will keep improving for our teams, for our customers and our communities.

David Calhoun,
President and
Chief Executive Officer

PRESIDENT AND CEO MESSAGE | 1

LETTER FROM THE VICE PRESIDENT FOR ENVIRONMENT, HEALTH AND SAFETY (PAGE 2)

LEADERSHIP MESSAGE

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We are committed to environmental excellence and transparency for all of our stakeholders, including employees, customers, investors, and communities around the world.



We know our continued commitment to environmental sustainability—whether we're efficiently managing resources or cutting the carbon footprint of our products—is a key element to the company's overall strategy. Innovation is part of Boeing's DNA, and you will see how we apply that to the environment in this report. We are designing and building our products while being mindful of emissions and conserving precious resources, including energy and water, while significantly reducing waste.

We do this because it's the right thing to do and because it will sustain our business and our communities in the years to come. Perhaps most importantly, environmental sustainability is critical to future generations — both to enable us to attract top talent and because we need to leave the Earth in a good place for those who will follow us.

We are committed to continuing on this trajectory, even as the world grapples with the coronavirus pandemic and social justice. In fact, there are many valuable lessons to apply from our current situation, namely that responsible actions benefit everyone on the planet.

Bryan Scott,
Vice President,
Environment, Health & Safety

LEADERSHIP MESSAGE | 2

Cardinal Health

Proxy Statement Letter



Annual Report Letter



Corporate Citizenship Report Letter



Proxy Statement

<http://d18rnOp25nwr6d.cloudfront.net/CIK-0000721371/d6b2521e-a2c7-4576-9fe7-d009c32ac596.pdf>

LETTER FROM THE CHAIRMAN OF THE BOARD (PAGES 1-2)

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Letter to Cardinal Health Shareholders

 **Gregory B. Kenny**
Chairman of the Board
September 23, 2020

Over the past year, it is more apparent than ever that Cardinal Health plays a critical role in the healthcare supply chain. I, along with the rest of the Cardinal Health Board of Directors, have been actively engaged as we navigate these unprecedented times, and we remain focused on both strong governance and long-term value creation. I will share the Board's perspective on the year and the initiatives underway to create value now and in the future.

Our Fiscal 2020 Performance

In fiscal 2020, the company grew non-GAAP operating earnings and exceeded our non-GAAP diluted earnings per share guidance range. We also surpassed our enterprise cost savings target and furthered initiatives that will optimize our operations, drive sustained savings, and enable value creation for years to come. At the same time, we increased investments and partnerships in our Specialty pharmaceutical and Cardinal Health at-Home businesses, among other areas.

Additionally, the Board continued to evaluate the company's portfolio and take a balanced and disciplined capital approach that prioritizes reinvesting in the business, maintaining a strong balance sheet and returning cash to shareholders through dividends. In fiscal 2020, we paid down \$1.4 billion of debt, increased the dividend by 1%, and sold the remainder of our equity interest in navHealth.

Our COVID-19 Response

As the global pandemic continues to unfold, we continue to be fully dedicated to the health and safety of our employees so we can fulfill our mission of delivering critical products and solutions to frontline healthcare workers around the world. We have implemented additional safety and cleaning measures in all locations, and we have maintained operations in all our distribution facilities, nuclear pharmacies, and global manufacturing plants. The Board, as well as the management team, are humbled by the efforts of our employees. We provided additional compensation to our frontline teams to demonstrate our gratitude for their unwavering commitment to our customers and to public health.

As the company responded to the challenges presented by the pandemic, the Board also transitioned to a remote work model. We are holding virtual Board meetings and this year's Annual Meeting of Shareholders will be virtual as well.

Our Commitment to Diversity and Inclusion

Our Chief Executive Officer, Mike Kaufmann, and our management team remain deeply committed to fostering a culture where every employee brings 100% of themselves to work every day and this includes actively facilitating conversations regarding diversity and inclusion. In the fall of 2019, management began these discussions through an all employee meeting focused specifically on this topic, and in the winter, the team organized a group tour of the National Memorial for Peace and Justice and Legacy Museum in Montgomery, Alabama. Upon their return, Mike shared his reflections on this deeply moving experience in a message to all employees.

Following this experience, and in the aftermath of events in the U.S. throughout this spring and summer, the management team has elevated attention to racial equity and social justice. In May, they engaged 400 vice presidents and above across the company in a frank discussion on this topic and encouraged these leaders to do the same with their teams. Mike also formed a Diversity and Inclusion Steering Council of senior leaders throughout the company to identify and discuss diversity and inclusion barriers, opportunities, and successes.

Corporate culture has been, and remains, important to the Board. To further reinforce this commitment, we embedded culture and diversity and inclusion metrics in the company's incentive plan goals for fiscal 2020, and we are following the progress of these initiatives with regular management reports and a scorecard. The scorecard included the most recent employee engagement survey results, which showed significant improvements.

Our Board Membership

In addition, the Board itself cultivates a culture of open, direct, and respectful dialogue among our members, who bring an array of skills, backgrounds, and expertise. Mike supports this culture with his open and direct engagement, including executive sessions at the beginning and end of each Board meeting. Over the years, our Board evaluation process, which includes individual director evaluations, has made important contributions to Board culture and this year, to continuously evolve this process, we used a new facilitator to gain additional insights regarding our strengths and improvement opportunities.

We also continue to evolve this culture as we refresh our Board membership. This year, we added two new directors to further diversify our expertise and perspectives. Our most recent addition was Sheri Edison, who joins with extensive global experience both as a senior legal executive in the medical device and global packaging industries and as a board member for large for-profit and non-profit organizations. Earlier this summer, we also welcomed Dave Evans, who served as Chief Financial Officer of Scotts Miracle-Gro for many years and brings decades of financial experience.

In addition, Colleen Arnold is leaving the Board after years of valuable service. On behalf of the full Board, I would like to thank her for her many contributions, including her leadership regarding the company's strategic use of information and technology, and we wish her well.

These changes will bring the total number of directors to 13, 12 of whom are independent.

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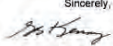
Our Ongoing Response to the Opioid Epidemic

I will briefly address our ongoing work regarding the opioid epidemic. The Board and the company continue to recognize the significant challenges that opioid misuse presents to our society, and the company remains vigilant in our work to detect and deter diversion of controlled substances. The Board and our Ad Hoc Committee on opioids is active in overseeing the company's anti-diversion work as well as the company's efforts to defend and resolve opioid litigation.

Last October, the company agreed in principle to a global settlement framework with a group of state attorneys general that aims to resolve all pending and future opioid lawsuits by states and political subdivisions. This settlement framework would deliver important resources to the communities that need them most. The company, with oversight of our Ad Hoc Committee and the Board, continues to be active in settlement discussions.

Looking Forward

In fiscal 2020, we demonstrated our adaptability in the face of unprecedented change. Going forward, our engaged Board, our strong management team, and our dedicated employees are well-positioned to build upon our operational momentum. On behalf of our Board, I thank you for your share ownership and for your continued support of the company. Together, we will enable Cardinal Health to perform our essential role in healthcare now and into the future.

Sincerely,

Gregory B. Kenny
Chairman of the Board

www.cardinalhealth.com Cardinal Health | 2020 Proxy Statement 2

Corporate Citizenship Report

<https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-corporate-citizenship-report-2019.pdf>

MESSAGE FROM THE CEO (PAGES 3-6)



A message to our stakeholders

This Corporate Citizenship Report was nearly complete when the COVID-19 pandemic changed the world in ways no one could ever have imagined. So I am beginning this letter differently than I originally planned.

First, I want to express my deepest gratitude to every frontline worker and healthcare professional around the globe. The courage and commitment you bring to work with you every day is awe-inspiring. Your work is making a difference. Thank you.

Since early March, the 48,000 Cardinal Health employees around the world have been more focused than ever before on delivering the products and solutions that improve the lives of people every day. We have been working around the clock to meet the needs of healthcare providers so they can safely serve the patients who depend on them.

Because we are part of a critical infrastructure industry, our employees are reporting to work daily in distribution centers, supply chain operations, manufacturing sites, pharmacies and other clinical sites. Their efforts are essential to the healthcare system, and protecting their health and safety — and that of their families — is vital.

To help prevent the spread of COVID-19, all our facilities are thoroughly and frequently cleaned, and we have implemented the worksite hygiene practices in accordance with the Centers for Disease Control and Prevention and World Health Organization guidelines. All employees who are able to work remotely are working from home;

we have significantly expanded our technology infrastructure to help employees around the globe continue to support customers, patients and our frontline workers.

As a company, we are actively collaborating with supply chain partners and the federal government to understand and manage the impact of the pandemic on product supply. We are closely monitoring developments and adapting our operations as the pandemic continues to evolve. **Learn more about our work to effectively respond »**

In a time like this — perhaps especially in a time like this — it's important to maintain our commitment to good corporate citizenship. Even before the pandemic, our industry and our company had experienced many changes. Over the past several years, we have acquired new businesses, our operating model has changed and we face new market and industry challenges.

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2019 Corporate Citizenship Report | 3

These changes have given us the opportunity to identify the best parts of our culture. In 2019, we embarked on Our Path Forward, an initiative that helps us come together in new ways — from shared language and new values to alignment across the enterprise toward our goals. Our Path Forward defines why we exist: to deliver products and solutions to improve the lives of people every day. And it provides a road map for where we are going, how we will succeed and what we value. Across our organization, we are moving forward with a unified commitment and shared vision to be healthcare's most trusted partner.

Throughout this report, you'll read how we are following our path as we maintain our focus on corporate citizenship by empowering our people, continually creating value for our customers and partners, strengthening our communities and seeking more opportunities to operate sustainably. And you'll read about how our employees live our values every day.

- **Empowering our people:** We aim to create a best-in-class work environment based on a commitment to living our values — an environment that inspires excellence, innovation and collaboration. We work hard to ensure a respectful, diverse and inclusive workforce where everyone is comfortable bringing 100% of themselves to work every day.
- **Creating value for our customers and our partners:** Cardinal Health is a globally integrated healthcare services and products company that serves patient care providers and healthcare manufacturers around the world. We are one of the few companies in healthcare providing both the pharmaceutical and medical solutions that help our customers give their patients the best possible care.
- **Strengthening our communities:** Our employees are tireless in their commitment to giving back to their communities with their time, talent and treasure. We encourage them to give back to the causes that mean the most to them — and they do: volunteering, fundraising and making donations to nonprofit organizations around the globe. In the U.S., employees' donations receive matching gifts from the Cardinal Health Foundation.
- **Operating sustainably and responsibly:** As a global company, we know that the long-term health of our communities, our colleagues, our customers and our partners depends on a sustainable world. Across our footprint we look for ways to reduce greenhouse gas (GHG) emissions, reduce landfill burden, conserve water, and design products and services that reduce overall environmental impact.

Our values

Integrity

we hold ourselves to the highest ethical standards

Inclusive

we embrace differences to drive the best outcomes

Innovative

we develop new ways of thinking, operating and serving customers

Accountable

we bring passion, determination and grit to deliver on our commitments

Mission driven

we serve the greater goal of healthcare

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2019 Corporate Citizenship Report | 4

One of the things I am most passionate about is diversity and inclusion — in our workplaces and in our communities. By respecting and appreciating diversity of thought, experience and background, we are becoming more innovative, increasing employee engagement and improving customer and shareholder value. Research shows that diverse and inclusive workplaces consistently outperform non-inclusive and non-diverse workplaces.

We have put into action world-class diversity and inclusion strategies, solutions, programs and processes that will allow us to create a robust culture that will benefit our employees, our customers and our communities. We are committed to building a diverse workforce with equitable access to hiring, development and advancement. Managers are required to seek out a slate of candidates that includes women and minorities for any job or promotion.

Of the eight leaders who report directly to me, four are women and one is an African American male. Around the world, nearly 40% of management-level employees and 51% of professionals are women. You can read more about our D&I work beginning on page 13.

In 2019, Cardinal Health joined the Gender Parity Collaborative through the Healthcare Businesswomen's Association. This is a consortium of healthcare and life-science companies committed to closing the gender gap, beginning in their individual companies. Key focus areas include advancing women of color, encouraging men to be allies and promoting women into senior leadership roles.

Within Cardinal Health, we have launched an unconscious bias training, required for every incentive eligible leader, designed to help each of us become aware of implicit bias. We've seen a real desire for this kind of training; more than 99% of our vice presidents and above completed the course within just a few months.



Mike Kaufmann invited D&I Steering Council members Melissa Laber, Travis Leonard and Stephanie Revish to discuss diversity and inclusion during the company's first ever D&I Town Hall.

A couple of years ago, I put into place an internal D&I Steering Council and charged the members — all senior leaders of the company — with helping to change internal conversations about diversity and inclusion. I have asked the Council members to be "truth tellers" to me and other senior executives, identifying and discussing with us barriers to D&I across the company.

Last year, I hosted the company's first ever D&I Town Hall and, with a panel of senior leaders, spoke very transparently about what the value "Inclusive" means to us personally and at Cardinal Health.

Today, some of the conversations about diversity and inclusion that we're having at every level of the company are uncomfortable ... and they should be. Because if you're not uncomfortable, you're not talking about things that are going to make a real difference.

Finally, I want to address the deeply troubling issue of opioid misuse. It is a public health issue that has impacted nearly every community across the United States, including many, many families within the Cardinal Health community.

We have invested millions of dollars in fighting prescription opioid misuse. This work began with Generation Rx, an evidence-informed prevention education and awareness program designed for anyone to use to educate people of all ages about safe medication practices and the potential dangers of misusing prescription medications. Generation Rx was founded at The Ohio State University College of Pharmacy and has been powered through a partnership with the Cardinal Health Foundation since 2009. To date, its medication safety messages have reached more than 2 million people across the country.

More recently, we have awarded grants to build awareness, expand drug take-back initiatives and support healthcare systems as they work to reduce the number of opioids their providers prescribe.

In 2019, Cardinal Health launched an online training, required for all U.S. employees, to help our employees better understand the epidemic, our commitment to fighting it and how they can help support the work.

Cardinal Health also does significant work to help keep prescription opioids out of the wrong hands. We spot, stop and report to our regulators all orders of prescription opioids identified as suspicious under our strict, uncompromising systems. We continually adapt our system to prevent the diversion and misuse of medications.

We look forward to continuing these efforts to making a meaningful difference in all our communities.

I hope you will read on to learn more about what we are doing to create a best-in-class workplace, to strengthen our communities and to become healthcare's most trusted partner.

Stay safe and be well.

Mike Kaufmann



Generation Rx presentation at Glacier Ridge Elementary in central Ohio.

The medication safety messages of Generation Rx have reached more than 2 million people across the country.

Caterpillar

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Annual Report

http://reports.caterpillar.com/ar/2019_Caterpillar_Annual_Report.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-3)



I would like to thank Caterpillar employees around the world for enabling our customers to continue providing the critical infrastructure essential to fight the global pandemic.



As we prepared this year's Annual Report, COVID-19 became a global pandemic, presenting new challenges around the world. Governments responded with guidance to manage the crisis and, in many instances, classified operations such as Caterpillar's as essential activity for support of critical infrastructure.

Customers use our products to provide primary and stand-by power for hospitals, grocery stores and data centers; transport food and critical supplies in trucks, ships and locomotives; maintain clean water and sewer systems; and provide



Photo credit: NYSE

Celebrating 90 Years of Corporate Strength

Of the approximately 2,200 companies listed on the New York Stock Exchange (NYSE), Caterpillar is among only 3% that have been listed for 90 consecutive years or more. We celebrated the 90th anniversary of Caterpillar's listing on the NYSE in December, when Caterpillar Chairman and CEO Jim Umpleby rang the opening bell.

To mark the occasion, we put a variety of Cat® machines on display in front of the NYSE, including a wheel loader, wheeled excavator, industrial loader and compact loader, all of which have played a part in Caterpillar's historical success.

We continue to execute the strategy for profitable growth we introduced in 2017 by focusing on operational excellence, expanded offerings and services.

Caterpillar has faced and overcome many challenges in our 95-year history. As in the past, our employees continue to rise to the occasion. I would like to thank Caterpillar employees around the world for enabling our customers to continue providing the critical infrastructure essential to fight the global pandemic.

Thank you for your continued support.


Jim Umpleby
Chairman & CEO



/ 3 /



Along with our dealers and suppliers, Caterpillar is working to help ensure uninterrupted access to the products and services that our customers rely upon to support society during these difficult times.



and extract the fuels essential to satisfy global energy demand. Along with our dealers and suppliers, Caterpillar is working to help ensure uninterrupted access to the products and services that our customers rely upon to support society during these difficult times.

While we are serving this important need, Caterpillar remains dedicated to the safety, health and well-being of our employees. The Caterpillar team achieved our best safety performance on record in 2019, and we are leveraging our strong safety culture to manage through this pandemic.



Employees who can work from home are doing so. In our facilities that remain open, Caterpillar is taking appropriate precautions and implementing safeguards to protect our team members. We have increased the frequency of cleaning and disinfecting facilities with special attention to common areas. We are following social distancing practices and are implementing other measures consistent with specific regulatory requirements and guidance from health authorities.

We have introduced a number of enhanced benefits to our employees to help them deal with the pandemic. These benefits vary by country based on local medical care systems and various regulatory requirements. The Caterpillar Foundation has also committed \$10 million (USD) to directly support global COVID-19 response activities and help organizations that have been impacted.



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In response to the pandemic, we have taken other decisive actions to keep our company strong, including reducing discretionary expenses and suspending 2020 salary increases and short-term incentives for many employees and all senior executives.

LETTER FROM THE CHAIRMAN AND CEO (PAGES 3-4)



TO OUR STAKEHOLDERS:

Caterpillar imagines a better world
— one that we are striving to
achieve through our business.

A generator set powered by methane from landfills. A dual-fuel engine that can burn natural gas, resulting in lower emissions. An autonomous technology solution that substantially improves efficiency, productivity and safety.

These are just a few of the many ways that Caterpillar's vast range of products and solutions helps our customers build a better world. As our business grows, our potential for positive impact grows — driven by the successful execution of our enterprise strategy which we introduced in 2017. We have already achieved meaningful progress in financial results and in our ability to support the work of our customers around the world.

OUR STRATEGY SUPPORTS SUSTAINABILITY

Our strategy contains three elements: operational excellence, expanded offerings and services, and is underpinned by Caterpillar's Values in Action. Those Values, including Sustainability, are guidelines for the way we act with each other, our suppliers, and our customers every day.

Positive business outcomes are closely aligned with positive social and environmental impacts. For example, the first element of our strategy, operational excellence, translates into initiatives that improve safety, deliver high-quality products and implement Lean operating principles. The most important result is continuing to have Caterpillar employees return home safe to their families, and in 2019, we saw our

best safety performance on record. Operational excellence also offers important environmental sustainability benefits, particularly decreasing the volume of resources needed to manufacture our products.

Expanded offerings, the second element of our strategy, means having the right products and solutions to make our customers more successful. These offerings include products that provide sustainability benefits, including lower emissions profiles and reduced operating costs. We introduced the world's first high drive Electric Drive dozer this year, the Cat® D6 XE. It offers a 50% reduction in fuel consumption compared to previous models, and it's a significant step in helping our customers reduce their carbon footprint.

The services and solutions we offer are another key part of our strategy. As we continue to expand our digital capabilities, we will be able to complete the cycle and rebuild our operating costs.

DRIVING TO
As we continue
growth, we are
These include
water, waste,



"The most important result is continuing to have Caterpillar employees return home safe to their families, and in 2019, we saw our best safety performance on record."

efficiency and sustainability of our products, services and solutions. We are proud to have already achieved or exceeded several of these goals and are setting our sights on the future. You can read more about our progress to date and efforts underway to establish goals beyond 2020 on Pages 5-6 of this report.

WORKING TOWARD A BETTER WORLD

Year after year, Caterpillar customers are working to address the demands of a growing global population, an emerging middle class in the developing world, and an increasingly urbanized society. The company supplements that great work with the targeted efforts of the Caterpillar Foundation. Since 1952, the Foundation has donated about \$770 million to build resilient communities around the world. We are proud of our Foundation's ability to contribute to building a better world.

We are pleased to have been named to the Dow Jones Sustainability Indices (DJSI), including both the World and North America indices. Caterpillar was also named to Fortune's World's Most Admired Companies List, and we were in the Top 50 of that list for the 19th consecutive year.

As I write this letter, COVID-19 has become a global pandemic, presenting new challenges around the world. Governments responded with guidance to manage the crisis and, in many instances, operations such as Caterpillar's are considered essential activity for support of critical infrastructure. Customers use our products to provide primary and stand-by power for hospitals, grocery stores and data centers; transport food and critical supplies in trucks, ships and locomotives; maintain clean water and sewer systems; mine commodities and extract the fuels essential to satisfy global energy demand. Along with our dealers and suppliers, Caterpillar is working to help

ensure uninterrupted access to the products and services that our customers rely upon to support society during these difficult times.

While we are serving this important need, Caterpillar remains dedicated to the safety, health and well-being of our employees. We are leveraging our strong safety culture to manage through this pandemic. Employees who can work from home are doing so. In our facilities that remain open, Caterpillar is taking appropriate precautions and implementing safeguards to protect our team members. We have increased the frequency of cleaning and disinfecting facilities with special attention to common areas; we are following social distancing practices and are implementing other measures consistent with specific regulatory requirements and guidance from health authorities.

In addition, the Caterpillar Foundation has committed \$10 million to directly support global COVID-19 response activities and help organizations that have been impacted. These investments are an important expression of our company's values and will provide support for communities around the world.

Caterpillar imagines a better world — one that we are striving to achieve through our business. As our customers help meet the infrastructure, energy and resource needs of tomorrow, we are dedicated to helping create a future that offers a better life for all.


Jim Umpleby
Chairman and CEO

Proxy Statement Letter	✗
Annual Report Letter	✓
Sustainability Report	N/A

Annual Report

🔗 https://www.centene.com/content/dam/centenedotcom/investor_docs/Centene_2019_Annual_Review_508_072020.pdf

LETTER FROM THE CHAIRMAN, PRESIDENT AND CEO (PAGES 2-5)



Chevron

Proxy Statement Letter	✓
Annual Report Letter	✓
Corporate Sustainability Report Letter	✓
Update to Climate Change Resilience Letter	✓

Proxy Statement

🔗 <https://chevroncorp.gcs-web.com/static-files/4e86f262-15a2-44ed-83d9-7bfcf17f3e83>

LETTER FROM THE CHAIRMAN AND CEO SHARED WITH THE LEAD DIRECTOR



LETTER FROM THE CHAIRMAN OF THE BOARD AND CEO (PAGES II-IV)



to our stockholders

our purpose

Affordable, reliable energy serves a vital human need. It has driven the greatest advancements in living standards in human history, and it enables modern life today. We are proud to play a role in providing the energy that makes human progress possible.

This starts with our people.

At Chevron, we believe our resource is not the resource in the ground — but rather the ingenuity, creativity and ingenuity of our people.

Today, we are working to meet one of humanity's greatest opportunities: to create the affordable, reliable, ever-cleaner energy the growing world requires to meet its needs, while also achieving its environmental goals. Rising to this challenge requires us to perform at the highest level and insist on strengthening a culture where we can raise performance standards.

As I write this letter, the world is facing extraordinary challenges. We need to find a path forward that is not only sustainable but also profitable. We need to find a way to meet the world's growing demand for energy while also protecting the environment. We need to find a way to create a more sustainable future for all of us.

our results

In 2019, we faced an environment defined by volatile energy markets. Global economic growth slowed to its lowest pace since 2009 amid stagnant manufacturing and trade tensions. Heightened political uncertainty included tighter U.S. sanctions on Iran and Venezuela and unrest in the Middle East.

To counter slowing demand and surging U.S. supply, OPEC and Russia adopted a more proactive oil market management role. In natural gas markets, warmer weather and slower economic activity tempered demand, while supply continued to grow at a healthy pace through rising U.S. production and the ongoing build-out of new liquefied natural gas (LNG) capacity.

Our results reflect balance, consistency and discipline across all our businesses. In 2019, we led our peer group on several key metrics as we:

delivered	increased our dividend payout
15.2%	6.2%
Total Stockholder Returns (TSR) in 2019 and 8.5% over the past decade — both leading the peer group	marking the 32nd consecutive year of increased per-share dividend payouts

our commitment

We are proud of these results. But what was good before simply isn't good enough anymore. Expectations are rising from all stakeholders — and responding to these expectations is a responsibility we take seriously and a challenge we embrace wholeheartedly. Our ability to continue to create value for our stakeholders relies on maintaining financial, operational and cultural strength — and we are committed to building on that strength.

The 2020 capital and exploratory program supports investments in our world-class Permian Basin position, Tengizchevroil in Kazakhstan and deepwater opportunities in the Gulf of Mexico.

We elected not to pursue a major acquisition at a price that would have eroded shareholder value and have announced plans to reduce funding to gas-related assets, including Appalachia Shale and Kilnmat LNG.

Our disciplined approach to capital prioritizes investment in lower risk, higher return projects that we expect to generate cash flow within a few short years. Our flexible capital program, coupled with our industry-leading balance sheet and low dividend breakeven price, ensure that we continue to have the cash-generating capacity to be a leader in shareholder distributions.

health, environment and safety

written safe-work practices are a core part of our comprehensive safety program

We are committed to a culture of operational excellence that places the highest priority on process safety, the health and safety of our workforce, and protection of communities and the environment.

Our energy transition efforts prioritize lowering carbon intensity cost efficiently, increasing renewables in support of our business, and investing in future breakthrough technologies. Our strong governance and disclosures are aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and highlighted in our 2019 Climate Change Resilience report update. And we are in the process of aligning our ESG reporting with the Sustainability Accounting Standards Board (SASB).

our future

We are fortunate to live at a time when the human condition has never been better and prospects for the future have never been brighter. We know the world faces challenges. But we also know, from experience, the path to surmounting any challenge: pursuit of innovation, commitment to partnership, trust in markets and belief in the power of human energy.

This is why we view our commitment to shareholders and stakeholders not only in financial terms but also in human terms.

An investment in Chevron is an investment that drives human progress, lifts millions out of poverty and makes modern life possible. It is an investment that values operating with integrity, getting results the right way and striving for humanity's highest aspirations: to create a more prosperous, equitable and sustainable world.

We are grateful for your support and honored by the trust you place in us.

Sincerely,



Michael K. Wirth
Chairman of the Board and Chief Executive Officer

net debt ratio to

8.8%

strengthening

the balance sheet

last value chain by purchasing the

to process Permian crude. We

well terminals and service stations

the energy transition, we are

targets at stations, increasing

asset and developing renewable

ended market access for our

by increasing pipeline capacity

access to open new export

ing added five new tankers

ological advancements that

Our Pipeline and Power team

ace energy consumption, cut

ables in support of our business.

Chevron Corporation 2019 Annual Report

Corporate Sustainability Report

<https://www.chevron.com/-/media/shared-media/documents/2019-corporate-sustainability-report.pdf>

MESSAGE FROM THE CHAIRMAN AND CEO (PAGES 1-2)

a message from our chairman and chief executive officer



Michael K. Wirth, Chairman of the Board and Chief Executive Officer

At Chevron, we work every day to provide the energy that makes modern life achievable for billions of people around the world.

Affordable, reliable and ever-cleaner energy fuels human progress, empowering tremendous advancement in living standards by helping people enjoy healthier lives, achieve education, and pursue economic opportunities for themselves and their families.

As I write this letter, the coronavirus pandemic is challenging the health of millions of people and the economic engine that sustains our way of life. Just as we have done in the face of past adversity, Chevron is working alongside our partners to confront and overcome the effects of the pandemic.

During this difficult time, employees have demonstrated our Chevron Way values, proving why people have always been at the heart of our company. From rig workers and shipping mariners to refinery engineers and service station managers, the people of Chevron are delivering the energy needed to power homes and hospitals, transport medical patients and supplies, and maintain the essentials of daily life even as normal patterns of activity have been disrupted.

We are fully engaged to protect the health and safety of our workforce and are donating funds and equipment to health care providers and first responders on the front lines of the pandemic response. In the communities where we operate, we are supporting relief efforts, donating Personal Protective Equipment (PPE) and medical supplies, and offering teachers resources needed to conduct remote learning. Above all, we remain steadfast in our commitment to provide the energy that is necessary to move life forward.

Enabling human progress takes human energy. And for 140 years, the people of Chevron have brought inspiration, creativity and ingenuity to developing solutions that help make our world better. This is both the legacy of our past and our promise for the future. We take our responsibility to society seriously and are committed to relentlessly imagining new ways of delivering the energy life depends on.

Global demand for energy and stakeholder expectations for a lower-carbon future have never been higher. And Chevron's sustainability commitment has never been stronger. This is evidenced by our support of the United Nations Sustainable Development Goals, and by the environment, social and governance (ESG) priorities that are integrated throughout our business.

Three pillars underpin our approach to ESG: We protect the environment, empower people and get results the right way—The Chevron Way.

In our 2019 Corporate Sustainability Report, we spotlight how our people, partnership and performance further humanity's ability to thrive. Highlights include:

The innovative and ongoing actions we are taking to advance environmental performance. We are lowering carbon intensity and increasing the use of renewables in our operations while investing in breakthrough technologies. For example, we have reduced methane emissions from Chevron's U.S. onshore production operations by 85 percent since 2015, invested \$1 billion in carbon capture and storage projects in Australia and Canada, been cited by third parties as the leader in flare minimization in the Permian Basin, pledged \$100 million to the Oil and Gas Climate Initiative Climate Investments fund, and committed \$100 million to the Chevron Technology Ventures' Future Energy Fund.

[chevron.com/sustainability](https://www.chevron.com/sustainability)



Above: "Work our job" Chevron employees arrived in our new partnership with the Massachusetts Institute of Technology (MIT) to enhance worker capabilities in the science and energy-related technical skills.

Our investment in people. Chevron employees are at the center of everything we do. We are committed to a diverse and inclusive work environment that empowers problem-solvers to tackle some of the world's most complex challenges. We uphold universal human rights and partner with external stakeholders to make communities stronger. Over the last six years, Chevron has invested \$137 billion in global goods and services and more than \$1 billion in global social programs, including funding to improve access to health care, promote science, technology, engineering and math (STEM) training, empower women through education, and promote widespread economic growth and sustainable entrepreneurship.

Getting results the right way. From our Board of Directors' commitment to governance excellence to our enduring culture of operational excellence, Chevron delivers results the right and responsible way. We operate with the highest ethical standards and place the highest priority on the safety and health of our workforce and the protection of communities and the environment.

Thanks to the past and present relationships Chevron has forged with partners—stakeholders and shareholders—we continue to enable human progress around the world. We could not be prouder of our workforce, and we embrace the opportunity to create a future of sustainable progress and prosperity. While there will be challenges, we know that the power of human energy will lead us to a brighter future.

Mike

Michael K. Wirth
Chairman of the Board and
Chief Executive Officer
May 2020



Kristan Cropps
Employee Network
Coordinator

"Chevron has a uniquely supportive and flourishing culture thanks to our leaders' work to integrate diversity in thought and background into our workforce."

chevron awards and recognition

- corporate responsibility**
- American Chamber of Commerce Thailand CSR Excellence Recognition Award
 - Hespana Association on Corporate Responsibility 5-star rating in Employment and Governance
 - JUST Capital Top 100 U.S. Companies Supporting Healthy Communities and Families
 - Verdantix International Environmental Health and Safety Innovation Award recipient, Oil & Gas

- diversity and inclusion**
- 2019 Secretary of Defense Employer Support Freedom Award of National Guard and Reserve employees, U.S. Department of Defense
 - American Indian Science and Engineering Society Top 50 STEM Workplaces for Native American Professionals
 - Asia Society, Best Asian Pacific American Employee Resource Groups
 - Forbes America's Best Employers for Women
 - Women in Engineering ProActive Network Industry Trailblazer Award

For a full list of awards, visit [chevron.com/awardsandrecognition](https://www.chevron.com/awardsandrecognition)

[chevron.com/sustainability](https://www.chevron.com/sustainability)

Update to Climate Change Resilience

<https://www.chevron.com/-/media/shared-media/documents/update-to-climate-change-resilience.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 1)

chairman's letter

for nearly 140 years, chevron has provided affordable, reliable, ever-cleaner energy to improve lives and power the world forward



"Chevron's greatest resources are the ingenuity, creativity and innovation of our people. Throughout this report, we profile some of these innovators working to solve challenges and shape the future of energy. It's our goal to win in any energy environment by delivering industry-leading returns and superior stockholder value."

This year, Chevron celebrates an important milestone—our 140th anniversary of enabling human progress. We are proud of Chevron's historic past, and are committed to upholding our legacy by providing the affordable, reliable, ever-cleaner energy that improves people's lives.

As more energy, and more forms of energy, are required to power the world forward, Chevron will remain focused on improving current sources and scaling future solutions to deliver greater human benefit with less environmental impact. Just as we have successfully navigated the energy transitions that have occurred since our company's founding nearly a century and a half ago, Chevron will continue to lead in the transition into the next energy future.

This update highlights work we are doing to address climate change risks to our business and new opportunities we're pursuing. It incorporates responses to some of the thoughtful insights stockholders have shared with us during our engagements. This update builds on our two prior climate change reports, *Managing Climate Change Risks: A Perspective for Investors*, published in March 2017, and *Climate Change Resilience: A Framework for Decision Making*, published in March 2018.

Thank you for investing in Chevron. We look forward to ongoing conversations on how we are managing climate risks to our business and taking on new opportunities to reduce greenhouse gas emissions and develop lower-carbon energy.

Mike

Michael K. Wirth
Chairman of the Board and
Chief Executive Officer
February 2019

update to climate change resilience: a framework for decision making, February 2019

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

<https://www.cigna.com/static/www-cigna-com/docs/about-us/investor-relations/2020-proxy.pdf>

LETTER FROM THE PRESIDENT AND CEO SHARED WITH THE CHAIRMAN OF THE BOARD



Annual Report

<https://www.cigna.com/static/www-cigna-com/docs/about-us/investor-relations/cigna-2019-annual-report.pdf>

MESSAGE FROM THE PRESIDENT AND CEO (PAGES 2-10)

A message from our President and CEO, David Cordani

DRIVEN BY THE POWER OF US

I often talk about the importance of partnerships to deliver the best results for our shareholders, which is why one of Cigna's key strategic imperatives is to be the conceptual partner of choice for health care.

As the recent mortality of Cigna's employees on partnering as well as our commitment to our customers, clients and communities, I often share the details of a partnership we formed with the city of San Diego this year. It's a partnership that reflects the unique health needs of this city's first responders.

First responders – notably firefighters, police, emergency medical teams and 911 dispatchers – are the first line of defense in many of our communities. It's a moment of greatest need. Given the unique pressures they face, it's unsurprising that 10% of them have reported symptoms related to behavioral health issues.

Through our partnership with San Diego, we're joining together to become a unified treatment and recovery resource that helps them better cope with trauma and high-stress situations on the job.

This initiative, and so many others like it, reflect the values and attitudes Cigna's colleagues around the world share to every day. Including empathy, partnership and an unwavering belief in what's possible.

At Cigna, we harness the "Power of Us" through the Power of We. Cigna's colleagues are bound by a shared mission – where each and every individual is an integral part of the team. It's a daily basis that we are for more powerful when we work together, to achieve together with each other, as well as with our customers, patients and clients, with health care professionals and government agencies.

and with the communities where we live and work. The Power of We magnifies and unleashes the impact we can have on society and fuels our ability to continue delivering outstanding results for our shareholders.

CUSTOMERS AT THE CENTER OF ALL WE DO

Above all, the Power of We gives Cigna the ability to continue putting our customers at the center of all we do, each and every day.

One of the ways Cigna and its employees did this was by coming together to update our mission, which is to improve the health, well-being and peace of mind of those we serve.

We embrace this mission through global networks, which are our customers' first line of defense. It's a mission that's at the center of all we do, each and every day.

Our mission is to improve the health, well-being and peace of mind of those we serve. It's a mission that's at the center of all we do, each and every day.

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The Power of We magnifies the impact we can have on society and fuels our ability to continue delivering outstanding results for our shareholders.

most innovative people. Cigna's employees are the ones who make the difference. It's a mission that's at the center of all we do, each and every day.

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in pharmacy cost savings. Today, everyone we serve now has access to these pharmacy services, including our industry leading specialty pharmacy.

Our specialty pharmacy now has programs in 21 states, including a program in California that provides access to specialty drugs for patients with chronic conditions.

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BUILDING PARTNERSHIPS TO DRIVE INNOVATION

We continued to embrace partnering as a key point of differentiation and a growth driver for Cigna in 2019, and will continue to do so in 2020 and beyond.

For example, beginning in April 2020, we are making pharmacy care more affordable by enhancing pharmacy networks and pharmaceutical manufacturer value for Prime Therapeutics' 28 million members who are covered by 23 health plans, plus employer and government programs such as Medicare and Medicaid.

Other recent examples are our partnerships with, and investments in, emerging companies such as Oscar Health. With Oscar, we can do more to give small businesses access to affordable, fully insured health plans that broaden choice and prioritize whole person health. Cigna will focus on four geographies with Oscar in 2020, and will test, learn and look to expand over time.

Outside of the United States, Cigna also announced the formation of a new partnership with Australia-listed nib Group, to create a health care data science venture. This joint venture will analyze and interpret underlying individual disease risks to help predict how risks can be managed or treated.

Another example of the premium Cigna places on partnerships is our long history of innovative, value-based arrangements with health care providers. Across our top 40 markets in the United States, 65% of our Medicare business, more than 65% of our medical payments are now in value-based arrangements. Importantly, 92% of the health care providers in our Medicare Advantage business are delivering a differentiated level of care and 90% believe that Cigna is the industry leader in this area.

This provides meaningful opportunity for Medicare Advantage business, whose growth is expected in the geographies where we have deep care provider partnerships. We already captured this growth opportunity in 2019 by accelerating our geographic expansion in Medicare Advantage, bringing new solutions to market – all of which contributed to our high Medicare Advantage CSRS NPS levels, averaging approximately 70 across

ADVANCING OUR SOCIAL RESPONSIBILITY PLATFORM

The Power of We extends to our emphasis on fostering diversity and inclusion in our organization, as well as in the community and vibrant communities where we live and work.

We're especially proud of our efforts to ensure a workplace that respects the diversity and inclusion of our colleagues' cultures, beliefs and values. Cigna is committed to respecting and protecting the rights of every employee. In recognition of our endeavors to celebrate our colleagues' differences and contributions, Cigna achieved "Best of the Best" workplace awards in 2019 from Professional Women Magazine, Hispanic Network Magazine and Black EOE Journal, as well as recognition from Diversity, Inc. as a top company for LGBT employees and people with disabilities. And reflecting our commitment to veterans, we were once again named a Military Times "Best for Veterans" employer for 2019.

In 2019, Cigna invested even more in the communities where we live and work. Through a five-year, \$25-million global initiative called Healthier Kids For Our Future, we began fighting childhood hunger and food insecurity to help today's children grow into tomorrow's healthy adults. And, we extended our efforts by addressing the emerging challenge of mental illness among children. Cigna's research shows that loneliness, in addition to stress and depression, takes a toll on people of all ages, but is having a particularly profound impact on our young people.

This is all a part of Cigna's commitment to advocate for the next generation. We believe that all Americans need and deserve a sustainable (and therefore affordable) health care system that helps bring them health and vitality. We believe that the essential elements of the system require:

- Employees, individuals and the government to remain highly engaged and motivated to drive and adopt solutions that advance the transformation of our health care system, and contribute to its financing.
- Partnership between the private sector (to drive innovation, personalized solutions and coordination of individual care across the health care ecosystem) and government to provide funding and a reliable safety net for our most vulnerable and underserved populations, and set standards that encourage and enable competition, innovation and choice; and
- The power of what Cigna refers to as micro communities.

A micro community can range in size from a tight-knit group of two, three or more people coming together for a finite period of time, to a larger community-based program intent on creating positive health care outcomes for a broader population. The key elements of micro communities are a shared goal and the support surrounding individuals to help them reach that goal.

One of the most effective, and certainly the most scaled, micro communities is the employer community. Approximately 380 million people obtain health coverage through their employers. Within this system, people have access to plans that have flexibility, choice, engagement tools and relevancy with health care professionals and, as a result, the United States has a healthier and more

Partnerships underscore a critical point: The most effective solutions are not simply national in scope – they're highly localized.

Another micro community that's special to everyone at Cigna is our partnership with the fearless and proud athletes from Achilles International. Achilles is dedicated to helping wounded veterans and people with disabilities compete in long-distance races. At the heart of our partnership with Achilles is a shared commitment to helping people be their healthiest, be their best, and achieve their most important personal goals.

- The Cigna Foundation sponsored 50 athletes from Achilles International to participate in the 2019 Marine Corps Marathon, with Cigna employees serving as guides to help them cross the finish line.
- Cigna was also privileged to play a part in helping Achilles raise \$1.7 million at its annual fundraising event.
- At the latest Walt Disney World® Marathon Weekend, Cigna sponsored 31 athletes, and nearly 25 Team Cigna members helped to guide those athletes in a variety of roles.
- And, we're especially proud to now be the official sponsor of the Achilles Freedom Team of Wounded Veterans.

As a global health service company, Achilles helps champion our brand, and expresses our gratitude to the United States and the more than 2,500 veterans at Cigna.

Micro communities can also be disadvantaged neighborhoods (determinants of health). That's why corporate or private foundations, houses of worship, neighborhoods, and community organizations are critical points. The most effective is national in scope – they're highly localized. One such example is Cigna's highly at-risk Bronxville community among victims of violence. The awarded a \$450,000 grant to the Bronx Outreach program to address the needs of the community's 4 year to screen residents for four risk factors: blood pressure, cholesterol, diabetes and depression, which collectively can indicate the treatable illnesses such as diabetes. Whether it's an employer with an organization supporting hundreds of micro communities are powerful individuals to be their best and be

BUILDING ON OUR TRACK RECORD OF OUTSTANDING RESULTS

All of this led to a landmark 2019 for our company. We extended our decade-long track record of delivering outstanding financial performance, and our first full year as a combined company with Express Scripts greatly accelerated our ability to expand choice, and address our customers' whole person health needs – both mind and body – in a way that is affordable, predictable and simple.

By delivering on and advancing our key priorities throughout the year, Cigna delivered outstanding financial performance in 2019 for the benefit of our shareholders. This included:

- Adjusted revenue of \$140 billion.
- Earnings of \$6.5 billion after tax.
- Adjusted income from operations per share (growth of 20% to \$17.05 and
- Outstanding operating cash flow that more than doubled to \$9.5 billion.

As a result, we exceeded our guidance that we had already raised each quarter for revenue, earnings and earnings per share, as well as for cash flow from operations – with exceptional execution across our four core business platforms of Health Services, Commercial, Government and International Markets.

Several factors contributed to Cigna's robust 2019 results. In Health Services, we delivered market-leading customer and client retention, including 97% retention for the 2020 selling season.¹ We achieved continued strong organic growth in prescriptions, and loved our customers and clients \$50 billion on annual prescription costs.²

In our Commercial business, we again delivered industry-leading medical cost trend, and we grew our commercial medical customers for the 10th consecutive year – led by another year of double-digit growth in the Select segment.³

And, in our Government Business, The Centers for Medicare and Medicaid Services' most recent Star ratings position us to have 87% of our Medicare Advantage customers in 4-Star or higher plans for 2021 – a reinforcement of our strong customer satisfaction and high levels of clinical quality.⁴

Cigna's 2019 performance gives us considerable momentum to drive attractive growth in 2020 and beyond. We remain well positioned to achieve our 2021 EPS target of \$20-\$21.

ANTICIPATING WHAT'S NEXT

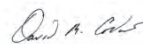
Going forward, we are confident that our collective drive to do even more will keep us successful.

In 2020, Cigna will remain focused on bringing forward the best market-driven health care solutions as we deliver increased value for our stakeholders and affordable, predictable and simple health care for our customers and clients.

We'll build on our momentum to drive attractive growth in the near term, as evidenced by our 2020 outlook and 2021 EPS target. We'll also drive growth in the long term, including 6% to 8% revenue growth and 12% to 13% EPS growth on an average annual basis, delivered through a capital-light framework, with exceptional cash flows that enhance our strategic and financial flexibility.

And we'll continue to leverage the Power of We with a firm belief that maximizing the positive impact we make for our customers, patients, clients, health care professionals, partners, communities and employees positions us to best deliver for the stakeholders who invest in us.

Thank you for your continued belief and investment in Cigna, so we can continue to improve the health, well-being and peace of mind for our 170 million customer relationships around the world.



David H. Gordon
PRESIDENT AND CHIEF EXECUTIVE OFFICER



Annual Report

https://www.cisco.com/c/dam/en_us/about/annual-report/cisco-annual-report-2019.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 2-3)

2 Cisco 2019 Annual Report

Letter to shareholders

To our shareholders,

Fiscal 2019 was a great year for Cisco. We began the year with our sights set on continued growth, execution, and innovation. Our teams delivered all three. I truly believe that our portfolio has never been stronger, and I hear this from our customers as well. Technology has never been more critical to them as they navigate the complexity of their environments, and we have an opportunity to help drive their success.

Four years ago, we set out to transform Cisco into a company that will lead our customers' architectural transitions and power their futures. We are reinventing IT architectures designed to deliver a simple and secure value proposition to help our customers succeed. At the same time, we continue to explore how we can provide the solutions to some of the world's most pressing problems.

Our customers drive our strategy

Our strategy is aligned to the needs of our customers and the outcomes they want to achieve. As we continue to build a highly secure, intelligent platform for digital business, there are six core elements we are focused on: applications, data, security, cloud, infrastructure, and teams. Every investment we make and every product and service we build fits within one of these categories that our customers care about.

We understand that the applications being delivered to organizations represent the technology layer closest to the business opportunity. This is why we are delivering solutions like Application Centric Infrastructure (Cisco ACI), which simplifies, optimizes, and accelerates the deployment lifecycle of applications across data centers and multiple clouds. Another key offering, AppDynamics, provides visibility into applications to help customers make the right decision at the right time. This

"We are reinventing IT architectures designed to deliver a simple and secure value proposition to help our customers succeed."

—Chuck Robb
Chairman and CEO



real-time action is critical in today's world, where success is increasingly defined by speed and agility.

We also know that data is the most critical asset for our customers, and we are helping them not only gain valuable insights from it, but also secure it. In a multcloud world with more data, more users, and more services, the threat surface is expanding while hackers' tactics continue to evolve. We must protect users, data, and workloads that are moving and expanding to the cloud. We are integrating our firewall and secure web gateway capabilities into Cisco Umbrella, our cloud-native platform, to give customers a choice in how they deploy security controls—from the network to the endpoint to the cloud. We are developing the capability to orchestrate security policies consistently across all environments with Cisco Defense Orchestrator. We are also integrating these solutions—together with Duo, which controls user access to networks and applications, and Talos, our industry-leading threat intelligence—into an end-to-end security architecture for the multcloud world.

This brings us to infrastructure. We launched our intent-based networking platform two years ago to reinvent networking for today's dynamic environment. Our new network is designed for agility using cloud and wireless capabilities, with the ability to garner insights from the data, and with security

providers. This is what we are building: a multidomain architecture that helps securely connect any user on any device to any application on any network.

Technology is also at the heart of how teams interact. Our customers need effective and simple ways for their teams to work better together to increase collaboration and productivity. They also need new ways to engage with customers and partners to drive enhanced, personalized experiences. Intimacy, speed of response, and simplicity of interaction are critical. Our cognitive collaboration solutions use AI and machine learning to bring powerful capabilities to our customers' collaboration experiences. With AI seamlessly integrated across the collaboration suite, our customers can automate tasks, gain contextual insights, and build better relationships.

When our customers win, Cisco wins

With intent-based networking, software, and the network have become increasingly interconnected. To help our customers take advantage of the new opportunities in application design, software development, and automation, we have introduced Cisco DevNet training and certification programs. These programs provide both networking professionals and software developers with skills and industry recognition that translate into jobs and opportunities. Cisco-certified professionals join a global community that is defining the future of our industry.

As we have evolved our portfolio, we have rethought how we engage with our customers through the entire lifecycle, from the time they buy our technology to the time they retire it. This allows them to gain greater value from their technology investments as well as speed in achieving that value, and this is what our Customer Experience teams, in partnership with Sales, are working on every day. We are supporting our customers and partners at every stage, from the planning phase to the development of capabilities and the renewal of subscriptions. We are integrating more intelligence, machine learning, and analytics into our solutions to provide timely insights for customers, and our support-based resources are available to help them address the most challenging projects with greater speed and agility.

We seek to provide customers with flexibility and continuous value through our software and subscription-based offerings.

This is why it is so important for us to support our customers through the entire lifecycle. In fiscal 2019 we delivered strong top-line growth and profitability, reporting revenue of \$51.9 billion. Revenue from subscriptions was 65% of our software revenue in FY19, up 9 percentage points year-over-year adjusted for the divestiture of our Service Provider Video Software Solutions business. Today, we have a subscription model across our Enterprise Networking portfolio, and we will continue to broaden our offerings going forward.

When our customers win, Cisco wins. That is why issues such as compliance and data privacy inform our innovation in automation, policy enforcement, and security. It is why we are reinventing IT architectures to help our customers address the unprecedented complexity of today's world to drive their future success.

With opportunity comes responsibility

I often say to our teams that when we run a great business, it gives us the ability to give back to our communities and to help change people's lives for the better. This is more than just an opportunity—it is a responsibility for businesses around the world to help their people, communities, and planet thrive. Several issues are particularly close to Cisco's heart, starting with the devastating issue of homelessness in Silicon Valley. We are working with Destination Home to provide services and housing for those most in need. We have also entered into a long-term partnership with Global Citizen, which is committed to ending extreme poverty globally by 2030. These are just a few of many examples.

Three years ago, we set a goal to positively impact 1 billion people around the world by 2025 through our social impact grants and signature programs. Today we are almost halfway toward reaching that target. At the same time, we are working to ensure the long-term sustainability of our business. We have set ourselves ambitious targets for greenhouse gas (GHG) reduction, renewable energy usage, plastic reduction, and product return, among other targets, taking into consideration the entire ecosystem and lifecycle of the products and services we provide.

In today's dynamic environment, we remain focused on our customers, teams, and communities, and on things we can control. We will continue to invest in silicon, optics, and software, the combination of which is

Cisco 2019 Annual Report 3

Key milestones

- Continuing to extend portfolio of campus switches, wireless access points, and enterprise routing products with SD-WAN capabilities within our intent-based networking architecture
- With 2.15 million students in 180 countries participating in Cisco Networking Academy in fiscal 2019, we reported our goal of reaching two million Cisco Networking Academy students per year by 2021
- Introduced new software developer training and certifications under DevNet, Cisco's developer program
- 490 million euros (approximately) invested by our cash grant investments
- 50% of employees (global) re-enrolled in fiscal 2019

at the heart of our intent-based networking strategy. We believe our new intent-based architecture gives us a unique market advantage and differentiation, while offering our customers the simple, intelligent, and highly secure environments they need to succeed. We intend to continue to build the most innovative products and solutions to unleash the potential of our digital world.

Thank you for your continued support.

Chuck Robb
Chairman and Chief Executive Officer
October 18, 2019

CSR Report

https://www.cisco.com/c/dam/m/en_us/about/csr/csr-report/2019/_pdf/csr-report-2019.pdf

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 3)

The screenshot shows the 'CEO Message' section of the Cisco 2019 CSR Report. On the left is a navigation menu with icons for 'Our Story', 'CEO Message' (selected), 'The Details', 'Governance & Responsibility', 'People', 'Society', and 'Planet'. The main content area features a large portrait of Chuck Robbins and a blue circular graphic with the text 'A message from Chuck Robbins'. The text of the message is as follows:

For the last 35 years, Cisco has defined innovation, reimagined connections, and pushed the limits of what's possible. We helped build the Internet, and the Internet changed everything. Now anything and anyone can be connected, creating infinite possibilities for creative collaboration, smart cities, education, healthcare, and more. In these last few decades, we've seen technology do amazing things, transform experiences, and improve the lives of millions.

However, even with this progress and prosperity, many still struggle, and the inequality gap continues to widen. Nearly 10 percent of the world's population lives on less than \$2 a day. These individuals are challenged to meet even the most basic needs, let alone benefit from the digital revolution. This type of inequality is solvable, but it's going to take governments, community organizations, and the private sector all coming together to make a meaningful and lasting impact.

At Cisco, we want to build a future where technology helps people everywhere reach their potential and creates a better world for all.

We see massive opportunities for our innovation, expertise, and culture to play a role in finding solutions to some of society's biggest challenges. That takes shape in a variety of ways, including partnering with governments to accelerate digitization goals, advocating for data security and privacy, and empowering the next-generation workforce. We see incredible power in collaborating with passionate people and sharing our technology and expertise with those who need it most, from social investment

partners working to end global hunger to nonprofits addressing homelessness in Silicon Valley. Within our own company, we continue to transform our culture—driving diversity and inclusion throughout our entire organization and implementing sustainable business practices to reduce our environmental impact. We also encourage and accelerate our employees' passion to do good in the world by providing time off to volunteer and a matching donations program.

Cisco has long understood that social responsibility must be an integrated piece of our overall business strategy and that there is a clear connection between a healthy business and a healthy community. They are not mutually exclusive, and now it's more important than ever that we all realize this and collectively come together to shape inclusive economies and cultures and extend opportunities for all.

Sincerely,

Chuck Robbins
Chuck Robbins,
Chairman and Chief Executive Officer

At the bottom right, a dark blue box contains the following bullet points:

- With 2.15 million students in 180 countries participating in Cisco Networking Academy in FY19, we exceeded our goal of reaching 2 million students per year through this program by 2020
- 469 million people were positively impacted by our cash grant investments and signature programs
- 51 percent of employees donated or volunteered in fiscal 2019
- We made progress toward our FY22 goals of reducing our GHG emissions, increasing our use of electricity from renewable sources, and improving product energy efficiency
- You can learn more about the actions we're taking—and how we hold ourselves accountable to the universal principles embodied in the United Nations Global Compact—throughout this report

The footer of the page includes '2019 CSR Report' on the left and 'CMR 1-001-1A' on the right.

Proxy Statement Letter



Annual Report Letter



Global Environmental, Social and Governance Report Letter



Proxy Statement

<https://www.citigroup.com/citi/investor/quarterly/2020/ar20p.pdf?ieNocache=52>

LETTER FROM THE BOARD (PAGES 4-5)

Despite some very significant external challenges – most notably decreased interest rates and significant trade disruptions – 2019 was Citi's most profitable year since 2006...

2020 Board Letter to Stockholders

In our letter to you last year, we described Citi's financial performance in 2018 as best captured by the phrase "steady progress," and we used that same term to describe our goal for the company in 2019. We are pleased to report that, by nearly every significant financial metric, that goal was again achieved. Despite some very significant external challenges – most notably decreased interest rates and significant trade disruptions – 2019 was Citi's most profitable year since 2006, with net income increasing by \$1.4 billion; earnings per share were up more than 20%; underlying revenue growth exceeded 4% in constant dollars across both the company's Consumer and Institutional franchises; and total expenses were essentially flat, thereby generating continued positive operating leverage. Importantly, the financial metric we emphasized most in last year's letter – return on tangible common equity – improved by 120 basis points to 12.1%, exceeding the company's target of 12%. And Citi's Total Shareholder Return (TSR) was best among its peers in 2019, although that same metric has declined in 2020, as it has for other large banks, due to the sharp decline in markets caused by the Coronavirus.

For 2020, the Board looks forward to continued steady progress in Citi's financial performance, although that will obviously be impacted by the very real challenges of continued lower interest rates; the expectations of lower global growth resulting from the Coronavirus and other factors; and the need for continued investments in key businesses, infrastructure, compliance, and controls.

With respect to regulatory matters, Citi again achieved a successful result in the Federal Reserve's annual Comprehensive Capital Analysis and Review (CCAR), resulting in a return of capital to common shareholders for the calendar year, while maintaining levels of capital minimum requirements. In addition, the Federal Reserve Insurance Corporation once again determined that no deficiencies, although we did receive one shortcoming, related to governance mechanisms. More broadly, we focused on Citi making substantial progress towards enforcement orders and on other remediation projects. This progress will continue to require a substantial effort from both management and the Board.

The Board takes a very active role in overseeing the company and succession planning. In this context we oversaw a Citi made in its senior management ranks in 2019, including Jane Fraser to President of Citi and CEO of Global Consumer Bank, and Mark Mason to Chair of the Institutional Clients Group. And Mark Mason to Chair of the smooth transition to this next generation of leadership will be in the coming years.

Also in 2019, Citi took a strong leadership role on several governance issues of real importance. For example, on the first major U.S. bank to endorse the United Nations' Principles for Responsible Banking, Citi's business practices with the Paris Agreement. On housing affordability, Citi ran the 10th year in a row. And on diversity and inclusion, the company's commitment to transparency" by being the first U.S. company to disclose how the gaps in representation at the higher levels of our firm between women and men and between U.S. minorities and U.S. non-minorities result in pay gaps for those groups. The purpose of publicly disclosing these "raw pay gaps" is to keep pressure on Citi to continue to do more to reduce such gaps over time – as the firm has already begun to do. The Board fully supported each of these measures.

Finally, as of this writing, Citi, like companies all over the world, faces the growing challenges presented by the spread of the Coronavirus. Rest assured that the company and your Board are keenly engaged and taking appropriate measures to address these extraordinary circumstances.

Thank you for your ongoing support of Citi. Dialogue with shareholders is a fundamental feature of a well governed organization, and we will continue to make it a priority. Please write with any concerns or suggestions to: Citigroup Inc. Board of Directors, c/o Rohan Weerasinghe, General Counsel and Corporate Secretary, 388 Greenwich Street, New York, NY 10013.

Michael L. Corbat Ellen M. Costello Grace E. Dalley Barbara J. Desoer John C. Dugan Duncan P. Hennes	Peter B. Henry S. Leslie Ireland Lew W. (Jay) Jacobs, IV Renée J. James Eugene M. McQuade Gary M. Reiner	Diana L. Taylor James S. Turley Deborah C. Wright Alexander R. Wynaendts Ernesto Zedillo Ponce de Leon
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A WORD OF APPRECIATION

Gene McQuade, who will be retiring from our Board in April, has had a long and distinguished career with the company. Beginning in 2009, he served in management as CEO of Citibank, N.A., and later Vice Chairman of Citigroup; and for the last five years he has served on our Board, most recently as Chair of the Risk Management Committee. Gene played a critical role in helping to lead the company through the aftermath of the financial crisis, and drawing on his long experience as a banker, he provided wise and thoughtful oversight as a director. We thank him for his many valuable contributions.

LETTER FROM THE CEO (PAGES 2-5)

Letter to Shareholders

Dear Fellow Shareholders,

In 2019, Citi delivered our most profitable year since 2006. The \$19.4 billion we earned on \$74.3 billion in revenues was \$1.4 billion higher than in 2018. Our earnings per share of \$8.04 were up more than 20% compared with the year before. We drove 4% underlying revenue growth across our Consumer and Institutional franchises. We have grown loans and deposits for 16 consecutive quarters.

Michael L. Corbat
Chief Executive Officer

We continued to make progress toward the financial targets we have laid out. We are on a path to return approximately \$62 billion of capital to our shareholders, exceeding our commitment. To date, we have returned approximately \$53 billion, including a

we entered 2019 amid widespread predictions of a global recession and potential turn of the business cycle. Against that backdrop, the growth we drove came – as we said it would – from working collaboratively and creatively with clients to manage

at last confirmed. At Citi, we emerged in a strong competitive position in terms of capital, liquidity, technology and, importantly, talent. Changes to my management team include a new President of Citi and CEO of Global Consumer Bankings, Jane Fraser; a new

In our Global Consumer Bank, we sustained momentum by generating 4% annual underlying revenue growth with contributions from all three regions: the U.S., Mexico and Asia.¹ Since establishing a client-centric structure in our largest Consumer market, the U.S., our strategy of unifying Branded Cards and Retail Banking has yielded a steady stream of compelling new products and value propositions, from digital lending to flexible payments. We are targeting a significant opportunity to redefine scale net according to the traditional metrics of assets and footprint but with digitally driven experiences.

The strong revenue growth we saw in Branded Cards and \$6 billion in U.S. digital deposit sales – five times that of the previous year – are signs that our integrated client-centric strategy is working. Two-thirds of our digital deposit sales came from outside our physical footprint and half came from our card customers with no prior retail banking relationship with us. We also expanded our relationship with American Airlines to offer a new savings account designed to deepen relationships from card-only to multi-relationship clients.

And we announced a partnership with Google to explore launching a new checking account on Google Play in 2020, aimed at expanding the reach and breadth of our customer base. In Asia, we entered into new credit card partnerships with digital leaders Grab, Lazada and Indus Commerce. In Mexico, we continued to leverage Citibanamex's extraordinary prestige and leading market position to deliver double-digit growth in earnings before taxes even in a muted market environment. Our Institutional Clients Group turned in an equally strong performance, driving balanced 4% underlying revenue growth across our franchise that serves corporate (including 90% of Fortune 500 firms), investor and government clients and ultra high net worth households and individuals.² International Financing Review summed up the source of our market and wallet share gains when it named Citi 2019 Bank of the Year: "Citi is a truly global – and unique – corporate bank that joins the developed and developing worlds." Those connections run deep between our banking team and clients and across products, sectors, markets and regions.



Our Markets and Securities Services business continues its strong performance having topped the Greenleaf Associates' Global Fixed Income Dealer rankings for the fourth consecutive year. Securities Services grew deposit balances versus the prior year through new mandates and organic growth from existing clients. Citi Private Bank retained the award for the Best Global Private Bank from the Financial Times for the second year, finishing 2019 with year-over-year growth across product areas.

To enhance how we serve midsize companies that value our global reach, we reorganized our organizational structure to have Citi Commercial Bank report into the Institutional Clients Group globally. This new alignment leverages the full breadth of solutions provided by our client network and gives us new opportunities to continue to build and develop our top talent.

A year after we aligned our structure to create a holistic client coverage model in the form of the unified Banking, Capital Markets and Advisory (BCMA) team, our share rose year-over-year across mergers and acquisitions (M&A) and equity and debt capital markets. Our increased share shows how we can deliver a full suite of services to clients who rely on us to sustain steady transactional flow. BCMA fulfilled its mandate by executing on an even higher share of the year's significant deals. We were financial advisor to U.S. biotech firm Celgene on its \$9.6 billion merger with Bristol-Myers Squibb, the largest-ever financial advisor to Raytheon on its all-stock merger with United Technologies' aerospace unit. We also were joint global coordinator and bookrunner on Alibaba Group's nearly \$53 billion secondary listing in Hong Kong, the largest global follow-on deal in the sector and a sign of confidence in an important hub for Citi, the region and the world.

In 2019, the expectations of consumer and institutional clients continued to converge. Both groups want simple, seamless experiences that

are not just best of bank but best in life, prompting us to allocate substantial resources and mindshare to exceeding our clients' evolving expectations of engaging with Citi in their channel of choice.

Our strategy to capture the abundant opportunities inherent in this trend is threefold. First, we partner with startups that value our model, global client base and brand to test and

display new technology. Second, we invest a demonstrable growth ability to create solid real benefits to our clients. And third, we drive solutions through a incubation program of Innovation Labs, source, our intent is technology to refine points and frustrate our processes, and integrated products customers and client sectors were efficiently than peer is showing results; leadership has been each region. Citi is Digital Bank in Asia

As a colleague for and do alternative and create attractive return to the

Best Digital Bank in Finance and the first Desirable Mobile in the U.S. by Business Intelligence

In August, when its Roundtable – an OCE of major U.S. which I am a member of a revised statement

principles for responsible firms. I found the lively debate that ensued healthy and reassuring, but for us at Citi, the approach is not new. The statement said simply that companies should take the interests of all stakeholders – including shareholders, colleagues, clients, suppliers and communities – into account when making decisions. With every action we take, we

Our government clients around the world urgently need infrastructure. The G20 has estimated that nearly \$300 billion is needed for global infrastructure spending by 2040, but there is a spending gap of \$18 billion. Citi's Public Finance team is playing its part by financing, among other critical projects, the two largest airport public-private partnerships in U.S. history. We also financed the construction of new subway systems in Panama and Peru, helping two fast-growing metropolises in dynamic emerging economies reduce traffic and carbon emissions.

In the communities we serve, one particular infrastructure gap is increasingly pressing: affordable housing. As urban populations soar and cities become less affordable for many, what has long been an acute shortage is becoming a crisis. In 2019, Citi ranked first among U.S. financials in affordable housing for the 10th year in a row. We financed over \$6 billion worth of affordable rental housing projects. In partnership with developers, nonprofits and governments, our Citi Community Capital team has helped to create or preserve nearly 500,000 affordable units over the past decade.

We have been on the front lines and in charge of leading our industry with our sustainability strategy since joining the United Nations Environment Programme Finance Initiative in 1997 and co-founding the Equator Principles in 2004. That is the first framework developed by responsible financial institutions to assess and manage the environmental and social risks associated with project finance. Flash forward to September 2019 and Climate Week in New York. Citi was the only U.S. bank to sign on to the United Nations' Principles for Responsible Banking, joining a coalition of 130

There are few areas where the gap between the scale of the need and the progress to date is wider than in the field of inclusive finance.

global financial firms that have agreed to align their business practices related to climate risks and opportunities with the UN's Sustainable Development Goals and the Paris Agreement. In 2019, Citi achieved our first 10-year \$50 billion Environmental Finance Goal three years early, and in 2019, we executed our second 10-year \$100 billion Environmental Finance Goal four years ahead of schedule. In 2019, we were a founding signatory of the Positron Principles, a voluntary framework aimed at reducing the carbon emissions of maritime shipping. We are also on track to achieve our goal of sourcing 100% renewable electricity across our global operations in 2020.

There are few areas where the gap between the scale of the need and of the progress to date is wider than in the field of inclusive finance. With the world's unbanked population estimated at 1.7 billion, our Inclusive Finance unit has worked with teams across our firm over the last decade to provide more than 3.3 million entrepreneurs, 3 million of them women, with access to capital and financial services in 34 countries in partnership with the U.S. International Development Finance Corporation, formerly OPIC. The Citibanamex Transfer account has attracted over 10 million customers, 80% formerly unbanked. The Citi Foundation's Pathways to Progress program, which started in 2014 in 10 cities and went

global three years later, has helped prepare more than 850,000 youth for the jobs of today through skills training, mentorship, workforce training and leadership development. We have invested \$140 million in this initiative to date and will soon be announcing its next stage.

The financial results we reported and the positive economic and social impact that we and our model have on our clients and communities have never been more closely connected. The Mission and Value Proposition at the heart of this report describes not just what we do but how and why we do it. As we prepare to host our second Investor Day, in 2020, I have never felt better about our financial strength and competitive position, as measured by all the relevant metrics: revenues, return, income and capital. I have also never felt better or more confident about who we are, what we stand for, and the lasting value of the many things we do for our clients, our communities, our shareholders, our people and all of our stakeholders worldwide. While there is no shortage of challenges ahead, I am confident in our ability to continue to rise and meet them.

Sincerely,

Michael L. Corbat
Chief Executive Officer, Citigroup Inc.

¹ Excludes the impact of foreign exchange (FX) translation on revenue, as well as revenue gains on sale in 2019 of approximately \$100 million of a portion of the portfolio in Latin America Capital Consumer Banking (CCB) and approximately \$200 million in an about management buyouts in Latin America CCB. For a reconciliation of revenue in standard dollars to reported results for Citi's consumer, business (CIB) and Institutional business (Institutional Clients Group), see Table 3 of Citi's fourth quarter 2019 Earnings Review available at www.citigroup.com/citi/investor/quarterly/2019/earnings-review. As noted throughout, Citi's results of operations in standard dollars and excluding the gains on sale of our CIB and financial measures.

² Excludes the impact of FX translation, as well as the gains on sale of North America CCB and Latin America CCB described in Table 1. For a reconciliation of revenue in standard dollars to reported results, see the tables in "Global Consumer Banking," "Latin America CCB" and "Global Consumer Banking Asia CCB" in Citi's 2019 Annual Report on Form 10-K, included with this letter.

³ Excludes the impact of FX translation, as well as the gains on sale of North America CCB and Latin America CCB described in Table 1. For a reconciliation of revenue in standard dollars to reported results, see the tables in "Global Consumer Banking," "Latin America CCB" and "Global Consumer Banking Asia CCB" in Citi's 2019 Annual Report on Form 10-K, included with this letter.

⁴ Excludes the impact of FX translation, as well as the gains on sale of North America CCB and Latin America CCB described in Table 1. For a reconciliation of revenue in standard dollars to reported results, see the tables in "Global Consumer Banking," "Latin America CCB" and "Global Consumer Banking Asia CCB" in Citi's 2019 Annual Report on Form 10-K, included with this letter.

LETTER FROM THE CEO (PAGES 5-6)



Letter from Our CEO

That businesses will ultimately be more successful and profitable when they take into account the broader needs of society is not a new idea. But that principle gained new traction in the latter half of 2019, when the Business Roundtable gave fresh voice to it. The new statement of corporate purpose said simply that companies should take the interests of all stakeholders – including shareholders, colleagues, clients, suppliers and communities – into account when making decisions. Who could have imagined just how urgent responsible companies' commitment to serve the greater good would be, less than a year later?

As I write this letter, we are in the midst of the COVID-19 pandemic, a wide-ranging and long-lasting crisis that is impacting every part of the world. Society and economy are to an unprecedented degree through this crisis will require what we, as a company, are able to offer. I know that what we have made in the past has contributed to our ability to weather the present storm and, ultimately, emerge from it.

We know that this crisis is having a disproportionate impact on our most vulnerable communities. To help mitigate economic distress, our social impact strategy, our social impact fund, and our social impact fund will make equity investments in socially oriented startups and companies.

means of bridging the gap between the digital haves and have-nots. Today, CoDi is enabling more than 5.5 million digital clients to send invoices and payments using QR codes on their phones at no cost. CITIbanamex is one of the leading banks behind this innovative initiative and has had a leadership role since its inception.

We're also continuing to support entrepreneurs through efforts like Scaling Enterprises, a \$100 million loan guarantee facility and joint effort with the U.S. International Development Finance Corporation (the former OPIC) and the Ford Foundation. Scaling Enterprises provides early-stage financing in local currency to companies that expand access to products and services for low-income communities in emerging markets. To complement our lending activities, our new \$150 million CITI Impact Fund will make equity investments in socially oriented startups and companies.

And we continue to champion philanthropic causes to increase economic opportunity. An urgent need is to help narrow the gap between the skills and knowledge many young people have and what they will need in order to succeed in this century. That's why one of our largest philanthropic focus areas is workforce development. Last year, the CITI Foundation completed its three-year, \$100 million Pathways to Progress initiative to invest in preparing youth for 21st century jobs, and we'll soon expand that program with an additional new commitment. Last year, CITI and the CITI Foundation gave \$147 million in grants and charitable contributions.

I know that these efforts will continue and will even accelerate as will the time and dedication that my CITI colleagues pledge to supporting their communities. We have committed to build on the nearly 1 million hours of service contributed by CITI volunteers in 2019. Virtually and once we can safely re-engage with our communities.

We also strongly believe that our most important impact comes from our core business activities, including the financing of critical infrastructure, affordable housing, environmental finance and small business lending. The economic recovery will be further strengthened by institutions' commitments to addressing an increasingly acute shortage of affordable housing. Last year, CITI provided more than \$6 billion in loans for affordable housing projects in the U.S., making our firm the largest U.S. affordable housing lender for the 10th consecutive year.

It's also my hope that one outcome of our present predicament will be an even deeper respect for science and a recognition of the investments in technology we will need to make to help our world thrive in the years ahead. Innovation will be essential as we look to confront the many other challenges that critically impact us all – chief among them, climate change.

Our health, our economic success and our environment are all inextricably linked, which is why, despite the current challenges, we must sustain our efforts to fight climate change. In 2019, CITI exceeded our \$100 billion goal to help reduce the impacts of climate change through environmental finance activities around the world more than four years ahead of schedule. Still, we know much

remains to be done, quickly, and so we are as committed as ever to bridging our resources and capacity for innovation to bear as we seize the opportunity to even more effectively and creatively tackle this urgent challenge.

Banks have a central role to play, both in helping people and communities through the current pandemic and in the ultimate recovery. At CITI, we will continue working with all of our clients and customers – individuals, small businesses, companies and governments around the world – to manage the business and economic fallout of this pandemic. We will provide the necessary support, credit and assistance programs that people, institutions and communities will need to rebuild.

I write this letter with the utmost humility, as I know the work ahead will require even more focus, more dedication, more partnership and more commitment than at any time in recent memory. But we will use the lessons of the past and the depth of our partnerships to guide us. I have every confidence that, as a company and a society, we will emerge stronger and more committed to the collective good than ever before. I know our citizens, our companies and our governments are resolved to do nothing less. My colleagues at CITI and I are more than ready to help lead the way.

Michael J. Corbat
Michael J. Corbat
Chief Executive Officer

Proxy Statement

https://investors.coca-colacompany.com/filings-reports/all-sec-filings/content/0001206774-20-000704/ko_courtesy-pdf.pdf?TB_iframe=true&height=auto&width=auto&preload=false

LETTER FROM THE CHAIRMAN AND CEO (PAGES 4-5)

2 Letter from our Chairman and Chief Executive Officer



To my fellow shareowners:

On behalf of the Board of Directors and the leadership of The Coca-Cola Company, I want to thank you for your investment. It is my privilege to serve as Chairman and Chief Executive Officer and I appreciate the responsibility and trust involved in leading this great business for continued success in the future.

In the 134 years since Coca-Cola was invented, the brand has grown and the Company has evolved enormously. Today, we offer more than 500 brands and more than 4,700 products, including reduced-sugar drinks and smaller packages. The speed of change we see today is, arguably, faster than ever. We've been on a continuous journey to evolve as a total beverage company – and I emphasize the word "journey," because it is something that never ends.

While our portfolio has grown and diversified, especially in recent years, Trademark Coca-Cola remains at our core. This brand is one part of the consistency that has made us a great Company for so long.

REFRESH THE WORLD, MAKE A DIFFERENCE

The core purpose of The Coca-Cola Company is important to reiterate – we exist to refresh the world and make a difference. By operating this way, we've been successful as a system for more than a century and, along the way, we've continually created value for a broad and diverse group of stakeholders. This forms the foundation that enables us to generate strong returns for you, our shareowners.

We've spent a considerable amount of time lately reflecting on the purpose of our Company, especially in light of the rapid changes in the world around us. What we've learned is that the Company's purpose remains unique. It's why we exist, and it's needed now more than ever.

Our purpose is supported by a belief to build brands that people love – brands that refresh them in body and spirit. We do this in ways that create a more sustainable business and a better shared future that makes a difference in people's lives, communities and our planet.

OUR PROGRESS IN 2019

When I reflect on this work of the Company leaders who come before us, I'm struck by how forward-thinking they were. Their long-term vision for the business was clear. We, too, are shaping The Coca-Cola Company not just for the quarters ahead but for years and decades down the road.

At the same time, we're working to make progress every day. As I think back on 2019, I was a meaningful year in the evolution of the Company.

LETTER FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER 2

Importantly, it was a period of revenue growth and value share gains across the world. Sparkling soft drinks remained critical to our business. Our ability to grow revenue for these brands helped fuel and enable new innovations and investments.

People love Trademark Coca-Cola, and we're doing more with the trademark than ever before. Coca-Cola Zero Sugar continued to grow in the double-digit globally. Coca-Cola Orange Vanilla was our first new Trademark Coca-Cola flavor in 12 years. We expanded Coca-Cola with Coffee across more than 25 additional markets. We also introduced Coca-Cola Energy in more than 45 markets. Our approach with Coca-Cola Energy – to be fast, malleable and ready to make changes – stands out as an example of what we want to see from people across our Company. Not everything will work, but our growth mindset means we are agile and empowered. We're taking action and trying new things.

In 2019, we also completed our acquisition of Costa Limited. We focused on working with the Costa team to develop a plan for accelerated growth. We introduced ready-to-drink Costa, and we expanded our footprint of Costa Express smart cans. We also grew our on-premise offerings, all while working to ensure Costa's retail outlets are in the best locations.

In addition, we acquired full ownership of C&H Limited, an innovative, fast-growing leader in juices, value-added dairy and, as of July in West Africa. And, at the beginning of 2020, we acquired the remaining stake in Frito-Lay, LLC.

CREATING SHARED VALUE

The idea of creating shared value is a powerful part of our culture. Our world is ever more interconnected and transparent. People expect us to serve as leaders.

Today, this includes addressing one of the great challenges of our era – the proliferation of packaging waste. Our World Without Waste strategy, which we introduced in 2018, is becoming fully embedded in how we do business. Our goal is to equal the equivalent of 100% of the bottles and cans we sell by 2030. We want to stop waste from entering the environment, and we also want to turn old bottles into new bottles or other useful items.

This is an important part of how we plan to reduce our carbon footprint. When plastic bottles are recycled and reused to make new bottles, they have a lower carbon footprint than many other types of packaging. This addresses two significant goals – minimizing packaging waste and reducing carbon. These are core business priorities that are deeply ingrained in everything we do.

Our work in this space is one of many examples of how we're working with a diverse group of stakeholders. This is one of my major roles as Chairman and Chief Executive Officer of the Company, in partnership with my fellow Directors and leaders from across the Company. I thank them and appreciate their support.

Finally, let me close by thanking you again for your investment in and support of The Coca-Cola Company. I am glad you are on the journey with us.



James Quincey
 Chairman and Chief Executive Officer
 The Coca-Cola Company

The Coca-Cola Company

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LETTER FROM THE LEAD INDEPENDENT DIRECTOR (PAGES 6-7)

3 Letter from our Lead Independent Director on behalf of the Board of Directors



Dear fellow shareowners:

On behalf of our entire Board of Directors, I am pleased to present our annual Proxy Statement and report to you, our shareowners, on a variety of important issues.

2019 was a milestone year for our Board, as we successfully completed a leadership succession plan. In April, James Quincey began serving as Chairman of the Board, in addition to serving as CEO, and I became your Lead Independent Director. I am pleased and honored to serve in this position.

I, along with the entire Board, remain actively engaged with James in a partnership to ensure the Company is strategically positioned to successfully grow the business.

One of my priorities as Lead Independent Director is to ensure the Board is comprised of Directors who are dedicated to oversee the success of the business. I thank Sam Nouri, who was our Lead Independent Director before retiring from the Board last year. Sam established a foundation of robust Board refreshment practices, and today I believe we are a diverse, well-functioning Board comprised of capable Directors with the right mix of skills and experiences.

Board refreshment is an ongoing process, and I will ensure that we continue to lead the Board positively. I am also prioritizing a focus on the Board's procedures and disciplines to ensure they remain effectively designed to help us meet our objectives. As we go about this work, it is informed by what we hear through engagement with shareowners.

In late 2019, we initiated important changes to our Board committee structure, reappointing two of our key committees. The newly positioned Talent and Compensation Committee will assist the Board in its oversight of the Company's policies and strategies relating to talent, leadership and culture, including diversity and inclusion. In addition, the Committee will continue to evaluate and approve compensation plans, policies and programs of the Company.

This Public Policy and Sustainability Committee will now be primarily focused on oversight of the Company's core sustainability and public policy work. The Committee will focus on public issues that may affect the Company's business, its shareowners, the broader stakeholder community or the general public.


LETTER FROM OUR LEAD INDEPENDENT DIRECTOR ON BEHALF OF THE BOARD OF DIRECTORS 3

As Lead Independent Director, I look forward to being the key point of contact at the Board level for our shareowners. We value the input shareowners provide throughout the year by the various means outlined in this Proxy Statement, and I commit to continuing those practices.

These changes in committee scope reflect the strategic significance that talent, culture and sustainability have to our long-term success and further reflect the growing focus on environmental, social and governance issues by our investors and the broader stakeholder community.

As Lead Independent Director, I look forward to being the key point of contact at the Board level for our shareowners. We value the input shareowners provide throughout the year by the various means outlined in this Proxy Statement, and I commit to continuing those practices.

As always, we value your investment in this Company, and we appreciate the trust you place in us to oversee your interests in our business.

Sincerely,

Maria Elena Lagomastino
 Lead Independent Director

Governance Highlights

We are committed to good corporate governance, which promotes the long-term interests of shareowners. The entire Board and the entire Company are held accountable to this Company. The Governance section beginning on page 11 describes our governance framework, which includes the following highlights:

BOARD PRACTICES

- 30 or 32 Director committee appointments
- Demonstrated commitment to Board refreshment since 2016; five new Directors have joined our Board; Director have zero exits
- Board Director nominee selection process
- Regular Board, committee and Director appointments
- Annual election of Directors with majority voting standards
- Lead Independent Director elected by the Independent Directors
- Independent Audit, Compensation and Governance Committees
- Regular disclosure of non-employee Director's compensation
- Strategy and risk oversight by the Board and committees

SHAREOWNER MATTERS

- Longstanding, active shareowner engagement
- Annual "say on pay" advisory vote
- Majority voting with majority policy for Directors in uncontested elections
- Proxy access rights
- Shareowner rights to call special meetings

OTHER BEST PRACTICES

- Longstanding commitment to sustainability and ethics, environmental, social and governance (ESG) matters
- Board oversight of talent, compensation and culture, including diversity and inclusion
- Widespread public policy engagement
- Stock ownership guidelines for executives and stock holding requirements for Directors
- Anti-takeover, anti-short sale and anti-takeover policies
- Outlook policy for incentive awards

The Coca-Cola Company

2020 Proxy Statement 7

Business & Sustainability Report

https://d1io3yogOoux5.cloudfront.net/_cb248f93017b5b3ba4affda865a4a5bc/cocacolacompany/db/734/7242/annual_report/coca-cola-business-and-sustainability-report-2019+%281%29.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 3-4)

Chairman & CEO Letter

Our Priorities & Progress

Our Company

Our Portfolio/Reducing Added Sugar

Climate

World Without Waste

Water Leadership

Sustainable Agriculture

People & Communities

Sustainable Development Goals

Operations Highlights

Data Appendix

Reporting Frameworks



JAMES QUINCEY
CHAIRMAN & CHIEF EXECUTIVE OFFICER

In 1923, Robert W. Woodruff succeeded his father as president of The Coca-Cola Company. Woodruff was just 34 at the time, and Coca-Cola was still a small company with an uncertain future.

