HUMBLE BEGINNINGS

On January 1, 1958, Bill and Vieve Gore celebrated New Year's Day — and their 23rd wedding anniversary — by starting a new business venture in the basement of their Newark, Delaware, home.

There was inherent risk involved, with Bill leaving his successful career as a DuPont research chemist to pursue new market opportunities for fluorocarbon polymers.

When embarking on this new adventure, Bill and Vieve pictured more than potential business opportunities. They also thought deeply about the kind of work environment they wanted to create: one that would foster innovation and business success. In particular, Bill was heavily influenced by his work experiences, as well as by the writings of psychologist Abraham Maslow and author Douglas McGregor.

> " . . .I dreamed of an enterprise with great opportunity for all who would join in it, of a virile organization that would foster self-fulfillment and which would multiply the capabilities of the individuals comprising it beyond their mere sum."
>
> — Bill Gore, Co-Founder

Left: Founders Wilbert Lee "Bill" Gore and Genevieve "Vieve" Gore.

> "The Gore culture at its heart is about the pleasure and satisfaction that comes from working together and in ways free of too many rules and too many distractions — when you can really move quickly and solve problems and make a lot of decisions. It's a great way of working together that brings out our human potential."
>
> — Bret Snyder, CEO & grandson of company founders

Together, improving life

GORE

Our Early Influencers

These early influences, as described in the boxes at right, helped pave the way for a company culture that by all accounts was ahead of its time. A place that believes in every individual and encourages experimentation, healthy risk taking, personal growth and development, and shared ownership for success. A place where we "make money and have fun doing so" (to use Bill's own words). And a place where every Associate — not employee — has the power to make a difference, not just within the company but across industries and around the world.

Gore was built on a dream, and our founders' vision continues to shape who we are today. Our enterprise applies a focus on sound science and a strong work ethic to create innovative products in diverse fields such as high-performance fabrics, implantable medical devices, industrial manufacturing components and aerospace electronics. This innovation is possible because of our focus on teamwork and direct communication rather than chains of command.

> "One of the objectives that I had in starting our own enterprise was to try and apply the task-force kind of organization to a business enterprise. In the task-force operation, there were no titles, and the interaction was one-on-one within the team."
>
> — Bill Gore, Co-Founder

Maslow's Hierarchy of Needs
American psychologist Abraham Maslow was one of Bill Gore's early influences. He believed people have a hierarchy of needs, and once basic survival needs are met, humans can begin seeking their highest level — the desire to learn, grow and reach their full potential. Utilizing Maslow's theories, Bill set out to form an enterprise that would provide great opportunity and foster self-fulfillment. This set the foundation for our emerging beliefs and principles.

McGregor's Theory X vs. Y
Bill Gore was greatly influenced by Douglas McGregor, author of The Human Side of Enterprise. The book, first published in 1960, contributed to Bill's evolving thinking about management in his own fledgling company. In his book, McGregor described a revolutionary way to manage people and unleash their creative potential — "Theory Y." This theory noted that individuals will perform at a higher level if they are allowed to pursue their innate abilities and interests. The fundamental beliefs expressed through "Theory Y" were the foundation upon which our core values and principles were built. "Theory Y" is the antithesis of "Theory X" — the traditional authoritarian approach to management.

DuPont Task Force
When Bill Gore worked for DuPont, he occasionally had the opportunity to work on small task forces. Bill found that he and other employees were able to solve problems more quickly and efficiently when working in small teams. It also allowed him to get to know his fellow employees better and observe innate capabilities that were not obvious to him in a normal work environment. These observations prompted Bill to consider building an entire organization where Associates were empowered to come together in small teams to get work done.

Our Guiding Principles

What we believe in

Our principles define the essence of our culture. These principles guide day-to-day decision-making and support the long-term success of the enterprise.

Freedom
We believe in each other, and will allow, help and empower our fellow Associates to grow in knowledge, skill and scope of responsibility.

