

stryker



2021 Comprehensive Report

Financial, environmental, social and governance





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Patient impact

Game-changing innovations

With the help of Blueprint technology, a surgeon restores the shoulder—and the hope—of a former Major League Baseball (MLB) pitcher.

One moment, Jeff Brantley was reaching into the refrigerator for a carton of milk. The next, a jolt of pain overtook his extended right arm. The carton came crashing to the floor as his son looked on in surprise.



That same arm used to throw strike after strike during Jeff's 14 seasons as a relief pitcher. Now a broadcaster for the Cincinnati Reds, the baseball great led the National League in saves in 1996, played in the MLB All-Star Game in 1990 and was inducted into the Mississippi Sports

Hall of Fame in 2010. As his baseball career progressed, though, Jeff's shoulder slowly deteriorated.

"The problem that you have being a pitcher is the repetitive motion on one side of your body, over and over and over. Especially with your shoulder and elbow," Jeff says. By his fifties, despite having undergone multiple surgeries, he was plagued by weakness and pain.

"I was really concerned because I'm right-handed," Jeff says. "I can't even get a carton of milk out of the refrigerator? I'm a pro athlete. I should be able to do that in my sleep."



The problem that you have being a pitcher is the repetitive motion on one side of your body, over and over and over. Especially with your shoulder and elbow."

Jeff Brantley

Patient

Desperate to alleviate the pain and to finally play catch with his son, Jeff consulted longtime Cincinnati Reds medical director Dr. Tim Kremchek, who referred him to Dr. Andrew Razzano.

Dr. Razzano—a knee, shoulder and elbow specialist—proposed a solution: shoulder arthroplasty, commonly known as total shoulder replacement. Jeff was hesitant, but Dr. Razzano gave him confidence by using Stryker’s Blueprint 3D Planning software to walk him through the procedure from every angle. Beyond aiding in patient communication, Dr. Razzano and many other orthopaedic surgeons use Blueprint to prepare for operations by visualizing each procedure in advance. This allows for precise and reproducible 3D measurements and leads to improved decision-making, Dr. Razzano says.^{1,2,3} “If, in the O.R., something happens and you have to change

your plan, you’ve already done it in a virtual model. You don’t have to think as much on the fly.”

Thousands of miles away, Dr. Ruth Delaney recently became the first surgeon in Ireland to use Blueprint’s new Mixed Reality software. Originally unveiled by Wright Medical—which Stryker acquired in November 2020—the latest generation of Blueprint allows doctors to interact with their 3D pre-operative plan as they perform surgery (see sidebar below).



◀ **Dr. Ruth Delaney**

Introducing Blueprint Mixed Reality



Developed by pioneering orthopaedic surgeons from around the globe, the latest generation of Stryker’s Blueprint technology is transforming the way shoulder surgeries are performed. Using a mixed reality headset, the software allows surgeons to view 3D versions of their patients’ pre-operative plans and anatomy while in the operating room.

“When we first started on the journey to create this software, we likened it to the difference between a smartphone and a flip phone,” says Dr. Jon J.P. Warner, co-chief of shoulder services at Boston Shoulder Institute. After decades of relying on 2D CT scans, Blueprint Mixed Reality puts critical patient information at surgeons’ fingertips.

“With Mixed Reality, we can see our plans in real time in front of our faces when we operate. It is dynamic, so you can see a patient’s anatomy in a lot of detail,” says Dr. Delaney. “What was interesting the first day that I used it was that it didn’t interfere with my surgery or distract me.”

Dr. Razzano agrees. “What Mixed Reality means to me is that you’re using it intraoperatively in real time. It’s not diverting your focus to go look at the computer again,” he says.

After his operation with Dr. Razzano, Jeff began to feel improvement in about two weeks. A few months into the rehabilitation process, he noticed a dramatic difference and was able to move his shoulder up and down and back and forth. “Now it slides smooth as silk,” Jeff says.

While Jeff continues to use his shoulder thoughtfully, today he is relieved to perform simple tasks like lifting a suitcase and tossing a ball to his son without debilitating pain.

“I’m not trying to throw the ball 90 miles an hour anymore, but if we want to go out and play catch, I know I can do it,” he says. “The first time being able to go out and throw with my son was great for me. But it was even greater for him.”



What mixed reality means to me is that you’re using it intraoperatively in real time. It’s not diverting your focus to go look at the computer again.”

Dr. Andrew Razzano

Knee, shoulder and elbow specialist

All surgery carries risk. The only way to determine whether surgery is appropriate for a patient is after consultation with an orthopaedic surgeon regarding risks and benefits of surgery. Not all patients have the same operative recovery and activity level. Individual results vary.

Our company

Stryker is one of the world's leading medical technology companies and, together with our customers, we are driven to make healthcare better. We offer innovative products and services in Medical and Surgical, Neurotechnology, Orthopaedics and Spine that help improve patient and hospital outcomes.

SYK

symbol for our common stock publicly traded on the New York Stock Exchange

\$17.1B

global sales in 2021

\$1.2B

spent on R&D in 2021

Kalamazoo, MI, U.S.

global headquarters

75+

countries including operations in the following geographic areas: the U.S. (including Puerto Rico); Europe, Middle East, Africa; Asia Pacific; Canada and countries in the Latin America region

~46,000

employees worldwide in 2021

~4,458

United States patents and 7,199 patents in other countries

Our specialties

- Biologics
- Craniomaxillofacial
- Digital, Robotics and Enabling Technologies
- Ear, Nose and Throat
- Emergency and Acute Care
- Foot and Ankle
- Hips
- Infrastructure and Integration
- Interventional Spine
- Knees
- Minimally Invasive and Open Surgical Visualization Solutions
- Neurosurgical
- Neurovascular
- Power Tools
- Robotic-Arm Assisted Technology
- Spinal Implants
- Sports Medicine
- Surgical Equipment
- Sustainability Solutions
- Trauma
- Upper Extremities

Global recognition

- World's Best Workplaces, Great Place to Work and Fortune
- Change the World List, Fortune
- Companies that Care, Great Place to Work and People
- 100 Best Companies to Work for, Great Place to Work and Fortune
- World's Most Admired, Fortune
- Fortune 500
- Best Places to Work, Glassdoor



Dear stakeholders,

In 2021, Stryker returned to growth and delivered strong results despite the ongoing challenges of the pandemic. I want to thank our customers, whose dedication to patient care in the face of another demanding year continues to inspire our work and whose collaboration keeps us innovating to make healthcare better. I'd also like to thank our employees, whose drive and resilience allowed us to adapt quickly to the changing environment. In particular, our commercial and manufacturing teams have worked tirelessly to support our customers in hospitals, care settings and at our facilities across the world.

A message from Stryker Chair and CEO, Kevin A. Lobo

Culture and leadership

2021 also marked 80 years since Dr. Homer Stryker, an orthopaedic surgeon, founded the company. Our people and culture continue to distinguish us, and they are the reason we are able to mark this anniversary with so many highlights. I'm encouraged that our employees remain highly engaged and that we are making progress with our corporate responsibility initiatives, including diversity, equity and inclusion ([see page 24](#)). For a fifth consecutive year, Fortune named us one of the 25 best workplaces in the world, and many of our global teams were recognized for creating great places to work. Our culture has always been about making a difference, and our employees continue to be the driving force behind our progress and achievements.