Woodruff went on to help lead the company for decades—decades filled with tremendous progress and transformation. He also navigated the company through many difficult chapters, while staying true to the purpose of The Coca-Cola Company: to refresh the world and make a difference.

Today, we face our own challenges. In 2020, there has been an unprecedented global pandemic caused by the novel coronavirus COVID-19. Although the circumstances

may be different, our company's purpose remains the same. It's why we exist, and it's needed now, more than ever.

Coca-Cola has a history of leadership, of resilience, and of doing the right thing. No matter whether times are good or when challenges exist.

Just as our purpose guides us in difficult times, it guides our vision for growth in better times. In 2019, we laid out our vision to craft the brands and choice of drinks that people love, to refresh them in body and spirit. And we said we'd do this in ways that create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.

We delivered strong revenue and profit growth in 2019. Globally, our zero sugar products continued to perform extremely well. We made significant progress toward our World Without Waste goals, with 16 markets offering beverages packaged in 100% recycled PET bottles, with more to come. And we're on track to meet our goal of empowering 5 million women by the end of 2020 as well as continuing to replenish annually more than 100% of the water used to manufacture our beverages.

LOVED BRANDS

Our foundation for enduring success is that we are a total beverage company. We're present in almost every beverage category, and we have more than 500 brands. Over 700,000 people in our global system help deliver those brands to customers and consumers every day.

- In 2019, we continued to execute our growth strategy, which led to strong revenue and profit growth for the year, along with gaining value share in 85% of our key markets.
- Trademark Coca-Cola grew retail value 6% for the second consecutive year, supported by contributions from innovations such as Coca-Cola with Coffee, which was launched in 35 additional markets in 2019.
- We introduced Coca-Cola Energy in more than 45 markets, and Coca-Cola Zero Sugar continued to see double-digit volume growth globally.
- We completed the acquisition of Costa Coffee and acquired full ownership of C.H.I. Limited, an innovative, fast-growing leader in expanding beverage categories, including juices, value-added dairy and iced tea in West Africa.

In January 2020, we acquired full ownership of fairlife. Value-added dairy products have been one of the fastest-growing categories in the United States, with fairlife being a large contributor to sales growth.

DONE SUSTAINABLY

We know it's our responsibility to use our global scale for good. We're using our leadership to achieve positive change in the world and build a more sustainable future for our communities and our planet. We're doing this by taking a hard look at data and setting goals for our company based in science.

- In 2019, we provided consumers more beverage choices with less sugar. We continue work to reduce package sizes and provide clear nutrition information. We removed approximately 350,000 tons of added sugar on an annualized basis through approximately 275 product reformulations in 2019.
- We are making significant progress in our World Without Waste initiative. We now have 16 markets offering beverages packaged in 100% recycled PET bottles, with more to come. Coca-Cola Sweden announced it would be the first market in the world to transition to 100% recycled PET for all plastic bottles made in-country.
- We made key investments, including in a cutting-edge bottle-to-bottle recycling facility in the Philippines and, in the United States, we teamed with industry partners and major competitors to launch the "Every Bottle Back" program. This includes a new \$100 million industry fund that will be used to improve sorting, processing and collection in areas with the biggest infrastructure gaps to help increase the amount of recycled plastic available to be remade into new beverage bottles.

Chairman & CEO Letter

Our Priorities & Progress

Our Company

Our Portfolio/Reducing Added Sugar

Climate

World Without Waste

Water Leadership

Sustainable Agriculture

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Reporting Frameworks

"In 2019, we laid out our vision to craft the brands and choice of drinks that people love, to refresh them in body and spirit."

- We set a new, Science-Based Target, aligned with the goals of the Paris Agreement. By 2030, we aim to reduce total GHG emissions across our full value chain by 25% below 2015 levels.

FOR A BETTER SHARED FUTURE

We continue to provide assistance and support to the communities we serve, especially in times of need.

- In 2019, we contributed nearly \$125 million (\$88 million from The Coca-Cola Foundation and \$37 million from The Coca-Cola Company) to directly benefit 294 organizations across 129 countries and territories.
- Our economic empowerment programs have been making a meaningful difference. We have empowered more than 4.6 million women and our 5by20 initiative is on track to reach its target of transforming the lives of 5 million women by the end of 2020.
- Diversity and inclusion are at the heart of our values and continue to play an important part in our company's success. To emphasize our commitment to gender diversity, Coca-Cola joined several global and national pledges, including Catalyst

CEO Champions for Change, Leading Executives Advancing Diversity (LEAD) Network, United Nations Women and the CEO Action for Diversity and Inclusion.

Finally, this is the second year for our combined Business and Sustainability Report. We are committed to doing business the right way, and this combined approach helps us drive collective accountability and increased transparency into our data and processes.

In 2019, we had a successful year. In looking back, writing today during a challenging period in 2020, I'm reminded of the power of our people to make a difference, to serve our communities and to constantly work to shape a more sustainable business. The leaders before us showed the way, in their examples of perseverance and resolve. We'll continue to work toward building a better future. And I thank you for your support and partnership along the way.


James Quincey
Chairman and Chief Executive Officer
April 22, 2020



OUR RESPONSE TO THE CORONAVIRUS PANDEMIC

The Coca-Cola Company has—and always will—put the health, safety and security of people first. Our approach is grounded in our company's purpose, which ensures that we continuously strive to make a difference for people in our communities and in our workplaces.

The coronavirus pandemic has posed enormous challenges around the world. Our company's deepest sympathies go out to all who have been impacted. Even in challenging times, our company's 134-year history shows us one thing: We have faced crises before, and we always emerge stronger, more resilient and more united than ever.

For more about our company's actions during the pandemic, please visit our [website](#).

3 THE COCA-COLA COMPANY / 2019 BUSINESS & SUSTAINABILITY REPORT

4 THE COCA-COLA COMPANY / 2019 BUSINESS & SUSTAINABILITY REPORT

Proxy Statement Letter



Annual Report Letter



Values Report Letter



Annual Report

<https://www.cmcsa.com/static-files/d745756f-2ea4-4b7b-90e9-9f1dabc94c33>

LETTER FROM THE CHAIRMAN AND CEO



2019 Letter to Shareholders

Dear Fellow Shareholders,

2019 was a terrific year for Comcast, and we enter 2020 with momentum, enthusiasm, and purpose. We are a unique global media and technology company with a combined \$5 million high-value customer relationships, fantastic premium content, and an innovation engine that is propelling us forward. Most importantly, we have strong, passionate, and diverse employees who are working together to shape and deliver what's next for our industry, consumers, and shareholders.

As we turn toward the coming decade, we look back at the last one with pride. These past 10 years have been some of the best in our history. At Cable, in 2010, we introduced our Xfinity brand, pledging to bring customers the finest product experience anytime, anywhere. We launched X1, creating a cloud-based entertainment platform that is not only world-class, but also one that has enabled us to accelerate our technological innovation. Today, we are continuously enhancing this platform with the rapid onset of machine learning to

improve and personalize all aspects of our customers' experiences. We have invested in broadband, setting a new standard for connectivity with the creation of Fi. We also launched Xfinity Mobile and Flex, adding to the value of our core broadband offerings. Through it all, we grew, adding more than one million new broadband customers each year over the past 14 years. Meanwhile, Comcast Business skyrocketed, beginning the decade as an early-stage start-up, and ending it generating \$8 billion in annual revenue with tremendous runway for future growth. Collectively, our connectivity businesses generated \$26.5 billion in revenue in 2019 (vs. ~\$8 billion in 2009).

NBCUniversal has had similar, great success since we acquired it in 2011. We made significant and disciplined investments. In television, we turned around NBC and Telemundo, achieved record profit levels across our cable networks, and jumped into 2020 with the debut of our innovative streaming service, Peacock. We brought a new strategy and creative leadership to the film team, which resulted in more consistency and

higher profitability. We rapidly increased new attractions and hotels to drive attendance and returns at our spectacular Theme Parks. Today, NBCUniversal is a recognized global leader in media and entertainment, and its EBITDA has nearly tripled since we first announced our intent to acquire a majority stake in the company.

In late 2018, we acquired Europe's leading premium television business, Sky, enabling us to better compete in a world where scale matters. Sky is a superb organization with tremendous management, an outstanding brand, 24 million customer relationships in key markets, and a premier position in sports, news, and entertainment. In its first full year with us, Sky delivered strong customer additions and impressive viewership across channels. Together, we identified many ways to unlock value – from Sky's support for Peacock and Flex, to transferring expertise in broadband, to our new film and TV studio in Ebbw Vale in the UK. These opportunities will only increase in the years ahead as we continue to combine our talent and resources to invest smarter and execute faster.

In summary, over the course of the past decade, we delivered a cumulative total shareholder return of 542% – more than double the S&P 500.

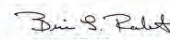
Looking forward, the first growth engine of this company is connectivity, which resulted in a record year for net customer relationship additions. We will build on our unique speed, coverage, and control offering – xFi – and also extend that formula to Italy. Second, we will focus on the emerging areas of streaming and content aggregation by launching Peacock

and accelerating the deployment of Flex and Sky G. Lastly, we will continue to expand our Parks business, opening Super Nintendo World at Universal Studios Japan in 2020, and two brand-new parks in Beijing and Orlando, which will open in 2021 and 2023, respectively.

So, we begin 2020 with a great plan in place and ready to win in a rapidly evolving landscape. We have a galvanized leadership team, which will forge a path to help us navigate consumer trends with fresh thinking, while building on our track record of delivering strong operational and financial results and making smart investments. I'd like to thank those stepping back, including Steve Burke and David Cohen, who have been my partners in creating our wonderful organization.

The last decade was indeed among the finest in our more than 50 years. Sadly, it is also when we lost our founder, Ralph J. Roberts. But the special company he envisioned – one where employees could be inspired and respected, one that would have a meaningful impact on people both through its products and services as well as its support of local communities, and one that would create long-term meaningful value for shareholders – is stronger than ever.

I am proud to help lead Comcast into the future and to build on an extraordinary legacy.


BRIAN L. ROBERTS
CHAIRMAN AND CEO
January 31, 2020

Values Report

https://update.comcast.com/wp-content/uploads/sites/33/dlm_uploads/2020/05/Comcast-NBCUniversal-Values-Report-2020.pdf

MESSAGE FROM THE CHAIRMAN (PAGE 2)

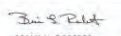
A Message from Our Chairman

We are in the midst of one of the most challenging periods in our society's history, as COVID-19 continues to impact nearly every aspect of our daily lives. Crises test us, both as individuals and as organizations. They remind us of what matters most. They reveal who we are – and the core principles that define us.

Comcast's values – of integrity, respect, inclusion, and giving back – have never been more evident or more important than they are today. I couldn't be prouder of our company and our leaders across Comcast, NBCUniversal, and Sky for stepping up and helping to ease the burden on our employees, customers, and communities when they need us most. You can learn about our comprehensive response to COVID-19 on page 4.

Supporting our local communities has been core to our company's DNA for nearly 60 years, and as we've grown, so has that commitment. Together with local leaders and nonprofits around the world, we work actively every day to help improve the lives of our neighbors, especially those who need it most. Hopefully you will see how these efforts came to life this past year as you read the report that follows.




BRIAN L. ROBERTS
Chairman and Chief Executive Officer
Comcast Corporation
June 1, 2020

Costco Wholesale

Proxy Statement Letter	X
Annual Report Letter	✓
Sustainability Report	N/A

Annual Report

<https://investor.costco.com/static-files/05c62fe6-6c09-4e16-8d8b-5e456e5a0f7e>

LETTER FROM THE PRESIDENT AND CEO

December 10, 2019

Dear Shareholders:

Since we opened our doors in 1983, the world and the retail landscape have changed. The same might be said of our business, which as of the end of fiscal 2019 had grown to 782 locations, extending across multiple international borders, 254,000 employees, and 99 million Costco cardholders. With the many successes we have realized over these past 36 years, one thing has remained constant. We have remained true to our core values of doing the right thing, operating efficiently, and providing great, quality goods and services at very low prices. Our commitment to these tenets resulted in another strong year. In fiscal 2019, net sales for the 52-week year totaled \$149 billion, an increase of 8%, with a comparable sales increase of 6%. Net income was \$3.66 billion, or \$8.26 per share, an increase of 17%. Revenue from membership fees increased 7% to \$3.35 billion. In the United States and Canada, our membership renewal rate reached a record high of 91%, while worldwide our renewal rate was 88%.

This year, we opened our first Costco in China (West Shanghai). With over 139,000 membership sign-ups by opening day, the reception was exceptional, and we look forward to future China openings. Additional warehouse openings in 2019 included 16 in the United States, one in the United Kingdom, one in Australia and one in Korea. We will continue to explore opportunities to grow worldwide. We also believe continued investment in logistics and vertical integration will reap benefits for our members, our business, and our shareholders. We expanded our depot operations and rolled out the first of several planned e-commerce fulfillment automation operations. Our poultry complex in Nebraska recently opened, and a joint partnership to develop a greenhouse will yield fresh organic lettuce out of California in fiscal 2020.

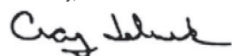
We continue to improve our members' experiences, the successes of which have been validated by solid comparable sales results, shopping frequency, and membership renewals. Our expansion of self-checkout in the U.S. and Canada has benefited our warehouse operations and members by providing a more rapid and autonomous option for completing purchases, and we will continue expanding this program. Pickup lockers, which allow members to purchase certain merchandise online to be picked up at the warehouse, have been introduced at various locations and will also be expanded. We remain focused on the continued growth of our Kirkland Signature brand through the development of new items, while also seeking to establish new relationships with premium brands. In fiscal 2019, this included the addition and/or expansion of quality offerings from Apple, Columbia Sportswear, Sony and Weber (among others).

To complement and support our core warehouse business, we continue to improve our e-commerce activities. New merchandise selections have driven traffic to the site, and new technology has improved delivery times. Same-day grocery delivery is now available to members within a 20-minute drive of 99% of our U.S. locations. We continue to improve the Costco App for easier functionality, including new features such as the Digital Membership Card in the U.S. and Canada, Costco Pharmacy order placement and pick-up notifications, and an option to navigate directly to member savings events. Costco Travel introduced the option of bundling hotel accommodations with airfare, which provides added value and flexibility. In fiscal 2020, we are launching e-commerce operations in Australia and Japan.

Our employees are fundamental to all of our achievements. We acknowledge their importance by providing great wages and health benefits, emphasizing inclusion and diversity, providing resources to enrich and inspire, supporting leadership training, and promoting from within. From entry-level employees to senior executives, we all have a responsibility for our success. I again extend my sincere thanks to all members and employees who help make Costco one of the world's most highly regarded companies.

May the year ahead bring you and your families good health, happiness, peace, and prosperity.

Sincerely,



Craig Jelinek
President and Chief Executive Officer

Proxy Statement Letter



Annual Report Letter



Corporate Social Responsibility Report Letter



Proxy Statement

<https://www.sec.gov/Archives/edgar/data/64803/000120677420001053/cvs3650331-def14a.htm>

LETTER FROM THE CHAIR OF THE BOARD SHARED WITH THE PRESIDENT AND CEO



Message from Our Chair and Our Chief Executive Officer



Dear Fellow Stockholders:

In 2019, CVS Health laid a strong foundation for long-term sustainable growth and made significant progress executing against our strategic plan. We delivered value through growth in our businesses and contributions from integration synergies that exceeded our expectations. We remain focused on helping people on their path to better health by making health care more local and simpler, while also lowering costs for consumers, members and clients.

Strategic Priorities Guiding our Transformation

We have four strategic priorities that drive our work to transform the way health care is delivered across the U.S.: grow and differentiate our businesses; deliver transformational products and services; create a consumer-centric technology infrastructure; and modernize Enterprise functions and capabilities. We advanced all four of these priorities in the past year. Our Health Care Benefits segment outpaced the industry in Medicare Advantage membership growth, and our Retail/LTC segment outpaced the industry in growth in prescriptions filled. In 2019, our pharmacy benefit manager, CVS Caremark, initiated a new \$0 out-of-pocket program for diabetes care that will be available this year. We developed and launched our Transform Oncology Care[®] program to help patients receive the most effective cancer treatments utilizing our integrated assets and capabilities, including a precision medicine program using the latest genomic science and technology. We continued the addition of HealthHUB[®] locations to select retail stores, ending the year with over 50 such locations, introducing a number of innovative products and services within those locations and are working to make those new products and services available across our retail stores in additional geographies.

Corporate Social Responsibility

Our Corporate Social Responsibility ("CSR") strategy is integral to how we deliver on our purpose of helping people on their path to better health. As we look to the future, we have an opportunity to transform health care for our patients, members, customers, clients and colleagues. To do this, we are investing in community health at the local level to improve outcomes, supporting the economic and professional development of our colleagues and partners, and utilizing our scale and expertise as a health care leader to improve the health of our environment. Our vision for the future is bold, and we ask you to join us on our journey to transform health.

Corporate Governance

Over the course of the year, management and the Board worked closely together on the advancement of our strategic plan. We proactively engaged with our stockholders to enhance our understanding of your needs. The feedback we received has driven some of the changes you'll read about in this proxy statement. We pride ourselves on our strong governance practices, we thank you for your continued support and we welcome your feedback regarding future improvements.

Overall 2019 Financial Performance

CVS Health delivered strong revenue growth of 32.0%, driven by the addition of Aetna and continued strong growth in Enterprise prescriptions filled, which was 3.8% for the year. We delivered GAAP diluted earnings per share of \$5.08, with adjusted earnings per share of \$7.08,* above the high end of our guidance range. We are pleased with the progress we made in 2019 in laying the foundation to accelerate future growth. In February 2020, we updated our 2020 adjusted earnings per share outlook from the low-single digit growth projection we provided at our June 2019 Investor Day to low- to mid-single digit growth. In addition, our significant cash flow generation has enabled us to deleverage in accordance with our plan, paying down approximately \$4.7 billion of net long-term debt in 2019 and approximately \$8 billion from the close of the Aetna acquisition through year-end 2019. We remain confident in our outlook for 2020 and beyond, and we believe we are well-positioned to be at the forefront of driving change in the evolving health care landscape.

Annual Meeting of Stockholders

As we look to our 2020 Annual Meeting, we are facing a global health crisis and volatile market environment with significant uncertainty related to the COVID-19 pandemic. At CVS Health, the health and wellbeing of our colleagues has always come first, and we are taking actions to support our colleagues and their families to help them navigate these uncertain times. These steps include one-time bonuses to those who are required to be at CVS Health facilities to assist patients and customers in this time of unprecedented need, child and elder care assistance and paid sick leave for part-time colleagues to help them manage through the COVID-19 pandemic. In these volatile and unprecedented times, we are reminded of CVS Health's vital purpose, and we have taken actions to serve our communities.

Our 2020 Annual Meeting of Stockholders will be held on Thursday, May 14, 2020, at 8:00 a.m. We ask you to please vote at your earliest convenience. Your vote is important.

Thank you for your interest and investment in CVS Health. We appreciate your continued support as we look to transform the way health care is delivered today to improve access, quality and outcomes.

Sincerely,

David W. Dorman
Chair of the Board

Larry J. Merlo
President and
Chief Executive Officer

* Adjusted earnings per share is a non-GAAP measure. See Annex A to the proxy statement.

Letter from the Management Planning and Development Committee



Dear CVS Health Corporation Stockholder,

As the members of the Board's Management Planning and Development Committee (for purposes of this letter, the "Committee"), we are responsible for and highly focused on overseeing the design and implementation of competitive compensation programs that align pay and performance, support our long-term strategic goals and drive stockholder value.

2019 was a pivotal year in which CVS Health continued to drive business performance and generate positive momentum across the Enterprise. We made significant progress on the effective implementation of our Aetna integration strategy and took further steps toward building an integrated health care model that will bring substantial value to all of our stakeholders. Throughout the year, we maintained strong financial performance and exceeded our operating expectations on several fronts as we executed against our key priorities to accelerate growth. The Committee took into account these factors, along with the direct feedback we have received from our stockholders, as we implemented the 2019 compensation program.


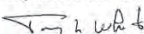

We remain firmly committed to incentivizing management to remain focused on drivers of sustainable performance over the long-term. The Committee made several decisions to effectively and transparently align long-term incentive compensation to the creation of stockholder value and the achievement of the Company's strategic priorities. Specifically, the Committee simplified the structure of the PSUs and selected performance metrics that are aligned with sustained growth and that will be critical measures of success for you, our stockholders. The targets established for the financial metrics within these awards are consistent with the guidance the Company has provided to investors. In addition, the Committee made a decision to accelerate the grant of our CEO's 2020 PSUs to August 2019 to most effectively align his long-term incentives with the creation of stockholder value, the completion of the Aetna integration and the first phase of the Company's initiatives to transform health care. As a result of this decision, he will not receive an annual PSU award in 2020.


The above decisions were discussed with stockholders. The structure and metrics for our 2019 PSUs reflect feedback provided by stockholders. Further, during the Company's discussions with stockholders in the latter part of 2019 and early 2020, stockholders did not raise any concerns regarding the accelerated timing of the 2020 PSU grant to our CEO. More broadly, our compensation program reflects a number of substantive enhancements made over several years that are responsive to stockholder feedback and support our core compensation principles.

We believe that our compensation program drives the right behaviors by our executives, which in turn benefit our stockholders by driving forward our business strategies and goals. Further, the Committee is evaluating the impact of the global COVID-19 pandemic on compensation program design for 2020, including the timing for granting equity awards. All decisions will be in accordance with our executive compensation core principles. We look forward to ongoing dialogue and collaboration with our stockholders as we transform the consumer health care experience.

Compensation Committee Report

We met with management to review and discuss the Compensation Discussion and Analysis (the "CD&A"). Based on that review and discussion, we recommended to the Board that the CD&A be included in this proxy statement.

Roger N. Farah Tony L. White C. David Brown II William C. Weldon Anne M. Finucane David W. Dorman
 (Chair)

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Annual Report

https://s2.q4cdn.com/447711729/files/doc_financials/2019/annual/FINAL-CVS-AR-bookmarked.pdf

LETTER FROM THE PRESIDENT AND CEO (PAGES 1-7)



Larry A. Merlo
President and Chief Executive Officer

Dear Fellow Stockholders:

This past year was a remarkable one for CVS Health. We completed our first full year as a combined company with Aetna, and I am pleased with the progress we achieved in executing our strategic priorities. We have set a clear and bold path for CVS Health to be the most consumer-centric health company. Powered by our unmatched collection of integrated assets, we are transforming the way health care is delivered in the United States.

As consumers take a more active role in their health care decisions, we have the ability to deliver health care when, where and how consumers need it. That could happen in the community, right at home or in the palm of the hand through one of our digital products. We have CVS Pharmacy retail locations within three miles of nearly 70 percent of the U.S. population, and the frequency of our consumer interactions provides us the opportunity to introduce and expand our programs and services into consumers' existing routines.

CVS Health offers an array of products and services, including pharmacy benefit management (PBM) services, mail order and specialty pharmacy, and retail and long-term care pharmacy services. We also offer health care benefits products and services, Coram[®] infusion and Accortane[®] nurse care management services. Taken together, these integrated assets allow us to engage with about one in three Americans every year. Additionally, we now use text messaging to engage with more than 80 million people who are enrolled in our text messaging program across our Enterprise.

Before I delve more deeply into our transformation and review the past year's financial performance, I want to update you on some of our

efforts at mitigating the impact of the Coronavirus (COVID-19) pandemic. We quickly assembled CVS Health's leadership and colleagues. During this unprecedented and uncertain time, our first priority has been the well-being and safety of our employees, consumers, members and the communities we serve. As part of a multi-faceted response, we waived co-pays for any telemedicine visits and eliminated out-of-pocket costs for COVID-19 diagnostic testing. We also partnered with the U.S. government to open a local COVID-19 testing site to help facilitate increased frequency and efficiency of testing. I encourage you to visit [cvshealth.com](https://www.cvshealth.com) as we continue to provide updates on our initiatives.

In 2019, CVS Health posted record revenues and strong cash flow while achieving significant cost-saving integration synergies from the Aetna acquisition.

■ Total revenues for the year increased by 30.0 percent to a record \$256.8 billion, with operating income and adjusted operating income totaling \$12.0 billion and \$15.3 billion,* respectively.

* Adjusted operating income is a non-GAAP financial measure. A reconciliation of operating income to adjusted operating income is provided on page 103 of the attached Annual Report on Form 10-K.

2019 Annual Report 1

- GAAP diluted earnings per share (EPS) from continuing operations rose to \$5.08, with Adjusted EPS at \$7.08.*
- Cash flow from operations increased by 44.9 percent to \$12.8 billion, and we continue to take steps to further strengthen our balance sheet by reducing debt and our leverage ratio.
- In 2019, we delivered approximately \$500 million of cost-saving integration synergies from the Aetna acquisition, ahead of our initial goal of \$300 million-\$350 million.

We're making meaningful progress across our four Enterprise-wide priorities

The following four Enterprise-wide priorities guide our long-term growth strategy and support our vision for improving health care:

- Growing and differentiating our businesses;
- Delivering transformational products and services;
- Creating a consumer-centric technology infrastructure; and
- Modernizing Enterprise functions and capabilities.



I touched briefly in last year's letter on the HealthHUB[®] concept locations we had just begun rolling out in Houston. Our progress since then offers just one example of our successful efforts at differentiating CVS Health. As a new retail engagement model, HealthHUB locations provide customers with a

convenient and compelling destination to manage their overall health—from prevention and wellness to chronic disease management. They include care coordinators, a curated selection of health and wellness products and new MinuteClinic[®] services such as in-clinic blood draws and enhanced screenings.

In 2019, we created more than 50 HealthHUB locations in Houston, Tampa, Atlanta and Philadelphia. We expect that number to rise to between 600 and 650 by the end of 2020, to 1,500 locations by the end of 2021. To date, our HealthHUB locations have outperformed their control group with higher prescription volume and increased MinuteClinic visits. In four HealthHUB locations, front store sales have been in line with our expectations, and we have seen increased utilization of health-related services. In addition, over time, we expect our Health Care Benefits medical costs to be positively affected by our medical members meeting their needs at HealthHUB locations.

Among our transformational products and services, we continue to advance innovative pilot programs and introduce new offerings. For example, we began rolling out Pharmacist Panels at our HealthHUB locations, and we see an opportunity to expand this program to other retail locations. These panels provide a holistic, 360-degree view of a patient by combining pharmacy and medical data. By having integrated data at their fingertips, our pharmacists can improve medication adherence, optimize medication regimens, close gaps in care and connect patients to their health plan, a MinuteClinic or other appropriate local resources.

We are also excited about our Transform Oncology[™] program, which includes a precision medicine approach that helps patients receive the most effective cancer treatments and matches eligible patients to clinical

trials when appropriate. The program is now available in 14 states. Transform Oncology Care utilizes our local footprint and unique assets to improve outcomes and lower overall costs at every point of the patient journey.



In 2016, Medicare fee-for-service spent approximately \$14 billion to cover people with kidney disease, representing more than one in five dollars spent by the traditional Medicare program.¹ During 2019, we continued our entry into the kidney care space with the launch of our chronic kidney disease (CKD) management program to help patients with CKD delay the progression of the disease. This program currently is available to approximately 3.5 million people across Aetna and 14 other PBM clients. This program is one part of our portfolio of approaches to managing end-stage renal disease, one of the biggest burdens on the health care system. We are also making progress in the clinical trial of our home hemodialysis device.

Our CarePass[™] subscription service is one example of our consumer-centric technology. CarePass went live nationally in late 2019 and already had enrolled 1.6 million members as of December 31, 2019. CarePass offers a variety of perks for a \$5 monthly fee, including free prescription delivery, a 24/7 pharmacist helpline, \$10 in ExtraBucks[™] and 20 percent off CVS Health brands every day.

* Adjusted EPS is a non-GAAP financial measure. A reconciliation of EPS is provided under the heading "Reconciliation" in the last page of this Annual Report.

¹ Advancing Chronic Kidney Health, U.S. Department of Health and Human Services, page 3 (2016).

2019 Annual Report 2

Be local

We meet consumers where they are.

CVS Health's reach enables us to offer care where, when and how patients need it—in the local community, in the home or even in the palm of their hand.

Our stores are in their community

~70%
of U.S. population lives within three miles of a CVS Pharmacy

We are embedded in consumer's digital lives, in their hands

>80M
patients enrolled in text messaging

Consumers invite us into their homes

700K
visits annually to homes or other community settings

1 in 3
Americans interact with CVS Health annually

PATIENT SNAPSHOT:
Susan
Susan has chronic kidney disease and difficult-to-control high blood pressure. She wants to be there for her family, so she needs a health program that will be flexible with her schedule.
Devices used: Phone
Preferences: Appreciates proactive outreach as she balances work, family and her health program. Chronic Kidney Disease Care Management

"My care was personalized, accessible and I was even able to get help in my own home."

PATIENT JOURNEY:

CVS Kidney Care certifies Susan as having chronic kidney disease. Susan sees a nephrologist.

Susan is provided information to help delay progression of her disease and options for future renal replacement therapy.

Susan chooses at-home hemodialysis and is able to continue working.

Not a real patient, but a representative journey.

2 CVS Health

Lastly, we continue to make progress in our efforts at modernizing functions and capabilities across the Enterprise. We expect to reap the initial benefits of Enterprise Modernization in 2020. We have aligned teams around simplifying our service operations and have embedded intelligent automation to streamline routine processes and further advance our digital footprint. We believe we remain on course to generate \$1.5 billion to \$2 billion in run rate net savings in 2022. The benefits we expect from Enterprise Modernization are in addition to the integration synergies from the Aetna acquisition I mentioned earlier.



Our Pharmacy Services segment revenue and operating income continued to rise while our PBM offered new solutions for plan members.

Our Pharmacy Services segment total revenues rose 5.0 percent to \$141.5 billion in 2019. Operating income for the segment increased 2.6 percent to \$4.7 billion. A key revenue driver was higher volume from a 6.6 percent increase in pharmacy claims processed. Our operating income benefited from increased claim volume, the addition of Aetna's mail order and specialty pharmacy operations and improved purchasing economics.

We saw an improvement in the 2019 selling season results over the course of the year with gross new wins totaling \$5.1 billion, which included the extension of our ContinCare contract

through 2022. The 2021 Pharmacy Services selling season is off to a strong start. By mid-February 2020, we had completed approximately 65 percent of 2021 Pharmacy Services selling season renewals with strong retention of our existing business. That includes the extension of our Federal Employee Health Benefits Program contract and the renewal of our WellCare contract. We gained some valuable insights during the last selling season that are helping us go to market with the right set of offerings. Importantly, clients and prospects have shown a high level of enthusiasm for our integrated offerings, including our HealthHUB expansion and the role we're playing to improve medication adherence and drive down the cost of care.

Data clearly shows that PBMs are highly effective in reducing the net cost of care. The dollars we save are passed back to consumers, whether it's at the pharmacy counter, in point-of-sale rebates or in the form of lower monthly insurance premiums. Our PBM's multiple capabilities, including our advanced approach to formularies, help our efforts to slow the rate of drug spending growth. We also recently announced a new \$0 out-of-pocket program for diabetes care. We expect enrolled members on average to save an estimated \$467 per year in out-of-pocket expenses.

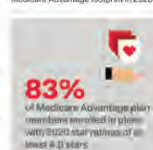
Our Health Care Benefits segment delivered strong performance in its Medicare and Medicaid products and is adding Enterprise offerings across its book of business.

In 2019, our Health Care Benefits segment delivered total revenues of \$69.6 billion and operating income of \$3.8 billion. After successfully broadening its customer mix to include more self-insured companies and expand its Medicare Advantage membership base, Aetna also is well positioned for growth in 2020 and beyond. Based on our December 31, 2019, membership, 83 percent of our Medicare Advantage plan members were enrolled in plans

with 2020 star ratings of at least 4.0 stars, up from 79 percent of our Medicare Advantage members with 2019 star ratings of at least 4.0 stars based on our December 31, 2018, membership.

I'm particularly excited about our new zero-to-low co-pay at MinuteClinic plan options for Commercial members and Healing Better, a hospital-to-home after-care program that we have incorporated into Medicare Advantage plans in select geographies for 2020. Healing Better is designed to improve the recovery process from joint replacement procedures, and it is yet another example of our ability to harness multiple Enterprise capabilities to improve the patient experience.

Among our other Medicare Advantage plans, Aetna Community Care is our innovative, face-to-face care management program aimed at addressing the social determinants of health. We launched the program in four service areas across three states in 2019 and expect to scale nationally across our Medicare Advantage footprint in 2020.



In our Medicaid products, we were recently awarded new members in the West Virginia children and youth program and the Florida Healthy Kids program. These wins speak to the strength of our services and capabilities and have allowed us to build upon existing relationships with two important state partners.

4 CVS Health

Make it simple

Patient care has never been easier, for all.

Through our integrated assets and collaborations, we are making it easier for patients to receive the right care in the proper setting.



PATIENT SNAPSHOT

Joseph

Joseph is at risk for complications from type 2 diabetes. His demanding job has made it difficult to see his doctor regularly. Joseph needs simple steps to help him get healthy. Devices used: Mobile apps, tablet. Preferences: Wants easy-to-get advice to help minimize appointments. Program: Transform Diabetes Care.

"Simplifying my treatment was a top priority since learning I'm at risk for complications associated with my diabetes."

JOSEPH'S JOURNEY



2019 Annual Report 5

Improve health

We provide care, from simple to complex.

Whether we're focusing on prevention or treating patients with complex chronic conditions, we're utilizing our integrated capabilities to bring health care to another level.



PATIENT SNAPSHOT

Anna

Anna recently learned she has breast cancer. She wants to do all she can to maintain quality of life while in treatment and find ways to improve her health. Devices used: Phone, mobile app. Preferences: Wants critical help so she can keep up with her life. Program: Transform Oncology Care.

"My team always night, so me me treatment."

ANNA'S JOURNEY



6 CVS Health

In 2019, we also applied our proprietary Novolog[®] technology across our Health Care Benefits book of business, which should drive cost savings and efficiencies for clients. Novolog helps our clients manage the specialty pharmacy claims that are typically covered by health plan benefits rather than pharmacy benefits and has helped our IBM clients generate approximately \$42 million in annual savings per million lives enrolled.

Turning to our Medicare Part D products, SilverScript[®] remains the nation's leading standalone prescription drug plan (PDP). As we look ahead, we believe our SilverScript PDP members will be an important source of membership in our Medicare Advantage plans.



Patient care solutions drive strong performance in our Retail/LTC segment.

Total revenues rose by 3.1 percent to \$66.6 billion in 2019 in our Retail/Long-Term Care segment. Despite continued reimbursement pressures, this business benefited from increased prescription volume. Total prescription volume grew by 5.8 percent on a 30-day equivalent basis compared to 2018. In fact, our prescription growth significantly outperformed the industry average in 2019. We dispensed approximately 28.3 percent of the retail prescriptions in the United States for the year on a 30-day equivalent basis.

Our approximately 1,000 MinuteClinic locations continued to expand their offerings in 2019. In fact, MinuteClinic can now address about 80 percent of the scope of a typical primary care practice. When a doctor is needed, MinuteClinic locations offer Video Visits in collaboration with TeleDoc in 40 states and Washington, D.C.

I am also proud to note that the health care professionals who staff our MinuteClinic locations have earned a Pathway to Excellence designation from the American Nurses Credentialing Center for the quality services they provide. MinuteClinic is the first and only retail clinic to receive this elite designation.

Retail front store revenues rose by 1.9 percent and gross margins expanded primarily due to increases in health and beauty product sales and the success of our personalization strategies. The ExtraCare[®] loyalty program continues to be a key point of differentiation, helping us understand and anticipate the unique needs of each customer and enabling us to personalize our outreach and savings opportunities.

Dew Jones and CDP acknowledge our corporate social responsibility (CSR) performance in key industry rankings.

CVS Health has long been a leader in corporate social responsibility. In 2019, we earned a place on the Dow Jones Sustainability Index for the seventh consecutive year, as well as being named to the prestigious World Index for the first time. This exclusive list includes the top 10 percent of the largest 2,500 companies in the S&P Global Broad Market Index, based on economic, environmental and social criteria. We also received a score of "A" on the CDP Climate Change Survey for our leadership actions to address climate action and related climate risks.

You can read more about our CSR activities on page 8 of this Annual Report, including our new Transform

Health 2030 Framework. This ambitious new roadmap will guide our CSR activities over the next decade. I also encourage you to read the CVS Health 2019 Corporate Social Responsibility Report, which is available on our corporate website.



In closing, I want to acknowledge the commitment of our nearly 300,000 colleagues across CVS Health. Their dedication makes our success possible and gives me many reasons to be enthusiastic about our plans for 2020 and for many years to come. We believe our ability to drive higher engagement, reduce costs and create better health outcomes will ultimately accelerate our revenue and earnings growth over the long term.

Thank you for your investment in CVS Health and your belief in our mission to transform the way health care is delivered to millions of Americans daily.

Sincerely,
Larry J. Merlo
President and Chief Executive Officer
April 3, 2020

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LETTER FROM THE PRESIDENT AND CEO SHARED WITH THE CHAIR OF THE BOARD (PAGE 3)

Overview People Business Community Planet About

Dear Stakeholders,

As this report goes to press, the outbreak of COVID-19 has changed the way we live and operate our business. The CVS Health® Emergency Response & Resiliency Team and Infectious Disease Response Team have been actively monitoring the current international and domestic environment for coronavirus-related risks and we have responded accordingly through investments to local communities, support for rapid COVID-19 testing, and many more. [You can learn about our COVID-19 response here.](#) We remain committed to improving the health and safety of our stakeholders, our communities, and our planet. The remainder of this report describes these efforts.

Our goal is to be the front door to health care and CVS Health remains focused on helping people on their path to better health by making health care more local and simpler. We have four strategic priorities that drive our work to transform the way health care is delivered across the U.S.: grow and differentiate our businesses; deliver transformational products and services; create a consumer-centric technology infrastructure; and modernize enterprise functions and capabilities. We advanced all four of these priorities in the past year.

As we integrate with Aetna®, we have evaluated how CVS Health could make the strongest impact and best move forward as health care innovators. To that end, we focused on six strategic imperatives to create unmatched human connections and transform the health care experience:

- Be Local
- Lead the Change
- Make It Simple
- Improve Health

- Attract and Inspire
- Optimize Performance and Service

Making health care local and meeting people where they are, continues to be vital parts of our business. In 2019, we launched more than 50 Health-HUB® locations, offering individuals customized support from our "Care Concierges" and providing space for health services solutions and community gatherings.

Our Corporate Social Responsibility (CSR) strategy is integral to how we deliver on our purpose of helping people on their path to better health. Our leadership team and Board of Directors work closely together on the advancement of our CSR roadmap. We also proactively engage with key stakeholders to better understand their priorities. As we look to the future, we have an opportunity to transform health care for our patients, members, customers, clients and colleagues. To do this, we are investing in community health at the local level to improve outcomes, supporting the economic and

professional development of our colleagues and partners and utilizing our scale and expertise as a health care leader to improve the health of our environment.

In this report, we are excited to introduce our new CSR strategy, *Transform Health 2030* — with four pillars that will guide our efforts over the next decade: *Healthy People*, *Healthy Business*, *Healthy Community* and *Healthy Planet*. Our vision for the future is bold and we ask you to join us on our journey to transform health.

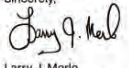
Over the next year, we will be developing and sharing our goals to deliver on our *Transform Health 2030* CSR roadmap. Over the next year, we will develop key performance targets and commitments to advance our roadmap. This and other commitments are aimed to build on our strong performance, as evidenced by our position on the Dow Jones Sustainability World Index (DJSI World) last year. This honor is shared by only 317 companies worldwide and just one

of the accolades that demonstrates our commitment to leadership in CSR.


In the pages that follow, you'll read more about how our commitments continue to build on our customer-centric approach to health care and support healthier communities.

In 2020 and beyond, we welcome the opportunity to collaborate with our partners, stockholders and other stakeholders to deliver better health to our customers, patients, colleagues and the communities we serve.

Sincerely,



Larry J. Merlo
President and Chief Executive Officer



David W. Dorman
Chair of the Board

LETTER FROM THE SENIOR VICE PRESIDENT OF CORPORATE SOCIAL RESPONSIBILITY AND PHILANTHROPY AND CHIEF SUSTAINABILITY OFFICER (PAGE 4)

Overview People Business Community Planet About

Dear Stakeholders,

We are thankful for your continued support of our CSR efforts. This year concludes a decade of hard work and bold commitments and we are excited to start the next phase of the journey with our new CSR framework: *Transform Health 2030*.

Transform Health 2030 is centered on four priority areas: *Healthy People*, *Healthy Business*, *Healthy Community* and *Healthy Planet*. These priorities emerged as a result of our robust stakeholder engagement process and materiality assessment conducted in 2019, including the addition of Aetna. In this, our 13th annual CSR Report, we're introducing the key material topics that will chart our course for the future. In 2020, we're working toward developing the big, bold goals we know we'll need to deliver on our *Transform Health 2030* strategy and roadmap. Throughout this report, you'll see how we continue to advance our commitments to build healthier communities, mitigate our environmental impacts and support the economic health of communities, as well as foster the growth and development of our colleagues.

It's important to note that as we launch this report, we are also actively working to address the current public health challenge. Through our company and our foundations, we donated nearly \$50 million to support key priorities, including addressing food insecurity among vulnerable populations, access

to telehealth for the underserved, personal protective equipment and mental health support for front-line workers and investments in community resilience funds. In addition, we're working to support our own colleagues during these unprecedented times. You can learn more about our ongoing COVID-19 Community Response, [here](#).

In 2019, we announced our commitment to improving community health and wellness with *Building Healthier Communities*. Through strategic relationships and community support, we and our charitable foundations are investing \$100 million over the course of five years to improve access to affordable health care and positively impact public health issues like chronic disease and smoking cessation, especially among underserved populations. More than five years after our commitment to the *Be The First* Initiative, we are as dedicated as ever to tackling youth tobacco use and reducing vaping and e-cigarette usage.

Throughout the past year, we continued to influence positive health outcomes in the communities

in which we live and work by, among other things, addressing the misuse of prescription drugs and expanding our education of individuals on potential health risks. Our Pharmacists Teach program connected with new communities thanks to our collaboration with Discovery Education. In addition, through *Project Health* and other programs, CVS Health continues to address the social determinants of health with local wellness campaigns, free health screenings and by helping to break down barriers for people so they can live fulfilling, healthy lives.

We know the health of the planet is inextricably linked to human health. CVS Health continues to be recognized for our efforts to reduce environmental impacts and I'm proud to share that CVS Health is part of the Carbon Disclosure Project's (CDP) 2019 Climate A List and has been recognized as a Supplier Engagement Leader.

Our positive impacts are possible because of the tremendous work of our CVS Health colleagues. Every day, our colleagues are living our purpose by

giving back their time to improve the health of their communities and they donated more than \$12 million worth of volunteer time in 2019. In our commitment to them, we continue to invest in their health and professional development through comprehensive benefits and robust training programs. We want to provide the best opportunities possible for colleagues to grow their careers with CVS Health.

Thank you for taking the time to learn about our 2019 accomplishments as we continue on our journey of helping people on their path to better health.

Sincerely,



Eileen Howard Boone
Senior Vice President,
Corporate Social Responsibility
and Philanthropy and Chief
Sustainability Officer

Dell Technologies

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Annual Report

<https://investors.delltechnologies.com/static-files/b3e53933-2448-48b4-bb47-bf79c9584a6c>

LETTER FROM THE CHAIRMAN OF THE BOARD AND CEO

DELLTechnologies

May 2020

Dear stockholders, customers, partners and friends,

As I pause to look back on our Fiscal 2020 performance, I can't help but think about the current environment in which this letter finds us all. The human toll of the COVID-19 virus and the devastating job loss is heart wrenching. The full impact of the virus is still uncertain, but already the effects have been felt by almost every person, family and community.

Dell Technologies' Role in Today's World

At Dell Technologies, we moved quickly with global travel and work-from-home policies to protect the health and safety of our stakeholders, and to manage the impact on our own business and supply chain operations. I'm proud of the way our team quickly adapted to new ways of working while simultaneously helping our customers and partners continue to deliver vital goods and services.

Whether enabling a remote workforce, ensuring business continuity, powering the technology for infectious disease prevention and control, or providing simple, human advice, support and friendship – we have strived to help our customers solve a broad array of issues. This includes leveraging the strength of our global operations to fulfill orders as quickly as possible. We're demonstrating the flexibility and agility of our supply chain, exploring all sourcing, production and logistics strategies to best meet our customers' needs.

Amid these unique and challenging times, there is also an inspiring story emerging, centered around the determination and ingenuity of the incredible number of businesses that have been able to stay up and running. At Dell Technologies, we are grateful to have a central role to play for our society, including delivering the products and services that businesses and individuals across the world need now more than ever.

We have seen that innovation, creativity and passion are still alive and well across the globe. One of our public-sector customers enabled 10,000 of their employees to work-from-home in just two weeks, allowing critical services to continue. We've seen medical researchers living in small apartments that are now analyzing important data from home. And a French healthcare company is connecting remote teams to produce and deliver life-saving ventilators and respiratory devices. Schools are redefining the classroom, and grocery store chains have restructured their workflow to keep their pharmacy and checkouts open.

When leading through a crisis, there are three over-arching priorities. First, ensure the safety and well-being of your team members and their families, and then provide them with the tools they need to be productive in their new living and working environment. Second, look after your customers by providing solutions to support them and help them to adapt and thrive, or simply be a friendly ear in a tough time. Customers will remember that you were there for them. And third, protect the strength of your company as we weather the storm and focus on emerging even stronger.



act on our primary focus areas in these last several weeks, I am confident, and extremely pleased, have been able to accomplish all three. I could not be prouder of our more than 160,000 team who have collectively adapted, risen to this occasion and been there for our customers. Our fires me, and I am honored to lead this company.

120 Year in Review

2020, we delivered record revenue of \$92 billion, driven by growth in client solutions and We continued to gain share, while also maintaining strong profitability. At the same time, we nificant progress on deleveraging our business. We paid down \$5 billion of gross debt and ommitted to achieving an investment grade rating.

he economic challenges that we and other businesses across the world have recently faced due to ID-19 pandemic, we entered this period on a strong financial footing given the strength of our 20 performance. We head into Fiscal 2021 focused on long-term value creation and remain well d to continue to perform. We have taken steps to prepare our business for the current ent with the ability to adjust as needed based on market conditions.

We are focused on delivering value to all our stakeholders, and we will do it in the right way – with a continued commitment to our team members, customers and partners, our local communities and the global society that we all share. Our new 2030 Progress Made Real plan unveiled last year sets several moonshot yet viable goals that are comprehensive, deeply engrained in the business and designed to enhance Dell Technologies' strategy and support its purpose to advance human progress. It's when we create sustainable value across these dimensions that we also create long-term equity appreciation.

In the current environment, we have seen technology become the infrastructure of our world – the airports, highways, convention centers and meeting rooms. Our opportunity to make a positive impact has never been greater. As we look to the recovery and beyond, we are excited to rebuild, reinvigorate and reimagine our economy.

Let's use the opportunity to embrace where we know we can go together.


Michael S. Dell

Chairman of the Board and Chief Executive Officer

Sustainability Report

<https://corporate.delltechnologies.com/content/dam/delltechnologies/assets/corporate/pdf/progress-made-real-reports/dell-fy19-csr-report.pdf>

LETTER FROM THE CHAIRMAN AND CEO



Letter from Michael Dell

Recently I came across an old Dell document dated 1988 that said, "Flexibility, change and responsiveness are the key characteristics that the organization will embody to succeed forever."

Well, it hasn't exactly been forever, but 35 years after starting this company, so far so good. We have stayed true to our principles and evolved from Dell into Dell Technologies, the essential infrastructure company. Our commitment to our customers has continued to evolve as well, expanding beyond providing the world's leading technology solutions to also being a leader in social and environmental responsibility.

We made a deep commitment to weave this responsibility throughout our business. We set out ambitious goals for ourselves and we constantly look for ways to transparently share our progress toward them with our customers and partners. The resulting 2020 Legacy of Good Plan covers four key areas of impact:

- Build sustainable and ethical supply chains.
- Care for the environment through design, planning and recycling in our products and operations.
- Strengthen local communities and transform lives with technology through partnerships with nonprofits around the globe.
- Cultivate a truly diverse and inclusive culture where all team members contribute fully with their talents and innovative ideas.

We have made steady progress, and in FY19, we achieved or in some cases exceeded many of our goals — for example, recovering more than 2 billion pounds of used electronics and using more than 100 million pounds of recycled materials in our products.

FY19 was an incredible year of progress in many other ways, too. We had the honor of being listed for the sixth time among the World's Most Ethical Companies by the Ethisphere Institute. We earned a perfect score in the Human Rights Campaign's Corporate Equality Index for the 15th year in a row. And this year we were recognized as a World's Most Innovative Company by FastCompany.

We are announcing a new plan, *Progress Made Real* — Our Vision for 2030, that centers on the belief that our products should be developed sustainably and responsibly, that inclusivity and diversity are essential to our company, and that we must use our technology and our global reach to help solve the world's most pressing issues.

Our ultimate purpose at Dell Technologies is to create the technology that drives human progress. We also intend to ensure this technology reflects our values, our culture and how we run our business.

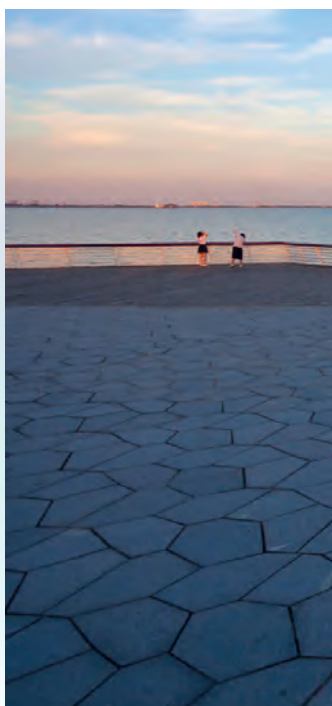
We are excited to first share our Legacy of Good achievements in this report — and welcome you to explore our work ahead at DellTechnologies.com/ProgressMadeReal. We know a responsible and inclusive business unleashes innovation, makes our team members proud, and builds trust with our customers and partners. Positive social impact is a business imperative, essential to our success.

Sincerely,



Michael Dell
Chairman and CEO
Dell Technologies

LETTER FROM THE CHIEF RESPONSIBILITY OFFICER SHARED WITH THE CHIEF DIVERSITY AND INCLUSION OFFICER



Letter from Christine Fraser & Brian Reaves

Technology has helped define the human experience, driving human progress in boundless ways. It opens our imaginations to new possibilities, holding the keys to solving some of the most pressing challenges facing our people and our planet.

Our 2020 Legacy of Good Plan galvanized us to examine these challenges from new angles. Working across our entire Dell Technologies value chain — customers, suppliers, partners, communities and team members — we've innovated to bring diverse groups and technologies together to advance progress and help solve complex problems.

This FY19 report provides an update on our 2020 Legacy of Good Plan, highlighting early completion and overachievement of many goals. We are proud to feature a few recent achievements:

- Meeting our goal to use 100 million pounds of sustainable materials in our products. In FY19, closed-loop plastics recovered from e-waste — through our electronic recycling programs and other global collection sources — were used in over 125 models of new Dell Technologies products.
- Collaborating with suppliers to build their social and environmental responsibility. In the water-stressed Lake Tai area of China, we sponsored partnerships with suppliers, local businesses and community groups to solve water quality issues. And we provided them with the training and tools to track their progress.
- Building the diverse workforce of the future. Since 2014, we have invested more than \$65 million to create new career opportunities by providing underserved youth worldwide with access to comprehensive science, technology, engineering and math (STEM) education. We also became a founding member of Reboot Representation Tech Coalition, an initiative founded by Melinda Gates' Pivotal Ventures, to double the number of black, Latina and Native American women graduating with computer degrees by 2025.
- Advocating for an inclusive culture that empowers all and celebrates our unique differences. By the end of FY19, 100 percent of Dell Technologies' executives and 11,000 team members had participated in Many Advocating Real Change (MARC). MARC is an immersive, foundational learning that engages team members in candid conversations about gender, diversity, stereotypes, unconscious bias and privilege.


Dell Technologies' commitment to driving social impact is embedded in all facets of our business. It extends to our customers and partners, who share our belief that together we can create a more just and sustainable world.

The initiatives we've pioneered have set a strong foundation for extending our commitment to a new plan: *Progress Made Real* — Our Vision for 2030. By 2030, technology will transform every aspect of our world. It's up to us to harness technology for its highest and best use, guided by a diversity of perspectives and strong core values.


The stakes are incredibly high, but so is our commitment to creating a better world.

We invite you to learn more at DellTechnologies.com/ProgressMadeReal.

Sincerely,



Christine Fraser
Chief Responsibility Officer
Dell Technologies



Brian Reaves
Chief Diversity & Inclusion Officer
Dell Technologies



Annual Report

https://s23.q4cdn.com/981382065/files/doc_financials/2019/oar/DowAnnualReport2019_AR-Download.pdf

LETTER FROM THE CEO (PAGES 2-3)

Dear Fellow Dow Shareholders,

In April 2019, we introduced a new Dow – a more focused, disciplined and customer-oriented company that is well-positioned to generate long-term value for our customers and shareholders. We are driving this through maintaining our leading business positions, more disciplined capital allocation, a leaner cost structure and a focus on strong shareholder returns across the cycle.

Our resilience in the face of global industrial economy and trade headwinds was clear in 2019. Despite these global challenges, we captured downstream demand growth in sectors closer to the consumer, such as packaging, infrastructure and consumer goods – where our unique products and material science expertise are highly valued.

Applying a culture of benchmarking for best-in-class results, we advanced our lean operating structure by achieving our cost synergy targets ahead of schedule and removing the stranded costs from the merger and separation from DowCupPort. We also intensified our focus on cash flow, driving our cash conversion significantly higher. And we used our free cash flow in a balanced way: rewarding our shareholders, investing in our business and paying down debt.

As a result, Dow achieved higher cash flows, improved our financial strength and delivered attractive shareholder returns. And we made good progress on the elements of our ambition – innovation, customer-centricity, inclusion and sustainability – continuing to drive these environmental, social and governance (ESG) measures as strategic priorities and positioning Dow as a thought and action leader.

2019 Financial Highlights:

- Pro forma¹ net sales of \$42 billion, with 1% volume growth excluding the Hydrocarbons & Energy business.
- Pro forma¹ operating earnings per share of \$2.53, pro forma¹ operating EBIT of \$4.4 billion, and a pro forma¹ operating EBIT margin of 10%.
- Cash flow from operations of \$5.7 billion, with a cash flow conversion² of 78%, up 37 percentage points year-over-year.
- More than \$600 million in cumulative savings from cost synergies and stranded cost removal, exceeding our target for the year by 13%.
- Paid down more than \$3 billion of debt, leading to a \$150 million year-over-year decrease in interest expense.
- \$2.6 billion returned to shareholders – \$2.1 billion from our industry-leading dividend³ and \$500 million in share repurchases.
- For the first time in our more than 125-year history, Dow was added to the Dow Jones Industrial Average in April 2019.

ADVANCED GROWTH PROJECTS IN 2019:

- Completed 15 Lubrizol facilities in our global silicone franchise.
- Advanced the conversion of our incremental ethylene capacity addition in Texas, due to start up in 2020.
- Announced plans to retrofit an ethylene facility in Louisiana with our new proprietary fluidized catalytic cracking (FCC) technology to produce on-purpose ethylene.
- Reached final investment decision on our flexible glycolation capacity expansion and signed a 10-year supply agreement with a key customer.



Executing on Our Priorities

Our results demonstrate a more streamlined Dow with a focus on executing the operational, financial and strategic playbook we laid out at the end of 2018.

Driving profitable growth:

Our playbook includes a robust pipeline of lower-risk, higher-return projects. We progressed many of these projects in the year.

In 2020, we will continue advancing our second wave of high value, downstream growth investments in plastics, silicones and ethylene oxide derivatives – unlocking additional earnings upside in the near and long term. These investments are slated to come online through 2023 and will bring new downstream capacity in North America, Europe and Asia to meet growing demand.

Our ability to design the next generation of high-value, sustainable products will be a defining advantage for Dow. I am particularly proud of the innovations our team is creating that advance our goal of enabling a circular economy for plastics.

In 2019, we launched AGILITY™ CE, a new resin made with 70% post-consumer recycled plastics, which incorporates recycled plastic shrink film into low-density polyethylene. We also announced a partnership with The Netherlands-based Fuenta Group for the supply of pyrolysis of feedstock, which is made from recycled plastic waste. And, we announced a partnership with UPM Biofuels to create an alternative feedstock source for plastics production.

These efforts are fully aligned with those of the Alliance to End Plastic Waste – the largest value chain alliance ever created in our industry. In 2019, we became a founding member of this non-profit global initiative that is focused on developing waste disposal infrastructure and driving a closed-loop economy for plastics.

We are also enhancing the customer experience through new digital capabilities to better understand our customers' needs and better deliver on their expectations.

We took an important step forward in 2019 with the launch of a new Dow.com. The site's expanded e-commerce platform and robust

OVERVIEW FINANCIAL HIGHLIGHTS **CEO LETTER** CORPORATE GOVERNANCE AMBITION 2019 HIGHLIGHTS

market application-oriented product catalog has made doing business with Dow simpler and easier. We generated nearly \$2 billion in sales on the platform in 2019, and there is significant opportunity for further expansion in e-commerce as a growth platform for Dow in the future.

Exercising disciplined capital allocation:

Our actions to deliver higher returns on invested capital, increase free cash flow and generate attractive returns to our shareholders were apparent in our 2019 results. As economic conditions became more unpredictable through the year, we proactively reduced our initial capital expenditures target by \$500 million and re-focused our spending.

We significantly enhanced our cash conversion by 37 percentage points, resulting in substantial free cash flow generation that we deployed in a balanced way: deleveraging to ensure a strong capital structure, returning capital to shareholders through an industry-leading dividend, and continuing to strategically invest in the business.

Executing a low-cost operating model:

We achieved considerable cost synergy and stranded cost savings in the year. We completed our \$1.265 billion cost synergy program nearly two quarters ahead of schedule and removed \$180 million in stranded costs, delivering more than \$600 million of savings in the year. We expect to remove more than \$140 million of additional stranded costs in 2020, while continuing to capture productivity gains in our manufacturing and corporate operations. All of this was driven by benchmarking Dow versus our peers for best-in-class results.

Applying a best owner mindset:

We consistently benchmarked our results versus our competitors, so we have a clear understanding of our competitive position in the industry. We also illustrated our disciplined approach to portfolio management by executing several incremental clean-up transactions in the year.

- Shut down a polyurethane facility in Africa, Australia, as well as a coatings manufacturing facility in Charlotte, North Carolina.
- Divested our acetone derivatives business and the associated site in Institute, West Virginia.
- Transferred ownership of our La Porte, Texas, site and our coatings emulsion plant in Rheinmünster, Germany.

INNOVATING A SUSTAINABLE FUTURE:

- AMPLIFY™ Si Silicone Enhanced Polymer Systems is a silicon-polyethylene hybrid technology that improves plastic composites product performance and helps divert plastic waste from landfills.
- ECOFAST™ Pure Sustainable Textile Treatment helps reduce the environmental impact of dyeing cotton fabric.
- PRIMAL™ Bio-based Acrylics Emulsions are produced with carbon from plants and enable formulated paints to get USDA bio-based certification.

FACILITATING CROSS-VALUE CHAIN COLLABORATION TO:

- Develop infrastructure to collect and manage waste and increase recycling.
- Drive innovation to advance and scale new technologies.
- Educate and engage governments, businesses and communities.
- Clean up concentrated areas of plastic waste already in the environment.

ALLIANCE TO END PLASTIC WASTE

Commitment to Our Ambition

Ultimately, our success comes from the energy and passion of the 35,500 members of Team Dow, who are living and driving our ambition and values every day. We believe inclusion is a powerful catalyst to positively impact the bottom line and accelerate innovation.

By enhancing the employee experience, we foster a culture where everyone is respected, valued, and has an equal opportunity to contribute and advance. I'm proud of the efforts we've made to cultivate an inclusive workplace around the world – efforts that continue to result in external accolades, such as earning the 37th spot on DiversityInc.'s 2019 Top Companies for Diversity.

Sustainability is also a fundamental part of our business strategy that customers are demanding. We progressed several projects and actions aligned with our ambitious 2025 Sustainability Goals in 2019, particularly with our efforts to advance a circular plastics economy. We recognize that plastics are too valuable to waste. They are an indispensable part of the global economy, a low-carbon future and a healthier quality of life. Yet plastics waste is undeniably harming our environment.

Can we close the loop on the circular economy for plastics? Yes, and collaboration will be key. And in fact, the Alliance to End Plastic Waste is already facilitating partnerships across the entire value chain to solve this challenge.

Looking to 2020 and beyond, I am confident about the future of our company. We remain focused on executing against our playbook to drive value for our shareholders, customers, employees and communities where we operate. At the same time, we continue to relentlessly pursue our ambition to be the most innovative, customer-centric, inclusive and sustainable materials science company in the world.

Thank you to our customers for placing your trust in us and to our shareholders for your continued support and investment in Dow. We look forward to shaping a successful and sustainable future together.

Best Regards,

Dan Amico
Chief Executive Officer
Dow Inc.

¹ Results for the first quarter of 2019 and periods prior are presented on a pro forma basis. Results for the second quarter of 2019 and subsequent periods are presented on an as-reported basis.
² Cash flow conversion is defined as cash flow from operating activities – continuing operations, excluding the impact of ASU 2016-15, divided by pro forma operating EBITDA. Pro forma operating EBITDA is defined as earnings (i.e., "pro forma" net income) before income taxes, less interest, depreciation and amortization, excluding the impact of significant items.
³ Total paid dividends of \$608 million to DowShareholders in the first quarter of 2019 as well as a cumulative \$1.55 billion to Dow Inc. shareholders in the remaining three quarters of the year.

Sustainability Report

<https://corporate.dow.com/en-us/science-and-sustainability/reporting/sustainability-report-2019/>

LETTER FROM THE CHIEF SUSTAINABILITY OFFICER AND VICE PRESIDENT OF ENVIRONMENT, HEALTH AND SAFETY (PAGE 4)

The screenshot displays the 'Introduction' section of the Dow Sustainability Report 2019. The top navigation bar is red with white text for various sections: Introduction, Our Business, Sustainability Overview, Environmental Impact, Our People, Global Citizenship, Our Supply Chain, Governance, and Additional Information. The main content area has a dark blue background on the left and a large portrait of Mary Draves on the right. The text on the left includes the heading 'Message from Our Chief Sustainability Officer', a sub-heading 'Delivering on Our Commitments', and a paragraph about positive impact in Circular Economy, Climate Protection, and Safer Materials. A 'WATCH VIDEO' button is located at the bottom left of the text area. The portrait of Mary Draves is a professional headshot of a woman with short brown hair, wearing glasses, a black blazer, and a pearl necklace.


Introduction Our Business Sustainability Overview Environmental Impact Our People Global Citizenship Our Supply Chain Governance Additional Information

LEADERSHIP MESSAGES

Message from Our Chief Sustainability Officer

Delivering on Our Commitments

Find out how we continue to make positive impact in our focus areas of Circular Economy, Climate Protection and Safer Materials.

 WATCH VIDEO

Mary Draves
Chief Sustainability Officer and Vice President of Environment, Health & Safety

Exxon Mobil

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

<https://corporate.exxonmobil.com/-/media/Global/Files/investor-relations/annual-meeting-materials/proxy-materials/2020-Proxy-Statement.pdf>

LETTER FROM THE COMPENSATION COMMITTEE CHAIR (PAGE 32)

EXECUTIVE SUMMARY

LETTER TO SHAREHOLDERS

Fellow Shareholders,

The Compensation Committee reviews the effectiveness and competitiveness of the executive compensation program on an annual basis and continues to support the design of the program.

ExxonMobil's business involves large investments over long periods of time that require executives to maintain a long-term view when making business decisions. The Company's executive compensation program design reflects this.

The executive compensation program allows the Committee to leverage the experience and judgment of its members, across a mix of critical performance factors, to grant pay to executives that is performance based, aligned with the returns of our long-term shareholders, and market competitive.

We encourage you to review the information included in this disclosure and vote "FOR" Item 3.

Samuel J. Palmisano
Chair, ExxonMobil Compensation Committee

RESPONSE TO SHAREHOLDER FEEDBACK

- ENGAGEMENT**
- Conducted 30 shareholder engagements throughout the year with holders of about half of outstanding institutionally held shares; included independent director engagements
 - Held webinar to gather input from all shareholders
 - Provided opportunity for dialogue on shareholder perspectives and rationale for program design



- FEEDBACK**
- Strong support for design and its alignment with business model and interests of long-term shareholders
 - Long restriction periods coupled with performance differentiation at grant recognized as key design features
 - Pay for CEO position aligned with Company performance
 - Positive feedback on continual engagements and ongoing disclosure enhancements
 - Interest for increased transparency on how "at risk" component of pay is determined

92%
"FOR" SAY-ON-PAY



- RESPONSE**
- Disclosure enhancements provide a comprehensive view of program intent, its key design features, and 2019 Compensation Committee deliberations
 - Further clarified process and considerations used by Compensation Committee to determine CEO pay

STRONG COMMITMENT TO ONGOING SHAREHOLDER DIALOGUE TO UNDERSTAND AND ADDRESS ALL VIEWS

Annual Report

<https://corporate.exxonmobil.com/-/media/Global/Files/investor-relations/annual-meeting-materials/annual-report-summaries/2019-Summary-Annual-Report.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGES 4-5)

EXXONMOBIL 2019 SUMMARY ANNUAL REPORT | LETTER TO SHAREHOLDERS

STRENGTHENING OUR BUSINESS AND DELIVERING ON OUR COMMITMENTS



"Our growth strategy to significantly improve earnings and cash flow generation is underpinned by long-term industry fundamentals"

As we begin a new decade, we do so with confidence that we are making significant progress on plans to strengthen and grow our business and deliver on the commitment to increase value for you, our shareholders.

Our growth strategy to significantly improve earnings and cash flow generation is underpinned by long-term industry fundamentals – the energy needs of a growing and more prosperous global population – and our competitive advantages of technology, scale, integration, functional excellence, and our highly capable workforce.

Our strategy is supported by the strongest portfolio of opportunities we've seen since the Exxon and Mobil merger more than two decades ago. Our broad and diverse growth portfolio, which leads the industry, is capable of generating returns even at the bottom of the commodity price cycle, as we capture value in a favorable cost environment.

In 2019, we saw commodity prices and margins drop to near 10-year lows due to near-term oversupply across the industry. Despite these challenges, we generated \$14 billion in earnings and increased the dividend for the 37th consecutive year, invested in future growth, and continued our work to develop new technology solutions to manage the risks related to climate change.

Across each of our business lines, we made progress on our growth strategy.

In the Upstream, the Liza Phase 1 development offshore Guyana started production less than five years from initial discovery – about half the industry average for projects of this scale. We're working to bring on more production in Guyana over the next few years, and our exploration success increased the estimated recoverable resource to more than 8 billion oil-equivalent barrels.

In the Permian Basin, we grew unconventional production by almost 80 percent in 2019, while building out logistics and infrastructure to support a uniquely integrated development approach. Our plan captures additional value for shareholders by linking our producing assets to our refineries and chemical manufacturing operations on the U.S. Gulf Coast.

Elsewhere in the Upstream, we drilled six deepwater discoveries, expanded exploration opportunities in Brazil, and advanced LNG projects in Mozambique and Papua New Guinea.

We invested in our Downstream business to improve the competitiveness and earnings growth potential of our refining network, and recently completed projects in Antwerp, Beaumont, and Rotterdam generated \$300 million in earnings in a challenging margin environment.

Our Chemical business expanded capacity to capture demand growth. Eight growth projects are complete, and funding was approved for another four. Construction and expansion of manufacturing projects along the Texas and Louisiana coast gained momentum with start-up of the Beaumont high-performance polyethylene plant and ground breaking for a steam cracker and derivative product lines near Corpus Christi, Texas.

The strength of our balance sheet enabled us to make many of these investments during the down cycle, taking advantage of an attractive cost environment. These investments are critical given projected energy and product demand growth in the coming decades and natural decline rates associated with producing assets. In fact, the International Energy Agency estimates in their *Stated Policies Scenario* that nearly \$20 trillion of additional oil and natural gas investment is needed by 2040, just to keep pace with demand and avoid a shortfall in supply.

As we grow our operations and build long-term shareholder value, we retain our strong commitment to maintaining a safe work environment and have achieved an almost 80-percent reduction in our lost-time incident rate since 2000. We also continue to pursue emission reduction efforts to mitigate the risks related to climate change.

Our environmental efforts include partnerships and collaborations with universities, government agencies, and leading research organizations to develop breakthroughs in lower-emission technologies. Sustainable climate change solutions require a united effort across industry, academia, government, and broader society.

In 2019, ExxonMobil signed or extended eight significant agreements to advance lower-emission technologies that included working with the U.S. Department of Energy's National Renewable Energy Laboratory and National Energy Technology Laboratory.

As we enter this next decade, we focus on the future – on meeting the needs of a growing global society that seeks affordable, reliable energy with continuously improving environmental performance. Our progress in the past year, our advantaged opportunity set, and our clear forward plan make us confident we can deliver on our commitments and create significant value for you, our shareholders.

Thank you for investing in ExxonMobil.

Darren Woods
Chairman and CEO

Sustainability Report

<https://corporate.exxonmobil.com/-/media/Global/Files/sustainability-report/publication/2018-Sustainability-Report.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 3)

FOREWORD | ENVIRONMENT | SOCIAL | GOVERNANCE | CASE STUDY | ABOUT THIS REPORT | PERFORMANCE DATA

CHAIRMAN'S LETTER

I'm proud to share our *Sustainability Report* for 2018. It details our company's commitment to responsibly manage our environmental, social and governance performance.

Our industry plays a critical role providing the energy that supports economic growth and improves the quality of life for billions of people around the world. Over the next several decades, populations are projected to grow and the middle class will continue to expand – dynamics that will further the demand for energy.

Meeting this demand will require significant investment and new production in the energy sector. Increased demand for energy will also impact emission levels, which underscores the need to continue to pursue emission reduction efforts to mitigate the risks of climate change.

ExxonMobil is helping address this dual challenge in a variety of ways through researching and developing next-generation technologies, developing products that help customers reduce their emissions, improving energy efficiency and advancing public policy solutions.

On the technology front, we're stepping up efforts to research potential breakthrough technology to reduce emissions through collaborations with governments, more than 80 universities, civil society groups and other industry partners.

Recently, we entered into an agreement with the U.S. National Laboratories to commit up to \$100 million to research lower-emissions solutions, including carbon capture and storage. Our decade of research and development of lower-carbon biofuels from algae is progressing through large-scale outdoor testing. We are also furthering our research into evaluating the use of cellulosic sugars from agricultural waste to produce biofuel.

In addition, we reached agreements with carbon capture technology companies such as Mosaic Materials and Global Thermostat to evaluate ways to scale these promising technologies. And we're continuing research into how fuel cells might play a role in significantly reducing the costs of carbon capture.

On the policy front, we support the Paris Agreement as a global framework to coordinate government policies. We also support market-based approaches to reduce greenhouse gas emissions, including further regulation of methane emissions and a carbon tax. We believe market-based policies that place a uniform, predictable cost on greenhouse gas emissions more effectively drive consumer behavior and support technology innovation.

In 2018, we provided financial support for "Americans for Carbon Dividends," a national education and advocacy campaign to promote the policy goals of the Climate Leadership Council. The CLC calls for the adoption of a carbon fee with the revenues returned to citizens, coupled with regulatory simplification. We also joined the Oil and Gas Climate Initiative, an international CEO-led energy company effort dedicated to developing practical solutions to climate change in areas such as carbon capture and storage, methane emission reductions and energy and transportation efficiency.

While the dual challenge is a critical issue for our company and industry, we are also actively focused on other key sustainability issues including:

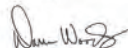
- Advancing worker safety, where we've seen an almost 80 percent reduction in our lost-time incident rate since 2000;
- Reducing plastic waste, where we recently became a founding member of the Alliance to End Plastic Waste;
- Advancing human rights by helping to train nearly 17,000 people on the Voluntary Principles on Security and Human Rights; and
- Creating positive economic development in the communities where we operate.

On this last point, two examples of recent developments stand out. In Papua New Guinea, we've increased the percentage of Papua New Guineans in our workforce to 68 percent. In Guyana, the percentage of Guyanese in our local workforce has reached 54 percent, and is expected to increase as oil production begins. Also in Guyana, we've established a Centre for Local Business Development to help local businesses enhance their skills, improve competitiveness and participate in the development of the country's new resource. More than 1,500 Guyanese companies are registered with the center. ExxonMobil and its contractors spent nearly \$60 million with almost 500 Guyanese vendors in 2018.

This year's *Sustainability Report* contains many more examples of how ExxonMobil is making a positive contribution to society, and I hope you find this report helpful in understanding our approach.

I appreciate your interest and engagement in these shared priorities, and welcome your feedback.

Sincerely,



Darren W. Woods
Chairman and Chief Executive Officer



Darren W. Woods, Chairman and Chief Executive Officer

2018 SUSTAINABILITY REPORT HIGHLIGHTS | 3

Facebook

Proxy Statement Letter	×
Annual Report Letter	×
Sustainability Report Letter	✓

Sustainability Report

📄 https://sustainability.fb.com/wp-content/uploads/2020/07/Sustainability_Report_2019-2.pdf

LETTER FROM THE VICE PRESIDENT OF INFRASTRUCTURE (PAGE 5)



At Facebook, sustainability means more than operating responsibly and minimizing our environmental impact – it means having a positive effect on communities around the world and within our supply chain. In the last decade, climate change has become one of the most urgent global challenges. We are committed to help tackle this challenge – not only by minimizing our environmental impact – but by connecting people around this topic and building solutions.

This inaugural “Sustainability Report” provides a closer look into our sustainability progress in 2019, as well as our broader commitment to address climate change. We’ve come a long way since we announced our first sustainability commitment to support our operations with 100 percent renewable energy in 2011 and supporting the Paris Climate Agreement in 2017 by joining the We Are Still In Coalition.

In 2019, we made significant progress toward our 2020 climate and renewable energy goals, reaching 59 percent reduction in our operational greenhouse gas emissions over 2017 levels and achieving 86 percent renewable energy. We have also accelerated our support in local communities, including investing in water projects that will restore 206,000 cubic meters of water per year in our data center communities and financing projects that strengthened the renewable energy market.

We are also excited about the positive impact that collaborations and partnerships have in addressing this global challenge. In 2019, we collaborated with academic and nonprofit partners to develop the Climate Conversation Map. This innovative new tool will allow partners to better understand how climate discussions are unfolding around the world on the Facebook app, providing insights to help inform and spur further climate action. We’re excited to see how new solutions like this can positively impact communities around the world.

All that said, we know there is more work to be done. Now more than ever, businesses need to think not only about managing their operational impact but about working with others to leverage their technical strengths to address sustainability challenges. For us, this means driving down our emissions, supporting the renewable energy transition, deepening supplier partnerships to advance positive impact and leveraging our platforms and technology to scale innovations that drive climate action.

— Rachel Peterson

Fannie Mae

Proxy Statement	N/A
Annual Report	×
Sustainability Report	N/A



Annual Report

https://s21.q4cdn.com/665674268/files/doc_financials/annual/2020/377973_1_9_FedEx_AR_WR.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-4)

Building the network for what's next

To our shareholders,

In last year's letter, I described fiscal year 2019 as a year of challenge and change with more to come in fiscal year 2020, as was certainly the case — especially with the emergence of COVID-19. When I discussed confronting challenges and embracing opportunities in last year's letter, I covered three enormously consequential developments for FedEx, which all merit reiterating:

- Trade disputes that began in calendar year 2018 and accelerated in calendar year 2019;
- Strategic decision-making to position FedEx as the dominant e-commerce player; and
- Strategically timed aircraft and hub modernization programs.

Challenge & change — trade disputes.

Trade is an essential element of prosperity. Arguably one of the biggest changes that has increased prosperity since the end of World War II has been the opening of global markets and the growth of trade. FedEx serves more than 220 countries and territories, making us an enormous enabler and beneficiary of free trade, and as we finished fiscal year 2018, FedEx experienced one of the strongest quarters in the company's history.

As illustrated in the below chart, in calendar year 2018 the trade disputes dealt a devastating blow to the global industrial economy, which is very much dependent on global trade. Our company's commercial business suffered across the board as the trade disputes escalated. We were most adversely affected in Europe, where we were in the midst of the integration of TNT FedEx was among the first to recognize this slowdown in global trade, and we responded to this challenge by actively managing costs while continuing to make the necessary investments for long-term success.

GLOBAL TRADE VOLUME VS GLOBAL INDUSTRIAL PRODUCTION
QOY % Change



Source: Bloomberg Terminal Data, Economic Policy Analysis and Issues Analysts
As of Mar. 7, 2020

FEDX 2020

Building the network for what's next

Challenge & change — growth of e-commerce.

Second, by the end of fiscal year 2019, our Strategic Management Committee had made some of the most significant decisions in the history of FedEx — representing an enormous shift in direction. FedEx has a history of seeing what lies on the horizon, and we determined to go all-in on e-commerce. Given the overwhelming opportunity in the booming e-commerce market, we acted decisively to position FedEx to become the market leader.

To that end, we announced in late fiscal year 2019 significant transformation of our e-commerce capabilities at FedEx Ground including:

- Extending residential deliveries to seven days per week year-round;
- Rapidly integrating FedEx SmartPost volume into standard operations — we're now taking back packages previously given to the U.S. Postal Service to increase delivery density and improve the efficiency of last-mile operations; and
- Building out capabilities to more easily handle an increase in large items ordered online, such as furniture, rugs, and outdoor equipment.

During the same timeframe, we decided to end our largest Amazon contracts to focus on the broader e-commerce market. It was the correct decision to end these contracts — which were not long-term in nature and were declining in profitability — and train our eye on the larger e-commerce market.

While the Amazon volume represented only a small portion of FedEx revenue, the last bit of volume has significant flow-through to the bottom line. FedEx was adversely affected; however, we have closed additional business to replace the volume and have taken our costs related to Amazon's requirements.

Challenge & change — aircraft and hub modernization.

The third element of challenge and change FedEx continues to address is the modernization of our air fleet and primary hubs. The expensing provision of the Tax Cuts and Jobs Act signed in December 2017 encouraged FedEx to order additional Boeing 777 and 767 aircraft. The pro-growth incentives in the law made fiscal year 2019 the optimum time to make these purchases and retire more of our less efficient aircraft. We've successfully retired all of our A320 aircraft, and we expect to retire all of our MD-10 fleet by the end of fiscal year 2022.

The law's incentives also encouraged our future-focused hub modernization efforts, specifically our \$1.5 billion expansion of the FedEx Express Indianapolis hub and a \$1.5 billion modernization of the FedEx Express Memphis World Hub — both multi-year projects.

While some of the above strategies created financial headwinds in the short term, we're confident we will point to these decisions as inflection points as we drive significant earnings growth and improvements for our shareholders and customers alike over the long term.

What we are and what we do — responding to the coronavirus pandemic.

While we were heading off existing challenges and positioning our company to leverage future opportunities, a new challenge emerged in January 2020 unlike anything we could have predicted. We confronted COVID-19 initially in China, where we took herculean steps to protect the safety of our team members. As the virus spread throughout the globe, the safety of our team and our customers remained our absolute first priority.

My most sincere appreciation goes to teams across FedEx — both those working resolutely behind the scenes and our frontline team members — whose efforts combined to keep the world's health care, industrial, and at-home supply chain moving in a truly historic way.

Our Global Network Planning and Operations Control team adjust our network to maximize capacity and utilization, at times on a daily basis. We are peerless in our ability to move aircraft around the world to match capacity to demand. As just one example of how we've kept commerce moving despite challenges, in early March when passenger plane belly capacity was severely constrained, FedEx flew nearly 250 flights in and out of China in one week — in line with our flight schedule prior to the pandemic. We also flew a total of 530 extra flights in the fourth

FedEx 2020 ANNUAL REPORT

Building the network for what's next

quarter of fiscal year 2020, on top of our base schedule — undertaking one of the largest airflights since the Berlin Airlift of 1948 and putting us in and out of our on-day for the world. While responsible to sustain the benefits of our ongoing efforts in one letter, below are several illustrations of how we've mobilized the incredible reach and flexibility of our networks and the commitment of our FedEx team members to respond to the pandemic:

- FedEx Express has globally transported more than 36 billions of personal protective equipment since February 1, 2020, including approximately 1.5 billion masks.
- FedEx Express stood up a special weekend operation — quickly adding 28 flight legs — to help the U.S. government move COVID-19 test specimens from more than 50 remote drive-through testing centers across 12 states.
- FedEx Ground quickly ramped up its operation to manage peak-like e-commerce volumes to support U.S. customers as they stay home and shop online in support of local distancing.
- FedEx's logistics has orchestrated more than 100 charter flights and 1,000 ocean containers to supply critical personal protective equipment.
- FedEx Cares has facilitated the transport of more than 7,000 humanitarian aid shipments globally through collaboration with our nonprofit partners — including personal protective equipment, medical shelters, boxes for food banks and more.

