GARMIN

GARMIN LTD. 2022 SASB REPORT

REPORTING UNDER THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) STANDARDS FOR THE YEAR ENDED DEC. 31, 2022

INTRODUCTION

For more than 30 years, Garmin has developed innovative products that enrich the lives of our customers. As we look toward our future, we seek opportunities to continue delivering superior and innovative products that are essential to our customers' lives, guided by our mission, vision and values. We have integrated sustainable practices into each of our business pillars, which will help us achieve long-term success.

MISSION

To be an enduring company by creating superior products for automotive, aviation, marine, outdoor and sports that are an essential part of our customers' lives.

VISION

We will be the global leader in every market we serve, and our products will be sought after for their compelling design, superior quality and best value.

VALUES

The foundation of our culture is honesty, integrity and respect for associates, customers and business partners. Each associate is fully committed to serving customers and fellow associates through outstanding performance and accomplishing what we say we will do.

The Garmin Board of Directors provides oversight and governance on all business matters, including sustainability and environmental, social and governance (ESG) strategies. Our executive leadership team provides direction on ESG strategies, oversight of the implementation of ESG initiatives and regularly updates the Board of Directors on ESG matters. Active involvement from our Board of Directors and executive leadership team ensures that ESG priorities are integrated into business decisions and throughout the organization. To gain a broader perspective on ESG matters, we engage with a wide variety of both internal and external stakeholders.

This approach has proven to be effective and impactful in our continuing journey of being an enduring company.

This report for the year ended Dec. 31, 2022, includes SASB disclosures for the Technology & Communications Sector – Hardware industry. In addition to the Garmin Corporate Sustainability Report and Annual Report, this SASB Report will help inform stakeholders of our ESG efforts and programs as we continue on our mission to be an enduring and sustainable company led by our mission, vision and values.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD

SASB Standards

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD		
TOPIC	**SASB CODE**	**DISCLOSURE OR METRIC DESCRIPTION**
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for: (1) management, (2) technical staff and (3) all other employees
Product Life Cycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP), or equivalent, by (a) all facilities and (b) high-risk facilities
	TC-HW-430a.2	Tier 1 suppliers' (1) nonconformance rate with the RBA Validated Audit Process (VAP), or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials
Activity Metric	TC-HW-000.A	Number of units produced by product category
	TC-HW-000.B	Area of manufacturing facilities
	TC-HW-000.C	Percentage of production from owned facilities

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD

PRODUCT SECURITY

TC-HW-230a.1: Description of approach to identifying and addressing data security risks in products.

Security and privacy requirements are integrated into our product development processes. We follow security and privacy by design principles for all our products, from design through customer use, decommissioning and refurbishment.

Our product design process includes a security and privacy risk analysis to verify that the product meets applicable security and privacy controls and requirements. Risks are continually evaluated as products advance through development, production, distribution, use and discontinuation. Vulnerabilities are resolved as they are identified and verified. Our risk assessment processes are consistent with industry best practices, and we provide annual security and privacy training to relevant staff.

Further, our security strategy is integrated into our supply chain. Our supplier contracts include clauses to ensure, where applicable, that security patches for confirmed vulnerabilities associated with supplier provided components and technology are provided in a timely manner.

The Garmin Vulnerability Disclosure Policy (aligned with ISO/IEC 29147) describes how we work with the security community and greater public to address purported vulnerabilities. When notified about a purported vulnerability, we investigate thoroughly and, if confirmed, remediate.

EMPLOYEE DIVERSITY AND INCLUSION

TC-HW-330a.1: Percentage of gender and racial/ethnic group representation for: (1) management, (2) technical staff and (3) all other employees.

We believe diversity and inclusion are important foundational elements for building a strong corporate culture and talented workforce. We intentionally build a strong culture filled with individuals who share our mission, vision and values. As a global company with offices in more than 30 different countries around the world, diversity and inclusion play an important role in our culture and our business operations.

The following table provides the gender representation of Garmin employees, globally, as of Dec. 31, 2022.

	MALE	FEMALE	OTHER
Management	8%	2%	0%
Professionals	27%	9%	0%
All Other Employees	19%	35%	0%
Total	54%	46%	0%

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD

The following table provides the racial/ethnic group representation of Garmin employees in the U.S. as of Dec. 31, 2022. The percentages below represent the number of employees in each racial/ethnic group in each employee category divided by total number of U.S. employees in each employee category as of Dec. 31, 2022.

	ASIAN	BLACK/AFRICAN AMERICAN	HISPANIC/LATINO	WHITE	OTHER
Management	7%	2%	2%	88%	1%
Professionals	11%	2%	3%	82%	2%
All Other Employees	10%	5%	9%	72%	4%

Data on gender and racial/ethnic group is based on employee self-identification, and employee categories presented in the tables are based on EEO-1 job categories. Employees classified as Professionals under EEO-1 (or equivalent) are included within the Professionals category. Employees classified as Administrative and Sales Workers, Support Workers, Craft Workers, Laborers and Helpers, Operatives, Service Workers and Technicians under EEO-1 (or equivalent) are included within the All Other Employees category.