We had a change to our senior leadership team in the fall of 2021. Tim Scannell transitioned from president and chief operating officer, after an outstanding 31-year career at Stryker, into an executive adviser role. With this change, our group presidents have each taken on additional responsibilities. In addition to leading Medical and Surgical and Neurotechnology, Andy Pierce is now also responsible for Corporate Strategy and Asia Pacific. Spencer Stiles is now responsible for Corporate Business Development as well as EMEA, Canada and Latin America, in addition to leading Orthopaedics and Spine. They both now report to me directly.

Financial performance

Stryker delivered above-market sales growth with strong earnings and cash flow in 2021, which bolstered our commitment to category leadership across our businesses. This is an excellent result considering the current environment and a testament to our ability to keep growing at the high end of MedTech.

Our sales grew 19.2 percent from 2020 and 14.9 percent from 2019, including 7.2 percent organically compared to 2019, which provides a more normal baseline for comparison given the variability caused by the COVID-19 pandemic,

including 5.2 percent in the United States and 12.9 percent internationally. Our organic growth included 8.7 percent from increased unit volume and a 1.5 percent impact from lower prices. Our reported net earnings increased 24.7 percent, and our adjusted net earnings increased by 22.9 percent from 2020.

We delivered approximately \$3.3 billion of cash from operations. This strong performance reflects the results of our net earnings and continued focus on working capital management. Our effective cash management enabled us to increase our dividend rate by 10.3 percent for the January 2022 payment.

Mission

Together with our customers,
we are driven
to make healthcare better.

Values

Integrity
We do what's right

Accountability
We do what we say

People
We grow talent

Performance
We deliver

Together with our customers around the world, we impact more than

100 million patients annually*

This would not be possible without our people, the 46,000 employees from 75+ countries who are passionately driven to deliver remarkable results. We are uniquely positioned to impact these patients across their episode of care journey through our innovative capital, disposable and implant offerings.

* This figure is based on capital, implant and disposable products across the patient episode of care.



Stryker’s innovative spirit is alive and well as we continue to launch new products and pursue acquisitions to fuel growth across our 22 business units.”

Innovation

Stryker’s innovative spirit is alive and well as we continue to launch new products and pursue acquisitions to fuel growth across our 22 business units. We had an excellent integration of Wright Medical, acquired Gauss Surgical, and launched numerous products across specialties. This year brought further focus on safer care and broader societal impact, and our efforts were recognized in Fortune’s Change the World list. We also continued to advance our digital and enabling technologies capabilities as well as our customized approach to supporting the unique needs of ambulatory surgery center customers. In February of 2022, we also acquired Vocera Communications, a leader in digital care coordination and communication.

In support of our customers, we continue to deliver high-quality products and successfully navigate

the global supply challenges that have seemingly impacted every industry this year.

Corporate responsibility

Together with our customers around the world, we impact more than 100 million patients annually. With reach and success comes responsibility, and we owe it to our stakeholders, our planet and ourselves to make progress responsibly and sustainably. This year we advanced each of the commitments we made in 2020, which align with our pillars of stronger people, healthier planet and good business. We built upon our diversity, equity and inclusion initiatives and employee health, safety and wellbeing programs. We reduced our carbon footprint by investing in energy efficiency and moving towards renewable energy. We

formalized oversight of our commitments through our Board of Directors and global CR steering committee. Additionally, we launched Impact, our global giving and volunteering platform that provides our employees the opportunity to donate to a vast number of charities with the click of a button, which is bolstered by an employer match. We were honored to be recognized by People Magazine on its Companies that Care list for 2021, highlighting companies that have succeeded in business while also demonstrating respect and care for their employees, communities and the environment.

As I reflect on our 80th year as a company, it remains clear that Dr. Stryker’s legacy is as strong as ever. Our company strategy will continue to stay focused on customers, innovation, globalization, and supporting responsible, sustainable growth that delivers strong financial performance. We are driven to make a difference in the world and, together with our customers, are making healthcare better.

A handwritten signature in black ink, appearing to read 'Kevin A. Lobo'.

Kevin A. Lobo
Chair and CEO

Our company strategy

Drive market leading growth and achieve category leadership in MedSurg, Neurotechnology, Orthopaedics and Spine



Customer focus

- Intense customer commitment through business unit specialization
- Achieve highest levels of customer engagement through high quality products, sales and marketing excellence and world-class supply chain



Innovation

- Make healthcare better through evidence-based products and services that enable safer patient care and improved outcomes
- Drive growth through disciplined investment in R&D and business development



Globalization

- Focus resources and talent on key global markets
- Strengthen alignment among franchises, country teams and global functions
- Positively impact people and environment through responsible and sustainable practices



Financial performance

- Continuously reduce costs and generate cash to fund our future
- Improve profitability and operating leverage through scale and process excellence

Quality first: Top tier products and services
Talent and culture: Mission-driven diverse and inclusive teams



Innovating for growth

As one of the pillars of our strategy, innovation is a critical way that Stryker strengthens our product and service lines, development capabilities and market reach.

We do this through both disciplined R&D investments and acquisitions to support evidence-based care and patient outcomes across the continuum of care. Stryker has strong R&D pipelines across our 22 business verticals, and a clear leadership position in the following four areas:

Smarter solutions

As we build on our Digital, Robotics and Enabling Technologies (DRE) organization,

we continue to be a pioneer and leader in the robotics market. In Joint Replacement, Stryker was first to market with a truly robotic solution: Mako SmartRobotics, which uses 3D CT-based planning software so your surgeon can know more about your anatomy to create a personalized joint replacement surgical plan. By guiding surgeons during surgery, Mako's AccuStop technology allows surgeons to cut less by cutting precisely what's planned to help protect healthy bone.^{4,5,6,7,8,9,10,11}

Advanced imaging expertise

Within the Endoscopy market, we have a long history of enabling advanced imaging and operating room connectivity—driven by a “see more, do more” mentality. Our 1688 Advanced Imaging Modalities (AIM) 4K Platform supports technology like the SPY Portable Handheld Imager (SPY-PHI), which makes it easier for surgeons to visualize blood flow. SPY-PHI can be used in microsurgical, reconstructive and gastrointestinal

Mergers and acquisitions



Acquisitions are another critical way that Stryker innovates. Throughout 2021, we focused on integrating Wright Medical, which we acquired in 2020 in the largest acquisition in our history. As a recognized leader in the upper extremities, lower extremities and biologics market segments—among the fastest-growing segments in orthopaedics—Wright Medical brought a complementary product portfolio and customer base to our trauma, foot and ankle, and upper extremities businesses.

Also in 2021, Stryker acquired Gauss Surgical, a medical device company that has developed Triton, an artificial intelligence-enabled platform for real-time monitoring of blood loss in sponges and canisters during surgery, enabling early detection of post-partum hemorrhage. We believe that Triton technology will help improve the industry standards for quantifying blood loss in the labor and delivery department, furthering Stryker's commitment to improve safety and outcomes for our caregivers and their patients.

procedures and was recently approved for use in cervical and uterine lymphatic mapping as well as pediatric surgery.