FOURTH-QUARTER SUMMARY

And while our strategic course at FedEx was plotted long before COVID-19 entered the picture, in many ways the world accelerated to meet our existing strategy. The e-commerce growth we anticipated over a few years happened in a matter of a few months, with e-commerce as a percentage of the U.S. retail market increasing from 10% in calendar year 2019 to 27% in April 2020. This growth underscored the importance of our business initiatives that directly address the e-commerce market's inherent challenges, including FedEx Ground seven-day operations, in-home deliveries of large, bulky items through FedEx Freight Direct, and integration of SmartPost volume to increase density.

The flexibility and automation of the FedEx Ground network made it possible to react quickly to challenges faced by e-commerce shippers due to inventory imbalances and an increase in fulfillment from stores. Additionally, the network-wide rollout of Dynamic Route Optimization technology — which gives service providers near-real-time data to plan the best routes and respond to local market trends — has continued throughout the pandemic and will be completed prior to the peak holiday shopping season of 2020. The strategic steps we are taking to manage yields and improve efficiency in our operations, specifically the last mile, will position FedEx Ground for sustainable, industry-leading margins.

To make costly last mile deliveries more efficient, we're also continuing successful collaborations like Last Mile Optimization — now launched in 57 origin markets. To put the right packages in the right network at the right cost to serve our customers, FedEx Express is contracting with FedEx Ground for the transport and delivery of select day-definite residential Express shipments. These are just a few of the future-ready strategies we're employing on the way to becoming the most successful North American package delivery company.

Building the network for what's next

As depicted in the above chart, COVID-19 obviously adds uncertainty to an already tenuous global landscape given the trade disputes and the slowing industrial economy. Despite these external factors over which we have little control, we have enormous cause for optimism. We've shown our mettle amid a global crisis, and the world will continue to look to FedEx to deliver critical cargo. We are continuing to make progress on the integration of TNT, which will strengthen our global network capabilities for our customers.

On top of the world's most dynamic and omnipresent physical network, FedEx also has incredible data and insight. In May 2020, we announced a new multiyear collaboration with Microsoft to help transform commerce by combining the global digital and logistics network of FedEx with the power of Microsoft's intelligent cloud. Our first joint solution, FedEx Surround, will provide customers near-real-time insights — down to ZIP code, for example — to shine a digital light on the movement of physical inventory.

FEDX 2020

Building the network for what's next

Furthermore, we have launched SenseAware ID, our next generation sensor-based logistics device that provides real-time tracking of a package location while it's in the FedEx Express network using Bluetooth Low Energy. Initially, SenseAware ID will be limited to U.S. domestic FedEx First Overnight packages and will roll out nationwide by September 2020. This will provide competitive differentiation on our most premium service, and via FedEx Surround will allow for greater visibility, accountability and reliability on these shipments.

We believe blockchain and its insight into an authentic chain of custody will completely change worldwide supply chains. We continue to lead in exploring use cases across global systems, health care and aerospace that have the potential to disrupt our industry for the better.

We're preparing Flexo, the FedEx On Demand Bot, for a second round of testing after last year's initial on-road tests and are making progress on legislation and regulatory approvals. There is much discussion of how autonomous robots like ours could help within a global pandemic like COVID-19, and we'll come out of this pandemic with a greater understanding of how FedEx can benefit customers — and society — through these devices.

You can expect us to continue to lead through technology and boost our capabilities at the intersection of the digital and physical world to position FedEx — an original market disrupter — to disrupt the market again.

Of course, none of these achievements would be possible without our FedEx team. I want to thank our Chief Financial Officer Alan Graf in particular, who is retiring from the company in December. Alan has been part of every significant decision over his 40 years of service at FedEx and has helped navigate tremendous growth, strategic investments, game-changing acquisitions and global challenges. FedEx would not be the \$98 billion, globally admired corporation we are today without his leadership.

I am also extremely grateful for the commitment of each of our more than 500,000 team members around the world who deliver every day on the Purple Promise to make every FedEx experience outstanding. FedEx is the network for what's next, and we have the backing of the sharpest team in the business.


FREDERICK W. SMITH
Chairman of the Board and CEO

FEDX 2020 ANNUAL REPORT

See "Risk Factors" and "Forward-Looking Statements" on pages 89-101 of the fiscal 2020 FedEx Corporation Annual Report on Form 10-K, included herein, for a discussion of potential risks and uncertainties that could materially affect our future performance.


FedEx 2020 ANNUAL REPORT

LETTER FROM THE CHAIRMAN AND CEO (PAGES 5-6)

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[Economy](#)
[People](#)
[Environment](#)
[Data Appendix](#)

Chairman's Letter

Multiplying Opportunities Through Innovation



Frederick W. Smith
Chairman and CEO

As we release this report, the world is grappling with the novel Coronavirus COVID-19 pandemic. During these unprecedented times, FedEx is one of the only companies in the world with the networks and capabilities to keep commerce and aid moving.

With the health and safety of our team members as our top priority, FedEx is on the front lines of providing relief, building upon decades of experience in dealing with natural disasters and medical challenges.

This experience and our company values will continue to make FedEx absolutely essential to providing support on a global scale.

This is critical because the world is depending on us now more than ever. As I said in my recent *From the Chairman and CEO* message, it's who we are and what we do.

Please take a moment and visit [here](#) for the latest on how FedEx is responding to the outbreak, with a focus on Safety Above All.

As you'll see in the following report, we're committed to putting our CSR strategy to work for the benefit of the global economy, our people, and the environment — and we'll carry that commitment through as the world responds to and recovers from this pandemic.

Multiplying Opportunities for the Economy, Our People and the Environment

Economy: Multiplying Growth for Our Business and Society

FedEx supports the ingenuity of business owners and powers the economy in a number of ways.

We fuel the explosive growth of e-commerce. As we maintain a market-leading portfolio for e-commerce — the fastest growing segment of our business — we do so with a sharp focus on customer needs and the environment. For example, Roxo™, the FedEx SameDay Bot™ holds promise for deliveries in congested or difficult delivery locations and is all electric — using only batteries that produce zero localized emissions. Similarly, in 2019, through our collaboration with Wing, we marked the first scheduled e-commerce delivery via drone in the U.S. and did so with zero emissions.

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We support small and diverse business.

We've expanded our Small Business Grant Contest — which provides a boost to deserving entrepreneurs through grants, prizes and FedEx Office services — to 10 countries. And we take pride in the positive outcomes generated by the global businesses we support. As just one example, through the sale of its coffee and chocolate products, Moka Origins, one of our 2019 winners, provides good wages to farmers in rural Africa.

It is important to remember that our CSR strategy isn't independent of our business plan to innovate and drive profitable growth. As we anticipate customer needs on the horizon, we do so with a keen eye on our mission to connect the world responsibly and resourcefully.

People: Multiplying Potential

Continued investments in our people are central to our success. And our first priority is "Safety Above All." That goes for our operations on the roads, in the air, in our facilities, and in our communities. We source the most up-to-date, sophisticated safety technology for our vehicle fleet. Ninety-eight percent of FedEx Freight tractors and box trucks now include roll stability, forward collision mitigation systems, and lane departure technology. And FedEx Express, Freight, and Ground use video event data recorder, or VEDR, technology to improve safety for our drivers and others on the road.

We're also investing in our team members' futures through extensive education and training. Last fiscal year, team members on average participated in 16 more hours of training than the previous year, and FedEx provided \$15.3 million in tuition assistance to help employees further their education.

Environment: Multiplying Efficiencies

With regard to our physical assets, we're using our Reduce, Replace, Revolutionize sustainability approach in four key areas: aircraft efficiency, vehicle efficiency, sustainable facilities, and sustainable materials and recycling.

As one illustration of the power of this strategy, last fiscal year alone, we avoided more than 3 million metric tons of CO₂e emissions as a result of our enterprise-wide fuel and energy saving initiatives. That's equivalent to the carbon sequestered — or offset — by more than 4 million acres of U.S. forests in one year.

FedEx Cares:

These are only a few remarkable examples of how FedEx has been working to benefit the economy, people and the environment.

We're also refocusing our robust giving and volunteering platform, FedEx Cares. Moving forward, the three FedEx Cares pillars are: Global Entrepreneurship, Sustainable Logistics, and Delivering for Good. As you'll see on page 10, these FedEx Cares pillars fit perfectly into our overall CSR strategy.

This new FedEx Cares focus will enable us to zero in where our company can add the most unique value. And the role we play — who we are and what we do — has never been more important.

Frederick W. Smith

Frederick W. Smith
Chairman and CEO

Ford Motor

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

https://s23.q4cdn.com/799033206/files/doc_financials/2019/ar/Ford-2020-Proxy-Statement.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD



Ford Motor Company
One American Road
Dearborn, Michigan 48126-2798



Dear Shareholders:

It is my pleasure to inform you that our 2020 Annual Meeting of Shareholders will be conducted online on Thursday, May 14, 2020, starting at 8:30 a.m. EDT. The virtual nature of the meeting will continue to enable increased shareholder accessibility, while improving meeting efficiency and reducing costs. Shareholders will be able to listen, vote, and submit questions from any remote location with Internet connectivity. Information on how to participate in this year's virtual meeting can be found on page 85.

While we do not yet know the full impact of the global coronavirus pandemic, we are working hard to make sure our business is ready to resume normal operations once it is safe to do so. Throughout this crisis, I have been very impressed by our workforce as we work through these unprecedented times and the ways we have come together across industries to make a real difference for people in need. While there remains much uncertainty in our current environment, I am confident that we will get through this and continue to build for the future.

For nearly 117 years, Ford has proven its resilience through wars, recessions, oil shocks and more and we will get through this, too. We have endured because of the higher sense of purpose we aspire to, and because of the talent, dedication and determination of our employees. Whatever form transportation takes in the future, our Board of Directors, leadership team and extended family of employees are determined to continue earning your trust as we strive to become the world's most trusted company.

Thank you for your support of our efforts.

April 3, 2020

/s/ William Clay Ford, Jr.

William Clay Ford, Jr.
Chairman of the Board

LETTER FROM THE EXECUTIVE CHAIRMAN

Letter From Our Executive Chairman

As I write this letter, the full impact of the global coronavirus pandemic has yet to unfold. We know that the days ahead will be challenging, but we also know that we have overcome difficult times in the past. The lessons we learned and the principles that guided us will serve us well as we move forward.

First and foremost, we are a family company, and the safety and well-being of our employees, suppliers, dealers and customers is our highest priority. In response to this crisis, we are taking a number of steps to protect our employees and our extended family, and to help our communities. We also are doing what we have always done during our 117-year history, stepping up and contributing in times of need. We were the arsenal of democracy during two World Wars and we built iron lungs for polio victims. Today, we are working together with our employees, our union partners and across multiple industries to make a real difference for people in need and those on the front line of the crisis by partnering to produce ventilators, respirators and face shields for healthcare workers. While we do not yet know the full financial impact of this crisis, we are working hard to make sure our business is ready to resume normal operations once it is safe to do so.



As we work to build a stronger company this year, we are closely watching our costs and liquidity, and working urgently to become more financially fit, agile and resilient. There are many opportunities to improve our operational execution, drive growth and improve our financial results, much of which we have already been working to address.

While our 2019 financial results did not meet our expectations, we made progress in many areas of the business. We formed strategic alliances with Volkswagen, Rivian and Mahindra to help speed our progress on electric vehicles and autonomous vehicles, while adding scale and global reach.

In addition, the most ambitious product renewal in our history, which began in 2017, is well underway. By the end of 2019, 40 percent of our global product portfolio was new, a rate expected to reach 75 percent in North America by 2020. We are continuing to add exciting new products in growing segments while phasing out of shrinking segments.

Our product renewal efforts include an investment of more than \$11.5 billion in electric vehicles, helping us reduce CO2 emissions consistent with the Paris Climate Accord guidelines. This year we will have our strongest lineup of electrified vehicles ever, including battery-electric vehicles for the U.S., Europe and China. To support these EVs, in 2019 we launched the largest charging network in North America.

The Mustang Mach-E, which arrives later in the year, exemplifies our vision and our progress. In 1964, the original Mustang created a sensation and changed the way the world thought about personal mobility. The Mustang Mach-E is creating the same sensation for our electric-powered future.

We also are introducing a new F-150, including a first-ever hybrid-electric model; a new Bronco family of off-road utility vehicles; the first market-specific Ford and Lincoln vehicles in China; and electrified versions of Lincoln Corsair, Ford Escape and Kuga.

All our actions are helping us reach our long-term vision of producing zero-emission vehicles and making mobility safe, accessible and sustainable. They are the culmination of many of the things I have been working toward my entire career, and I am proud of the progress we have made to cut emissions, mitigate climate risks and help develop a low-carbon economy. These actions earned us a place on CDP's Climate 'A List' for climate change for the first time, an organization that tracks environmental impact. Ford is among only 35 American companies and the only American automaker recognized in 2019.

As we move toward the future, we continue to invest in autonomous and electric vehicles as well as new business models for mobility services, which offer tremendous opportunities for growth. Over the past three years, we have added more than 3,000 new employees with advanced computing, analytical and other technical skills to gain leadership in these areas.

The purpose of our company has always been to make people's lives better. That mission inspires us in good times and strengthens our resolve in bad times. We have endured because of the higher sense of purpose and because of the talent, dedication and determination of our extended family of employees. It is a big part of what makes us "Built Ford Tough."

Despite the headwinds we face, our Board of Directors, leadership team, employees and partners are determined to make 2020 a milestone year in our storied history. As always, we thank you for your support of our efforts.

William Clay Ford, Jr.
Executive Chairman
April 3, 2020

Letter from Our President and CEO Jim Hackett

As I write this letter, we're all watching the coronavirus outbreak continue to evolve, threatening the health of people around the world and as a result, significantly impacting the global economy. Even as China begins to emerge from crisis, in most places conditions continue to worsen.

We have taken significant actions to reduce costs and preserve cash in this unprecedented situation. These include suspending the dividend paid to shareholders, accessing our credit lines for more than \$15 billion in additional cash, temporarily lowering people-related costs, and deferring a portion of executive salaries.

The actions we're taking are wide-ranging and substantial. Our objective is to assure Ford has sufficient financial flexibility to ride out the economic and business effects of the coronavirus – so we can emerge as a stronger company.

Even as we are protecting our people and managing our business through this issue, we are also giving significant attention to the long term. We will not cancel Ford's

There is ample evidence of how we are transforming for a smart world. We remain committed to establishing a fit, agile organization by addressing the needs of our stakeholders as a fit, agile

While we are making real strategic progress, our financial expectations, mostly because of extraordinary circumstances, and the launch of our new vehicles. In fact, we sold record numbers of vehicles in North America's all-time best

While the company's revenue declined 3 percent, we are now and going forward with liquidity – both well positioned

Again, 2019 was a year of progress in data, connectivity



Highlights

Our goal of delivering our Creating Tomorrow Together plan can be seen in tangible, pivotal actions that are continuing into 2020:

- Taking tough, but crucial, actions in our **Global Redesign**, to strengthen our capabilities and create a leading and more excellent Ford. That included reducing the size of our global workforce around the world, flattening the organization

Those vehicles will build on momentum created in 2019 by the new Ranger, Explorer, Police Interceptor, Escape, Super Duty and the Lincoln Aviator and Corsair launched in North America; the Ford Puma and two-ton Transit in Europe; and the Territory, the first-ever fully electric vehicle in our lineup in China.

- Rocking the automotive industry with our reveal of the all-electric Mustang Mach-E last November. That was a major inflection point for our company as we continue to execute our plan to offer a range of **compelling propulsion choices** for our customers that are high-performing and good for the planet by reducing CO₂ emissions.

The Mustang Mach-E is a powerful example of how Ford will compete and win, in part, by leveraging iconic nameplates that strike at the heart of customers around the world. We will do more of that later this year when we introduce the first hybrid electric version of the storied F-150, and an all-electric version of the world's most storied truck line will follow.

- Establishing Ford as a true leader in **connected vehicles**, with beneficial implications for vehicle owners through our growing capabilities in services and customer satisfaction. Last year, 100-percent of our new vehicles in North America were shipped with standard high-speed 4G LTE modems.

Here's where we're going to go next: Ford's SYNC 4 brings new levels of intelligence and twice the computing power of SYNC 3 to help make navigation, music and connecting our vehicles to smartphones faster and easier, and also to the smarter world. It's connected to the cloud, to combine conversational voice recognition with the power of Internet search, so drivers and passengers always have access to the latest information - from the closest restaurant to the nearest electric vehicle charging station.

- Differentiating Ford with our pragmatic approach to developing a compelling business model for self-driving vehicles with our partner Argo AI. Together, Ford and Argo have the largest urban AV testing footprint in the world, positioning Ford exceptionally well for commercialization and subsequent scaling of this technology – delivering solutions focused on moving people and goods with fleets of purpose-built hybrid vehicles in dense cities that are greatly in need of new transportation solutions. The global partnership with Volkswagen and Argo we announced in July 2019 will further increase the scale of our self-driving ambitions and spread development costs.

We know that, in many cases, the best means to accelerate Ford's transformation are through strategic partnerships and alliances that build on our exceptional know-how with that of other companies – generating new levels of benefits in key segments and markets, while enhancing our cost and capital efficiency.

To this end, the strategic agreements and partnerships we formed around the world this past year – with VW, Rivian and Mahindra – are advancing Ford's leadership in electric and autonomous vehicles and creating new business models for profitable growth in emerging and emerged markets.

We've worked for nearly three years now to transform the culture of Ford Motor Company to create a fit, agile company that builds trusted, essential products that are good for the planet.

We missed our operational execution marks in 2019, but that's behind us now. I, along with the rest of our leadership team, have taken steps to address these shortfalls to drive our return to world-class levels of operational execution.

We are totally committed to this challenge: creating a high-performing Ford Motor Company, and radically rethinking our business to perform better in the short term and win big in the long run. And to create a new business design that fulfills the needs of our customers while generating sustainable value creation over time.

That is what we will do as we Create Tomorrow Together.

Jim

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LETTER FROM THE EXECUTIVE CHAIRMAN SHARED WITH THE PRESIDENT AND CEO (PAGE 3)

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Ford Sustainability Report 2019/20
STRATEGY AND GOVERNANCE
PUTTING PEOPLE FIRST
PROTECTING OUR PLANET
CREATING TOMORROW, TOGETHER

LETTER FROM WILLIAM CLAY FORD, JR. AND JIM HACKETT

We believe that freedom of movement drives human progress and are committed to helping everyone move more safely, confidently and freely. Global challenges, from climate change and public health to the physical and social barriers to mobility, are shaping the way we do business. How we navigate these challenges will be critically important on our journey to becoming the world's most trusted company.

Last year, we celebrated 20 years of sustainability reporting by setting ambitious new goals to help us make a positive impact on the communities where we live and work. In this year's report we have turned the spotlight on the amazing people behind our progress: our skilled employees, our dedicated dealers, suppliers and partners, our local communities and our valued customers. They are front and center in everything we do.

In these unprecedented times we are reminded of how fragile this world can be. But we also are reminded of how powerful it is when we work together to drive human progress. These beliefs confirm our current actions to address climate change and compel us to continue to change our behavior in profound and lasting ways. Ford is the only full line U.S. automaker committed to doing its part to reduce CO₂ emissions in line with the Paris Climate Agreement and working with California for stronger vehicle greenhouse gas standards.

To help reduce the CO₂ emissions associated with our vehicles we are offering a new generation of lower-carbon powertrains and fuels, including hybrids and electric vehicles (EVs). We are launching electrified versions of our most popular nameplates – the world's number one truck, best-selling sports car and commercial vehicles among them – and offering customers access to North America's largest EV charging network.

“TO PROTECT OUR PLANET, BOTH NOW AND FOR FUTURE GENERATIONS, WE ARE AIMING TO SOURCE 100 PERCENT RENEWABLE ENERGY FOR ALL OUR MANUFACTURING SITES BY 2035. WE ALSO HAVE SET A NEW GOAL FOR OURSELVES: ACHIEVE CARBON NEUTRALITY GLOBALLY BY 2050.”

With our Creating Tomorrow Together transformation plan we are accelerating our efforts to be a leader in mobility and making progress toward our vision of clean, safe, affordable and accessible transportation for all, with less congestion, better air quality, shorter journey times and fewer accidents. We foresee smart vehicles operating in a smart world, communicating with each other and the surrounding infrastructure through open-source platforms such as our Transportation Mobility Cloud. To help fulfill our vision we have invested in strategic partnerships with Argo AI and Volkswagen to develop self-driving technology. We also are making shorter journeys more efficient through our e-scooter business Spin.

In a time of challenges and change what drives us remains the same: leaving things better than we found them. By keeping people at the heart of every decision we make, we will build trust and create a better future, together.



William Clay Ford, Jr.
Executive Chairman



Jim Hackett
President and Chief Executive Officer

WILLIAM CLAY FORD, JR.
EXECUTIVE CHAIRMAN

JIM HACKETT
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Freddie Mac

Proxy Statement	N/A
Annual Report Letter	X
Sustainability Report	N/A

General Electric

Proxy Statement Letter	✓
Annual Report Letter	✓
Sustainability Report Letter	X

Proxy Statement

<http://d18rnOp25nwr6d.cloudfront.net/CIK-0000040545/d36ad8e8-7a46-450a-87d2-40e205a23679.pdf>

LETTER FROM THE LEAD DIRECTOR (PAGE 1)

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Letter from the Lead Director

Fellow Shareholders,

It is a privilege to continue serving as your lead director during this important time for GE. I want to take this opportunity to share how the Board has been working on your behalf over the last year.

Executing on GE's Strategy

At the beginning of the year, the Board identified two strategic priorities for GE: (1) improving the company's financial position, and (2) strengthening the businesses. The leadership team, led by our new Chairman

Talent and Culture

As we work to ensure that GE is best positioned to face its operational and strategic challenges, it is vital that our leadership has the right mix of fresh views and deep experience within the company. Following Larry's appointment as Chairman and CEO late in 2018, we also looked outside GE to recruit several other senior leaders. In early March 2020, we welcomed our new CFO, Carolina Dybeck Happe, a proven global CFO with a track record of delivering

Larry to enable real-time dialogue on GE operations. We recognize the importance of working constructively with leadership, while vigorously questioning assumptions and offering alternative—and sometimes differing—points of view. We continue to meet with our teams at sites around the world to ensure we have an unfettered view of company operations and culture. As a Board, we actively engage with our shareholders, gaining critical firsthand insight into the subjects that matter most to them, including not just strategy, but other issues such as executive compensation and the appointment of our auditor.

Board Composition

2019 marked our first full year working together as a Board after significant refreshment in 2018. We have found that a smaller Board is conducive to a higher degree of engagement and exchange, with increased accountability for each director. However, we will continue to recruit new directors selectively where it makes sense based on GE's strategic priorities and to ensure we have the right diversity of skills and experience on the Board.

This year we have one new director nominee—Ashton Carter. Ash served as the 25th U.S. Secretary of Defense and is currently the Director of the Belfer Center for Science & International Affairs at the Harvard Kennedy School. Ash brings unrivaled expertise in international affairs, technology, security, and government to the Board. He led significant operational reforms at the Department of Defense—the largest employer in the world. He will be a tremendous addition to the Board as we serve customers across the globe.

On behalf of our Board, I thank you for your investment and support of GE as we continue to create a stronger, simpler, more focused company, for you and all of GE's stakeholders.

Your Board is focused on engaging with leadership and employees to drive positive change at GE.

and CEO, Larry Culp, decisively executed on these priorities this past year. During 2019, we announced an agreement to sell GE Healthcare's BioPharma business for proceeds of \$20 billion, completed the merger of our Transportation business with Wabtec, sold our remaining interest in the business for proceeds of \$6 billion, and raised \$3 billion by further reducing our stake in Baker Hughes. We reduced GE's leverage by tendering for \$5 billion of debt. In terms of operations, Aviation performed strongly despite challenges from the grounding of the 737 MAX, and Power made significant strides in improving its operations and exercising greater commercial discipline. This is significant progress, but we have more work to do on many fronts.

Much of our time as a Board this past year has been dedicated to discussing the longer-term strategy for the company and how we build sustainable shareholder value. We have also implemented a new approach to assessing and identifying risk, focusing on prioritizing and mitigating those risks that have the most significant potential impact on the company.

superior results and creating value. We are grateful to Jamie Miller, our outgoing CFO, for her significant contributions in executing on our strategic plan during a challenging period. Our new head of human resources, Kevin Cox, who joined GE in February 2019, has reenergized our focus on human capital management and has provided a fresh perspective on our culture, development, and compensation programs.

At this critical juncture, we recognize the necessity of aligning culture with strategy to achieve long-term success. GE's cultural transformation starts with promoting greater candor, transparency, and humility, with the Board and leadership setting the tone at the top. A strong culture provides the necessary framework for Larry's vision of getting "back to basics" on operations—putting customers first and implementing lean management principles across the enterprise.

Engagement and Oversight

Your Board is focused on engaging with leadership and employees to drive positive change at GE. In addition to our in-person meetings, we have periodic calls with



THOMAS W.
HORTON
LEAD DIRECTOR

GE 2020 PROXY STATEMENT 1

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Compensation

Management Proposal No. 1

Advisory Approval of Our Named Executives' Pay

What are you voting on?

In accordance with Section 14A of the Exchange Act, we are asking shareholders to vote on an advisory basis to approve the compensation paid to our named executives, as described in this proxy statement.

Impact of the say-on-pay vote. This advisory proposal, commonly referred to as a "say-on-pay" proposal, is not binding on the Board. However, the Board and the Compensation Committee will review and consider the voting results when evaluating our executive compensation program.

We hold say-on-pay votes annually. Under the Board's policy of providing for annual say-on-pay votes, the next say-on-pay vote will occur at our 2021 annual meeting.

Dear GE Shareholders,

Choosing the right leadership for GE is the Board's most important responsibility, and as the Management Development and Compensation Committee, we are committed to ensuring that GE's leadership team has the right talent, with compensation programs aligned to our strategy and pay aligned to performance and the creation of long-term shareholder value. We have taken a number of actions this year to reflect our focus on shareholder engagement, pay-for-performance and human capital.

SHAREHOLDER ENGAGEMENT AND FEEDBACK. Our 2019 say-on-pay vote at last year's annual meeting received 70.4% approval. We were not satisfied with this outcome and viewed it as an opportunity for improvement. During 2019, members of this committee and senior members of GE management expanded our direct outreach to shareholders, speaking with investors representing nearly half of our shares outstanding. The feedback we received has shaped our ongoing approach to compensation practices, as a result of which we:

- Will omit single-trigger change of control provisions from all future employment agreements for outside hires, including those who were hired in 2019 and 2020.
- Adopted a new peer group for benchmarking purposes.
- Refined our peer group for our PSU awards. Beginning in 2020, we will begin measuring GE's relative performance against the S&P 500 Industrial Index, rather than the broader S&P 500 index, which we believe is more reflective of our company, our peers and how our investors measure our performance.

As we continue to review and refresh our compensation programs, we remain committed to gathering and incorporating shareholder feedback throughout the process.

INCENTIVIZING KEY PERFORMANCE MEASURES AND DELIVERING RESULTS. At the beginning of 2019, we set rigorous incentive goals for our executive team to focus them on the most critical areas of performance. Our annual bonuses for 2019 incentivized executives to improve free cash flow, Corporate level earnings per share (EPS) and, at the business level, earnings. Our long-term equity incentive

30 GE 2020 PROXY STATEMENT



YOUR BOARD RECOMMENDS A VOTE FOR THE SAY-ON-PAY PROPOSAL

Why the Board recommends a vote FOR the say-on-pay proposal. The Board believes that our compensation policies and practices are effective in achieving the company's goals of:

- **Promoting accountability** for performance.
- **Rewarding** sustained financial and operating performance and withholding compensation when those objectives are not achieved.
- **Aligning** our executives' interests with those of our shareholders to create long-term value.
- **Attracting and motivating** executives to join GE and remain with us for long and productive careers.

plans, which are predominantly tied to multi-year performance objectives, incentivize results that will positively impact the GE stock price, including our plans to decrease leverage and improve operating performance. The majority of our named executives' pay is in the form of equity, aligning their interests with investors and incentivizing long-term shareholder value creation.

Our executives' compensation is tied to our investor outlook, and our 2019 results reflect the strength of these programs in producing outcomes. Free cash flow and adjusted earnings per share for the year both significantly exceeded our outlook for the year and the metrics under the Corporate bonus program. Though these results reflect significant progress, we still have substantial work to do.

Our 2018 and 2019 long-term incentive awards, including the PSU grant made to Larry Culp upon his appointment as CEO, remain outstanding. While 2019 was a year of significant progress, during which our stock price was up more than 50% for the year, final PSU payouts will depend upon our stock performance over a multi-year period, focusing our executives on sustained growth.

SELECTING A RELEVANT PEER GROUP. During 2019, we worked with our new management team to update our talent and compensation philosophy. As part of this effort, we have focused more rigorously on external benchmarking of compensation against a defined set of peers, and we developed and benchmarked against a new peer group, reflecting the sectors we are in, our increased focus on a few key industries, and the size and complexity of our organization.

BROADENING OUR PERFORMANCE EQUITY PROGRAM. We continued to shift the focus of our executive compensation programs away from cash and toward performance-based equity. In 2019, we began awarding long-term incentives entirely in equity to our top executives. In 2019, we realigned compensation more toward performance-based equity for a broader base of executives than in previous years. The broadening of our equity participation aligns the outcomes for a larger group of executives with that of shareholders. In addition, and perhaps more importantly, putting more of the incentive into equity is consistent with our strategy to restore GE to long-term sustainable performance and profitability.

we seek to achieve the right mix of executives with fresh and objective outside perspectives while retaining other talented leaders who know the company well, to ensure that GE is best positioned for growth going forward.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

Thomas Horton (Chairman)
Sébastien Bazin
Francisco D'Souza
Edward Garden
Paula Rosput Reynolds

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RECRUITING AND RETAINING TALENT. Attracting and retaining top talent during a period of significant change was a key priority for us in 2019. As noted last year, to speed the execution of our strategic plan, during 2019 we recruited Larry Culp as GE's first external CEO in our long history. As a committee, we worked closely with Larry during the year as he sought to build out a new leadership team, including efforts to recruit a new CFO and CHRO from outside the company. Our new CFO, Carolina Dybeck Happe, joined the company in early March 2020. As a committee, we took a hands-on approach to the search, participating in candidate interviews and efforts to recruit Ms. Dybeck Happe, a proven global CFO with a superior track record of delivering results. Attracting top talent remains a key priority for us as

General Motors

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

<https://investor.gm.com/static-files/efc074fb-1e59-4083-9215-6e7fb1be3367>

LETTER FROM THE CHAIRMAN AND CEO

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GENERAL MOTORS

April 27, 2020

To Our Fellow Shareholders:

As I write this letter, the world is in the midst of responding to the COVID-19 pandemic and its significant impact on public health, the global economy, and our industry. Your Board of Directors and the GM team have been taking swift and necessary actions to protect our Company and its employees, customers, communities, shareholders, and other stakeholders. I'd like to share what we are doing right now as we look ahead to the 2020 Annual Meeting and beyond to position the Company for long-term strength.

[Commitment to Our Employees](#)

Ever since COVID-19 emerged, GM has proactively addressed everything within our control, with the health and safety of our employees as our top priority. To help prevent the spread of COVID-19 in our workforce and communities, we asked our employees to work from home if their work permits it. This included a systematic and orderly suspension of a majority of our vehicle manufacturing operations around the world, including in North America. We are working closely with governments, health and public safety officials, and employee representatives as we monitor our production status on a week-to-week basis. Where our facilities continue to operate, we have adopted stringent and comprehensive safety measures to ensure a safe working environment. These measures include physical distancing, monitoring employee health daily, requiring employees to wear masks inside our facilities, and regularly sterilizing high-traffic public areas.

[Commitment to Our Customers](#)

Vehicles are an integral part of our lives and livelihood and, in trying times like these, we want to be a resource for our customers. We have taken a variety of actions to help them—including providing complimentary OnStar Crisis Assist services and in-vehicle data to owners of compatible vehicles. OnStar advisors can help with special routing assistance, including to a hospital or clinic, and contact family members, emergency medical dispatch, and first responders. GM Financial's Customer Experience team is also standing by to help customers affected by COVID-19 discuss personalized options in these uncertain times. Lastly, our digital Shop Click Drive dealer digital tool allows customers to arrange for the purchase and delivery of vehicles from home where available.

[Commitment to Our Communities](#)

We are also constantly exploring ways to help our communities in this time of crisis. Last month, we were proud to announce a collaboration with Ventec Life Systems to expand production of Ventec's V-Pro and VCSN critical-care ventilators to GM's Kokomo, Indiana, plant. GM leveraged its IT, purchasing and logistics, supply chain, product development, manufacturing, talent acquisition,

and legal expertise to support this work, which resulted in an initial contract with the U.S. Department of Health and Human Services for 30,000 ventilators. GM is also making face masks in its plant in Warren, Michigan, and we continue to investigate other ways we can use our expertise and resources to lend a hand in combatting the COVID-19 pandemic.

[Commitment to Our Shareholders](#)

GM is aggressively pursuing austerity measures to preserve cash and is taking necessary steps to manage our liquidity, ensure the ongoing viability of our operations, and protect shareholder value. We recently drew down approximately \$16 billion from our revolving credit facilities – a proactive measure to fortify our balance sheet, increase our cash position, and preserve financial flexibility in light of current uncertainty in global markets. We also implemented pay deferrals for all salaried employees. Over the past several years, we have made strategic decisions and structural changes that have transformed the Company. These actions have better positioned us to face this challenge.

[Advancing Toward Our Vision](#)

In this Proxy Statement, we share important details about your Board's role in shaping GM's purpose, strategy, governance, and culture. We have faced significant challenges in the last year, including a six-week labor stoppage in North America, difficult industry conditions in China and, now, COVID-19. Despite these challenges, we have improved and continue to improve our business through ongoing cost savings actions, operational excellence, and strong product launches, while advancing toward our vision of a world with zero crashes, zero emissions, and zero congestion.

[Right Board at the Right Time](#)

In recent years, your Board has worked to strategically refresh its membership to ensure it has the breadth of experience to guide the Company during times just like these – when companies are facing new and unexpected challenges. Even in the face of this current environment of uncertainty, I continue to believe GM has an unprecedented opportunity to do more for our stakeholders and, ultimately, the planet. We have the right Board, at the right time, to ensure we emerge from this even stronger.

Sincerely,

Mary T. Barra
Chairman and Chief Executive Officer

300 Renaissance Center | Detroit, Michigan 48265

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CORPORATE GOVERNANCE

A Message from the Independent Lead Director

As the Independent Lead Director it is my responsibility to help my fellow independent directors oversee and shape the partnership between management and the Board. Let me briefly highlight a few areas of focus that I believe demonstrate our oversight and help forge an effective partnership that drives strong Company performance and enables GM to effectively mitigate risk in these challenging times.

Focused Board Leadership: Why Your Board Believes that the Roles of Chairman and CEO Should Be Combined Right Now

Your Board carefully considers the appropriate leadership structure for GM and its shareholders on an annual basis and determines whether to combine or separate the roles of Chairman and CEO. Your Board believes that Ms. Barra's service as both Chairman and CEO continues to provide a clear and unified strategic vision for GM – particularly in times like this as the Board supports management's efforts to mitigate the impact of the COVID-19 pandemic on our business and the communities where we operate. As the individual with primary responsibility for managing the Company, Ms. Barra's in-depth knowledge of our business and understanding of GM's day-to-day operations has provided focused leadership that has enabled GM to respond decisively to this uncertain environment. Ms. Barra has been a significant asset to the Board throughout her tenure as GM has taken bold, strategic actions to strengthen its core business, invest in technologies that will redefine the future of personal transportation, and be prepared to weather storms like the one we are facing today in COVID-19.

My Role as the Independent Lead Director

My job is to complement Ms. Barra's role by providing strong, independent leadership. My key duties and responsibilities are described on page 15 of this Proxy Statement. In my role, I provide independent oversight of GM's management team for our shareholders, including a specific focus on strategic risk management, compliance, governance, and CEO succession planning.

Your Board is Shaping the Company's Strategy and Overseeing Risk

Your Board plays an important role in shaping management's development and execution of GM's strategy and overseeing its risk management processes. In recent weeks, the Board has been actively engaged with management as it has taken actions to safeguard our employees and our business in response to COVID-19. For more on our recent efforts, see "Responding to the COVID-19 Pandemic" on page 22 of this Proxy Statement. From a strategy perspective, the Board dedicates a portion of each meeting to strategic reviews that span the Company's regions, vehicle franchises, adjacent businesses, and other key initiatives. In addition, the Board holds an annual multi-day session devoted to discussing, debating, challenging, and validating management's overall strategy. Since the last annual meeting, these strategic reviews and discussions included labor and workforce issues, EV and AV execution, Cadillac rebranding, fuel economy regulation, capital allocation, workplace and vehicle safety, international reorganization, and various alternative future business scenarios. Your Board also regularly solicits independent views on GM's business and key industry trends from outside experts, including investment bankers and buy- and sell-side analysts— as well as from shareholders through our routine engagements.

GM has the Right Board at the Right Time

Your Board has significantly refreshed its membership in recent years to ensure it remains a strategic asset. Since 2018, we have added three new directors, each of whom has helped bolster the Board's expertise in technology and managing operational, strategic, geopolitical, and economic risks. As a result, I believe that the director nominees listed on page 2 of this Proxy Statement individually and collectively possess the right mix of skills, qualifications, and experience for GM as we continue to execute our vision of a world with zero crashes, zero emissions, and zero congestion.

I am proud to work closely with our Chairman and CEO and my fellow directors as we drive long-term shareholder value. On behalf of the entire Board, thank you for your continued support.



Theodore M. Solso
Independent Lead Director

MESSAGE FROM THE CHAIRMAN AND CEO (PAGES 3-5)

GENERAL MOTORS
2019 SUSTAINABILITY REPORT
ESG MANAGEMENT



LEADERSHIP MESSAGE

Moving Through the World in a New Way
The past several months have been difficult, both in our world and in our industry. While we are pleased to share this report, outlining our global citizenship accomplishments over the past year, we remain conscious of the increasing role for companies to do even more to leverage their resources and their voices to provide leadership while simultaneously staying focused on the core business to deliver value for the short, mid, and long term.

I begin with two events that are reshaping our society — the attention to racial injustice in the United States, and the global COVID-19 pandemic. General Motors is addressing both of these, while also maintaining a laser focus on delivering a world with zero crashes, zero emissions, and zero congestion.

Aspiring to Meaningful Inclusivity
In recent weeks, many of our Black colleagues have shared heartbreaking stories about their own personal and painful experiences with both inside and outside of the workplace. I am deeply moved by these stories, but we need to do more. General Motors has a strong track record in diversity by many objective standards, but we clearly need to do much more. And we will.

We aspire to be the most inclusive company in the world. We are redefining our efforts to build a unified workplace culture that is safe, open, inclusive, and encourages employees to be their true selves to work.

As part of our work, we have chartered an external advisory board that I will chair. This Board will help inform our actions around specific guiding principles for our decisions, and our culture.

In addition, in June, we designated \$10 million to support organizations that promote racial and racial justice. Initially, \$1 million will go to NAACP Legal Defense and Educational Fund to help it advocate for racial justice.

GENERAL MOTORS
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LEADERSHIP MESSAGE CONTINUED

Our efforts at General Motors complement additional work that is happening at scale through the Business Roundtable (BRT). I have joined other CEOs from the BRT to form a Special Committee for Racial Equality and Justice. The committee will focus on three pillars: education and workforce, which I will lead; health care; access to financial capital in minority communities; and equitable justice.

Indiana facility, with the capacity and ambition to build more if needed. In Brazil, our teams repaired ventilators for hospital use. Our global facilities have produced millions of masks, as well as face shields and gowns.

We have also made targeted financial donations around the world to address acute community needs.

Maintaining Our Focus on the Future
Our tenacity and discipline have ensured that while we address the issues directly in front of us, we have maintained our focus on delivering a world with zero crashes, zero emissions, and zero congestion.

Transitioning to all-electric vehicles is central to a zero-emissions future. Our new, flexible platform and Ultium battery system will help us build EVs across all our brands.

By mid-decade, we expect to sell a million EVs a year across our global markets.

With partners that include utility companies and charging networks, we are also working to make sure charging is easy, fast, and

GENERAL MOTORS
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LEADERSHIP MESSAGE CONTINUED

As we move forward, I believe society will have an even greater appreciation for the well-being of each other and our planet.

We will source 100 percent of our facilities' electricity from renewables by 2040 globally, and by 2030 in the U.S. By 2025, we will be 60 percent of the way toward our global goal. And in partnership with our suppliers, we are establishing a sustainable material target of at least 50 percent by 2030 for all our vehicles.

Accelerating Our Response to Climate Change
In response to the threat of climate change and urgency to do more and act faster, we have established new targets to accelerate our sustainability goals, detailed throughout this report.

Moving Forward With Purpose
This moment in time is historic for all of us. General Motors has helped change the world before, and we are determined to do it again. We have the skilled and dedicated workforce, and the technology, ingenuity, and resolve to deliver.

Our company and our world have changed. As we move forward, I believe society will have an even greater appreciation for the well-being of each other, and our planet. General Motors is as determined as ever to create solutions that will lead to a better future for all of humankind, with an all-electric future guided by a focused vision of zero crashes, zero emissions, and zero congestion.

Mary T. Barra
Mary T. Barra
Chairman and Chief Executive Officer

Goldman Sachs

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

<https://www.goldmansachs.com/investor-relations/financials/current/proxy-statements/2020-proxy-statement-pdf.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGE II)

Letter from our Chairman and CEO



March 26, 2020

Fellow Shareholders:

I am pleased to invite you to attend the 2020 Annual Meeting of Shareholders of The Goldman Sachs Group, Inc., to be held virtually via the Internet. Enclosed you will find a notice setting forth the items we expect to address during the meeting, a letter from our Lead Director, our Proxy Statement, a form of proxy and a copy of our 2019 Annual Report to Shareholders. Your vote is important to us, even if you do not plan to attend the meeting. We hope your vote will be represented.

As we issue this Proxy Statement, the world is facing a global health crisis and volatile market environment with significant unknowns related to COVID-19. It is a fluid and historic situation, and we are taking actions to support our people, their families and our clients. We have enacted business continuity plans so that we can continue to serve our clients while protecting the well-being of our people. Helping clients navigate dynamic environments is core to what we do, and we will stand by and assist them always.

In our 2019 letter to shareholders, which is included in the Annual Report, we discuss our purpose and core values as an organization, as well as our competitive strengths. We also outline our new operating approach and our strategic direction. To this end, we lay out our three-year targets and our plan to mid-size or higher ROICs over the longer term. We are building on and enhancing a set of market-leading businesses, which, coupled with new growth initiatives, we are confident will carry us into a future of higher, more sustainable returns for shareholders.

I would like to personally thank you for your continued support of Goldman Sachs. The health and safety of all of our people, including you, our Shareholders, remains paramount as we invest together in the future of this firm.



David M. Solomon
Chairman and Chief Executive Officer

OUR PURPOSE
We advance sustainable economic growth and financial opportunity

OUR CORE VALUES

Partnership

Integrity

Client Service

Excellence

Our core values have endured for over 150 years, driven by a spirit of partnership.

Proxy Statement for the 2020 Annual Meeting of Shareholders

LETTER FROM THE LEAD DIRECTOR (PAGES III-IV)

Letter from our Lead Director



March 20, 2020

To my fellow shareholders:

With the 2020 Annual Meeting fast approaching, I consider it my distinct privilege as your Lead Director to reflect upon the last year and share with you some of the highlights of the work of our Board. 2019 was, once again, an active year for our Board, with 16 regular Board and committee meetings, and for me, as Lead Director, with over 100 additional meetings, calls and engagements with the firm and its people, our Shareholders, regulators and other stakeholders, including meetings with shareholders representing over 20% of our shares outstanding.

2019 was a year in which we reflected on the firm's history. The firm's 150th anniversary provided a unique opportunity to consider and reinforce the firm's core values and purpose, which will serve as cornerstones of our strategic priorities as we invest in the firm's next 150 years. To this end, our new leadership team, David Solomon, James Watson and Stephen Schier, together with the entire firm, I treasure to chart the firm's future course and bring long-term value to our Shareholders and to our communities.

Our Board has provided guidance and oversight throughout this process as part of our fundamental stewardship of the firm. In this regard, we have engaged regularly with David, John and Stephen, proxy and advice as they refined their strategic vision and developed and began to execute on it with us reflects the firm's core values, leverages its foundational advantages and is grounded in sound risk.

As a Board, during 2019 we engaged with senior management and leaders across the firm to build strategies covering the full breadth of the firm's franchises and on the development of new business. We have seen David, John and Stephen redouble their commitment to harnessing the firm's talent, launching client coverage expansion, Transaction Banking, Mortgage and Third Party Asset launch of the firm's first credit card offering and the review of other organic and inorganic growth options. We have seen David, John and Stephen redouble their commitment to harnessing the firm's talent as we expand into new products and markets and invest in our core franchises to more efficiently deliver One Goldman Sachs to our clients and customers. The firm has also made significant progress in its clear strategic direction with a new operating approach that promotes a client-centric structure while maintaining appropriate controls, a longer-term operating focus, a growth-oriented structure and accountability and transparency.

Accountability and transparency were core themes of the firm's inaugural Investor Day earlier this year. A firm's reputation and its reporting are critical to the announcement of medium-term (three-year) and detailed presentations during Investor Day. These steps are emblematic of our commitment to our stakeholders with additional insight into the firm's strategic direction and drive greater accountability and transparency as the firm executes on these goals. As a Board, we strongly support senior management's renewed commitment to these priorities, as we believe it will ultimately drive greater value for our Shareholders.

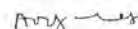
Our Board has been pleased with the steadfast commitment that our executive leadership team has the past year and their willingness to make the necessary investments in our firm's business, and people, which we believe will set the firm on a path to achieve its forward goals. In particular, we are committed to the development of the firm's "next generation" of leaders and doing so with a focus on diverse professionals, the robust strength, depth and diversity of the firm's leadership team will be paramount to the firm's long-term success. We will continue to engage with David, John and Stephen on this critical topic, and, as always, will seek out opportunities to engage with our next generation of leadership both in and outside of the boardroom.

Senior management is dedicated to operating the firm in a sustainable and inclusive way. Sustainability is core to the firm's purpose, and as I shared, Day David spoke about the importance of corporations focusing on the bottom line, but doing so sustainably and responsibly. Sustainability is also increasingly important to our clients, and in December 2019 the firm announced a new \$750 billion sustainable finance target over the next two years across

the areas of climate transition and inclusive growth. Our Board wholeheartedly endorses this mission, and sustainability related considerations are a regular part of our Board and Committee discussions, whether it be climate risk considerations, updates from the firm's new Sustainable Finance Group, discussion of our visionary diversity goals and broader talent strategy or the impact we make on our communities through Corporate Citizenship programs.

In closing, I want to confirm that our Board strongly believes that, to most effectively carry out our duties, our composition must reflect an appropriate diversity—broadly defined—of demographics, viewpoints, experiences and expertise. We believe our Board has significantly benefited from the enhanced diversity we have achieved through our most recently added independent directors—Evan Kullman, Drew Faust and Jan Tighe. Ongoing review of our Board's composition is an item that will always be top of mind and on our agenda, and we remain committed to ensuring that our Board has an appropriate mix and balance of skills and experiences. To this end, we are actively engaged in an ongoing search for new directors, focused on candidates who will add to the diversity of our Board.

On behalf of our Board, I want to thank you for your ongoing support of both our Board and the firm. We are cognizant of the challenges and uncertainty posed by the spread of coronavirus, or COVID-19, for the firm, our people, our Shareholders, our clients and other stakeholders, and our Board remains diligent and focused on its work. We value your investment and our ongoing engagement, which is invaluable to us and informs the work of our entire Board. Stay safe and healthy, and I look forward to continuing our dialogue in the year to come.



Adriano G. D'Amico
Lead Director

Proxy Statement for the 2020 Annual Meeting of Shareholders

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-9)



(From left to right)

John E. Waldron
President and
Chief Operating Officer

David M. Solomon
Chairman and
Chief Executive Officer

Stephen M. Scherr
Chief Financial Officer

Letter to Shareholders

Fellow Shareholders:

As this letter goes to print in mid-March 2020, the world is experiencing a global health crisis that is putting extraordinary pressure on all of society — from every family in the world to every large and small company, which represents the vast majority of the work force. This includes pressure on the nonprofit sector, which provides critical services to the most vulnerable. Government action generally has been swift and aggressive to help mitigate the effects of COVID-19. This fluid and historic situation is having a profound influence on the most basic of human needs — the desire to be near and among our friends, colleagues and families.

As a firm, we are taking actions to support our people, their families, and our clients. I am proud of how our people have reacted amidst these circumstances, demonstrating the resilience and resolve they put forth on a daily basis on behalf of our clients. Further, the work they do today is integral to bolstering and sustaining global financial markets, which are critical to the recovery ahead.

As I write this, it is too early to know the full effect COVID-19 on our growth plans we will be mindful of the impact this virus will work our way past the crisis stage soon and will do our part to help the global economy from this devastating crisis, which has hurt

As you would expect, we have enacted our business continuity and robust investment. We are operating to protect our people in dynamic environments is core to what we do, and we will stand

We have defined our path forward over the past year, and we have evolved as a firm. We are working to strengthen the market we are investing for growth in new businesses. We have embarked on clients interact with us in an integrated way, and to be more open

All of this is underpinned by the exceptional talent of the people starting with my leadership team of John Waldron, our President and our Chief Financial Officer, and our entire Management Comm



Our Competitive Strengths

Today, Goldman Sachs possesses an enviable portfolio of market-leading businesses. Fundamentally, our success is a result of self-reinforcing competitive strengths within these businesses. First, we firmly believe our biggest competitive strength is the exceptional talent of our people. I frequently hear from clients that our people differentiate us from the competition, and I see it firsthand. Goldman Sachs has developed an ecosystem that attracts and develops top talent from across the globe, giving them platform to thrive and grow.

We operate in an industry where people and the relationships they build are paramount. Our efforts to find the best people range from extensive campus recruiting all the way to being active talent hunters, including at the partner level. We had 83,000 applications for 2,600 campus positions for 2020, illustrating our ability to build a workforce where tomorrow's leaders want to be. We are especially focused on ensuring we have the best pipeline of rising stars, and the best programs to develop those leaders. It helps that our history, our people and our ideas have made Goldman Sachs an inspirational brand around the globe. Our firm has proven influential with institutions and in corporate boardrooms, and it resonates with new and different clients, such as consumers.

Closely linked with exceptional talent is the culture of innovation which our people foster. This firm is ready to capitalize on new opportunities in fact, we are well underway on a number of efforts that I will describe below. We are deeply focused on encouraging innovation.

Letter to Shareholders

reputational. We appreciate that risk will change as our mix of businesses evolves. Accordingly, we are adapting our processes to manage risks old and new. We also know that we can never stop questioning, critiquing, and improving the processes that enable our people to deliver excellence to clients around the world.

Our New Operating Approach

Over the course of the past year we have begun engaging in a number of cultural and operational shifts to support and accelerate our next major growth initiatives. And we are making efforts to be more open and accessible, both internally and externally. Our example is our new segment reporting, which more closely aligns to how we are now managing our businesses, improves transparency, and enables stakeholders to better hold us accountable to the executive priorities we have set forth. Another example is our first Investor Day, held in January 2020.

A centerpiece of our operational shifts aims at simplifying transactions for our clients. We launched One Goldman Sachs on its first day as CEO. This initiative has already succeeded in delivering our capabilities more holistically to approximately 30 major client relationships. Our

2019 Financial Performance

In 2019, the global economy experienced broad-based growth, inflation was subdued and unemployment fell to multi-year lows in key regions, while the outlook for economic growth and geopolitical risk was closely monitored throughout the year. At Goldman Sachs, our business weathered pockets of market volatility and delivered strong performance into year end. Our enduring focus on our clients and our culture of excellence drove solid financial results. Net revenues were \$36.55 billion for the year and return on average common shareholders' equity was 13.07 percent. We retained the industry's leading merger and acquisitions advisor, and held the #1 position in worldwide equity and equity-related offerings and common stock offerings for the year.

Our business generally produced strong net revenues, and the growth we achieved in new initiatives such as our consumer banking business was encouraging. Investment Banking generated net revenues of \$7.60 billion, its second highest annual net revenues. In Global Markets, our broad and diverse franchise across FX and Equities delivered net revenues of \$14.78 billion, reflecting growing financing revenues. Asset Management produced solid results, with net revenues of \$8.57 billion, amid strong asset inflows, net revenues in Equity Investments continued to be robust and rose versus 2018. Rapidly scaling Consumer & Wealth Management generated net revenues of \$4.20 billion, firmwide assets

under management of \$4.2 trillion at year end. Our success in 2019 was a testament to the strength of our business model and the dedication of our people. We are committed to driving the right thing — always. Particularly in the wake of our experience in Malaysia, I am keenly aware of how the actions of a few can harm our firm. We will continue to assess ways to learn and improve from this experience, and we are committed to ensuring our culture of integrity remains a core value.

Finally, excellence. We are committed to delivering to the very best of our ability. This value permeates our organization from the bottom to the top. It informs the kind of people we attract, the advice we give, and the ways in which we serve to extend our clients' expectations. Every day, I see examples of the people of Goldman Sachs going the extra mile, working to execute at the highest level possible.

progress for all. If we successfully deliver on this purpose, we are confident that we will also succeed in delivering significant value to our shareholders.

We are taking our foundational strengths and applying them as we invest in our future. This means affirming our values while fostering change and innovation. As part of that effort, we doubled our business principles into four core values that inform everything we do. First is the partnership ethos which is central to Goldman Sachs' culture. It's referring not just to our firm's leadership group, the partners of Goldman Sachs, but also to the philosophy behind our client relationships and the way we interact with our stakeholders. Partnership fosters a sense of ownership and accountability that is truly unique and differentiated. It encourages collaboration, initiative, and teamwork, and it inspires our people to always put our clients at the center of everything we do.

Of course, putting our clients at the center requires exceptional client service, which is our second core value. Having personally spent decades building deep relationships with clients, I am amazed to the results we can achieve through long-term dedication to client service. This goes beyond transactional excellence. The connection to our people — our ability to offer advice, knowledge, and feedback — is often the most significant driver of value.

As Chairman and Chief Executive Officer, I am intensely focused on integrity. We must have an unwavering commitment to doing the right thing — always. Particularly in the wake of our experience in Malaysia, I am keenly aware of how the actions of a few can harm our firm. We will continue to assess ways to learn and improve from this experience, and we are committed to ensuring our culture of integrity remains a core value.

Finally, excellence. We are committed to delivering to the very best of our ability. This value permeates our organization from the bottom to the top. It informs the kind of people we attract, the advice we give, and the ways in which we serve to extend our clients' expectations. Every day, I see examples of the people of Goldman Sachs going the extra mile, working to execute at the highest level possible.

Core Values

Partnership
Client Service
Integrity
Excellence

Annual Report

MEDIUM-TERM FINANCIAL TARGETS		
ROEROTE	Efficiency Ratio	CET1 Ratio
>13% / >14%	~60%	13-13.5%

new businesses and technologies — such as Marcus, Apple Card and Transaction Banking — mature. Success will require diligence and a long-term mindset. But our early results have been more than encouraging.

Our Strategic Direction

There are three pillars to achieving our medium-term financial targets, each of which will be examined in greater depth below:

- Growing and strengthening existing businesses, including expanding our footprint, to achieve higher wallet share
- Diversifying products and services and expanding our addressable market, for more durable earnings
- Operating more efficiently, leading to higher margins and returns

Grow and Strengthen Our Existing Businesses

Our review of existing Goldman Sachs businesses makes clear that we are building on an incredible foundation. Our market-leading positions include the #1 Investment Banking franchise¹, with room to expand the number of clients we serve and the offerings we provide; a leading Global Markets business that can be optimized for returns; a leading asset manager, with opportunities to scale our advisory-led business; and a private net worth wealth management business in which we are accelerating growth in Europe and Asia.

Investment Banking As the #1 investment bank in the world, we are the advisor of choice to our clients. By 2025, we aim to be the #1 in every industry and geography to improve our relative position by capitalizing on our market-leading positions.

Letter to Shareholders

and opportunities. In particular, we are focused on expanding our footprint in core sectors, such as the \$500 billion corporate value range. This is a segment where, historically speaking, we only cover 44 percent of public companies in the Americas and EMEA — compared to 93 percent of firms over \$10 billion and 80 percent in the \$2-\$10 billion range.

Global Markets The marketplace is navigating a once-in-a-generation period of significant regulatory and technological change. We have this moment of disruption and opportunity with the #2 ranked investment client franchise². We are one of the few scaled firms in both FICC and Equities, offering clients differentiated risk, intermediation, data analytics, and a rapidly evolving set of technology platforms. Our plan is to drive higher returns by enabling further research discipline and executing on several client initiatives to grow our franchise.

Asset Management Over the course of more than three decades, we have built a truly global, broad and deep asset management franchise. We have grown organically, led-based active assets faster than competitors over the last five years, a testament to the success of our diversified advisory model. Our goal over the next five years includes achieving \$200 billion of firmwide traditional assets under supervision net inflows.

Consumer & Wealth Management We envision substantial opportunities to broaden our wealth management offering in the years ahead. For one, our advisor-led high net worth wealth management franchise is poised for significant growth in the EMEA and APAC regions, boosted in part by our target of increasing advisors globally by roughly 30 percent over the next three years.

Diversifying Our Products and Services

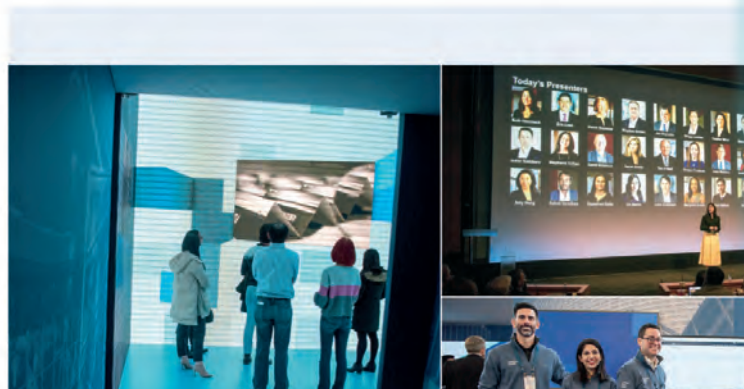
Expanding Our Addressable Market

In general, our new business initiatives are designed to target more durable revenues, greater capital efficiency, and an enhanced leading risk. In our framework for evaluating opportunities, we examine whether they address a client need, capitalize on one or more of our competitive advantages, and are adjacent to one of our market-leading businesses. Through this lens, we have identified four major opportunities.

Transaction Banking Corporate cash management and payment needs span the globe. Even a small share of the massive transaction banking market would be accretive. Our transaction banking offering is high-tech, low-cost, and client-focused — and as a result of transaction banking services ourselves, we believe it is unique and differentiated versus existing offerings in the market. Here, as we roll out offerings over the next several months, we see a 5-year plus opportunity for \$50 billion in deposit balances and \$1 billion in net revenues.

Alternatives In the face of a transition to a more growth-oriented market, we have unified our investing platforms and leveraged our strong, experienced investment teams to create a significant exposure in our alternatives business. An approximately \$120 billion in alternative assets as of December 31, 2019, are already a top-5 player in this space. Partnering with major asset allocators and institutions, we see a 5-year opportunity to achieve \$100 billion in net alternative asset inflows.

High Net Worth Wealth Management We plan to complement our current position in high net worth wealth management franchise with a globally expanded high net worth offering. Our holistic wealth solutions through Acorn and Goldman Sachs Personal Financial Management, the rebranding of the recently acquired United Capital, are the pillars of our expansion. We have less than a 1 percent share of this fragmented \$18 trillion



Goldman Sachs 2019 Annual Report

Letter to Shareholders

market of investable assets in the U.S., and a modest increase in market share could drive a meaningful increase in revenues for our high net worth wealth management franchise.

Digital Consumer Banking We are building the digital consumer bank of the future. Today we are already addressing the spending, borrowing, and savings needs of millions of consumers, helping them take control of their financial lives through an integrated platform. Our envisioned 5-year opportunity includes \$125 billion in deposit balances, \$20 billion in loans and card balances, and millions of new customers.

Operating More Efficiently

The third pillar of our strategic direction is to achieve greater operational efficiency. Streamlining the organization for the best possible client experience is a key focus. We have identified ways to deploy our people and resources more effectively to deliver One Goldman Sachs, with specific initiatives aimed at increasing process efficiency. The expected result of these efforts is a targeted \$1.3 billion in net-rate operating expense savings in three years, which will create capacity for investment in our growth priorities. We are also improving our funding mix through deposits, which we expect to reach \$1.0 billion in net-rate interest expense savings in three years. Additionally, consistent with our history of prudent capital management, we are looking to optimize our capital footprint, through efforts such as reducing our on-balance sheet equity investments in alternatives.

All in, these initiatives to improve the efficiency of our business should support our growth priorities to drive higher margins and firmwide returns.

Diversity and Inclusion as Strategic Imperatives

Advancing diversity and inclusion is a personal priority of mine, particularly when it comes to leadership roles

across our businesses. The reasons are simple: it makes sense for our business, and it is the right thing to do. Moreover, our clients expect it, and our people demand it. I know our shareholders feel similarly, and I am convinced we can do better.

While there is more for us to do as a firm, we are proud that in 2019 we made some important strides. We hired our most diverse incoming analyst class from campuses around the world — 40 percent women and 63 percent ethnically diverse. And we promoted our most diverse class of managing directors ever, with a record 20 percent women. We also announced a new practice group focused on diverse, qualified candidates for roles at the level of vice president and higher. It diversity more rapidly among our mid- and senior ranks. Finally, we introduced what is now the leading parental and family leave policy, so that that employees can build a family and pursue professional ambitions. I am looking for your support and accountability to deliver progress in these areas from where they have oversight.

At the same time, that we are focusing on the state of our own firm's diversity and retail inclusive environment, we are also thinking about our role as a steward of the global capital and how we can make meaningful progress through our client interactions.

I recently announced one way for us to do so: by sharing this summer we will only underwrite public offerings for companies domiciled in Europe and the U.S. that have at least one client member. And come 2021, the figure will rise to two. We did this, first and foremost, because we believe it is the best possible advice we could provide to looking to go public. In addition, the benefits long-lasting, and accrue to all of us.

Sustainability

The private sector has traditionally seen sustainability as a peripheral issue, narrowly tailored to its environmental impact. That kind of thinking is

SUSTAINABLE FINANCE COMMITMENT

\$750B

In financing, investing and advisory activity to nine areas that focus on climate transition and inclusive economic growth by 2030

Today, the concept of sustainability has broadened to include not only how a company manages its operations but also how it conducts its core business. Sustainability is increasingly top of mind for our clients and front and center for the next generation of talent. That is why for Goldman Sachs, ensuring a best-in-class sustainability strategy is central to our long-term success.

We see a clear commercial rationale in this work, where we are able to leverage our leading businesses and global relationships to deliver results for shareholders and progress for society as a whole. In that vein, we have announced a five-year target of \$750 billion in financing, investing and advisory activity to nine areas that focus on climate transition and inclusive economic growth. We have created a new team, the Sustainable Finance Group, to partner with our businesses in executing on the ambitious mandate, delivering sustainable solutions consistent with our clients' long-term objectives.

Philanthropic capital also remains critical. We are focused on ensuring our efforts in this area are aligned with and accrete to our overall sustainability objectives. Our signature entrepreneurship programs 10,000 Women and 10,000 Small Businesses provide access to capital, mentorship and community for business owners around the world. Millions in 2019 included 10,000 Women's 10th anniversary of operating in China and the expansion of 10,000 Small Businesses into India, New Hampshire, and Ohio. Graduates of these programs take the knowledge they acquire and apply it to their businesses — creating jobs and driving growth in the communities where they live and work.

The Path Ahead

The year 2019 was a time to define our strategic plan and financial goals. At the turn of the calendar year, we had a clear-eyed view of our plan and shared it with stakeholders on Investor Day. Its essential elements are now in motion.

The Goldman Sachs of 2020 and beyond will still resemble the firm I joined in 1999 in terms of its core values, cultural attributes and its key businesses. The ethos of this firm is to put capital and ideas to work to expand the potential of organizations, accelerate global economies, and amplify personal progress. We are passionate about our role in the world. None of this has changed.

But our approach to the world and our view of business are both progressing. In my 21 years with the firm, we have already seen a significant evolution. This is healthy and even vital to our success.

As we look to the future, we are committed to executing upon our long-term strategy, strengthening the market-leading positions of our core franchises, and investing for growth in new businesses and opportunities. As the current COVID-19 pandemic reminds us, however, the operating environment can shift overnight. This means that, regardless of market conditions, our focus must always remain on what has sustained Goldman Sachs over the last 150 years: our people, our culture, and above all, the enduring needs of our clients. In doing so, we are well-positioned to compete in the years ahead, and to deliver higher, more sustainable returns for our shareholders.

David M. Solomon

Chairman and Chief Executive Officer

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Sustainability Report

<https://www.goldmansachs.com/what-we-do/sustainable-finance/documents/reports/2019-sustainability-report.pdf>

LETTER FROM THE CHAIRMAN & CEO SHARED WITH THE PRESIDENT & CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER (PAGES 3-4)

Goldman Sachs 2019 Sustainability Report
Introductory Letter



(from left to right)
John E. Waldron
President and Chief Operating Officer
David M. Solomon
Chairman and Chief Executive Officer
Stephen M. Scherr
Chief Financial Officer

FELLOW SHAREHOLDERS,

This report arrives in the midst of crisis. The coronavirus pandemic had a devastating impact on societies around the world. We have levels of jobless claims, record volatility in the markets, and unprecedented disruption to all aspects of our day-to-day lives. While so much remains uncertain about the course of the virus, what is clear is that we will live with its effects for many months, and likely much longer.

Crisis periods like these are painful to experience but underscore the importance for all firms of managing a variety of risk factors while advancing long-term opportunities. This understanding is core to our approach to finance, which is grounded in two key pillars — inclusive growth and climate transition — that we share with our clients and our business.

At the same time that the business case for sustainable growth has crystallized, the consequences of the crisis have become more apparent. This is a rare moment where the pull of opportunity, and the push of risk, are participants in the same direction, toward sustainable growth.

While we have been engaged in sustainable finance for the better part of two decades, 2019 represents a new momentum. During the year, we announced the formation of the Sustainable Finance Group to lead our businesses. Our ambitions in this area are sizable. We have set a target of \$750 billion in sustainable finance investing activity over the next 10 years across these themes of climate transition and inclusive growth. We are weaving these capabilities across the firm, encompassing both how our divisions serve our clients and how we manage ourselves as an organization.

Sustainable finance was front and center across our client interactions in 2019. We will go deeper in the pages that follow, but a few examples are worth highlighting here. We worked with Enel to issue a corporate purpose bond that links the payment of its coupon to the company's goal of generating power from renewables by the end of 2021. We created a new corporate cash management solution with diverse broker-dealers. And we established a new policy to only take public those companies at least one diverse board director (starting next year, we will increase our target to two). We also integrated sustainable finance within our core work, from how we make and manage private equity to how we steward assets as an active shareholder. Sustainable finance has been a powerful application of our approach — mobilizing our best thinking across the firm on central questions for some of our largest

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Goldman Sachs 2019 Sustainability Report
Introductory Letter

Our views on climate and inclusive economic growth also manifest in how we manage our own firm. That starts with our support of our people and extends to fostering an inclusive environment where all of our colleagues can achieve their goals. In 2019, we adopted new policies to drive diverse hiring at all seniority levels and to support working parents, including by increasing parental leave to 20 weeks for all employees. Through these initiatives, we are reaffirming our belief that diversity and inclusion are critical to the long-term success of Goldman Sachs.

Managing the firm sustainably also means a continued focus on the efficiency of our operations, taking care to reduce our environmental impact over time. In the past year, we opened new talent hubs in London and Bengaluru that include best-in-class sustainability features, and we are well on our way to our 2020 goal of achieving green building certifications for 70 percent of our global real estate portfolio.

Going forward, we will continue to pursue innovation and progress on issues related to sustainable growth. With all that is happening around us, we recognize that the path forward may not be linear, but we are committed to this work for the long-term benefit of our clients, our stakeholders and broader society.

David M. Solomon
Chairman and
Chief Executive Officer

John E. Waldron
President and
Chief Operating Officer

Stephen M. Scherr
Chief Financial Officer

RESPONDING TO IMPACTS OF THE GLOBAL PANDEMIC

The global COVID-19 pandemic is putting extraordinary pressure on all of society, and we believe we have a responsibility to help. Here's what we've done so far:

For business clients, we have suspended our share buybacks to ensure that we have more liquidity to meet their needs.

For consumers, we are working through Marcus and Apple Card to help customers during this time of economic hardship — for example, by allowing customers to postpone a monthly loan or card payment without accruing interest and providing early access to funds in CDs with no early withdrawal penalties.

For small businesses, we developed a \$525 million Small Business Stimulus Package that includes \$500 million to provide emergency loans to small businesses across the US, and \$25 million in grants to Community Development Financial Institutions (CDFIs) and other mission-driven lenders.

For frontline medical teams, we have donated across the US and Europe over 2.5 million surgical masks and 700,000 N-95 masks — which we acquired over a number of years following

prior epidemics like SARS, as part of our operational risk management efforts.

For hard hit communities, we've launched the Goldman Sachs COVID-19 Relief Fund, a \$30 million commitment under Goldman Sachs Gives — including a Special Employee Matching Gift Program — to help healthcare workers, families and the most vulnerable populations. In addition, through Community TeamWorks, our people are able to lend a hand from home, whether helping the elderly and underserved students, or helping nonprofit managers develop continuity strategies.

For our people, we are offering 10 days of COVID-19 family leave to allow time to care for family members due to COVID-19 related illness or childcare needs, including homeschooling. We also curated digital learning resources and insights on resiliency and wellness to support our people, as well as digital meditation and fitness classes.

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Home Depot

Proxy Statement Letter
Annual Report Letter
Responsibility Report Letter



Proxy Statement

<https://ir.homedepot.com/~media/Files/H/HomeDepot-IR/2020/HD%20-%202020%20Proxy%20Statement.pdf>

LETTER FROM THE CHAIRMAN, CEO AND PRESIDENT SHARED WITH THE INDEPENDENT LEAD DIRECTOR

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DEAR FELLOW SHAREHOLDERS:

Your Board and management team are committed to creating long-term value for our shareholders. This commitment is reflected in our core values, which provide the foundation for our business and reflect the culture that was built by our founders over 40 years ago. We have highlighted for you below some actions we took in Fiscal 2019 to ensure we are optimizing our governance practices to support continued value creation over the long term. And while this letter focuses primarily on Fiscal 2019, as a result of the COVID-19 pandemic, our focus today is on operating our business while taking care of our customers and associates. Our Board is engaged to oversee and support our response, and we thank our associates for their hard work and dedication to taking care of our customers and each other.

Strategic Engagement and Oversight. In late 2017, we outlined our long-term plan to create the One Home Depot experience, including a multi-year investment of approximately \$11 billion. The Board's engagement with management to address both the short-term needs and long-term strategies necessary to meet our customers' expectations in a rapidly evolving retail landscape helped to shape this plan, and as the Company has progressed through the first two years of implementation, the Board's oversight and engagement has helped to continue to refine it. Company strategy is discussed regularly at Board meetings, and directors annually participate in an in-depth strategy session with management. Through these strategy sessions we tap into the ideas, viewpoints and experiences of our diverse and highly-skilled board members.

Board Composition. Over the last several years, the Board has actively focused on refreshment to align its strengths with the evolving retail landscape. This focus has led to the addition of six new directors in the past six years, including two new directors in Fiscal 2018. Collectively, the new directors have provided additional skills in the areas of e-commerce, IT and cybersecurity, strategic management, and customer experience, among other areas, all of which are valuable skill sets as we implement our One Home Depot strategy. While no new directors were added to our Board in Fiscal 2019, our Board, with the assistance of the NCG Committee, continues to assess its composition so that it is prepared to make any future changes that are appropriate.

Shareholder Engagement and Governance. Recognizing the growing interest of our investors, the Company initiated an expanded environmental, social and governance engagement program with our institutional shareholders in Fiscal 2018, and that program continued in Fiscal 2019. Feedback from those engagements, combined with the Company's commitment to governance best practices, led to a number of changes that the Board approved in Fiscal 2018 and 2019. These changes include enhanced disclosure of the ethnic and gender diversity of our U.S. workforce, a reduction in the percentage of outstanding shares required to call a special meeting of shareholders from 25% to 15%, an updated executive compensation clawback policy that specifically includes conduct that causes significant reputational harm to the Company, and a change to the Company's overboarding policy that reduces the number of outside public company boards on which our directors can serve.

Underpinning all of these actions is a commitment to our shareholders, which is in turn embodied in the shareholder return principles that we have consistently outlined for our investor community. By following these principles, we were able to return \$13.0 billion to our shareholders in Fiscal 2019 through dividends and share repurchases.

We hope you will be able to join us for our 2020 Annual Meeting of Shareholders on Thursday, May 21, 2020. You will find information about the Meeting, including the matters to be voted on at the Meeting, in the enclosed Notice of Meeting and Proxy Statement. The Meeting will also include a report on the Company's performance and operations and a question and answer session. As noted in the Notice of Meeting and Proxy Statement, while we hope that we can hold the Meeting in person, in light of COVID-19 concerns, we are prepared to do so online if it is prudent based on conditions at that time. On behalf of our over 400,000 associates and our Board, we thank you for your support of The Home Depot.

Sincerely,

Craig A. Menear
Chairman, Chief Executive Officer and President

Gregory D. Brenneman
Independent Lead Director

https://ir.homedepot.com/~media/Files/H/HomeDepot-IR/reports-and-presentations/annual-reports/2019_THD_AnnualReport.pdf

Chapter 10



Dear Shareholders:

And while this letter focuses primarily on fiscal 2019, as a result of the COVID-19 pandemic, our focus today is on operating our business while taking care of our

Investing to Extend Distinct Competitive Advantages

In addition to our e
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Our enhanced associate and store experience further complemented by investments in our in- connected, digital customer experience. Over the years we have built a market-leading digital experience as we know that customers continue to trend the channels of engagement. The Home Depot. We've grown our online sales by approximately 55 percent over the last 18 months and over 50 percent of the time, our customers choose to pick up their online order in our U.S. stores. This is a testament to our interconnectivity strategy. In fiscal 2019, we continued to invest website and mobile applications, improving search capabilities, site functionality, customer personalization and mobile brand variants. Our focus on our digital properties continues to drive improved customer satisfaction scores, better conversion and increased sales.

We also continue to lean into our competitive advantage as the only oil and gas sector in North America.

a level of growth unmatched in our market. While we are the leader in our space, our market is large and fragmented. We estimate our current market share to be approximately 15 percent of a \$650 billion addressable market, so there is significant opportunity for continued market share capture as we move forward.

We will maintain our disciplined approach to capital allocation. Our strong performance has allowed us to invest more than anyone in our space, while returning capital to shareholders in the form of dividends and share repurchases. During fiscal 2019, after investing in the business, we returned approximately \$13 billion to our shareholders in the form of dividends and share repurchases.

We believe that ultimately scale, combined with a low-cost position, will win in retail, and we intend to deploy and leverage our scale in home improvement to win with the customer and deliver exceptional returns to shareholders.

Our Culture
When our founders opened the first Home Depot store over forty years ago, they did so within the construct of a well-defined culture and values system. This culture is foundational to our business and provides the lens through which we evaluate and manage important environmental, social and governance ("ESG") issues that impact our business.

We organize our approach to ESG around three key pillars, which embody the values inherited from our founders: Focus on People, Strengthen Communities and Operate Sustainably.

Our commitment to upholding our culture and values not only drives strong business practices, but has also enabled us to deliver industry-leading results. Underpinning our strategy to create the One Home Depot experience is our desire to create value for all stakeholders. This includes our shareholders, our associates, our customers, our supplier partners and the communities we serve.

I am incredibly proud of the progress our team has made as we transform ourselves into The Home Depot of the future. As we look forward to fiscal 2020, I am more excited than ever about the opportunities that lie ahead as we invest to unlock the power of an interconnected One Home Depot experience by enhancing our already strong foundation in order to deliver value for users to come.

Craig Monser
March 25, 2000



Craig Monson
March 25, 2000



ies to drive speed customers, and we rate the lowest cost to now live with at least types of facilities we with the early results. ramp from here, with cities coming online

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Depot experience, but
thus far are meaningful
no one has more ways
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a keeping pace with our

Investing for Continued Value Creation

Our distinct competitive advantages and execution have delivered and will continue to deliver strong financial performance, as was the case for fiscal 2019. During fiscal 2019, we recorded \$110.2 billion, an increase of 1.9 percent compared to fiscal 2018. Sales growth in fiscal 2019, a 52-week year, reflects a comparison against a 53-week year in fiscal 2018. Excluding the extra week in fiscal 2018, which added approximately \$1.7 billion of sales in fiscal 2018, fiscal 2019 sales grew 3.5 percent. Fiscal 2019 comparable sales growth was 3.5 percent for the total company and 3.8 percent in the U.S. Our fiscal 2019 net earnings were \$111.2 billion, and earnings per diluted share increased to \$10.25.

While we define our sales growth in percentage terms, we capture share in dollar terms, and through the second year of our One Home Depot investment program, we have grown sales by over \$9 billion –



Responsibility Report

<https://cloud.3dissue.net/17127/17182/17296/36349/index.html>

LETTER FROM THE CHAIRMAN, CEO AND PRESIDENT (PAGES 4-5)

CEO LETTER

OUR CORE VALUES IN ACTION

The Home Depot's commitment to environmental, social and governance progress reflects our core values and makes our company stronger.

The Home Depot's corporate responsibility strategy is values-based and centered on three key pillars: *focusing on people, operating sustainably and strengthening our communities*. We believe that our commitment to continuing progress on environmental, social and governance issues has made our company stronger, deepened our relationships with our associates and customers, made a lasting positive impact on the environment and created long-term shareholder value.

As we focus on people, more than 33% of our hires were female and more than 50% were ethnically diverse at the close of 2019. Yet we know we have more to do, and we have a renewed urgency in light of events of 2020. The continued senseless killings of defenseless Black men and women in our country demonstrate that we are far from fulfilling the promise of equality for all. Our company opposes discrimination, period, and we are committed to taking action to help end it. To that end, we have established an executive-led task force to further expand on our past work and recent actions to strengthen African American communities, combat all forms of discrimination and deepen our diversity.

In 2019, we made important strides in operating more sustainably, and we continue to look to the future by setting significant goals to reduce our environmental impact. For example, we have pledged to reduce our carbon dioxide emissions by 50% by 2035. In 2019, we reached an important milestone on this front by reducing our electricity use by 10%.

We also set a goal to produce 335 million pounds of alternative energy products by 2025. We committed to reducing our use of polystyrene (PS) and polyethylene (PE) products by 10% by 2025. Suppliers for important goods like food and clothing are also important to our sustainability efforts.

To support our commitment to our communities, we have established a difference fund to support the needs and lives of our communities.

and training skilled tradespeople to fill the labor gap. In 2019, the Foundation furthered its promise to invest \$500 million in veteran causes by 2025, and our associates volunteered 315,000 hours on Team Depot projects in their communities.

Finally, throughout the COVID-19 crisis, we have been committed to the safety and well-being of our associates and customers, while remaining open to provide essential products and services to our communities. To that end, as of this writing, we have provided more than \$1 billion in expanded benefits to support our associates and contributed more than \$50 million to support our communities, including by donating personal protective equipment (PPE) to

first responders and health care workers. More than 95% of our stores have donated essential supplies in their communities.

I want to thank our associates for their contributions to our progress through 2019 and for shining more than ever during recent challenging times. Once again, they are putting our values into action.

Craig Menear
Chairman, Chief Executive Officer
and President

"I want to thank our associates for their contributions to our progress through 2019 and for shining more than ever during recent challenging times. Once again, they are putting our values into action."

—Craig Menear, Chairman, CEO and President



Proxy Statement Letter	✓
Annual Report Letter	✓
Annual Environmental Report Letter	✓
Corporate Responsibility Report Letter	✓

Proxy Statement

https://www.ibm.com/annualreport/assets/downloads/IBM_Proxy_2020.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD

Armonk, New York
March 9, 2020

Dear Fellow Stockholders:

On behalf of the IBM Board of Directors, you are cordially invited to attend the Annual Meeting of Stockholders on April 28, 2020 in Louisville, Kentucky.

It is an exciting time for our Company. As you know, we recently announced a leadership transition. Armon Kohers will continue to serve IBM as Executive Chairman through year-end 2020. The end of the year, like every year, brings with it the IBM Chairman. A time of change provides an opportunity both to look back at our foundation and to embrace responsibility, to embrace ownership and strong governance, and also to look forward and tell you why I am so excited about IBM's future.

Corporate Responsibility and Sustainability is Smart Business

From being our first disabled employee in 1912 to being named one of *Entrepreneur's* 2020 World's Most Ethical Companies, and everything in between, corporate responsibility and sustainability have been a part of our DNA since IBM's founding over a century ago. This year, for the first time, we provide a booklet with some of the highlights of our responsible citizenship at the back of this Proxy Statement. As you will see in the Proxy this year:

- We foster a diverse and inclusive workplace and empower all to serve our customers.
- We created P-TECH, a pioneering education partnership that prepares young people with the academic, technical and professional skills required for 21st century jobs.
- We are committed to environmental leadership, as evidenced by the publication of our 21st Corporate Environmental and Sustainability Report and our robust seventh Climate Leadership Award from the Center for Climate and Energy Solutions and The Climate Maturity in the program's eighth year.
- We are focused on technology setting with data stewardship, demanded by our Principles of Trust and Transparency.