Fairness
Together, we are responsible for sustaining an engaging enterprise built on inclusiveness, striving to be fair with each other and everyone with whom we do business.

Commitment
We make and keep our own commitments to demonstrate personal responsibility to each other, our teams and our customers.

Waterline
We are all shareholders, and we will consult with the appropriate Associates before taking an action that could cause serious damage to the long-term success or reputation of the enterprise.

With these principles as our foundation, we unleash the innate potential that our founders saw in all individuals. When we do this well, we open new possibilities for ourselves, our fellow Associates, our enterprise and our customers — and pave the way for innovations that will break new ground and contribute to the greater good of society.

"I think one of the most important things to me, and it was to Bill, is to bet on a person and you trust the person and you believe in them. And if you do that I don't see how you cannot be successful."

— Vieve Gore, Co-Founder

These principles are at the heart of our culture and we are committed to upholding them. More specifically, they are mutual agreements between Associates, influencing how we work with each other, as well with our customers, suppliers and other stakeholders.

How We Work

Lattice

We believe that any Associate should have the freedom to connect with any other Associate within the organization — whether it's tapping expertise, brainstorming a new idea or sharing feedback. We use the term "lattice" to describe the interconnection among our Associates: how we communicate, network and share knowledge. Each of us is responsible for building our network and making the appropriate connections with other Associates within our lattice. We have found that direct, person-to-person communication leads to a smoother, faster and more accurate flow of information and contributes to greater collaboration and creativity. While we encourage open and direct communication across Gore, we also recognize the need for clarity around roles, responsibilities, priorities and decision-making. We continually strive to strike the right balance and keep bureaucracy at a minimum.

"Strong teams have diverse, highly engaged and committed Associates. Everyone plays an important role in providing exceptional experiences and achieving exceptional business results."
— Stevy Yao, Associate

Teamwork and relationships built on trust

We have found that when Associates work together as part of a team, this creates a shared ownership for delivering results.

We believe that teams work together most effectively, and deliver the best outcomes, when they know and trust one another, harness diverse perspectives, communicate openly and directly, and operate with our company's guiding principles in mind. We also believe that successful relationships require trust,

honesty and respect, and we encourage Associates to spend the time needed to build and maintain relationships. This relationship-based culture extends beyond our interactions with fellow Associates. We are committed to forging trusted, collaborative relationships with our customers and end users to understand and anticipate their evolving needs, solve their complex challenges, and ensure their long-term success.

"Culture is not something that grows only from inside influences. . . Whether our customers are surgeons or plumbers, or outdoor enthusiasts or big institutions, [it] affects us as we build ourselves to effectively interface with them. . . However, many basic attributes of people have not changed for thousands of years. To the extent that our culture relies on these basic attributes, our business culture will continue to remain relevant."
— Bob Gore, CEO 1976-2000

Integrity

Over the last six decades, Gore has developed a worldwide reputation for building trusted relationships with our customers, suppliers and each other. Our global reputation and financial success are a direct result of the strong values at the foundation of our culture. We consciously strive to uphold our legacy of high ethics and integrity through a commitment to individual accountability, fairness, environmental stewardship and sound global business practices. And as described on page 3, we firmly believe in taking the long-term view — not sacrificing our beliefs for short-term gain. This drives a deep sense of responsibility to always do the right thing.

> "Freedom without the restraints of responsibility is chaotic and destroys cooperation and teamwork. We all want to achieve the best combination of freedom and responsibility."
> — Bill Gore, Co-Founder

Being responsible

Our culture is intended to foster an environment where every Associate can contribute creative ideas, play an active role in driving their personal growth and take calculated risks to explore new opportunities.

> "Integrity plays a huge role not just in the success of the company but the existence, quite honestly. As soon as we stop acting with integrity, that's when things start to fall apart."
> — Marcus Mitchell, Associate

Associates work with leaders and sponsors to identify commitments that meet business needs, but each individual is ultimately responsible for making his/her own commitments and keeping them.