◀ **SurgiCount+ Safety-Sponge System**

Leadership in stroke care

In our Neurovascular business, we advance the practice of less invasive therapies through innovative stroke products, services and clinical education—allowing us to address a leading cause of long-term disability. In 2021, we saw continued growth in the adoption of the Surpass Evolve Flow Diverter, which redirects blood flow to promote aneurysm healing. Since its initial launch in Europe, Surpass Evolve has been approved in over 50 countries, and more than 5,000 patients have been treated with this life-saving technology.

Safer care and better outcomes

A commitment to patient safety spans Stryker's businesses, and we offer a broad portfolio of products across the continuum of care to support this objective. An example of a product line that promotes safety is our SurgiCount+ Safety-Sponge System. Despite careful oversight, surgical sponges are too often left in patients' bodies after surgery. SurgiCount+ allows healthcare providers to find sponges more easily and provide proof of compliance. Using ultra-high frequency radio-frequency identification technology, each sponge and towel is tagged to help ensure 100 percent verification.

Financial highlights

Financial overview

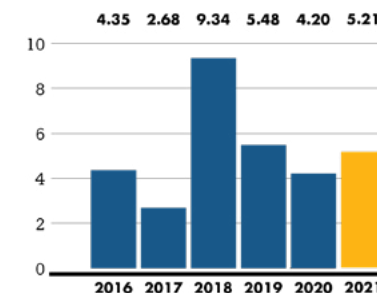
(\$ in millions, except per share amounts)

	2021	2020	% Change
Net sales	\$17,108	\$14,351	19.2%
Earnings before income taxes	2,281	1,954	16.7%
Income taxes	287	355	(19.2%)
Net earnings	1,994	1,599	24.7%
Adjusted net earnings*	3,474	2,827	22.9%
Net earnings per diluted share of common stock			
Reported	\$5.21	\$4.20	24.0%
Adjusted*	\$9.09	\$7.43	22.3%
Dividends paid per share of common stock	\$2.52	\$2.30	9.6%
Cash, cash equivalents and marketable securities	\$3,019	\$3,024	(0.2%)

* Adjusted net earnings and adjusted net earnings per diluted share are non-GAAP financial measures. Refer to [page 77](#) for a reconciliation to the most directly comparable GAAP financial measures, net earnings and net earnings per diluted share.

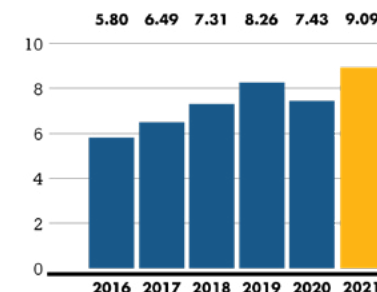
Net earnings

(\$ per diluted share)



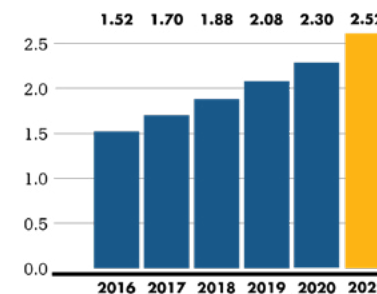
Adjusted net earnings*

(\$ per diluted share)



Dividends paid

(\$ per share of common stock)



Leading in MedTech

\$17.1B in global sales

Sales by segment



- 16% Trauma & Extremities †
- 15% Medical *
- 13% Endoscopy *
- 12% Instruments *
- 11% Knees †
- 8% Hips †
- 7% Spine †
- 7% Neurovascular *
- 7% Neuro Cranial *
- 4% Other *†

* MedSurg and Neurotechnology
 † Orthopaedics and Spine

56%

MedSurg and Neurotechnology

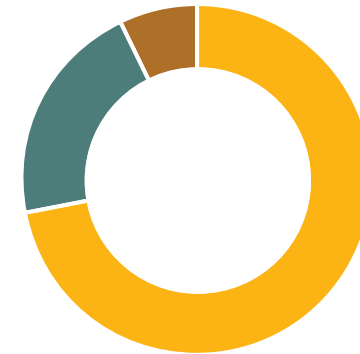
- 15% Medical
- 13% Endoscopy
- 12% Instruments
- 7% Neurovascular
- 7% Neuro Cranial
- 2% Other

44%

Orthopaedics and Spine

- 16% Trauma & Extremities
- 11% Knees
- 8% Hips
- 7% Spine
- 2% Other

2021 geographic net sales



- 72% United States
- 21% International (developed)
- 7% Emerging markets

Our corporate responsibility journey

We believe the health of the world is as important as the people who live in it. Corporate Responsibility (CR) encompasses Stryker's environmental and social impacts that aim to maximize shareholder and broader stakeholder value.

Stryker's CR objective is to positively impact people and our planet through responsible, sustainable practices that create a better, healthier world. This objective links to Stryker's corporate mission of making healthcare better, and it helps us focus on environmental, social and governance (ESG) priorities for our business where we can create strategic initiatives that drive progress.



***For more information on our Scope 1 and 2 goals, see [page 61](#)**

In 2021, we introduced a new CR framework with three pillars:

Stronger people

We are committed to serving our communities and creating a healthy, diverse, equitable and inclusive workplace where employees thrive.

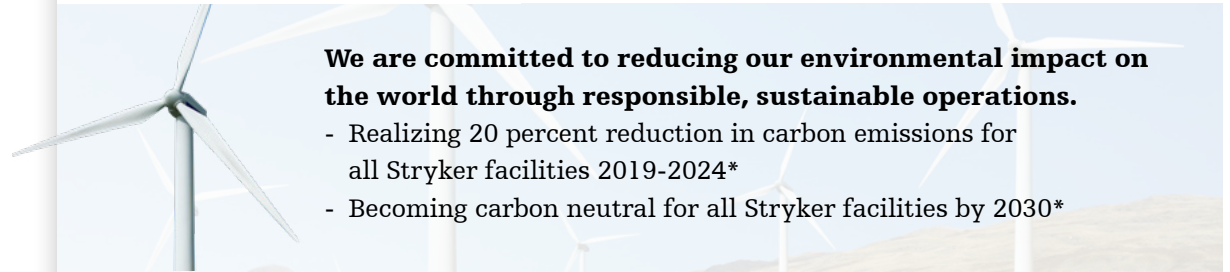
- Advancing a culture of inclusion, engagement and belonging
- Strengthening the diversity of our workforce and measuring progress



Healthier planet

We are committed to reducing our environmental impact on the world through responsible, sustainable operations.

- Realizing 20 percent reduction in carbon emissions for all Stryker facilities 2019-2024*
- Becoming carbon neutral for all Stryker facilities by 2030*



Good business

We are committed to helping customers improve patient outcomes and fostering responsible growth by pursuing quality and integrity in everything we do.

- Increasing supply chain transparency and supplier diversity
- Maintaining formal accountability to the Board of Directors for Corporate Responsibility



We have clear commitments and business activities that support each of these pillars, which you can read about in more detail throughout this report.