Simply put, we are defining responsible citizenship in the digital age.

Cultural Commitment to Sound Governance

Good corporate governance is also good for business. Looking back, we have improved our governance in numerous ways, based substantially on feedback and discussions with you, our stockholders.

For years, we have had an outstretched hand to engage both institutional and retail investors on corporate governance issues. More recently, we have taken a further step by asking for your board engagement, ensuring that we continuously elicit feedback for improvement in our governance practices and practices.

To enhance transparency and accountability, in 2017, we redesigned our Proxy Statement, adding sections to key investor focus areas, including cybersecurity oversight, human capital management practices and stakeholder engagement.

In 2018, we implemented an independent Lead Director role, based on feedback from our stockholder engagement process, and in 2017 we elected proxy access based on a stockholder vote.

And over the last eight years, the Board has consistently sought to ensure continued viability and new and diverse perspectives in the boardroom, reflected in our average director tenure of less than 6 years.

The Future of IBM

I am proud of the work we have done to build the foundation of strong governance, corporate responsibility and responsible citizenship. We are well-positioned to lead our clients into the next chapter of the digital age together with you. Last year, we closed the landmark acquisition of Red Hat, combining Red Hat's leading hybrid multi-cloud platform with IBM's scale and expertise, we have created an unparalleled combination to accelerate clients' path to hybrid cloud.

As we move into the next chapter, it is the right time for a new leader to continue the journey for IBM and our clients. On April 28, Armon Kohers will assume the ninth CEO of IBM. Armon was a principal architect of our Red Hat acquisition and is a brilliant technological and super-operations leader. He is the right CEO at the right time for IBM. Along with Jim Whitehurst, the Incoming President, the Board has elected a proven technical and business-savvy leadership team.

It has been my great honor to lead IBM in this time and I would like to thank you, our stockholders, for your continued investment and support of IBM.

Very truly yours,
Virginia M. Rometty
Virginia M. Rometty
Chairman of the Board

MESSAGE FROM THE LEAD DIRECTOR

Armonk, New York
March 9, 2020

A Message from our Lead Director:

As IBM's independent Lead Director, I am pleased to report to you on the Board's continued efforts to ensure the effectiveness of our governance structure and processes, and to provide perspective on our recent work as the Lead Director as IBM Director and the tenth Chief Executive Officer in IBM's history as a model in succession planning.

Next-Gen Succession Planning. One of the Board's most important responsibilities is to ensure that IBM has the appropriate management to execute the Company's long-term strategy. In January, we announced that after more than eight years leading the Company, Ginni Rometty will transition to the role of Executive Chairman of the Board before retiring after nearly 40 years with the Company. On April 6, 2020, Armon Kohers, IBM Senior Vice President for Cloud and Cognitive Software, and a principal architect of the Company's acquisition of Red Hat, will become Chief Executive Officer and a member of the Board. John W. Whitman, former Vice President and CEO of Red Hat, will become IBM's President. Ginni has provided outstanding leadership, substantially transforming IBM and redefining a new brand and cognitive era. With that foundation, the Board is confident that Armon is the right CEO to lead IBM. The Board's next-generation, multi-year succession approach, and found in Armon a leader with the business acumen, operational skills and technology vision to guide IBM going forward.

The IBM Board. We are continuously focused on ensuring that IBM has an optimal Board structure and composition. Each time we evaluate our leadership approach, and a time critical to change the composition of our Board members, we take a thoughtful manner to ensure that the right mix of skills, experience, and perspectives are brought to our meetings and discussions. In addition to Dr. Kohers, the Board continued our commitment to independent board members by adding two directors since the last Annual Meeting of Stockholders: Mr. T. William Perkins III, the former Chairman and CEO of Vanguard, and a leader in the field of corporate governance, and Thomas H. Davenport, CEO of HCL, an acknowledged leader in digital transformation.

Independent Board Leadership. As IBM's independent Lead Director, I am responsible for helping ensure that the Board exercises prudent judgment, independent from the management of the Company. I perform my duties, as described within this Proxy Statement, including presiding over an executive session of the independent directors of the Board at each Board meeting, without management present. I also approve all of the Board meeting activities, agendas and materials.

Oversight of Corporate Strategy. Our Board believes that engaged oversight of Company strategy is essential to the Company's pursuit of long-term sustainable value. The Board's diverse skill set and experience with, among other things, corporate culture, executive management, corporate strategy development, and the technology industry is well suited to oversee IBM's development and execution of both short- and long-term corporate strategy. The Board meets seven times each year to discuss key areas such as risk management, capital allocation, strategy development and broader market trends to help ensure that IBM is continuously transforming for the future.

Engagement with Stockholders. The Board is a whole-business team. Stockholders are important to the Board's decision-making process, and regularly schedule shareholder events when making board-level decisions. In 2019, we continued our best-in-class engagement program, meeting with many of our top stockholders on matters ranging from corporate strategy to board and governance issues to sustainability matters. As the independent Lead Director, I am again privileged to this year's outreach efforts along with our Chairman and members of senior management.

Commitment to Sustainability and an Ethical Business Culture. IBM pursues the highest standards of corporate responsibility in all we do and the Board is actively engaged in overseeing the Company's sustainability efforts. Our commitment to sustainability means supporting and improving employees, working with clients and investors, and governing our Company with integrity as part of a long-term value creation strategy at IBM.

Your Board believes that an ongoing commitment to good corporate governance enhances stockholder value substantially over the long term.

We appreciate your investment in IBM and hope that you vote at our Annual Meeting on April 28, 2020.

Very truly yours,
Michael L. Esker
Michael L. Esker
Lead Director

Annual Environmental Report

https://www.ibm.com/ibm/environment/annual/IBMEnvReport_2019.pdf

LETTER FROM THE PRESIDENT (PAGE 2)

Letter from the IBM President



As we publish this 30th edition of IBM's annual corporate environmental report, the world is in crisis: we are in the midst of a pandemic, a global economic contraction, and the heartbreaking persistence of racial inequality.

In times like these, it would be easy for business leaders to neglect their responsibility for environmental protection, including the existential threat of climate change. But that would be a terrible mistake. In fact, this confluence of crises has delivered urgent lessons about the relationship between human activity and the health of our planet.

Consider this: Just ten days after India's nationwide coronavirus lockdown, residents of Punjab saw the Himalayas for the first time in a generation. With no tourist activity for weeks, the canals of Venice ran clear and blue. And rates of asthma across Europe dropped dramatically. Smog in Los Angeles dissipated.

These events are the unintended consequences of COVID-19 lockdowns around the world, and proof that, given the chance, the world begins to recover with stunning speed. These crises have opened our eyes, however temporarily, to what is possible. And that's why I believe this moment constitutes a renewed mandate for change: an opportunity to not just rebuild, but to build back smarter: making our world more sustainable by reinforcing our commitment to environmental leadership.

Core to these efforts will be accountability: setting goals, and measuring progress against those goals, with complete and transparent reporting. For this reason, I'm proud to say that the annual IBM and the Environment Report remains a model of excellence.

In fact, IBM has been a leader in corporate sustainability for half a century. We issued our first corporate environmental policy statement in 1971, and since that time have made significant progress in managing waste, conserving energy, using renewable electricity, reducing carbon dioxide emissions, and helping our clients build sustainable futures. This work will continue unabated, through the difficult times we face today, and in the better times ahead.

Jim Whitehurst
IBM President
July 2020

2019 IBM Annual Environmental Report

LETTER FROM THE VICE PRESIDENT OF CORPORATE ENVIRONMENT AFFAIRS AND PRODUCT SAFETY AND CHIEF SUSTAINABILITY OFFICER (PAGE 4)

This is IBM's 30th annual corporate environmental report. The report is one of the most sustained examples of corporate environmental reporting across global industry.



Our history of reporting is important because it underscores IBM's commitment to environmental results, transparency, and leadership. You cannot publish an environmental report for 30 years without an unwavering commitment.

A brief look back: In addition to being one of the first multinational companies to produce its own environmental report, IBM also led the creation of the first cross-industry guidelines for voluntary corporate environmental reporting back in the early 1990s. Working with nine other companies and representatives of the Coalition for Environmentally Responsible Economies (CERES), we developed the Public Environmental Reporting Initiative (PERI) Guidelines in 1993 and formally published them in 1994. These pioneering guidelines marked a beginning of what has since become a common business practice for many companies.

As more companies communicate about their environmental performance, it remains essential for those communications to be transparent. Today, we believe there is an opportunity for some increased transparency in corporate environmental reporting, particularly when it comes to claims related to climate change. In the Energy and Climate Change section of this report, we state our point of view and the practices we will follow.

Finally, IBM has created and sustained the infrastructure necessary to extend our leadership into the future. An unsung hero throughout our 30 years of environmental reporting – and before then – is our global Environmental Management System. IBM's global Environmental

Management System ensures internal integration of the environmental imperative into our business practices and engages people whose day-to-day job is not the environment per se, but whose decisions and work can impact the environment. It institutionalizes environmental responsibility into the fabric of our business and our company's culture. We are proud to have been the first company to earn a single global registration to the ISO 14001 standard for environmental management systems back in 1997 and to have retained it ever since. Unsurprisingly, we know just how much a global Environmental Management System matters.

You can rely upon IBM to uphold its commitment to environmental leadership. In the cover letter for our first environmental report published in 1990, then Chairman and CEO John Akers stated, "The IBM company has always taken its environmental responsibilities seriously. And we always will. Our continuing resolve is to conduct our business in the safest way possible and to use our technology to help preserve the Earth's fragile ecosystem." That message is as true today as it was 30 years ago.

Wayne S. Italia
Vice President, Corporate Environment Affairs
& Product Safety
Chief Sustainability Officer
July 2020

2019 IBM Annual Environmental Report

Corporate Responsibility Report

<https://www.ibm.org/responsibility/2019/IBM-2019-CRR.pdf>

LETTER FROM THE CEO (PAGES 2-3)

Arvind's letter



Arvind Krishna
Chief Executive Officer
IBM

Over its 109-year history, IBM has helped the world weather many storms. That history gives us confidence that we will help society to navigate these challenging times and emerge from them stronger.

As we fight one pandemic of global disease, we cannot lose sight of the fact that another pandemic of racial injustices is deeply afflicting our communities. We have a responsibility to confront the dangers and inequalities exposed by these threats. As reflected in this report, IBM has taken wide-ranging actions to support and strengthen all of those impacted by these unprecedented events. As in the past, we will continue to lead with the core values that have guided us through decades of deep societal change.

As the digital transformation of business continues, IBM will continue to advance our commitment to diversity and inclusion. We have a philosophy that is inclusive of all our customers, employees, suppliers and communities and the world around us with modern approaches to skills, education and that broaden economic opportunity.

We are also building technology platforms and organizations and their operations sustainable for people and the planet. To be successful, technologies must be trustworthy. IBM's long-standing commitment to our company's most deeply held value is responsible stewardship in the business strategy. Trust will only be earned if we help organizations derive new insights from technologies like artificial intelligence and quantum computing.

In the pages that follow, we report on our progress that reflect our promise to lead the world in responsible technology.

- **IBM has long recognized that diversity is core to our culture and business success.** We have made significant progress in increasing diversity across all underrepresented groups, with 87% of our workforce being diverse. We have more work to do. In this report, we share the steps we are taking to ensure equity at all levels of our communities.

- **IBM has continued to invest in skills and re-skilling to make the digital era more inclusive.** IBM's apprenticeship program enrollment grew twice as fast as expected, becoming a nationwide model in the United States. Meanwhile, P-TECH – the pioneering high-school, career-readiness education model led by IBM – grew to more than 220 schools serving 150,000 students in 24 countries, with more than 600 industry partners and 200 community colleges.
- **IBM has upheld our ethical imperative to prepare society for the changes emerging technologies may bring.** We launched the IBM Policy Lab, a forum to provide lawmakers with actionable recommendations to harness the benefits of innovation while ensuring trust in a world being reshaped by data. We're especially proud that the Ethisphere Institute named IBM as one of the world's most ethical companies in 2019 for the second year in a row.
- **IBM has worked to improve the efficiency of our operations and protect our environment for future generations.** In 2019, IBM substantially increased its use of renewable electricity, which now accounts for 47% of the company's total electricity consumption. We also became a founding member of the Climate Leadership Council and are supporting its ambitious plan for a carbon tax, the proceeds of which would be returned to citizens as a "carbon dividend."

As I begin my tenure as IBM's tenth CEO, I look forward to leading my fellow IBMers in building upon our legacy of good tech and responsible stewardship for the benefit of our company, our clients and the world.

Arvind Krishna

Arvind Krishna
Chief Executive Officer
IBM

Proxy Statement Letter

Annual Report Letter

Corporate Responsibility Report Letter

Proxy Statement

https://s21.q4cdn.com/600692695/files/doc_financials/2019/Final-2020-Proxy-Statement.pdf

LETTER FROM THE CHAIRMAN (PAGES 3-5)

LETTER FROM YOUR CHAIRMAN

DEAR STOCKHOLDER,

Our strategic evolution to capitalize on the exponential growth of data and help customers unleash its potential with technology to process, store, and move more data, faster, is transforming many aspects of our company. It is particularly important that our leadership and our culture reflect and support this transformation, and we have made great progress to provide a solid foundation for our growth and leadership in this new era. This strategic evolution has driven change throughout the company, while the core fundamental principles of our operations and values remain unchanged. Key among those are our commitment to our stockholders and our recognition that leadership on environmental, social, and governance issues makes us a stronger company and enables us to create value for our community.

FRESH HOODS PERSPECTIVES

Since the beginning of 2017, we have welcomed six new independent directors to the Board, each of whom brings extensive experience and fresh perspectives to enrich Board dialogue and enhance the Board's ability to continue effectively overseeing the company. The Board reflects a diverse set of perspectives, skills, and experiences to position our company for the future.

"At Intel, a key question that is front and center to the boardroom is how our decisions impact our stockholders. As a result, we find it incredibly important to ensure that we have a meaningful dialogue with our investors throughout the year so we can get their feedback on important matters affecting Intel. This is particularly true in a year when our investors express dissatisfaction with some aspect of our practices, as they did through last year's 'pay on pay' vote. Following this vote, I made it a priority on behalf of the board to engage directly with investors to better understand the reasons for their vote. Following meetings with investors representing 28% of our stock, I discussed your feedback with the board and have worked with management to incorporate it into our practices and disclosures."

—Omar Ishrak,
Independent Chairman

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LETTER FROM YOUR CHAIRMAN CONTINUED

roles, our success depends on their understanding how their work contributes to the company's overall strategy. We use a variety of channels to facilitate open and direct communication, including open forums with executives, semiannual employee experience surveys and engagement through more than 30 employee resource groups, including the Women at Intel Network, the Network of Intel African American Employees, the Intel Latino Network, and many others.



FOCUS ON SUSTAINABILITY AND CLIMATE IMPACT

Our commitment to environmental sustainability began over 50 years ago with our co-founder Gordon Moore. And as we look ahead to the future, our ambitions and the need for industry leadership have never been greater to continuously improve energy efficiency, reduce emissions, and conserve resources throughout our operations and beyond. We are committed to transparency and performance improvement in environmental sustainability and have established public goals regarding, among other things, reducing our greenhouse gas emissions, investing in renewable energy, conserving water, and reducing waste generation. We continue to invest in reducing our own direct climate "footprint"—the emissions resulting from our own operations, our supply chain, and the marketing and use of our products, and we also collaborate with our customers and others to increase our "handprint"—the ways in which our technology can help others reduce their environmental impact. We leverage the experience gained from our longstanding sustainability efforts and collaborate with others to drive industry-wide improvements and policy change. And we carry this focus to our supply chain as well, actively collaborating with others and leading industry initiatives on key issues such as advancing responsible minerals sourcing, addressing risks of human rights issues including forced and bonded labor, and improving transparency around climate and water impacts in the global electronics supply chain.

In keeping with our strong commitment to independent Board oversight, we have long separated the roles of Board Chairman and CEO. Returning to our past practice of having an independent director serve as Board Chairman, it was my honor to be elected Board Chairman in January 2020. Our immediate past Chairman, Andy Bryant, will be retiring from the Board as of the 2020 Annual Meeting. Over the past 38 years, Andy has served Intel in a number of crucial roles. He has led with integrity and an abiding focus on delivering results with the best interests of Intel and its stockholders in mind. On behalf of myself, the rest of the Board and the broader Intel family, I thank and congratulate Andy for his service. Much of what Intel has become in its first 50 years is due in no small part to his enduring commitment to the company, its employees and its stockholders.

FULLY ALIGNED EXECUTIVE MANAGEMENT TEAM

As we continue our work to shape the future of technology, we believe our leadership team must be committed to and have a stake in that future. During the course of 2019, we made three key changes to our management leadership team. In January 2019, our Board named Bob Swan to be Chief Executive Officer, based on the Board's conclusion after a thorough search that Bob is the right leader to drive Intel into its next era of growth. To complement Bob's unique talents and to empower Intel's executive leaders to drive transformative change and improve execution, in April 2019, the Board appointed George Davis as our Chief Financial Officer and in June 2019 the Board appointed Sandra Rivera as our new Chief People Officer. Both George and Sandra lead critical aspects of Intel's long-term strategy to transform the company into a more efficient, more innovative, and more customer-centric organization, while remaining committed to the principles that have guided Intel through its history. The Board is confident that these changes by and large will drive our management team and Intel for sustainable success as we continue to

CULTURAL EVOLUTION ACROSS THE ENTERPRISE

The Board understands the importance of culture and firmly believes that a strong culture allows and retains talented and engaged employees in their best every day and who create the intellectual property that drives our growth and success in our business. As we continue our strategic transformation, the Board and our management fully committed to evolving our corporate culture to support our business strategy and to ensure that we are fully committed to our mission of creating value for our stockholders and the communities we serve.

LETTER FROM YOUR CHAIRMAN CONTINUED

Like our broader strategic transformation, the transformation of our corporate culture will be a multi-year journey. Intel must be customer obsessed to deliver every aspect of our business to the highest quality, act fearlessly as "One Intel" and create an inclusive environment that welcomes truth and transparency. This cultural evolution will touch everything from the way employees work together, serve our customers and make decisions to how we measure performance, promote our employees and enable our workplace with technology.

In 2019, we took significant steps in support of this cultural evolution. We replaced our legacy performance management system with one based on the principles driving our ongoing strategic transformation, and under the leadership of our new Chief People Officer, we are actively cultivating new employee processes and programs to promote sustainable growth and dynamic employee engagement. We also revised our annual incentive cash program for 2020 to embrace a "One Intel" approach, under which employees' bonuses depend on our successes across the company, and not just based on individual business group achievements. Through the efforts of our Compensation Committee, the Board holds our management leaders accountable for making meaningful progress in support of our cultural evolution, which is critical in pursuit of an expanded market opportunity, fueled by data. The Board believes this will help make us even more nimble and proactive in order to compete in new markets, anticipate rising demands and drive success.

STANDSTILLING COMMITMENT TO

STOCKHOLDER ENGAGEMENT

I remain committed to year-round and meaningful engagement with our stockholders. Our Integrated Investor Outreach team meets with a broad base of investors throughout the year to discuss corporate finance, executive compensation, corporate responsibility issues, and other matters of importance. Our team then reports to the Board on investor feedback and emerging issues, allowing the Board to better understand stockholders' priorities and perspectives and to incorporate them into the Board's business and strategy discussions. Over the past year, we solicited feedback on and robust discussions with stockholders regarding the best way to incentivize our management team and discussed other important issues, including Board leadership structure. Board oversight of key ESG matters and initiatives and Intel's corporate responsibility performance and disclosures. In addition to the engagement conducted by our Integrated Investor Outreach team, I personally had discussions with investors representing 28% of our stock to ensure that our decisions in the boardroom were being informed by direct feedback in addition to the helpful insights gained through outreach team engagements. These discussions prove

truly valuable to the Board and I look forward to our continued engagement with Intel stockholders and other stakeholders over the coming year.

CONTINUED ENVIRONMENTAL, SOCIAL, AND GOVERNANCE LEADERSHIP

Intel has a long history of leadership in corporate governance and corporate responsibility of setting ambitious goals for our company, leading industry and multi-stakeholder initiatives, and collaborating with others to apply our technology to solve global challenges. Our integrated approach enables us to mitigate risks, reduce costs, protect brand value, and identify market opportunities, in turn creating value for Intel, our stockholders and the communities we serve. Under the Board's oversight, we have embedded corporate responsibility and sustainability considerations into our corporate strategy, compensation, disclosure, and long-term goals. To reinforce and align our executives to these goals, since 2008 a portion of the operational performance component of our annual incentive cash program has been tied to key corporate responsibility goals within our executive and employee compensation, including inclusion and environmental metrics.

I would like to briefly highlight two of our corporate responsibility and corporate governance efforts that I feel particularly reflect Intel's long-standing values, and encourage you to carefully review this proxy statement as it discusses many of our other key initiatives in greater detail:

TRANSFORMING HUMAN CAPITAL FOR SUCCESS

Given the highly technical nature of our business, our success depends on our ability to attract and retain talented and skilled employees to create the technology of the future. In order to attract, retain, and grow talented and engaged employees who can deliver their best work every day, we invest significant resources to making Intel a rewarding place to work, creating a company which our employees are proud to be a part of, and fostering an environment where we promote diversity and inclusion. For over a decade, we have tracked and publicly reported on key human capital metrics, including workforce demographics, diversity and inclusion data, turnover and training data, and all the initiatives and tracking are regularly shared with the Board. In 2018, we met our goal to achieve full representation of women and underrepresented minorities in our U.S. workforce two years ahead of schedule, and in 2018, we continued to advance transparency in our pay and representation data by publicly releasing our 2017 and 2018 EEO-1 survey pay data. However, we know there is still more that we can do to cultivate and empower our talented workforce. With approximately 90% of our employees working in technical

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Annual Report

https://s21.q4cdn.com/600692695/files/doc_financials/2019/2019-Annual-Report.pdf

LETTER FROM THE CEO

LETTER FROM YOUR CEO

To our stockholders, customers, partners, and employees:

Legendary Intel CEO Andy Grove talked about "strategic inflection points," periods of fundamental change in a business, an industry, or even the world. As such points, he said, clarify about what you uniquely do and why you do it is essential to defining your path forward.

The emergence of data as a transformational force is such a moment—for the world and for Intel. We already create technology that enriches lives, serving every industry, every sector of society, and nearly every person on earth, every day. But now nearly everything looks more like a computer and therefore what it means to have "Intel Inside" is changing.

A computer is no longer simply a PC or a server in a data center, or even a phone. Computing is permeating all of our interactions: the global communications network, every retail experience, vehicle, hospital, farm, and factory floor. This is helping unleash the potential of data in every part of our lives and create societal and economic value on a global scale.

Intel Inside now goes well beyond the familiar CPU in your PC to include processors that orchestrate a network, visual processing units that help give a car awareness of its environment, and ASICs specially tuned to machine learning algorithms. Also, new, highly flexible packaging technologies enable platform solutions that solve our customers' biggest challenges.

This profound evolution in computing opens a much larger opportunity with implications for every aspect of our business. As Intel's leadership team, we must reimagine the world through this change, and move forward boldly, not constrained by history. This includes the iconic Intel culture that helped define not just our company, but Silicon Valley itself. In some regards, that culture is more differentiating than ever, particularly the value we place on brilliant engineering, integrity, truth, and transparency. But we also know that we must continue to evolve our culture. We must approach every day with a growth mindset.

We took important steps in that direction in 2019. Our focus on data drove record financial performance, informed strategic investments, and gave us the conviction to make tough decisions about what not to do. The result is an Intel that is more relevant in a world where our perspective, networks are transforming for unprecedented amounts of data, and more intelligence is moving to the network edge. These emerging opportunities all benefit from Intel's unique ability to reimagine the boundaries of innovation, achieve economies of scale, and build global ecosystems.

"Our ambition is to play a much larger role in our customers' success."

Our pipeline of innovative 10-nanometer products is strong. We are accelerating the pace of process node introductions, moving back to a two- to two-and-a-half-year cadence with 7-nanometer-based products, and we are well down the engineering path on 5-nanometer.

Evolving our culture

Intel has a wonderful culture, and we want to keep all the elements that have made our company special. But we also know that healthy and successful organizations evolve and adapt as circumstances change.

When you are the clear leader in any field—as Intel has been in semiconductors for PCs and servers—there is a danger that your listening skills and your curiosity about the world will erode. This is a big part of what Andy Grove meant when he said, "Only the paranoid survive." And that comes into sharp focus when you aggressively reexamine your company to address a major new market opportunity, as we are today. In an estimated \$300 billion market opportunity, we have under 25 percent share, with a more diverse universe of customers and increased competition.

This has several important cultural implications:

1. **We must be customer-obsessed.** When you play a bigger role in your customers' success, and when the sources of that success are shifting, you must understand their ambitions and their challenges so you can anticipate their needs.
2. **We must show up as "One Intel."** When you expand your horizons, you have a lot of new competitors. You must bring everything you have—your collective talents—in order to win.
3. **We must be fearless.** When you become a challenger, you're highly motivated to reinvent yourself and your portfolio, and not simply protect what you built. Fortunately, we have the best team of problem-solving engineers on the planet. It's the job of our leadership team to foster the risk-taking and learning mindset of a challenger.
4. **We need truth and transparency.** Success over decades and fear of failure can inhibit the free flow of information between teams. It can make the constructive confrontation for which Intel is famous too uncomfortable. Or you may fail to truly confront what data is telling you. You can't do that in a fast-emerging opportunity.
5. **We must invite a diverse and inclusive workplace.** It's essential to a growth strategy. We've made good progress and have set an example as a company that is open about our diversity and inclusion journey, but we have much to learn and to do.



Bob Swan, Chief Executive Officer

Our progress on this journey and our record results are gratifying, but they're not a reason for complacency. Our ambition is to play a much larger role in our customers' success. Therefore, we need to ensure that we exceed their expectations and deliver what they need when they need it. Sometimes we failed to do that last year, and that was unacceptable. Customers look to Intel for a predictable cadence of high-performance products and technologies that are integral to their success. They also look for products that are designed for privacy and security, and manufactured in a sustainable, ethically sourced way. Accountability comes with the territory. We will improve our execution.

We are positioned for another strong year in 2020. We will continue to make significant investments in our customers' success.

Our progress on this journey and our record results are gratifying, but they're not a reason for complacency. Our ambition is to play a much larger role in our customers' success. Therefore, we need to ensure that we exceed their expectations and deliver what they need when they need it. Sometimes we failed to do that last year, and that was unacceptable. Customers look to Intel for a predictable cadence of high-performance products and technologies that are integral to their success. They also look for products that are designed for privacy and security, and manufactured in a sustainable, ethically sourced way. Accountability comes with the territory. We will improve our execution.

To explain why I am so confident in our future, I address three key elements of our journey: investing in strategic technology inflections; growing, executing and innovating inspired; and, critically, taking our culture forward.

Embracing strategic inflections

Intel is at its best creating technologies that impact the world. The PC, the Internet, and the cloud in part because of the power of our technology richness of our ecosystem. The technology driving the data revolution—AI, 5G, and the will eventually rise on a foundation of great standards, and scale economics that unlock innovators around the world.

"Our cultural evolution will be a significant focus for me and the Intel leadership team in 2020."

Our cultural evolution will be a significant focus for me and the Intel leadership team in 2020. Our success evolving our culture will determine how we perform over the next decade and how we fulfill our purpose to create world-changing technology that enriches lives.

The opportunities and profound strategic inflections that this data revolution represent are evident. Intel is both positioned and driven to seize them. I could not be more proud to lead this group of people. I want to thank our many stakeholders for their belief and partnership with Intel.

Bob Swan, CEO
Intel Corporation

"Intel at its best creates technologies that have true global impact. The PC, the Internet, and the cloud were fully realized in part because of the power of our technology and the richness of our ecosystem."

As a result, our opportunity and our ambitions have never been greater. Our strategy to help customers unleash the potential of data has increased our addressable market by about five times, to nearly \$300 billion. And we made significant progress in 2019, repositioning Intel for these new inflections.

According to IDC, 75% of enterprise applications will use AI by 2021. That's why we're infusing AI into everything we build. One reason Cascade Lake is our fastest ramping Intel Xeon processor ever is its unrivaled AI performance, including built-in Intel Deep Learning Boost technology. Our Intel Movidius Vision Processing Unit is a performance leader for AI at the edge, and we recently acquired Habana Labs, further strengthening our broad AI portfolio.

With products spanning from the cloud to the intelligent edge, we generated billions in AI-driven revenue in 2019, growing in strong double digits.

We also have a very significant networking business helping our customers transform their networks with a cloud-style infrastructure that's more flexible and efficient, virtualizing workloads on Intel architecture-based servers.

The 5G era will significantly increase demand for computing throughout the network. Many services delivered from a distant cloud today will be processed nearby to improve the experience—at what we call the intelligent edge—whether the context is AI-assisted retail or a super-efficient factory.

Perhaps the most transformational segment at the intelligent edge will be transportation or "mobility," where Intel is a leader thanks to our acquisition of Mobileye two years ago. We couldn't be more excited about our progress toward winning the \$70 billion-plus opportunity for advanced driver-assistance systems, autonomous vehicles, and crowd-sourced maps generating valuable data. We aim to play an even larger role in the \$160 billion opportunity for mobility-as-a-service.

We recently demonstrated our capability in a very public way when analysts and media from around the world test drove our technology on the demanding roads of Jerusalem, where the industry's leading autonomous vehicle solution navigated wide variety of driving complexities and delivered unmatched agility and safety.

Securing, inspired by Moore's Law

Our co-founder Gordon Moore articulated a law of exponential improvement for semiconductors in 1965 that

led us from tens to tens of billions of transistors per chip. His simple thought experiment still inspires our team every day to continue reinventing not only transistors, but everything we do.

To keep his vision alive, we are innovating and investing across six pillars of technology that will fuel our product leadership: process and packaging, architectures, memory, interconnects, security technologies, and software. At the same time, Intel Labs is researching completely new approaches to computing—such as neuromorphic, probabilistic, and quantum—that could unlock completely new opportunities.

Our process technology and design engineering teams are working closely to simplify design and balance schedule, performance, power, and cost, leveraging each of our six pillars. In 2020, we will continue to make progress with important new products, platform initiatives, and software optimizations.

• **Data center performance** will advance when our 3rd generation Intel Xeon Scalable processor debuts in the second quarter of 2020 with "Cooper Lake," followed by Intel production shipments of 10-nanometer "Ice Lake" in the latter part of the year. We will also continue to deliver platform solutions in the data center, combining advancements in CPU with technologies like Intel Optane DC persistent memory.

• **Cloud performance** in mobile has excellent momentum to date on the strength of 10-nanometer Ice Lake system designs, and will advance with our newest Intel Core mobile processors, code-named "Tiger Lake," later this year. Our Project Athena program also helps the industry create laptops with truly exciting innovations that consumers and businesses really care about, including longer battery life and instant wake features. Together with our partners we expect to have verified more than 70 Project Athena designs across Windows and Chrome by the end of this year.



• **Software optimization** is critical for any workload on an individual silicon architecture, but it isn't enough to approach each in isolation when customers' problems increasingly demand diverse computing architectures. That's why we launched the oneAPI industry initiative to deliver a unified and simplified programming model for application development across a global ecosystem on diverse architectures.

Source: Intel calculated 2024 total addressable market derived from industry analyst reports.
Source: International Data Corp. (IDC) Artificial Intelligence Requires Tailored Solutions from Technology Providers (10/19).
Source: Intel calculated 2030 total addressable market derived from industry analyst reports.

This Annual Report contains forward-looking statements, and actual results could differ materially. Risk factors that could cause actual results to differ are set forth in the "Risk Factors" section throughout our 2019 Form 10-K, which is included in this Annual Report. These risk factors are subject to update by our future filings and submissions with the U.S. SEC. Forward-looking statements included in our 2019 Form 10-K are based on management's expectations as of January 23, 2020, and forward-looking statements in the CEO and Chairman letters are based on expectations as of March 3, 2020. Intel disclaims any obligation to update these statements, except as required by law.

LETTER FROM YOUR CHAIRMEN

Change and continuity are defining themes in Intel's productive history. Innovation demands change, and the pace of innovation in technology is relentless. Those who thrive must adapt and move forward, yet also maintain enduring values of excellence, integrity, and purpose. As stewards of Intel's future, the Board of Directors works to ensure that Intel continues to thrive.

The Board actively works with management to ensure that the company has a clear and compelling strategy to deliver long-term value to the stockholders. We continually monitor opportunities to deploy capital to areas that offer high returns or critical capabilities. As part of this effort, we regularly evaluate the business to identify investments with lower returns or less strategic relevance.

With a sense of urgency, Intel is aggressively taking the necessary actions to address the changes in the current global market. When we have technology and manufacturing leadership, we deliver products that succeed in the marketplace—this is a fundamental of our industry. Intel is committed to achieving and preserving leadership in design and process technology and to expanding capabilities in high-growth areas such as 5G network infrastructure, artificial intelligence, and autonomous driving.

"Intel is committed to achieving and preserving leadership in design and process technology and to expanding capabilities in high-growth areas such as 5G network infrastructure, artificial intelligence, and autonomous driving."

To advance Intel's artificial intelligence strategy and strengthen the company's portfolio of artificial intelligence accelerators for the data center, the Board approved the acquisition of Habana Labs for approximately \$1.7 billion in 2019. We also approved the sale of most of Intel's smartphone modem business, a divestment that will enable the company to sharpen its focus on developing technologies for the rapidly expanding 5G network.

The largest portion of Intel's \$16.2 billion in capital spending in 2019 was used to build and equip factories with advanced technologies to enable us to meet customer demand for products with a range of capabilities. We expect to add approximately 25% more wafer capacity to support PC unit volume growth in 2020.

Oversight of capital allocation and cash policy are among the Board's most important responsibilities. The investments of recent years were evident in the results of 2019, as the business generated a robust \$33.1 billion in cash from operations. Return on average equity was a healthy 27.7%. For the past five years, Intel's return on equity averaged approximately 21.4% and the operations generated a cumulative total of \$125.5 billion in cash.

Intel has long been committed to returning capital to stockholders, first authorizing stock repurchases in 1990 and first paying dividends in 1992. In 2019, the company paid dividends of \$5.6 billion, and it spent \$13.6 billion to repurchase 271.7 million shares.

In the 10 years ending in December 2019, we reduced diluted shares by 21.5%. Since 1990, the company has returned a cumulative \$199.4 billion in cash to stockholders and in October 2019, we approved the repurchase of \$20 billion in shares.

Intel relies on its directors for a mix of professional knowledge and personal perspectives and routinely evaluates its board composition, focusing on tenure, diversity, and relevant experience. We are committed to maintaining a diverse Board with fresh perspectives to provide independent oversight. The Board offers a strong skill set across manufacturing, technology, finance, and marketing, including international experience.

The Board recently added two more independent directors, who bring deep experience in innovation, emerging technologies, cloud computing, and corporate governance. Since the beginning of 2016, the Board has elected seven new independent directors, three of whom are women, and an independent chair. The Audit, Compensation, Corporate Governance and Nominating, and Finance Committees are fully independent.

From its beginning, Intel has believed that employees and culture are the foundation of success. The company's first official corporate objective about people was introduced in 1987 and recognized in the annual report to stockholders. Innovation and creativity flourish in an environment where people feel free to speak the truth and to share different perspectives. Execution is better when the business is run with discipline and integrity, and people share a commitment to create value. The dedication of Intel employees to stay focused in a dynamic industry is testimony to the strength of their values and vital importance of their contributions.

As your outgoing and newly elected chairmen, we share high hopes for the future of Intel and deep respect for Intel employees. Leadership transitions at Intel are not about products or technologies or markets. They are about fostering the culture that has made success possible, while allowing the company to seize new opportunities and flourish in new environments. The Board is committed to doing the work necessary to help make Intel's future as vibrant as its past.



Andy Bryant

Andy D. Bryant
Director, Former Chairman of the Board



Omar Ishrak

Omar Ishrak
Chairman of the Board

Corporate Responsibility Report

<http://csrreportbuilder.intel.com/pdfbuilder/pdfs/CSR-2019-20-Full-Report.pdf>

LETTER FROM THE CEO (PAGE 3)

 intel.com/responsibility [Introduction](#) [Our Business](#) [Environment](#) [Supply Chain](#) [Diversity](#) [Social Impact](#) [Appendix](#)



A LETTER FROM OUR CEO

Our shared experience in recent months combating COVID-19 has been extraordinary. The suffering and loss of life is tragic, and yet we are inspired by selflessness on the front lines of our healthcare system and across our essential services, as well as the commitment of individuals, organizations, and communities to do their part to protect the most vulnerable.

Intel has also been transformed in this moment. Like so many, we have learned lessons and re-invented ways of working to safeguard the well-being of employees and service partners who keep our manufacturing operations and labs functioning. This preserves a global technology supply chain that underpins essential services and supports millions of people around the world now working and learning remotely. We have also committed over \$60 million to directly aid our customers, partners, and communities in the fight against COVID-19.

The pandemic is a powerful context for sharing Intel's Corporate Responsibility Report and our objectives for the decade ahead. Our commitment to positive global impact is embedded in our purpose to create world-changing technology that enriches the lives of every person on earth. We are further inspired by the shared urgency, open collaboration, and bold action demonstrated throughout the pandemic response.

Today, our world is facing many serious challenges, from devastating wildfires and the urgent need for action on climate change, to a deep digital divide and lack of representation and inclusion in our technology industry, to the reality that the current pandemic demands new thinking about global health challenges we will face together in the future.

Intel has a long history of leadership in corporate responsibility. We have a track record of setting ambitious goals and transparently reporting on both our progress and our challenges. For decades, we have worked to advance progress on complex issues together with our customers and other stakeholders.

This year brings an important milestone in this journey—the reporting of Intel's results against the 2020 corporate responsibility goals and the launch of our new goals and aspirations for the next decade. I am proud of all the accomplishments we share in this year's report. These include our progress reducing greenhouse gas emissions, increasing our use of renewable energy, reducing our water use, achieving our workforce diversity goal two years ahead of schedule, increasing annual spending with diverse suppliers, and enabling our employees' continued support of their local communities.

Our new 2030 corporate responsibility strategy and goals reflect even greater ambition for ourselves, as well as a growing sense of urgency to work with others to address challenges no one can tackle alone. We are committing to accelerate the adoption of responsible, inclusive, and sustainable practices in key areas in our operations and supply chain, and across the technology industry and society:

- **Responsible.** Drive to even higher levels of safety, wellness, and responsible business practices in our own operations and supply chain, including acceleration of responsible minerals sourcing practices. We will also collaborate with others and *revolutionize how technology will improve health and safety* through strategic healthcare, manufacturing, and transportation initiatives.
- **Inclusive.** Advance diversity and inclusion at Intel, including doubling the number of women and underrepresented minorities in senior leadership roles. Together with a broad range of stakeholders, we will strive to *make technology fully inclusive and expand digital readiness* for everyone.
- **Sustainable.** Continue to invest in reducing our own environmental footprint, including goals for absolute carbon emissions reductions, 100% renewable energy use, net positive water use, and zero total waste to landfill. We will also take on the challenge together with our customers and others to *achieve carbon neutral computing* through improved product energy efficiency and sustainable design—and the increased application of technology solutions to reduce emissions in high-impact industries.
- **Enabling.** Accelerate the ways in which we will *enable progress through our technology and the expertise and passion of Intel employees*.

We will have much more to share in the months ahead as we go after these goals, which are embedded in our business strategy and operational objectives. Equally important to me is how we accomplish our results. I firmly believe that if something is not done with integrity, it's not worth doing. Acting in an ethical manner and listening to and supporting our many stakeholders—especially in times of great need—are foundational to our purpose and culture.

I'm extremely proud to lead this company. Our Intel team's passion and drive to have a positive impact in the world every day inspires my confidence that we can achieve these bold objectives for the next decade.



BOB SWAN, Chief Executive Officer
Intel Corporation
May 14, 2020

Letter from CEO

Proxy Statement Letter



Annual Report Letter



Health for Humanity Report Letter



Proxy Statement

<http://www.investor.jnj.com/annual-meeting-materials/2020-proxy-statement>

MESSAGE FROM THE LEAD DIRECTOR (PAGE 4)

A Message from Our Lead Director



Dear Fellow Shareholders,

In September of 2019, Johnson & Johnson celebrated its 75th anniversary as a publicly traded company, reminding us how the Company's broad-based expertise, businesses and resources have produced health-enhancing innovations and strong financial performance through decade after decade of economic, social and market transformations. The Company demonstrated its resilience again in this year's complex external environment, and we are looking forward to its future in this time of ever-increasing opportunity, challenge and change.

Your Board is focused on issues that are important to the Company and its shareholders, and it is my privilege as your Lead Director to share some of our priorities with you.

We have prioritized giving you a Board with diverse perspectives and experiences and have brought together global leaders in business and healthcare, and leading experts in science and policy, to ensure that we have the necessary skills and capabilities to give you superior representation.

We believe that long-term leadership in healthcare requires strong governance and steadfast oversight of the Company's most significant opportunities and risks, both now and in the future. In 2019, we reviewed the Company's quality and compliance practices to ensure they are designed to produce safe, high-quality products, and we had frequent, open conversations with senior management to ensure that the Company is identifying and mitigating or managing its most significant risks. We also recognize that Johnson & Johnson operates in an extremely dynamic and challenging industry and, when significant events occurred, we convened special meetings to ensure that we were appropriately informed in a timely manner and that the Company was not losing focus on its strategic imperatives.

In 2019, we spent significant time on the Company's strategy, reviewing the strategic plans of each of our businesses and evaluating management's plans to deliver on the strategies. We also evaluated ongoing performance against existing strategies to ensure the Company is meeting its current commitments and appropriately investing in its future.

We believe that the Company's current and future success depends on its leadership and its Credo-based culture. In 2019, we spent significant time evaluating the Company's approach to talent development and diversity, and we reviewed the results of the Our Voice Employee Survey to ensure that management was appropriately fostering a culture of compliance and developing the diverse perspectives required to lead the Company into the future. We also focused on the Company's executive compensation program, analyzing its structure to ensure that it was incentivizing leaders to grow the Company in accordance with Our Credo and appropriately managing risk.

We are deeply focused on your perspectives as our shareholders. The Company significantly expanded its shareholder engagement program in 2019, and Chairman of the Compensation & Benefits Committee, Ron Williams, and I were pleased to participate in meetings with many investors this past year. We appreciate the thoughtful and considered perspectives provided at these meetings, and we discussed these insights with the full Board. At your suggestion, we made a number of significant changes to the design of our executive compensation program. We have also expanded our discussion of risk oversight and oversight of human capital management in this Proxy Statement and included disclosure about how risks inform the design of our executive compensation program. We hope you find this disclosure informative and helpful, and we welcome your continued feedback.

As Lead Director, I worked to ensure that our Board agendas align with our priorities. Our meetings were designed to encourage robust discussion with management and each other, and I regularly led executive sessions so the independent Directors could discuss and explore the opportunities and challenges facing the Company without management present. Experts from across the Company provided on-the-ground information directly to our Board, and we also invited third-party experts to provide external perspective.

We never lose focus on Our Credo and the Company's first priority: the patients and customers who use and trust the Company's products. On behalf of the Board, I'd like to thank you for your investment in Johnson & Johnson and the trust it conveys. We kindly request your support for our voting recommendations, and we invite you to share your perspectives with us throughout the year.

Sincerely,

Anne M. Mulcahy

Anne M. Mulcahy
Lead Director



2020 Proxy Statement - 4

2019 Performance and Compensation

A Message from our Compensation & Benefits Committee Chairman



Dear Fellow Shareholders:

The members of the Compensation & Benefits Committee of the Board of Directors of Johnson & Johnson believe that the majority of executive compensation should be linked to business and individual performance with a strong view to the long-term interests of our Company and shareholders. We also believe compensation opportunities should be competitive and compelling to attract, retain, and motivate high performing executives who can deliver desired long-term results.

At the 2019 Annual Meeting, our Say on Pay vote received 66% support, which is below recent years' support. We were disappointed in our vote result and significantly increased shareholder outreach over the past year to gain further feedback on our executive compensation program. The Company engaged with approximately 115 shareholders, and I personally participated in many of these discussions. We appreciate the thoughtful feedback that was provided at these meetings.

Our shareholders generally support our executive compensation program and its emphasis on performance-based and long-term equity compensation. We identified areas where we could strengthen our program and asked our shareholders for their feedback on the potential changes. After listening to input from our shareholders and reviewing market practices at peer companies, we made the following changes to the 2020 program design:

- **Annual incentive plan:** Redesigned to provide greater structure, including weightings on financial and strategic goals and threshold, target, and maximum levels of financial performance and payout.
- **Long-term incentive plan:** Eliminated the 1-year sales goal in the Performance Share Unit plan. The new plan includes 3-year adjusted operational EPS and 3-year relative TSR.
- **Personal Use of Company Car and Driver:** Capped the value of the company provided car and driver to \$24,999.

In the meetings with our shareholders, we discussed the special severance action taken in 2018 for a senior executive which we believe significantly contributed to the reduced support for our Say on Pay vote. We also discussed how to address similar situations going forward. Most shareholders cautioned against the unintended consequences of a future commitment to never pay supplemental severance. In response to shareholder feedback, the Committee will generally provide severance benefits within existing programs, and we will retain flexibility, if circumstances warrant, to take additional actions that are in the best long-term interests of the Company. If the Committee determines that discretionary action is in the best interests of the Company, we will disclose the factors that led to that decision.

As described in more detail in the CD&A, the following earned incentives and salary rate actions for our CEO demonstrate our pay for performance philosophy and emphasis on long-term results:

- **2019 annual performance bonus and long-term incentives:** Based on strong 2019 Company operating performance, we awarded our CEO, Alex Gorsky, a bonus and long-term incentives both at 108% of target.
- **2017-2019 PSUs:** Paid out at 94.7% driven primarily by below-target relative total shareholder return.
- **Base salary rate:** Alex Gorsky's salary rate remained unchanged for 2020, marking the third consecutive year at the same salary rate (2018, 2019, and 2020).

The programmatic changes for 2020 are substantial and we believe support our pay for performance philosophy and long-term focus. We will continue to evaluate the effectiveness of our executive compensation programs and engage with our shareholders. On behalf of the Compensation & Benefits Committee, I thank you for your feedback and support.

Sincerely,

Ronald A. Williams
Compensation & Benefits Committee Chairman

LETTER FROM THE CHAIRMAN AND CEO (PAGES I-VII)

MARCH 2020

To Our Shareholders



Alex Gorsky
Chairman and Chief Executive Officer

By just about every measure, Johnson & Johnson's 133rd year was extraordinary.

- We delivered strong operational revenue and adjusted operational earnings growth* that exceeded the financial performance goals we set for the Company at the start of 2019.
- We again made record investments in research and development (R&D)—more than \$11 billion across our Pharmaceutical, Medical Devices and Consumer businesses—as we maintained a relentless pursuit of innovation to develop vital scientific breakthroughs.
- We proudly launched new transformational medicines for untreated and treatment-resistant diseases, while gaining approvals for new uses of many of our medicines already in the market.
- We deployed approximately \$7 billion, primarily in transactions that fortify our commitment to digital surgery for a more personalized and elevated standard of healthcare, and that enhance our position in consumer skin health.
- And our team working to ac

crises, includ
Coronavirus-

These are some of the many financial and strategic achievements that were made possible by the commitment of our more than 132,000 Johnson & Johnson colleagues, who passionately lead the way in improving the health and well-being of people around the world.

Propelled by our people, products, and purpose, we look forward to the future with great confidence and optimism as we remain committed to leading across the spectrum of healthcare.

Through proactive leadership across our enterprise, we navigated a constant surge of unique and complex challenges, spanning dynamic global issues, shifting political climates, industry and competitive headwinds, and an ongoing litigious environment.

As we have experienced for 133 years, we

operational growth over the past five years. In total, throughout 2019 we completed 15 major acquisitions and noteworthy licenses, and 100 innovation deals. We also made 19 new equity investments from Johnson & Johnson Innovation - JJDC, Inc.

- Considering other prudent ways to return value to shareholders, such as through share repurchase programs. We initiated a \$5 billion share repurchase in December of 2019, which was completed in the third quarter of 2019.

Today, there is an increased emphasis on corporate purpose. However, across Johnson & Johnson, we have always operated under the belief that there is a tightly linked connection between our Company's purpose—to advance health for humanity, and our performance—to create and deliver shareholder value.

Leading Across the Spectrum of Healthcare
We are the most broadly-based global company in the healthcare industry. We consider this scope a strategic business advantage, and we also assume the responsibility that comes with it. Leading across the Pharmaceutical, Medical Devices and Consumer sectors provides us with a unique and powerful perspective that enables us to see more, touch more, learn more and do more across the full spectrum of health, as well as throughout every stage of our patients' and consumers' lives.

We have established a sustainable business model that is built for the long-term and provides us with increased confidence about our strategic direction and the future of the healthcare industry. We remain focused on driving the next generation of innovation across our entire portfolio—in new markets, in existing markets where we have greater opportunity to compete, and in the markets where we lead, which include our 26 platforms that each deliver a billion dollars or more in sales annually.

Pharmaceuticals

In Pharmaceuticals, our strong track record of success continued again in 2019, as our Pharmaceutical segment outpaced the market, growing operationally at 5.8%,* which more than offset the negative impact of biosimilar

competition and generic erosion, as well as new competitive entrants and price reductions.

Our robust growth can again be attributed to volume and is a reflection of the increased number of patients we are reaching with our transformational medicines for unmet needs.

Leading across the Pharmaceutical Medical Devices and Consumer sectors provides us with a unique and powerful perspective that enables us to see more, touch more, learn more and do more across the full spectrum of health, as well as throughout every stage of our patients' and consumers' lives.

Delivering life-saving and life-changing medicines to people around the globe translated into Johnson & Johnson having the third-largest Pharmaceuticals business in the world, retaining our #1 leadership position in the United States, and being ranked #1 in the Pharmaceuticals category on Fortune's annual "World's Most Admired Companies" list.

Our Pharmaceutical investments in research and development continued to fuel exceptional growth as well. We achieved double-digit growth for 10 key products and delivered strong performance across all regions, in both developed and emerging markets. We're very proud and excited that:

- We gained approval and launched two new transformational medicines: SPRAVATO for treatment-resistant depression and BALVEX for metastatic urothelial cancer.
- We also continued to maximize the value of our in-market brands for patients, submitting numerous filings and receiving approvals for new line extensions for key brands, including STELARA, DARZALEX, IMBRUVICA, TREM and ERLADA, many with peak sales potential that is greater than \$500 million.
- We continued to expand our portfolio with the strategic licensing and acquisition of ne

and optimism as we remain committed to leading across the spectrum of healthcare.

Our Credos, Company & Culture

You've heard me talk about Our Credo in almost every communication that I've ever delivered—and this letter is no different. Our Credo is the moral compass that we use to guide our business decisions, and it's the blueprint that outlines how we operate and care for the world. Our Credo is the "red thread" that connects our rich heritage, thriving workplace culture, and the corporate DNA that continues to shape our present and future.

This "red thread" was quite prominent last September. In recognition of the words in Our Credo standing the test of time, we celebrated the 75th anniversary of our Initial Public Offering (IPO) by ringing the historic Opening Bell at the New York Stock Exchange (NYSE). Although we had been in business for almost 60 years, General Robert Wood Johnson II drafted Our Credo shortly before he took the Company public in 1944, creating an opportunity for people to invest in our vision of healthcare and to also understand how we would fulfill that vision. This bold move forward sharpened the focus of Johnson & Johnson and helped us forever open our aperture and create a global approach for defining the future of healthcare every day.

Our Credo is the "red thread" that connects our rich heritage, thriving workplace corporate DNA that underpins our present and future.

I do see that we have shareholders of all ages, from small retail investors to large institutional investors, as well as current employees who are passionate about the mission.

assets and platforms, including cusatuzumab from argenx, an investigational antibody for the treatment of acute myeloid leukemia and high-risk myelodysplastic syndromes, and a gene regulation platform from Meira GTx.

With this industry-leading pipeline, commercial capabilities that create patient access, and robust R&D productivity, I'm confident that we are well positioned to continue delivering sustained, long-term, above-market growth in 2020 and beyond.

We believe the power of any new idea is magnified and multiplied by our highly collaborative innovation process...This is how that individual spark of an idea becomes the next great collaborative breakthrough.

Consumer

2019 marked a year of significant transformation for the Consumer business. We re-established our brand and purpose, and made strategic decisions that, over time, we believe will accelerate growth, reduce complexity, and improve operating margins.

Fueled by science-based, professionally endorsed brands and strong consumer insights, we placed a concerted focus throughout 2019 on establishing a clear plan and path to achieve benchmark profitability in 2020, and the segment is already well on its way—as we delivered 90 basis points of adjusted income before tax margin* improvement in 2019.

We successfully launched Children's TYLENOL Dissolve Packs, a novel way to administer pain relief for children. This alternative dissolvable pain-relief powder is the first of its kind and consumer feedback indicates that it could be a game-changer for many parents. The dissolve pack can be poured directly onto a child's tongue and it dissolves almost immediately, eliminating potential struggles for both parent and child, and ensuring the child gets the medicine they need.

Additionally, we successfully integrated the acquisitions of Zarbee's, Inc., a leader in naturally

Performance & Purpose

Over the many decades, we have successfully remained focused on investing in our business to drive growth that generates long-term value, while also returning value to shareholders and all other stakeholders. In fact, I'm proud to highlight that 2019 marked:

- 36 consecutive years of adjusted operational earnings growth,*
- 57 consecutive years of increased dividends, and
- Our continued ranking among Top 10 Market Cap companies.

Employing our proven capital allocation strategy enables us to balance our short-term goals with our long-term aspirations, while ensuring we have the resources to invest in long-term growth and meet the needs of our stakeholders. This is how we live into Our Credo values and apply equal focus and commitment to both our performance and purpose. Our four key capital allocation priorities include:

- Investing in growth opportunities for our business that deliver health solutions to the world, via the research and development of new ideas and new approaches. Our substantial investment in innovation spanned multiple opportunities, including our continued work with CAR-T (chimeric antigen receptor T-cell therapy) to treat multiple myeloma and bring new hope to patients fighting this devastating disease. We are also investing in novel ways to eliminate disease at its earliest stage through the World Without Disease Accelerator (WWDA) efforts. The WWDA is currently exploring several innovative approaches that focus on using digital twins to monitor, maintain and personalize an individual's health.
- Delivering a competitive dividend to our shareholders, which increased for the 57th consecutive year, paying out nearly \$10 billion

based over-the-counter (OTC) remedies, and the DR. CI-LABO line of dermatological skincare products—strengthening our position in these higher growth categories. Our U.S. Consumer business continued to grow above the market and our priority areas of Beauty and OTC delivered solid operational growth for the year.

Medical Devices

Medical Devices accelerated growth once again in 2019. As a result of our relentless focus on execution, improving our cadence of innovation and disciplined portfolio management, our underlying growth was just under 4%*. Our performance was driven by:

- Electrophysiology achieving its 11th consecutive year of double-digit growth,
- Contact Lens, which delivered growth at or above the market for the fourth straight year,
- Energy and Endocutters businesses growing mid-single digits, and
- Improved performance in Orthopaedics with each major platform accelerating compared to 2018.

During 2019, we also fortified our commitment and accelerated our entry into one of the fastest growing healthcare categories and exciting, transformative fields of medicine—digital robotic surgery.

Consistent with our pioneering legacy in Medical Devices, we are focused on the next frontier of surgery. The acquisition of Auris Health, Inc., a developer of robotic technologies currently concentrating in the lung cancer area, accelerated Johnson & Johnson's entry into robotics. This is a critical component of a digital surgery ecosystem that we are creating, which is being designed to make medical interventions smarter, less invasive and more personalized to elevate the standard of care. Additionally, in late December, we announced an agreement to acquire the remaining stake in Verb Surgical from Verily, to further strengthen our ecosystem, which we completed in February 2020.

We also successfully launched critical products across each Medical Devices franchise throughout 2019, including:

- The ATTUNE Cementless Knee System,
- Our first-of-its-kind ACUVUE OASYS contact lens with Transitions Light Intelligent technology,
- The industry's first powered circular stapler, ECHELON CIRCULAR, and
- The CARTO VIZIGO steerable sheath in our market-leading electrophysiology business.

Our team continues to focus on improving our pipeline of innovation, while also responsibly managing our portfolio – which included the completion of the Advanced Sterilization Products divestiture and the execution of more than 50 acquisitions or strategic partnerships in 2019, that we expect will further augment our future growth.

A Winning Equation for Innovation

Innovation is and always has been a competitive differentiator for Johnson & Johnson and will continue to be our calling card in the healthcare industry. Sustaining our investment in research and development is critical to achieving our business goals and objectives. As I mentioned, we achieved record levels of investment in innovation in 2019 and across all industries we remain one of the top 10 global companies in R&D investment.

We believe the power of any new idea is magnified and multiplied by our highly collaborative innovation process. Although we recognize the unique talent within the walls of this Company, we remain agnostic about where the best ideas come from. This approach fosters diverse thinking, opinions and tactics, and expands value through our commitment to be the partner-of-choice for the most prestigious scientific laboratories, universities, technology companies and health systems around the world. This is how that individual spark of an idea becomes the next great collaborative breakthrough.

Some exciting and promising innovation that we are proud of

- The Lung Cancer Initiative: A new sector program dedicated to solutions that prevent, detect, and treat lung cancer. By focusing on

innovation available around the world, the LCI aims to eliminate lung cancer by developing and combining end-to-end solutions through pharmaceutical, medical devices and consumer health approaches.

- Johnson & Johnson's four Innovation Centers located in San Francisco, Boston, London and Shanghai, that focus on accessing innovation from all sources starting at inception and continuing through the early stages of development. Our Innovation Centers are early stage transformational healthcare solutions from academics or startup companies who seek to partner with us to accelerate their novel programs across the full spectrum of healthcare. Since 2013, we've executed approximately 480 deals and invested approximately \$1 billion.

Across Johnson & Johnson, we are driving the powerful impact that technology, innovation and healthcare bring to people's lives and establishing a sustainable differentiation within the industry.

- A new collaboration that focuses on a ground-breaking Whole Genome Sequencing (WGS) project, which will sequence the complete genetic code of 500,000 UK Biobank volunteers and is the most ambitious sequencing program in the world that is a public-private initiative. This represents a major potential advance in public health, as the dynamic genetic data will be leveraged to tackle critical diseases such as dementia, mental illness, cancer and heart disease.

Clearly, across Johnson & Johnson, we are driving the powerful impact that technology, innovation and healthcare breakthroughs have in creating a sustainable differentiation within the industry.

Our legacy of improving the health and well-being of people worldwide, while delivering sustainable, long-term value to stakeholders.

2019 marked our 133rd year of operation, and it was a year of unprecedented challenge and change. But I am deeply proud of how our Executive Committee and colleagues around the globe remained focused on accelerating our momentum to advance healthcare and attain results. There was—and continues to be—a steady resolve in our attitude and approach, whether we are creating value, cultivating a diverse and inclusive work environment, ensuring financial success, or delivering innovative healthcare solutions to people in need.

I have had the honor of being the Chairman and CEO of Johnson & Johnson for the last eight years and I consider myself a veteran in the healthcare industry, having spent my entire career in this space. I can say without hesitation that volatility will likely continue to impact the external environment. However, knowing this only strengthens my motivation, confidence and excitement about the positive impact

Healthy People, Healthy Planet

Just as I always talk about Our Credo, I never miss an opportunity to acknowledge that all of the success we achieved in 2019 would not have been possible without the efforts, passion and engagement of our Johnson & Johnson colleagues. Their commitment to delivering healthcare products and solutions that benefit patients, consumers and communities is both admirable and inspiring.

We are working to cure cancer, offer less invasive surgeries and eradicate global pandemics. This is what the world expects of us and this is what our global workforce is united around, committed to and prepared to do.

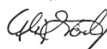
Our colleagues are just as unwavering in their commitment to cultivate the world's best, healthiest and most engaged workforce. We also share the common objective of always making the health and well-being of the patients and consumers who use our products every day our number one priority, and it has been this way for the last 133 years. We are developing

Johnson & Johnson will continue to make as we work to advance health for humanity.

Guided by Our Credo and a true sense of purpose, we have created a powerful legacy of improving the health and well-being of people worldwide, while delivering sustainable, long-term value to stakeholders.

Thank you for your continued trust and support, and most especially for the privilege of leading this great Company as we execute bold strategies, develop innovative medicines and products, and ensure that good health is within reach of everyone, everywhere.

Sincerely,



Alex Gorsky
Chairman and Chief Executive Officer
Johnson & Johnson

outbreak on record, with over 3,000 confirmed cases and 2,000 deaths. To help protect the people of the DRC and neighboring Rwanda, Johnson & Johnson committed to providing up to 700,000 courses of an investigational Ebola vaccine regimen. The first shipments of the vaccine have arrived in these countries, and over 1,300 people have already been vaccinated.

- We launched the first (BAND-AID®)RED campaign collaboration between BAND-AID® Brand adhesive bandages and (RED), a group of companies who partner and provide critical funding, awareness, and resources to help fight AIDS. Through this partnership, we hope to mobilize people everywhere to stand together against HIV/AIDS. The purchase of a box of (BAND-AID®)RED bandages will help provide a day's worth of lifesaving medication to someone living with HIV in sub-Saharan Africa.
- With a focus on protecting children against intestinal worm infections—which affect approximately 1.5 billion people worldwide—we developed a chewable formulation of a medication called mebendazole that, when mixed with a small amount of water, is easier for very young children to swallow. In April, the World Health Organization prequalified the new formulation, which will enable us to help even more young children at risk of infection.

Across Johnson & Johnson, we recognize that putting the needs of those we serve first also means protecting our shared environment and natural resources. We know that human health is directly linked to the health of the planet. That is why we are committed to reducing the environmental footprint of our operations, products and supply chain by reaching our 2020 targets to reduce carbon emissions by 20% and procure 35% of electricity from renewable resources. Looking over the long term, we are investing in operations to optimize water and energy efficiency, while focusing on sustainable design and reducing product packaging.

Focused Forward

At our core, Johnson & Johnson is in the business of caring for people and the world. Guided by Our Credo and a true sense of purpose, we have created a powerful

*Non-GAAP measures: Operational sales growth excludes the effect of translational currency. Adjusted operational earnings growth includes special items, intangible asset amortization expense and the effect of translational currency. Adjusted income before tax excludes special items and intangible asset amortization expense. See Non-GAAP Reconciliation of Operational sales growth excluding acquisitions and divestitures (underlying growth) for the Medical Devices segment and Adjusted income before tax margin for the Consumer segment in this Annual Report.

Note Regarding Forward-Looking Statements

This letter contains forward-looking statements relating to, among other things, future operating and financial performance, product development, market position and business strategy. The reader is cautioned not to rely on these statements, which are based on current expectations of future events. For important information about these statements, including the risks, uncertainties and other factors that could cause actual results to vary materially from the assumptions, expectations and projections expressed in any forward-looking statements, the reader should review the enclosed Annual Report on Form 10-K for the fiscal year ended December 29, 2019, including in the sections captioned "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors." Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

Health for Humanity Report

🔗 https://healthforhumanityreport.jnj.com/_document/2019-health-for-humanity-report-johnson-johnson?id=00000172-a8f8-dff3-a9fa-acfda52c0000

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 6)

Message from Our Chairman and CEO

GRI 102-14

Dear Johnson & Johnson Stakeholders,

2019 was a year of profound change and great contrasts around the globe.

We saw unprecedented innovation and encouraging progress toward meeting some of the world's most urgent health challenges—all while grappling with increased pressures on our healthcare systems, and sociopolitical upheaval that added complexity to coordination of public health efforts. By the end of 2019, while we were seeing only the first glimpses of the outbreak of the coronavirus disease (COVID-19), it was already evident just how necessary it was to mobilize resources on a global scale when combating outbreaks of infectious disease.



Alex Gorsky meeting with employees on his visit to Singapore in 2019

At Johnson & Johnson, the best way forward in meeting our commitments to transparency and sustainability—last year, this year, and for many years to come—remains crystal clear. Simply put, we are constantly taking stock of what we are doing to help keep people healthy so that they can thrive in healthy communities on a healthy planet and prioritizing those actions that will have the greatest impact.

We know this mission will always be unfinished, and that we will occasionally fall short. But that only serves as motivation to move faster than we've ever moved before in making bigger strides toward some of our most ambitious goals. And as we've detailed in this Report, we have plenty of positive momentum worth recognizing.

Key achievements included: victories in our work toward a world without disease, such as major strides in **preventing HIV and combating Ebola and TB**; acceleration of patient-centric innovation, like **new 3D-printed implants** designed to regenerate, rather than replace, diseased joints; and robust ongoing work to improve our communities, strengthen the **frontline health workforce** and safeguard the planet, including accelerating the **reduction of our carbon footprint** with four new contracts for renewably sourced electricity in Belgium, Ireland, Mexico and the Netherlands.

Importantly, we were able to do all of the above (and more) thanks to a culture of accountability, transparency and ethical behavior that, to me, make up the very definition of a healthy company.

As you'll see, this year's Report highlights areas where we've already achieved our Health for Humanity 2020 Goals and our UN Sustainable Development Goals commitments, as well as areas where we're redoubling our efforts. The most essential feature of public reports like this must always be to critically assess how we're doing—not just spotlight our greatest successes.

If 2019 taught me anything, it's that turbulent times require us to not just reaffirm but deepen our pledge to account for how we meet the long-term needs of patients, consumers, mothers and fathers, our communities, and our planet—a sentiment shared by more and more CEOs. Initiatives like last year's update of the Business Roundtable Statement on the Purpose of a Corporation, which we were honored to help steer, affirmed unequivocally that there is a fundamental connection between serving all stakeholders and generating sustainable, long-term value.

The demands for global healthcare and responsible corporate citizenship will only continue to increase, and meeting them will require us to not only operate with speed and agility, but with focus and determination. The start of this new year has already seen us launching a huge, multi-pronged and collaborative response to combat COVID-19, the details of which can be found at: www.jnj.com/coronavirus.

I have many reasons to be optimistic that we can and will succeed in meeting our most critical commitments—more than 137,000 of them, in fact. That's the number of talented Johnson & Johnson employees around the world whose passion and dedication serve as the ultimate engine for change. I'm immensely proud to be sharing this journey with them, and confident that all of us will do whatever it takes to deliver on our Company's promises to our patients and consumers, our communities, and our world.



Alex Gorsky
Chairman, Board of Directors
and Chief Executive Officer

JPMorgan Chase

Proxy Statement Letter	✓
Annual Report Letter	✓
Environmental, Social & Governance Report Letter	✓
Understanding Our Climate-Related Risks and Opportunities Letter	✓

Proxy Statement

🔗 <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/proxy-statement2020.pdf>

LETTER FROM THE CHAIRMAN AND CEO SHARED WITH THE LEAD INDEPENDENT DIRECTOR

A Letter from Jamie Dimon, Our Chairman and CEO, and Lee R. Raymond, Our Lead Independent Director

April 6, 2020

Dear fellow shareholders:

As the public health response to COVID-19 continues, our thoughts remain with the communities and individuals most deeply hit by the pandemic. The Board is overseeing the Firm's work to help those who are most affected, at our company and in our communities. And, while the markets are volatile, our fortress balance sheet is built for times like these, and we remain steadfast in helping customers and clients in a rapidly changing market. And, recognizing the impact of this crisis on the communities we serve, the Firm recently made a \$50 million philanthropic commitment to help those most vulnerable, including small businesses and underserved communities.

As we respond to the immediate needs and the economic challenges posed by the global COVID-19 pandemic, the Board is also maintaining its focus on our long-term goals and key responsibilities. Looking back at 2019, we are pleased to report that it was a solid year for the Firm, where we achieved many records, including strong revenue and net income, and continued to invest in and grow our businesses and make large investments in products, people and technology. At the same time, the Firm maintained its strong, healthy culture, and continued to build long-term value for our shareholders. Throughout the year, your Board remained focused on these matters, a few of which we would like to highlight for you.

A Great Team and Culture

One of our highest priorities is having an excellent management team in place. Successful management succession planning and leadership development are key to ensuring a bright future for the Firm. The Board regularly reviews succession planning for the CEO and other members of the Operating Committee, and we meet formally and informally with many other high-potential members of senior management. In 2019, the Firm appointed Jennifer Pezacka Chief Financial Officer of the company and Marcene Lake CEO of Consumer Lending. In addition, over the past two years, Co-Presidents and Chief Operating Officers Daniel Pinto and Gordon Smith have been working hand-in-hand with Jamie and the Board. And, last month, the Board asked Daniel and Gordon to lead the company, as Jamie recuperated from heart surgery. These moves demonstrate the strength of our management team and our ongoing commitment to providing growth opportunities for our leaders.

Overight of the Firm's culture and reputation are also key Board responsibilities. We are steadfast in our belief that we must be cultural guardians in everything we do for each of our stakeholders - our clients and customers, employees, shareholders and the communities we serve. We also know we excel when we foster inclusive and diverse environments. We always strive to create a culture of respect, where discrimination in any form is not tolerated.

Exceptional Client Service and Operational Excellence

The Board holds management accountable to prepare for the future by providing oversight of the strategy planning process. Guided by the Firm's Business Principles, this year the Operating Committee deployed a Strategic Framework designed to reinforce the Firm's drive to be complete, global, diversified and at scale, so we can best serve clients at home and across the globe. Within this framework, there is a strong focus on the technology that will be key to the Firm's future success, including initiatives that will allow the Firm to reduce risk and fraud, upgrade customer service, make it easier to access products and services, improve underwriting and enhance resiliency.

With respect to resilience, the response to COVID-19 has tested the Firm's resiliency plan. The Board is closely overseeing the Firm's response, as we adjust to fluid circumstances. We are coordinating with clients, customers, vendors and industry parties, among others, and striving for seamless and consistent execution during times of increased uncertainty and volatility.

Your Board

As always, the Board is also focused on its own succession planning and the need to have a Board that represents experience in executive fields relevant to the Firm's businesses and operations and a diversity of experience, perspectives and viewpoints.


We would like to take this opportunity to thank James Bell and Lutan Jackson who will be retiring from our Board immediately prior to the annual meeting. We have benefited greatly from their insights on financial and accounting matters and their respective service as Chair of the Audit Committee. Labe also made important contributions as a director of J.P. Morgan Securities plc.

We will miss their perspective, commitment and all that they have to offer as directors, and trusted advisors.

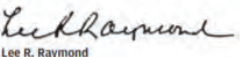
We also are pleased to nominate for election to the Board, Virginia Rometty, who will become Executive Chairman of IBM on April 6. We are confident she will bring to the Board an impressive combination of skills, experience and personal qualities that will serve our shareholders, the Firm and the Board well.

Lastly, Lee has advised that, while it has been an honor to serve as the Board's Lead Independent Director and he is continuing to serve in that role, he has asked the Board to start a formal process to identify his successor.

We look forward to continuing to deliver value to our customers, shareholders and communities. On behalf of all our colleagues on the Board, we are grateful for your support of our Board and the Firm.



James Dimon
Chairman and Chief Executive Officer




Lee R. Raymond
Lead Independent Director

Annual Report

🔗 <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/annualreport-2019.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGES 2-19)

Dear Fellow Shareholders,



As we prepare this year's annual letter to shareholders, the world is confronting one of the greatest health threats of a generation, one that profoundly impacts the global economy and all of its citizens. Our thoughts remain with the communities and individuals, including healthcare workers and first responders, most deeply hit by the COVID-19 crisis.

Throughout our history, JPMorgan Chase has built its reputation on being there for clients, customers and communities in the most critical times. This unprecedented environment is no different. Our actions during this global crisis are essential in keeping the global economy going and will be remembered for years to come.

In these annual letters, I usually cover a range of topics, including a review of JPMorgan Chase's principles, priorities and performance, as well as the broader geopolitical issues facing our company and the most critical public policy issues

affecting our country. When the time is right and the future is clearer, I will provide a more complete and current view on how this crisis might change our strategies around how we run the company, work with our clients and governments, and develop public policy solutions. However, right now, as we deal with the spiraling effects of this pandemic, I want to focus on what we as a bank can do to remain strong, resilient and well-positioned to support our colleagues, clients, customers and communities across the globe.

Looking back on the last two decades - starting from my time as CEO of Bank One in 2000 - the firm has weathered some unprecedented challenges, as we will with this current pandemic, but they did not stop us from accomplishing some extraordinary things. Once again, you should know how grateful and proud I am of our more than 260,000 employees around the world. I also want to thank Daniel Pinto, Gordon Smith, our Operating Committee, our Board of Directors and our senior leaders for the exceptional leadership they have shown under the most difficult of circumstances.

We entered this crisis at a position of strength. 2019 was another strong year for JPMorgan Chase, with the firm generating record revenue and net income, as well as setting numerous other records across our lines of business. We earned \$36.4 billion in net income on revenue of \$118.7 billion, reflecting strong underlying performance across our businesses. We now have delivered record results in nine of the last 10 years¹ and are confident we will continue to do so in the future, though it should be expected that our earnings will be down meaningfully in 2020. Our largest businesses grew revenue and net income for the year, while the firm continued to make significant investments in products, people and technology. We grew core loans by 2%, increased deposits overall by 1% and generally broadened market share across our businesses, all while maintaining credit discipline and a fortress balance sheet. In total, we extended credit and raised capital of \$2.3 trillion for businesses, institutional clients and U.S. customers.

JPMorgan Chase stock is owned by large institutions, pension plans, mutual funds and directly by individual investors. However, it is important to remember that in almost all cases, the ultimate beneficiaries are individuals in our communities. Approximately 100 million people in the United States own stock, and a large percentage of these individuals, in one way or another, own JPMorgan Chase stock. Many of these people are veterans, teachers, police officers, firefighters, retirees, or those saving for a home, school or retirement. Your management team goes to work every day recognizing the enormous responsibility that we have to perform for our shareholders.

While we don't run the company worrying about the stock price in the short run, in the **long run** our stock price is a measure of the progress we have made over the years. This progress is a function of *continual* investments, in good and bad times, to build our capabilities – our people, systems and products. These important investments drive the future prospects of our company and position it to grow and prosper for decades. Whether looking back over five years, 10 years or since the JPMorgan Chase and Bank One merger (15 years ago), our stock has significantly outperformed the Standard & Poor's 500 Index and the Standard & Poor's Financials Index.

	Bank One (\$)	S&P 500 Index (\$)	Relative Results (\$A - \$B)
Performance since becoming CEO of Bank One (3/27/2000 - 12/31/2019)*			
Compounded annual gain	11.5%	5.9%	5.6%
Overall gain	688.3%	210.8%	477.5%
Performance since the Bank One and JPMorgan Chase & Co. merger (7/1/2004 - 12/31/2019)			
Compounded annual gain	12.2%	9.2%	3.0%
Overall gain	499.2%	290.2%	209.0%

Tangible book value over time captures the company's use of capital, balance sheet and profitability. In this chart, we are looking at heritage Bank One shareholders and JPMorgan Chase & Co. shareholders. The chart shows the increase in tangible book value per share. It is as if our number that assumes all dividends were reinvested vs. the Standard & Poor's 500 Index (S&P 500 Index), which is a price number that includes reinvested dividends.

* On March 27, 2000, Jamie Dimon was hired as CEO of Bank One.

	Bank One	S&P 500 Index	S&P Financials Index
Performance since becoming CEO of Bank One (3/27/2000 - 12/31/2019)*			
Compounded annual gain	12.8%	5.9%	4.4%
Overall gain	988.2%	210.8%	132.9%
Performance since the Bank One and JPMorgan Chase & Co. merger (7/1/2004 - 12/31/2019)			
Compounded annual gain	11.5%	9.2%	4.1%
Overall gain	441.9%	290.2%	85.6%
Performance for the period ended December 31, 2019			
Compounded annual gain			
One year	47.3%	31.5%	22.1%
Five years	20.3%	11.7%	11.1%
Ten years	15.4%	11.4%	12.2%

These charts show actual returns of the stock, with dividends reinvested, for heritage shareholders of Bank One and JPMorgan Chase & Co. vs. the Standard & Poor's 500 Index (S&P 500 Index) and the Standard & Poor's Financials Index (S&P Financials Index).

* On March 27, 2000, Jamie Dimon was hired as CEO of Bank One.

The results shown above use our stock price as of December 31, 2019. If you compare that with our stock price as of March 31, 2020, you would see a dramatic change. For example, the overall stock price gain from the date of the JPMorgan Chase and Bank One merger was 442% at the end of last year, but it dropped to 252% three months later. While that's still far better than many companies' performance, it illustrates the volatility of returns.

Unlike past letters, the placement of charts about the performance of our lines of business and our fortress balance sheet is different – they can be found in an appendix following this letter to peruse at your leisure. Instead, I am going to focus my comments in the rest of this letter on issues that relate to our current crisis. And while I enjoy sharing my opinion on many other matters, I will avoid doing so this year.

DEALING WITH AN EXTRAORDINARY CRISIS

Within this letter, I discuss the following:

Dealing With an Extraordinary Crisis

1. We go to extraordinary lengths to help our customers – consumers, small businesses, midsize companies, large corporations, and state and local governments.
2. We take excellent care of our employees.
3. We make extraordinary efforts to lift up our communities, especially in challenging times.
4. We are transparent with our shareholders: What they should expect regarding our financial and operating performance in 2020.
5. We are working closely with all levels of government during this crisis – and while we will participate in government programs to address the severe economic challenges, we will not request any regulatory relief for ourselves.
6. We need a plan to get safely back to work.
7. We need to come together: My fervent hope for America.

A corporation – essentially any institution – is a living, breathing organism made up of people, technology, institutional knowledge and relationships and is generally organized around mission and purpose. Entering into a crisis is not the time to figure out what you want to be. You must already be a well-functioning organization prepared to rapidly mobilize your resources, take your losses and survive another day for the good of all your stakeholders.

No matter the challenge, we manage our company consistently with principles that have stood the test of time. I have written about these invaluable principles often – the need for extremely talented and motivated employees; a fortress balance sheet that allows us to invest in good times and in bad times; clear, comprehensive and accurate financial, risk and operating reporting to

let us make quick and accurate decisions; a devotion to our customers and communities; and continuous investing in technology to better serve both our employees and our customers. (These principles also underlie an organization's preparedness for tough competition – I was going to write this year that the **competition is back** in all of its facets. There'll be more to come on that next year.)

We are there for our customers, employees and communities in good and bad times – we are a part in the storm. It is in the toughest of times that we need to use our capital and liquidity to help clients – large and small. COVID-19 is one of those extraordinary times. Below are some of the things we are doing to help our company and our customers during this global crisis.

1. We go to extraordinary lengths to help our customers – consumers, small businesses, midsize companies, large corporations, and state and local governments.

First and foremost, we have to be prepared to operate under extremely adverse circumstances.

The significant economic fallout from this crisis reinforces the critical need to keep the global financial system fully functioning – and we recognize that our firm is an important part of the global economy. Therefore, we incorporate plans for resilience in everything we do – resilience for hurricanes, data center failures, cyber attacks and other issues. And while we had not envisioned the effects of a pandemic like this one, all of this preparation has paid off – and we have been able to accomplish far more and far more quickly than we originally thought possible. It is absolutely essential that we be up and functioning for all of our customers **each and every day**.

How else would we process \$6 trillion in payments or buy and sell approximately \$2 trillion in securities and foreign exchange transactions for our clients on a daily basis? And how else would we raise more than \$2 trillion of credit and capital for our clients each year? Our branches, collectively, have 1 million customer visits each day, and our combined credit card and debit card transaction volume totals \$1.1 trillion a year.

During this crisis, we have been utilizing our disaster recovery sites and implementing alternative work arrangements globally. We now have more than 180,000 employees working from home (and quite effectively), including traders, bankers, portfolio managers,

and operations and call center teams across the globe. We are ensuring they continue to operate at the highest standards with the proper technological tools and access so they can serve their clients safely and seamlessly. Over the past few weeks, we have had nearly 150,000 concurrent virtual sessions – nearly five times our pre-pandemic average – and we have capacity in reserve to support significantly more demand if necessary.

We're taking significant steps to help our consumer customers.

After Superstorm Sandy, Hurricane Harvey and other devastating natural disasters around the globe, after wildfires ravaged California towns and after a number of other tragic events, we stepped up for our customers. Today, we are doing the same **across the country** as we work individually with customers facing COVID-19-related hardships.

We have been helping our customers, who tell us about their financial struggles as a result of the crisis, and are offering relief measures such as:

- Providing a 90-day grace period for mortgage and auto loan/lease payments and waiving any associated late fees.
- Removing minimum payment requirements on credit cards and waiving associated late fees.
- Not reporting payment deferrals such as late payments to credit bureaus for up-to-date clients.
- Continuing to responsibly lend to qualified consumers.
- Waiving or refunding some fees, including early withdrawal fees on certificates of deposit.

You can learn more about our customer

Of our approximately 5,000 Chase branches, we have managed to keep three-quarters of them open – and safe – for our customers who need our services. In every one of our markets, almost all of our 2,300 branches with drive-up windows have remained open for business, allowing people to maintain a safe distance. Our 17,000 bankers have continued to take appointments and proactively reach out to customers – helping them manage their finances and use our digital tools – often letting customers stay home. In addition, the vast majority of our 16,850 ATMs are well-stocked and still functioning to provide needed cash to our customers. Our call centers have not fared as well; many of them have been effectively shut down by local restrictions. As the volume of calls has increased from customers seeking assistance, hold times have also increased. We have mobilized quickly to address this issue, reminding customers that our digital self-service capabilities are always available for them to check balances, deposit checks or make payments. Additionally, we have built new tools – digital and electronic – to allow customers to request relief without waiting for a specialist. And we are making it possible for our displaced phone specialists to work from home.