Compensation based on contribution

In many workplaces, bosses or managers are solely responsible for assessing an employee's performance and determining compensation. But they may not be as knowledgeable about an employee's contributions as someone who works with them day to day. At Gore, we have an annual contribution process that asks Associates to provide input on their peers' contributions and their impact to the enterprise. This is an important part of the picture when determining an Associate's overall contribution, impact to Gore and compensation.

Who We Are

Associates, not employees

Associates are more than employees; they are trusted stewards of Gore's business. Each Associate is empowered to operate with an owner's mindset, making commitments that help drive Gore's long-term success. Associates are also encouraged to play an active role in charting their career path, working with sponsors and leaders — not bosses — to grow their contributions and to match their talents and interests with business needs. It's an environment in which highly motivated people thrive and where we are able to bring unique talents and diverse perspectives to problem-solve and collectively get work done.

Leaders, not bosses

Fancy titles, authoritarian bosses, corporate ladders — you won't find these at Gore. But we do have Associates in leadership roles who take responsibility for key areas of our businesses and functions. We are very conscious of our leaders behaving in a way consistent with our principles — this means leading without commanding and controlling. Instead, leaders support and coach Associates by empowering, challenging and motivating them to contribute. Leaders most often emerge based on skill, capability and followership. If someone accepts a new commitment or is hired into a leadership role, it is with the understanding and expectation that the individual will build followership over time.

In addition to formal leadership roles, Associates at Gore are encouraged to demonstrate leadership in their everyday work; for example, championing a project, sharing direct feedback and using knowledge and expertise to make an important decision.

> "We turn for leadership to the person we recognize as having the greatest knowledge, skill, experience or capability in the particular activity our team is involved in."
> — Bob Gore, CEO 1976-2000

Sponsors

Every Associate has a sponsor — from new hires to experienced leaders. Simply put, a sponsor is an Associate who makes a formal commitment to the success of a fellow Associate. Each new Associate at Gore is assigned a "starting sponsor," but every Associate has the freedom to change sponsors at any time if they ever feel the relationship isn't working effectively. Sponsorship is a two-way relationship that requires mutual trust, openness, respect and commitment. While one Associate may sponsor a number of Associates, each relationship is one-to-one. Sponsors and leaders work collectively with Associates to maximize each individual's contributions to the enterprise and success as an Associate.

Culture as a Differentiator

We invest considerable time and energy into maintaining a vibrant workplace at Gore, and we survey Associates regularly to assess how well we are doing and to pinpoint opportunities for improvement. We don't consider our culture a "nice to have." Rather, it is critical to our company's health and success. When our Associates are engaged in their work, feel empowered to make a difference and face limited barriers, then we are stronger as an enterprise. We see this in the form of continued innovation and strong business results.

Gore has appeared on a number of Great Place to Work® lists around the globe over the past 20 years. This recognition is particularly meaningful because it is driven largely by Associates' input on their work environment.

Great Place To Work® Europe

Great Place To Work® France

"Our founders believed in our material technologies and human potential. Still today, this vision remains true for me and creates an environment where entrepreneurship, collaboration and innovation can thrive. Our intent to innovate with purpose creates energy and passion that is also experienced by our customers. I, as an individual, feel empowered to contribute to this success."

— Silke Kemmerling, Associate

"...from very early on, we've been very global, and it's wonderful. It's wonderful to meet the new cultures and the new people. And in the world today, I think that this is one of the most exciting things that can happen to Gore and to our world, is to reach out. You're not ingrown that way, you get new ideas, fresh ideas."

— Vieve Gore, Co-Founder

Culture as a Timeline

1950s

Influenced by DuPont's "Task Force" model and the work of organizational theorists Abraham Maslow and Douglas McGregor, Bill and Vieve Gore founded W. L. Gore & Associates. The Gores would eschew formal hierarchy in their new enterprise in favor of an environment in which innovation resulted from the close collaboration of individuals, each empowered to grow, seek out new opportunities and achieve great things.