Stakeholder engagement

Stryker recognizes the rising expectations from our stakeholders around CR and ESG, and we regularly engage on these topics with employees, customers, investors, suppliers, community members and regulators. This engagement comes in many forms, from formal surveys and interviews to ESG-focused calls with investors and informal conversations through our sales reps and at conferences. We are increasing investments in the company’s CR and Sustainability teams and are advancing our ESG activities with multiple stakeholders in mind. Through our ongoing collaboration and engagement with stakeholders, we are committed to meeting their evolving expectations and needs.

ESG priorities*

In 2021, Stryker completed an assessment designed to identify, refine and prioritize the potential ESG issues that matter most to our business and external stakeholders. It included a benchmark against Stryker’s peers; an interview and data-based analysis of priorities among customers, suppliers and investors; surveys of Stryker’s sales representatives about the topics of greatest interest to customers; and a review of broader ESG trends. From these inputs, we developed a list of 20 ESG priority topics that align with our pillars of stronger people, healthier planet and good business. Moving forward, this prioritization will inform our strategic planning, the targets and goals we set, and the way we communicate our progress.

Stronger people



- Access to quality healthcare
- Community engagement, charitable giving and volunteering
- Diversity, equity and inclusion
- Employee and patient health and safety
- Employee development and training
- Engagement with healthcare providers and customers
- Ethical marketing
- Product social impact and innovation

Healthier planet



- Air pollution
- Biodiversity
- Climate change
- Environmental product/packaging development and design
- Operational waste management
- Water

Good business



- Ethics, compliance, anti-corruption and anti-trust
- Information security and privacy, intellectual property and cybersecurity
- Product safety and quality
- Responsible sourcing and human rights
- Supply chain transparency and diversity
- Transparency, ESG reporting and stakeholder engagement

* ESG materiality** approach: Our assessment, completed by an external agency with input from our leaders and internal stakeholders, helped us identify and prioritize the ESG topics that matter most to our external stakeholders and our company. We will continue to monitor the rapidly evolving ESG and Corporate Responsibility landscape, including the frameworks and guidelines, report on ESG priorities, evaluate these topics in the future and adjust our approach accordingly.

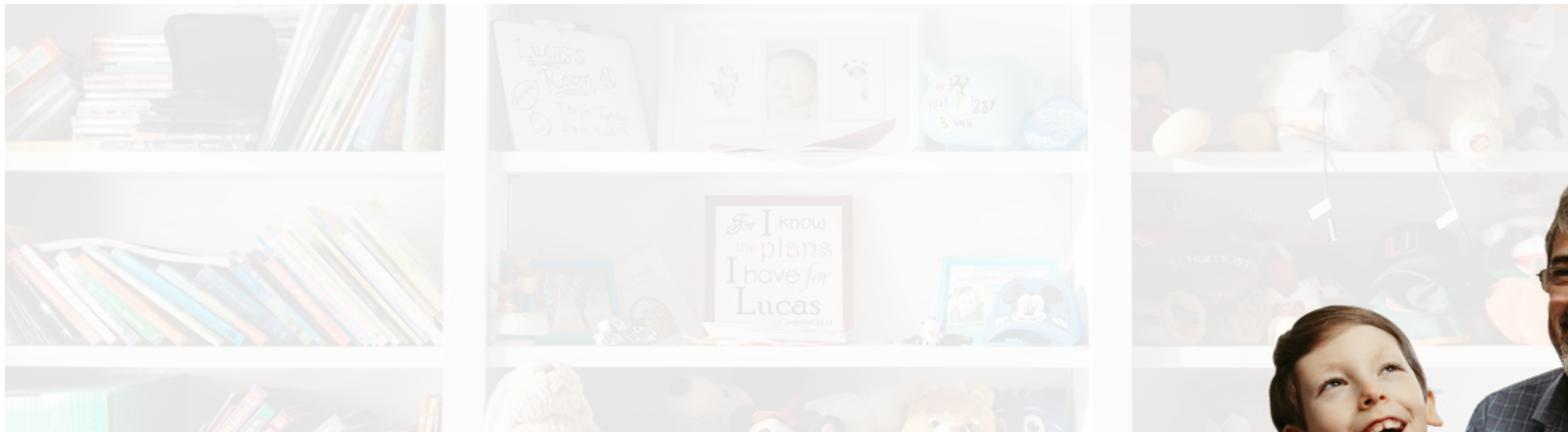
**“Materiality,” as used in this report, is different than the definition used in the context of filings with the Securities and Exchange Commission.

stryker

Stronger

people





Healthcare

providers and patients



Our mission—“together with our customers, we are driven to make healthcare better.”—acknowledges that we can’t make progress alone.

Building relationships with medical professionals, home care providers, emergency responders, community members, hospitals and other healthcare facilities and their administrators is an essential part of fulfilling our mission.

We cultivate these partnerships in several ways, including:

- Conducting surveys to understand and address challenges that healthcare providers (HCPs) face in care environments
- Providing [medical education](#) and training
- Funding appropriate grants for scientific research
- Maintaining a staff of clinical nurse consultants who work alongside HCPs to create roadmaps to improve patient outcomes
- Offering business solutions that allow facilities to offer accessible medical care
- Working directly with our customers to develop new technologies, such as [Blueprint Mixed Reality](#)

The value of partnership has never been more apparent than during the pandemic. Our customers have been pushed to the limit and need companies and products that they can

Stronger people

rely on. During this uncertain time, we are staying closely connected to customers to meet their needs and improve their experiences in a range of healthcare environments.

Meeting our customers' needs goes beyond good business. As one of the world's leading medical technology companies, we feel a larger sense of social responsibility. Our innovation and commitment to advanced technologies uniquely set us apart and help expand the reach of healthcare. Examples include our Mako SmartRobotics surgical system, used to perform hip and knee replacement surgeries, and our Triton blood loss monitoring platform.

Patient and caregiver safety

When patients enter a hospital, they shouldn't have to worry about surgical site infections, pressure injuries, complications resulting from retained surgical sponges and fall-related injuries. These conditions can be costly to treat and can disrupt the recovery process for patients.

Hospital-acquired conditions are common, but also preventable. A strong commitment to protecting patient safety and improving outcomes spans Stryker's businesses. We offer a broad portfolio of products across the continuum of care—from pre-hospital to emergency, through all phases of operative environments, into the ICU, medical and surgical (MedSurg) and outpatient settings—even at a patient's home. Our safety and outcomes product portfolio extends to caregiver safety, including innovations that help reduce slips, trips and falls, contain surgical smoke and limit strain when transferring a patient from a stretcher or bed. Together, these products give patients and their caregivers confidence as they lead to safer treatments and more successful recoveries.