We are also taking significant action to support businesses – small, midsize and large – and state and local governments.

Clearly, some clients may be much more vulnerable than others – for example, transportation companies, hospitality enterprises, hospitals, utilities and, in particular, small businesses that do not have enough capital to withstand sudden and sustained downturns in income. JPMorgan Chase Institute research reveals that 50% of small businesses have less than 15 cash buffer days, reinforcing why small businesses are being heavily disrupted by the current crisis and

will feel the effects for a significant period of time – even as more capital from the recent federal stimulus program reaches them.

To support businesses during this current crisis, we are doing the following:

- Prudently extending credit to businesses of all sizes for working capital and general corporate purposes. For example, in the past 60 days alone, we have extended \$950 million in new loans to small businesses.
- Waiving or refunding fees for those businesses in need and finding ways to help more small businesses through resources available at the Small Business Administration.
- Servicing clients with additional credit through revolving facilities, when appropriate, and stepping in to try to help with credit when others can't or won't.
- Continuing in the ordinary course of business to sustain consumers, businesses and communities with about \$500 billion of credit and capital raised **every quarter**.
- Continuing to maintain undrawn revolving commitments in our wholesale businesses, which totaled approximately \$295 billion as of the close of business on March 31, 2020. Companies have **already drawn down more than \$50 billion** of their revolvers to prepare themselves for the crisis (this already dramatically exceeds what happened in the global financial crisis). Many others have requested additional credit, which we have been offering judiciously – **more than \$25 billion of new credit extensions were approved** in the month of March alone.
- Continuing the issuance of bonds for highly rated companies (\$85 billion) – it may surprise you that the first quarter of 2020 will be **our largest quarter for investment grade issuance**, led by J.P. Morgan.

- Continuing to support vital institutions to keep our communities strong: increased funding in March included, for example, \$1.9 billion for hospitals and healthcare companies, \$270 million for educational institutions, \$360 million for nonprofits, and \$240 million for state and local governments.
- Continuing to fund construction projects essential to our communities (affordable housing, food banks and grocery stores) through our \$5 billion commitment.

Recognizing the extraordinary extension of new credit, mentioned above, and knowing there will be a major recession mean that we are exposing ourselves to billions of dollars of additional credit losses as we help both consumer and business customers through these difficult times. (We will provide more detail on these actions later in this letter.) Of course, we are in continual contact with our regulators about our actions and efforts.

We stand ready to assist the government in implementing stimulus package benefits to support the economy.

We applaud the speed with which the federal government and the Federal Reserve (the Fed), as well as other central banks around the world, put together a stimulus package and other funding benefits to help individuals, businesses, and state and local entities across the United States and beyond. Much remains to be done to assure these resources can be quickly and effectively rolled out. We hope to be at the forefront of using this assistance to **help our customers** get through what is certain to be a difficult next few months. We will not use this relief funding for ourselves.

2. We take excellent care of our employees.

Times like these reinforce that our employees are our most important asset – they are fundamental to the vibrancy and success of our company. Excellence in everything we do – from operations and technology to service and reputation – depends upon the abilities and character of our employees. Our vast and diverse team of people serves our customers and communities, builds the technology, makes the strategic decisions, manages the risks, determines our investments and drives innovation. Setting aside differing views of our complex world and the risks and opportunities ahead, it is inarguable that having such an extraordinary team – people with guts, brains and enormous capabilities who can navigate whatever circumstances bring – is what ensures our future prosperity.

In last year's letter, I wrote about the many ways we take excellent care of our employees: competitive wages and compensation, 401(k) retirement benefits, health benefits and wellness programs, extensive training programs, volunteer and employee engagement opportunities, generous parental leave policies and much more.

During this pandemic, we have also taken extensive steps to protect and support our employees and their families. For example:

- We continue to pay employees who are at home because they have had potential exposure to the virus or whose health is higher risk. Additionally, we provide paid medical leave to employees who are unwell.
- We have clinical staff internally to support our employees through this difficult time, whether it is fielding general inquiries related to COVID-19 or locating testing or other medical facilities.
- All employees are receiving five additional paid days off to help manage personal needs, which may include dependent care, child care or other issues.

- A special payment of up to \$1,000 has been granted to full- and part-time employees whose job requires them to continue working on-site and generally whose annual cash compensation is less than \$60,000.
- All branch employees are being paid for their regularly scheduled hours even if those hours are reduced or their branch is temporarily closed.
- For those who must go to work on-site, we are reinforcing both basic and enhanced personal and office hygiene measures to keep them, their colleagues and their clients safe. We have modified business operations, staggered shifts, changed seating arrangements, closed buildings to nonessential visitors and provided additional equipment where possible. We have also intensified nightly and daily cleaning of all offices and branches worldwide that remain open.

It's amazing how quickly we have mobilized and implemented work from home and other resiliency measures – in weeks instead of months or years. There are great lessons to be learned from this experience.

While conditions may sometimes be unusual and difficult, we are functioning smoothly. In fact, over the last month in certain parts of our company, we've had the highest volume and transaction totals we have ever seen.

Needless to say, this success would be impossible without our exceptional employees, and we recognize our responsibility to support both their professional and personal lives now more than ever.

A DIVERSE AND INCLUSIVE COMPANY IS A STRONGER COMPANY

While the health crisis we are facing supersedes all other topics in this year's letter, the subject of diversity and inclusion is such an important one that I feel compelled to include it. As a firm, we have an unwavering commitment to integrity, fairness and responsibility. That's why any instances of racist behavior and discrimination are so deeply unsettling.

Recently, Daniel Pinto and Gordon Smith, our Co-Presidents and Chief Operating Officers, sent a note to employees about steps we're taking to ensure our values reach all corners of our company:

Dear colleagues,

We are managing through uncertain times right now and recognize many of you are focusing much of your day on responding to the ongoing spread of the COVID-19 coronavirus. While this is a top priority for all of us, we want to make sure you know we haven't lost sight of our commitment to keeping you informed about our ongoing efforts to strengthen our culture. Now, more than ever, we need the best of everyone because only together will we get through these unprecedented times.

As you know, after the media reported on alleged discrimination in our firm last year, Jamie asked Gordon to lead an internal team to take a hard look at how we do business so that we could gain a deeper understanding of what more we can do to root out racism and discrimination anywhere it exists.

Challenging our people to be clear-eyed and open to change, we tasked many of our senior leaders from across the firm, from multiple lines of business and control functions, to evaluate our policies, procedures and programs firmwide, to ensure they are fair for all employees and customers. To be clear, we are looking across the whole firm and at everything we do.

As a result, we've identified a number of areas that, with enhanced, scaled or new programming or processes, would serve to improve our culture in important ways. For example, we focused on employee and customer complaints – examining common themes, where they originated and where opportunity exists to improve.

We also looked at how employee discretion may affect product accessibility across lines of business. We found opportunities to increase awareness about the firm's Diversity & Inclusion strategy, and we identified a need to expand our diversity recruitment efforts to help us hire more diverse talent, and to implement mandatory firmwide training.

While this work is ongoing, here are five initial areas where work is now underway, including:

Enhancing our employee feedback process

We are looking hard at how we treat an employee complaint when it comes in. We are already working to simplify escalation channels so employees are clear on where to submit complaints, in addition to further building out our capabilities across complaints to better understand the full scope of the individual's experience. Feedback suggests that employees are not always clear on where to submit complaints, so we are working to identify where improvements are needed.

Employees are encouraged to use existing channels to report inappropriate conduct or discrimination. We will continue to strengthen these "listening posts" and reporting channels in an effort to make sure every one of us feels safe and confident identifying and reporting inappropriate behavior.

Making it easier for customers to access products and services

We regularly review the products and services we offer to customers, and we are looking for ways to boost customer connectivity across our full spectrum of consumer products. To start, we are focusing on:

- Enhancing ease of navigating and guiding customers through our full range of products and services available across our entire branch network; and
 - Re-evaluating the qualification requirements for new product features and benefits.
- We will improve product parameters and strengthen monitoring tools to ensure the exercise of discretion works as intended.

Bolstering our hiring systems to build a more robust pipeline of diverse talent

Attracting the best talent can only be achieved through a dedicated focus on inclusive recruiting, so we are recommitting ourselves to this effort. We have made progress in this area, with programs such as Advancing Black Leaders, a program

focused specifically on increased hiring, retention and development of talent from within the black community. Over the past four years, we have increased the number of black professionals in our most senior ranks, with the number of black managing directors and executive directors up by more than 50 percent.

In addition, we are expanding our specialized team dedicated to conducting more targeted outreach to recruit diverse talent. We will expand on our program to hold hiring managers and recruiters at the highest levels of the company accountable for hiring a diverse group of professionals.

Instituting required firmwide Diversity & Inclusion Training

In order to drive more diverse and inclusive behaviors amongst our leaders, managers, employees and customers, we are requiring diversity and inclusion training for all employees at various points throughout an employee lifecycle, including at the time of hire, and periodically thereafter. We expect all employees to fulfill these requirements. Because the role of the manager is arguably the most critical role in promoting our culture deep into the organization, we will make additional manager training mandatory at the time of promotion to a people-manager role, and at the time of promotion to a senior leader role, in addition to other developmental moments for managers. We already have training in many parts of the organization, including programs like "Journey to Inclusive Teams" and the required unconscious bias training for branch managers. We will continue to enhance and embed this required training throughout the manager's career.

We know that it is essential for managers to be inclusive leaders and we will focus on helping them recognize ways they can be intentional about inclusion as they recruit, hire, retain and develop diverse talent.

Increasing the diversity of the businesses we partner with

We are fully committed to a fair, equitable and inclusive company for our customers, our employees, our partners and our suppliers. This is part of every manager's job, and they will be held accountable.

The diversity of the businesses we partner with across the firm is just as important as our employee diversity – from the small businesses to which we provide access to capital, to our asset managers, to our suppliers and to the companies we assist in bringing public.

We intend to increase diverse representation through structural process improvements in how we select partners and build our pipeline.

The firm will also continue to use data and research to further inform the development of products, services, employee programs and community investments that help address racial disparities in wealth building.

This all goes to say our work described above is representative of our deep commitment and is ongoing. It is not a "one-and-done" event. We will remain steadfast, continue to work now and in the future, and remain ever-vigilant in our effort to maintain a culture where racism cannot live or thrive. Over the next 30 days, each business will review their current strategies and contribute a plan to bring this to life and each business will be held accountable.

Let us say again, we are all the keepers of our culture and we are committed to ensuring that ours is one where all employees and customers are treated equally and fairly, and where all of us receive the opportunity and mutual respect we deserve.

John *James*

I can assure you, it did not take one particular story to make us realize that a diverse and inclusive culture is important.

We know it is important.

DEALING WITH AN EXTRAORDINARY CRISIS

We are huge supporters of regional and community banks, which are critical to many cities and small towns around the country. We bank approximately 500 of America's 5,000 regional and community banks. In 2019, we lent or raised a total of \$2.6 billion in capital for them. In addition, we provide payment-processing services for them, we finance some of their mortgage activities, we advise on acquisitions, and we buy and sell securities for these banks. We also supply interest rate swaps and foreign exchange both for themselves – to help them hedge some of their exposures – and for their clients. For

example, while many community banks were seeking more liquidity to serve their local communities amidst COVID-19 fears, we were able to help approximately 100 community banks secure \$775 million in increased cash availability over a three-week period in March, delivering \$1.9 billion of cash to support their branches and ATMs. This is not only a win for our clients but also for the communities in which they operate.

4. We are transparent with our shareholders. What they should expect regarding our financial and operating performance in 2020.

Of course, we do not know how this crisis will ultimately end, including how long it will last, how much economic damage it will do, or how fast or slow the recovery will be. We have always been serious about stress testing and run an enormous number of tests per week so that we are prepared for most crises. But as is often the case, this "actual new crisis" – while it shares attributes with what is being stress tested – is dramatically different from the expected.

We stopped buying back our stock. We have always held the position that the highest and best use of our equity is to reinvest it in our own business and, of course, to be able to withstand tough times. Halting buybacks was simply a very prudent action – we don't know exactly what the future will hold – but at a minimum, we assume that it will include a bad recession combined with some kind of financial stress similar to the global financial crisis of 2008. Our bank cannot be immune to the effects of this kind of stress.

We will share in detail our latest thinking on the impact this crisis will have on our financials in our first quarter earnings release in mid-April; however, to put it in context, here is how our shareholders can think broadly about a reasonable range of outcomes.

Our 2019 pretax earnings were \$48 billion – a huge and powerful earnings stream that enables us to absorb the loss of revenues and the higher credit costs that inevitably follow a crisis. For comparison, the Comprehensive Capital Analysis and Review (CCAR) results for 2020 that we submitted to the Federal Reserve in 2019 (which assumed outcomes like U.S. unemployment peaking at 10% and the stock market falling 50%) showed a decline in revenue of almost 20% and credit costs of approximately \$20 billion more than what we experienced in 2019. We believe we would perform better than this if the Fed's scenario were to actually occur. But even in the Fed's scenario, we would be profitable in every quarter. These stress test results also show that following such a meaningful reduction in our revenue (and assuming we continue to pay dividends), our common equity Tier 1 (CET1) ratio would likely hold at a very strong 10%, and we would have in excess of \$500 billion of liquid assets.

Additionally, we have run an *extremely adverse scenario* that assumes an even deeper contraction of gross domestic product, down as much as 35%, in the second quarter and lasting through the end

DEALING WITH AN EXTRAORDINARY CRISIS

3. We make extraordinary efforts to lift up our communities, especially in challenging times.

I believe that our shareholders know we make extraordinary efforts to lift up our communities, both at a local level – supporting schools and work skills training, for example – and at the national level, helping to formulate policies that are good for countries. These policies affect healthcare, infrastructure, education and employment, including initiatives such as those that help people with a criminal background get a second chance.

We know that crises like COVID-19 create further inequities in society so it is even more important that we be present for those communities hit hard by the pandemic. JPMorgan Chase made a \$50 million commitment to help address the immediate humanitarian crisis, as well as the long-term economic challenges people face. Funding will be deployed over time with particular focus on the most vulnerable people and communities, including:

- Immediate healthcare, food and other humanitarian relief globally;
- Help for existing nonprofit partners around the world that are responding to the crisis in their communities;
- Assistance to small businesses vulnerable to significant economic hardships in the United States, China and Europe.

There is a tremendous amount we do day to day – in addition to traditional banking – to help the communities in which we operate, including the following, some of which you might be surprised to know:

- We finance more than \$5.5 billion in affordable housing each year (including residential and commercial lending and mortgages in low- and moderate income communities).

- We provide small business loans in low- and moderate-income neighborhoods.
- We design products and services to promote the financial health of lower-income individuals.
- We support a number of employee- and community-based initiatives and philanthropic activities, including:
 - *Office of Military and Veterans Affairs*, which sponsors mentorship, development and recognition programs to support the military and veterans working at the firm;
 - *Women on the Move*, our global firmwide effort that empowers female employees, clients and consumers;
 - *The Service Corps*, which mobilizes employee volunteers to help nonprofit organizations around the world;
 - *Advancing Black Pathways*, a comprehensive program focused on providing more opportunities for black people and black-owned businesses because we know that opportunity is not always created equally;
 - *Entrepreneurs of Color Fund*, which is expanding and provides minority entrepreneurs with access to capital, education and other resources.
- We expect to finance more than \$100 billion in transactions aimed at supporting development in emerging market countries – in infrastructure, education, healthcare, agribusiness and industry, among other investments – to promote the United Nations' Sustainable Development Goals.

DEALING WITH AN EXTRAORDINARY CRISIS

of the year, and with U.S. unemployment continuing to increase, peaking at 14% in the fourth quarter. Even under this scenario, the company would still end the year with strong liquidity and a CET1 ratio of approximately 9.5% (common equity Tier 1 capital would still total \$170 billion). This scenario is quite severe and, we hope, unlikely. If it were to play out, the Board would likely consider suspending the dividend even though it is a rather small claim on our equity capital base. If the Board suspended the dividend, it would be out of extreme prudence and based upon continued uncertainty over what the next few years will bring.

It is also important to be aware that in both our central case scenario for 2020 results and in our extremely adverse scenario, we are lending – currently or plan to do so – an additional \$150 billion for our clients' needs.

5. We are working closely with all levels of government during this crisis – and while we will participate in government programs to address the severe economic challenges, we will not request any regulatory relief for ourselves.

We are just beginning to analyze and work with the government on all of their various programs. For the most part, these initiatives will need the deep involvement of the private sector to be properly executed. We intend to do everything we can – and as soon as possible – to ensure that government support is reaching the people who need it most.

We applaud and support the recent actions the U.S. Department of the Treasury and the Federal Reserve have taken to try to mitigate the economic impact of the COVID-19 turmoil. The Fed's overwhelming actions have already dramatically reduced the financial stress in the system, and there is still more they could do if they need to. For example, balance sheet expansion, additional lending facilities, and changes to capital and liquidity requirements are steps designed to ensure that more capital will flow through the system, which will ultimately allow us to help more families and small businesses. These actions would bolster the U.S. economy with

needs. Despite this, our capital resources and liquidity are very strong in both models. We have over \$500 billion in total liquid assets and an incremental \$500 billion borrowing capacity at the Federal Reserve and Federal Home Loan Banks, if needed, to support these loans, as well as meet our liquidity requirements (these numbers do not include the potential use of some of the Fed's newly created facilities). We could, of course, make our capital and liquidity buffer better by restricting our activities, but we do not intend to do that – our clients need us.

I would like to point out that, as we get closer to the extremely adverse scenario, current regulatory constraints will limit additional actions we can take to help clients – in spite of the extraordinary amount of capital and liquidity we could deploy.

While we will aggressively help our customers take advantage of these new programs (though we must take action to protect ourselves from ongoing – and, more important, future – litigation risk), we want our shareholders to know that we have not requested any regulatory relief for ourselves. Saying that we will not ask for regulatory relief does not mean the government shouldn't change some rules and regulations, however. For example, some rules can improperly prevent healthy, well-capitalized banks from lending freely in times of stress. This can hurt customers as the crisis deepens. Leaving high-quality, available liquidity undeployed in times of need is an opportunity forever lost.

I have written in detail in past letters that the regulatory system is in need of both reform and recalibration – not because we want it to happen but because it would be good for a deepening and widening of the financial system – something that would benefit all Americans. While a lot of the rules were constructive and made the financial system stronger, we are now seeing the impact of poorly coordinated, poorly calibrated and poorly organized rulemaking.

After the crisis subsides (and it will), our country should thoroughly review all aspects of our preparedness and response. And we should use the opportunity to closely review the economic response and determine whether any additional regulatory changes are warranted to improve our financial and economic system. There will be a time and place for that – but not now.

6. We need a plan to get safely back to work.

It is hoped that the number of new COVID-19 cases will decrease soon and – coupled with greatly enhanced medical capabilities (more beds, proper equipment where it is needed, adequate testing) – the healthcare system is equipped to take care of all Americans, both minimizing their suffering and maximizing their chance of living. Once this occurs, people can carefully start going back to work, of course with proper social distancing, vigilant hygiene, proper testing and other precautions. There are many jobs that can be safely done; however, employees in certain companies should return to business as usual only if the Centers for Disease Control and Prevention (CDC) and other government entities deem it safe to do so.

In addition, this “return to work” process could be accelerated if federal, state and local governments make tests widely available that allow people to certify that they have contracted and recovered from the disease, have the necessary antibodies to prevent them from getting sick again and are not infectious to anyone. Initially, we need a buffer period of days or weeks for people

to be tested, and then for those who test negative for the virus, we need to discover whether virus antibodies appear through serology testing. Both the CDC and private companies are scrambling to produce such tests. The U.K. has ordered 1.5 million of them, Germany will use them to issue immunity certificates to COVID-19 survivors, and China and Singapore already are using tests to determine how extensively the virus spread in large populations in order to measure the true infection rate. In the United States, the Food and Drug Administration is allowing doctors to use these serology tests to identify recovered patients whose antibodies could treat emergency cases of the disease.

The country was not adequately prepared for this pandemic – however, we can be more prepared for what comes right, a disciplined transition would raise the health of Americans and the time, extent and suffering can economic downturn.

DEALING WITH AN EXTRAORDINARY CRISIS

7. We need to come together: My fervent hope for America.

Sometimes extraordinary events in history can cause a change in the body politic. As a nation, we were clearly not equipped for this global pandemic, and the consequences have been devastating. But it is forcing us to work together, and it is improving civility and reminding us that we all live on one planet. *E Pluribus Unum.*

I am hoping that civility, humanity, empathy and the goal of improving America will break through.

We have the resources to emerge from this crisis as a stronger country. America is still the most prosperous nation the world has ever seen. We are blessed with the natural gifts of land; all the food, water and energy we need; the Atlantic and Pacific oceans as natural borders; and wonderful neighbors in Canada and Mexico. And we are blessed with the extraordinary gifts from our Founding Fathers, which are still unequalled: freedom of speech, freedom of religion, freedom of enterprise, and the promise of equality and opportunity. These gifts have led to the most dynamic economy the world has ever seen – one that nurtures vibrant businesses, large and small, exceptional universities, and a welcoming environment for innovation, science and technology. America was an idea borne on principles, not based upon historical relationships and tribal politics. It has and will continue to be a beacon of hope for the world and a magnet for the world's best and brightest.

Of course, America has always had its flaws. The current pandemic is only one example of the bad planning and management that have hurt our country: Our inner city schools don't graduate half of their students and don't give our children an education that leads to a livelihood; our healthcare system is increasingly costly with many of our citizens lacking any access; and nutrition and personal health aren't even being taught at many schools. Obesity has become a national scourge. We have a litigation and regulatory

system that cripples small businesses with red tape and bureaucracy; ineffective infrastructure planning and investment; and huge waste and inefficiency at both the state and federal levels. We have failed to put proper immigration policies in place; our social safety nets are poorly designed; and the share of wages for the bottom 30% of Americans has effectively been going down. We need to *acknowledge* these problems and the damage they have done if we are ever going to fix them.

There should have been a pandemic playbook. Likewise, every problem I noted above should have detailed and nonpartisan solutions. As we have seen in past crises of this magnitude, there will come a time when we will look back and it will be clear how we – at all levels of society, government, business, healthcare systems, and civic and humanitarian organizations – could have been and will be better prepared to face emergencies of this scale. While the inclination of some will be to finger-point and look for blame, I hope we can avoid that. I also hope we can avoid people using times of crisis to argue for what they already believe. We need to demand more of ourselves and our leaders if we want to prevent or mitigate these disasters. This can be a moment when we all come together and recognize our shared responsibility, acting in a way that reflects the best of all of us. As President Kennedy historically said, “Ask not what your country can do for you – ask what you can do for your country.”

My fervent hope is that America rolls up its sleeves and starts to attack these problems. Fixing them would better prepare us for future catastrophes, create better economic outcomes for everyone (with policies that aim to maximize economic growth, driving the best potential outcomes), improve income inequality, protect the most vulnerable and foster economic growth that is more resilient, which would also strengthen America's role in the world. We must never

DEALING WITH AN EXTRAORDINARY CRISIS

forget that America's economic prosperity is a necessary foundation for our military capability, which keeps us free and strong and is essential to world peace. These issues could all be tackled while preserving the freedoms ascribed by our Founding Fathers: life, liberty and the pursuit of happiness, freedom of speech, freedom of religion and freedom of enterprise, which means the free movement of capital and labor (meaning you

can work where you want and for what you want). At the end of the day, the pursuit of happiness, our freedoms and free enterprise are inseparable.

If we acknowledge our problems and together, we can lift up those who are and society as a whole. Business and government collaborating together can overcome the biggest challenges.

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IN CLOSING

While I have a deep and abiding faith in the United States of America and its extraordinary resiliency and capabilities, we do not have a divine right to success. Our challenges are significant, and we should not assume they will take care of themselves. Let us all do what we can to strengthen our exceptional union.

I would like to express my deep gratitude and appreciation for the employees of JPMorgan Chase, and I'd also like to thank all of you who shared your good wishes with me while I was recuperating from my recent heart surgery. From this letter, I hope shareholders and all readers gain an appreciation for the tremendous character and capabilities of our people and how they have helped communities around the world. They have faced these times of adversity with grace and fortitude. I hope you are as proud of them as I am. Finally, the countries and citizens of the global community will get through this unprecedented situation, undoubtedly stronger for it. Together, we will rise to the challenge.



Jamie Dimon
Chairman and Chief Executive Officer
April 6, 2020

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ESG Report

<https://impact.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-cr-esg-report-2019.pdf>

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 2)

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- 24 Supporting Our Communities
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Message from Our Chairman & CEO

As the world contends with the human and economic impacts of the COVID-19 pandemic, JPMorgan Chase is bringing the full force of our firm to lift up those we serve around the world.

No matter the challenge, we manage our company consistently with principles that have stood the test of time. These include maintaining robust risk, financial and operating controls; having an unwavering devotion to our customers and communities; investing in and supporting our employees; creating a culture that reinforces integrity, fairness and responsibility; and advancing sustainability in our business and operations.

The current crisis underscores why these principles are so critical. Our ongoing focus on environmental, social and governance matters has made our firm stronger and more resilient, which allows us to do even more to take care of our clients, customers, employees and communities during this difficult time.

The impact of COVID-19 will no doubt provide lessons about what everyone could have done better to prepare to face an emergency of this scale. At the same time, I am hopeful it will demonstrate what can be achieved when business, government and civil society mobilize to tackle pressing global challenges.

Climate change is one such issue that has the potential to have profound consequences for people and our economy. That is why our firm is growing our capabilities to finance sustainable development and climate action, as well as calling for coordinated policy solutions that can help all of us effectively confront this threat.

Diversity and inclusion is another priority for our firm, and we are taking steps to strengthen our culture and ensure these issues are top-of-mind when we develop products and services, serve customers, help employees and support communities. Our firm has long recognized that a diverse and inclusive company is a stronger and more successful company. We are committed to doing the ongoing work required to create and maintain the culture to which we aspire.

In the face of today's unprecedented challenges, JPMorgan Chase is doing what we always have, even in the most difficult of times: We put our business to work for the good of all our stakeholders. In this report, I invite you to learn more about how we do that.

Jamie Dimon

Chairman & CEO, JPMorgan Chase & Co.

Understanding Our Climate-Related Risks and Opportunities

<https://impact.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-cr-climate-report-2019.pdf>

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 3)

Message from Our Chairman & CEO

Climate change is a global challenge that has presented — and will continue to present — risks for businesses and communities around the world. Research shows that climate impacts are occurring much sooner than anticipated and with increasing frequency. The private sector has the opportunity to play a role in creating solutions that grow the economy, thereby supporting governments in their efforts to minimize long-term impacts to the planet and enable a more sustainable future for all people.

The scale of the challenge is such that companies across all industries will need to participate in finding climate solutions. At JPMorgan Chase & Co., we are halfway to fulfilling a commitment made in 2017 to facilitate \$200 billion in clean financing by 2025. We are strengthening our understanding of how climate change impacts our day-to-day business activities, risks and processes. And because we know we have more to do, in late 2018, I asked a group of senior executives from across the Firm to work together to develop strategies to expand our efforts with respect to low-carbon business opportunities, policy engagement and climate risk management.

We are pleased to release our first climate change report, which has been informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have served as a member of the TCFD, and we believe that it provides a useful starting point for companies and the financial sector to engage around risks that may be driven by climate change and the business opportunities associated with advancing low-carbon solutions.

Although the private sector has a significant role to play, public-sector leadership is needed to drive substantial carbon emission reductions on a global scale. Governments will need to work together to foster new technology innovation, protect underserved communities and implement long-term policy solutions that are market based and flexible. Measures could include a carbon tax, as well as incentives and other programs to support public-private partnerships, especially for research and development. Such policies would be sensible to safeguard our planet's ability to support current and future generations.

I invite you to learn more about our efforts, described in this report. We welcome feedback from all of our stakeholders as we continue to engage, learn and strengthen our efforts over time.



Jamie Dimon,
Chairman and CEO, JPMorgan Chase & Co.

Proxy Statement Letter	✗
Annual Report Letter	✓
Corporate Responsibility Report Letter	✓

Annual Report

🔗 <https://lowes.gcs-web.com/static-files/3441eb1d-2c5d-4a70-97e4-2bdaeb8a8d21>

LETTER FROM THE PRESIDENT AND CEO (PAGES 1-2)

DEAR SHAREHOLDERS,

In 2019, we made significant progress in transforming our Company. While we are still in the early stages of a multi-year transformation, we are confident that we are on the right path to generate long-term profitable growth.

We delivered solid results in 2019, with total sales growth of 1.3 percent driven by comparable sales growth of 2.4 percent, with all U.S. regions achieving positive comps. Sales growth, supported by strong expense management and improving productivity, led to a 12 percent increase in Adjusted Diluted Earnings Per Share. In fact, fiscal 2019 represented the highest sales and adjusted diluted earnings per share in our Company's history.

Our focus on creating and returning value to our shareholders is evidenced by our fiscal year-end results and delivering \$5.9 billion dollars to our shareholders through a combination of dividends and share repurchases. Further underscoring this commitment to shareholders, we increased our quarterly cash dividend by 18 percent, continuing a distinguished track record of increasing our dividend every year since going public in 1961.

Our intense focus on retail fundamentals drove our 2019 results. Our strategic initiatives continued to gain momentum as we moved through the fiscal year, driven by investments in technology, supply chain, e-commerce, customer service, improved category performance, operational efficiency and our Pro business. We made steady, deliberate progress executing against our four strategic initiatives:

- Merchandising excellence;
- Supply chain transformation;
- Operational efficiency; and
- Customer engagement.

We are committed to delivering merchandising excellence by ensuring that we have the right products, in the right place, at the right time, so that our customers can shop the way they choose. Our new Merchandising Service Team and Field Merchandising Teams were critical to improving our execution. We hired and onboarded more than 17,000 vendor-funded Merchandising Service Team associates that improved our store execution and in-store presentation and enabled our store associates to spend more time serving customers. With the rollout of our Field Merchandising Teams, we improved location and space productivity in our stores. We also introduced the first phase of our new price management system which will allow us to better systematically analyze, prioritize and implement retail price changes in a timely fashion to offset cost pressure.

In 2019, we took steps to grow our e-commerce business and improve profitability. We began the work to improve the technology foundation of Lowes.com by initiating a process to re-platform the entire site to Google Cloud. Omni-channel is a tremendous growth opportunity for Lowe's, and we have a very detailed transformation plan to modernize our platform and accelerate Lowes.com growth in the future. We are also committed to having a world-class technology team as reflected in our announcement to open a new global technology center for up to 2,000 additional technology professionals in downtown Charlotte, NC. The global technology center will offer one of the most modern and advanced environments in retail and underscores our commitment to recruiting world-class talent and becoming a best-in-class, omni-channel retailer.

Transforming our supply chain will also support acceleration of our growth as we build a true omni-channel ecosystem. We plan to invest approximately \$1.7 billion to transform our supply chain over the next 3 years. In 2019, we implemented systems and processes that provided better visibility to products coming into the network, as well as ability to predict location as it

SUPPLY CHAIN TRANSFORMATION
Serving customers, the way they want to be served

We moved through the network. We opened 2 new bulk distribution centers and 4 cross-dock terminals. Evolving our infrastructure is a key step toward moving us from a store-based in-home delivery model, to a more efficient market-based model for big bulky product.

We are also working to drive operational efficiency. We made significant changes in 2019 to improve store labor productivity by optimizing our current mix of labor hours to better serve customers, moving from a mix of 60 percent of payroll hours dedicated to tasking and only 40 percent dedicated to selling in 2018, to a current mix of over 50 percent of associate time spent serving the customer. Our investment in over 400 assistant store managers, 5,500 department supervisors and dedicated Pro Leaders is paying dividends. We successfully rolled out our new customer-centric labor scheduling system allowing us to better align our labor hours with peak traffic. This provides better department coverage and customer service, while ensuring that we're using our labor hours efficiently and reducing payroll expense.

Our associates are the cornerstone of our success and they are executing well in our stores. We completed the rollout of customer service training for all 120,000 of our company associates. This new customer service model guides the way we hire, train, evaluate and coach associates. Our improved service philosophy coupled with the deployment of 88,000 SMART mobile devices equips our associates with the tools, processes and skills to better serve customers. This renewed commitment to customer service is evidenced by customer service scores increasing by 300 basis points during the fiscal year.

Our focus on the Pro customer continues to be a catalyst for our U.S. sales growth. Pro customer sales have continued to increase, delivering comps well above the Company average supported by compounding benefits from investments in job lot quantities, dedicated Pro department supervisors, designated Pro parking and dedicated loaders to assist Pros in loading big, bulky product. With a strong foundation now in place, we will bolster our Pro platform with strategic initiatives such as Pro loyalty, adding more Pro-related products to the assortment and CRM programs to deepen our engagement and continue to grow sales with this important customer.

We are proud of the progress we delivered in fiscal 2019 and strongly believe our intense focus on retail fundamentals will continue to pay dividends across the business in 2020. As we navigate the ongoing impacts of COVID-19, our thoughts and prayers are with those impacted. I want to thank our associates for their hard work, dedication and commitment to serving the critical needs of customers, first responders and government officials to ensure they have access to the essential products they need to keep their families safe, their businesses running and their communities healthy through this unprecedented time. While COVID-19 introduces a certain level of uncertainty to the retail environment, we are fortunate that we operate in a retail sector where approximately two thirds of what we sell is non-discretionary repair and maintenance items for the home. Therefore, during these unprecedented times you have my commitment that we will continue to support our associates and communities while providing our customers with those essential items they need to keep their homes safe and operational.

Marvin R. Ellison
Marvin R. Ellison
President and Chief Executive Officer

Corporate Responsibility Report

🔗 https://corporate.lowes.com/sites/lowes-corp/files/2020-07/Lowe's_2019_FINAL_optimized.pdf

LETTER FROM THE PRESIDENT AND CEO (PAGE 3)

GOOD TO GREAT 2.0
STORE MANAGER MEETING 2020

CEO LETTER

As we fundamentally transform the way we serve customers, we must also be a transformational force for our people, our communities and our planet. Because to be a great company, we must be a great corporate citizen.

When the COVID-19 pandemic changed our world, we invested \$340 million to support our associates, healthcare workers, first responders and communities. In addition, we committed \$50 million in charitable contributions for our communities.

While Lowe's takes a lot of pride in being a business that helps people "do-it-yourself," when times get tough, we believe in "doing-it-together." Whether it's a natural disaster or a global pandemic, being on the frontlines of serving our communities through crises is in our DNA. Our purpose drives our performance, and our teams put the people we serve at the forefront of every decision we make.

Our mission is clear: Together, deliver the right home improvement products, with the best service and value, across every channel and community we serve.

Four key strategies drive our progress on this mission: merchandising excellence, supply chain transformation, operational efficiency and customer engagement. Woven into each is our commitment to sustainability — of our products, our people, our communities and our operations.

We care about how our products are made and how we support the people who make them, so we have systems in place to secure high quality products from vendors who protect worker rights and the environment. We're bringing more innovative, efficient and eco-certified products into our portfolio, and we're helping customers leverage these products to reduce their own environmental footprints. In fact, the U.S. Environmental Protection Agency (EPA) awarded us with one of its highest levels of Recognition — an ENERGY STAR® Partner of the Year Award — for 2020.

As one of the largest global retailers, we have a responsibility to build a cleaner, healthier environment for the communities we serve. In the past year we set carbon reduction targets that align with the Paris Climate Agreement and made significant investments to reduce our carbon footprint and increase the energy efficiency of our operations. Our first utility-scale windfarm partnership became operational in 2020 and we continue to explore opportunities in renewable energy.

Our mission is clear: Together, deliver the right home improvement products, with the best service and value, across every channel and community we serve.

recognition of our progress, for the first time ever, Lowe's was included in the 2019 Dow Jones Sustainability Index for North America based on our sustainability performance.

To succeed long term, we know the most important investment we can make is in our people. We're focused on aligning our culture with our strategy and fostering diversity and inclusion, dignity and respect. In 2019, the Human Rights Campaign, Disability Equality Index and the U.S. Veterans Magazine recognized our progress. In the years ahead, we're doubling down on our investments in our people — including new training and education opportunities to help our associates develop skills for the rapidly changing world of retail.

In addition to investing in our own workforce, we are also investing in the next generation of skilled trades experts through our Generation T (Gen T) movement. Led by Lowe's, Gen T brings more than 80 national partners together to raise awareness of and advocate for education in the trades. We've built a first-of-its-kind national marketplace for connecting people to prospective apprentices and jobs — and this is only the beginning.

This is an unprecedented time but we remain focused on building on the progress we've made with our Retail Fundamentals Strategy and taking the right actions and making the right investments to drive sustainable long-term growth. But greatness isn't just about doing the right thing. It's about doing the right thing for the right reason.

This report outlines our commitments and progress to address the issues most important to our customers, associates, shareholders, suppliers and community partners.

Sincerely,

Marvin R. Ellison
MARVIN R. ELLISON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Proxy Statement Letter	✕
Annual Report Letter	✓
Sustainability Report Letter	✓
Perspectives on Climate-Related Scenarios Letter	✓

Annual Report

https://www.marathonpetroleum.com/content/documents/Investors/Annual_Report/2019_MPC_Annual_Report_and_10K.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-3)

FROM THE CHAIRMAN AND CEO

Fellow shareholders,

Marathon Petroleum Corporation ended 2019 on a strong note, with full-year earnings of \$2.6 billion and excellent value capture across our business. We continued to share our success with shareholders, returning \$3.3 billion through dividends and share repurchases throughout the year. I'm proud to attribute our success to the dedication of our over 60,000 employees, the driving force behind our achievements from coast to coast. We spent 2019 unlocking unrealized value throughout the company, with our strategic pillars ensuring we maintained the right focus: superior execution, integrating refining with logistics and marketing, strong financial discipline, growth through innovation, and sustainability, underpinned by the high-performing culture that makes it all possible.

EXECUTING ON OUR STRATEGY IN 2019

These strategic pillars helped guide us to operational and commercial excellence in 2019. Our 16 refineries achieved 96% system utilization, despite significant planned maintenance activity at eight of our refineries. Our Refining teams were able to complete much of this turnaround activity under budget and ahead of schedule.

We optimized our refining system for the anticipated market changes associated with the International Maritime Organization's low-sulfur marine fuel rule, and we continued conversion of our existing Dickinson, North Dakota, refinery to a biorefinery capable of manufacturing 100% renewable diesel from corn oil and soybean oil. In California, we expect our Los Angeles Refinery Integration and Compliance project will be complete in the first quarter of 2020, integrating two formerly separate facilities for greater efficiency and environmental performance.

In logistics, Gray Oak pipeline - of which MPC is a 25% owner - began moving crude oil in the fourth quarter from the Permian and Eagle Ford basins to the U.S. Gulf Coast market.

MPLX LP, our sponsored master limited partnership, continues work to reverse the flow of Capline pipeline, in which MPC holds a 33% ownership interest. The Capline reversal will enable the pipeline to transport crude oil from the Midwest to St. James, Louisiana, beginning in mid-2021. This is expected to provide additional supply flexibility to our Garyville refinery, which has a direct connection to storage at St. James.

As we continued integrating former Andeavor assets acquired through our strategic combination in late 2018, we achieved our target of converting more than 700 retail locations, including stores in the Southwest and on the West Coast. We also continue to expand our presence in Mexico. In addition to significant exports from the U.S. Gulf Coast and investments in refining over 200 retail sites,

OUR STRATEGIC PILLARS

MPC's strategic pillars inform our actions on a day-to-day basis, supporting our ability to create value for our shareholders.

Through superior execution, we maintain safe, environmentally sound operations while managing cost and driving operational discipline.

Our integrated value chain diversifies our earnings and creates value beyond our stand-alone segments, giving us the flexibility to adapt to market conditions.

Our strong financial discipline helps grow our profitability, provides through-cycle protection and enables compelling capital returns.

We demonstrate growth through innovation as we harness the power of technology to create and capture new business opportunities, while also reducing our environmental impact.

We view sustainability as an environmental, social and economic responsibility to address the needs of future generations.



legic combination with
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combined our businesses
talented employees and
ental was even greater. In
e are targeting \$1.4 billion
d of 2021.

(Continued on Page 2)



DELIVERING FOR OUR SHAREHOLDERS

Creating value for our shareholders has been a constant focus since we became an independent company in 2011. Through the end of 2019, we generated a total shareholder return of 284%, exceeding the S&P 500 and our industry peers and returned more than \$21 billion to shareholders through dividends and share repurchases. In 2019 alone, we returned \$1.4 billion in dividends and \$1.95 billion in share repurchases.

THE VALUES THAT GUIDE US

Our ability to create long-term shareholder value is proven, and one of the critical factors in our success has been our adherence to strong values that guide us in our daily work. As we focus on our strategic pillars to ensure we are meeting and exceeding our stakeholders' expectations, we never lose sight of these values: safety and environmental stewardship, integrity, respect, inclusion and collaboration.

These values help ensure that across the enterprise, our tens of thousands of employees are living up to their potential, working together as a team, taking responsibility, and protecting themselves, each other, and the communities and environment we all share.

As the world's need for reliable, affordable energy continues to grow, MPC will continue to position itself for long-term success by managing, measuring and continually improving performance in environmental stewardship, safety, community involvement, stakeholder engagement and sustainability. Through improving energy efficiency at our operations and diversification into the natural gas business, we have significantly reduced our greenhouse gas emissions per volume of product manufactured. We are the only U.S. refiner to have earned the U.S. EPA's ENERGY STAR® Partner of the Year award for the past two years, and have received more ENERGY STAR plant certifications than all other refining companies combined.

We're investing hundreds of millions of dollars to convert our Dickinson, North Dakota, refinery to produce 100% renewable diesel from corn oil and soybean oil, and we produced approximately 70 million gallons of biodiesel at our plant in Cincinnati, Ohio, in 2019.



To emphasize our commitment to environmental stewardship, we have adopted a target for reducing our greenhouse gas emissions intensity through 2030, and linked annual progress toward achieving the 2030 target to our executive and certain employee compensation programs. We likewise emphasize safety throughout our enterprise, and in 2019 our Refining organization achieved an Occupational Safety and Health Administration recordable incident rate of 0.28 per 200,000 man-hours worked, significantly better than the industry average.

Ultimately, by staying true to our values, we reinforce our license to operate in the many communities where we are privileged to work.

As I announced in October 2019, I will retire from MPC after our Annual Shareholders Meeting. As I look back on my 45 years with Marathon, I am deeply proud of all we have accomplished. Our talented employees have driven tremendous success as we have grown over the years, and consistently performed through a variety of market conditions. I am also proud of the management team I have had the good fortune to work with over the years, and I couldn't be more grateful for their dedication, loyalty and diligence. Thanks to their expertise, and all our employees' commitment to superior execution, MPC is one of the best operators in the industry. I'm confident that I leave with the company well-positioned for a future of even greater accomplishments. On behalf of the Board of Directors, management team and our employees from coast to coast, I would like to thank you for your investment in MPC. We look forward to sharing our success with you long into the future.

Sincerely,


Gary R. Heminger
Chairman and Chief Executive Officer

Sustainability Report

[https://sustainability.marathonpetroleum.com/assets/372643\(1\)_73_Marathon%20Petroleum_SR_WR_R1.pdf](https://sustainability.marathonpetroleum.com/assets/372643(1)_73_Marathon%20Petroleum_SR_WR_R1.pdf)

MESSAGE FROM CHAIRMAN AND CEO (PAGE 1)

A Message from Our CEO

At Marathon Petroleum and MPLX, our commitment to sustainability means taking actions that create shared value with our many stakeholders – empowering people to achieve more, contributing to progress in our communities, and conserving resources in our operations. In this Sustainability Report, we share how our people provide products that enhance life's possibilities, guided by our values of safety and environmental stewardship, integrity, respect, inclusion and collaboration.

As we push to continually improve, our sustainability efforts reflect consistency and determination. We have reduced our emissions of criteria air pollutants by more than 45% since 2002, even as our operations expanded over that period. We have reduced our greenhouse gas emissions intensity through our ongoing commitment to energy efficiency and are the first independent refining company in the U.S. to link our progress toward reduction goals to executive pay. We are investing \$470 million to convert our Dickinson, North Dakota, refinery to produce renewable diesel fuel, and we continue investing in advanced biofuels through our research and development subsidiary Virent. To learn more about our approach to climate change, I encourage you to review our annual Perspectives on Climate-Related Scenarios report.

For almost 15 years, we have participated in the U.S. EPA ENERGY STAR® program, which recognizes facilities that achieve top-quartile energy efficiency and overall excellence in environmental compliance. We have earned more ENERGY STAR recognitions than all other refiners combined, including the prestigious ENERGY STAR Partner of the Year award for 2018 and 2019 and the ENERGY STAR Partner of the Year – Sustained Excellence award for 2020. We have reduced the amount of clean water we use per unit of throughput and continue working toward safer workplaces, improving the safety rate in our Refining organization by 22% since 2015.

In the communities where we operate, our employees give their time and talent, and the company matches their charitable contributions to eligible nonprofits. We quickly joined the fight against COVID-19, donating more than a half million N95 masks to nearly 50 health care facilities across our operational areas, and the Marathon Petroleum Foundation donated \$1 million to the American Red Cross to help provide disaster relief and support to those in crisis during the pandemic and beyond.

We continue to strengthen our long-standing commitment to being a good corporate citizen. This year, we finalized our Human Rights Policy, which codifies our respect for the human, cultural and legal rights of all individuals and communities connected with the United Nations Universal Declaration of Human Rights. We adopted a Stakeholder Engagement Policy, formalizing our recognition of shared value as an intentional, proactive approach to working with stakeholders for mutual benefit. This report also incorporates enhanced transparency to diversity data.

As our nation contends with many challenges, including equality, racial discrimination and social injustice, like many organizations, we are charting a path toward greater understanding, listening and open dialogue. The events of the past several months have been a stark reminder that if we want to have hope for a better tomorrow – and a better today – we must all stand for each other, and we must all stand together. MPC and MPLX will continue to stand against racism, intolerance, discrimination and hatred of any kind, and we stand firmly in support of our employees, customers and communities who face inequality and injustice.

Although we have achieved significant progress, we have much more to do. Sustainability is one of the strategic pillars that drives our success and continuous improvement is not optional – it's essential. Affordable, reliable energy is more important than ever as we work to recover from the economic and health effects of the COVID-19 pandemic. Petroleum fuels, biofuels, petrochemicals and natural gas are the building blocks of our modern economy – agriculture, construction, manufacturing, retail sales and emergency services all rely on these affordable materials and energy sources. With each year that goes by, we sharpen our focus on doing this important work responsibly, remaining competitive, and serving as a valued partner to our stakeholders.

Thank you for your interest in Marathon Petroleum. Our 2019 Sustainability Report communicates our sustainability strategy and performance in accordance with the Global Reporting Initiative (GRI) standards and Sustainability Accounting Standards Board (SASB) metrics. We invite you to read it and welcome your thoughts at sustainability@marathonpetroleum.com.

Sincerely,

Michael J. Hennigan
President and Chief Executive Officer

Perspectives on Climate-Related Scenarios

<https://www.marathonpetroleum.com/content/documents/Responsibility/MPC-ClimateReport-2020.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 3)

FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

At MPC and MPLX, our commitment to sustainability means taking actions that create shared value with our many stakeholders. It also means we challenge ourselves to be a leader in sustainable energy. I'm pleased to share with you this year's edition of MPC's Perspectives on Climate-Related Scenarios. This report is an important part of our commitment to continually enhance our transparency and engage with stakeholders on important topics related to climate change.

The report has evolved since we began publishing it in 2017 in alignment with guidelines from the Task Force on Climate-Related Financial Disclosures. We continue to provide details of our strategy for addressing physical and transitional climate-related risks. We have sharpened our focus on meeting the world's energy needs while reducing carbon emissions. From lowering the carbon intensity of our operations and improving our energy efficiency, to increasing the volume of renewable fuels we produce and deploying advanced technologies that reduce environmental impact, we've focused on capturing opportunities that benefit shareholders and our many other stakeholders.

As we continually evolve our sustainability strategy, we're prioritizing efforts that are concrete and quantifiable. We are investing hundreds of millions of dollars to convert our Dickinson, North Dakota, petroleum refinery to a renewable diesel facility and evaluating a similar conversion of our Martinez, California, refinery. We are investing over \$10 million per year to commercialize our innovative BioForming® process that converts sugars into advanced biofuels. And in 2019, we produced more than 70 million gallons of biodiesel at our facility in Cincinnati, Ohio, as well as more than 460 million gallons of ethanol through a Midwest joint venture.

Operationally, we continue to make strides. Unique among U.S. refiners, our facilities have earned approximately two-thirds of the U.S. Environmental Protection Agency's ENERGY STAR® awards for energy efficiency and environmental compliance that have been awarded to the U.S. refining industry. We were the first independent U.S. refining company to establish a companywide greenhouse gas emissions intensity reduction target and link it to our executive and employee compensation programs. And we established a goal of reducing our methane emissions intensity to 50% below 2016 levels by 2025.

Thank you for your interest in Marathon Petroleum. I encourage you to read on to learn more about how we identify and manage climate-related challenges and opportunities, as well as how we see our sustainability investments as strategically significant to our ongoing success.

Sincerely,

Michael J. Hennigan
President and Chief Executive Officer

Proxy Statement Letter	✓
Annual Report Letter	✓
Sustainability Report Letter	✗

Proxy Statement

🔗 https://corporate.mcdonalds.com/content/dam/gwscorp/nfl/investor-relations-content/company-overview/2020_proxy.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD (PAGES 1-2)

2020 PROXY CHAIRMAN'S LETTER

Dear McDonald's Shareholders, Colleagues, Crew Members, Franchisees and Customers,

2019 was an important year for McDonald's, with record setting financial and operational performance and an unprecedented challenge, the coronavirus, confronting the world towards the end of the year. With its strong performance in 2019, the company is well positioned to manage through this crisis, both from a business standpoint and with respect to our values, which will help guide us through these uncertain times.

Strength of the System. The McDonald's system continues to demonstrate its strength, even through periods of change and uncertainty. I believe we did that incredibly well in 2019 by staying focused on executing our proven Velocity Growth Plan, and the proof is in the results as we hit a number of performance milestones for the company and our franchisees, including \$100 billion in Systemwide sales, a global comparable sales increase of 5.9%, the highest in more than 10 years, and record – or near record – franchisee cash flow in most markets. Along with consolidated revenues of \$21.1 billion, these achievements enabled McDonald's to deliver a three-year total shareholder return of 75%, outpacing major indices and the average among our peer group. We also achieved our three-year target of returning \$25 billion to shareholders. As a result, the McDonald's system entered into 2020 in an exceptionally strong financial position.

No doubt, Ray Kroc and Fred Turner would have marveled at the success of the McDonald's system. Our two founders devised one of the greatest business models on earth, and the strength of our three-legged stool has served us well in good times and in bad, making us resilient to disruption around us. Since 1960, McDonald's is one of only four S&P companies that have outperformed the broader economy – decade after decade.

Drawing on Our Values. Far more important than our unique business model, Ray and Fred imbued our system with a deep sense of purpose and resilient values. Throughout our history, we have always made the right – but often difficult – decisions, rooted in our commitment to feeding and fostering communities. Most recently, we have witnessed an amazing sense of selfless team spirit in the face of the unprecedented coronavirus outbreak. Amid the understandable anxiety and uncertainty, I have heard countless stories of McDonald's crew members and franchisees doing whatever they could to provide support for those affected, and I am confident that will continue, whether through our response to coronavirus or any other challenges our communities face, however big or small. Those values are what make McDonald's special and underpin the resilience of our business. While there is no doubt that 2020 has presented its own challenges, I am confident that the resilience that McDonald's has shown will carry through and will provide a solid foundation for our long-term success.

While many companies and Boards talk about commitment to purpose and values, the true measure of that commitment comes when confronted with difficult decisions. The McDonald's Board faced such a decision, when we decided to implement a CEO change and appoint Chris Kempczinski as the new President & CEO of McDonald's. The Board is confident that Chris has the character, experience and skills to boldly lead McDonald's into its next chapter and extend the company's global industry leadership.

Overcoming the Challenges Ahead. As we all now recognize, this next chapter will be defined by our company's ability to navigate through the challenges created by coronavirus. This has been an historic disruption, and it is still unclear exactly how this pandemic will play out. The Board is actively engaged with management, and we are confident McDonald's has the necessary plans to sustain its leadership under a variety of scenarios.

The McDonald's system continues to demonstrate periods of

We possess a purpose and a set of values that will continue to lead us and inspire our actions as stewards of one of the world's greatest brands.

While coronavirus certainly presents many challenges for the McDonald's system, it also presents an opportunity to emerge stronger. Thanks to the strength of our Velocity Growth Plan, and with a balance sheet that is the envy of the industry, we entered into this crisis better positioned than most. That gives us a unique advantage to overcome the challenges that this crisis presents and to succeed in its aftermath.

A Strong Board with the Right Skillset. In 2019, as part of our ongoing commitment to Board refreshment to provide the right mix of skills, experience and fresh perspectives, the Board elected two new independent Directors, Paul Walsh and Catherine Engelbert. As former CEO of Diageo, Paul Walsh successfully led his company through the Great Recession of 2008 created by the financial crisis, and Cathy Engelbert brings robust financial expertise and a track record supporting diversity. With the added context of coronavirus, we will be sure to draw on their relevant experience as we manage through the situation. With these new additions to our Board, half of our 12 Directors have been added in the past five years. We know that in this current climate, McDonald's needs to stay nimble, and as ever, the Board and management will continue to evaluate any necessary strategic adjustments.

Our Bright Future. McDonald's entered into the coronavirus crisis in a strong position, and we have the leadership, resources and strategic vision to manage through the situation successfully. Above all, we possess a purpose and set of values that will continue to lead us – in good times and in bad – and inspire our actions as stewards of one of the world's greatest brands.

On behalf of the Board, I want to express our gratitude to the 2.2 million people across the McDonald's system who make it possible for McDonald's to contribute to our communities around the world every day and keep delivering results for the business at the same time. With this unwavering commitment to being ambassadors for our values and the continued delivery of our strategy, I have every confidence that McDonald's is well positioned for our long-term future.

As always, the company will continue to engage with you regularly to keep you updated on our progress. Thank you for your continued support of McDonald's.

Sincerely,


ENRIQUE HERNANDEZ, JR.
Chairman of the Board

Annual Report

<https://corporate.mcdonalds.com/content/dam/gwscorp/nfl/investor-relations-content/annual-reports/2019%20Annual%20Report.pdf>

LETTER FROM THE PRESIDENT AND CEO

Annual Letter to Stakeholders

Dear Shareholders, the Global McFamily and our Customers,

It is an enormous privilege to lead this great company. McDonald's is one of the world's great brands, but our impact is so much more. We don't just operate nearly 40,000 restaurants, we offer 40,000 community centers that create opportunities, connections and support networks for tens of millions of people every day. As a lifelong member, some of my most enduring memories are of times spent at McDonald's—birthday parties, family dinners, nights out with friends, and a host of other occasions. Looking across the whole world, it's clear how McDonald's becomes part of the fabric of our lives.

...create opportunities, connections and support networks for tens of millions of people every day.

As I have spent time with people around the system, I have seen how people are coming together and even been more apparent that outside of COVID-19, robust and enhance the connections in places we all face.

Annual Letter to Stakeholders

The outbreak of COVID-19, first in China and later in every other country in which we operate, has created a major business disruption. We are now operating in a completely different world, with tremendous challenges to overcome. Difficult times like these remind us how strong, resilient and purposeful we are when we come together, support each other and work in service of the values of people who count on us.

When we were first confronted with this crisis, I had said that principles that I wanted to guide our approach and inform our actions every day were navigated through this together. For anyone in our system, living these principles comes naturally, but I thought it was important to reaffirm them as our guiding light:

- 1. We're all in this together.** McDonald's has a unique operating model, and the strength of our business is based on alignment across the three legs of our system—company employees, independent franchisees and global suppliers. Our top priority is to protect the health and safety of our people and customers, that has guided our response to date, through actions like implementing strict safety in the U.S. and reflecting hygiene measures at all company-owned restaurants, as well as closing in restaurants during severe weather, and working with franchisees to support financial liquidity. We are supporting each other through the crisis, and while we will certainly have to make some difficult decisions as we look at our system, we will work through these together, as one McDonald's system.
- 2. Think and act with a long-term mindset.** Because of the nature of our Velocity Growth Plan and our performance in 2019, we entered this crisis in a stronger position than most and are drawing on our strengths to ensure we are well positioned for the long term. The journey we have taken—focusing on our focus on value, delivery and Drive-Through—has proven to be more resilient than ever, and that's the reason I have confidence that we will need to adapt to ensure we can weather the storm of this crisis and continue to serve the necessary strategic adjustments.
- 3. Be transparent with each other and our stakeholders.** We understand that being open with our customers, our employees and our shareholders is key to navigating through these uncertain times. That's why we have been in regular touch with suppliers, franchisees and investors to support everyone through their own unique situation. The work happening with our suppliers and third-party partners is an excellent example of this in action. I've been impressed with how our supply chain has adjusted to the fast-moving situation, and helping us communicate between our buyers, suppliers, partners and restaurants has been central to ensuring our operations remain strong. We'll continue to communicate regularly with all stakeholders as we navigate this road ahead.
- 4. Lead by example.** We wouldn't ask our customers to do what we wouldn't do, or our crew to work where we wouldn't work. We have been making adjustments to our operations around the world to ensure we lead by example, and that has required sacrifice across the system to be able. As we assess the changing needs of our business, we will do whatever is necessary to support the system and safeguard the future of our company, even if that means making difficult decisions. In light of the significant impact that COVID-19 has had on the company's global operations, I have authorized to reduce my salary by half and portion of our most senior executives have also volunteered to reduce their salaries by one-quarter, all through September 30. This follows the actions we've taken in recent weeks, and they embodied this decision.
- 5. Stay true to our purpose.** We are here to feed and foster communities and remain committed as well to that mission. I have seen incredible efforts across the world, particularly by our franchisees and crew, to serve communities in the time of need. This has included the donation of medical supplies and free meals to local health workers across China and the U.S. and the creation of a hospital in Italy, in partnership with our Russia McDonald's House Charities in Guatemala and Poland, our donor intentions have gone the same mile by including healthcare workers of support with meals being donated to health care workers. There are countless inspiring examples like these around the world, and I am proud of the way the system has banded together to be true to our purpose.

Annual Letter to Stakeholders

over our 65 years, and while this is the most challenging global crisis in our company's history, we remain confident that we are well positioned for the long term.

Supporting our people and communities

As we manage through this situation, protecting the well-being of our people, our customers and our broader communities remains our number one priority and guides every decision we make.

We are all too aware that many of our communities around the world face extraordinary challenges, and that won't change any time soon. But when communities are in real need, our business and franchisees step up to help. Amidst these fast-moving and difficult realities around the world, we will continue to show up in our communities when they need us most, whatever challenges they may face. That is something I am certain will never change.

Thank you to our shareholders for your continued investment in McDonald's, to our customers for your continued support and enjoyment, and to the entire system for all you do every day to serve customers and communities around the world. I am honored as ever to serve as your CEO.

Be well,

Chris Kempczinski

Chris Kempczinski
President and CEO
McDonald's Corporation

The true spirit of McDonald's

This global crisis has revealed the true spirit of the McDonald's system, with everyone working hard to help keep our business running at a time when our communities need us most. We are working with health officials and outside experts to inform our response. That, coupled with the experience of our seasoned leadership team, has and will continue to be critical to ensuring we make the right decisions and support our people along the way.

...everyone working hard to keep our business running at a time when our communities need us most.

To that end, we also recently announced Heidi Capozzi as our Executive Vice President and Global Chief People Officer. She is a collaborative, results-oriented business leader with proven experience. I am proud and grateful to have such a talented team in place to lead our company—at all times, but especially now.

Evaluating our future strategy

Looking ahead, we know that the world will look very different on the other side of this crisis and are taking the necessary actions to ensure we are best set up for an altered business landscape. Our Velocity Growth Plan provides a consistent framework, but we will need to ensure our go-forward strategy also reflects the new operating environment. We are looking at all of the solutions that could unfold and will provide updates through the year.

In any case, I am confident in the resilience of our business and the strong foundation we have built. McDonald's has been a lot

Proxy Statement Letter

Annual Report Letter

Corporate Responsibility Report Letter

Proxy Statement

🔗 <https://d18rnOp25nwr6d.cloudfront.net/CIK-0000927653/7ee44373-e06f-4c45-ab34-486c6ff60529.pdf>

LETTER FROM INDEPENDENT CHAIR

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A LETTER FROM OUR INDEPENDENT CHAIR



Dear Fellow Shareholders,

First and foremost, on behalf of the Board of Directors, I would like to thank you for your investment in McKesson and for the confidence you place in this Board to oversee your interests in our Company particularly through the most unprecedented global health crisis in modern history. McKesson plays a critical role in healthcare, and our highest priorities during the COVID-19 pandemic are to continue delivering critical supplies and medications to address the crisis, and protecting the health and safety of and supporting our employees. Employees throughout the enterprise and at all levels rally together every day, including in the midst of a pandemic, to deliver on our mission of improving care in every setting—one product, one partner, one patient at a time.

The Board's purpose as stewards of the Company is to oversee the long-term performance and sustainability of McKesson for the benefit of all our stakeholders, while continuously creating value for our shareholders. With this focus over the past year, the Company continues its transformation and made significant progress executing against priorities to drive growth while fulfilling its mission.

The Board remains as high functioning and engaged as ever, continuously monitoring the Company's strategy, leadership, operations, and risk management in the dynamic global healthcare environment in which we operate.

As we approach the 2020 Annual Meeting, I would like to share some of the ways that your Board is working to provide strong governance and independent oversight to represent your interests.

Our COVID-19 Response Efforts

As one of the world's largest healthcare companies, we have a critical role to play in making medications and supplies available to customers and patients when they need them. McKesson plays an important role in healthcare delivery, and it is something we take seriously every day—even more so now as the world is facing this healthcare challenge. Over the past few months, we have taken a number of meaningful steps to advance public health goals, maintain essential access to medications and supplies for our customers, and safeguard our employees from the spread of COVID-19.

We awarded approximately \$30 million in special one-time bonus payments to recognize frontline workers and certain other staff for their contributions. In addition, we invested approximately \$15 million for COVID-19 related relief and response efforts, which includes a \$10 million contribution to the McKesson Foundation. A portion of that contribution will be deployed to McKesson's Taking Care of Our Own Fund to provide support for employees impacted by the COVID-19 pandemic.

Other measures we have taken to mitigate the impact of the COVID-19 health crisis include:

- Partnering with the U.S. Department of Health and Human Services and the Federal Emergency Management Agency of the U.S. Department of Homeland Security (FEMA) in their sourcing and distribution efforts to expedite the shipment and delivery of personal protective equipment (PPE) and other critical supplies into the United States;
- Coordinating closely with federal and state agencies in North America and Europe to optimize and expedite sourcing opportunities, and to move products to the front lines of the fight against the pandemic;
- Actively working with manufacturers, suppliers, industry partners and government agencies to anticipate shortages and respond to unprecedented demand for supplies like PPE, as well as certain medications and diagnostic tools;
- Implementing workplace changes to promote safety, including disinfectant cleanings throughout the day, requiring temperature testing before coming to work, making face masks available, social distancing measures, and placing hand sanitizer and sanitizing wipes throughout the workplace; and
- Supporting our employees by undertaking multiple measures to provide access to the care they need and a supportive work environment, including expanded leave policies, special compensation, telemedicine and wellness offerings, and expanding our Taking Care of Our Own Fund to help with expenses such as childcare, groceries, housing and utilities.

Cultivating a Strong Ethical Culture

At McKesson, doing business in the right way is fundamental to, and embedded in, our culture. Our long-term success depends on embracing and exceeding the highest ethical standards in everything we do, everywhere we operate. For us, compliance is more than just following rules. It includes considering the actions we take, and adapting to new challenges and situations, always guided by our ICARE principles. Our Board, which has long believed that oversight of the Company's culture and reputation are key Board responsibilities, collaborates with management to establish and communicate the right ethical tone, which guides our conduct and helps protect the Company's reputation. Our Board has provided guidance to our CEO:

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Brian Tyler, as he launched Team McKesson, a FY 2020 corporate culture initiative focused on winning as one team, and as we have worked to continually strengthen our culture of empowerment, recognition and belonging. Further, the entire Board and its committees, including the Compliance Committee, work to understand and review our corporate risks, overseeing matters ranging from legal and compliance risks, including with respect to opioids, financial reporting risk, reputational risks, compensation practices and cybersecurity.

We remain deeply concerned about the ongoing opioid crisis. We are proud of our Controlled Substance Monitoring Program and are dedicated to ongoing enhancements. We are also working with others to advance a series of initiatives focused on helping to address the opioid epidemic, advocate for public policy recommendations and support innovative programs and partnerships that we believe can have a meaningful impact on the opioid health crisis. Please see pages 6-7 for more information regarding the Board's oversight of risk and the Company's work to address the opioid crisis.

Focus on Corporate Responsibility

At McKesson, we want to do everything we can to continue delivering critical healthcare supplies and medicines. Our approach to addressing the pandemic thus far underscores how we view corporate responsibility. Corporate responsibility means better health for our planet and people everywhere. We strive to use our economic, environmental, social and governance resources thoughtfully and responsibly.

In 2018, the Company conducted a materiality assessment that involved in-depth interviews and surveys with 95 stakeholders from Canada, Europe and the U.S., including employees, customers, suppliers, industry associations, government agencies, non-governmental organizations and joint venture partners. Based on that assessment, and considering shareholder feedback, the Company published its 2019 Corporate Responsibility Report, which highlights work in three important areas: product quality and patient safety, eco-efficient transportation and operations, and better health for employees and communities. Our work in these areas is grounded in our shared ICARE (integrity, customer-first, accountability, respect and excellence) principles, which guide us in making a positive impact for patients, the environment and our society every day.

Executing on Strategy

An essential role of the Board is to provide effective oversight related to McKesson's corporate strategy and execution. The Board works closely with senior leadership in developing the Company's strategy and positioning us to continue as a leading healthcare company. As we reflect on FY 2020, our results demonstrate continued momentum in our business as we executed on priorities we believe will drive growth, including: optimizing performance in our U.S. Pharmaceutical and Specialty Solutions segment, simplifying the business and operating with increased focus and speed, and accelerating our strategic growth initiatives. As we looked to become a simpler, more focused, and resilient organization under the leadership of CEO Brian Tyler, our organization has relied around these efforts, and it is showing in our culture and results.

In addition to transforming and energizing the culture of McKesson, building on the already strong foundation of our ICARE and LEAD values, we saw great execution across the enterprise in FY 2020. As an example, we came together to identify significant cost savings, and are tracking towards our target of \$400 million to \$600 million in gross profit savings by the end of FY 2021. In March, we also successfully completed the sale of our investment in Change Healthcare, in line with our stated objective of unlocking value for our shareholders in a manner designed to be tax-efficient. We are excited to move forward and continue executing against our strategic growth initiatives as a more focused organization, and believe McKesson is well positioned with a broad set of differentiated assets and capabilities.

Engaging with Shareholders

Engagement with our shareholders remains a key focus for our Company and an important part of our Board's governance commitment. Our robust shareholder engagement program, which includes an integrated outreach team, meets with a broad base of shareholders throughout the year to discuss corporate governance, executive compensation, corporate responsibility practices, and other matters of importance. Our commitment to this program enables ongoing dialogue that results in adopting sound and effective corporate governance practices as well as continuous improvements. It also provides us with valuable insight and feedback from shareholders throughout the year, allowing the Board to better understand our shareholders' priorities and perspectives and to incorporate them into its deliberations and decision making.

During FY 2020, we proactively reached out to shareholders representing nearly 60% of our outstanding common stock and we engaged with shareholders representing approximately 50% of our outstanding common stock. Our Compensation Committee Chair led engagements with shareholders representing nearly 20% of our outstanding common stock to discuss executive compensation matters and changes to our FY 2020 compensation program, among other matters. Various members of management, including our CEO, also participated in discussions with portfolio managers, analysts and others. Please turn to page 10 to learn more about how we responded to feedback from our shareholders over the past year.

Aligning Pay and Performance

Ensuring that the Company has an executive compensation program that appropriately attracts, retains and incentivizes our management team is one of the Board's most critical responsibilities. It is important to us that the interests of our executives are aligned with the interests of shareholders by setting rigorous performance targets that are tied to key financial results and strategic objectives designed to further the Company's long-term strategy.

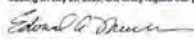
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We believe our program effectively links our executive compensation program to financial objectives consistent with our long-term goals and are aligned with our shareholders' interests. We are committed to maintaining a compensation structure that aligns pay with performance, drives long-term value creation and reflects the views of our shareholders. This proxy statement includes a letter from the Compensation Committee on page 26 describing their efforts over the last year and more recently, salary reductions and other actions affecting our Board, executive officers and business unit presidents in light of the uncertainty and adverse global business impacts of the COVID-19 pandemic.

We Ask for Your Support

We take seriously the trust you place in us through your investment in McKesson. We appreciate the opportunity to serve McKesson on your behalf and will continue our work to ensure the sustainable and long-term growth of the Company. We look forward to hearing your views at this year's Annual Meeting and in the year to come.

Your vote is very important to us. We strongly encourage you to read both our proxy statement and annual report in their entirety prior to the Annual Meeting on July 29, 2020, and kindly request that you support our voting recommendations.


Edward A. Mueller
Independent Chair

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EXECUTIVE COMPENSATION

A Letter From Our Compensation Committee

Dear Fellow Shareholders,

As members of the Compensation Committee, our most important responsibility is to ensure that our executive compensation program aligns with the interests of our shareholders and adheres to our pay-for-performance philosophy, while allowing us the flexibility to attract, retain and incentivize executives to execute McKesson's long-term strategy. The outcome of our 2019 say-on-pay vote signaled that our shareholders had concerns with certain aspects of our executive compensation program. In the course of evaluating the compensation program we were determined to understand your perspectives and make constructive changes in response.

Responding to the 2019 Say-on-Pay Vote. Over the past year, the Compensation Committee dedicated significant time and effort to its regular, comprehensive process of reviewing the Company's executive compensation structure. This effort included extensive shareholder engagement to gather constructive feedback on our program. We reached out to holders of nearly 66% of the Company's outstanding common stock and spoke with shareholders representing approximately 50% of the Company's outstanding common stock. We had robust discussions, many including Dr. Coles, our Compensation Committee Chair, in which we carefully listened to your views and shared our perspectives.

We were pleased to hear shareholders react positively to the FY 2020 compensation program changes, which we previewed in last year's proxy statement. We found that the main area of feedback among our shareholders, and a significant driver for votes cast against our say-on-pay proposal, was a lack of support for the separation provisions in our former CEO's employment agreement. The Committee appreciated the thoughtful feedback it received, and confirmed that none of our current executive officers has an employment agreement, and the Company no longer enters into executive employment agreements. We also heard that some shareholders found our supplemental pension benefits to be overly generous. As with executive employment agreements, there are no actively employed participants in the Company's supplemental pension plan.

Compensation Program Changes. Brian Tyler has completed his first year as CEO. In addition to changes reflecting his new role, changes to the FY 2020 compensation program are intended to underpin the Company's strategy and promote a focus on operational objectives in order to drive sustained shareholder value creation. Those changes, which were previewed in last year's proxy statement, went into effect this year, and include:

- Adding Adjusted Operating Profit as a metric in our annual cash incentive plan and replacing Adjusted Operating Cash Flow with Free Cash Flow, and
- Simplifying our long-term incentives (LTI) by eliminating stock options and the long-term cash incentive from the LTI award mix, and replacing these programs with three-year ratable vesting restricted stock units.

We have made additional changes to our executive compensation program since the 2019 annual meeting. We eliminated excise tax gross-ups, and approved changes to our Compensation Recoupment Policy, including the adoption of "reputational harm" as a potential trigger for recoupment. We believe the changes approved and implemented over the last two years address our shareholders' key areas of focus and incorporate the constructive feedback that was received, and we have received positive feedback on the changes during our most recent round of engagement discussions.

We are mindful of the uncertainty and adverse global business impacts of the COVID-19 pandemic, and the Company has taken proactive measures to support our teams and communities, and to address operational impacts of the virus. Given these developments, senior management and the Compensation Committee have taken certain actions with respect to compensation, including a temporary base salary reduction of 10% for our executive officers and business unit presidents. Additionally, we reduced FY 2020 bonus (MIP) payouts for our executive officers. Please see pages 3 and 37 for additional information regarding these and other actions.

Looking Ahead. Our executive compensation programs are intended to help support the Company's culture, encouraging employees to act with integrity, be empowered and feel accountable for the Company's long-term success. We have tremendous confidence in the collective abilities of McKesson's leadership team to drive long-term growth and focus on winning as one team by strengthening our core business, spending smarter and growing smarter.

In closing, the members of the Compensation Committee would like to express appreciation to the shareholders with whom we spoke over the course of the past year for their candor and insights, which were incorporated into our deliberations and decision making. Our Committee is firmly committed to the ongoing evaluation and improvement of our executive compensation program, informed by an ongoing discussion with you. We look forward to continuing the dialogue and encourage you to reach out with any questions or concerns related to our program before making your voting decision.

Thank you again for your continued support and investment in McKesson.

The Compensation Committee,

N. Anthony Coles, M.D., Chair

Bradley E. Lerman

Edward A. Mueller

Susan R. Salka

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LETTER FROM THE CEO

To Our Valued Shareholders:

I am honored and humbled as I write to you for the first time as the CEO of this great organization. Each company takes a different approach to an annual letter to investors. I plan to use this letter as another vehicle to communicate our priorities and give you my assessment on how we're tracking against the performance you expect from us — delivering healthy and sustained growth on your investment.

What You Can Expect of Me

I couldn't be more excited about this opportunity to lead the 80,000 associates of McKesson as we collectively work to improve healthcare in every setting.

My leadership views and style have been shaped by my parents, the values they taught me, my education, and the wide variety of teams that I have led over the years. There is no doubt that my time sweeping floors and cleaning greasy machines in our small family-owned machine shop in Livermore, California influenced my views on the important role every single person in our company plays — no matter their seniority or title.

With more than 20 years of McKesson experience, I have had the benefit of leading nearly every business in our company. And while there are many important elements of being a successful leader, in my opinion, good communication and teamwork will be foundational pillars of our success.

As CEO, I believe my job is to coordinate with colleagues throughout the company to set strategy and culture, and then hold our teams accountable to deliver on their objectives. While our strategy is focused on long term, sustainable growth, it is grounded in the company's long-standing ICARE values (integrity, customer first, accountability, respect and excellence), which includes an unwavering commitment to inclusion and diversity. What we do is important — but how we do it is equally as important.

On day one, I had two priorities: our customers and our employees. So, I spent the morning with a major customer (hint: they are the largest retailer in the U.S. and an important partner of ours), held a call with the top US leaders of the company, and then visited with our Centro, Texas distribution center team. I had the privilege of walking the floor and seeing the tremendous pride that team takes in their work — including their 99.9% order accuracy, their employee safety record and their dedication to customer service.

Now, it's turn to the business. I'd like to address three topics that are top of mind for me — returning to growth, the opioid epidemic and our company's culture.

1. Charting Our Path Back to Sustained Growth

I'd like to begin by acknowledging that we are not happy with our total shareholder return in the

better patient outcomes and reduce waste. Additionally, we have been investing in a next-generation oncology data platform and are also working to create an interactive patient platform, enabling deeper customer engagement.

Driving Efficiency. Given the dynamic nature of today's healthcare environment, it is even more critical that we improve processes and reduce costs to enhance our financial performance and better serve our customers. In FY19, we made improvements to the way our corporate functions are organized and support our businesses. In the past year, our technology, finance, general counsel organization and human resources functions all underwent significant changes to help improve effectiveness and efficiency. We also made significant investments in our data and analytics capabilities to support our growth objectives.

We also made the important decision to move our corporate headquarters to Dallas, Texas. By co-locating the corporate office with our largest business unit, we will improve the speed of decision making, create broader career development opportunities for our associates, and foster easier collaboration and communication. We will continuously look for opportunities to optimize our operating model to improve the overall speed and effectiveness of the organization.

In FY19 we also took steps to lower expenses across the organization, and that will remain a focus in the coming years. We've also engaged our employees to identify ways to work smarter. We reinvested most of these efficiency gains into the internal growth priority areas referenced earlier.

2. Fighting the Opioid Epidemic

I am — and our company is — deeply concerned about the impact the opioid crisis is having on families and communities across the U.S., and I am committed to using McKesson's capabilities to be part of the solution. It is disheartening when some single out or misrepresent our role as a distributor of prescription opioids. The opioid epidemic is a complicated, multifaceted public health crisis that must be addressed through a comprehensive and collaborative approach. Each participant in the pharmaceutical supply chain must play a role in solving this national crisis. And McKesson is committed to doing our part.

Over the past decade, as the opioid epidemic evolved rapidly, we have invested in our programs and enhanced our team, processes and technologies dedicated to preventing diversion. We use complex and dynamic data analytics and regularly report controlled substances transactions, including orders deemed suspicious and blocked by our internal and external regulatory and other experts with n to maintaining — and continuously enhancing — strong pr opioid diversion.

We also understand that providers want to be sure that their for legitimate patients with serious illnesses and injuries in a position to second guess the decisions made by the he who interact with patients.

We are making progress on the six corporate initiatives we address the opioid epidemic. We have worked with outside compliance with regulations and how to identify w potential diversion. We've offered thoughtful public i the Prescription Safety Alert System (RxSAS) technology 2 programs and partnerships that we believe can have a me issue. We also contributed \$100 million to the Foundation 5 an independently governed foundation focused on comba

"I am pleased with the progress we are making on our three key growth pillars: increasing our value proposition for our manufacturer partners; expanding our solutions related to specialty pharmaceuticals; and growing our position in future retail and dispensing models."

Last year, under our former CEO John Hammeigren's leadership, we introduced a multi-year strategic growth initiative. I am pleased with the progress we are making on our three key growth pillars: increasing our value proposition for our manufacturer partners; expanding our solutions related to specialty pharmaceuticals; and growing our position in future retail and dispensing models.

Manufacturer Value Proposition. As part of our effort to deepen our partnership with manufacturers, we created a new business unit, McKesson Life Sciences, and expanded our service offerings to better support them as they bring their innovations to market. We've made investments in areas where we know our customers need support and partnership to improve the efficiency of their operations and the effectiveness of their care. We're focused on providing advanced, data-driven solutions; therapy access and adherence programs; innovative and flexible supply chain solutions; and other tools that help ensure that medicines get delivered to patients when they need them and where they need them.

The acquisitions of RxCrossroads, CoverMyMeds and Biologics Specialty Pharmacy have expanded our capability to help our biopharma partners commercialize their products more efficiently. RxCrossroads' plasma business integrates well with BDI Plasma, which we acquired in 2017. We are bolstering these offerings with our own data and analytics to further help inform our partners' research and development decisions.

Specialty. Our Specialty business had an excellent year and we continue to focus on building our competencies in this growing segment. And as we see more care shifted to non-acute settings, the acquisition of Medical Specialties Distributors, a national leader in alternate site infusion supply, brought new and important offerings to our Medical-Surgical business' portfolio.

The US Oncology Network is a physician-led organization and the nation's largest network of integrated, community-based oncology practices. We are proud to support The Network, a pioneer of oncology clinical pathways; a key contributor through its research programs to the FDA approval of numerous life-saving medications; and a leading organization dedicated to advancing high-quality, evidence-based cancer care.

McKesson also offers advanced tools built for oncology such as an advanced electronic health record system, practice analytics, and robust regimen and pathways selection support. We're proud of the role we play in strengthening patient access to integrated care in local communities across the U.S.

Future of Retail Pharmacy. With the evolution of the retail landscape, we continue to evolve our retail offerings, creating omnichannel experiences and broadening our services portfolio. We're working on innovations that will change the way consumers think about a trip to the

Sadly, there is no quick fix to the public health challenge associated with drug abuse. There has been good progress made to reduce the overall number of opioid prescriptions written. But there are still street drugs like heroin, methamphetamines, cocaine and illicit fentanyl on the rise. This illustrates the complex nature of the problem and underscores the need for government, industry, social institutions and other players to work together if we are going to bring this crisis to an end.

We at McKesson are committed to engaging with all who share our dedication to acting with urgency to address this epidemic and working together to end this crisis. For more information about our efforts, please visit www.mckesson.com/about-mckesson/fighting-opioid-abuse/.

3. A Culture of Integrity and Operational Excellence

The way we do business is critically important to me and to McKesson. All of us at McKesson understand the responsibility we bear as we work together to deliver better health.

A Culture of Compliance and Integrity. We have long seen compliance as a critical business strategy, and it's a strategy that is rooted in our shared values. More than two decades ago, we introduced our ICARE values. These shared values have guided — and will continue to guide — all that we do.

"We help our employees understand our shared responsibilities to lead with integrity, to speak up when we think something's not right, and to help keep the pharmaceutical supply chain safe and secure as we strive to improve care in every setting."

We help our employees understand our shared responsibilities to lead with integrity, to speak up when we think something's not right, and to help keep the pharmaceutical supply chain safe and secure as we strive to improve care in every setting. That leadership obligation starts with me and must be followed by every employee of this company. Our strong compliance programs require annual training to refresh and reinforce the rules and expectations. We leverage our advisory groups of customers and business partners to make sure we are always using the best practices across the industry.