1960s

Gore commits to sharing the enterprise's success with all Associates by establishing a practice of profit sharing. Bill begins to highlight the importance of interpersonal relationships to the success and effectiveness of teams. He does so by keeping teams small enough for everyone to know everyone else and allowing for decisions to be made by those with the most knowledge of a given situation. By the late 60s, Bill coins the term "lattice" in order to describe, in visual terms, the non-bureaucratic structure of the enterprise and to demonstrate the effectiveness of the direct one-on-one communication style that underpins the way in which Associates work together. The idea of creating a "winning team" becomes the enterprise's primary objective, which defines success by working together to create the greatest value available for Gore's customers and the world at large.

1970s

The concept of sponsorship appears in Bill Gore's writings for the first time and the definitions of leadership and followership emerge. Bill composes his seminal work, "The Lattice Organization — A Philosophy of Enterprise." This work codifies Gore's organizational structure and establishes its four guiding principles: Freedom, Fairness, Commitment and Waterline. In further recognition of the belief in every individual to contribute to the success of the enterprise, Gore establishes an Associate Stock Ownership Plan (ASOP) providing every Associate with a shared ownership in the enterprise.

> "Every business corporation is not a business enterprise as Bill Gore saw it. Enterprises purposefully venture on the unknown, corporations sometimes don't. Bill Gore always referred to our company as an enterprise. Our purpose was to break new ground."
>
> — Bob Gore, CEO 1976-2000

1980s

As the enterprise enters a period of tremendous growth, Gore takes several steps to ensure its unique way of operating can be sustained as the business grows throughout the world. Initiatives like an annual culture survey are established to continuously monitor the health of Gore's culture as perceived by all of its Associates. The cluster concept, which involves constructing many small buildings in close geographic proximity, became one solution to the potentially negative effects of Associate population growth on Gore's concept of working in small teams. With the continuous influx of new Associates, Gore begins to emphasize the importance of accountability and personal responsibility in meeting the needs of the enterprise when seeking to maximize the freedom and opportunities of all Associates. A new enterprise

1980s (continued)

objective, "Make money and have fun doing so," is promoted to focus attention on maintaining an environment in which Associates can provide Gore's customers with valuable products while achieving personal growth and satisfaction from working with others. Externally, Gore is recognized for its innovative organizational structure in various media outlets and is named to the first publication of the 100 Best Companies to Work For®.

2000s

Gore institutes an Associate award, which is given to an Associate by their peers. The award recognizes Associates in each plant who exemplify and model the Gore culture. Vieve Gore was the first recipient. As the Great Place To Work® program expands globally, Gore locations throughout Europe begin to appear on lists in their respective countries, frequently clinching the number one spot as a best place to work. Recognizing growth opportunities throughout Asia, Gore establishes manufacturing operations in China in order to stay close to our customers and meet the needs of the growing market for Gore products in the region.

1990s

Bob Gore creates the analogy of the three-legged stool to illustrate the important role that every part of the organization plays in achieving business success. As Gore expands its product offerings into increasingly varied industries, greater tools are developed to add discipline to the way Associates innovate, encouraging the creativity of Associates while ensuring Gore's commitment to product leadership and offering unique, high-value products with distinctive capabilities. Gore continues to be acknowledged as one of the Great Companies to Work For® when Fortune Magazine takes over the annual award program.

2010s

Gore continues to evolve to meet the changing needs of an increasingly global market while adopting new, internally-collaborative technologies to stay true to its roots, enabling globally-diverse, virtual teams to work together as small, interpersonal teams. As Gore grows in size and continues its journey to be more integrated across the world, more effort is put into balancing the power of small teams with the commitment that we are all in the same boat. Gore's culture survey continues to be an important measure for the enterprise's organizational health, particularly during times of change, more than two decades after its inception. External forces such as the speed and openness of innovation, collaborative problem solving with external partners and thought leaders, changing workforce expectations and rapid advances in digital technology are pushing Gore to think and operate in new ways that will enhance the experiences and overall engagement of our customers and Associates while staying true to the foundational elements of our culture.