These solutions have been developed in the same way as all our technology: by listening to our customers. With their input, we have expanded our portfolio's breadth and depth of specialization

Hospital-acquired conditions by the numbers



1 in 25

U.S. hospital patients have at least one hospital-acquired infection¹²

11 retained sponges
occur every day in the U.S.¹³

Up to 1 million¹³
patients in the U.S. experience a fall while being treated in the hospital each year, and nearly one third of those falls can be prevented



~60,000
patients die each year as a direct result of pressure injury¹⁴



by developing and acquiring solutions to further enhance safety and improve outcomes. Examples include:

- **ProCuity Bed Series**—Based on customer research showing a correlation between bed height and fall risk, we designed the lowest bed in the industry with adjustable siderails to enable patients to enter and exit safely. Intelligent features provide caregivers with information to help them further prevent falls.
- **Sage Self Oral Care**—Pneumonia is the number-one hospital-acquired infection in the U.S., but basic oral care can help keep infections at bay.¹⁵ Our all-in-one, single-use oral care system is designed to address the risk factors associated with hospital-acquired pneumonia.
- **SurgiCount and SurgiCount+ Safety-Sponge Systems**—This digital process assists doctors and nurses in tracking surgical sponges during surgery. The system has been used in over 16 million procedures, potentially saving the healthcare industry more than \$825 million.¹⁶
- **Neptune SafeAir Smoke Evacuation**—When electrosurgical devices encounter human tissues during surgery, toxic smoke is released

< **Neptune SafeAir
Smoke Evacuation**

that can be harmful to human health. In fact, a day in the operating room (OR) for an HCP can have the same impact as smoking 27 unfiltered cigarettes.¹⁷ Our suite of smoke evacuation products helps reduce exposure to these biohazards. In 2021, this solution earned the [Waste Award](#) given by U.K.-based organization Sustainability Partnerships, a company tendered by the NHS to drive and accelerate the sustainability agenda within the NHS.

Keeping patients and caregivers safe is a shared endeavor. Stryker enters risk-sharing agreements with our customers, reimbursing them if they do not see decreases in the “never events” that our safety products are designed to reduce. As a result of this work, Stryker was named to Fortune magazine’s 2021 [Change the World](#) list.

Access to quality healthcare

Part of what it means to make healthcare better is to make it more accessible. As global populations grow and lifespans increase, this challenge has never been more urgent—or more important. According to the World Health Organization, only 33 to 49 percent of the global population receives the essential health services they need.¹⁸ Stryker advocates for increased patient access to lifesaving and life-improving medical technologies around the world, which enhances

Stronger people

clinical outcomes and helps governments, other payers and providers make cost-effective decisions. At the same time, [robust quality systems](#) ensure that we never sacrifice quality in pursuit of accessibility.

Our efforts include [impact-focused philanthropic initiatives](#), virtual and in-person HCP education and training, and reduced-price and refurbished equipment programs. We also drive access through targeted acquisitions. As we acquire smaller companies developing cutting-edge healthcare solutions, we introduce their products to a broader market of healthcare providers, which ultimately increases access for patients. An example is our recent acquisition of the Silicon Valley startup Gauss Surgical, whose artificial intelligence-enabled blood loss monitoring technology assists medical professionals in addressing a leading cause of maternal death globally.¹⁹

Healthcare economic improvements

When clinical data and economic data align, customers can make decisions with confidence. Because Stryker offers products that represent significant financial investments, we work to reassure our customers that they will see a return. We collaborate with industry partners, trade associations and clinical societies to evaluate the clinical effectiveness and economic impact of our products. Then, we share this data with providers and payers, allowing them to evaluate the benefit for their respective needs. Stryker's solutions that help customers better understand and take advantage of these benefits include:



- **Mako SmartRobotics**—Our robotic arm-assisted surgical system has been used to perform over half a million procedures, with hundreds of published studies. Mako has demonstrated the potential to deliver value through enhanced outcomes such as:
 - Reduced pain and use of pain medications in total knee arthroplasty (TKA)^{20,21,22}
 - Reduced complications such as dislocation in total hip arthroplasty (THA), manipulation under anesthesia in TKA and revision in unicompartmental knee arthroplasty (UKA)^{23,24,25}
 - Increased patient satisfaction in TKA, THA and UKA^{22,25,26}
 - In TKA and THA, reduced utilization of health services such as skilled nursing, home health aide, readmissions and emergency room^{27,28,29,30}
 - Reduced payer cost in TKA, UKA and THA^{27,28,29,31}
- **StrokEnomics**—With StrokEnomics, Stryker partners with physicians, hospitals and healthcare systems to create tailored solutions that may improve patient access and make care more efficient. By delivering strategies around health economic analysis and funding solutions, our team helps remove economic barriers to enhance both patient access and quality of care.
- **CustomerOne**—Our Medical business offers customers products that address the most common and often expensive adverse events in acute care settings, such as catheter-associated urinary tract infections, hospital or ventilator-associated pneumonia and pressure ulcers. Our CustomerOne team partners with acute care providers to evaluate their current occurrence rates and measure reductions achieved (often 30 percent or more) with the appropriate use of our products.

Stronger people

Pricing and refurbished equipment programs

Customers around the world tell us that they need payment options that fit their budgets and align with their business strategies. In response, our Flex Financial business offers a range of customizable programs including deferred payment programs, traditional finance and operating leases, step payments and usage-based options.

To meet the growing demand for affordable and reliable healthcare solutions in emerging markets, we invest in localization of value-segment technologies, such as Trauson in China for trauma, spine and joint replacement products. Rather than taking a one-size-fits-all approach, we implement manufacturing strategies locally based on the needs of our customers.



Sage Prevalon Mobile Air > Transfer System



Stryker's Sustainability Solutions business provides reprocessing services for single-use medical devices. Reprocessing of [single-use medical devices](#) lowers expenses by 25 to 30 percent without compromising quality or safety.^{27,28,29,31,32} For example, the Save Simply Program enables reprocessing of Sage Prevalon Mobile Air Transfer Systems, saving thousands of dollars in waste diversion costs while reducing hospitals' environmental footprint.³³

Medical education

When well-trained professionals are equipped with industry-leading technology, patients have broader access and better outcomes. To help make these outcomes possible, we provide extensive medical education and training on the safe and effective use of our products for thousands of HCPs worldwide. Through these efforts, we aim to advance product and procedural knowledge and skills, improve customer confidence and ultimately improve patient care.

Stryker's focus on medical education is to provide a simplified, personalized and engaging customer experience. HCPs can access our educational opportunities via our self-service portal on stryker.com. It includes interactive trainings, on-demand video libraries and learning series, along with tools like our Global MedEd calendar and Common Learning Management System to deliver and track training activity. In addition to virtual education, our offerings include product in-services, cadaveric training courses, surgery observations, HCP-to-HCP trainings, proficiency-

based training, proctoring and certifications. We conduct all training activities in strict accordance with our internal HCP interactions (HCPi) guidance, which is designed to comply with applicable laws and adhere to recommendations of industry associations such as AdvaMed. It covers considerations, principles and procedures for all interactions between Stryker employees and HCPs. Our Medical Education Council oversees the global team that drives medical education excellence across the company.

As the global pandemic limits opportunities to travel and conduct in-person education opportunities, we continue to offer virtual trainings and resources, such as surgical demonstrations streamed to hundreds of sites. One of our premier surgeon-to-surgeon programs allows attendees worldwide to view live surgery anywhere and to ask questions during the procedure. Across our businesses, we trained more than 108,000 HCPs and conducted more than 6,000 courses in 2021.