Operational Excellence. A key priority for us is delivering operational excellence to our customers and adhering with — and adapting to — the regulatory environment. We believe that McKesson is differentiated by its commitment to operational excellence. Last year 99.9% of our orders were filled correctly and on time. Our employees are exceptionally proud of this nearly flawless execution — almost as proud as they are of the impact their work has on patients' health and wellbeing.

n our business is to manage it from the outside in — serves from our customers' point of view.

into all parts of the company to prepare McKesson — ffd of healthcare. The breadth and depth of our insights ring new solutions to get ahead of developing trends.

chnology business has been investing in real-time benefit patients, prescribers and pharmacies, empowering them t of therapy. And, in anticipation of a potential world r biopharma partners and pharmacy customers on the ting models.

day engaged in industry issues such as drug pricing what is in our control — our core business and our will help position McKesson for long-term success, ing the healthcare industry.

We will strengthen our core business over the short and long term by continuing to be laser focused on our customers' and business partners' needs and finding new ways to add value. And we will continue to focus on our three growth pillars: the manufacturer value proposition, specialty pharmaceuticals and the expanding role of the retail pharmacy, all supported by our ongoing investments in data and analytics. We will also continue to operate with discipline to improve our cost position and the overall speed and effectiveness of the organization.

In Conclusion

I am excited to lead this great company and I am confident about our future. McKesson offers a unique array of solutions and services to our customers and business partners. We are privileged to have deep, long-standing relationships throughout the healthcare ecosystem. We have an opportunity to contribute to public policy debates about making healthcare more efficient, effective and affordable. And we have the important responsibility to help keep the drug supply chain safe and secure.

Our Board of Directors, my leadership team, and I are focused both on our plan for the year ahead and on ensuring that we are positioning ourselves for the long term in a dynamic healthcare landscape. I am looking forward to a productive relationship with Ed Mueller, our Board chair, and all of the Board members. Working together, I am confident that we'll meet and exceed your expectations.

McKesson is fortunate to have 80,000 associates dedicated to improving healthcare in every setting. Our employees take great pride in their work and the impact it has on patient care. Our distribution centers display a sign that reads "It's not just a package, it's a patient." We know the medicines and supplies we pick, pack and ship every day are going to somebody's loved one. What we do matters, and we are proud of our role in healthcare.

Respectfully,
Brian Tyler

Corporate Responsibility Report

https://www.mckesson.com/Documents/About-McKesson/Corporate-Citizenship/FY19-McKesson-Corporate-Responsibility-Report/

LETTER FROM THE CEO (PAGES 3-4)

Letter from Brian Tyler

At McKesson, corporate responsibility means better health for our planet and people everywhere. We strive to use our economic, environmental, social and governance resources thoughtfully and responsibly. We're a global company, and this report reflects our impact around the world as we work together for the benefit of people and our planet.

Patients come first at McKesson. Our vision is to improve care in every setting — one product, one partner, one patient at a time. In this report, we share how we ensure that the products we handle and distribute, as well as those we manufacture in our private-label line of business, follow applicable regulations. We also describe how we create a better experience for patients, customers and manufacturers through Six Sigma, with more than 400 projects in Fiscal 2019 alone.

A Culture of Integrity and Operational Excellence
McKesson plays a key role in helping deliver effective and efficient healthcare. But way we do business is as important as what we do. Compliance and ethics, and strong corporate governance, provide the cornerstones of our approach to corporate responsibility.


We are deeply concerned by the impact the opioid epidemic is having on families and communities across the U.S. We are making progress on the corporate initiatives we announced in March 2018 to help address the opioid epidemic. We have worked with outside experts to help educate customers about compliance with regulations and how to identify warning signs of prescription abuse and potential diversion. We've offered thoughtful public policy recommendations, including the Prescription Safety Alert System (RxSAS) technology proposal,

and supported innovative programs and partnerships that we believe can have a meaningful impact on this challenging issue. We also contributed \$100 million to the Foundation for Opioid Response Efforts (FORE), an independently governed foundation focused on combating the crisis.

Committed to Environmental Stewardship
Using resources wisely is good for business, and it's good for the environment. We continue to focus on reducing energy use and finding alternative sources of energy. In the U.S., we signed a long-term agreement to purchase power from solar arrays, and our warehouses in Belgium have used renewable energy since our Fiscal 2017. Besides recycling and reusing resources, we also support donation programs in Canada, Europe and the U.S., so unused products and supplies reach nonprofit organizations that can benefit from them. Spending wisely has also helped to lighten our environmental impact. This past year, we saw a substantial reduction in employee air travel, which led to an 11% reduction in Scope 3 CO₂ emissions from the previous year.

Supporting Healthy Employees & Healthy Communities
We're committed to healthy employees and communities. That's why we invest in programs to advance employee wellbeing and career growth. We have a culture of empowerment, recognition and belonging, and were recognized as one of the [best employers for diversity](#).

Our employees have a passion for creating stronger communities. In the past year, McKesson employees supported 1,183 organizations, volunteering at the workplace and in their free time. We continue to grow the bone marrow registry through our multi-year drive, which has led to six transplants



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Letter from Brian Tyler

to date. When emergencies strike, we stand by our customers, communities and our employees. In Fiscal 2019, we expanded our employee relief fund to Canada and introduced \$1,000 grants to provide evacuation assistance to employees facing a natural disaster. During the past year alone, the Fund supported 393 employees with more than \$842,000 in grants.

Our work is grounded in our shared ICARE (integrity, customer-first, accountability, respect and excellence) principles. I invite you to review this report and learn how those principles guide us in making a positive impact for patients, the environment and our society every day.

Brian Tyler
Chief Executive Officer,
McKesson Corporation



FY19 Corporate Responsibility Report

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Proxy Statement Letter



Annual Report Letter



Environmental, Social & Governance Progress Report Letter



Proxy Statement

<http://d18rnOp25nwr6d.cloudfront.net/CIK-0000064978/b7749514-7ebe-4f9a-97e0-cecd9e1a5822.pdf>

LETTER THE CHAIRMAN, PRESIDENT AND CEO (PAGES 2-3)

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Dear Merck Shareholders,

It is my pleasure to invite you to the 2020 Annual Meeting of Shareholders of Merck & Co., Inc. ("Merck," known as "MSD" outside the United States and Canada).

The attached Notice of Annual Meeting of Shareholders and proxy statement will serve as your guide to the business to be conducted and provide details regarding the meeting.

"Our steadfast commitment to scientific discovery, combined with our focus on our growth pillars across our human and animal health businesses, enabled Merck to achieve exceptional results in 2019. We believe it is important to optimize the value patients and customers can derive from our entire portfolio of products, and this belief, combined with our financial strength, led to our decision to create a new publicly held company, Organon & Co."

For nearly 130 years, the people of Merck have dedicated themselves to our company's mission of saving and improving lives. Propelled forward by this mission, we aspire to be the premier research-intensive biopharmaceutical company. Our dedication to our mission has resulted in important new medicines and vaccines that are helping to address global health crises like AIDS, Ebola virus outbreaks, antibiotic-resistant bacterial infections, and preventable maternal mortality. Today we are dealing with a new crisis—the COVID-19 pandemic that is moving around the world with unprecedented speed. We are focused on protecting the safety of our employees and their families, sustaining the supply of our medicines and vaccines, and supporting our patients in clinical trials.

We have also convened a team of top scientists to assess the value that our vast array of antiviral assets and our vaccine know-how may have in the prevention or treatment of COVID-19. As we know from our experience with ERVEBO—our recently approved vaccine for preventing Ebola virus infection—the road to a new medicine or vaccine is never fast and never easy. But we also know that the world needs new medicines and vaccines—not only for the immense challenges of this pandemic, but also for the other great health challenges of our time.

Our steadfast commitment to scientific discovery, combined with our focus on our growth pillars across our human and animal health businesses, enabled Merck to achieve exceptional results in 2019. We believe it is important to optimize the value patients and customers can derive from our entire portfolio of products, and this belief, combined with our financial strength, led to our decision to create a new publicly held company, Organon & Co. With its strategic intent of becoming a strong, independent company from the beginning through its broad portfolio of trusted and medically expanding biosimilars business. Creating Organon achieve their full potential and enable Merck to focus investing in the next generation of biomedical breakthroughs.

KEYTRUDA, our market-leading anti-PD-1 therapy breakthrough innovation leads to value creation. In the market, it has been approved in 23 indications established as a foundational immuno-oncology therapy of a broad clinical development program that consists of trials, including more than 800 trials that combine KEYTRUDA with other therapies. Beyond KEYTRUDA, our success with Lynparza, a

on which we collaborate with AstraZeneca, and Lenvima, a cancer therapy on which we collaborate with Eisai, as well as our early pipeline of more than 20 investigational candidates, support our belief that we will be a leader in cancer care for many years to come.

Building on our rich legacy in vaccine research, we also have a broad vaccine pipeline addressing areas of significant unmet medical need. Notably, our Ebola virus vaccine, ERVEBO, gained approval in the United States and conditional approval in the European Union in 2019—a testament to the relentless efforts of a broad and diverse team of people and organizations coming together to cooperate across the global biopharmaceutical ecosystem. To date, investigational doses of our Ebola vaccine have been administered to more than 300,000 people in the Democratic Republic of Congo, as part of efforts to contain the second deadliest outbreak of this virus in history.

Additionally, we are seeing continued growth with GARDASIL and GARDASIL 9, driven by increasing worldwide awareness of its role as a vaccine for the prevention of certain HPV-related cancers. We anticipate continued strong growth globally, especially as additional supply comes online, driven by higher vaccination rates and expansion into new geographies, like China, as well as gender-neutral vaccination programs.

Our portfolio of hospital products, including BRIDION and ZERBAXA, which was recently approved for the treatment of certain types of pneumonia, also continues to perform well. We have recently advanced, as part of a combination, islatravir, our novel investigational therapy for HIV, into phase three clinical trials.

In addition, our Animal Health business continues to deliver strong results. In 2019, we completed the acquisition of Antelq, broadening our Animal Health offerings with digital technologies for both livestock and companion animals, one of the fastest growing segments in the industry.

These examples demonstrate how our research-focused strategy is the right one to continue providing value to shareholders, patients and society. While the biopharmaceutical industry faces some challenging headwinds, it is our responsibility as guardians of this company's legacy to ensure we continue to deliver innovation that will enhance our pipeline and help patients.

We will continue our efforts to streamline our operating model and make it more efficient in order to foster the investments in innovation that are necessary to produce sustainable value for patients and you, our shareholders.

We hope you will participate in the Annual Meeting, either by attending and voting in person or by voting through other acceptable means as described in this proxy statement as promptly as possible. Your participation is important, so please exercise your right to vote.

Sincerely,

Kenneth C. Frazier
Chairman, President and Chief Executive Officer



Merck & Co., Inc. 2020 Proxy Statement

A Message from Merck's Lead Independent Director

Dear Merck Shareholders,

Over its long history, Merck has been responsible for some of the most significant advancements and improvements in public health. Today, the Company focuses on breakthrough, innovative science to create long-term value for patients and shareholders, remaining committed to its mission of saving and improving lives. My fellow Directors and I remain committed to that mission, as well.

Our Board oversees business strategy and risk

As a Board, we are dedicated to effective oversight of the business and the key risks facing the Company. Our members draw on their leadership experiences and areas of expertise to provide guidance on corporate strategy and monitor its implementation in areas such as research and development, capital allocation, operating results, human capital management and global manufacturing. One important aspect of our oversight is having a productive partnership with management, and this was critical in the strategic decision to spin-off Merck's women's health business, along with a portfolio of trusted and medically important legacy products and a rapidly expanding biosimilars business. The spin-off of Organon & Co. will enhance Merck's ability to focus more fully on its key growth pillars and future innovation, while allowing Organon & Co. to pursue the strategic intent of being a leader in women's health.

Our Board values diverse perspectives

Our Board values shareholder perspectives and meaningful engagement. Hearing the perspectives of our shareholders helps enhance the Board's understanding of key issues that matter to our various stakeholders. Longstanding believers in the business value of having diverse perspectives in the boardroom, we are committed to having the right mix of perspectives, skills and expertise to address the Company's current and anticipated needs as opportunities and challenges facing the Company evolve.

We are thrilled to have welcomed Ms. Kathy J. Warden and Dr. Christine E. Seidman to the Board in March and to nominate Dr. Risa Lavizzo-Mourey to join the Board. Each of these women brings to the Board diverse perspectives, skills and expertise. Ms. Warden, Chairman, Chief Executive Officer and President, Northrop Grumman Corporation, brings global operational experience leading a research-intensive company, along with cybersecurity expertise. Dr. Seidman, the Thomas W. Smith Professor of Medicine and Genetics at Harvard Medical School and director of the Cardiovascular Genetics Program at Brigham and Women's Hospital, brings deep scientific expertise. Dr. Lavizzo-Mourey, PIK Professor of Health Equity and Health Policy at the University of Pennsylvania, brings extensive strategic and health policy expertise.

Our Board exercises independent board leadership and is committed to strong governance practices

As independent Lead Director, I work closely with our Chairman and CEO, Ken Frazier, to ensure a productive partnership between management and the Independent Directors. I am also responsible for the annual review of our Board's effectiveness, as well as the evaluation of Mr. Frazier's effectiveness. The process of planning and executing a smooth CEO transition is one of the Board's most important responsibilities. Under my leadership, the Board continues to review Mr. Frazier's performance, evaluate potential internal and external successors and to consider the appropriate time for a transition. As a Board, we are also committed to governance practices that serve the interests of the Company and its many stakeholders. Recently, the Board amended the Compensation and Benefits Committee's charter to formalize its oversight of the Company's programs and policies related to its management of human capital resources.

We thank you for your investment in Merck and your support for the Board. We remain committed to serving you and the patients around the world that depend on this Company's life-saving work.



Leslie A. Brun
Leslie A. Brun
Lead Independent Director
April 6, 2020

Merck & Co., Inc. 2020 Proxy Statement

ESG Progress Report

https://s3.amazonaws.com/msd19-assets/wp-content/uploads/2020/06/29141551/MRK_ESG18_MSD_v10.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGE 4)

ESG Report 2018

LETTER FROM OUR CEO



At MSD, we have been committed to our mission of saving and improving lives for nearly 130 years. Over that time, we have been responsible for some of the most significant scientific advancements and improvements in public health.

Any one individual can make the scientific breakthrough needed to discover a new medicine. I'm reminded of our esteemed former colleague, Maurice Hilleman, the father of modern vaccines, whose centenary we

Our mission of saving and improving lives means we have an important role to play in achieving the UN Sustainable Development Goals (SDGs).

celebrate this year. However, it takes the infrastructure of a company like MSD to translate invention into a product that can help millions of people every day. Operating responsibly as a business is at the very heart of our ability to do so.

Our 2018/2019 Corporate Responsibility Report reviews our progress against our four key areas of corporate responsibility: Access to Health, Employees, Environmental Sustainability and Ethics & Values. It represents our commitment to widely recognized reporting frameworks that reflect key environmental, social and governance (ESG) issues, and our support for the 10 universally accepted principles of the UN Global Compact.

Our industry is facing some challenging headwinds, but our commitment to corporate responsibility will not waiver. The number of health care and drug pricing reforms being considered is possibly at an all-time high. Health care costs, especially a patient's out-of-pocket costs, need to be addressed. We want to help find a sustainable solution, and we will continue to work with stakeholders and be transparent about our efforts. We have a history of responsible pricing and publicly disclose information about our prices in the United States. This includes our pledge not to increase our average net prices across our portfolio by more than the rate of inflation annually.

Whatever may come, we remain steadfast in our focus on following the science to see where we can have the greatest impact on patients' lives. After all, R&D is the main source of the biopharmaceutical industry's value to society. As we look to the future, we're making investments in our pipeline and manufacturing capability to help protect one billion more lives by 2030.

We have a legacy of tackling urgent global health challenges. For example, *MSD for Mothers*, our global initiative to reduce maternal mortality around the

world, empowers women to make informed choices; equips health care providers; and strengthens health care systems. Working with more than 160 partners, our programs have improved access to quality care and modern contraception for more than nine million women in 48 countries.

I am proud that our investigational vaccine is being delivered and having an impact in areas of Central Africa affected by the Ebola virus. Some may say that investing to develop an Ebola vaccine doesn't make good business sense, but I believe this is the kind of challenge that MSD was designed to tackle.

Corporate responsibility initiatives like *MSD for Mothers* and our investigative Ebola vaccine make us an attractive employer for people who want to change the world. And it adds to the sense of purpose that keeps us going.

That purpose was captured by our modern-day founder, George W. Merck, who said, "Medicine is for the people, not for the profits." For me, only two metrics truly matter — how many people you help, and how much help you give those people.

Promoting enduring social good and securing business success are inextricably linked. While there is always more to do, I would like to thank all our employees, our suppliers and our partners for the work they do every day toward these goals. The activities highlighted in this report are a testament to the incredible impact they are having all around the world.

Sincerely,

Kenneth C. Frazier
Chairman and Chief Executive Officer

Proxy Statement Letter	✓
Annual Report Letter	✗
Sustainability Report Letter	✓

Proxy Statement

https://s23.q4cdn.com/579645270/files/doc_financials/2019/ar/2020-MetLife-Proxy.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD



MetLife, Inc.
200 Park Avenue, New York, NY 10166
April 28, 2020

Fellow Shareholders:

I write this letter while working from home, as the country and the world struggle to turn back a global pandemic whose social and economic effects, in the United States and the other countries where MetLife operates, are still largely ahead of us.

While we do not yet know the full dimension or duration of these still-emerging public health, social, and economic crises, as Chairman of MetLife I take comfort from the Company's long institutional experience overcoming crises. One of the ways MetLife will manage now, as it has in the past, is by focusing on the business and the customers, partners, communities, and employees who sustain it. MetLife builds value for shareholders not in isolation from other stakeholders, but with them.

The Board's long-standing and ongoing focus on risk management is proving invaluable as MetLife responds to COVID-19. The Company immediately launched well-rehearsed Business Continuity Plans globally, averting any core operating failures it was within our power to prevent, and transitioned quickly and seamlessly to a work-from-home model for employees in multiple markets. The Company implemented extensive Human Resources actions, including talent balancing and redeployment, to enable a better response to the impacts of COVID-19, and completed a 10-year senior notes offering, ensuring that the Company had more than significant liquidity to weather the crisis.

The Board, which has met and will continue to meet virtually and often throughout the crisis, is deeply engaged in reviewing these and other measures as part of the Company's comprehensive response. Through this moment of crisis, I see MetLife emerging with a renewed confidence in its purpose, its leadership, and its future.

As we look toward the future, our CEO Michel Khalaf and senior executive team have been focused on both extending MetLife's record of consistent execution and launching our Next Horizon strategy. The Company launched this strategy from a position of strength. MetLife's earnings growth has been healthy, returns on equity have been above the Company's cost of capital, and strong free cash flow allowed the Company to return roughly \$4 billion to shareholders. With its three pillars of "focus, simplify, and differentiate," and an abiding attention to generating free cash flow, the Next Horizon strategy will help MetLife expand upon the significant improvements it has made in recent years to its risk profile and business mix.

At the same time, we continue to look for ways to evolve the Board alongside the business. Last August, we welcomed Mark Weinberger, well known for his transformational leadership over a distinguished career as CEO of EY, who brings financial acumen, global operating experience, and deep insight into the challenges many large global companies face and how to address them. In June, we will say goodbye to Jim Kilts, whose contributions over his 15-year tenure have helped move MetLife onto the strong footing it enjoys today.

Even as the refreshment of our responsibility remains consistent

MetLife's Board has historically embraced a diversity of voices, experiences, and perspectives, the results of which are evident in our current composition. Diversity is a key consideration in our succession planning process and in our Board evaluation, as we affirmed in 2019 when searching for Directors and senior executives, including the CEO. The Board is deeply engaged with management on the Company's diversity initiatives, to ensure MetLife is identifying top talent across all dimensions of diversity, continually developing and improving our diverse workforce, and appropriately supporting our talented employees through inclusive policies and practices. The Company's global diversity and inclusion community, which includes executive champions, diversity councils, regional councils, and the Diversity Business Resource Networks (DBRNs), enables the engagement of 20,000 employees in championing diversity and inclusion across the Company. DBRNs offer peer support and career development resources for all employees, including women, veterans, people with different abilities, LGBTQ individuals, working families, and multicultural and young professionals. MetLife sponsors seven such networks through 43 chapters around the world. In August, Michel also signed the Business Roundtable's new Statement on the Purpose of the Corporation, which echoes publicly the principles that have long guided MetLife's approach to sustainability.

I began this letter by noting the sudden, breathtaking challenge this pandemic presents to the health of our employees, our communities, and the global economy. Let me close on a more hopeful – and what I believe will be a more enduring – note. Over the long-term – and 152 years certainly qualifies as the long-term – a successful business must become much, much more than its income statement at any given moment. Under this management team and Board, supported by MetLife's talented, committed, and engaged employees around the world, I am confident that the Company's focus on all of its stakeholders, the communities in which it operates, and the purpose it serves in the world, will bear the Company through this challenge as well.

I look forward to sharing highlights of that story with you a year from now.

Sincerely,

R. Glenn Hubbard
Chairman of the Board
MetLife, Inc.

Sustainability Report

<https://sustainabilityreport.metlife.com/content/dam/metlifecom/us/sustainability/pdf/report/2019/2019-sustainability-report.pdf>

MESSAGE FROM THE PRESIDENT AND CEO (PAGES 3-4)



2019 Sustainability Report

A Message From Our President and CEO

Michel A. Khalaf

Building a Shared Future With Confidence

MetLife works every day to build a more sustainable world. That has been the nature of our business for 152 years and keep long-term promises that sustain individuals and communities. We also make long-term investments to sustain economic prosperity.

All of this reflects our purpose as a company: "Always, you, building a more confident future." A more confident future is a more sustainable future.

We sustain confidence for tens of millions of people the globe by protecting them against financial risk cannot bear on their own.

We sustain job growth, wealth creation, and financial security by providing hundreds of billions of dollars in capital for the economy. Last year, we had more than \$58 billion in Responsible Investments¹ under management, including energy, infrastructure, and affordable housing.

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"Crisis reveals character, and I am profoundly inspired by the way MetLife responded to COVID-19. Amid fear and uncertainty, we embraced our shared humanity. Amid struggle and hardship, we provided essential relief. Amid stress and anxiety, we delivered peace of mind."

We knew people were counting on us to be there for them. We knew they needed us more than ever. We knew swift action would make a difference.

In response, we announced sweeping financial assistance for our customers and crucial benefit enhancements for our employees. Hotel properties we own were made available as hospitals and housing for medical workers. Our own healthcare workers volunteered to join the front lines of the COVID-19 fight. And MetLife Foundation committed \$25 million globally to pandemic relief.

As people dealt with the worst of the virus, they expected the best of us — and we delivered. Across the world, MetLife employees went above and beyond to support our customers, colleagues, and communities. We shared fresh ideas; we developed innovative tools; we found new ways to collaborate despite our distance.

In the process, we started to reimagine the future. Sustainability today does not guarantee sustainability tomorrow. The world is constantly changing. Living our purpose requires constant focus, continuous improvement, and consistent delivery for all of our stakeholders.

Globally, we pay out roughly \$30 billion a year to policyholders.

MetLife Foundation committed \$25 million globally to pandemic relief.

By energizing and enabling MetLife employees to make good on our promises, we help them forge deeper, more lasting relationships with our customers. By creating greater value for our customers, we create greater value for our shareholders. This helps us invest in our communities and our employees, which fuels the cycle. That is the essence of sustainability — and the essence of our business.

Crisis reveals character, and I am profoundly inspired by the way MetLife responded to COVID-19. Amid fear and uncertainty, we embraced our shared humanity. Amid struggle and hardship, we provided essential relief. Amid stress and anxiety, we delivered peace of mind.

We did these things before the pandemic struck, we did them in the darkest moments of the crisis, and we will continue to do them in the future. That is what being a sustainable company means, and this report shows how we bring our commitments to life.

Michel A. Khalaf
President and CEO
MetLife, Inc.

¹ See page 72 for classification.

MetLife 2019 Sustainability Report

Our Strategy & Leadership | Ensuring Confidence for Our Customers | Strengthening Our Knowledge | Creating Value as an Investor | Empowering Our Communities | Protecting Our Environment | Managing Sustainability | Acquisition

Microsoft

Proxy Statement Letter	✓
Annual Report Letter	✓
Sustainability Report Letter	✗

Proxy Statement

🔗 https://view.officeapps.live.com/op/view.aspx?src=https://c.s-microsoft.com/en-us/CMSFiles/2019_Proxy_Statement.docx?version=eae4affc-fe10-b796-c108-566255610e0f

LETTER FROM THE BOARD OF DIRECTORS



Annual Report

https://view.officeapps.live.com/op/view.aspx?src=https://c.s-microsoft.com/en-us/CMSFiles/2019_Annual_Report.doc?version=81841b3a-3b4e-0439-2de2-08a8ebc5ad8a

LETTER FROM THE CEO (PAGES 1-6)

Dear shareholders, colleagues, customers, and partners:

Thank you for your continued commitment and investment in Microsoft. Our tremendous progress and impact over the past year would not have been possible without your trust and belief in our mission.

Fiscal 2019 was a record-breaking year for our company. We delivered more than \$125 billion in revenue, \$43 billion in operating income, and more than \$50 billion in operating cash flow – and returned more than \$30 billion to shareholders. Our commercial cloud business is the largest in the world, surpassing \$38 billion in revenue for the year, with gross margin expanding to 63 percent. I am proud of how we are helping organizations of every size in every industry innovate and thrive using our platforms and tools. And I am proud of how we are empowering everyone – consumers, students, teachers, and the more than 2 billion frontline workers around the world – with experiences to help them always feel confident, capable, and in control.

Our mission to **empower every person and every organization on the planet to achieve more** has never been more important. At a time when many are calling attention to the role technology plays in society broadly, our mission remains constant. It grounds us in the enormous opportunity and responsibility we have to ensure that the technology we create always benefits everyone on the planet, including the planet itself. Our platforms and tools help make small businesses more productive, multinationals more competitive, nonprofits more effective, and governments more efficient. They improve healthcare and education outcomes, amplify human ingenuity, and allow people everywhere to reach higher.

Today, every company is a technology company, and every organization will increasingly need to build its own proprietary technology solutions to compete and grow. Organizations that embrace this approach – something I call “tech int” will not only adopt best-in-class software and services but also build their own digital capability.

I believe the next big technology breakthroughs will come not only from technology companies like Microsoft, but retailers, healthcare providers, and manufacturers, working in partnership with us. Every day, we work alongside customers and partners to help them build their own digital capability – innovating with them, creating new business with them, and earning their trust. We want them to become independent with us, not dependent on us.

Our commitment to our customers’ success is resulting in deeper partnerships, larger, multiyear cloud agreements growing momentum across every layer of our differentiated technology stack – from application infrastructure, to data artificial intelligence (AI), to business process, to productivity and collaboration. One of the great privileges of my seeing our customers’ tech intensity in action around the world:

- In rural South Africa, Dr. Raymond Campbell saw an opportunity to bring mobile healthcare to communities where it’s needed most to address pressing and preventable health issues like diabetes, heart disease, and tuberculosis. His company, Phulokisa Health Solutions, is now introducing basic healthcare services in remote areas with an Azure-powered backpack.
- In Australia, Dr. David Kellerman, a senior lecturer at UNSW Sydney, is using Microsoft 365 to bring to all his students – those in his classroom and those watching online – so they can learn together no matter where they are. Students report that they are happier and more engaged and say they feel as though they are part of a single learning community.
- In the seaside city of Ise, Japan, a family-owned restaurant is relying on Azure ML, along with Power BI, to forecast sales so it can better tailor its menu to meet customers’ tastes. It was an initiative spearheaded by employee, Akiyoshi Shinobu, who went from waiting tables to teaching herself machine learning to transform the restaurant where she worked.
- In Fjarðarál, Iceland, Birna Dögg, along with other frontline workers at the Alcoa smelting plant, are using Microsoft Teams to create a new culture of work. For the first time, any employee at the plant can see shifts on the go and share updates with colleagues, giving every worker a voice.
- In Detroit, Ford Motor Co. is using GitHub as its software development platform to build the cars of the future. More than 8,000 Ford Motor employees use it to innovate at a much faster pace and collaborate with ecosystem of third-party software developers around the world.

We are enabling our customers to digitize not only their business processes but to bridge the physical and digital worlds with our investments in mixed-reality cloud. The new HoloLens 2 is the most advanced, intelligent edge device available, offering two times the field of view and three times the comfort as the previous version. And, together with Dynamics 365 and new Azure mixed-reality services, it enables organizations to digitize physical spaces and interactions and empower their frontline employees with the right information at the right time, in the context of their work.

Our Power Platform – spanning Power BI, PowerApps, and Flow – enables anyone in an organization to start building an intelligent app or workflow where none exists. It brings together low-code, no-code app development, robotic process automation, and self-service analytics into a single, comprehensive platform. This year, we introduced new capabilities to make it much easier and faster for anyone to build higher-quality PowerApps. And, with Power BI, we are the recognized leader in business intelligence in the cloud, with more than 25 million models hosted on the service and 12 million queries processed each hour.

LinkedIn now has more than 645 million members and is the most comprehensive solution for every organization to manage and engage their most important resource – their talent. Our Talent Solutions and Talent Insights, to employee engagement with Gint and LinkedIn Learning – enables every organization to attract, retain, and develop the best talent in an increasingly competitive jobs market. And we are innovating with new experiences for customers that leverage the LinkedIn and Microsoft Graphs, introducing new integrations with Dynamics 365 and Microsoft 365.

Modern Workplace

Microsoft 365 empowers everyone – enterprises, small businesses, and frontline workers – with an integrated, secure experience that transcends any one device. We are helping every business build out their system of communication and collaboration to drive their productivity as well as their business transformation. We are infusing AI across Microsoft 365 to enable new automation, prediction, translation, and insights capabilities. Meetings are more inclusive in Microsoft Teams, presentations more accessible in PowerPoint, videos more searchable in Stream, and emails more relevant in Outlook. And with Workplace Analytics and Microsoft Search, we distill knowledge and insights from data to help people work smarter, not longer. Office 365 Commercial has 180 million users. Our EMS install base exceeded 100 million. And the Outlook apps on iOS and Android also surpassed more than 100 million users for the first time.

Microsoft Teams had a breakout year with more than 13 million daily active users and 19 million weekly active users. It brings together everything a team needs into a single, integrated user experience. And we are broadening our opportunity, bringing Teams for the first time to new and underpenetrated markets including healthcare, hospitality, and retail, as well as frontline workers. Windows 10 is active on more than 900 million devices, with accelerating adoption across both enterprise and consumer as the most secure and productive operating system. And, we expanded our family of Surface devices this year – including the new Surface Go and Surface Hub 2S. And, just this month, we unveiled the new Surface Duo and Surface Neo to inspire new categories focused on productivity and creativity.

Gaming

In gaming, we are pursuing our expansive opportunity to transform how games are distributed, played, and viewed. Our new breakthrough game streaming technology, Project xCloud, will enter public trials this fall. It will put gamers at the center of their gaming experience, enabling them to play games in high-fidelity wherever and whenever they want, on any device.

Microsoft Game Stack brings together our tools and services to empower game developers – from independent creators to the biggest game studios – to build, operate, and scale cloud-first games across mobile, PC, and console. Our growing Xbox Live community is key to our approach, and for the first time we are enabling developers to reach these highly engaged gamers on iOS and Android. Finally, we increased our first-party game studios to 15 this year to deliver differentiated content for our fast-growing subscription services like Xbox Game Pass, which is now available on both console and PC.

- And, in nearly every country, leading companies – from AT&T and Daimler to Walgreens Boots Alliance and Walmart – are partnering with us to build the technology they need to compete and innovate in a time of unprecedented change.

TECHNOLOGY BREAKTHROUGHS AND PROGRESS

Computing is becoming embedded in the world – in every place and every thing. This era of the intelligent cloud and intelligent edge is shaping the next phase of innovation, powering intelligent systems and experiences that previously would have been unimaginable, and transforming nearly everything around us. Across our businesses, we are innovating to empower our customers, and investing in large and growing markets to help them digitally transform – today and long into the future.

Applications and Infrastructure

In a world where every company is a digital company, developers will play an increasingly vital role in value creation and growth across every industry, and GitHub is their home. Since our acquisition of GitHub last fall, growth has accelerated. Today it’s used by more than 40 million developers, including those who work at the majority of the Fortune 50. Beyond GitHub, we are investing to build the most complete toolchain for developers – independent of language, framework, or cloud. Visual Studio and Visual Studio Code are now the most popular code-editing tools in the world. And TypeScript is one of the fastest-growing programming languages.

We are building Azure as the world’s computer, addressing customers’ real-world operational sovereignty and regulatory needs. Today, 55 percent of the Fortune 500 trust Azure for their mission-critical workloads. We have more compliance certifications and more datacenter regions than any other cloud provider, and this year, we were the first to open cloud datacenters in the Middle East and in South Africa. We also opened new government regions to meet the public sector’s stringent requirements for maintaining the security and integrity of classified workloads. Azure remains the only cloud that extends to the edge, and our new cloud-to-edge services and devices – from Azure Data Box Edge to Azure Stack HCI – bring the full power of Azure to where data is generated.

Data and AI

The variety, velocity, and volume of data is increasing – with 50 billion connected devices coming online by 2030, more than double the number today – and Azure is the only cloud with limitless data and analytics capabilities across our customers’ entire data estate. We brought hyperscale capabilities to our relational database services for the first time this year, and we offer the most comprehensive cloud analytics – from Azure Data Factory to Azure SQL Data Warehouse to Power BI.

The quintessential characteristic for every application going forward will be AI, and we believe it cannot be the exclusive province of a few companies or countries. That’s why we are democratizing AI infrastructure, tools, and services with Azure Cognitive Services, so any developer can embed the ability to see, hear, respond, translate, reason, and more into their applications. Azure Cognitive Services is the most comprehensive portfolio of AI tools available, and this year, we added new speech-to-text, search, vision, and decision capabilities, as well as updates to Azure Machine Learning to streamline the building, training, and deployment of machine learning models.

Business Applications

Dynamics 365 uniquely enables any organization to create digital feedback loops that take data from one system and use it to optimize the outcomes of another, enabling any business to become AI-first. This year, we introduced Dynamics 365 AI, a new class of AI application built for an era where systems of record and engagement are converted into intelligence. And the Open Data Initiative we launched with Adobe and SAP last fall takes this even further, delivering on our vision to enable data to be exchanged and enriched across systems to provide unparalleled business insight.

TRUST

Along with this expanding opportunity comes great responsibility. At its core, responsibility is about earning and sustaining the trust of the customers and partners we empower and the communities in which we live and work. Without trust, none of our progress is possible.

Trust begins with our commitment to shared success and prosperity. Our customers want a partner whose business model is fundamentally aligned to their success. No customer wants to be dependent on a provider that sells them technology on one end and competes with them on the other.

This focus on trust extends to ensuring that those who use our products and services have confidence in the underlying technology itself. There are three pillars to our approach: privacy, cybersecurity, and responsible AI. Across each, our commitment goes beyond words to real actions, providing tools and frameworks for our customers and working collaboratively with the public sector to drive policy change.

The first pillar is privacy. We believe privacy is a fundamental human right. Our approach to privacy and data protection is grounded in our belief that customers own their own data and ensuring any product or service we provide is built with privacy by design from the ground up. We've defined clear privacy principles that include a commitment to be transparent in our privacy practices, to offer meaningful privacy choices, and to always responsibly manage the data we store and process. It's why we were early supporters of the European Union's General Data Protection Regulation (GDPR), and why we were the first company to expand GDPR's core rights to all our customers around the world. To date, some 26 million people have used these tools, including 10 million Americans. And it's why we continue to advocate for new privacy laws to ensure customers enjoy the transparency and control they rightfully deserve.

The second pillar is cybersecurity – a central challenge for every customer. We are investing to protect customers in today's "zero trust" environment. We analyze more than 6.5 trillion signals each day, and process 450 billion authentications and scan 400 billion emails for malware and phishing each month. This massive signal generates insight that fuels security innovation across Azure, Dynamics 365, Microsoft 365 – all our products and services. We are the only company that offers end-to-end security – spanning identity, device endpoints, information, cloud applications, and infrastructure. It starts with Azure Active Directory and builds with three new services we introduced this year: Microsoft Threat Protection, Azure Sentinel, and Azure Confidential Computing. We are also taking an ecosystem-wide approach, partnering across both the tech sector and the public sector to address new threats in an increasingly complex and heterogeneous world. We have taken the lead in bringing together governments, technology companies, and nongovernmental organizations to work collaboratively to combat emerging cybersecurity threats and promote a safe and secure digital world. We know it's only a start, but we are encouraged by what's been achieved, including partnering with the government of France to mobilize more than 60 countries, 350 companies, and 130 international and nongovernmental organizations to join The Paris Peace Call for Trust and Security in Cyberspace.

And, finally, we build AI responsibly, taking a principled approach and asking difficult questions, like not what computers can do, but what computers should do. We've been inspired by what AI can do in the hands of changemakers who harness it to address society's most pressing challenges. It's why this year we announced two new programs in our AI for Good initiative: AI for Humanitarian Action and AI for Cultural Heritage as well as continuing to expand our efforts in AI for Earth and AI for Accessibility. At the same time, we must also guard against the unintended consequences of AI. We believe there is an important discussion to be convened about how these new technologies should be used. One example of this is our call for more thoughtful government regulation on facial recognition technology, because we believe a technology as powerful as this requires both the public and private sectors to develop norms around acceptable uses.

ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY

Beyond these three pillars, we are working to foster a sustainable future where everyone has access to the benefits and opportunities created by technology. As a reflection of the importance we place on advancing environmental and social progress, Microsoft's board of directors has a Regulatory and Public Policy Committee that works together with me, my leadership team, and others across Microsoft to oversee our commitments to environmental sustainability and corporate social responsibility. No single company is going to solve macro challenges like climate change alone, but as a global technology company, we are well-positioned to enable and accelerate digital transformations that lead to a low-carbon future. That is why we are stepping up our commitment. Over the past year, we expanded our work through our operations, investments, partnerships, and advocacy across initiatives spanning both environmental and social responsibility.

- We continue to operate carbon neutral across our worldwide operations, driven by an internal carbon tax, as we have every year since 2012. And we've taken new steps over the past year to align our carbon-reduction efforts with the latest climate science by setting a goal to reduce our operational emissions by 75 percent by 2030, which puts us on a path to exceed the ambitions of the Paris Accord two decades ahead of schedule. This year, we raised our carbon fee to \$15 per metric ton, a near doubling of the previous fee, to put sustainability at the core of every part of our business. We're also extending our carbon reduction targets beyond our own operations. We will cut carbon emissions by 30 percent across our global supply chain by 2030. And in October, we extended our carbon-neutrality commitment to our products and devices with a goal to make 825,000 Xbox consoles carbon neutral.
- We are committed to ensuring our datacenters are among the most sustainable in the world. By the end of this year, we will achieve our target of powering our datacenters with 60 percent renewable energy and will aim to reach 70 percent renewable energy within the next four years. In fact, when I was in Sweden this spring, we announced our plans to build some of the most advanced and sustainable datacenters to date, powered from 100 percent renewable energy and with zero-waste operations.
- And, we are also working with our customers and partners to help them use technology to reduce their own environmental footprints and create their own solutions for a more sustainable planet. Our AI for Earth program, as an example, has expanded access to massive environmental data sets that can help others generate valuable insights about the health of our planet, including the conditions of our air, water, land, and the well-being of our wildlife. And it supports organizations that are applying AI to environmental challenges, by helping them harness the full power of cloud computing.
- We are working with organizations around the world to enable young people – including those who identify as female and under-represented minorities – with the digital skills required for the future. For example, we are the largest funder of Code.org, which teaches coding skills and reaches students in almost every country. And this year marks the 10-year anniversary of our Technology Education and Literacy in Schools (TEALS) Program, which helps build and grow sustainable careers. Microsoft and other firms with teachers to train teachers in U.S. and British Columbia, Canada.
- We know that there is a broadband gap, and that's a technology approach, including TV white spaces, to close broadband by 2022. And we're working in more than 100 countries to expand broadband to rural communities elsewhere.
- We also know that access to affordable housing is a major initiative to expand housing options for people headquartered. We believe that everyone should be able to afford a place to live, and we're working to make that a reality for all our employees and business partners, but all small-business owners, to first responders and to work in loans and grants to accelerate the construct

- Finally, more broadly, we've expanded our support for the nonprofit sector. We work closely with nonprofit organizations to help them accelerate their organizational transformation with technology, and, in fiscal 2019, Microsoft donated or provided discounted software and services worth more than \$1.5 billion via Microsoft Philanthropies. Our employees generously donated an additional \$170 million (including company match) through our employee giving program to support nonprofits in local communities around the world.

CULTURE

At its core, Microsoft's strength lies in our talented people. It is a privilege to lead Microsoft employees around the world who work every day to earn our customers' trust and help them succeed. We've long recognized the importance of prioritizing the physical, emotional, and financial well-being of our employees and their families, providing industry-leading benefits, including paid vacation and sick leave, as well as paid leaves of absence for a variety of life situations, including welcoming a new child or taking care of a family member with a serious health condition.

We are on a journey to close the gap between our espoused culture and the lived experience for every employee at Microsoft. Each day we practice customer obsession – listening and then innovating to meet customers' unarticulated needs. We operate as One Microsoft to build and deliver the best solutions for customers. And we strive to make our workplace more diverse and inclusive to serve our diverse customers around the world and create a workplace where everyone can do their best work. Since fiscal 2016, we have increased the number of women corporate vice presidents by 152 percent. We've increased the number of African American/Black and Hispanic/Latinx employees in nominal roles by 54 percent. And this past fiscal year, more than half of our U.S.-based interns were women, African American/Black, or Hispanic/Latinx. Diversity and inclusion continue to be a core priority for every employee and leader at Microsoft as part of our annual performance and development approach. And this past year we strengthened the connection between our growth mindset culture and our approach to diversity and inclusion by introducing a science-based, global allyship program.

At the board level, the slate of directors nominated for election at the 2019 annual shareholders meeting includes five women (accounting for 38 percent of our directors) and two of our four board committees will be chaired by women. Overall, more than half of our nominees (54 percent) represent gender or ethnic diversity. Representation is only one measure of progress, and we must keep pushing to do more, but I'm encouraged by our progress. Culture transformation is a continuous process of learning, renewal, and having the everyday courage to confront our own fixed mindsets, while remaining true to our enduring values of respect, integrity, and accountability.

In closing, at our partner conference this year, I talked about how our more than 140,000 employees, combined with our 17 million partners and our 75 million customers, have a collective opportunity to improve the lives of the 7 billion people on the planet through the power of technology. Everything we do is driven by this deep sense of purpose. We will continue to work alongside our customers to help them build their own digital capability and work to earn their trust every day. We will continue to innovate across the cloud and edge to help our customers thrive – today and long into the future. And we will continue to invest in large and growing markets to expand our opportunity.

As I reflect on this fiscal year, I'm proud of our progress and impact. And I'm even more optimistic about the opportunity ahead.


Satya Nadella
Chief Executive Officer
October 16, 2019

Proxy Statement Letter



Annual Report Letter



Impact Report Letter



Proxy Statement

<http://d18rnOp25nwr6d.cloudfront.net/CIK-0000320187/53e9a4c7-f170-4c2c-8a71-027e53501373.pdf>

MESSAGE FROM THE EXECUTIVE CHAIRMAN (PAGE 1)

MESSAGE FROM OUR EXECUTIVE CHAIRMAN

To Our Shareholders:

Human potential, and the power of the human spirit to come back against almost insurmountable odds drives all that we do here at NIKE. We've seen it from our athletes. From LeBron James and Tiger Woods to Michael Jordan and Serena Williams. This grounding philosophy has been, and will be necessary, in the days, months, and years ahead. Constant evolution and improvement is core to our beliefs and impacts everything from the products we create, and our impact on the communities in which we live, work and play, to our commitment to sound corporate governance. At no time is this more important than now, a time when challenges are arising at an unprecedented pace, frequency, and scale.

In fiscal 2020 we demonstrated that we remain committed to fielding the best team to guide the Company in its pursuit of long-term value for our stakeholders. We continued our evolution and refreshment of the Company's Board of Directors, evaluating the Board's leadership structure, aligning committee membership, welcoming new and saying fond farewell to members of our Board, while always maintaining a focus on the optimal stewardship of our Company. This has resulted in increased gender diversity, lowered average age and moderated tenure, ushering in new, fresh perspectives, experiences, and expertise to our boardroom.

During fiscal 2020, the Board executed against one of its most important duties, a CEO transition. In John Donahoe, NIKE has a leader with deep knowledge of, and affinity for, all that makes us special, and extensive understanding of the capabilities essential to our future growth. John's appointment was accompanied by thoughtful transitions in certain of our senior management ranks, ensuring continuity of leadership and a skilled executive team to guide us towards NIKE's next phase of long-term sustainable growth under the Consumer Direct Acceleration.

As we look to our Annual Meeting of Shareholders, we are pleased to share our proxy statement with you. We have maintained the changes first presented last year, including the director skills matrix and expanded director biographies, and have completely revamped the Compensation Discussion and Analysis section of this document to better ground our shareholders and constituents in our compensation philosophy, clarify disclosure, and present a more readable document generally.

We are pleased to invite you to attend the Annual Meeting of Shareholders of NIKE, Inc. to be held virtually, on Thursday, September 17, 2020, at 10:00 A.M. Pacific Time. Whether or not you plan to attend, the prompt execution and return of your proxy card will both assure that your shares are represented at the meeting and minimize the cost of proxy solicitation. Thank you for your continued support.

Sincerely,

MARK G. PARKER, EXECUTIVE CHAIRMAN

July 24, 2020

"Constant evolution and improvement is core to our beliefs and impacts everything from the products we create, and our impact on the communities in which we live, work and play, to our commitment to sound corporate governance."

Annual Report

https://s1.q4cdn.com/806093406/files/doc_financials/2019/annual/nike-shareholders-letter-2019.pdf

LETTER FROM THE CHAIRMAN, PRESIDENT AND CEO



JULY 23, 2019

TO OUR SHAREHOLDERS,

This past March, I traveled to Paris to join Nike athletes and teammates for an unforgettable moment leading up to the summer's World Cup. Together, with more than two dozen of the world's best female footballers and other athletes, we unveiled 14 national team kits — a tournament record for Nike.

As the lights came up on the incredible assembly of athletes, it was clear to me that the impact of the moment would be felt far beyond the tournament. This was an opportunity to create generational change — to bring more energy and participation to all women's sports. That same day, we announced new grassroots partnerships that will expand opportunities for girls through sport for years to come. And powerful new chapters of our "Dream Crazy" campaign invited millions across the globe to join us in honoring the trailblazers of women's sport — past, present and future.

All of this captured a simple truth: FY19 was a year that moved Nike closer than ever before to our ultimate mission, to bring inspiration and innovation to every athlete* in the world.

Alex Morgan and Megan Rapinoe, who led an unwavering U.S. Women's National Team to one of the most-watched Women's World Cup finals in history, were not alone in their triumphs in FY19. Shining moments across the Nike roster of athletes made this a year to behold. Eliud Kipchoge shattered the marathon world record. Simone Biles redefined the limits of her sport as the first time women's gymnastics World Champion. Sue Bird continued her reign in basketball as the first player or female, to earn four FIBA World Cup titles. Rafael Nadal sealed his legacy in tennis history with his French Open championship. Tiger Woods staved off an unbelievable comeback with another Masters 22 years after transforming the sport with his first

This past year, Nike athletes rewrote the history books. And in the process, they inspired us to think even



A WINNING LONG-TERM STRATEGY

That brighter future came into greater focus in FY19, as we executed the first full year of our Consumer Direct Offense. The company-wide strategy has focused our teams on a simple, yet powerful goal: serving consumers faster and more personally, at scale.

To do that, we've channeled our resources into the "Triple Double" — the high-impact capabilities of innovation, speed and direct connections with consumers. And we're putting heightened attention on 12 key cities and 10 key countries, because they will catalyze growth for the rest of the globe. Over the long term, we know these are the areas that are creating the most separation for Nike. We're sensing and serving demand with greater agility through keener analytics and insights. We're editing product lines while providing more choice across our top-selling styles. And we're serving NikePlus members through unique digital apps and retail experiences that distinguish our brand in the marketplace.

We're already seeing immediate return on those investments. In FY19, new innovation platforms drove roughly 100% of our total incremental growth. Digital revenue grew 35% on a currency-neutral basis, as we expanded our NikePlus membership base to 170 million members. Overall, our speed initiatives are making us even more relevant in people's lives as we leverage capabilities such as Express Lane, digital demand sensing and connected inventory, with much more to come.



The Air Max 270 React merges two of Nike's most celebrated platforms into one striking silhouette.

FISCAL 2019

FISCAL 2019

Across our portfolio this year, we channeled these successes into strong, balanced results.

In FY19:

- NIKE, Inc. revenues rose 7 percent on a reported basis to \$39.1 billion, and up 11 percent on a currency-neutral basis.
- Gross Margin expanded by 90 basis points to 44.7%.
- Net income increased to \$4.0 billion and diluted earnings per share was \$2.49.
- Adjusted ROIC expanded over 400 basis points to 37.0%.



With a victory at the Masters, Tiger Woods sealed an improbable comeback with his 15th major title — 22 years after his first.

What's particularly encouraging is that our growth is broad-based across categories and geographies. Added up, we see an inflection point in our transformation — proof across the board that our performance, focused execution and potential are aligned to ignite Nike's next phase of growth, expanding profitability and high return on capital.

At the same time, we are of course mindful of the environment in which we operate. Geopolitical dynamics, trade tensions and foreign exchange volatility continue to fuel a complex landscape. This year, we accelerated our growth by staying focused on the conditions that are under our control — delivering great product, serving the consumer and building our brand.

As we look across the globe, it's clear that sport continues to thrive. The broader movement of health and wellness continues to grow and digital is allowing our teams to fuel that demand in more inspiring ways before to capitalize on that energy — while creating new

React Element 87 shining through high-energy storytelling and a fast pace of fresh options. The Air Jordan 1's global success was just one of many bright spots underscoring the acceleration of Jordan's growth. ZoomX continued to power the world's fastest runners, with the NEXT% poised to deliver greater measurable benefits to more athletes. And across categories, Air, Flyleather and Flyknit extended our competitive advantage in sustainable innovation, boosting growth potential while lowering environmental impact.

From footwear to apparel, part of what sets Nike apart is our focus on delivering innovation for everyone — from the world's elite to everyday athletes. For the first time, we claimed the No. 1 position in market share for bras in North America. And expansion of our inclusive sizing collections enabled us to serve more women with over 90 styles across Running, Training and Sportswear. Other apparel standouts, such as Tech Fleece, fueled Sportswear growth with compelling new silhouettes. And in Basketball, the second year of our NBA partnership drove strong momentum, as we captured the excitement of free agency moves this year and led with the creative energy of our City Edition jerseys.

As we look to the next fiscal year, we're more confident than ever with the surge of new innovation — from Joyride, a new personalized cushioning platform, to advancements in Adaptive Technology to an incredibly exciting Olympics lineup heading into Tokyo.

ACCELERATING THROUGH DIGITAL AND SPEED

Across the board, we're not just transforming the products we create; we're also reshaping the consumer experience we enable — led by digital.

To power our Nike Direct strategy, we obsessed our digital advantage — opening up even greater connection to the Nike brand, all directly in the path of customers. That included further differentiating Nike's digital ecosystem, as we bring the best of Nike to life through a more engaging and responsive business model for our members.



In FY20, Nike will launch Joyride, a new approach to cushioning that will deliver a personalized feel for runners at every level.

industry-defining products, FY19 was a monumental year for Nike. As we look to the future, we also increased the return on innovation by accelerating our top platforms faster. Air Max and React fueled growth in lifestyle, with top sellers such as Vapormax, Air Max 270 and the

FISCAL 2019

The SNKRS app has become an incredible asset to our brand, with users checking in daily, and has acquired more new members than any other Nike digital channel. For the fiscal year, SNKRS more than doubled its business and doubled its number of monthly active users.

The Nike App — our most comprehensive platform for Nike product — is expanding quickly. Just as promising is how digital and physical environments are intersecting and amplifying one another. Through the Nike App at Retail — which links features of the Nike App to our physical retail experiences — we're discovering completely new ways to engage with members. This year, we invested in new store concepts that leverage digital, including two new Houses of Innovation in New York and Shanghai, and the smaller, digitally-enhanced format Nike Live. Customers are craving distinctive experiences and to meet that demand, we will continue to test, learn and scale our most innovative concepts.

Delivering products with ease and speed is also critical to a meaningful consumer experience. We're well on our way to better serving people across geographies, as we streamline our product creation cycle and invest in responsive manufacturing to meet growing demand.

ELEVATING THE BIGGER MEANING OF SPORT

We couldn't be prouder of how our brand showed up in the world this year. For 30 years, "Just Do It" has been an iconic rallying cry, challenging athletes worldwide to chase their crazy dreams. This year, we launched a campaign that showcased the power of sport to unleash the world on a year long journey, igniting conversation and inspiring action.

We've also focused our attention on ensuring that future generations can experience the life-changing impact of sport and play. It begins with protecting our planet, because for sport to thrive, we need a healthy world.



In Berlin, Eliud Kipchoge shattered the marathon world record with a performance for the ages.

FISCAL 2019

spaces. That's why we set a bold target to source 100% renewable energy globally by 2025, and it's why we have given our voice to support action against climate change. In addition, through grassroots partnerships, our teams are working with communities to get kids moving, because we know firsthand that sport and play can change lives. I'm incredibly proud that we're reaching over 17 million kids worldwide through our Made to Play community program.

We know that in many ways, our journey is just beginning. We'll continue to learn, grow and invest in the future of our people, our communities and our world. And we'll continue to listen to the voices of our athletes — including champions like LeBron James and Serena Williams who have shown, time and again, how influential sport can be.

All year, we connected with consumers more powerfully than ever — through amazing products, our iconic brand and digital experiences. As I look ahead, I'm confident that Nike is investing in the right areas, at the right time. We're deepening our competitive advantage and setting the foundation for sustained, profitable growth. FY19 was a defining year for Nike — one that will continue to shape our company for many years to come.

Cheers,

MARK PARKER
Chairman, President and
Chief Executive Officer
NIKE, Inc.

FISCAL 2019

LETTER FROM THE PRESIDENT AND CEO (PAGE 5)

Introduction
Unleash Human Potential
Transform Manufacturing
Minimize Environmental Footprint
Our Approach
Appendix

LETTER FROM OUR CEO

NIKE exists to progress sport. But in recent years, we also face a broader challenge: to help protect sport itself.

Today, that's why we're thinking even bigger than delivering inspiration and innovation for athletes. To best serve future generations, we're also bringing the best of NIKE to respond to some of the most pressing challenges of our time.

NIKE's purpose is to unite the world through sport to create a healthy planet, active communities and an equal playing field for all. These are more than aspirations – they are foundational priorities that shape decisions across every aspect of our business.

As of this FY19 NIKE, Inc. Impact Report, I have been President and CEO of NIKE for less than two months. Yet the extraordinary impact NIKE can have is already clear to me.

This is the power of sport. Like so many across our company, I came to NIKE because I believe in sport. I believe in sport's capacity to transform lives and communities. And at a time when our society is more fragmented than ever, when polarization is wearing down our institutions and climate change is threatening our very survival, I believe in the power of sport to bring us together to change the world for the better.

Nowhere does that capacity for impact matter more urgently than with regard to our changing planet. When it comes to the growing climate emergency, the data is crystal clear – and so too are the voices of our athletes. As marathon start times get moved into pre-dawn hours and players and fans suffer from heat exhaustion due to extreme weather conditions, those who work in sport see first-hand the damaging effects of climate change. This crisis is affecting the athletes we serve – not someday, but right now – and in turn compelling us to swiftly evolve our business.

If there is no planet, there is no sport. It is this understanding that drives the urgency of our commitment to sustainability and impact.

In FY19, we made some incredible progress toward our goals. We invested more than \$81 million to drive **impact in our communities** and got more than 17 million kids active. When we help unleash the power of play and sport for kids, we can change lives. That's why our priority in our community work is to get kids moving. And because a good coach can make all the difference in a kid's experience – we've helped train nearly 100,000 community coaches through NIKE-supported programming.

One particular focus for us is increasing the number of female coaches, as we know they are such powerful catalysts in **inspiring more girls to get active**. From partnering with community organizations to recruit and train female coaches to launching a training guide with the United States Olympic and Paralympic Committee to help all coaches create a girl-inclusive culture, we continue to invest in creating safe spaces where girls can learn, grow and become the leaders we know they can be, in sport and in life.

We've previously set a target to reach 100% renewable energy in our owned or operated facilities by 2025. We recently **achieved 100% renewable energy across North America** – an impressive stride toward our global energy goals. We are also working to eliminate footwear manufacturing waste to landfill or incineration. In FY19, **99.9% of footwear manufacturing waste was recycled by contract factories or converted to energy**. In addition, we are increasing the use of more sustainable materials across our products, transforming some 1 billion plastic bottles per year into recycled polyester for jerseys as well as other materials for both apparel and footwear.

Across our supply chain, we're also investing in creating a skilled, valued, and engaged workforce. One key, we believe, is enabling contract factory workers to share in productivity gains. This year, we scaled our **supplier Engagement and Wellbeing Survey**, which provides a holistic, comprehensive view of the worker experience and captures an actionable data set for our suppliers. In FY19, we increased participation in the survey to 45 facilities, nearly doubling the reach to 270,000 people in their combined workforce.

We also continue to think critically about the change we want to drive inside NIKE. In FY19, we maintained the **global pay equity ratio** for men to women, and white to underrepresented groups in the U.S., that we achieved last year. Over the past year, we increased VP-level representation for women by 3 percentage points (p.p.) to 39% globally and for U.S. underrepresented groups by 2 p.p. to 21%. While this is good progress, we know there is more work to do. We will continue to increase representation and strengthen our culture of belonging.

And we will continue to strive to bring sport to kids and communities everywhere by scaling more sustainable solutions that teams across NIKE are tirelessly developing every day. We will continue to innovate for all athletes everywhere to help ensure an equal playing field for all and to challenge existing systems while we drive toward a more circular future.

To me, the same qualities that have made NIKE the world's leader in sport – our boldness, our creativity, our ambition – are the same qualities that position us for wider impact in the face of today's global challenges. This is why I'm so hopeful. Already, I can see the meaningful difference that our teams are making in the world – for our people and our planet. The stakes couldn't be any higher. And yet, the opportunities couldn't be any greater.

Like so much else at NIKE, it's not enough to be in the game. At NIKE, we lead. And as we challenge ourselves to always do better and think bigger, we can and will create the future we want to see.

John Donahoe

John Donahoe
President and CEO




FY19 NIKE, Inc. Impact Report 5

Proxy Statement Letter



Annual Report Letter



Sustainability Report

N/A

Proxy Statement

https://s21.q4cdn.com/317678438/files/doc_financials/2019/ar/Pfizer-Proxy2020.pdf

LETTER FROM THE CHAIRMAN AND CEO

A LETTER FROM PFIZER'S CHAIRMAN & CHIEF EXECUTIVE OFFICER



A Letter from Pfizer's Chairman & Chief Executive Officer

Dr. Albert Bourla

Dear Shareholders:

I am pleased to report that 2019 was a successful, purpose-driven and transformational year for Pfizer. We reached more than half a billion patients around the world with our medicines and vaccines. We received 10 regulatory approvals for either new drugs or new indications and progressed many of our key R&D pipeline candidates in clinical studies. We took bold steps to position the company for what we expect to be an era of sustained growth following the anticipated close of the transaction between Upjohn Inc. (Upjohn) and Mylan N.V. (Mylan) later this year. And we accomplished all of this while continuing to deliver solid financial results.

Driving a Purpose-Driven Transformation

We began 2019 by launching our Purpose Blueprint – the roadmap that will guide our company for the foreseeable future and help us deliver on our purpose: *Breakthroughs that change patients' lives*. The Blueprint includes five "bold moves" intended to pivot Pfizer from an era of revenue stabilization to one of expected sustained growth:

1. Unleash the power of our people
2. Deliver first-in-class science
3. Transform our go-to-market model
4. Win the digital race in pharma
5. Lead the conversation

Every plan we develop, every action we take, and every dollar we spend is aligned with these bold moves because we believe they are what will help us deliver breakthroughs for patients, drive our growth, and create value for all our other stakeholders. Our Purpose Blueprint represents excellence, equity and joy – that define the culture we need for an innovative, science-based company. We began the second half of the year with strengthened each of our businesses and transformed our science-driven company. Over the course of the year, we completed the planned combination of our Upjohn division and specialty generic company, completed the commercial stage biopharmaceutical company, Pfizer Consumer Healthcare and GlaxoSmithKline consumer healthcare business; and completed clinical-stage biotechnology company focus.

We did it because we believe this is the best way to serve the patients who rely on our medicines and the patients who rely on our medicines. We expect our sharper focus will enable us to deliver breakthroughs for patients, drive our growth, and create value for all our other stakeholders.

Delivering Results

While driving such dramatic changes, we continued to advance our pipeline, which we believe is the strongest it's been in more than a decade. Building on the momentum of the 10 approvals we received in 2019, we are expecting key clinical study readouts and study starts in 2020. These include up to 15 proof of concept readouts, up to 10 pivotal study starts and up to five key pivotal study readouts. We look forward to sharing more about our pipeline during "Pfizer Investor Day" on March 31, 2020.

The breakthroughs that have emerged in recent years from our pipeline are allowing us to have an impact on even more patients around the world. During 2019, approximately 69 million people around the world were immunized with Pfizer vaccines, 40 million were treated with our anti-infectives, 4.3 million received our cancer therapies, and 4 million used our anti-inflammatory medications. Each represents an increase over the number of patients we reached in 2018.

Our patient impact underpinned our solid business results. These results were highlighted by exceptional 8% operational revenue growth for the year within the Pfizer Biopharmaceuticals Group, which will become the new Pfizer following the expected separation of Upjohn.

Preparing for Future Growth

These actions and results have brought us to an exciting point in Pfizer's history. When you take a big-picture view over the last decade, you can see that Pfizer has deliberately and thoughtfully divested its non-biopharma businesses through a series of value-creating transactions. At the same time, we have been refining and focusing our approach to R&D to best advance our purpose.

As a result, following the expected close of the Upjohn-Mylan transaction, we believe Pfizer will be better positioned to serve patients and deliver consistent growth. We will be a science-based company with a singular focus on innovative biopharmaceuticals. We will retain our entire pipeline and all the key growth drivers currently in our product portfolio.

We expect the anticipated new wave of compounds currently in the pipeline will help support long-term growth for our business. In fact, we expect new Pfizer's five-year revenue compound annual growth rate to be approximately 6% on a risk-adjusted basis and for that growth to begin immediately upon the close of the transaction between Upjohn and Mylan.

Before I close, and on behalf of the entire Board, I want to thank my predecessor, Ian Read, for his unwavering dedication to Pfizer over his 40-year career and, in particular, for the counsel and leadership he provided while serving as Executive Chairman in 2019. As a result of his unrelenting focus on culture, performing with integrity, the value of our science, and developing talent, Pfizer has become a stronger company – one better positioned than ever to serve patients and create value for shareholders and other stakeholders.

Thank you for your continued support of the work we do every day. I encourage you to review this Proxy Statement and vote your shares.

Sincerely,



Dr. Albert Bourla
Chairman & Chief Executive Officer

We encourage you to read our 2019 Financial Report, which includes our financial statements as of and for the year ended December 31, 2019. Please also refer to our Annual Report on Form 10-K for the year ended December 31, 2019, including the sections captioned "Risk Factors" and "Forward Looking Information and Factors that May Affect Future Results," for a description of the substantial risks and uncertainties related to the forward-looking statements included herein. Patient counts included herein are estimates derived from multiple data sources.

A MESSAGE FROM PFIZER'S LEAD INDEPENDENT DIRECTOR

A message from
Pfizer's Lead
Independent
Director

Shantanu Narayan

Dear Shareholders:

On behalf of Pfizer's Board of Directors, thank you for your investment and confidence in the company and the Board. I am pleased to continue to serve as Lead Independent Director and to work closely with my fellow Directors to carry out our fiduciary responsibilities to you, our shareholders, and our other stakeholders. As we approach the annual meeting, it is my pleasure to update you on the Board's various activities over the past year.

Board Oversight of Strategy and Risk

2019 was an extremely productive and transformational year for Pfizer. As we enter our second year under Dr. Albert Bourla's leadership as Chief Executive Officer, the company, guided by our Purpose Blueprint, including the five "bold moves," has set a clearly defined roadmap that we expect to lead to a period of sustainable growth following the anticipated close of the transaction between Upjohn Inc. (Upjohn) and Mylan N.V. (Mylan) later this year.

The Board's role is critical in overseeing Pfizer's corporate strategy and operations, and we continue to work closely with Dr. Bourla and management on matters regarding the business and its performance. Throughout the year, our Board meeting agendas regularly included significant business and organizational initiatives, updates concerning our R&D pipeline, capital allocation strategies and business development opportunities.

Notably, these conversations included sessions focused on our commitment to explore strategic options for our businesses. In July 2019, Pfizer announced plans that Upjohn, Pfizer's global, primarily off-patent branded and generic established medicines business, would combine with Mylan to form a new company. That company will be named Viatrix upon the close of the transaction, which is anticipated in mid-2020, subject to Mylan shareholder approval and satisfaction of other customary closing conditions, including receipt of regulatory approvals.

During the year, the Board also was kept informed of developments that could affect our enterprise risk profile, including reputational risk or other aspects of our business, such as regulatory matters, trends, public policy developments, drug pricing, patient access and reimbursement, among other factors. In addition, the Board is fully aware that investors and other stakeholders are increasingly interested in how boards and companies address sustainability and in their disclosures on these topics.

Board Oversight of Sustainability

At Pfizer, corporate responsibility and sustainability remain integral to our business strategy and we remain committed to being a responsible corporate citizen. The company's focus has always been on delivering strong financial results in a way that respects and benefits all of our stakeholder groups, including shareholders, patients, colleagues, communities and the environments in which we operate. Please see Pfizer's 2019 Annual Review¹ at www.pfizer.com/annual for details concerning our sustainability.

Further, the Board has oversight for performance through the Governance & Sustainability Committee, which is regularly updated on corporate and philanthropic efforts by management. The full duties and responsibilities of the broad scope of its oversight are

¹ The 2019 Annual Review is not a part of

A MESSAGE FROM PFIZER'S LEAD INDEPENDENT DIRECTOR

Board Leadership Structure

Turning to the Board's leadership, one of our most important responsibilities is to evaluate and determine the Board's optimal leadership structure and to ensure independent oversight of management, as well as a highly engaged and high-functioning Board. During the Board's evaluation of its leadership structure, the independent Directors carefully considered whether to combine or separate the Chairman and CEO roles. Based on its experience, considerable engagement with shareholders, and an assessment of research on this issue, the Board understands that numerous viewpoints concerning a board's optimal leadership structure exist and will continue to take these factors into consideration when evaluating its leadership structure.

In September 2019, the Board unanimously elected Dr. Bourla as Chairman of the Board, effective January 1, 2020 upon the retirement of Mr. Ian C. Read as Executive Chairman and from Pfizer's Board of Directors on December 31, 2019. Dr. Bourla's election was the result of a multi-year systematic and comprehensive succession planning process, led by the independent Directors. The Board recognizes that in circumstances where the positions of Chairman and CEO are combined or the Chairman is not independent, it is imperative that the Board elect a strong Lead Independent Director with a clearly defined role and set of responsibilities. In my role as Lead Independent Director, I will continue to ensure the independent Directors have robust leadership in the boardroom.

Board Succession Planning & Refreshment

Throughout the year, the Board continued its proactive assessment of board succession planning and refreshment. The Governance & Sustainability Committee and full Board strive to ensure that we maintain a Board that embodies a broad and diverse set of experiences, qualifications, attributes and skills to effectively oversee management and the company. When seeking new Director candidates, the current Directors consider a diverse pool of qualified candidates who could potentially serve as Board members. We view diversity in terms of skills, as well as gender, age, race, ethnicity, background, professional experience and perspectives.

Recently, the Board was pleased to announce the elections to the Board of Mr. James Queney, the Chairman and Chief Executive Officer of The Coca-Cola Company and Dr. Susan Hockfield, Professor of Neuroscience and President Emerita, Massachusetts Institute of Technology and, in June 2019, the election to the Board of Dr. Scott Gottlieb, a former FDA Commissioner, physician and medical policy expert. These Directors are excellent additions to the Board. Their skills and perspectives further enhance our diversity and expertise in the boardroom. Their appointments were informed by the Board's continued focus on its composition, as well as insights provided through the Board's annual self-evaluation process.

As a result of the Board's proactive refreshment efforts, since 2015, the Board has added six new Directors to the Board. Our average Director tenure is six years representing an appropriate balance of tenure.

Board's Commitment to Shareholder Engagement

In closing, on behalf of my fellow Directors, we would like to thank our shareholders and all of our stakeholders for the time they commit to engaging with us and sharing their feedback. The Board engaged in reviews of shareholder and stakeholder communications at each of our meetings and we were informed of shareholder feedback received during Pfizer's year-round investor outreach. Members of senior management engaged with investors representing more than 30% of shares outstanding in 2019. The Chair of the Governance & Sustainability Committee, Mr. Joseph Echevarria, participated in discussions with several investors at their request. As detailed in this Proxy Statement, under "Shareholder Outreach," we covered a range of topics and the Board continues to use your input to inform our practices and policies to ensure they remain industry-leading.

We are excited to oversee the company and management under its clearly defined roadmap and to be entering into an expected era of sustained growth following the anticipated close of the transaction between Upjohn and Mylan later this year. We look forward to serving your interests in 2020 and beyond. Thank you for your support.

Sincerely,

Shantanu Narayan
Lead Independent Director

Please refer to our Annual Report on Form 10-K for the year ended December 31, 2018, including the sections captioned "Risk Factors" and "Forward Looking Information and Factors that May Affect Future Results," for a description of the substantial risks and uncertainties related to the forward-looking statements included herein.

Annual Report

https://www.pfizer.com/sites/default/files/investors/financial_reports/annual_reports/2019/assets/pfizer-2019-annual-review.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 3-5)

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A Letter From Our Chairman & CEO



To Our Shareholders:

I am pleased to report that 2019 was a successful, purpose-driven and transformational year for Pfizer.

We reached more than half a billion patients around the world with our medicines and vaccines. We received 10 regulatory approvals for either new drugs or new indications and progressed many of our key R&D pipeline candidates in clinical studies.

We took bold steps to position the company for what we expect to be an era of sustained growth following the anticipated close of the transaction between Upljohn and Mylan later this year. And we accomplished all of this while continuing to deliver solid financial results.

Driving a Purpose-Driven Transformation

We began 2019 by launching what we call our Purpose Blueprint – the roadmap that will guide our company for the foreseeable future and help us deliver on our purpose: *Breakthroughs that change patients' lives*. The Blueprint includes five “**bold moves**” intended to pivot Pfizer from an era of revenue stabilization to one of expected sustained growth:

1. **Unleash the power of our people.** We are continuing to build on our inclusive, engaging work environment to recognize and reward both performance and leadership and empower all colleagues to bring their best selves to work for the benefit of patients.

2. **Deliver first-in-class science.** We aim to create and source the best science in the world. We will bring forward only our most promising and transformational products within our six therapeutic areas – with a focus on getting them to patients as quickly as possible.

3. **Transform our go-to-market model.** We are partnering with others to address the patient affordability challenge by exploring new, flexible payment approaches, including value-based agreements, and being bold in how we expand access to our medicines.

4. **Win the digital race in pharma.** We are using big data and such digital technologies as machine learning and artificial intelligence

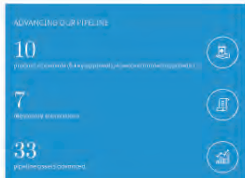
to improve our patient process and

work with policymakers that allow innovative therapies – and every dollar we spend – to be delivered to patients as quickly as possible.

Our Purpose Blueprint is the foundation for our growth and our success. It is the culture needed for a



CONTENTS	CHAIRMAN & CEO LETTER	OUR PURPOSE	OUR BOLD MOVES	RESPONSIBILITY & TRANSPARENCY	OUR PERFORMANCE	ADDITIONAL INFORMATION
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We began the second half of the year with a series of actions designed to strengthen each of our businesses and transform Pfizer into a singularly focused, science-driven company. Over the course of one month, we announced the planned combination of our Upljohn division and Mylan to create a global leader in specialty generic medicines; completed the acquisition of Amgen Biologics, a commercial-stage biopharmaceutical company focused on targeted small molecule medicines to treat cancer and other diseases of high unmet need; created the Joint Venture between Pfizer Consumer Healthcare and GlaxoSmithKline to form the world's largest consumer health care business; and completed the acquisition of Terephos, a critical-stage biotechnology company focused on rare diseases.

We did it because we believe this is the absolute right path forward for our company and the patients who rely on our innovative medicines and vaccines. We expect our sharper focus will enable us to create greater value for all stakeholders.



PFIZER 2019 ANNUAL REPORT
CHAIRMAN & CEO LETTER

Delivering Results



Dr. Albert Bourla
Pfizer's R&D Transformation

While driving such dramatic changes, we continued to advance our pipeline, which we believe is the strongest it's been in over a decade. Building on the momentum of the 10 approvals we received in 2019, we are expecting key clinical study readouts and study starts in 2020, several of which have the potential to make this an exciting year for patients hoping for new treatment options. These include up to 15 proof-of-concept readouts, up to 10 pivotal study starts and up to 5 key pivotal study readouts.

The breakthroughs that have emerged in recent years from our pipeline are allowing us to have an impact on even more patients around the world. During 2019, approximately 69 million people around the world were immunized with Pfizer vaccines, 40 million were treated with our anti-infectives, 4.3 million received our cancer therapies and 4 million used our anti-inflammatory medications. Each represents an increase over the number of patients we reached in 2018.

Our patient impact underpinned our solid business results. These results were highlighted by exceptional 8% operational revenue growth for the year within the Pfizer Biopharmaceuticals Group, which will become the new Pfizer following the expected separation of Upljohn. The 2019 growth in the business came from volume increase – not pricing. In fact, pricing had a negative 2% impact on the business's results.



PFIZER 2019 ANNUAL REPORT
CHAIRMAN & CEO LETTER

Preparing for Future Growth

These actions and results have brought us to an exciting point in Pfizer's history. When you take a big picture view over the last decade, you can see that Pfizer has deliberately and thoughtfully diversified its biopharmaceutical businesses through a series of value-creating transactions. At the same time, we have been refining and focusing our approach to R&D to best advance our purpose.

As a result, following the expected close of the Upljohn/Mylan transaction, we believe Pfizer will be better positioned to serve patients and deliver consistent growth. We will be a science-based company with a singular focus on innovative biopharmaceuticals. We will retain our entire pipeline and all of the key growth drivers currently in our product portfolio.

We expect the anticipated new wave of compounds currently in the pipeline, along with scientific projects from our investment in Viet Therapeutics and our licensing agreement with Alkermes Therapeutics, will help support long-term growth for our business. In fact, we expect the new Pfizer's 5-year revenue compound annual growth rate to be approximately 6% on a risk-adjusted basis and for that growth to begin immediately upon the close of the transaction between Upljohn and Mylan.

While 2019 was about driving change, 2020 will be all about executing. This includes:

- Continuing our commercial momentum and preparing our potential new product launches.
- Advancing our internal pipeline and augmenting it with mid-stage R&D programs through targeted bolt-on business development opportunities.
- Setting up Upljohn to be in a strong position when it combines with Mylan to become Viatris.
- Continuing to lead the conversation with policymakers around the world as we work to address the affordability challenge facing patients.

Thank you for your continued support of the work we do every day in support of our purpose.

Albert Bourla

Dr. Albert Bourla
Chairman and
Chief Executive Officer



PFIZER 2019 ANNUAL REPORT
CHAIRMAN & CEO LETTER

Phillips 66

Proxy Statement Letter



Annual Report Letter



Sustainability Report Letter



Proxy Statement

https://s22.q4cdn.com/128149789/files/doc_financials/2020/ar/2020-Proxy-Statement.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD AND CEO



March 25, 2020

To My Fellow Shareholders:

On behalf of the Board of Directors, I am pleased to invite you to Phillips 66's 2020 Annual Meeting of Shareholders. Due to concerns regarding the coronavirus (COVID-19), and to assist in protecting the health and well-being of our shareholders and employees, we have decided to conduct this year's meeting in a virtual meeting format only. The meeting will be held on Wednesday, May 6 at 9:00 a.m. Central Daylight Time at www.virtualshareholdermeeting.com/PSX2020.

The attached Notice of Annual Meeting of Shareholders and Proxy Statement provide you with information on how to join the meeting online and the business to be conducted at the meeting. Your vote is very important. Whether or not you plan to attend the meeting, and no matter how many shares you own, we encourage you to vote your shares.

In 2019, we delivered earnings of \$3.1 billion and earnings per share of \$6.77. We achieved a total shareholder return of 34% during the year, exceeding our peer group average and the S&P 100. We increased our quarterly dividend by 12.5% in 2019 and returned \$3.2 billion to shareholders through dividends and share repurchases. Additionally, our Board of Directors approved a new \$3 billion share repurchase program. We executed and progressed major growth projects, including the Gray Oak Pipeline and other Midstream projects. All of this was accomplished in a safe and reliable manner. Our goal is zero incidents, zero accidents and zero injuries. In 2019, we again achieved industry-leading safety performance with a combined workforce total recordable rate of 0.15.

At Phillips 66, our strategy focuses on growth, returns and distributions, built on a strong foundation of operating excellence and a high-performing organization. We have executed our strategy well and have put in place programs aimed at continued successful execution. In 2019, we announced AdvantEdge66, a program designed to transform our company through technology and new ways of working. Our success begins with our employees, and in 2019 we also rolled out *Our Energy in Action* – a set of behaviors that preserves the best of who we are and challenges us to improve. We believe we have the right strategy in place and the right tools to help our employees continue to execute it well.

Phillips 66 is committed to safely and responsibly carrying out our vision of providing energy and improving lives. We remain focused on operational excellence, executing our growth projects, enhancing returns on existing assets and maintaining strong shareholder distributions.

Thank you for your continued support and investment in Phillips 66.

In safety, honor and commitment,

Greg C. Garland
Chairman of the Board and
Chief Executive Officer



https://s22.q4cdn.com/128149789/files/doc_financials/annual_report/2019/PSX-web-ready.pdf

To Our Shareholders

We have the right strategy in place to create shareholder value, and our employees are executing it well. Phillips 66 achieved 34% total shareholder return during 2019, which exceeded our peer group average and the S&P 100.

In 2019, we delivered earnings of \$3.1 billion and earnings per share of \$6.77. Adjusted earnings were \$3.7 billion or \$8.05 per share. During the year, we generated \$4.8 billion of operating cash flow. We reinvested \$3.9 billion back into the business and returned \$3.2 billion of capital to shareholders through dividends and share repurchases.

We increased our quarterly dividend 12.5% and announced a \$3 billion increase to our share repurchase program. Since our formation, we have returned \$26 billion to shareholders through dividends, share repurchases and exchanges, reducing our initial shares outstanding by 33%.

Operating excellence is our No. 1 priority and core to everything we do. Our goal is zero incidents, zero accidents and zero injuries. We believe this is attainable, and we strive for it daily.

- In 2019, our combined workforce total recordable rate was 0.15, which is 25 times better than the U.S.

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GREG C. GARLAND
Chairman and Chief Executive Officer

Clifton Ridge Marine Terminal SHELDER, LA

LETTER FROM THE CHAIRMAN AND CEO (PAGE 3)



To our employees, communities and investors,

We are pleased to share sustainability highlights from our 2019 operations. We would be remiss, however, if we did so without acknowledging the incredibly challenging start to 2020, which makes the importance of sustainability even clearer.

As we undertook collecting, measuring and explaining these disclosures, the world shifted. Global issues — efforts to protect people from the spread of COVID-19, geo-political turmoil in global energy markets, and an oversupply of crude oil — dominated our landscape.

Our response was swift, safety-focused and science-based. We have always known our products are essential to global stability and our people provide services that need to be delivered reliably and safely, so we plan relentlessly for emergencies and for the need to pivot quickly. We activated business continuity plans we had prepared and practiced to protect people, the environment and the global systems that depend on our assets — in that order — and kept our operations going uninterrupted. Our governance, social responsibility, focus on safety and environmental stewardship helped us navigate this difficult landscape. We provided emergency operating center expertise and support, donated personal protective equipment, manufactured hand sanitizer, loaned 3-D printers to health care facilities to make masks for their communities and increased our social impact investment. This is sustainability in practice.

It will take time for people, communities and economies to recover. The rate of recovery and the lasting impacts are uncertain; however, a few things are clear.

We remain committed to making, transporting and selling energy products to the world in a safe, environmentally responsible and economical way. Energy needs and usage have changed continually throughout human history. That change continues, but almost every forecast source shows that our products will continue to play a critical role in meeting the energy needs of the rising global population. This report describes some of our policies, programs and practices that we believe position us to fill this need safely, responsibly and efficiently.

Our people demonstrate great leadership, and I believe they are the best in the industry. They focus on safety and care for each other and their communities. Our board of directors reviews our sustainability activities and provides strong leadership. Our company culture emphasizes the greater good, creates an environment of trust with stakeholders, seeks different perspectives and achieves excellence while remaining loyal to our values of safety, honor and commitment.

Our strategy of operating excellence, a high-performing organization, disciplined growth and returns, and shareholder distributions is the foundation for our business. It is core to environmental and social sustainability. Additionally, we are proud that we are known as an industry leader in safety, reliability and innovation; in the community, we show up as neighbors, supporters, collaborators and problem solvers.

We value your interest and welcome feedback on our report.