Factors that influence the metrics above include the industry in which we operate and location of our offices. We have investments to continue promoting diversity and inclusion at Garmin. As an example, our investments in STEM (Science, Technology, Engineering and Math) outreach programs serve to educate and encourage underserved and underrepresented groups to pursue careers in these fields. Please refer to our Corporate Sustainability Report for additional discussion on these diversity and inclusion efforts at Garmin. Additionally, our strict anti-harassment and antidiscrimination policies within our Code of Conduct are enforced to ensure a safe, respectful and inclusive work environment for all employees.

PRODUCT LIFE CYCLE MANAGEMENT

TC-HW-410a.1: Percentage of products by revenue that contain IEC 62474 declarable substances.

As an electronics manufacturer, nearly all our products may contain small amounts of IEC 62474 declarable substances. Any product that contains a substance of very high concern (SVHC) above reportable levels is reported on the European Chemicals Agency (ECHA) SCIP database.

Garmin complies with all applicable laws and regulations, such as the European Union's Restriction of Hazardous Substances (RoHS) directive and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation. We continuously monitor all legal and regulatory updates to ensure compliance.

We track the use of declarable substances in our manufacturing processes, including the use of any such substances from our suppliers. Our tracking processes enable us to monitor and screen for banned and declarable substances to ensure our products are compliant with legal and regulatory requirements. For additional information regarding Garmin's policies and practices regarding declarable substances, please refer to our Materials webpage.

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD

TC-HW-410a.2: Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent.

Not applicable. Garmin products do not fall within the scope of EPEAT registration.

TC-HW-410a.3: Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria.

Not applicable. Garmin products do not fall within the scope of the ENERGY STAR® rating and certification system.

TC-HW-410a.4: Weight of end-of-life products and e-waste recovered, percentage recycled.

We recycled approximately 794 metric tons of e-waste in 2022. This figure includes amounts collected from Garmin facilities, customer returns and recycling events extended to our employees to bring in personal e-waste to be recycled. Additionally, we refurbished more than 64 metric tons of products and sub-assemblies from collected customer returns.

Our approach when it comes to e-waste recycling and stewardship is to reuse or refurbish end-of-consumer life products and sub-assemblies returned to us when possible. When we are unable to reuse the collected end-of-consumer life products or sub-assemblies, we recycle e-waste through organizations that have been certified to responsibility standards such as e-Stewards, Responsible Recycling Practices (R2) or have been approved by governmental agencies.

We also finance e-waste collection, processing and recycling through third-party organizations in certain jurisdictions. The amount of e-waste that was collected and recycled in association with these programs is not included in the weight noted above. Data on the weight collected through these means is not available.

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD

SUPPLY CHAIN MANAGEMENT

TC-HW-430a.1: Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP), or equivalent, by (a) all facilities and (b) high-risk facilities.

TC-HW-430a.2: Tier 1 suppliers' (1) nonconformance rate with the RBA Validated Audit Process (VAP), or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances.

Tier 1 suppliers refer to those who transact directly with the entity for goods and services directly related to manufacturing. Garmin serves as its own Tier 1 supplier. In 2022 we manufactured approximately 96%, by volume, of our products sold. Our vertical integration business model is a strategic differentiator that we take pride in. We control our entire process, from research and development to product manufacture to sale and distribution.

We do not audit our facilities using the RBA Validated Audit Process; however, our facilities operate under our Code of Conduct, which aligns with the RBA Code of Conduct, specifically labor rights, health and safety provisions, ethics provisions and environmental provisions.

Regarding upstream suppliers who provide components used in our products, we do not verify whether these upstream suppliers have been audited in the RBA Validated Audit Process. However, we have processes to assess these upstream suppliers against our Supplier Code of Conduct. All upstream suppliers must complete a supplier risk assessment questionnaire on an annual or biannual basis. The supplier risk assessment process helps us ensure that our suppliers are meeting our Supplier Code of Conduct, Supplier Expectations, and Supplier Terms and Conditions.

MATERIALS SOURCING

TC-HW-440a.1: Description of the management of risks associated with the use of critical materials.

Garmin does not directly utilize critical materials, but we rely on suppliers who do. To minimize the indirect risks associated with the use of critical materials in sourced components, we utilize multiple suppliers where possible and work to develop additional suppliers for unique or sole-source components. We also maintain safety stock for components that may be subject to supply restrictions for any reason. We align with industry best practices to minimize the environmental and social impacts associated with conflict minerals and are members of the Responsible Minerals Initiative (RMI). For more information on Garmin's strategy and policy on conflict minerals, please refer to our Conflict Minerals Statement and Conflict Minerals Reports.

HARDWARE SUSTAINABILITY ACCOUNTING STANDARD

ACTIVITY METRICS

TC-HW-000.A: Number of units produced by product category.

In fiscal 2022, Garmin sold approximately 15 million units. We do not provide the number of units produced by product category. We believe that the total number of units sold allows for comparability.

TC-HW-000.B: Area of manufacturing facilities.

As of Dec. 31, 2022, Garmin's total manufacturing square footage was approximately 2.7 million square feet.

TC-HW-000.C: Percentage of production from owned facilities.

Approximately 96% of Garmin products sold, by volume, in fiscal 2022 were produced in Garmin-operated manufacturing facilities.

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