< Hands-on training



Grants and charitable donations

Stryker provides education, research, grants and charitable donations for appropriate scientific, educational or healthcare purposes. We do not offer grants or donations as unlawful inducement to purchase, lease or recommend the use of any of Stryker's products or services, as outlined in our HCPi guidance. We document all grant and charitable donation requests. The appropriate business reviews and approves any proposal before the event date and follows applicable laws, regulations, corporate guidelines and divisional procedures.

Educating HCPs on the safe use of our products

In 2021, Stryker held impactful training sessions with HCPs across the world. A few examples include:

- Our mobile labs hosted events across the U.S. Our Surgical Technologies Mobile Lab visited 51 institutions and reached 2,140 HCPs, while our Neurosurgical Mobile Lab traveled 37,000 miles and reached 1,664 HCPs.
- In Boston, we collaborated with a surgeon partner to host a Surgical Training Lab on mandible reconstruction using virtual surgical planning (VSP) technology and our Facial iD Mandible Reconstruction Plate.
- At Stryker's Learning Center in Salt Lake City, our medical education team hosted a three-day, in-person Cerebrovascular and Skull Base cadaveric course, which involved several neurotechnology businesses coming together to train 23 neurosurgery residents with world-renowned faculty.
- In partnership with the Association of periOperative Registered Nurses (AORN) and nursing consultants, we delivered two training courses to educate operating room staff on updated guidelines on retained surgical items and smoke evacuation.
- With our new SKILL Assist Remote Proctoring Solution, we were able to remotely proctor nearly 300 cases around the globe, training on our Evolve and Streamline neurovascular products.





Employees

Our workplace is special. Just ask our employees.

“It’s just different here.” A common sentence heard by our new hires and tenured team members alike. The reason? Our relentless pursuit to attract, engage and develop top talent that delivers results. Focus on these areas and our mission to deliver for our customers and their patients is what sets us apart. The result is a workplace that puts talent, employee safety and wellbeing first while supporting personal development as individuals, leaders and team members. These dynamics all come together in a workforce of approximately 46,000 employees worldwide, united by a common mission of making healthcare better.

Diversity, equity and inclusion

As we grow and evolve, one thing will never change: people are at the heart of what we do. By valuing our differences, we are stronger together.

Stryker’s senior leadership team oversees our Diversity, Equity and Inclusion (DE&I) efforts, which are a foundational element of our business strategy. We focus on enabling a culture that creates access and opportunity for everyone to thrive and reflects the diverse backgrounds and needs of the communities that we serve. Our DE&I commitments support our philosophy and our mission to make healthcare better.

Our DE&I commitments



Strengthen the diversity of our workforce



Advance a culture of inclusion, engagement and belonging



Maximize the power of inclusion to drive innovation and growth

Stronger people

Advancing our strategy through action

In 2021, we aligned our actions across the company in six areas to advance our DE&I commitments.

Leader accountability through increased transparency of data, performance objectives and inclusion in our business review process.

Our leadership teams regularly review our diversity metrics—including representation, recruiting, retention and advancement—and initiate strategies and actions to support continued progress. We incorporated DE&I metrics and action plans into our business review process and will continue to share diversity data with all employees annually.

In 2021, we set a goal for all managers to complete our Think Twice unconscious bias workshop, which showcases what bias is, how it shows up and what to do about it. In addition, we introduced a DE&I goal for all people managers' annual objectives, helping us to develop inclusive leadership at all levels of management.

Engage and inspire all talent and empower every employee to take action.

It takes all of us working together to advance our commitment to DE&I. This year, we took steps to strengthen the foundation for DE&I at Stryker by

educating and empowering our employees during our first global DE&I summit.

We also continued to host global listening sessions, engaging with our employees to identify and address areas of opportunity and strengthen our culture of inclusion. Participants said they felt encouraged by our actions to date, and want to see continued focus on DE&I moving forward.

Develop our people and processes by removing barriers and optimizing the power of diverse backgrounds, talents and perspectives.

We led several differentiated development programs aimed at increasing visibility and career development. We also increased education and resources for managers related to inclusive hiring practices and mitigating bias in talent processes.

A recent accomplishment includes Crossing the Finish Line, a program to support the development, engagement and advancement of Black, Hispanic and Latino/a employees. Through this program, participants gain exposure to senior leaders, enhancing opportunities for visibility, advocacy and strategic networking.

Engaging employees to “be the difference”

Our first global DE&I summit, held in July, was open to all Stryker employees. We used the summit to increase global awareness of our DE&I commitments, share updates on our progress and highlight the role all employees play in achieving our goals. The summit challenged us to be the difference: for ourselves, our colleagues, our customers and our communities. Our Chair and CEO, Kevin Lobo, reinforced our commitments and discussed the importance of authenticity, transparency and accountability with Lisa Skeete Tatum, Founder and CEO of Landit and a member of our Board of Directors.

Over the course of the five-day event, there were more than 25,000 views as fellow employees and customers shared stories and perspectives that encouraged us to think differently about DE&I and how we can each contribute to an inclusive environment. The summit educated us on important topics, amplified our Employee Resource Groups (ERGs), and empowered each of us to advance our commitment to DE&I.



Stronger people

Attract a diverse talent pool through focused outreach and ensuring an objective hiring process.

We have challenged ourselves to think differently about how we recruit, hire and onboard talent to ensure that we are attracting a mix of skills, knowledge and diversity that best reflects and serves our customers.

We focused on process enhancements and education to reinforce an inclusive and objective hiring process and on advertising, marketing and partnership events to promote Stryker as an employer of choice for all. ERGs shared insights and inputs for our diversity recruiting strategies.

Stryker partners with multiple organizations and in 2021 established new partnerships with The PhD Project, Disability:IN and Rewriting the Code. At the same time we strengthened our engagement with the National Sales Network and historically black colleges and universities (HBCUs). We expanded our early talent strategy to reach more students and initiated a partnership with WayUp, a digital platform that offers opportunities to engage with more than 6 million students from historically underrepresented groups.

In 2021, 2/3 of our filled jobs in the U.S. included diverse interview slates.



Workplace awards

Best Workplaces, Great Place to Work

Brazil, Canada, Chile, Finland, France, Greater China (China mainland, Taiwan, Hong Kong), Italy, Japan, Mexico, South Korea, Sweden, United Kingdom, United States

Regional Great Place to Work awards: Asia, Europe

Specialty Great Place to Work award: Manufacturing and Production, Millennials, Parents

Diversity, equity and inclusion

America's Best Employers for Diversity, Forbes
America's Best Employers for Women, Forbes

Best Workplaces for Women, Great Place to Work, Chile, France, Italy, United Kingdom, United States

Best Workplaces for All, Great Place to Work, Mexico

Best Places to Work for LGBTQ Equality, HRC Corporate Equality Index

Military Friendly Employers, VIOTORY

Best of the Best Top Veteran Friendly Company, U.S. Veterans Magazine

Top 50 employer, Woman Engineer magazine
Top 50 employer, Minority Engineer magazine

Stronger people

Advance our ERGs to expand reach through executive leadership, global presence, funding and aligned strategies.

Our ERGs play a critical role in creating an inclusive culture and provide valuable input to our DE&I action plans. They create networking and development opportunities and advocate for underrepresented talent groups. In 2021, we strengthened the infrastructure, governance and executive sponsorship of our ERGs to create consistency and greater impact to the business. We also established a DE&I roundtable with representation from each ERG to gather input on the broader DE&I strategy and align ERG initiatives to advance our goals.