In safety, honor and commitment,



Greg Garland
Chairman and CEO
June 2020

Proxy Statement Letter	✕
Annual Report Letter	✓
Citizenship Report Letter	✓

Annual Report

https://s1.q4cdn.com/695946674/files/doc_financials/2019/e28f717a-9858-69a1-8783-00c4604463cd.pdf

LETTER FROM THE CHAIRMAN OF THE BOARD, PRESIDENT AND CEO (PAGES I-XIV)

Dear Shareowners,

In fiscal year 2019, P&G met or exceeded each of our core financial goals—organic sales growth, core earnings per share growth and adjusted free cash flow productivity—all while improving market share and generating leadership levels of shareholder value creation.

Organic sales grew 5%. This was above our going-in estimate and represents significant improvement, with sales by quarter improving sequentially from 4% to 4% to 5% to 7%.

Core earnings per share were \$4.52, up 7% versus last year and toward the high end of our target range. Foreign exchange was an 8% after-tax earnings headwind. On a constant currency basis, core earnings per share were up 15%. All-in GAAP earnings per share were down versus year ago, reflecting a one-time, non-cash accounting charge to reduce the carrying value of

Our free cash flow going in

FISCAL



Organic S

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The benefits of the portfolio choices we made a few years ago are clearly paying out—focusing and strengthening our portfolio in daily-use categories where performance drives brand choice—in categories where we occupy a number one or two share position, which have historically grown faster than the balance of the Company and done so more profitably. Daily-use categories are important to our retail partners as they drive shopping triads and consumer loyalty is often higher. We're selectively strengthening our portfolio with acquisitions designed to augment our current offerings. For example, we completed the acquisition of the Merck KGaA Consumer Health Business, which significantly enhances our international presence in personal health care.

Altogether, it was a good year with much-improved organic sales and share growth, strong constant-currency core earnings per share growth, and a continued, best-in-class track record of cash return to shareowners. All of this was delivered while working to address several category-specific challenges and in a difficult external environment, characterized by volatile and challenging government policies, retail transformation, rising input and transportation costs, and highly capable competition.



"We continued to lead in growth of P&G Brands Global Consumer Goods" (Source: Euromonitor, published in Euromonitor Intelligence, 2019, published by Euromonitor Intelligence)

FISCAL YEAR 2019 ORGANIC SALES

Growing in:

9/10

Global Categories

All 6

Geographic Regions

Growth was broad-based in fiscal year 2019 across product categories, geographies and the key components of top-line growth—volume, price and mix.

Nine of our 10 global categories grew organic sales with Skin & Personal Care up mid-teens; Fabric Care, Home Care, Feminine Care and Personal Health Care all up high single digits; and Oral Care and Family Care up mid-single digits.

All six of our regions grew organic sales with all 15 of our top markets growing or holding sales. We continue to make progress in our largest markets. In the U.S., sales grew 4%, including 7% in the last quarter. This is after averaging about 1% over the past three fiscal years. In

While we're making good progress, we still have to do to drive sustained, strong results—balance top- and bottom-line growth and value creation. We know we need to continue to raise the bar to keep momentum going.

We are focused on winning with consumers. That's at the heart of our business. We're focused on driving superior, reliable and consistent performance across the entire value chain in our industry.

Superiority to Win with Consumers

Our strategy starts with noticeable superiority across all elements of our consumer proposition—product, packaging, brand communication, retail execution (in-store and online), and consumer and customer

This strategic choice is holistic. It recognizes that consumers don't focus on one element of a brand only. Consumers interact with the whole brand—the product, package, what we say and how they feel about the brand, how they experience it in the store or on the shelf. When these elements are taken together, they drive category growth, prevent commoditization and provide the base to build sustainable competitive advantage. Notably, when we deliver superiority in one or more of the five vectors, we drive all business metrics: sales, profit, value share, household penetration and category growth.

Category growth is an important point of emphasis. Category growth leads to sales growth that is typically more sustainable than simply taking business from competitors, and it creates a winning proposition for our retail partners. Importantly, where we grow our categories we disproportionately and sustainably build share.

Take P&G U.S. Fabric Care: over the last 40 years, we've grown sales by five times. That's 500% in a market that's grown 400%. Category growth has been the driver of P&G's growth, which we've achieved through industry-leading superiority. As a result, our share of U.S. laundry category has grown five points.

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Our strong market share trends support this. Eight of 10 global categories held or grew value share and 33 of our top 50 country/category combinations held or grew share, up from 26 last fiscal year, 23 in fiscal 2017 and just 17 in fiscal 2016.

TOP 50 COUNTRY/CATEGORY COMBINATIONS GROWING OR HOLDING MARKET SHARE



We returned \$12.5 billion of cash to shareowners through a combination of share repurchases and dividends. We announced a 4% increase in the dividend—the 63rd consecutive annual increase and the 100th consecutive year in which P&G has paid a dividend. P&G is one of only 10 U.S. companies to pay a dividend for more than 100 consecutive years, and only three U.S. companies have increased dividends more consecutive years than P&G.

RETURNING VALUE TO SHAREHOLDERS



There are many examples of P&G brands driving category growth in key markets, including Tide/Ariel, P&G, Cami Kings, Downy/Lenor Scent Beads, Cascade, Fairy Platinum ActionPac, Bounty paper towels, SK-II skin care, Always Radiant, Always Discreet, Pampers Pure Protection, Oral-B GENIUS, Gillette SkinGuard and Vicks VapoCOLD, among others. The point is, superiority works, and it drives category growth.

One element of superiority we've put a lot of work against is retail execution, and it's paying off. P&G is ranked #1 globally in the 2019 Advantage Report, an independent retailer assessment of manufacturers. While we appreciate this recognition, what really matters is retailers' improved view of P&G as a partner in joint value creation, which leads to stronger distribution, share of shelf, display and feature.

We will continue to increase the quality of our execution and to extend our margin of advantage across all elements of superiority, which requires ongoing investment.

P&G's 10-Category Portfolio

We've focused and strengthened P&G's portfolio in daily-use categories where product performance drives brand choice, and in categories where we have a number one or two share position—categories that have historically grown faster than the balance of the Company and have done so more profitably.

HEALTH CARE



Personal Health Care

FIVE ELEMENTS OF SUPERIORITY[®]

SUPERIOR PRODUCTS
Winning ideas lead. Superior products redefine the difference.

SUPERIOR PACKAGING
Winning that drives a consumer's choice is a winning idea. It's the best product for the job, the best way to use it, the best way to get it.

SUPERIOR BRAND COMMUNICATION
Product and packaging benefits communicated with emotional, advertising that makes your brand the best choice, the best way to use it, the best way to get it.

SUPERIOR RETAIL EXECUTION
It's not just how you look, it's how you feel. It's the best product for the job, the best way to use it, the best way to get it.

SUPERIOR CONSUMER & CUSTOMER VALUE
For consumers, it's the best product for the job, the best way to use it, the best way to get it.



SUPPLY CHAIN TRANSFORMATION

We're generating savings with more cost-effective multi-category manufacturing sites in geographically strategic locations—like our state-of-the-art plant that opened in fiscal 2019 in West Virginia.



MEDIA SAVINGS

We're eliminating substantial waste in the media supply chain—savings we can to the bottom line or reinvest reach more people. Over five years, we delivered \$ of savings in agency fees, all production costs—can see more savings potential these areas.

We're eliminating substantial waste in the media supply chain, delivering \$1 billion of savings in agency fees and ad production costs over the last five years. We see more savings potential in these areas, along with more efficiency and effectiveness in media delivery.

We're driving cost and cash productivity with significant progress in all areas of working capital. Over the past five years, we've reduced accounts receivable days outstanding, cut inventory days on hand and increased accounts payable days outstanding, enabling us to fund capital spending needed to transform our global supply chain, while growing our dividend and maintaining an active share repurchase program.

Through our productivity efforts, P&G has maintained and built our status as a highly profitable company. In fact, over the last 10 years P&G has generated more operating profit and cash than 98% of publicly listed companies around the world, and only three companies have returned a higher percentage of cash to shareholders.

Productivity to Fuel Investments

We constantly need to drive productivity to fuel investments in superiority and to drive balanced and bottom-line growth, including margin expansion. We're now just past the midpoint of our second five-year productivity program and remain on track to deliver up to another \$10 billion in savings.

Over the last few years, we made major investments to ensure our supply chain remains a competitive advantage. We're creating a synchronized network based on real-time demand signals to serve the evolving needs of consumers and customers. So will be generated through areas such as more cost-effective multi-category manufacturing sites in geographically strategic locations as well

Constructive Disruption Across the Value Chain

Superiority and productivity are critical, but not sufficient to keep us ahead in a world with a rapidly changing retail landscape, quickly evolving consumer needs, a transforming media ecosystem, and revolutionary changes in technology.

To win in this environment, we must lead the constructive disruption of our industry across all areas of the value chain: innovation, brand building, supply and digitization and data analytics.

We're disrupting the way we innovate by accelerating

We're pursuing external partnerships to monetize P&G innovation, creating revenue streams that can be reinvested back in game-changing technologies needed to create winning brands.

In brand building, we're leading disruption by moving from wasteful mass marketing to mass one-to-one brand building fueled by data and technology.

We're transforming our supply chain and the way we work by encoding market, human and supply chain behavior and strategies into algorithms using advanced capabilities and analytics.

We're embracing digitization and data analytics to capture data and unique insights to solve business problems, and we're embedding these skills in the businesses to help accelerate results.

The constructive disruption we're leading in all areas of the value chain is critical to our future success in this dynamic world.



VII - The Procter & Gamble Company

We're making organizational transformations that will enable us to win.



New structure operating through six industry-based SBUs



Provides greater clarity on responsibilities & reporting lines



Strengthens leadership accessibility



Enables P&G people to accelerate growth & value creation

Empowered, Agile and Accountable Organization and Culture

We must be, and are, willing to change anything and everything needed to win, including our organization design and culture. The only things we will not change are our Purpose, Values and Principles and our commitment to winning and delivering results.

Over the last few years, we made several changes to our organization such as supplementing our internal talent with skilled, experienced external hires, and improving category dedication and mastery. We've also given more end-to-end selling and supply responsibility to business units in large markets like the U.S. and China, and more freedom to operate within a framework in smaller markets.

We've learned a lot over the last two years while operating with this new approach and it's contributing to stronger results, giving us the confidence to move forward more broadly with changes to our organization structure.

On July 1, 2019, we began to operate through six industry-based Sector Business Units or SBUs: Fabric and Home Care, Baby and Feminine Care, Family Care and P&G Ventures, Beauty, Grooming, and Health Care. We measure our 10 product categories within these SBUs.

The SBUs have sales, profit, cash and value creation responsibility for our largest and most profitable markets, called Focus Markets—accounting for about 80% of Company sales and 90% of after-tax profit.

In each Focus Market, Market Operations works across the six SBUs on scaled market services and capabilities, including customer teams, transportation, warehousing, logistics and representing P&G externally.

The rest of the world is organized into Enterprise Markets—a separate unit with sales, profits and value creation responsibility. The SBUs provide innovation plans, supply plans and operating frameworks for the Enterprise Markets to deliver these mutually agreed business goals. Enterprise Markets are important to the future of P&G because of their attractive market growth rates, and the intent is to accelerate this growth and value creation. To be clear, we're committed to winning everywhere we choose to compete across both Focus and Enterprise Markets.

Supporting the SBUs, Market Operations and Enterprise Markets are key corporate resources focused on scaled services, governance, stewardship and areas requiring high mastery.

We see important benefits from these changes. There is more focus on the most important markets, and modestly faster growth in these markets will create significant value. Having dedicated Enterprise Market leaders closer to their markets, and giving them more freedom to operate, enables them to more quickly deal with challenges and take advantage of opportunities. And, we have a much simpler management structure and reporting lines.

This new structure enables a more empowered, agile and accountable organization to accelerate growth and value creation.

Citizenship Built into Business Results

We've built Citizenship into our business, and it's not only doing good, it's building trust and equity with consumers, and driving growth and value creation for shareholders—a force for good and a force for growth.

We continue to lead in each of our areas of Citizenship: Community Impact, Diversity & Inclusion, Gender Equality and Environmental Sustainability, all executed with a strong focus on Ethics & Corporate Responsibility.

In Community Impact, our Children's Safe Drinking Water Program achieved its 2020 goal of providing more than 15 billion liters of clean water to communities in need and set a new goal to deliver 25 billion liters by 2025. And, year after year, P&G is there when disasters strike, working hand in hand with partners to deliver the comforts of home when people need them most.

The P&G Company's 2019 Drinking Water Program Impact Report shows 16 billion liters of clean water delivered to communities in need, and setting a new goal to deliver 25 billion liters by 2025. The report also shows that P&G is committed to providing clean water to communities in need.

Through our Diversity & Inclusion and Gender Equality efforts, we're using our reach and voice in advertising and media to promote equality, diversity and inclusion. Studies from the Association of National Advertisers' Research Initiative confirm that gender-equal ads perform 20% higher in sales growth, so it's no surprise that some of P&G's best-performing brands have the most gender-equal, diverse and inclusive campaigns, including Skii, Clay, Tide, Dawn, Swiffer and Ariel.

In Environmental Sustainability, we aim to have a positive impact on the environment by promoting responsible supply and consumption through our brands, supply chain, society and employees.

We recently made a new commitment to reduce use of virgin petroleum plastic in our packaging by 50% by 2030. We estimate this will avoid the use of more than 500,000 tons of virgin plastic.

Collaboration is key in driving transformative sustainability solutions. For example, we've helped start and have a leadership role in the Alliance to End Plastic Waste, which advances innovative solutions to end plastic waste in the environment, especially in the oceans. We also invested in and helped to promote Loop, a retailer shopping platform where consumers can order their favorite products in durable, reusable packaging and return them to be cleaned and refilled again and again.

Everything we do is built on a strong foundation of Ethics & Corporate Responsibility—doing what's right and being a good corporate citizen. This builds trust with consumers and stakeholders—trust that P&G's products will deliver the value and quality our brands promise, and trust that P&G conducts business ethically, in compliance with the law and consistent with our Purpose, Values and Principles.

With our global reach, understanding of consumers, innovation, brands and supply chain, we have a unique ability to make a positive difference for our consumers, our society and our world—and we can do so while delighting consumers and growing our business.





Consistent and Sustainable Balanced Growth and Value Creation

We define winning as delivering consistent and sustainable balanced growth and value creation. We're making real progress in our efforts to achieve this goal, but we still have work to do.

Next year, we expect to continue our positive momentum with organic sales growth of 3% to 4%, core earnings per share growth of 4% to 9% and 90% or better free cash flow productivity. This guidance range takes into account current market growth rates with a bias toward continued share growth. We also expect to pay over \$7.5 billion in dividends and repurchase \$6 to \$8 billion of common shares.

Delivering these targets requires that we continue to drive even more focus on our strategic choices to win with consumers. The choices we've made to establish and extend superiority of our brands; to drive productivity savings to fund investments for growth and enhance our industry-leading margins; to lead constructive disruption across the value chain; and to simplify our organization structure and increase accountability are making a positive difference in our results. Importantly, these choices are not independent strategies. They reinforce and build on each other

and include a strong commitment to social and environmental Citizenship efforts built into the business. They position us well to deal with near-term challenges from macroeconomic headwinds, trade transformation and anticipated competitive response. Together, they are the foundation for stronger, balanced top- and bottom-line growth and value creation over the short, mid- and long term.

That's our commitment to you, our shareowners—sustainable, market-growing, value-creating growth achieved through superior brands and products that delight consumers and improve their lives. That's our Purpose and that's what the women and men of P&G are focused on every day.



David S. Taylor

DAVID S. TAYLOR

Chairman of the Board,
President and Chief Executive Officer

Citizenship Report

https://downloads.ctfassets.net/rxc7lprpd6bh/3p1BVbDeHiKfp7GKye4KCB/a69e8e1b7a06eb1ecc26583bd3b991f7/citizenship_report_2019_full.pdf

MESSAGE FROM THE CHAIRMAN, PRESIDENT AND CEO (PAGES 2-3)

INTRODUCTION

ETHICS & CORPORATE RESPONSIBILITY

COMMUNITY IMPACT

DIVERSITY & INCLUSION

GENDER EQUALITY

ENVIRONMENTAL SUSTAINABILITY

Message from the CEO

Dear Stakeholders,

We've built Citizenship into our business, and it's not only doing good, it's building trust and equity with consumers, and driving growth and value creation—allowing us to be a force for good and a force for growth.

The force for good and force for growth concept is important. We serve shareholders and investors, but we also serve employees, business partners, suppliers, communities, governments and the broader world around us. We have a responsibility to all our stakeholders. That's why our Citizenship platform is built in, not bolted on. It's not a separate thing we do on the side—it's how we do business every day around the world.

In fact, one of the reasons why I believe we're delivering stronger results is because we've activated the full capability of P&G people—a key tenet of our Diversity & Inclusion work. A diverse team with an inclusive environment that values every individual will outperform a homogeneous team, and that's what the 97,000 employees of P&G are demonstrating.

In the following pages, you will find stories that illustrate our commitment to Diversity & Inclusion, Community Impact, Gender Equality and Environmental Sustainability, all executed with a strong focus on Ethics & Corporate Responsibility.

For example, we used our voice to shine a light on bias and promote diversity, inclusion and equality with inspirational films like "Out of the Shadows" and "The Look." We've helped victims of natural disasters all over the world, providing the comforts of home. We challenged the myths that hold women back in the workplace at global leadership and industry forums. And, we were the first CPG company to join Loop, a circular e-commerce platform that provides reusable, refillable packaging for some of our most popular products which can be collected, cleaned, refilled and reused.

ACTIVATE SERIES

ACTIVATE

THE GLOBAL CITIZEN MOVEMENT

P&G partnered with National Geographic and Global Citizen to create ACTIVATE, a six-episode series focused on eradicating poverty and achieving the UN Sustainable Development Goals. The episodes highlight sustainable sourcing, racial bias, disaster relief, girls' education, plastic waste and the global water crisis.

INTRODUCTION

ETHICS & CORPORATE RESPONSIBILITY

COMMUNITY IMPACT

DIVERSITY & INCLUSION

GENDER EQUALITY

ENVIRONMENTAL SUSTAINABILITY

One program that keeps on achieving terrific results is our Children's Safe Drinking Water (CSDW) Program. In the last year, we delivered our 15 billionth liter of clean water—a year ahead of schedule—and set a new goal to deliver 25 billion liters by 2025. Many of our retail partners get involved with in-store activations, where buying a P&G product leads to a donation of water. This is an excellent example of how doing the right thing and helping others can also grow the business. That's built-in Citizenship, and CSDW is an outstanding example that improves lives all over the world.

Another area we're putting significant effort against is plastic waste, and we're working on a range of solutions to collect, recycle and reclaim the value of plastics. For example, we made a new commitment to reduce use of virgin petroleum plastic in our packaging by 50% by 2030. We developed packaging for e-commerce that uses 50% less plastic, and we invented a technology that restores used polypropylene to ultra-pure recycled resin, making it like new again. We also helped start and have taken a leadership role in the Alliance to End Plastic Waste, which advances infrastructure development, innovative solutions, education and cleanup efforts to end plastic

waste in the environment, especially in the oceans. Ending plastic waste will require unprecedented levels of investment, innovation and partnerships, and we're committed to make a positive difference.

As you'll see in this report, it's P&G people who are leading the way in our Citizenship efforts, and they, along with our many suppliers and partners, deserve all the credit. They are the ones who lead P&G's programs with incredible passion and expertise, who work with NGOs to deliver clean water, who invent technologies to help revolutionize recycling, who turn beach plastic into shampoo bottles, and who use our brands to promote positive change. Every day, P&G people demonstrate the power of being a force for good and a force for growth, and I'm proud to share their work.





DAVID S. TAYLOR
Chairman of the Board,
President and Chief Executive Officer

EXPLORE THE REPORT

Raytheon Technologies (a merger of United Technologies and Raytheon Company)

Proxy Statement Letter

✗

Annual Report Letter

✓

Sustainability Report

N/A

Annual Report

https://investors.rtx.com/static-files/5612ce4a-a018-4f37-adc6-a154069a68f3

LETTER FROM THE CHAIRMAN AND CEO (PAGES 2-3)

Dear Fellow Investor



Greg Hayes, Chairman & CEO

2019 was an extraordinary year for United Technologies. We achieved record sales, adjusted earnings per share and free cash flow. Importantly, we accomplished this as we embarked on a transformational journey to position our company for a new future.

We announced in June that United Technologies will merge with Raytheon, creating Raytheon Technologies. This followed our announcement in late 2018 that we would separate Carrier and Otis into standalone public companies. Our merger will create a best-in-class, technology-driven, global systems provider. As a focused aerospace and defense company, Raytheon Technologies will define the future of aerospace and defense for decades to come while generating long-term value for our shareholders, our customers and our employees.

We expect to complete the merger with Raytheon in early 2020 upon completion of the Carrier and Otis spinoffs. This will result in three focused, high-performing companies that will continue to lead their respective industries.

Our merger with Raytheon will mark the transformation of United Technologies

into Raytheon Technologies. Going forward we will benefit from our legacy of innovation, leading-edge technology and our relentless focus on providing customers with world-leading products and services. United Technologies' success today is built on businesses that were founded by visionary leaders. Eliza Otis invented the elevator safety brake in 1852. Willis Carrier invented modern air conditioning in 1902. Frederick Rentschler developed the Wasp aircraft engine in 1925. Arthur Collins developed the aircraft radio in 1935. Each of these businesses was born of an innovation needed to solve a customer problem and the fundamental belief that there was a better way.

It is not easy to survive, let alone thrive, for nearly a century, but through the principles and visions of our founders, United Technologies has been able to deliver solid returns to our investors while investing in our people and making a positive impact in our communities.

Strong Financial Performance

In 2019 our financial results exceeded the high end of the ranges we communicated at the beginning of the year. United Technologies had sales of \$77 billion, driven by Collins Aerospace Systems and Pratt & Whitney. Earnings per share on an adjusted basis were \$8.26, a 49% increase over 2018. Spending on research and development totaled \$5.3 billion, of which more than \$3 billion was company-funded. We generated \$8.9 billion of cash flow from operations, and we invested \$2.3 billion in capital expenditures to fund future organic growth. Free cash flow was \$6.6 billion, including approximately \$400 million of one-time cash payments associated with preparing Carrier and Otis to be standalone, independent companies. Dividends totaled \$2.4 billion.

Business Highlights

Each of our business units has maintained its unwavering focus on the customer. Pratt & Whitney continues to be a world leader in the manufacture

5%
Organic growth*

\$8.26
Adjusted earnings per share*

\$6.6B
Free cash flow*

* See page 41 for additional information regarding non-GAAP financial measures.

of aircraft engines and auxiliary power systems, and its GTF engine had more than 10,000 firm and option orders at the end of 2019. Approximately 1,400 GTF engines are in service across six continents. Since the engine's entry into service it has saved operators more than \$550 million in fuel and more than 2.5 million metric tons of carbon emissions. Pratt & Whitney also was awarded a \$5.7 billion contract by the U.S. Department of Defense to fund more than 300 F-35 engines, which represents the largest F-35 production contract in program history.

The integration of Rockwell Collins with UTC Aerospace Systems formed Collins Aerospace Systems, which exceeded our expectations on multiple fronts. On an adjusted basis, the acquisition accounted for \$0.66 of EPS accretion in 2019.¹ The combined entity delivered on its ambition to bring greater intelligence, connectivity and electrification to aerospace customers. In 2019 Collins Aerospace broke ground on a state-of-the-art electric power systems lab in Rockford, Illinois, that will redefine what is possible in the electrification of flight. On the military side, we were notified that the U.S. Air Force, as part of its Next-Generation Ejection Seat program, plans to award Collins Aerospace a sole-source contract to deliver its new, state-of-the-art ACES 5 ejection seats for use in a

number of military aircraft. And for the flying public, the business' focus on innovation resulted in advancements in cabin interiors, more streamlined check-in processes for passengers and faster broadband speeds.

Carrier saw the tremendous global reach of its products and services expand even further, as evidenced by several new business wins. Burger King chose Carrier's Green & Cool natural refrigerant, CO2 systems, as its preferred condensing units for its restaurants in Spain. Carrier signed a strategic cooperation agreement with Tim Hortons in China to provide integrated HVAC solutions and services for that company's existing and future coffee houses throughout the country. The business also introduced two new refrigerated chiller islands for grocery stores and markets in Europe, and continued its focus on building safety by installing Edwards emergency communications systems in campus environments such as Bentley University in Massachusetts.

Otis, which moves 2 billion people every day, is helping to drive a digital renaissance in elevators. Otis has now equipped more than 75% of its field technicians with iPhones and proprietary Otis apps that streamline service and help to predict future maintenance needs. In 2019 the business made progress in executing on major infrastructure contracts from China to supply more than 2,500 elevators and escalators in 11 cities. Otis also completed the installation of its first inclined elevator in China at the iconic Shanghai Oriental Pearl Tower. And the Empire State Building now has a custom-made "most car" elevator, delivered and installed by Otis, which completed an eight-year modernization project that was one of the largest and most complex initiatives in the company's 167-year history.

Corporate Responsibility

United Technologies has been at the forefront of the corporate sustainability

movement for more than two decades, establishing aggressive impact reduction goals that today are consistent with global initiatives such as the Paris Climate Accord. Since 1997 we have reduced annual greenhouse gas emissions by more than 29% and water use by 57%, and increased recycling of our industrial process waste to more than 90%, all while growing our top and bottom lines by more than 230% and 480%, respectively.

Our commitment to sustainability extends to our products, which are designed with an eye to reducing the energy and environmental footprints associated with their manufacture and use. We continue to be recognized for launching many of the building industry's most energy-efficient heating, air-conditioning and refrigeration products, and for revolutionizing aerospace through quieter, cleaner, more fuel-efficient jet engines.

Our commitment to investing in our people has created an engaged workforce of lifelong learners, committed to solving our world's most complex challenges. Of all our accomplishments over the past 95 years, the success of our Employee Scholar Program is one of our greatest achievements. This program, which was launched in 1996, has enabled our people to earn more than 41,000 college degrees, with UTC picking up the tab for tuition, books and fees as well as paid time off to study. No employer today can guarantee lifetime employment. We can, however, provide the opportunity to become a lifelong learner. We long ago recognized that the skills with which we enter the workforce will sooner or later become obsolete. We therefore made the commitment to our people that we would provide the opportunity for everyone to retrain themselves in order to be better prepared for the inevitable changes that are coming to our factories and offices.

UTC also has continued to take significant steps in addressing important societal issues. We are committed to diversity and inclusion in race, gender

and orientation as well as thought. In 2017 we pledged to achieve gender parity in our leadership by 2030. In 2019 we expanded our commitment and launched a strategic partnership in the United States and India with the nonprofit organization Girls Who Code. Together we hope to build one of the largest pipelines of future female leaders in the fields of engineering and technology. Additionally, this past year saw UTC employees generously donate their time to skills-based volunteerism, dedicating thousands of hours to mentor students through FIRST, a leading STEM-based educational program, and to help rebuild communities with Engineers Without Borders.

An Exciting Future

For all of us at United Technologies, this past year has been exciting and fulfilling as well as challenging. Our exceptional performance is testament to the dedication, focus and sacrifice of our 240,000 employees. They have continued to excel at the highest levels, and I thank them for their commitment to this company and to our mission.

Everyone here — and all who came before us — have much to be proud of. For nine decades, United Technologies has been a driving force of innovation, performance and excellence. We have served our customers, our shareholders and our communities with dedication; we have positively impacted the industries in which we operate, and we have made the world a safer and better place.

Now as the page turns and this chapter ends, we look forward to an exciting new beginning.

Thank you for your support of United Technologies.

Gregory J. Hayes
Chairman & Chief Executive Officer

State Farm Insurance

Proxy Statement	N/A
Annual Report	N/A
Sustainability Report	N/A

Target

Proxy Statement Letter	✗
Annual Report Letter	✓
Corporate Responsibility Report Letter	✓

Annual Report

🔗 https://corporate.target.com/_media/TargetCorp/annualreports/2019/pdfs/2019-Target-Annual-Report.pdf

LETTER FROM THE CHAIRMAN AND CEO

Letter to Shareholders



By any measure, 2019 was an exceptional year for the Target team. It's a year that stands on its own, and a glance through this report will demonstrate why. But looking back on it now, what really stands out to me is how 2019 prepared Target for this extraordinary moment we're all navigating together, as our team, guests and communities respond to COVID-19.

(Usually I would provide a detailed recap of our previous year's results in this letter. In this unprecedented moment, that doesn't feel right. On one hand, we're focused entirely on the immediate needs of our team and guests. At the same time, I'm more aware and appreciative than ever of the enduring attributes that will help us all move safely beyond this crisis.

At Target, our strategy is an expression of our purpose and values. For years, we've invested to make our proximity to guests work even harder for them. That meant adding brands, fulfillment capabilities and expert service to our nearly 1900 neighborhood stores, and moving into additional neighborhoods every year. It meant a constant drive to curate the right mix of products across our multi-category assortment. We remained convinced, sometimes against conventional thinking, that stores would continue to matter to our guests, whether they shopped online or in-person.

While it had long been evident in our culture, we formally articulated our purpose a few years ago: To help all families discover the joy of everyday life. Today, with the coronavirus outbreak, everyday life has started to look different for everyone—and our guests have turned to us more than ever.

When they needed to stock up for their families, they came to Target. When they wanted items right away, they looked to us for same-day pickup or delivery. When families were anxious to minimize trips, they found comfort and confidence in a familiar and friendly place—for food, medicine and essentials, but also office supplies and technology to work from home, school items for distance learning, and games, puzzles, electronics and comfort wear for long weeks in quarantine.

In the best of times, our team meets the world with optimism, inclusivity, connection, inspiration and drive. In the hardest days of this crisis, those values never wavered.

So, while I know there's a lot of work ahead to put this chapter behind us, I also know the Target team will remain steadfast. Our financial strength gives us the ability to keep investing in our team and to shift quickly in response to guest needs. And the same values that have made Target a trusted brand and community resource for decades will be a source of continuity and calm as we all pull together—for each other and for a future that will certainly be brighter than recent days.

Sincerely,



Brian Cornell, Chairman and CEO

Corporate Responsibility Report

https://corporate.target.com/_media/TargetCorp/csr/pdf/2020_corporate_responsibility_report.pdf

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 4)

2020 Target Corporate Responsibility Report

The Big Picture Supply Chain Operations Products and Guests ESG Appendix
About This Report **CEO Letter** Q&A With Our VP of CR Who We Are Year In Review Our Response to COVID-19
Social Justice and Racial Equity Our CR Strategy Materiality and Stakeholder Engagement Our Value Chain

04

A Message From Our Chairman and CEO

Coming into 2020, we were ready for a good year. Many of our strategic initiatives were reaching scale right on schedule. Guided by the power of our purpose and values, our team was adapting well to new ways of operating and better serving our guests. The significant investments we'd made over the years were now paying off with steadily better business results. In short, we had achieved our goal of creating a durable business model, meant to perform well in any economic environment.

None of us knew at the start of the year how crucial those advantages would be. But as I look at how the year has unfolded, it's clear that the strength of our business—and the talent and character of our team—has allowed us to adapt to the things we never could've planned for.

The effects of the COVID-19 pandemic and the outrage and heartbreak of racial inequities weigh heavily on all of us, personally and professionally. But as a team, we've come together and committed to meeting this pain with purpose.

Our guests and communities need us now more than ever before. In rallying to meet their needs, I think Target has become a stronger, more meaningful and fundamentally better company.

As COVID-19 hit the United States this spring, we faced a lot of challenges simply to run our business, and we did more than just keep our doors open.

We overhauled how we operate to make Target easier and safer to shop, as guests turned to us for food and essentials, as well as for supplies to create home offices and home classrooms.

We invested in our team by increasing pay and expanding well-being benefits so team members would have everything they need to care for themselves and their families.

And we quickly invested \$10 million toward pandemic response efforts, with an emphasis on supporting organizations that reach vulnerable populations and underserved communities.

Then, at the end of May, the murder of George Floyd by a police officer just a few miles from our downtown Minneapolis headquarters forced us to take a hard look at what Target stands for.

We've been on a 15-year journey to build and refine Target's diversity and inclusion strategy. While this work had helped us make substantial progress in a number of areas, many team members and guests made it clear to me that we needed to use the full power of the Target brand to support a broad-based movement against systemic racism in all of its forms.

We began by committing to rebuild our stores damaged in the protests and listening to our communities to help ensure these stores don't just reopen, but are a force for lasting good in the neighborhoods they serve.

We also invested \$10 million to help communities rebuild from this summer's protests and support groups fighting for social justice and racial equity.

And, in August, we launched the Racial Equity Action and Change (REACH) Committee. This group of Target leaders is tasked with guiding us as we work to help Black team members grow and advance in their careers at Target, welcome Black guests into our stores, combat

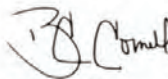
racial inequities in our communities, and advocate for civic engagement and public policy that addresses systemic racism, safety and police reform, economic and educational opportunity, and access to fair and safe voting.

Our country faces unprecedented challenges that have fundamentally changed what it means to be a "good corporate citizen." There are no easy answers or quick solutions. Our value is defined by more than just the earnings we report to Wall Street or the money we donate to philanthropic causes.

Ultimately, we will be judged by the actions we take for our guests, our team and our community—every day.

The Target team embraces this—because we know we can make a difference. With partners in our communities, we can meet this moment and help build a stronger, more prosperous and more equitable future for all.

Sincerely,



Chairman and CEO



Brian Cornell
Chairman and CEO

Travelers Companies Inc.

Proxy Statement Letter

Annual Report Letter

Sustainability Report Letter

Annual Report

http://investor.travelers.com/interactive/newlookandfeel/4055530/TRV_2019_Annual_Report.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-9)



Alan D. Scherzer
Chairman and CEO, Executive Office

To My Fellow Shareholders

As I write this letter, the world is in a state of emergency due to the COVID-19 pandemic. Across the United States and around the globe, businesses and borders have been closed, flights grounded and quarantine zones established.

By the time you read this, conditions may have improved, or they may have worsened. Foremost in all our minds is the tragic loss of life and human suffering caused by this pandemic. Our thoughts and prayers go out to all those affected. I hope you and your loved ones are, and remain, safe.

Prepared for the

Events like the COVID-19 pandemic, unpredictable as a leading proposition to us, have weathered and unforeseen. We have learned and designed to with it is in the way we control expense and the way we are accordingly. In this pursuit of our over time will be and managed with

In short, Travelers is built to take on the challenges of times like these. We balance risk and reward for long-term success because we know we are going to be tested from time to time. As I told our team when, practically overnight, we moved nearly 30,000 employees to remote work arrangements in the face of the pandemic: "We have the talent, the technology, the risk management processes and procedures, and, importantly, the balance-sheet strength and liquidity to manage through this." But that is not all. In recent days, we have seen the commitment, ingenuity and compassion of our extraordinary workforce on full



We continue to execute on our thoughtful and deliberate strategy to deliver industry-leading returns. We are leveraging our advanced data and analytics, and executing on a granular basis to improve pricing, terms and conditions where needed on an account-by-account, class-by-class basis. And, as always, we are also actively managing all other levers of profitability available to us. There are a number of factors that impact our returns beyond rate and loss trend, including risk selection, mix of business, claim and expense initiatives, volume and reinsurance. We will continue to manage all these levers to make sure we are meeting our performance objectives.

Much like our underwriting strategy, successfully balancing risk and reward is also at the heart of our well-defined and consistent investment philosophy. As we have said before, our investment portfolio is managed first and foremost to support our insurance operations and, accordingly, is positioned to meet our obligations to policyholders under a wide range of conditions. To that end, we emphasize risk-adjusted returns and credit quality rather than reaching for yield that is not consistent with the underlying risk. Even in the context of a record low interest rate environment and extremely volatile equity markets, our asset allocation is designed so that the predictable stream of investment income from our fixed income portfolio will provide a firm and reliable foundation for our business. That is the core of our investment philosophy, and we saw the benefits of this approach again this past year. In 2019, our high-quality investment portfolio generated strong net investment income of \$2.1 billion after-tax.

Succeeding Through the Forces of Change

A few years ago, we laid out a strategy to position Travelers for continued success in the context of the forces of change we have previously identified as impacting our industry – namely, changing consumer expectations, emerging technology trends, more sophisticated data and analytics, and evolving distribution models. In light of these trends, we established key innovation priorities and are investing in capabilities consistent with these priorities. As was has cor improv and ag

Strong Turning corner particular net wri as com written Premi with hi busine high-cl have as our bu achieve expos been in well, as with vl

(The segment's) marketplace execution was excellent, with net written premiums up 4% to a record \$13.6 billion. In our domestic business, we did this by achieving historically high retention while delivering almost 7 points of positive renewal premium change for the year, including renewal rate change of almost 1 point, both their highest levels since 2013. We also generated more than \$2.1 billion in domestic new business premiums, a 5% increase over the prior year. For the third consecutive year, we grew our domestic customer base (excluding the National Program business, much of which we put into runoff).

As impressive as those headline numbers are, the texture underlying how we achieved these results is just as compelling. We comment frequently about how we execute in a granular, account-by-account, class-by-class manner. For example, in our core Commercial Accounts business, our segmented execution of rate and retention resulted in a 10-point favorable loss ratio differential between the business we retained and the business we let go in 2019. In other words, through disciplined execution, we keep the business we want, after taking appropriate pricing action and do not retain the business that does not meet our return thresholds.

Bond & Specialty Insurance

(The Bond & Specialty Insurance segment) delivered a record \$2.7 billion in net written premiums, a 5% increase over the prior year. The segment delivered net written premium growth of approximately 8%, driven by premium growth in both Management Liability and Surety. The domestic Management Liability results reflect record levels of retention and new business. These results are just the latest example of this segment's remarkable performance over time.

Personal Insurance

2019 Record Net Written Premiums of \$10.0 Billion Personal Insurance results were excellent, with an underlying combined ratio of 91.8%. The segment achieved strong overall net written premium growth of 5% to a record \$10.0 billion, driven by high levels of retention, positive renewal premium change and higher levels of new business.

Our balanced portfolio of Auto and Homeowners and our ability to provide a whole account solution continue to be important differentiators for us. Our continued

the successful execution of our business and marketplace strategies over recent years resulted in record net written premiums of more than \$29 billion in 2019, with each of our business segments contributing.

These results are a testament to the strength and resilience of our franchise, built upon the competitive advantages that Travelers employees have developed over decades. That foundation enabled Travelers to deliver strong results in 2019 against the backdrop of what continued to be a demanding environment characterized by persistent low interest rates, continued uncertainty about weather volatility and a challenging tort environment.

We also continued to pursue our ambitious innovation agenda, which is designed to ensure that our competitive advantages remain relevant and differentiating to drive our long-term success. These efforts are largely geared toward positioning Travelers for top-line growth at attractive returns. At 100% we saw the bond record net written more than a de

Our 2019 Result

Travelers generated 4% over the prior year increase of 19 core return on is strong balance share by 17% and after continuing business and shareholders lin

Our Additional Inf

In other words, we have pursued growth without compromising our return objectives or changing our risk profile. This is evidenced by our underlying combined ratio, which has remained remarkably consistent over the past decade. In short, we are growing with confidence.

Underlying Combined Ratio



In terms of geography, as I have commented in the past, we continue to believe that geopolitical risk and economic instability around the world are underappreciated today. Accordingly, we like our North America concentration. That is not to say we do not continue to recognize value and

progress reflects the successful execution of our strategy to meet our customers where they are, give them what they need and leave them how they want. One example of this strategy in action is the continued successful rollout of our Quantum Home 2.0 product. Its granular pricing segmentation, customizable coverages and ease of quoting combine to form a solution that is both sophisticated and simple, delivering value to both agents and customers. Quantum Home 2.0 is now available in 36 states and the District of Columbia, contributing to the growth in Homeowners.

Our Claim Excellence

A review of last year's results would not be complete without acknowledging the continued excellence of our claim response. Our highly sophisticated claim model enables us to handle virtually 100% of our claims under nearly any foreseeable circumstance without resorting to third-party claim handlers, which produces a better experience for our customers and a more efficient outcome for us. Impressively, this year we resolved nearly 95% of our customers' property claims arising out of catastrophes within 30 days. Our claims-handling ability is more than just a competitive advantage – it lies at the very heart of our promise to take care of the customers and communities we serve. Every day, our claim professionals bring greatest expertise and dedication to their work, often going above and beyond on behalf of our customers. Their commitment and compassion go a long way toward reassuring customers who are facing challenging circumstances. Our customers and distribution partners often tell us that Travelers' claim service is a deciding factor in customers' insurance purchasing decisions. Seeing our claim organization in action, I have no doubt that is true.

Consistent and Successful Long-Term Financial Strategy Delivers Shareholder Value

It is always important to share our results in the context of what we are trying to achieve. At Travelers, our simple and unwavering mission for creating shareholder value is to:

- Deliver superior returns on equity by leveraging our competitive advantages;
- Generate earnings and capital substantially in excess of our growth needs; and
- Thoughtfully reallocate capital and grow book value per share over time.

This year marked the 14th consecutive year in which we increased our dividend. Our ability to generate a significant profit in the current environment, while also investing in our business and returning substantial capital to our shareholders, speaks to the value of our diversified business and our investment expertise.

In 2019, we once again produced strong underlying underwriting profit thanks to continued underwriting excellence and the successful execution of our strategy to create attractive top-line opportunities and to improve productivity and efficiency. The effective execution of our strategy over the past several years to grow the top line, or, as we say internally, "do more," has been an important contributor to the significant levels of underwriting income we are generating.

Our underwriting expertise is a hallmark of our success, and evaluating risk and reward is at the heart of what we

flexibility. By improving operating leverage, we can invest further in our strategic priorities, let the benefit fall to the bottom line and/or be more competitive on pricing without compromising our return objectives.

Growing Our Investment Portfolio

Another significant benefit of our efforts to grow the top line and improve productivity and efficiency is meaningfully higher levels of cash flow from operations. In 2019, we generated cash flow from operations of \$5.2 billion, the highest since 2007, and for the past four years, the average annual cash flow from operations has been approximately \$1.3 billion higher than the average over the prior six years.

This higher level of cash flow has enabled us to grow our investment portfolio by about \$6.4 billion over the past four years (after excluding the impact of changes in net unrealized investment gains (losses)). This increase in invested assets has meaningfully benefited our net investment income in a record low interest rate environment.

Invested Assets



Our Diversified Businesses

We engage broadly across nine major lines of insurance through our three business segments – Business Insurance, Bond & Specialty Insurance and Personal Insurance. Our portfolio is balanced across these lines of business and further diversified by geography, customer size and our deep underwriting specialization. Each of our businesses is high performing and contributed meaningfully to our 2019 performance.

Business Insurance

2019 Record Net Written Premiums of \$15.6 Billion

Business Insurance produced a solid underlying combined ratio of 96.2%, which included the negative impact of the environmental factors associated with a more aggressive tort environment mentioned above.



*Source: S&P 500 Company, Inc. Standard & Poor's Global Vantage. Data courtesy of S&P 500. All Company, Company, Inc. 2019 has been used.

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. We have been clear for many years that one of our crucial responsibilities is to produce an appropriate return on equity for our shareholders. This has meant developing and executing financial and operational plans consistent with our goal of achieving superior returns, which we defined many years ago as a mid-teens core return on equity over time. We emphasize that the objective is measured over time because we recognize that interest rates, reserve development and weather, among other factors, impact our results from year to year, and that there are years – or longer periods – and environments in which a mid-teens return is not attainable. In that regard, we established the mid-teens goal at a time when the 10-year Treasury was yielding around 5%, and in that environment, a mid-teens return was industry leading. As we have said before, our ability to achieve a mid-teens return over time going forward will depend on interest rates returning to more normal levels by historical standards. In any event, we will always seek to deliver industry leading returns over time.

Our 2019 return on equity of 10.5% and core return on equity of 10.3% again meaningfully exceeded the average return on equity for the domestic property and casualty industry, which was approximately 8.2% in 2019, according to estimates from Company, Inc., an insurance asset manager.

Importantly, over this 10-year period, our return on equity has also been less volatile than that of other in the property and casualty industry. The level and consistency of our return on equity over time reflect the value of our competitive advantages and demonstrate the discipline with which we run our business.

Our Financial Strength

We once again ended the year extremely well capitalized, with only \$500 million of debt maturing in the next six years and all our financial strength indicators at or better than our target levels, including a debt to capital ratio of 20.2% (21.7% excluding after-tax net unrealized investment gains included in shareholders' equity), well within our target range of 15% to 25%. Our strong balance sheet and our consistent returns over time have enabled us to grow book value per share and adjusted book value per share each at a compound annual rate of 7% over the last 10 years.

Adjusted Book Value Per Share



A Culture of Innovation

Our innovation agenda is designed to ensure that our competitive advantages remain relevant and differentiating. We are fostering a culture of innovation and have established an innovation ecosystem to develop key capabilities in service of our vision to be the **undeniable choice for the customer and an indispensable partner for our agents and brokers.**



Driving Innovation Across the Enterprise

To drive innovation and collaboration across the enterprise, we have designated a network of innovation leaders spanning our businesses and functions. This network is supported by hundreds of subject matter experts, software engineers, design specialists and data and analytics professionals. These teams deploy their unique insights, perspectives and skills to bring innovative products and services to market, better serve our customers and agent and broker partners and optimize our productivity and efficiency. One of our innovations, our **Wildfire Loss Detector**, leverages high-resolution images and machine learning to evaluate the space around a property to determine its likelihood of damage during a wildfire. We were proud to receive the **Garner Eye on Innovation Award** and a **QO-100 Award for our Wildfire Loss Detector** – a recognition of our efforts to leverage technology to better serve customers and create value for our business.



Fostering an Innovation Mindset

We have developed tools, training and events to foster an innovation mindset across the organization. To elicit new ideas, we regularly host innovation jams. These competitive events take place over 24 hours and feature cross-functional teams of employees developing technology prototypes to address business challenges and create customer solutions. These events have not only engaged thousands of employees but have also inspired a number of practical innovations and led to nearly 30 patent applications.



Strategic Partnerships

We position ourselves in the flow of innovation around the globe through our relationships with incubators, startups, venture capital and private equity firms, and others that are developing exciting new technologies and capabilities. Fostering new alliances broadens our perspective and enables us to identify new opportunities. Through these partnerships, we gain early access to new ideas and the chance to develop solutions to some of the most interesting challenges impacting our industry.

Investing in Our Future

Moments of crisis require that we focus our attention on the here and now. And yet, the forces of change also require us to look to, and plan for, the future. Fortunately, our position of strength gives us the ability to do both. In fact, we feel that it is exactly in moments like this that we must focus on our dual imperatives to **Perform and Transform.**

That is why we are continuing to pursue an aggressive innovation agenda and building a culture of innovation to develop the capabilities we need for the future by leveraging the best from both inside and outside our company. As we have discussed previously, it is not innovation for the sake of innovation; it is innovation in the service of a clear vision to be:

the undeniable choice for the customer and an indispensable partner for our agents and brokers.

In support of this vision, our innovation agenda is focused on three priorities:

- Extending our advantage in risk expertise;
- Providing great experiences for our customers, agents and brokers and employees; and
- Optimizing our productivity and efficiency.

We have the talent and expertise to navigate a rapidly evolving landscape, and we have the scale and resources necessary to innovate and invest for tomorrow while also continuing to deliver industry-leading results today. We believe the winners in our industry will be those with deep domain expertise that can continue to deliver industry-leading results while innovating successfully on top of a foundation of excellence. The value of our deep domain expertise cannot be overstated as the starting point for innovation.

Total Return to Shareholders¹



¹Assumes reinvestment of dividends. Data courtesy of S&P 500. All Company, Company, Inc. 2019 has been used.

we dividend each year and grow dividends per share at an average annual rate of 10%.

Dividends Per Share



Notably, since we began our share repurchase program in 2006, we have returned approximately \$45 billion of excess capital to our shareholders, including through \$35 billion of share repurchases, which is well in excess of the market capitalization of the company at that time. We repurchased those shares at an average price per share of \$67.39.

Our capital management strategy has been an important driver of shareholder value creation over time. We remain firm that our first objective for the capital we generate is to reinvest it in our business – organically and inorganically – to create shareholder value. For example, as we continue to grow our premium volumes, as we have for the past few years, we will reinvest more capital to support that growth. As the same time, we continue to invest in everything from talent to

we continue to generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade – by returning it to our shareholders through dividends and share repurchases. The capital we return to our shareholders in the form of dividends or share repurchases allows them to allocate their investments, dollars as they see fit, including by investing in companies with different growth profiles or capital needs, thereby efficiently allocating capital across the economy.

Total Shareholder Return

Ultimately, the success of our strategy – with all its component parts – drives our total return to shareholders over time. In these trying times, it is important to remember that we have a long track record of managing the company to create value over the long term, through periods of weather volatility, through anticipated and unanticipated developments impacting loss trends, and through both foreseeable economic cycles and more extreme economic conditions. With that in mind, the graph above compares our returns since the financial crisis to the returns for the Dow 30, the S&P 500 and the S&P 500 Financials.

We could not be more confident that executing on our long-term financial strategy, managing Travelers with

The Travelers Promise

Our sustainability – our ability to maintain our industry-leading position and maximize shareholder value over the long term – depends not only on successfully executing our financial strategy and innovation agenda but also on fulfilling the Travelers Promise. The Travelers Promise is our commitment to take care of our customers, our communities and our employees. This includes providing our customers with the security they need to invest in their families and businesses and being there to help them recover after a disaster. It also includes caring for the communities in which we live and work through good times and bad. We do this by supporting academic and career success, and by promoting the development of thriving neighborhoods and enriched communities. Finally, it is about making Travelers a great place to work for the best talent in the industry and a great partner for our agents and brokers. In the end, the Travelers Promise is about taking care of the people we are privileged to serve.

At Travelers, we have long understood that as stewards of our shareholders' capital, our responsibility is to create shareholder value. We do not see this mission as separate and apart from the need to uphold the Travelers Promise; we see them as inextricably linked. Only by successfully delivering on our financial strategy and executing our innovation agenda will we earn the resources we need to keep the Travelers Promise. And only by faithfully keeping the Travelers Promise will we earn the support of the key stakeholders essential to creating shareholder value.

I wrote about the link between shareholder value and the Travelers Promise in my annual letter to shareholders last year, and it was with that principle in mind that, in August 2019, I joined 140 other CEOs in signing the Business Roundtable's Statement on the Purpose of a Corporation. The statement articulates a shared commitment to delivering value to our customers, investing in our employees, doing fairly and ethically with our suppliers, supporting the communities in which

we work and generating long-term value for shareholders. My decision to sign the statement was an acknowledgment of how we have managed our business for decades. In fact, we articulated our long-standing view of sustained value creation earlier in 2019, when we published our first comprehensive sustainability website. I invite you to read more about our holistic approach to sustained value creation at [travelers.com/sustainability](https://www.travelers.com/sustainability).

I am confident that I can speak for my Travelers colleagues when I say that we take great satisfaction in our work – the service we provide to our customers, particularly during difficult times, the livelihood and support we provide to our employees and their families, the communities we make to our communities and, of course, the value we create for our shareholders. It is particularly during unique and unprecedented times like this – when people are nervous about what the next day will bring for them – that we show our enduring value. We are well positioned to continue to succeed through these challenging times, and we will continue to serve our customers today and in the brighter days that we are certain are ahead.

It is an honor to lead this great company. I am enormously grateful for the trust of the customers we are privileged to serve and for the confidence of our shareholders. I am also enormously grateful to everyone who works tirelessly to deliver our strong results. Travelers' success is only possible thanks to the drive and commitment of our employees, the insight and partnership of our agents and brokers, and the leadership and counsel of our Board of Directors.

Alan D. Schatz
Chairman and Chief Executive Officer

MESSAGE FROM THE CHAIRMAN AND CEO (PAGE 1)

CEO Message



At Travelers, we manage risk for our customers. We have been doing that successfully for more than 160 years. As we look ahead, sustaining our success requires that we do that and more.

Our continued success requires that we do three things successfully: **perform**, **transform** and make good on the **Travelers Promise**.

At Travelers, **perform** means executing on our long-term financial strategy to generate industry-leading returns on equity over time. In each of the past 10 years, we have outperformed the industry in terms of average return on equity, and, as a consequence, in creating shareholder value. By continuing to execute successfully on our long-term financial strategy, we will continue to outperform and create shareholder value.

Our formidable competitive advantages are the foundation of our success. However, we understand that the competitive advantages that have fueled our achievements over the past decade will not necessarily be the same as those we will need to continue to lead for the next decade. Consequently, **transform** means positioning the company to continue to perform by ensuring that our competitive advantages remain relevant and differentiating tomorrow and 10 years from tomorrow. To that end, we have embraced an ambitious innovation agenda guided by our vision to be *the undeniable choice for the customer and an indispensable partner for our agents and brokers*.

Perform is how we deliver industry-leading results today, and transform is the way we prepare to do so tomorrow. Each depends on the other, and both depend on one thing: the **Travelers Promise**.

The Travelers Promise is a commitment to take care of our customers, our communities and each other. This includes being there to help our customers recover after the storm, and also giving them the security they need to invest in their families and businesses. It also includes caring for the communities in which we live and work by supporting academic and career success, and promoting the development of thriving neighborhoods and enriched communities. Finally, it is about making Travelers a great place to work for our diverse workforce, the best talent in the industry, and a great partner for our agents and brokers. In the end, the Travelers Promise is about taking care of the people we are privileged to serve.

Put another way, for Travelers, sustainability comes down to this: Only by successfully delivering on our perform and transform agenda will we earn the resources we need to keep the Travelers Promise. And only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our perform and transform success. That is how we are going to deliver results next quarter and succeed for the next quarter century.

With that in mind, I invite you to read on about the ways we are driving sustainability at Travelers.

A handwritten signature in black ink, appearing to read 'Alan'.

Alan Schnitzer, Chairman and Chief Executive Officer

Lead Director Message



As independent Lead Director of Travelers, I am privileged to serve a company that helps our customers achieve their personal and business goals by protecting the things that matter most to them. I am also proud to oversee a management team that takes an integrated approach to sustained value creation.

As a Board, we have a responsibility – just as management does – to act as stewards of our shareholders' capital by creating shareholder value over time. We have long recognized that, to succeed in this mission, we must take care of our customers, communities and employees – or, as we refer to it, fulfill the Travelers Promise. We do not see our mission of creating shareholder value as separate and apart from our need to uphold the Travelers Promise. In fact, Travelers' success for over 160 years is owed, in large part, to upholding that Promise.

Our Board takes a holistic approach to its oversight responsibilities with the goal of ensuring that the decisions Travelers makes today maximize its long-term sustainability. In this regard, we work closely with Travelers' leadership to provide oversight of the company's business and financial strategy and operations, which are inextricably linked with the Travelers Promise.

In addition to overseeing capital allocation, investment management, enterprise risk management and other business topics traditionally overseen by boards, the Board also meets regularly with senior Travelers leaders to review strategic plans and initiatives related to a broad variety of business-relevant risks and opportunities. These include, for example, risks and opportunities related to changing climate conditions, data privacy and cybersecurity, ethics and compliance, human capital management, diversity and inclusion and community relations, to name just a few. Recognizing the importance of a strong company culture, our discussions include a focus on how the company is fostering a culture of candor and respect at every level of the organization.

This last year, for example, as we have done in the past, the Risk Committee and the Board met regularly with leaders throughout the organization, including the Chief Risk Officer, the Chief Underwriting Officer and the SVP for Catastrophe Risk Management, to discuss catastrophe risks, including weather volatility and changing climate conditions. Among other things, these discussions focused on Travelers' underwriting risk management approach in light of catastrophe volatility (particularly as it relates to wildfires), the potential impact to Travelers and its customers of climate-related perils and strategies for mitigating climate-related risks.

Technology and cybersecurity risks have also been top of mind for the Board and for me, as Chair of the Risk Committee. The Risk Committee and the Board meet regularly with the Chief Technology and Operations Officer and the Chief Information Security Officer to review evolving cyber risks and their impact on our company, our cyber products and our customers. In addition, as part of a larger strategic planning session, over the past year we reviewed strategies to ensure that Travelers' technology remains a strong foundation to support innovation in our businesses and drive improvements in our customer experience.

We recognize that given the pace of change in today's world, our business will continue to face new and evolving challenges. As a Board, we will continue to examine each issue with the attention and thoughtfulness it deserves, with the overarching goal of ensuring Travelers' ability to create shareholder value over time. We feel confident that this approach will enable Travelers to continue to perform today and transform for tomorrow.

On behalf of Travelers' Board, I look forward to continuing to serve the interests of our shareholders and other stakeholders. In the meantime, I encourage you to read more about Travelers' holistic approach to sustained value creation on this site.

Todd C. Schermerhorn, Lead Director

United Parcel Service

Proxy Statement Letter



Annual Report Letter



Sustainability Progress Report Letter



Proxy Statement

<http://www.investors.ups.com/static-files/6cf5536a-0574-449d-bde3-f4c09139a2de>

LETTER FROM THE CHAIRMAN AND CEO (PAGE 4)

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328

March 20, 2020

Dear Fellow Shareowners:

It is my pleasure to invite you to join us at UPS's 2020 Annual Meeting of Shareowners. After a 46-year career with UPS, this will be my last Annual Meeting as Chairman and Chief Executive Officer. UPS has been one of my life's passions and it has been an honor to lead such an exceptional company. As I transition to retirement, I look forward to passing the torch to Carol Tomé as she assumes the Chief Executive Officer role. Carol is one of the most respected and talented leaders in Corporate America, and she has been a UPS Board member since 2003. Carol has a proven track record of driving growth at a global organization, maximizing shareowner value, developing talent and successfully executing strategic priorities. Please join me in welcoming Carol into her new role.

Since our last Annual Meeting, UPS celebrated the 20th anniversary of our initial public offering. Even 20 years ago, UPS recognized the need to transform to facilitate growth. The IPO strengthened us and gave us the ability to grow, invest and make strategic acquisitions in markets around the world. It laid the groundwork for the Smart Global Logistics Network we operate today.

Moving forward, we are accelerating the transformation of nearly every aspect of our business, from leadership and culture, to operations and our go-to-market strategies. We are reinvesting a portion of our transformation savings into creating new customer-focused services to support our four strategic growth imperatives: small- and medium-sized businesses (SMBs), international growth markets, B2B and B2C e-commerce, and healthcare and life sciences. The momentum from our actions is building as demonstrated by the positive underlying performance of the business, and it is providing us flexibility to respond to the fast pace of change in the market.

The structural shifts in the market toward next-day and 7-day delivery in the U.S. provide tremendous near-term growth opportunity, and we are taking aggressive steps to speed up our network to help all customers adapt, especially SMBs. We are improving time-in-transit on lanes that serve about 80% of our customers, doubling the volume we handle on Saturday and launching Sunday delivery. These actions are designed to take advantage of opportunities today, while further diversifying our growing customer base and generating long-term profitable revenue growth.

Our Company is growing and becoming stronger, driven by the diversity of talent embodied in 495,000 UPSers around the world and our culture of continuous transformation. We have a proud 113-year history at UPS and are accelerating into the next decade of success for our Company, customers and shareowners.

Finally, I want to encourage all of our shareowners to vote. This is your opportunity to share your views with the Company. We listen and take your feedback into account as we continually seek to grow our business, improve governance and increase long-term shareowner value. We are grateful to those shareowners who have previously shared their views. As we approach the Annual Meeting, I encourage you to contact us with any questions or feedback at 404-828-6059.

On behalf of the entire Board of Directors, thank you for your continued support of UPS.

David P. Abney
Chairman and Chief Executive Officer

LETTER FROM THE CHAIRMAN AND CEO



Dear Fellow Shareowner,

2019 was a year of momentum for UPS.

We reached several important turning points in our transformation as we accelerate forward and progress to become the fastest, most technology-enabled company in our industry. Our global integrated network provided UPS and our customers great flexibility to respond to the fast pace of change in the market. Our innovative services and solutions helped our customers compete and grow, especially the small and medium-sized businesses (SMBs) we serve. And our people led us forward, delivering great service and fostering a culture of continuous transformation.

2019 also marked a significant milestone in UPS history. We celebrated the 20th anniversary of our initial public offering, the largest U.S. IPO on the New York Stock Exchange in the 20th century. Even 20 years ago, UPS recognized the need to transform to facilitate growth. The IPO strengthened our ability to grow, invest and make strategic acquisitions in markets around the world. It also laid the groundwork for the integrated Smart Global Logistics Network we operate today.

Our integrated network continues to expand and strengthen, and is powered by next-generation technology that is also enabling our enterprise-wide transformation. Technology is improving efficiency, creating additional flexibility, and increasing speed and scalability. It is the backbone of our industry-leading, data-driven solutions like UPS My Choice for Business and our Digital Access Program. It is the force that is enabling us to meet the growing demand of global B2B and B2C e-commerce. And it is the connective tissue that integrates UPS physical assets with our increasingly digital world.

Such innovations make it easier for customers to connect with UPS, access our services and enjoy more control over their inbound and outbound shipments. Our network is more responsive to the changing pickup and delivery conditions, thanks to our expanded use of route optimization and navigation software. Importantly, these actions and investments enable us to operate more sustainably. When coupled with our alternative fuel and alternative fleet solutions, we are reducing our environmental impact, the benefits of which will create long-term value for all stakeholders.

We are investing to increase efficiency and to create new capabilities that will generate high-quality volume growth. We launched more new solutions in 2019 than at any other time in recent history. The impacts of our transformation are becoming more visible in our operating performance, even as we invest in new capabilities. We achieved this success due to the

CUSTOMER FIRST. PEOPLE FIRST. INNOVATION DRIVEN.

Accelerating DELIVERIES

Speed of delivery is becoming increasingly important to consumers and is a critical competitive differentiator for many of our customers, both large and small. In 2019, we took advantage of the structural shift to faster next-day delivery, leveraging the strength of our expanding automated network to successfully absorb a 22% surge in next-day air volume, while strengthening our position as the e-commerce shipper of choice.

The rapid movement toward next-day and seven-day delivery in the U.S. provides tremendous near-term growth opportunities and we are taking aggressive steps forward to continue speeding up our network to help all customers adapt, especially SMBs. For example, we are improving time-in-transit for 80% of our customers, doubling the amount of volume we handle on Saturdays and launching Sunday delivery. These actions are enabling UPS to take advantage of today's opportunities, while continuing to diversify our growing customer base and generate long-term profitable growth.

In 2019, we forged new paths to accelerate deliveries, creating innovative solutions for our customers. We achieved a milestone in commercial drone aviation when the Federal Aviation Administration (FAA) certified UPS with the first full Part 135 Standard to operate a drone airline at WakeMed, moving lab samples across its vast hospital campus. Working in partnership with the FAA on approvals, we tested similar services at other hospitals and medical campuses, proving drone solutions can accelerate deliveries and provide shortened time-in-transit, helping healthcare professionals better serve their patients. We are continuing to work with the FAA to expand our drone capabilities, as well as create new, breakthrough solutions to serve the evolving needs of our customers.



Accelerating EFFICIENCIES

We made great strides expanding capacity and automating our Smart Global Logistics Network. Across the U.S., increased automation and improved efficiency drove unit costs down in 2019, helping fuel positive operating leverage and profit growth in the year. Adjusted operating margins expanded 50 basis points*, an indication that our strategy and investments are improving the fundamentals of the business.

As we move through our transformation and open more automated facilities, we remain confident that we will achieve our goal of a 30% to 35% increase in efficiency. The investments we are making are creating a more nimble, more competitive UPS, to better serve customers today and well into the future.

Here are some highlights for the year:

- >>> We added 11 high-capacity aircraft to our global fleet, the largest annual addition to date, in our multi-year fleet expansion program.
- >>> We opened 20 new or retrofitted automated facilities, adding nearly five million square feet and about 400,000 pieces per hour of automated sort capacity. Combined with 2018, we have opened a total of 41 facilities with 10 million square feet and approximately 800,000 pieces per hour of additional sort capacity.
- >>> We pulled forward efforts to accelerate the U.S. ground network, widening the reach of our next-day ground capabilities and speeding up transit times in key lanes.
- >>> In Europe, we opened a highly-automated superhub in Eindhoven, the Netherlands, a strategic location to connect Western European businesses to our Smart Global Logistics Network and facilitate market access around the world.
- >>> In Asia, time-in-transit improvements and the expansion of our Shenzhen, China air hub are enabling UPS to take advantage of regional growth.
- >>> We made wide-spread technology investments to expand our use of cloud infrastructure, improve cash flow management, and enhance procurement practices — all of which contributed to positive operating leverage.
- >>> We advanced the development of ORION 3.0, our proprietary route optimization and navigation technology that dynamically adjusts and recalculates driver routes based on the remaining packages and pickup requests on the route, together with changing traffic conditions and other factors. Deployment in 2020 is on schedule.

The investments we are making are strengthening our core business. Our integrated network is running exceptionally well, generating new levels of efficiency and flexibility. We continually adjust our network to align capacity with changes in market demand around the world, which results in a lower cost structure and positive operating leverage.

*See reconciliation of Non-GAAP financial measures on page 43. One basis point equals one-hundredth of a percentage point.



CUSTOMER FIRST. PEOPLE FIRST. INNOVATION DRIVEN.

Accelerating GROWTH

In addition to creating greater efficiency and agility in the network, our transformation program is funding investment in new state-of-the-art, customer-focused services and solutions. Our program is enabling UPS to pursue the best market opportunities for diversified revenue growth and long-term financial returns. These growth opportunities constitute our four Strategic Growth Initiatives.

>>> Small and Medium-sized Businesses (SMBs)

- We increased the number and variety of retail partners in our UPS Access Point network significantly in 2019, expanding the network to approximately 21,000 locations in the U.S. and 40,000 globally. Ninety percent of U.S. consumers will find a UPS Access Point location within five miles of their home, offering a new level of package pickup and drop-off convenience.
- We launched UPS My Choice for Business, giving small businesses unprecedented visibility and control over their inbound and outbound shipments.

>>> B2B and B2C e-Commerce

- We introduced the UPS Digital Access Program creating preferred relationships and embedding UPS technology directly into leading marketplaces and digital platforms such as Stamps.com, which many SMBs already use. Retail is becoming increasingly integrated across all digital channels as SMBs leverage tools to access larger pools of potential customers than they could have reached on their own. UPS's footprint touches all aspects of the e-commerce ecosystem, from demand generation and shipping to visibility and returns.
- UPS now enables customers to tender shipments later for next-day ground delivery to 98% of the U.S. population. UPS Extended Hours Pickup for next-day ground delivery solidifies our market-leading position in both next-day air and ground coverage.

- We expanded Saturday pickups and deliveries to help our customers deliver to consumers faster. And, in 2020, we expect to double the amount of Saturday volume we handled in 2019, and will continue to phase in Sunday delivery.

>>> International Growth Markets

- B2B and B2C businesses that export to key e-commerce destinations around the world now have a more affordable way to ship with UPS Worldwide Economy. This deferred service provides economical and efficient international options for small businesses shipping lightweight and less-expensive products.
- Customers are now able to reach more destinations with the expansion of our Express Services. Postal codes across 40 countries in Europe, Asia, Latin America, Africa and the Middle East were added, significantly expanding the footprint of our time- and day-definite guaranteed international services.

>>> Healthcare and Life Sciences

- Healthcare and life sciences customers often need a higher level of visibility and security for their most-critical shipments. To meet those needs, we created UPS Premier (next-generation, on-package sensor technology) which enables advanced package tracking and contingency actions for critical shipments.
- Additionally, we connected all of our global healthcare and life sciences businesses under a single, dedicated UPS Healthcare unit. Wes. Wheelie, a healthcare professional with deep experience, leads the unit which supports operations and includes a combined workforce of more than 5,000 employees from Marken, Polar Speed, and all 114 UPS healthcare facilities.

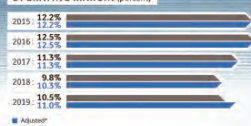
We are moving quickly and intelligently to provide our customers new levels of speed, visibility, control and market access while creating new revenue streams for UPS. And our solutions are taking hold. In 2019, we grew consolidated volume 5.8%, while expanding our operating margins in all three segments. We outpaced the market in U.S. air growth with double-digit volume increases in Next Day Air and our deferred services. Looking forward, we see many opportunities to accelerate high-quality, high-margin volume growth.



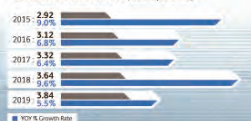
DILUTED EARNINGS PER SHARE (in dollars)



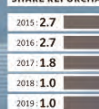
OPERATING MARGIN (percent)



DIVIDENDS DECLARED (dollars per share)



SHARE REPURCHASE



CUSTOMER FIRST PEOPLE FIRST INNOVATION DRIVEN

Accelerating EXECUTION

Our financial results demonstrate that our investments and strong execution are having an impact on the fundamentals of the business. Both top- and bottom-line results improved in 2019 due to increased demand for our services and new cost efficiencies in our network.

For the company, consolidated revenue grew 5.3% to \$74 billion and adjusted operating profit grew 10.4% to \$8.2 billion*.

Globally, we delivered more than 5.5 billion packages, a nearly 6% increase over 2018, driven by B2B and B2C volume growth in the U.S., which helped offset softness in global trade, particularly during the second half of the year.

In U.S. Domestic, revenue grew 6.7% to \$46.5 billion with volume growth across all products. Adjusted operating profit grew 12.7% to \$4.4 billion* and we generated a margin of 9.4%*, or 50 basis points higher than in 2018.

The International segment reported \$14.2 billion in revenue, a decrease of 1.5% due to the dynamic macro environment. Adjusted operating profit rose 6.7% to \$2.8 billion* and margins expanded, primarily driven by strong execution, cost management and innovative services with a focus on SMB market opportunities.

The Supply Chain and Freight segment delivered another year of strong results, with an 11.2%* increase in adjusted operating profit and healthy margin expansion. The diversity of our portfolio, coupled with our continued focus on SMBs, helped offset softer business conditions in certain business units.

Once again, UPS generated excellent cash flow — enabling us to invest in our network while rewarding shareowners. We invested \$6.5 billion* in adjusted capital expenditures and returned \$4.3 billion to shareowners, with \$1 billion of share buybacks and \$3.3 billion in dividends, a per-share increase of 5.5% over the prior year.

Executing our strategies for the long-term benefits all stakeholders — our shareowners, customers, employees, suppliers, and the communities we serve. Operating more sustainably is a core principle of our strategy and business operations. We pursue efficiency at every turn and deploy advanced technology to optimize resources and reduce our environmental impact. We are proud to have been named to the Dow Jones Sustainability World Index for the seventh consecutive year and the Dow Jones Sustainability North America Index for the 15th straight year. Plus, Corporate Responsibility Magazine named UPS to its "100 Best Corporate Citizens" annual listing for the 10th straight year.



Accelerating FORWARD

We are making significant progress in our transformation. Through the investments we are making today, our network — powered by next-generation advanced technologies — will become even more efficient and flexible. And as we look ahead, we will continue to introduce innovative solutions to help all of our customers grow. We are accelerating our strategies to take advantage of the tremendous growth prospects in the market today. Our actions will open new opportunities for our people and create additional value for our customers and shareowners in the near-term and well into the coming decade.

David Abney
David Abney
UPS Chairman and
Chief Executive Officer



Sustainability Progress Report

<https://sustainability.ups.com/media/2019-progress-report.pdf>

LETTER FROM THE CHAIRMAN AND FORMER CEO (PAGES 3-4)



David Abney
Chairman and Former CEO
UPS

CEO Message

The World Is Changing Fast. But UPS Is Faster.

As I write this letter for our annual Sustainability Report, it's difficult to think beyond the impact of the coronavirus pandemic on the economy, families, and communities around the world. Some suggest this isn't the right time to talk about environmental and societal issues, which may feel less urgent in the moment. But I think these conversations are critical—now more than ever. The crisis has sparked innovation, collaboration, and resilience I hope we apply to future global challenges.

UPS is considered an essential business in many countries, so we're doing our part to support global coronavirus response efforts, from helping customers realign supply chains and deliver critical supplies to providing funds and in-kind transportation to our humanitarian relief partners.

We couldn't support these efforts without the hard work and dedication of nearly 495,000 UPSers around the world. The safety of our people is top priority, and we are taking actions

"We will continue partnering with customers, governments, and nonprofits around the world so we all come back stronger and healthier from this crisis."

to keep them safe, including enhancing cleaning procedures, providing protective equipment, and introducing an emergency paid leave program to help UPSers impacted by COVID-19.

During uncertain times, you can always count on UPSers to deliver. We will continue partnering with governments, and nonprofits globally stronger and healthier from this crisis.

This mindset of resiliency underpins everything we do at UPS, from helping communities recover from disasters to creating more sustainable practices in business in a changing world.

Reflecting on Sustainability at UPS
It's amazing how much has changed since I joined the company as a part-time package loader nearly 40 years ago. We've expanded to international markets, and embraced innovation and optimization technology to drone delivery.

We also developed our Rolling Labor Agreement, which includes 10,300 lower-emission vehicles, and investments in alternative vehicles, fuels, and infrastructure. Knowing our customers are looking for more with less impact, we were the first to offer a carbon neutral shipping option.

UPS Sustainability

Sustainability at UPS

(continued)

Business Resource Groups, introduced in 2006, have advanced diversity and inclusion across the company, with nearly 200 chapters worldwide. And in 2019, we set new goals to address our environmental impacts, advance employee safety programs, and strengthen our communities.

Advancing Sustainability in 2019

I'm grateful to have had the opportunity to champion UPS's sustainability initiatives over the years. Today, the pace of change is accelerating, and UPS continues to adapt to stay ahead. In 2019, we advanced sustainability in a number of ways, including:

- Achieving four of our 2020 sustainability goals one year ahead of schedule, including donating \$117 million in charitable contributions; volunteering 20 million hours; planting 15 million trees; and reducing auto accident frequency by 5 percent.
- Making the U.S.'s largest ever investment in renewable natural gas, which will reduce emissions by more than 1 million metric tons.
- Adding more than 6,000 compressed natural gas vehicles to our fleet.
- Launching UPS Flight Forward™, one of the first U.S. Federal Aviation Administration-certified drone airlines.
- Introducing the annual Diversity & Inclusion Horizon Award to recognize business units that embrace diversity and inclusion to drive innovation.
- Investing more than \$1 billion in training and development programs to help employees build their skills and knowledge.

While we're on track to reach our goal to have 25 percent of vehicles purchased in 2020 run on alternative fuel or advanced technology, more work is needed to achieve our 2025 goals to reduce absolute emissions and use more renewable energy across our operations. We are accelerating efforts to advance these goals, including a recent investment in the U.K.-based startup Arrival, which will expand our fleet to include an additional 10,000 all-electric vehicles.

Preparing for the Future

I am thrilled that Carol Törnå, a member of the UPS Board of Directors since 2003, is stepping up as UPS's 12th CEO and I will become Executive Chairman. I will retire from the UPS Board on September 30, 2020. To ensure a smooth transition and successful peak season, I will remain as a special consultant through the end of 2020 and then retire.



"During my time as a UPS Board member, I have admired the vision and commitment that put UPS on a path to creating a more sustainable company—and world. I thank David for his many years of dedicated leadership at UPS, including being a steadfast champion for sustainability. I look forward to building on this foundation as we create the next generation of sustainability at UPS."

Carol Törnå
UPS Chief Executive Officer

after 46 years of service. On September 30, William Johnson, UPS Lead Independent Director, will assume the role of Non-Executive Chairman. With her experience, leadership and deep knowledge of UPS, Carol is well-equipped to take this great company to new heights.

As we face an urgent global pandemic and continue to address prevailing challenges such as climate change, UPS remains a force for positive impact. On countless occasions, UPS has met challenges through innovation and collaboration. I am confident we will continue to deliver solutions the world needs.

David Abney

David Abney
Chairman and Former CEO

UPS Sustainability Progress Report | 4



A Message From Our Chief Sustainability Officer

Listen, Learn, Lead.

As I close in on my first year at UPS, I'm reflecting on what drew me to join this organization. First, there's the company's reputation for integrity—when UPS commits to doing something, we deliver. Whether driving millions of miles in our alternative fuel and advanced technology vehicles, planting 15 million trees, or creating more sustainable ways to deliver packages, our commitments make a difference and set an example for others in our industry.

I was also impressed with the company's bold ambition. In 2016, UPS announced a goal to reduce absolute emissions 12 percent across global ground operations by 2025. The company set this goal despite anticipating significant growth in package volume—as well as energy use and emissions—as a result of skyrocketing e-commerce. We are addressing these headwinds and remain optimistic, as we're already seeing our investments in lower-emission vehicles and fuels beginning to pay off.

We're making progress, but there's even more that UPS can and must do. Our customers look to us to help reduce climate impacts across their supply chains. UPSers want to work for a company that balances profit with a responsibility to protect the planet and take care of its people. Additionally, investors and other stakeholders are raising the bar and expecting more from companies on all aspects of sustainability. We must keep challenging ourselves to go farther—and faster.

As we continue our enterprise-wide transformation, we're reimagining the possibilities of more sustainable facilities and fleets, such as near-zero-emissions buildings powered with microgrids and solar energy, as well as smart-grid charging and battery storage solutions for electric vehicles.

We are helping to commercialize and scale alternative fuels and technologies, including making the largest-ever purchase of renewable natural gas, and investing in vehicle startups to scale electric delivery trucks. And we're



"I'm proud to work for a company that accepts responsibility and has the clarity of purpose to lead. We don't have all the answers yet, but we're asking the right questions and creating innovative, long-term solutions."

Suzanne Lindsay-Walker
Chief Sustainability Officer and Vice President, Environmental Affairs

collaborating with NGOs on environmental targets for airlines and exploring pathways for lower-emission jet fuel options.

I'm proud to work for a company that accepts responsibility and has the clarity of purpose to lead. We don't have all the answers yet, but we're asking the right questions and creating innovative, long-term solutions. UPS has demonstrated time and time again that we can achieve big things when we put our minds and resources to the task. Today's realities are no exception, as evidenced by the efforts of UPSers on the front lines of the coronavirus response. This unprecedented time reinforces the need to continually future-proof our business so that we remain resilient.

During the past year, I've spent a lot of time listening and learning in an effort to understand UPS's business and sustainability journey—where we've been and where we're headed. As we shape what's next for sustainability at UPS, we will build upon the decades of progress and accelerate actions that serve our customers, support our people and communities, and address our environmental impacts.

UPS Sustainability Progress Report | 7

UnitedHealth Group

Proxy Statement Letter	✓
Annual Report Letter	✗
Sustainability Report Letter	✗

Proxy Statement

<https://www.unitedhealthgroup.com/viewer.html?file=%2Fcontent%2Fdam%2FUHG%2FPDF%2Finvestors%2F2019%2FUNH-Proxy-Statement2020.pdf>

LETTER FROM THE CEO SHARED WITH THE CHAIR OF THE BOARD

UNITEDHEALTH GROUP

9900 Bren Road East
Minnetonka, Minnesota 55343

April 17, 2020

Dear Shareholder:

We cordially invite you to participate in our 2020 Annual Meeting of Shareholders to be held on Monday, June 1, 2020, at 10:30 a.m. Central Time. We have been heavily engaged in and actively monitoring the coronavirus (COVID-19) outbreak and response efforts and are planning the Annual Meeting to be held solely by means of remote communication.

The safety and health of our country and the broader global community, the people we serve, our team members, their families and all our stakeholders consume all of our resources and priorities. We have fully engaged business continuity efforts to keep colleagues safe while continuing to serve the needs of our stakeholders and communities with minimal disruption. We have mobilized the full strength of our resources, grounded in clinical expertise, advanced technology and health information science, to deliver the best care for patients, support our members and care provider partners, and deliver innovative solutions and support for the benefit of the communities we serve and the entire health care system. We will continue to expand our efforts in response to the ever changing developments related to the COVID-19 pandemic as events evolve.

As a shareholder of UnitedHealth Group, you play an important role in our company by considering and taking action on the matters set forth in the attached proxy statement. We appreciate the time and attention you invest in making thoughtful decisions.

Attached you will find a notice of meeting and proxy statement containing information about the items upon which you will be asked to vote and the meeting itself, including different methods you can use to vote your proxy, including by internet, telephone and mail.

Every shareholder vote is important, and we encourage you to vote as promptly as possible. Instructions on how to participate in the Annual Meeting are included in the proxy statement.

Sincerely,



David S. Wichmann
Chief Executive Officer



Stephen J. Hemsley
Chair of the Board

Proxy Statement Letter



Annual Report Letter



Stewardship and Responsibility Report Letter



Annual Report

https://s23.q4cdn.com/587626645/files/doc_financials/2019/2019_Valero_Annual_Report_Web.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGE 5)

While the COVID-19 pandemic has left an unprecedented mark on 2020 already, we think it's important to highlight some of our 2019 accomplishments. They truly exemplify what differentiates our company in both good and challenging times.

In 2019, we delivered the best year ever for refinery employee safety as well as process safety, and the lowest number of environmental events in company history, demonstrating our enduring commitment to safety, reliability and environmental stewardship.

We continued to support the communities where we operate with employee volunteerism, financial charitable contributions and well-paying jobs. As a result, we were recognized once again as part of The Civic 50, a list of the 50 most community-minded U.S. companies.

We continued to deliver value to our shareholders, providing another year of steady earnings and cash returns through increased dividends and share purchases.

As we turn our attention to 2020, the COVID-19 pandemic has impacted the world around us. We extend our deepest gratitude, prayers and support to all the front-line responders who bravely care for us and strive to keep us all safe.

As the largest global independent manufacturer of transportation fuels and other petroleum products, Valero is part of the world's critical infrastructure. As a result, we kept our operations running to provide fuel needed to keep critical supplies and first responders moving, while operating safely and effectively. We even shifted production at some of our ethanol plants to make hand sanitizer and help alleviate shortages health care organizations and first responders were facing. Above all, the health, safety and well-being of our employees and the communities where we operate remain our top priority.

Across the globe, now more than ever, community support is vital. I am thankful our company can be there to continue helping our community partners in this time of great need with charitable gifts of more than \$3 million from Valero and the Valero Energy Foundation.

The COVID-19 lockdown has dramatically impacted all businesses, including Valero. However, our position of strength enabled us to make important operational and financial decisions to protect our company and our employees during this difficult time. We moved to secure additional liquidity to strengthen our already solid balance sheet, and adjusted throughput rates and production at our facilities in response to market conditions. We are well-capitalized, and are poised to meet product demands as the world re-emerges.

Looking forward, our commitment to delivering strong shareholder returns is unchanged even amid the challenging business environment. Our capital allocation framework continues to drive our decisions to maintain an investment-grade credit rating and non-discretionary spending that sustains our business and supports our dividend.

While we slowed down certain projects this year, we plan to continue investments that provide earnings growth and optimize our operations. For example, we continue to explore opportunities in our renewable diesel business, already the largest in North America.

Our team remains committed to the principles that have successfully guided our company, and when coupled with our operational and financial flexibility provide a strong foundation to move us forward.

Thank you for your continued support and trust.

On behalf of Team Valero, may you and your loved ones stay safe and healthy.



Joe Gorder
Chairman and
Chief Executive Officer

LETTER FROM THE CHAIRMAN AND CEO (PAGE 7)

A Letter from our CEO



“Our growth projects have positioned us as leaders in producing fuels for a lower-carbon world — with multibillion-dollar investments and actual production capacity in ethanol and renewable diesel that surpass our peers.”

Joe Gorder and employees take part in an annual food drive for the San Antonio Food Bank.

For the past 40 years, we have been fueling generations by advancing the future of energy through engineering innovations and unmatched performance. And we will continue to pursue our goal to be the best operator in the business while addressing global climate change risks and protecting our employees and the communities where we work and live.

While this report is about our 2019 accomplishments, the unprecedented times of the COVID-19 pandemic have brought significant changes to the world around us. Our business is considered critical infrastructure, as the products we make are essential to livelihoods and modern life. So we safely and responsibly continued to operate while ensuring we followed the recommended guidelines and best practices of the U.S. Centers for Disease Control and Prevention (CDC) and other health care authorities.

I am proud of Team Valero and its tireless focus on safety. In 2019, we delivered the best year ever on refinery employee safety performance along with the lowest number of environmental events in company history.

Since the start, 40 years ago, we have prioritized safety, environmental stewardship, community engagement, employee programs and strong governance. They truly exemplify what differentiates our company today.

We have always believed support of our community is vital. I am thankful our company is able to help people in this time of great need. We have contributed more than \$3 million from Valero and the Valero Energy Foundation in the first part of 2020 for COVID-19 relief. Also, I am proud of the innovation and efforts of our employees to shift production at our ethanol plants to make hand sanitizer, which was donated to first responders and others in need across the country.

Our greatest asset continues to be our employees. Their strong work ethic, ingenuity, generosity and volunteerism have helped Valero achieve both operational excellence and strong community ties. We proudly remain an employer of choice by providing challenging opportunities and promoting diversity and inclusion at every level and in every aspect of our company.

On the environmental side, our growth projects have positioned us as leaders in producing fuels for a lower-carbon world — with multibillion-dollar investments and actual production capacity in ethanol and renewable diesel that surpass our peers. So today, we are proud to add that, in addition to being the largest global independent refiner, we are the largest renewable fuels producer in North America.

Our team and our board of directors remain committed to continuous oversight of business risks, including climate change risks; reporting of environmental, social and governance matters; and maintaining robust regulatory compliance and ethical standards.

Our thoughts and prayers are with those who have been affected in the last months. We extend our sincere appreciation for all the front-line workers who are making personal sacrifices to keep us all safe.

Thank you for your continued support and trust.



A blue ink signature of Joe Gorder.

Joe Gorder
Chairman and
Chief Executive Officer

Valero Stewardship and Responsibility Report • 7



Proxy Statement

<https://www.verizon.com/about/sites/default/files/2020-Proxy-Statement.pdf>

LETTER FROM THE CHAIRMAN AND CEO SHARED WITH THE LEAD INDEPENDENT DIRECTOR

To Our Shareholders

2019 was a transformational year for Verizon. We continued to lead the wireless industry by becoming the first company in the world to launch a mobile 5G network and the first company to commercialize a multi-access edge compute service, while setting the standard for wireless network performance and reliability and rolling out our next generation Intelligent Edge Network architecture.

At the same time, our employees continued to delight our customers by providing them with the high-quality services and products they have come to expect from Verizon – resulting in well-balanced growth in revenues and profitability and a further strengthening of our balance sheet.

As impressive and important as our operational and financial achievements were, from the Board's perspective the company's most significant accomplishments in 2019 are those that position us to grow and thrive in the years to come. Throughout the year, the Board oversaw and led a series of initiatives that we believe will position Verizon to compete and win in the marketplace into the future.

Corporate Purpose and Culture

The Board believes that Verizon must effectively address and balance the interests of all of its stakeholders – shareholders, employees, customers, communities, suppliers and others – in order to put itself in the best position to serve its customers, provide critical services to the community and grow profitably over the long-term.

This belief is reflected in the breadth and aspiration of our corporate purpose to "create the networks that move the world forward."

It is also reflected in the values underlying all of our decisions:

- Integrity
- Respect
- Performance Excellence
- Accountability
- Social Responsibility

Verizon reinforces our purpose and culture throughout the organization in a variety of ways. Using town hall meetings, webcasts, digital communications and both broad-based and targeted messages from our most senior leaders, we

aspire to ensure that every employee understands the company's purpose and strategy to reach our goals.

We want Verizon to be a place where employees love what they do and where they believe they can use their creativity, curiosity and unique talents to make a real difference. By ensuring that the company's culture is fully understood throughout the organization, we believe that all of Verizon's employees will be inspired to help the company realize its potential.

Organizational Structure

In the past, Verizon organized our operations around the technology operated to services to customers fiber-based to individual

In 2019, we Now, the Company's retail services, technology of our business provide services. Our Media content to

We thought technology different companies giving us different approaches to services at

This new structure customers' respond to that we can things with

As we implement cases involving the job as

very important to the Board that our employees' reactions to the changes were closely monitored and their concerns addressed. In order to do that, the company implemented quarterly pulse surveys that all employees were encouraged to complete. As a result of enthusiastic executive sponsorship, the response rate to the surveys has been very high. The survey results are monitored by the Board, and conveyed to management on a group-by-group basis so they can address any concerns raised. To date, survey responses have reflected increased engagement and ownership by our employees, and we expect that trend to continue as the surveys are becoming a routine quarterly opportunity for employee interaction.

Human Capital Management

One of the most significant characteristics of Verizon's business is that customer needs and the technologies available to meet those needs are changing very rapidly. It is easy to forget that the first smartphone was introduced only a little over 12 years ago. In that time, not only have wireless communications capabilities advanced, but wireline communications have also transformed as customers have increasingly moved away from largely copper-based voice and limited data services to sophisticated fiber-based services.

These changes have affected, and will continue to affect, the roles and responsibilities of every one of our over 130,000 employees – from the engineer who needs to provide an enterprise customer with services over a software-defined network as opposed to a customized hardware-based network, to the retail representative who needs to keep abreast of the increasing capabilities of the newest phones and smart watches, to the customer service representative who is now asked to help troubleshoot questions about sophisticated network terminals in addition to simple copper telephone lines.

As a result of these challenges, at the Board's direction the company has conducted a comprehensive strategic review of its workforce skills and needs. The review identified the skills and capabilities necessary to implement the company's strategy into the future and any gaps that currently exist. Based on that review, we are engaged in a process to continue to evolve and optimize the skills of our workforce through reskilling and supplementing where necessary.

In addition, in 2019 Verizon conducted a broad-based leadership training program that provided more than 30,000 employees with new skills necessary to develop individually and grow our businesses.

Compensation

Commencing in June 2019, the Board's Human Resources Committee undertook a holistic review of our incentive programs focusing on areas to preserve, strengthen and transform to ensure that our programs continue to reflect our compensation guiding principles, take into account input from many of our largest investors, and strengthen our pay for performance alignment in light of our new organizational structure. As a result of this review, the Human Resources Committee made the following key changes to the company's short-term incentive and long-term incentive programs commencing with the 2020 incentive plan awards:

Short-Term Incentive

- Replace EPS with operating income as a metric
- Introduce unit-specific financial and operational performance metrics for business unit employees
- Increase the weight of ESG factors to strengthen our corporate purpose and culture for corporate employees

Long-Term Incentive

- Incorporate EPS as a vesting metric for the performance stock unit (PSU) component of the annual long-term incentive awards to focus on long-term profitability and retain relative total shareholder return as a modifier to the PSU vesting percentage
- Pro-rate the vesting of future long-term incentive awards upon an involuntary termination of employment from the company without cause

Because these changes are effective for the awards granted in the 2020 compensation year, these changes will be discussed in more detail in the Compensation Discussion & Analysis included in next year's proxy statement.

Conclusion

In 2019, Verizon established the foundation for our future. Thank you for the confidence you have shown as shareholders of the company. It is a privilege to serve you as Directors of Verizon and to have the opportunity to help lead this great company.

Sincerely,
Hans Vestberg
Chairman and Chief Executive Officer
Clarence Otis, Jr.
Independent Lead Director

LETTER FROM THE CHAIRMAN AND CEO (PAGES 3-5)

Dear Shareholder,



Hans Vestberg
Chairman and
Chief Executive Officer

As we began 2019, Verizon had just launched the world's first commercial 5G network, and with it, a technology that would define the future of our company – and our industry – for years to come.

Establishing the promise of what 5G can deliver for our customers, for our company, for our investors, and for society as a whole, was a key objective for Verizon in 2019, but so was continued strong performance in our core business.

We demonstrated that "5G Built Right" – the kind of network that only Verizon is in a position to deliver – will generate not only a Fourth Industrial Revolution, but a new era of sustainable innovation and inclusive growth.

This conviction guided our strategy for 2019 and shaped everything we accomplished over the course of a very exciting year.

We've long believed that 5G would be so much more than merely a "next generation" of wireless. In some ways, it's more like an entirely new technology.

In order to ensure that the market fully appreciates both the transformative potential of 5G and Verizon's unique capacity for delivering on that potential, our company has reshaped itself to address the needs, expectations, and requirements of current and potential customers.

This was the impetus for our Verizon 2.0 strategy, the implementation of which was a critical priority for 2019.

Three imperatives guided us in the execution of this strategy:

First, to preserve the immense advantages that this company has inherited from its proud past.

These include a highly skilled workforce; a deeply trusted brand; and a network infrastructure that is second to none.

Second, to strengthen these core assets in order to retain market leadership at a time of increased competition.

Our skilled workforce would need new training; new tools; and new organizational structures that maximize openness and innovation. Our brand would need new resonance in a market defined by ever-increasing consumer choice. Our network infrastructure would need an accelerating progress toward 5G.

Third, and most important, to transform our operations wherever needed in order to not only keep pace with change, but to drive the change.



The first major manifestation of Verizon 2.0 was the reorganization of our entire company into three groups – Verizon Consumer, Verizon Business, and Verizon Media – which are defined by our customer-facing operations. This structure reflects our conviction that 5G and its related technologies require us to reimagine how we serve customers' needs – both now and in the future.

Each of these groups is led by an outstanding senior executive: Ronan Dunne, EVP and Group CEO - Verizon Consumer; Tami Erwin, EVP and Group CEO - Verizon Business; and Guru Gowarajan, EVP and Group CEO - Verizon Media.

With the Verizon 2.0 organizational structure in place, we focused on the technology that had necessitated the revamp in the first place – 5G.

In my start-of-year keynote at the Consumer Electronics Show in Las Vegas, I introduced the themes that would guide our thinking and our actions on 5G over the rest of 2019, including our devotion to the concept of "5G Built Right."

In order to enable the full promise of 5G, a network needs to be built to deliver what we refer to as "currencies" – specific capabilities of fifth-generation technology.

These include such qualities as a peak data rate at least 10 times higher than anything seen before, and latency (or signal lag) only about one-tenth that of 4G.

Only a network built on millimeter wave spectrum, like Verizon's, will be able to fully take advantage of all of 5G's currencies.

Thanks to our investment of capital and effort over the last several years, Verizon is positioned to bring together all of the components that a transformational 5G network requires – the fiber, the real estate, the millimeter-wave spectrum, the small-cell infrastructure, and other key ingredients of a 5G network built right.



Only 5G built on this type of foundation will be able to fully support virtual reality, augmented reality, the Internet of Things, advanced robotics, 3D printing, wearable tech, and the other next-generation technologies that our customers will be looking for.

Our progress toward a fully operational and transformational 5G network reached some important milestones in 2019. On April 3, Verizon became the first company in the world to give customers a 5G-enabled smartphone linked to a 5G network, and the number of cities receiving Verizon 5G reached 31 by year end.

We have also seen growth in the number of businesses interested in using 5G as companies large and small are beginning to deploy this technology to generate results. Among them is Corning, which is turning to 5G to enhance efficiency at one of the world's largest fiber optic cable manufacturing facilities.

We're just getting started. This year our 5G Labs made breakthroughs in edge-of-network cloud technologies that will make mobile devices much more powerful.

Our expansion in 5G is also helping us to address our responsibilities in a world where consumers and investors are increasingly calling upon corporations to uphold such values as environmental sustainability, economic inclusivity, and workforce diversity.

We regard these values as wholly consistent with – even essential to – the advancement of our business objectives. In fact, we see our business as a catalyst for the human connections and technological progress that the world needs to tackle the challenges of our time.

Our company's purpose statement that we introduced in November captures the powerful relationship between connectivity and progress: "We create the networks that move the world forward."

Our company's purpose statement captures the powerful relationship between connectivity and progress: "We create the networks that move the world forward."

At around the same time, we unveiled one of the ways we're pulling power behind our purpose: A new volunteerism program that will enable the 195,000-strong V-Team to have a greater impact than ever.

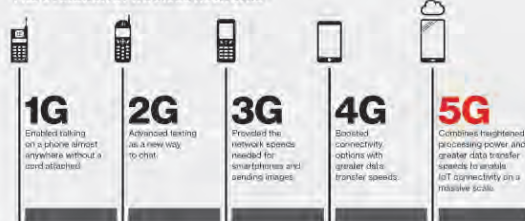
We're focusing our company's social responsibility efforts and volunteering campaign on three pillars – digital inclusion, climate protection, and human prosperity – and our goal is to dedicate 2.5 million volunteer hours to these priorities by 2025.

All of this – the introduction of Verizon 2.0, the investments in 5G, the attention to our role as a corporate citizen – is intended to further establish our company as a great place for our employees to work and a great place for our customers to place their trust.

Everything we have done in 2019 was directed toward these goals, and we are looking forward to making extraordinary progress in the new year and the new decade ahead.

Hans Vestberg
Chairman and Chief Executive Officer
Verizon Communications Inc.

The evolution of wireless networks



MESSAGE FROM THE CHAIRMAN AND CEO (PAGES 3-4)

2019 ESG Report


ApproachGovernanceEnvironmentalSocialCommunityAppendix

Message from the Chairman and Chief Executive Officer

At Verizon, one of the world's leading information and communications technology companies, our corporate purpose is to create the networks that move the world forward. This purpose is in line with my long-held belief in the inherent power of mobility, broadband and cloud to solve global societal challenges, a conviction that is even stronger today, as 5G brings on the Fourth Industrial Revolution, and with it, a new era of sustainable innovation and inclusive growth.

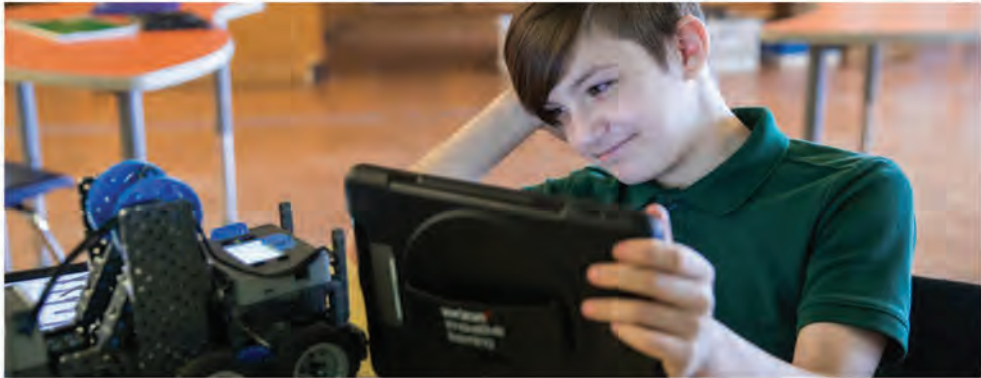
In 2019, we aligned our business around a new Verizon 2.0 strategy (read more about Verizon 2.0 in our [2019 annual report](#)) to better position us to achieve our purpose and to lead the industry and connect society. At the heart of Verizon 2.0 is a commitment to consider how our company interacts with all our stakeholders, including customers and shareholders, as well as our employees, our ecosystem of suppliers and society overall. We are dedicating our assets: our 135,000-plus employees, our influence as a purchaser of more than \$63.5 billion of goods and services, and our technology and innovation to create positive impact in a sustainable way.

Important to this is an effective strategy to deliver social, economic and environmental benefits to the world, while also managing our environmental, social and governance (ESG) issues. We view ESG issues through two lenses: risks and opportunities. For example, we understand that climate risk is business risk, and we are taking bold steps to make our networks



2019 ESG Report

ApproachGovernanceEnvironmentalSocialCommunityAppendix



more climate resilient and to minimize our environmental footprint. At the same time, we believe the next-gen technologies enabled by Verizon's 5G technology will not only present tremendous opportunities to deliver value to our stakeholders but also provide critical solutions toward a sustainable future and a low-carbon economy.

In addition, we are working to align our business strategy with the United Nations (UN) Sustainable Development Goals (SDGs) and ground these efforts in the UN Guiding Principles on Business and Human Rights. As a member of the UN Sustainable Development Solutions Network and board member of the UN Foundation, I have supported the UN SDGs since their inception. So far, we have set aggressive goals that align to the targets of several SDGs that focus on climate and education. These goals are

detailed in the following section of this report. In addition to the SDGs, the commitments we've made as a UN Global Compact member guide our strategy.

As we celebrate the 20th anniversary of Verizon, a name that combines the Latin word for truth with the English word horizon, we can scarcely conceive of what the next 20 years will hold. But with our eye always on the horizon, we will continue to honor the commitment our founders made to truth and transparency as we move forward toward achieving our ambitious goals.

Hans Vestberg
Chairman and Chief Executive Officer, Verizon

Proxy Statement Letter



Annual Report Letter



Corporate Responsibility & Sustainability Report Letter



Annual Report

https://s24.q4cdn.com/307498497/files/doc_downloads/Visa_Inc_Fiscal_2019_Annual_Report.pdf

LETTER FROM THE CHAIRMAN AND CEO (PAGES 4-10)

CHAIRMAN AND CEO LETTER

Dear Shareholders,

Over the last 12 months, Visa made tremendous progress leading a dynamic industry and advancing the growth of digital payments globally. Against a backdrop of geopolitical challenges and uneven global economic conditions, Visa delivered outstanding financial and operating results.



Visa is not only a facilitator of payments between consumers and businesses. With new ways to pay, we are evolving into a company that enables money movement for everyone, everywhere. In fiscal year 2019, we made significant strides in advancing our goal to be a single connection point for initiating any transaction, both on the Visa network and beyond.

In this year's letter, I highlight the factors that drove our strong results and the strategies we put in place to secure our long-term success, including:

1. Growing Our Core Business
2. Expanding Partnerships
3. Opening New Payment Flows
4. Enhancing Our Value-Added Services

Visa has a rich legacy of aligning our business and our purpose, and that is more relevant now than at any time in our 65-plus year history. Our investments and partnerships have always focused on ensuring we drive shareholder value while delivering inclusive societal value. We strongly support the increased focus on purpose among business leaders. That is why we were proud to sign the Business Roundtable revised Statement of Purpose in August.

Of course, Visa is a global enterprise and we are working towards building an ecosystem that serves everyone across the world. We do this by listening to our employees and the communities where they live, operating responsibly and ethically, and focusing on driving unparalleled value to our clients.

As part of the World Bank's goal of Universal Financial Access by 2020, we committed to helping provide financial access to 500 million consumers by 2030. At the end of fiscal year 2018, we reached 390 million consumers worldwide with first-time access to a digital payment product through a Visa-branded account and are confident we will make our 500 million commitment by the end of the 2019 calendar year.

Later in this letter, I outline the other steps we are taking to advance Visa's mission and operate as a responsible corporate citizen.

Growing Our Core Business

Consumer expectations are increasing by the day. In response, Visa continues to improve the point-of-sale experience, ensuring digital payments are easier, secure, more seamless, and more readily available for buyers and sellers, whether they are transacting in person or online.

Ecommerce

Digital commerce growth is outpacing physical retail growth, presenting an opportunity to evolve both the security and consumer experience around ecommerce. In fiscal year 2019, we continued the successful implementation of our Visa service, and the service is now live in markets with 410 million tokens issued. The new technology works by encrypting consumer's card-related sensitive info such as personal account number, unique identifier or token, which are transactions when a card or shopper is physically present. Today, Apple Pay, Pay, Here, and Samsung Pay use Visa service. The combination of that new transaction functionality with the account tokenization capabilities we from Rambus Inc. will facilitate safer, secure payments across a broader set of payment types.

Tap to Pay

Tap to pay is a powerful technology that accelerates our efforts to move the \$17 trillion of global consumer spending done in cash and check to our network. Outside the U.S., tap to pay now represents more than 50 percent of face-to-face transactions that run over our network, up from less than 30 percent just two years ago. For a number of reasons, the U.S. has lagged behind most developed countries in adopting tap to pay. During the year, we made great strides in deploying the technology in the U.S. There are now over 100 million Visa contactless cards in the U.S. and more than 80 out of Visa's top 100 merchants in the U.S. have enabled customers to tap to pay at checkout.

Transit continues to be a compelling use case for our consumers. By tapping in riding public transportation to and from work, home or school, tap to pay has been used more than four years. Retail users tap to pay significantly more than non-retail users. The New York MTA pilot on select subway and bus lines that launched this year has already reached two million taps, based on the very encouraging early results, we expect transit tap to pay adoption to move quickly in the U.S. in the coming years.

Expanding Partnerships

Partnerships are fundamental to Visa's business model. We are building new relationships with emerging players in digital banks, wallets and a range of other while deepening our engagement with existing financial institutions and their partners. We asked our Visa Fintech Hub program globally to provide our

partners with the tools they need to more easily scale and leverage Visa's reach, capabilities and security. Additionally, the new Visa Partner Portal provides comprehensive services and resources — including access to Visa application programming interfaces (APIs) — to help fintechs and all of our ecosystem partners bring new ways to pay to life.

We are already seeing strong results around the world, including a new agreement with Revolut that enables this leading global fintech to expand its business to five regions, reaching 24 new countries. In Southeast Asia, we have partnered with and invested in Gojek, a mobile super app, featuring more than 30 different verticals, spanning payments, food delivery, ride-hailing, laundry, courier services, tickets and more.

With regards to our more traditional partnerships, we extended our long-standing relationships with JP Morgan Chase, Bank of America and BBVA, among others. We continue to lead in the co-branded card category, where 11 of the world's top 20 co-branded cards are Visa cards.

Opening New Payment Flows

In fiscal year 2019, we challenged ourselves to unlock a tremendous opportunity that exists beyond consumer to business (C2B) physical and payments, and beyond our proprietary network. In doing so, we are establishing a strong platform for growth, positioning Visa as the network of choice for any type of payment from anyone to anyone, including person to person (P2P), business to consumer (B2C), business to business (B2B) and government to consumer (G2C).

Visa Direct

Visa Direct is our platform for "pushing" payments directly to a bank account or card, often in near real time. The platform's capabilities open our network to power entirely new types of payment flows, from on-demand gig economy wages and cross-border remittances to insurance disbursements. In fiscal year 2019, these push transactions drove the growth of Visa Direct to more than 100 percent.

In many cases, the work we are doing with clients and partners is updating outdated and time-consuming processes that offer tangible benefits to everyone. For example, Visa is working with FNC Bank and Ge Insurance to let their customers choose to have an electronic claims payment delivered to their bank account in real time, and InsurWise by Shengye Technology is exploring real-time funds disbursements for American family insurance.

Earthport

This year, we acquired Earthport, a strategic acquisition that expands the reach of Visa. Earthport operates the largest independent Account Clearing House (ACH) network in the world, enabling Visa to reach 90 percent of the world's banked population in 88 countries, including the top 50. Earthport not only significantly increases our reach, it also delivers a simplified and more cost-effective cross-border payment and money movement experience to consumers and small businesses. The acquisition of Earthport is a good example of how we are expanding our business into new payment types beyond our traditional network.

CHAIRMAN AND CEO LETTER



Outside the U.S., tap to pay represents more than 50% of face-to-face transactions



In fiscal year 2019, Visa Direct transactions grew more than 100 percent year-over-year

The Visa Partner Portal helps fintechs bring new ways to pay to life

ANNUAL REPORT 2019 7

Trends in Investor Communications

Corporate Responsibility & Sustainability Report

<https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2019-corporate-responsibility-report.pdf>

LETTER FROM THE CHAIRMAN AND CEO (PAGES 1-2)

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Letter from Our Chairman & CEO

As I write this, the world is going through a period of significant uncertainty and change. From the health and economic crises brought about by the COVID-19 pandemic, to the critical goal of achieving an inclusive and equitable society, to the urgent need for action

As CEO, I must ensure that Visa adapts to the realities of the time. Building trust, connection and community has never been more important. As a network of networks, Visa helps keep commerce running safely and securely, enabling nearly \$12 trillion in total payments and cash volume worldwide annually. We are partnering with small businesses to develop solutions to new business challenges supporting communities in need. Visa is committed to maintain our role as an open, collaborative partner and leader as the long-term economic recovery begins.

Around the world, companies like Visa are doubling down on our commitments to be part of the solution. In 2019, on behalf of our 20,000 employees, I personally signed the Business Roundtable's statement on the Purpose of a Corporation, a significant moment in the continued evolution of the role the private sector plays in society. My signature reflects Visa's steadfast commitment to work toward our vision of an inclusive and sustainable world through service to a broad set of stakeholders — including our employees, clients, investors, local communities, governments, regulators, broader society and our planet.

With this as a backdrop, I am pleased to share Visa's annual Corporate Responsibility & Sustainability Report, detailing our continued progress to connect the world and enable individuals, businesses and economies to thrive. I am proud of the efforts of our global team across the Visa areas of focus, including these 2019-2020 highlights:

- Our achievement of the 2015 goal to provide 500 million previously unbanked or underserved people with access to a Visa branded payment account by 2020.
- Our work to support women's economic empowerment by leveraging the full reach of our network, brand and financial resources, including our She's Next and SheTrades initiatives and our expanded sponsorship of women athletes, teams and sports events.
- Our efforts to expand employee opportunities through learning and development resources and a renewed emphasis on taking our inclusive culture to the next level by increasing diversity across our teams.
- Our leadership in protecting consumers and commerce alike by championing ecosystem security including, among other topics, cybersecurity and tokenization.
- Our progress in minimizing Visa's environmental impact and contributing to climate action by achieving our goal of a 100 percent renewable electricity transition by 2020, and by expanding our efforts to inspire and empower sustainable living through our work with transit agencies and the sustainable travel industry.
- Our recent announcement of the Visa Black Scholars and Jobs Program, a \$10 million fund to provide scholarships to college-bound Black and African American students. Upon graduation, all recipients who have met their commitments will be guaranteed a full-time job with Visa.

All Visa efforts are built upon our solid foundation of operating responsibly, ethically and transparently. This foundation also includes our commitment to strong and independent oversight by our Board, our culture of ethics and integrity, our respect of human rights and our political transparency and accountability. I am also proud of the third-party recognition of our work, including being listed as one the World's Most Ethical Companies, as a member of the Dow Jones Sustainability Index and as one of the 100 Most Just Companies.

As I look to the remainder of 2020 and beyond, I share Visa's renewed and strengthened commitment to be a leader working collaboratively toward an inclusive and sustainable future. We must continue to take direct action to create pathways for the underserved to become part of the formal financial system. We must invest further in small and micro businesses — particularly women-owned — to help economies recover from the COVID-19 pandemic stronger than ever. We also must continue to take urgent climate action in support of the transition to a clean, decarbonized and sustainable global economy. We recognize that we will not always have all the answers, but we believe we can always be part of the solution.

Now, I invite you to read further about Visa's commitment to, and progress toward, a more resilient and sustainable future — for everyone, everywhere.

Sincerely,



Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer, Visa

Walgreens Boots Alliance

Proxy Statement Letter	✓
Annual Report Letter	✗
Corporate Social Responsibility Report Letter	✓

Proxy Statement

🔗 https://s1.q4cdn.com/343380161/files/doc_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf

MESSAGE FROM THE LEAD INDEPENDENT DIRECTOR (PAGE 1)

Message from our Lead Independent Director

Dear Fellow Stockholders:

As your lead independent director, I am pleased to present the Walgreens Boots Alliance Proxy Statement and cordially invite you to our 2020 Annual Meeting of Stockholders to be held on Thursday, January 30, 2020 at 8:30 a.m. Eastern Time at HOTEL DU PONT, Gold Ballroom, 42 West 11th Street, Wilmington, Delaware 19801. We look forward to seeing you there. Even if you cannot attend in person, your vote is very important. Please vote at your earliest convenience.

On behalf of the Board, I would like to take this opportunity to reaffirm to you, our fellow stockholders, our steadfast and ongoing commitment to strong corporate governance. We are committed to rigorous independent Board leadership and open communication and collaboration with stockholders. We thank those of you who met with us over the past year and provided invaluable input to our corporate governance practices.

The industries in which we operate continue to face unprecedented pressures and change, but our Board believes that effective governance is a critical driver of our long-term strategy. Oversight of our business strategy is a key responsibility of the Board, and throughout the year we provide oversight and guidance to management, both as a full Board and through our Committees. We also exercise oversight over the elements and dimensions of the major risks that we face. I encourage you to read more about our governance structure and practices in this proxy statement.

Our Company's purpose is to help people across the world lead healthier and happier lives, and our core values are trust, care, innovation, partnership and dedication. The Company is proud to be a force for good, leveraging many decades of experience and its international scale to care for people and the planet through numerous social responsibility and sustainability initiatives. Walgreens was named to FORTUNE® magazine's 2019 Companies that Change the World list, and Boots UK was recognized as Responsible Business of the Year 2019-2020 by Business in the Community.


In fiscal 2019, the Company reached a number of Corporate Social Responsibility (CSR) milestones, including:

- helping to provide more than 50 million vaccines to vulnerable populations in some of the poorest countries in the world;
- reaching more than 200 million women and children in underserved communities with vitamins and minerals; and
- raising more than \$100 million for programs aimed at providing vital health and other services to children in need.

The Board also cares deeply about the devastating impact of the U.S. opioid epidemic on our communities. Given its scale of operations and reach in local communities, our Company, under the Board's oversight, has made positive contributions on this issue, including the continuing expansion of its multi-million dollar effort to help address prescription opioid abuse.

On behalf of my fellow independent directors and the entire Board, thank you for your partnership and investment in WBA. We appreciate your trust and confidence in our leadership.

Sincerely,



William C. Foote
Lead Independent Director

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2020 Proxy Statement 1

CSR Report

https://www.walgreensbootsalliance.com/sites/www/files/asset/Walgreens-Boots-Alliance-2019-Corporate-Social-Responsibility-Report_2.pdf

MESSAGE FROM THE EXECUTIVE CHAIRMAN SHARED WITH THE EXECUTIVE VICE CHAIRMAN AND CEO (PAGE 1)

GRI Disclosure 102-14

Message from Our Leaders



James Skinner (l) and Stefano Pessina (r)

Hundreds of millions of people around the world struggle to access healthcare and adequate health information, and affordability is often a barrier to access. As a leading global pharmacy retailer and wholesaler we believe it is our responsibility and a business imperative to respond to these immense societal challenges in markets across the world.

Our stakeholders - from consumers and patients to government bodies and investors - expect us to help improve access and affordability and to boost awareness around health issues ranging from mental health and dementia to managing chronic conditions and medication adherence. They also call on us to do our part to help prevent opioid abuse. [Our Board Report on Oversight of Risk Related to Opioids](#), published during fiscal 2019, outlines our response to the devastating impact of the opioid epidemic in communities in the U.S.

We are pleased to report our progress on these urgent issues and our sustainability commitments in our 2019 Corporate Social Responsibility (CSR) Report. This report contains updates on our initiatives and our performance in our four key CSR areas: Healthy Communities, Healthy Planet, Sustainable Marketplace and Healthy and Inclusive Workplace.

Governance is key to achieving our CSR agenda, which is managed by a CSR Committee that is made up of top executives and that provides regular reports to the Nominating & Governance Committee of the WBA Board of Directors. In addition, during fiscal 2019 we formed a global task force to address one of the toughest issues that we face, plastic waste.

Few companies match our global reach: including our equity method investments we have more than 18,750 stores in 11 countries and a pharmaceutical wholesale and distribution network in more than 20 countries. By leveraging this range we can have an impact on the world, help to democratize healthcare on a global scale and fulfill our purpose of helping people lead healthier, happier lives.

Our business is transforming to respond to customer demands for innovative, accessible healthcare options while working to improve the experience of care, change health outcomes and reduce total healthcare costs.

Stakeholders increasingly expect companies to take a stand on important topics. We are responding to these demands by advocating in the United States for increased transparency on drug pricing and for an enhanced role for pharmacists to help patients find the best-priced options.

WBA is committed to doing its part to implement the United Nations Sustainable Development Goals (UN SDGs), which are a call to action to all stakeholders to guarantee peace and prosperity for people and the planet.

Through operating a sustainable enterprise and responding to social and environmental needs, we believe we are creating long-term value for our investors, our customers and patients, our valued employees and for society at large.

None of this would be possible without our loyal customers and dedicated employees who infuse our CSR initiatives with their enthusiasm and engagement. We thank them for their generosity and hard work. Together, we are making a difference on everything from providing support to people living with cancer to contributing to a safe and inclusive workplace.

James Skinner
Executive Chairman
Walgreens Boots Alliance, Inc.

Stefano Pessina
Executive Vice Chairman and Chief
Executive Officer
Walgreens Boots Alliance, Inc.

January 27, 2020

WalgreensBootsAlliance.com | 177 | www.WalgreensBootsAlliance.com | Report 2019 | 1

Walmart

Proxy Statement Letter	✓
Annual Report Letter	✗
Environmental, Social and Governance Report Letter	✓

Proxy Statement

https://s2.q4cdn.com/056532643/files/doc_financials/2020/ar/2020-Proxy.pdf

LETTER FROM THE CHAIRMAN (PAGE 3)

Dear Fellow Shareholders:

As I did in my letter last year, I'd like to highlight some ways we are driving Walmart's ongoing transformation, guided by the four key components of our plan to win:

- 1 Make every day easier for busy families;
- 2 Sharpen our culture and become more digital;
- 3 Operate with discipline; and
- 4 Make trust a competitive advantage.

These areas of focus are fundamental in running our business every day, and even more so as Walmart plays an important role during the current global health crisis. Families need us more now than ever. Communities, customers and associates are counting on us. During this challenging time, we are keeping health and safety a priority by making our facilities safer for our associates to work and our customers and members to shop through actions such as increased sanitation, limiting the number of people in stores and clubs, and expanding no-contact pickup and delivery services. We appreciate the gravity of the responsibility we have, and we are grateful and proud of our associates doing extraordinary things to help communities across the globe.

We made significant progress against each of the key components of our plan in fiscal 2020. We have continued to expand our U.S. omni-channel platform and now offer grocery pickup at approximately 3,200 locations and grocery delivery at 1,600 locations. We grew Walmart U.S. eCommerce sales by 37% with improved customer satisfaction. Outside of the U.S., we are expanding our ecosystems, with Flipkart and PhonePe scaling quickly in India and same-day delivery in key markets. We continue to innovate in the way we work by becoming more digital and working in small teams to drive innovation – and we're continuing to invest in our associates' pay, benefits, tools, and training. We are also finding new ways to leverage the scale and breadth of our operations, bringing technology to life to better serve our customers in a more seamless way. We are committed to earning the trust of our customers, communities, and other stakeholders.

Your Board is highly engaged in overseeing our ongoing transformation. We are confident that the Board has the right mix of diverse skills, experiences, and backgrounds to serve as a strategic asset. We are also focused on thoughtful board refreshment, with term limits for independent directors and a robust director succession planning and recruitment process. I am confident your Board is well-positioned to continue to guide us in the years to come.

Thank you for your continued support of Walmart, and I encourage you to attend our virtual shareholders' meeting. Regardless of whether you are able to join us live for the 2020 Annual Shareholders' Meeting, your views are important to us, and I encourage you to vote your Shares as described on page 102.

Sincerely,

Greg Penner

Gregory B. Penner
Chairman



LETTER FROM THE LEAD INDEPENDENT DIRECTOR (PAGE 3)

Dear Fellow Shareholders:

As I complete my second year as your Lead Independent Director, I want to emphasize your Board's ongoing commitment to robust governance and oversight.

Continued focus on Board effectiveness now and in the future. As Walmart's strategy continues to evolve, so will the skills, qualifications, experiences, and backgrounds that the Board seeks in director nominees. Our 12-year term limits for independent directors promote a disciplined director refreshment process, while our robust board evaluation process provides insights into the needs of the Board in the future. We believe that this process has resulted in a diverse and highly skilled Board with the right mix of perspectives, experiences, and tenures to guide us through this period of rapid change, and to provide effective leadership as we continue to serve our communities while protecting our associates and customers during this current global health crisis.

We value your feedback. This year marked the sixth year of our expanded shareholder engagement program, and since our last shareholders' meeting, we invited shareholders representing approximately 570 million Shares, including many of our largest investors, to participate in our outreach program. We ultimately engaged with shareholders representing approximately 525 million Shares, or about 38% of our public float, to discuss strategy, governance, compensation, and sustainability, among other topics. These conversations have contributed to our governance best practices and have helped us continue to enhance our disclosures in this proxy statement to provide investors with the information they seek.

Ensuring our compensation practices support our strategy. We are committed to ensuring that our compensation program continues to support our strategy during this period of rapid change. The Board's Compensation and Management Development Committee regularly reviews the performance metrics used in our incentive plans to ensure that they promote strong operating results and investments that support our ongoing transformation. Over the past several years, the CMDC has introduced greater differentiation to reward high performance, shifted our pay mix to place a greater emphasis on equity ownership, and simplified our long-term incentive awards. You can learn more about our executive compensation program in the CD&A beginning on page 42.

Thank you for your investment in Walmart. The Board continues to work to represent your interests and earn your trust.

Sincerely,

Thomas W. Horton

Thomas W. Horton
Lead Independent Director



2020 Proxy Statement 3

A message from our Chief Executive Officer

Business as usual. There is no such thing at Walmart. Not a day goes by that we're not asking ourselves how we can do more — do better. The health crisis that spread so quickly throughout our world this year has been no exception. Followed by the senseless and tragic murder of George Floyd, our nation has questioned where we go from here. Collectively, we've agreed: We have work to do.

While this report covers FY2020, because of this year's unexpected headwinds, I'm just sitting down to write this letter in the middle of FY2021. The past year — and especially the past six months — pushed our company in ways we never could have imagined, and I'm fortunate to work with a capable and resilient team that is rising to the challenge. In every decision we've made, we've worked to prioritize the safety of our associates and customers. Reflecting back, one thing is clear: We're not just a retailer. This team of ours — more than 2.2 million strong — is special. We're a lot like a family. And when we hurt, we care for each other. We care for our customers. And we care for our communities.

There are a lot of stereotypes out there about Walmart. It's no secret to us that we have critics who assume we're doing business at the expense of people and the planet — that we're all talk. The fact is, though, we've been working hard to use our scale to create positive change for a long time now. Issues like sustainability and opportunity don't take a backseat. For us, our founder's mission still guides the way. Sam set out to save people money so that they could live better lives. We learned that we simply can't do that if our people and the planet aren't nurtured for the long run. Short-termism has no place in our plan.

That's why we've made serious investments over the years — some of which have raised an eyebrow or two. We started by investing in wages, benefits and training for U.S. hourly associates. We've added more benefits: A \$1-a-day college program, advanced job training, paid time off, paid family leave and adoption coverage. These investments are empowering our associates to learn. To grow. To serve customers like never before. To prepare to lead this company into the next generation of retail.

There's been a lot of talk recently about the purpose of business in society. While there's much left to debate, we know this for certain: It's time for businesses to take the lead working together and with government and NGOs on serious issues like workforce opportunity, racial equity, climate, and sustainable, responsible supply chains. Consumers are keeping score. They no longer look the other way, and we are committed to do right by our communities. Together, we have an opportunity to shape the future at a pivotal moment. And the biggest outcome for thinking and behaving this way is that it results in a better performing business that benefits all of our stakeholders.

As we continue to manage a global health crisis and grieve the acts of racial injustice in our country, we're pausing to think about where we go from here. Business as usual has changed for the world. So, how can we all use the lessons learned to shape a more sustainable and equitable future? And how can we do it with the speed with which we had to this year to confront the challenges? Our ability to create change at scale wouldn't be possible without our customers, investors, associates, suppliers and communities — all



putting their trust in us over the years. Thank you for challenging us. For questioning us. For pushing us to innovate and improve.

Our history is a mosaic of challenges, tests, explorations, failures and many great successes. While the world has felt quite turbulent recently, we have an opportunity to turn the tide of history — and take the best from this time. In the shadow of these tough months, we're more motivated than ever to make meaningful environmental, social and economic progress — and we're eager for others to join us. Our world depends on it.

Doug

Doug McMillon
President and Chief Executive Officer
Walmart Inc.

A message from our Chief Sustainability Officer

As we go to press with our 2020 ESG Report, the world is grappling with COVID-19. Because FY2020 ended about six weeks before the disease was declared a global pandemic, it does not appear in this report — yet the pandemic as well as the sharpening focus on racial inequity in the wake of George Floyd's death underscores the need for collective, transformative action on the world's most pressing social and environmental issues.

Walmart takes a shared value, whole-system approach to ESG. Our ESG initiatives aim to go beyond mitigating business risk. We aim to create value for stakeholders by addressing societal issues through business. We also seek, in collaboration with others, to transform underlying systems (such as retail workforce development and food industry supply chains) for long-term social, environmental and economic sustainability.

To help investors and other stakeholders separate signal from noise in assessing good ESG practices, we have attempted to describe our aspirations, strategies, practices, challenges and key progress indicators for relevant ESG issues. In the interest of keeping this report to a reasonable length, we provide links to additional material posted elsewhere on selected topics.

FY2020 ESG highlights included:

Retail Opportunity. FY2020 marked the fifth year of our efforts to strengthen workforce development practices that advance stability and mobility of people in frontline retail jobs. Over this time period, Walmart strengthened career paths for our own associates, raised starting wages more than 50%, expanded benefits, launched the Walmart Academy (which has conducted more than 1.8 million associate trainings since 2016), and launched Live Better U —

a pathway to earn a college degree for \$1 a day — with correlating positive results for associates and our business performance. In parallel, Walmart and the Walmart Foundation invested more than \$130 million in Retail Opportunity grants, including funding to establish a community of more than 50 nonprofit organizations to share learnings and insight on their respective efforts to make the case for investing in frontline workforce, develop and pilot new approaches to training and advancement of incumbent workers, and engage employers and others in frontline workforce development.

Climate. Walmart made CDP's 2019 'A List' for climate action. We continue our efforts to make progress toward our science-based targets in our own operations (including sourcing an estimated 29% of our electricity needs from renewable energy) and our efforts to create a broad movement across the consumer sector. More than 2,300 suppliers have signed on to Project GigatonSM. Since 2017, suppliers have reported a cumulative 230 million metric tons (MMT) of avoided emissions.

Sustainable product supply chains. Walmart made progress across categories on sustainability initiatives related to climate, waste (including becoming a partner of the Ellen MacArthur Foundation and launching our Sustainable Packaging Playbook), nature (advancing use of certifications and engaging in coalitions such as Business for Nature), human rights (for example, responsible recruitment efforts) and economic opportunity (for example, smallholder market access in India and Mexico).

Community cohesion. In addition to serving more than 265 million customers per week and providing jobs to more than 2.2 million people, we provided cash and



in-kind donations of more than \$1.4 billion to projects that create opportunity, enhance sustainability and strengthen communities.

Throughout FY2020, Walmart associates were engaged with customers, suppliers, NGOs, government leaders and multilateral agencies in planning for what should have been a "super year" — and inflection point — a year we all hoped would accelerate progress on climate, nature, and equity.

While the pandemic may have delayed progress and, in some ways, compromised the world's capacity for positive action, it has also prompted people everywhere to work in new ways and consider how small but universal changes in behavior can produce large-scale, positive effects. We are all invited to consider how we can bring new unity of purpose, innovation and collective action to global challenges — an inflection point, still.

We appreciate your collaboration in helping us meet the challenges of our time and your engagement in our business. As always, we welcome your feedback.

Kathleen

Kathleen McLaughlin
Chief Sustainability Officer
Walmart Inc.

Walt Disney

Proxy Statement Letter	✓
Annual Report Letter	✗
Corporate Social Responsibility Report Letter	✓

Proxy Statement

https://otp.tools.investis.com/clients/us/the_walt_disney_company/SEC/sec-show.aspx?FilingId=13852150&Cik=0001744489&Type=PDF&hasPdf=1

LETTER FROM THE LEAD DIRECTOR

Letter from our Lead Director

Dear Fellow Shareholder,

As independent Lead Director, I encourage you to read our proxy statement, annual report and other proxy materials. I am proud of the Company's commitment to thoughtful governance, as well as the highly qualified, diverse group of Directors who make up our Board. Our Directors bring their wealth and breadth of experience to bear as they conduct the Board's governance and oversight functions.

Over the past year that oversight has involved the Company's key strategic initiatives, including the acquisition of Twenty-First Century Fox, Inc. and integration of its operations, and the expansion of the Company's direct-to-consumer business with the launch of Disney+ and assumption of operating control of Hulu.

In addition, over the past year we have continued, and benefited from, our ongoing dialogue with shareholders. I have had the opportunity to speak with a number of you and learn more about your insights on important topics such as succession planning, compensation, corporate social responsibility and our lobbying disclosure policy. The Board values this input and considers it as part of our governance process. In the proxy, you will see discussion of changes we have made as a direct result of shareholder feedback. We look forward to continuing our dialogue with shareholders in fiscal 2020.

Sincerely,



Susan E. Arnold

Lead Director

LETTER FROM THE EXECUTIVE CHAIRMAN (PAGE 3)

LETTER FROM OUR EXECUTIVE CHAIRMAN



ROBERT A. IGER,
Executive Chairman,
The Walt Disney Company

At Disney, we are proud to be one of the most admired companies in the world, respected not just for what we create, but also for how we conduct ourselves as responsible citizens. To this end, our measures of success include our impact on the environment and efforts to protect our planet, how we operate our businesses, our contributions to local communities and other worthy causes, the value we place on diversity and inclusion, and our commitment to the well-being and advancement of our employees.

Our ability to do good in the world starts with our people. They are our most important assets, and we are committed to doing what we can to enable their success, while celebrating and promoting their unique talents and perspectives. We continue to invest in them and in their futures, most notably

through our Disney Aspire program, our nation's most comprehensive corporate education investment program, which gives employees the ability to pursue higher education, free of charge. This past year, more than half of our 94,000-plus hourly employees in the U.S. took the initial step to participate in Disney Aspire, and more than 12,000 enrolled in classes. We believe education is the key to opportunity and by enabling our employees to pursue their educational goals, we help to put their career goals within reach.

We're also committed to ensuring that more women, minorities, and other underrepresented groups have the chance to contribute in meaningful ways, in all areas of our business. Diversity and inclusion remains a top priority for our company, and in 2019, we launched and deepened our investment in a number of programs intended to expand opportunities for underrepresented storytellers in film and television. We strengthened our internal networks for diverse communities within Disney's workforce as well, and we will continue to support these and other similar endeavors. It's vitally important that our teams, along with the stories we tell and products we create, reflect the diversity of the world in which we live, because that is how we best serve our consumers and also because it helps us to attract an even more diverse pool of talent. And the variety of perspectives and experiences makes for a better creative process and a stronger team overall.

At Disney, we also strive to have a positive impact in our communities and on the world. This past year, continuing a cause that dates back to Walt Disney himself, we took the next steps in our \$100 million commitment to deliver comfort and inspiration to families with children facing serious illness using the powerful combination of our beloved characters and our expertise in creativity and technology. Last April, Walt Disney Imagineers unveiled the first suite of experiences, murals, and interactive art at Texas Children's Hospital in Houston, the largest children's hospital in the country, and efforts are underway to roll out the program in additional hospitals in the U.S. and around the globe.

In 2020, the Disney Conservation Fund will celebrate its 25th anniversary. Over the past quarter century, the Fund has directed \$100 million to save wildlife and protect our planet, awarding grants to nonprofit organizations and leading conservation efforts around the globe. We've also inspired millions of people to take action in their communities. For example, in 2019, in honor of Disney's *The Lion King*, we launched the "Protect the Pride" global conservation campaign, focused on protecting and revitalizing the lion population across Africa by raising awareness and contributing \$3 million to the Wildlife Conservation Network's Lion Recovery Fund.

Also last year, we advanced our environmental commitments through a mix of investments in sustainable design innovations, energy efficiencies,

low-carbon fuel sources, renewable electricity, and natural climate solutions. I'm particularly proud of the new 270-acre, 50+-megawatt solar facility that we brought online in Orlando. This new facility is able to generate enough clean energy to power two of the four theme parks at Walt Disney World, reducing tens of thousands of tons of greenhouse gas emissions each year.

Our progress is addressed in more detail in this report. While we have made great strides in many areas, there is still much work to be done and many things to accomplish. We must continually push ourselves and our company further. I have personally challenged our leaders across Disney to apply the same creativity, ingenuity, and dedication they bring to our world-class media and entertainment businesses to improve our programs and services and to advance our environmental and social commitments - because our achievements in these areas are equally important to the success of our company and to the world we live in.

We remain grateful for the strong support of our employees, stakeholders, and guests, and look forward to continuing to work together on behalf of these and other worthy causes.

Sincerely,

Proxy Statement Letter	✓
Annual Report Letter	✓
Corporate Responsibility Report Letter	✓

Proxy Statement

<https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2020-proxy-statement.pdf>

LETTER FROM THE CHAIRMAN OF THE BOARD SHARED WITH THE CEO



Letter to our Shareholders from our Chairman of the Board and our Chief Executive Officer

March 16, 2020

Dear Fellow Shareholders,

Under new leadership, Wells Fargo is moving with a sense of urgency to remediate our historical issues and establish the strong foundation necessary to regain the trust of all stakeholders and position the Company for the future. We are supported by the strength of our franchise, including Wells Fargo's diversified business model, strong distribution across both physical and digital channels, and leading market positions in many areas. Going forward, we recognize it is imperative that we maintain the highest standards of operational excellence and integrity. We have made significant changes to our governance, management, structure, processes, and culture over the past year.

Your Board also has continued to enhance its oversight, including by adding new directors with expertise in areas relevant to our business such as financial services, regulatory matters, and business operations. In addition to overseeing the centralization of Wells Fargo's organizational structure, the strengthening of its risk management program and the development of its strategy, the Board is focused on holding management accountable for implementing our strategy consistent with our risk management framework and executing on our regulatory commitments.

On behalf of Wells Fargo, we would like to thank Betsy Duke and Jim Quigley, who resigned as directors on March 8, 2020, for their contributions to Wells Fargo. We are honored that we have the opportunity to lead this great franchise as we, together with the other directors, management team, and employees, do what is necessary to again make Wells Fargo one of the most respected and successful banks in the country. We have a lot of work ahead, but we are optimistic about our future and confident that Wells Fargo has the ability to realize its potential.

We are pleased to invite you to attend our 2020 Annual Meeting of Shareholders to be held on April 28, 2020, at 10:00 a.m., Mountain Daylight Time, at The Grand America Hotel, 555 South Main Street, Salt Lake City, Utah 84111. The matters to be considered include the election of directors, an advisory vote to approve the 2019 compensation of our named executive officers, the ratification of the appointment of our independent registered public accounting firm for 2020, and up to three shareholder proposals.

Your vote is important to us. Please vote as soon as possible even if you plan to attend the annual meeting. The notice and proxy statement provide you with information about how you can vote your shares over the internet, using your mobile device, by telephone, or by mail. Thank you for your continued investment in and support of Wells Fargo.

Sincerely,



Charles H. Noski
Charles H. Noski
Chairman



Charles W. Scharf
Charles W. Scharf
CEO

LETTER FROM THE CHAIR OF THE BOARD OF DIRECTORS (PAGES 3-7)

February 20, 2020

2019 brought a great deal of change to Wells Fargo, including the selection of our new CEO, Charlie Scharf. Through it all, the company's foundational commitment to helping customers succeed financially has remained a constant.

Working together, the company and our board continue to make progress in our ongoing transformation. Although much work remains, I am optimistic about our future as we move forward.

The board decided to conduct an external search for a new CEO after Tim Sloan announced his retirement. I am pleased that our search led to the appointment of Charlie as our CEO and president. Charlie is an experienced CEO who has excelled at strategic leadership and execution.

LONG-TERM SHAREHOLDER VALUE

While much of the work underway is necessary to meet our regulatory requirements, it will also make us a stronger, simpler, and more efficient company. The board's oversight is ultimately focused on ensuring the alignment of strategy with risk management, and our ability to satisfy the financial needs of customers while creating value for shareholders. Several examples of actions taken over the past few years include the following:

We changed the organizational structure of Wells Fargo from a divisional to a centralized model.

We reviewed, and continue to review, all business processes for efficiency and standardization.

We continued to make strategic choices about the businesses we are in. Over the past few years, we have divested businesses that did not meet our strategic objectives, such as the international retirement business, commercial real estate brokerage, cross-insurance, and equity insurance stock transfer agent, and moved towards businesses.

In the Consumer Bank, management has continually reviewed and evaluated the branch network, closing some branches and selling others as a result of our customers' steady migration to digital channels.

Throughout 2017 and 2018, the Auto business intentionally slowed its organizational growth in order to make needed changes to its business structure, including streamlining back-office functions from over 50 locations into just two across the country, re-engineering processes to improve efficiency and the customer experience, and better managing risk. Following this restructuring, the Auto portfolio started to grow again in 2019.

Charlie and Wells Fargo's management team are taking the strategic business review even further. They are looking inside our businesses, including core franchise businesses, to understand the business fundamentals, competitive position, distribution channels, growth prospects, and required investment to bring each to best-in-class status. At the same time, they are examining the structure, capabilities, and organizational maturity of enterprise functions such as technology, human resources, risk, and finance.

With more than 24 years in leadership roles in the banking and payments industries, Charlie has demonstrated a strong track record in initiating and leading change, driving results, strengthening operational risk and compliance, and innovating amid a rapidly evolving digital landscape.

Charlie embodies the traits our board's search committee was looking for in Wells Fargo's next leader — namely, financial and business acumen, integrity, passion for diversity and inclusion, and commitment to strong talent management. His proven ability to build strong relationships with stakeholders, including customers, employees, regulators, and investors, will be especially important to rebuilding trust and resolving key regulatory issues. He has led organizations in all our major business lines, and his experience with businesses that operate at the scale and complexity of Wells Fargo has prepared him well for this role.

What we have observed in the first few months of Charlie's tenure only confirms our initial high expectations. He brings to Wells Fargo a willingness and ability to make important changes, an urgency to address our regulatory issues, and a recognition of the importance of actively engaging with our stakeholders. He is actively developing his strategic priorities for the company and evaluating them in light of our risk appetite and the capacity of our risk management framework. He is making key organizational changes and has already demonstrated a commitment to direct and transparent communications.

I wish to thank the members of the board's search committee — Chair Jim Quigley, Wayne Hewett, Maria Morris, and Ron Sargent — for conducting a thorough and successful search that was comprehensive in its diligence and reach. I also would like to thank Alan Parker for his exemplary service as interim CEO and president. His leadership during a time of transition enabled Wells Fargo and our team members to continue moving forward in a focused and transparent way.

NEW BOARD MEMBERS

As the company makes important changes, so does the Board of Directors. We continued our efforts to further enhance board effectiveness by adding more directors with expertise in financial services, regulatory matters, and financial reporting.

In June 2019, we welcomed Chuck Nishi to the board. Chuck brings broad experience as a corporate director through service on numerous boards, including Booking Holdings Inc. and until recently Microsoft Corporation. He also has financial industry experience through his prior roles as a director of Morgan Stanley and as CFO of Bank of America. In addition to his extensive experience in public accounting and as CFO of Fortune 500 companies, he is the immediate past chairman of the Board of Trustees of the Financial Accounting Foundation, overseer of the Financial Accounting Standards Board. Chuck serves on our board's Audit Committee.

Dick Payne joined the board in October. Dick is a seasoned banking professional with more than 40 years of experience in corporate and commercial banking as well as capital markets with large financial institutions, serving middle-market and large corporate customers in many of the same geographic markets and businesses served by Wells Fargo. He has a deep understanding of banking and the regulatory environment and brings experience and valuable perspective to the board.

Both new directors are already contributing to our progress as we work to transform Wells Fargo, meet the expectations of our regulators, and rebuild trust with our stakeholders.

Chair of the Board of Directors,
Contributors to the board,
Company's 2020 annual meeting

Over the course of 2020, the board and Charlie will work together to design and communicate a strategy that will provide the blueprint for the future of Wells Fargo. In doing so, we remain committed to our diversified business model. And we are mindful of the important role Wells Fargo plays in the economic success of the U.S. and in each customer's financial success. Moving forward, the company has a renewed focus and commitment around our risk management structure and resources to execute against our business strategy and safely and effectively serve our customers.

IN A PRESENTATION

On behalf of the Board of Directors, we'd like to thank you, our shareholders, for your continued investment in Wells Fargo. We recognize the commitment you have made to the company and the responsibility that entails. With the sense of urgency Charlie brings to the company, the leadership of our management team, and the hard work of Wells Fargo's 260,000 team members, I'm confident that we can address our current challenges while doing the work necessary to build a strong foundation for the future. While navigating change is difficult, I have faith in the ultimate value of what we are creating together.

Elizabeth A. Duke

ELIZABETH A. DUKE
Chair, Board of Directors
Wells Fargo & Company

February 28, 2020

I write this note just four months after joining Wells Fargo.

It has been a busy time as I've been working to get to know the company and working with the senior team to understand both our opportunities and our challenges. While I've learned a great deal, as I discuss my observations here, please recognize that it is still early days and I do not pretend to have all of the answers yet.

I was honored to be chosen to lead Wells Fargo because I believe this is an extraordinary company that plays an important role in this country.

We came out of the financial crisis as the most valuable and most respected bank in the United States. However, we had substantial problems that needed fixing. Significant parts of our operating model were flawed, and we broke our customers' trust in the past. We have not yet effectively addressed all of these problems and these circumstances hurt our employees, our customers, and also have led to financial underperformance.

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But we have one of the most enviable financial services franchises in the world and employees who want to do what's necessary to again be one of the most respected and successful banks in the U.S. The opportunity to do so is in our reach. I will discuss the actions we are taking, but first let me cover our 2019 financial and business performance.

FINANCIAL PERFORMANCE

Our financial results in 2019 reflected the ongoing impact of our historical shortcomings. Even after adjusting for these items, our results were not as strong as we aspire them to be. These items primarily relate to litigation, customer remediation related to previously disclosed retail sales practices matters, as well as other regulatory matters. Our results also included business divestitures and loan sales. They are all detailed in our financial disclosures.

Wells Fargo generated \$19.5 billion in net income in 2019, or \$4.05 per diluted common share. Our revenue declined \$1.3 billion, or 2%, from a year ago as 4% growth in noninterest income was more than offset by a 6% decline in net interest income, driven by lower interest rates. Our noninterest expense increased \$2.1 billion, or 4%, from a year ago. Expenses included \$4.3 billion of operating losses (\$1.2 billion higher than 2018), primarily for litigation and

remediation, as well as \$739 million of deferred compensation expense, which is P&L neutral, as this expense is offset by deferred compensation investment gains.

We continued to serve our customers and grew both loans and deposits in 2019. Loans increased \$9.2 billion, or 1%, from a year ago, with growth in both commercial and consumer loans. Deposits grew \$36.5 billion, or 3%, from a year ago.

At the same time, credit quality continued to be strong. Our net charge-off rate remained near historic lows at 0.29% of average loans in 2019, and nonaccrual loans as a percentage of total loans declined to 0.56%, the lowest level in over 10 years.

In 2019, we returned a record \$30.2 billion to shareholders through common stock dividends and net share repurchases, reducing our common shares outstanding by 10% while maintaining a level of Common Equity Tier 1 that is well in excess of our regulatory requirements. This was the seventh consecutive year we have reduced our common share count, which is down 21% since 2012. In July 2019, we increased our quarterly common stock dividend to 51 cents per share, a 13% increase.

BUSINESS HIGHLIGHTS

The strength of our franchise remains evident. We serve one in three U.S.

households, we have strong distribution across both physical and digital channels, and we remain one of the largest lenders in the U.S. across a large and diversified client base. Despite our recent challenges, these strengths endure and you can see that if you look at the growth of some of our underlying business drivers. To be clear, we can do better, but I'll touch on some key highlights across our businesses over the past year.

In Community Banking, primary consumer checking customers increased 2% year-over-year, our ninth consecutive quarter of year-over-year growth. Our customers spent \$448 billion across our debit and credit cards, an increase of 6%. We continued to invest across our various channels and delivered differentiated experiences to meet our customer needs. We ended the year with over 30 million digital active customers, a 4% increase, and mobile active customers of 24.4 million were 7% higher. Our card customers can now complete transactions more seamlessly, as we have begun rolling out new tap-to-pay contactless cards. This functionality is available at millions of merchants, in addition to our own more than 13,000 ATMs across the nation. We're making steady progress and the hard work of our teams is reflected in what we are hearing from customers, as our branch survey scores for both customer loyalty (64.2%, up from 60.2%) and overall satisfaction with most recent visit (79.9%, up from 78.7%) increased year-over-year.

On the Consumer Lending side, origination momentum accelerated across our Home Lending and Auto platforms. Our Auto portfolio returned to growth in 2019 after a multiyear transformation. In addition, we continued to invest to improve the customer experience and enhance our own operational capabilities in both these areas. As evidence, in 2019, for the first time, we had a month when more than half of all mortgage applications came to us through our online mortgage app. The online mortgage app is fully digital and shortens the time from origination to customer approval by approximately 30%.

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And in Auto, our automated decisioning went from 40% at the end of 2018 to 57% today, which allows us to be responsive to dealers for whom speed is a top priority and also drive consistency that supports our focus on risk management.

Our wholesale businesses, including Commercial Banking and Corporate and Investment Banking, saw loan growth of 1% as we selectively expanded the portfolio. In Commercial Banking, we accelerated our efforts to deliver a more consistent customer experience by segmenting customers to the most appropriate coverage channel, virtual or market-based. Additionally, we developed a revamped customer onboarding platform and have begun rolling it out to customers. Over 12,000 accounts have been opened to date on the platform and the early results so far have been impressive, reducing the customer onboarding cycle time by two-thirds. These changes are critical to our ongoing efforts to not only serve our customers better, but also reduce risk and improve our operational capabilities. It is our intent to leverage these efforts and roll out the common onboarding platform to our other wholesale businesses.

The Corporate and Investment Bank performed well in 2019. We grew our overall U.S. investment banking fee market share by 50 basis points to 3.7% driven by strong growth in high-grade debt capital markets and in loan syndications. Overall, we raised \$115 billion of debt capital for our clients. And our Markets businesses performed well, with strong performance across the FICC franchise, up 15%, including particularly strong results in our Credit, Rates, and Commodities businesses.

In Wealth and Investment Management, we continued to simplify our go-to-market and operating model. We brought together our private wealth management businesses and centralized previously siloed key supporting capabilities like Lending, Banking, and Operations across the platform. We also divested the Institutional

Retirement and Trust business. These changes are designed to simplify and focus our businesses to better serve the needs of our changing client base.

In addition, we had solid investment performance — on average, Wells Fargo Investment Institute's actively managed portfolios outperformed relevant Morningstar benchmarks by over 150 basis points. Client assets of \$1.9 trillion increased 10% and we saw further momentum resulting from our Community Bank and Wealth and Investment Management partnership as closed referred investment assets grew 18% year-over-year in the fourth quarter.

Again, while we need to improve our overall financial results, positive momentum across many of our underlying business drivers speaks to the strength of the franchise and the substantial opportunities we have to improve financial performance in the future.

THE PATH TO SUCCESS
DOING THE WORK NECESSARY
TO BUILD A STRONG FOUNDATION
To fully capture the opportunity to once again be one of the most respected and successful banks in the country, we must have a strong foundation and move with an extreme sense of urgency to fix what was wrong with the bank. We still have much more work to do to put these issues

behind us, and our future depends on doing this successfully so we can regain trust with all stakeholders. This includes our clients, employees, regulators, lawmakers, shareholders, as well as the broader American population. Ultimately, we know our actions will dictate when that trust is completely regained, not our words. Given their importance, I've been spending the majority of my time on addressing these issues since joining the company.

ASSESSMENT — In an organization like Wells Fargo, providing an honest assessment and clear priorities to the entire organization is critical. I've given a clear message that we have not yet met our own expectations or the expectations of others. We must do what's necessary to put these issues behind us. Our ability to maximize the value of this great franchise is dependent on us running the company with the highest standards of operational excellence and integrity — beyond what we've done to date.

REGULATORS — I am often asked about our regulatory relationships so let me provide my perspective. My experience is that our regulators are clear, direct, tough, but fair. We are appropriately a highly regulated institution, and while we need to fulfill regulatory expectations, we recognize that what we want and what regulators want are not different. We are

responsible for our actions and they are responsible for ensuring our actions are consistent with a clearly defined set of standards. It's our job to run the company such that we fulfill their expectations and those of the American public and other countries where we operate. Our job is to do the work that's necessary. Regulators and other stakeholders will determine when it's done to their satisfaction.

WHAT WE ARE DOING — Like any other problem, recognition of the importance and severity is a necessary first step — but this by itself is inadequate. We will take whatever actions are necessary. The management team will be judged and held accountable for resolving these issues.

We are making significant changes to our management, structure, processes, and culture to accomplish our work — changes that will make us more effective.

THE TEAM — First, I want to acknowledge that we have so many wonderful people at Wells Fargo who have done an amazing job serving our clients and customers in the face of adversity for several years now. They have been through so much and have helped us sustain such a great franchise — so I do want to say thank you to them for all that they've done. The warmth and support I've been greeted with as I've discussed our past issues and work in front of us tells a great deal about the character of many

at the company. They understand our lack of progress makes their jobs far more difficult — and they are looking to management to do more to move the company forward.

To set us up for success, we will ensure we have the right people in place to both resolve these issues and be the stewards of this great company as we move forward. To that end, we have made some important changes to the senior management team to complement the talent that's here at Wells Fargo.

Scott Powell joined us as CDO. When I arrived at the company, many on the senior management team made clear to me that we needed stronger execution skills. After several weeks at the company, I came to quickly agree. Scott will lead a transformation across the company where high-quality execution, clear accountability, and operational excellence become part of our culture.

Mike Weinbach will join us as CEO of Consumer Lending and will have responsibility for Home Lending, Auto, Credit Cards & Merchant Services, and Personal Lines & Loans, including Student Lending. We are one of the largest providers of consumer credit in the country and want to continue serving that important role for our customers and the U.S. economy. Mike has the right experience, skills, and knowledge to lead these franchises going forward.

Bill Daley joined as head of Public Affairs. He has a strong and experienced voice and brings perspectives from the public sector that we in business do not generally have but are critical for us as we make decisions.

Allen Parker, who served both as General Counsel and Interim CEO, has announced that he will be leaving the company in March. As I write this, we are engaged in a General Counsel search and have seen some terrific candidates.

Avid Modjtahai has announced that she will be retiring in March after 26 years at Wells Fargo. I will discuss below how we are restructuring Avid's responsibilities.

Ray Fischer has also joined us to run our Credit Cards & Merchant Services businesses, which will be part of Consumer Lending (more details below). Our card business is important to our franchise and we have an opportunity to make it even more significant. Ray is an experienced card and merchant services executive who brings deep knowledge and a fresh perspective to our business.

Saul Van Beurden joined us as our new head of Technology earlier in 2019. Saul has great experience as a technology leader in financial services and his impact will certainly be a key element of the company's control, customer experience, business and risk management transformation, and growth agenda.

Julie Scammahorn also joined us as our Chief Auditor earlier in 2019. Julie will play a critical role and hold us to the highest standards as we build effective execution into all we do.

These changes are all critical to our future, and I will continue to look at the structure and roles of our team to ensure we are best positioned for success. We need and will have the best talent and strong leadership at the company.

Wealth and Investment Management—Our Wealth and Investment Management business provides a full range of personalized wealth management, investment, asset management, and retirement products and services to clients. We restructured the business and management over the past couple of years and are conducting a search to replace Jon as the leader of this business.

This new organizational structure is flatter and provides important businesses more direct representation on our Operating Committee. It provides the necessary clarity and accountability and sets us up to build our businesses over the long term and increases our ability to successfully execute on our top priority, which is the risk, regulatory, and control work.

CHANGES TO HOW WE RUN THE COMPANY AND OUR CULTURE

We are also introducing a new set of disciplines in how we run the company which seek to preserve some important pieces of our culture while recognizing where we need to change. These changes are critical for our future and I'm confident will improve our performance.

Parts of our culture are wonderful and would take decades to recreate. People who work here love it. Wells Fargo really is like a second family to many. We focus on teamwork—not on the individual. People want to be successful and do what's right—though we recognize we have fallen short of this goal.

Our lack of progress and under-performance point to shortcomings. Going forward:

We will operate as one company, not a series of decentralized businesses.

We will continue to foster a culture of partnership, but we will move past the need for consensus and have open and direct fact-based discussions where we emerge with decisions.

We will have a different level of management discipline than we've had in the past and will value and expect high-quality execution.

There will be clear responsibility and accountability.

We will judge ourselves based upon our outcomes—not our words.

And we will ultimately judge ourselves versus the best as we believe that we should be the best.

As we've begun to implement this new culture, the response has been overwhelmingly supportive. But I understand it's different and is a significant change for many. We will be respectful of our past and of those who have built this great franchise—which includes so many still at the company today—but we must move forward. I'm confident these changes will be highly impactful. Respect was earned in the past, and we will earn it again.

WELLS FARGO REPORT

ORGANIZATION STRUCTURE—We have made several changes which I believe enable us to be more effective in pursuing our goals. First, we reorganized the company into five lines of business and announced several new business leaders to help further drive operating, control, and business performance.

Consumer and Small Business Banking—Mary Mack, who most recently led Consumer Banking, is now CEO of Consumer and Small Business Banking, responsible for Branch Banking and Small Business, which includes the company's 5,400 branches and delivers a full range of deposit, lending, investment, and payment products. Mary will now have additional responsibilities for Deposits and a newly established Digital team focused on acquiring and servicing new customers through digital channels.

Consumer Lending—as mentioned earlier, Mike Weinbach will join us in a couple of months as CEO of Consumer Lending, elevating a core competency of the company that provides critical capabilities to fulfill the financial needs of customers. Mike will be responsible for Home Lending, Auto, Credit Cards & Merchant Services, and Personal Lines & Loans, including Student Lending.

Commercial Banking—Perry Peltz is CEO of Commercial Banking, with both relationship and product responsibilities in serving businesses with annual sales generally in excess of \$5 million. Perry is now responsible for Middle Market Banking, Commercial Capital, and Treasury Management. We're proud of our market position and believe we have great opportunities to expand our franchise by continuing to integrate these products and capabilities.

Corporate and Investment Banking—Jon Weiss, who most recently ran our Wealth and Investment Management business, is now CEO of our Corporate and Investment Bank. The creation of a separate business line supporting the capital markets, banking, and investment needs of our corporate, government, and institutional clients is a recognition of the successful franchise we have today and our belief that we continue to have significant opportunities to serve the needs of our corporate and middle market clients more broadly. Commercial Real Estate and our International franchise will be part of Corporate and Investment Banking.

WELLS FARGO REPORT

CORPORATE AND SOCIAL RESPONSIBILITY

As we make the changes to build a stronger foundation for the company, we will continue to recognize and act upon the broader role we play in our communities. Notably, we became a proud signatory of the Statement on the Purpose of a Corporation that was issued by the Business Roundtable in August of this past year. It's simple and straightforward, and it's a clear statement that businesses are responsible to a broad set of constituents and have responsibilities beyond what some companies have believed historically. Given the businesses we're in and the reach we have, I believe our responsibilities and potential for impact are particularly great.

Like many companies, we are taking an active role in addressing important social and environmental challenges, and we are constantly asking ourselves: How can we improve these efforts to drive even more positive impact? We believe the answer is to invest in innovative solutions fueled by a range of resources and expertise from across our entire company. We see our philanthropy, which totaled \$455 million in 2019, as only the beginning—a way to seed investments that our core business capabilities, people, and built-in scale can then power for even greater impact.

For example, we believe we have a responsibility to do our part to support the transition to a low-carbon economy and to work with our customers and communities to address the risks of climate change. Our \$200 billion sustainable finance commitment, announced in 2018, is central to our efforts in supporting sustainable business opportunities, including providing needed capital to renewable energy companies and empowering clean technology entrepreneurs. We continued to make strong progress in 2019 and we have now provided approximately \$49 billion in sustainable financing toward our commitment of \$200 billion by 2030.

We are also one of the largest sources of capital for affordable housing development in the country. In 2019, Wells Fargo provided more than \$4 billion of capital to support the development of more than 15,000 affordable housing units in communities in over 30 states. Building on this expertise, the Wells Fargo Foundation announced a \$1 billion philanthropy commitment over six years to catalyze new ways to address the

growing housing affordability crisis in the U.S., where more than 18 million households are spending 50% of their income on housing. We're working with a range of grantees to test and scale innovations that increase the number of affordable rental units, expand homeownership opportunities, and develop solutions to persistent homelessness in cities.

Our employees also care deeply about the communities we serve, and we have introduced new ways to turn that caring into opportunities to take action. In 2019, more than 100,000 of our people provided 1.9 million hours of volunteer service through efforts such as our new Dedicated Day of Service in which more than 900 Wells Fargo volunteer events were held on a single day this past September.

These are just a few examples of our ongoing commitment to the people and communities in which we do business. Our goal is to combine our giving, our expertise, and our ingenuity in order to move the needle on social and environmental issues that impact us all.

DIVERSITY AND INCLUSION

Diversity and inclusion are absolutely integral parts of our business. We serve a diverse group of clients and communities, and it's essential that our people reflect that diversity. Our goal is nothing less than ensuring that people across our workforce, communities, and supply chain feel valued and respected and have equal access to resources and opportunities to succeed.

And this isn't just cheap talk — while it's the right thing to do, it is my firm belief that bringing together people of different backgrounds, experiences, and identities leads to significantly better outcomes.

We're very focused on this across the company. I will be personally chairing our Enterprise Diversity & Inclusion Council. This group, composed of leaders from across the organization, meets monthly and is charged with driving the education and change necessary for making meaningful progress against our objectives. We are setting clear, specific, and measurable goals and will be holding people accountable to advancing our diversity and inclusion efforts at all levels.

To further support our efforts, we have ten different Team Member Networks (TMNs) formed around historically under-represented segments. Our TMNs bring together people of common interests, backgrounds, experiences, or identities, and provide forums to support career and professional development of their members, engage and volunteer in our communities together, and serve as additional mechanisms for embedding inclusive practices into our day-to-day operations. We have approximately 74,000 active participants across these networks.

We've made progress on a number of fronts but we also know we have much work to do. It won't be a straight line, but we're focused on it and will be holding ourselves accountable for advancing these goals over a period of time.

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cost to doing so. Management time and resources have not been as focused on growth as they otherwise would have been. But we have an opportunity to think differently, with a different level of rigor about how to grow the franchise. All of this points to great opportunity.

We have begun a process to rethink our plans for 2020 and beyond at a very detailed level. While the opportunities for improvement are clear at a macro level, we need business-by-business plans. Accordingly, we have begun conducting business reviews where we are looking at our businesses and plans in detail. We are reviewing all businesses as well as all of our enterprise functions.

This isn't merely a review of the numbers, but one where we use the facts to form a basis to discuss strategy and potential actions. We are asking each business leader to show us what best-in-class efficiency looks like — and what our path to achieve it is. We are reviewing revenue growth and return performance as well — and what a path to best-in-class looks like. We are discussing our competitors — large and small — and we are thinking through our unique options given our special franchise. These are analytical and strategic discussions that I don't think have occurred consistently across the company in some time given what has occurred.

The output of this work is designed to provide us roadmaps to not only improve our performance within each business but to also position us to understand our opportunities across the company and prioritize accordingly.

It's still very early in our process — but I will say that every session thus far has reinforced that our opportunities are meaningful. To do this properly, and given our priorities, it will take time — much of this year — to complete our work. But in the interim, we will devote all necessary resources to risk and control, and spend what's necessary. We will be as diligent as ever to drive efficiencies and control expenses, and we will begin to work through the business opportunities we have in front of us.

MEDIUM AND LONGER TERM OPPORTUNITIES

Our franchises are world class and are in the sweet spot of providing necessary financial services for consumers, small businesses, and middle market and large corporate companies. And importantly, we play a significant role in helping our customers and clients prosper as well as being an important enabler for U.S. economic growth. While I have spoken at length of our problems and our commitment to fix them, the underlying franchise itself remains strong, and our opportunities are greater than ever. The success of our business model is proven, assuming we run the company with the appropriate controls and work as one company with the goal of delivering for all our stakeholders.

All of our business segments have the breadth and scale that give us significant competitive advantage and allow us to deliver truly differentiated products and experiences for our customers and clients. Our opportunity to use technology to drive both automation and new solutions will continue to grow.

Our franchises, both individually and collectively, are the envy of many. So while our resources and attention today are appropriately focused on historical issues, as we move forward, we will be in a position to leverage our unique franchise and focus on generating stronger financial results.

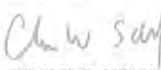
And just to be clear, we are well aware that our expense levels are significantly too high. Part of this is driven by significant expense related to resolving historical issues, part is due to the necessary investments in technology, and part is due to significant inefficiencies that exist across the organization. But there is no reason why we shouldn't have best-in-class efficiency with these businesses at this scale — and that ultimately will be our goal.

And, though we've had pockets of strong performance, we are also well aware that our rate of customer and revenue growth is too low. Given what we've been through, this isn't surprising. We have been operating under an asset cap as part of the Federal Reserve consent order from February 2018 and there is certainly an opportunity

CLOSING THOUGHTS

In closing, I want to repeat my thanks to the wonderful people at Wells Fargo who have worked tirelessly to sustain this great company. We are lucky that you have persevered through the tough times, and I and the members of our Operating Committee will do all we can to help guide us through the necessary changes we need to make.

I'm confident in our ability to realize our potential — one that again puts us at the top of the respected financial institutions list, with a far more efficient organization and higher revenue growth than you see today. While there is much to do, and I know the path to success will be bumpy, I'm optimistic about our future and excited to be at a place with so many great people, and such strong franchises, doing incredibly important work.



CHARLES W. SCHARF
CEO
Wells Fargo & Company

LETTER FROM THE CEO (PAGE 5)



A letter from the CEO

As I write this letter, the world is facing an unprecedented public health crisis and the U.S. is being forced to reckon with its history of inequality and discrimination. It has been a period that has demonstrated that societal challenges are part of a web of interconnected economic, social, and environmental issues disproportionately impacting the most vulnerable. This period also has reinforced our belief that Wells Fargo can meaningfully contribute to the change that is necessary.

This report, Wells Fargo's inaugural Environmental, Social, and Governance (ESG) Report, details how the company is working to create solutions for stronger communities through diversity and inclusion, economic empowerment, and environmental sustainability.

The company's ongoing focus on a range of ESG matters has equipped us to be resilient and to respond during these difficult times. We are taking an active role in addressing important ESG challenges, and we are constantly asking ourselves how we can improve these efforts to drive even more positive impact.

Now more than ever, there is a renewed desire for businesses to operate with all stakeholders in mind. In order to be an employer of choice, an involved partner in the communities where we operate, and contribute in meaningful ways to the growth of the U.S., we must be guided by delivering for our customers every day in a manner that will make us and our stakeholders proud.

During the COVID-19 pandemic, Wells Fargo has played an important role in the financial system and the economic strength of the U.S.

We take that responsibility seriously. We have taken comprehensive steps to help customers, employees, and communities, including deferring payments, waiving fees, suspending foreclosures, and supporting local communities through charitable donations.

As the CEO of Wells Fargo, I commit that our company will support our diverse communities and foster a company culture that deeply values and respects diversity and inclusion. The inequality and discrimination that has been so clearly exposed recently is terribly real, though it is not new, and must not continue. We are working to develop actions that will meaningfully contribute to the change that is necessary. This time must be different. We're committed to advancing diversity and inclusion by helping ensure that all people across our workforce, our communities, and our supply chain feel valued and respected and have equal access to resources, services, products, and opportunities to succeed. We know that Wells Fargo can be a force for change across this country.

While we share some of those actions throughout this report, we are at the beginning of a sustained journey and there will be more to come. We have an obligation to act responsibly, to use our voice to support change, and to create the best outcomes. We will continue to take decisive action and learn from our collective experiences to positively contribute to pressing societal challenges.

— Charles W. Scharf
CEO, Wells Fargo Company



www.argyleteam.com

Argyle Company

100 Burma Rd,
Jersey City, NJ 07305
(201) 793 5400

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