Positively impact our customers and communities through building and strengthening external partnerships.

We engaged with several organizations focused on the advancement of diverse talent groups. This included developing our partnership

with OneTen as a founding member, launching our [Career Right Here](#) initiative in Kalamazoo, Michigan, and strengthening our recruiting partnerships. These partnerships demonstrate our commitment to create a workforce more reflective of the diversity among our customers, patients and communities.

Stryker continues to work with our customers on DE&I initiatives internally and externally. We have openly shared what Stryker is doing with customers as they develop and lead their own DE&I efforts. Additionally, we invite customers to share their perspectives on DE&I at ERG events and our global DE&I summit.



2021 progress toward our goals

We remain committed to strengthening our culture and communities while improving our company with sustainable progress over time. While there is more work to do, we are proud of our progress toward the goals we set forth last year.

Increase representation of women and racially/ethnically diverse talent to reflect our markets

0.9% Increase in representation of women (global)

1.3% Increase in race/ethnicity representation (U.S. only)

Compared to 2020

Actively support ERGs through increased funding and sponsorship

- Added executive sponsorship of our LGBTQ+ ERG, Stryker Allies for Equality (SAFE) and our Asian Community Empowerment (ACE) ERG
- Piloted a mentoring and career coaching program with Stryker's African Ancestry Network (SAAN) to increase leadership exposure and offer focused development

Measure employee sentiment through regular engagement surveys and ensure parity across gender and racial/ethnic groups

Increase in our company Gallup Inclusiveness Index score, a measure of employee belonging in the workplace

Ensure 100 percent of people managers complete DE&I training within one year of hire or promotion to manager

98.9% completion

Increase jobs for Black Americans through active engagement as a founding member of the OneTen coalition

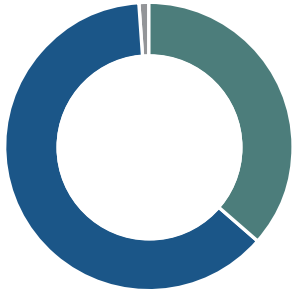
- Marketing open roles via OneTen's platform
- Contributing to skills-first workstream

Continue investment in diversity recruitment

- Increase investment in diversity recruiting by:
- Building internal capability
 - Acquiring new tools
 - Establishing additional external partnerships

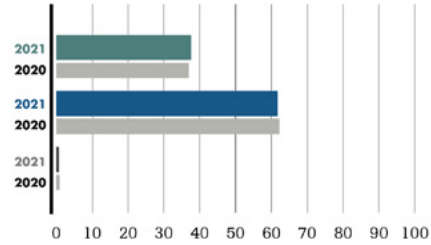
Representation data

Gender (global)



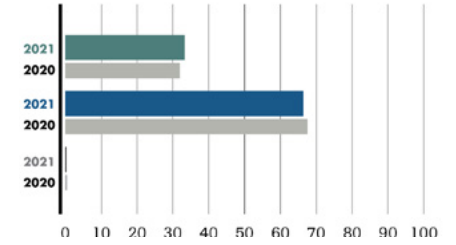
Overall

- 36.6% Women (2020: 35.7%)
- 62.8% Men (2020: 63.5%)
- 0.6% Not reported/not disclosed (2020: 0.8%)



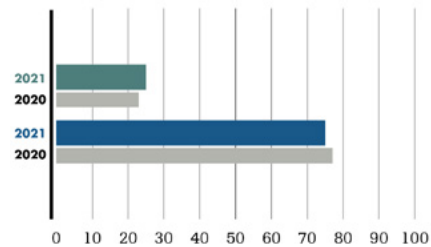
Team members

- 37.6% Women (2020: 36.9%)
- 61.7% Men (2020: 62.2%)
- 0.7% Not reported/not disclosed (2020: 0.9%)



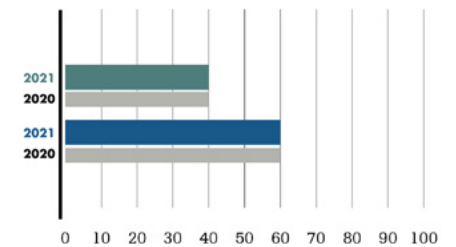
Managers and directors

- 33.3% Women (2020: 31.9%)
- 66.4% Men (2020: 67.6%)
- 0.3% Not reported/not disclosed (2020: 0.5%)



VP+

- 25.0% Women (2020: 23.0%)
- 75.0% Men (2020: 77.0%)



Board*

- 40% Women (2020: 40%)
- 60% Men (2020: 60%)

* Calculated on the day the directors were elected at the annual shareholders meetings in 2020 and 2021.

Stronger people

Race/ethnicity (U.S. only)*



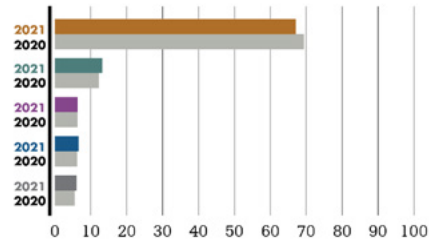
Overall

- 70.2% White (2020: 71.5%)
- 10.6% Hispanic or Latino/a (2020: 10.1%)
- 5.6% Black or African American (2020: 5.5%)
- 7.5% Asian (2020: 7.2%)
- 6.1% Additional races/ethnicities (2020: 5.7%**)



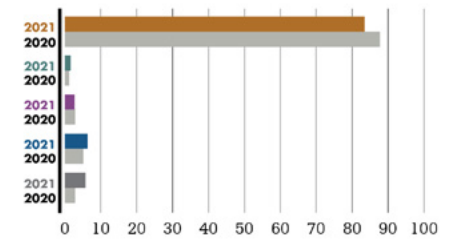
Team members

- 67.9% White (2020: 69.0%)
- 12.3% Hispanic or Latino/a (2020: 11.8%)
- 6.6% Black or African American (2020: 6.6%)
- 6.7% Asian (2020: 6.5%)
- 6.5% Additional races/ethnicities (2020: 6.1%)**



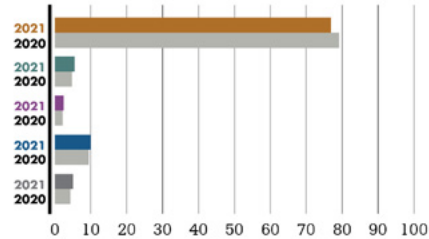
VP+

- 83.5% White (2020: 87.8%)
- 1.6% Hispanic or Latino/a (2020: 1.2%)
- 2.7% Black or African American (2020: 2.9%)
- 6.4% Asian (2020: 5.2%)
- 5.8% Additional races/ethnicities (2020: 2.9%)**



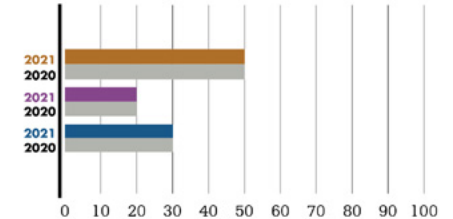
Managers and directors

- 76.9% White (2020: 79.2%)
- 5.5% Hispanic or Latino/a (2020: 4.8%)
- 2.5% Black or African American (2020: 2.2%)
- 10.0% Asian (2020: 9.5%)
- 5.1% Additional races/ethnicities (2020: 4.3%)**



Board***

- 50% White (2020: 50%)
- 20% Black or African American (2020: 20%)
- 30% Asian (2020: 30%)



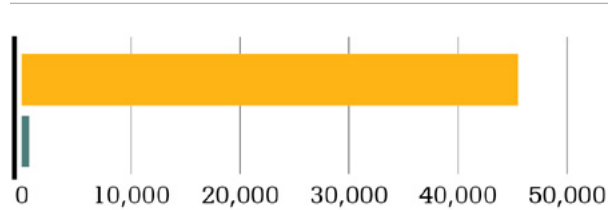
* This data does not include Puerto Rico.

** Includes American Indian, Native Alaskan, Native Hawaiian, Pacific Islander, two or more races, and not disclosed.

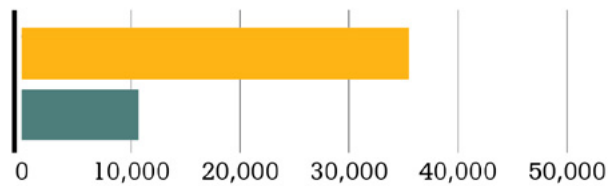
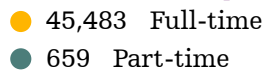
*** Calculated on the day the directors were elected at the annual shareholders meetings in 2020 and 2021.

Stronger people

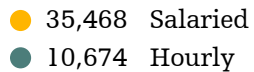
Employment type



Full-time vs. part-time



Salaried vs. hourly



Hiring and retention

8,562
2021 new hires

31%
open roles filled by internal candidates

Employee health and safety

As a company in the business of keeping people healthy, ensuring our employees' safety and wellbeing is a top priority. It's a responsibility that we share throughout the company and one that has evolved to meet the needs of our workforce during the pandemic. Employees' safety risks vary depending on the roles they perform, so we tailor our safety strategies accordingly. These roles include production work carried out at manufacturing sites, commercial work carried out in the field and administrative work carried out virtually or in an office, among other categories. In 2021, we maintained an overarching focus on providing employees with resources to stay both physically and mentally well, standardizing and broadening safety practices and cultivating a strong employee focus on health and safety.

Manufacturing safety

For our employees working at Stryker's manufacturing and distribution sites, offices and remote locations, the cornerstone of our safety practices is our Environmental, Health and Safety (EHS) Policy. The Policy mandates that we collectively meet all regulatory requirements and drive a culture of global safety and security. It defines four key commitments:

Promote

a safe workplace



Anticipate

recognize, evaluate and control environmental, health and safety risks



Assure

facility EHS compliance



Prepare

for disaster response and recovery



Stronger people

The most common types of work-related injuries for Stryker's manufacturing employees include slips, trips and falls, injuries from repetitive motion or ergonomic issues, and struck objects. Since 2019, Stryker has meaningfully decreased injuries related to slips, trips and falls as well as machinery-related hand cuts by implementing new education and training initiatives.

Additional manufacturing risks are site-specific and related to our medical device manufacturing processes. We take special precautions to protect

employees by installing protocols that address these site-specific needs.

Each manufacturing site is responsible for its facility-level EHS compliance and is assigned an EHS Point of Contact (POC), supported by the Global EHS Director. Each POC is responsible for relaying global EHS guidance and directives to its local EHS committees and leadership teams to effectively drive and manage EHS commitments and programs at a regional level.



Listen. Leverage. Improve.

Historically, one of the most exacting tasks performed at our manufacturing sites involved the operation of Computer Numerical Control (CNC) machines. Employees use these machines to cut materials like aluminum, titanium, steel and plastic. The safety record relating to our CNC machines in Mahwah, New Jersey was at the highest level of any facility throughout our manufacturing network.

Our EHS Director, Alvis Headen, took notice and visited the facility to learn what made Mahwah's process different. Operators demonstrated a meticulous shut-down and change-out process that reduced risk of injury. The EHS team collaborated with Mahwah employees to produce a presentation that now serves as mandatory annual training for all CNC machine operators. By leveraging employees' expertise, we have nearly eliminated all CNC-related injuries, with only one instance reported in 2021.

Stronger people

In 2021, we made several program improvements to further enhance our EHS outcomes. These included:

- Hiring additional regional EHS leaders and training all EHS managers on a mandatory curriculum based on industry-recognized competencies
- Expanding our SAP-EHS Management System into 41 of our manufacturing sites, including four sites integrated through the Wright Medical acquisition
- Reducing common manufacturing-related injuries through targeted instruction on topics including slips, trips and falls, machine guarding and hazard communication
- Investing more than \$6 million in fire safety improvements across manufacturing sites through a comprehensive risk management and site-wide auditing program
- Further developing our lessons-learned program by creating a Global Quality Operations (GQO) Incident Review Board, which holds managers accountable for communicating key lessons from significant safety-related incidents occurring within our manufacturing plants

These efforts continue to move us toward our goal of zero work-related injuries.

Manufacturing safety KPIs

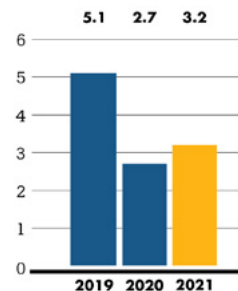
In 2020, in response to the COVID-19 pandemic, we limited occupancy and reduced work hours to mitigate virus transmission and keep our people safe (read more about our [COVID-19 response efforts](#)). Work hours represent a critical multiple in calculating injury rate, causing this key performance indicator (KPI) to drop in 2020. In lieu of comparing our injury rate during a pandemic to full scale operations, we have elected to compare our 2021 injury rate to the 2019 production year—a more realistic comparison. Our 2021 injury rate is roughly two-thirds the injury

rate of 2019. Additional safety data and details on our safety progress can be found in our GRI Index.

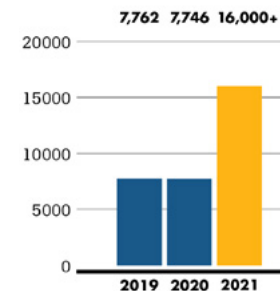
At Stryker, EHS is a collective responsibility, meaning all employees are expected to contribute to our process of anticipating, recognizing and controlling safety risk. Safety observations represent a key indicator of employee engagement. Safety observations can be in the form of positive feedback such as employees recognizing the correct use of personal protective equipment or correcting a safety deficiency such as cleaning a wet, slippery floor. We strongly believe that high EHS observation counts are indicative of an engaged workforce, committed to reducing injuries.

Manufacturing safety KPIs

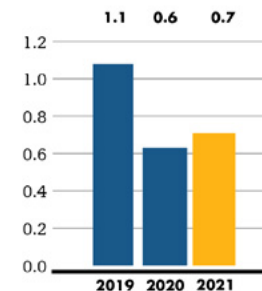
Near miss frequency rate*



Safety observations



Recordable injury rate (per 100 employees)



*Data updated Jan. 11, 2022

Stronger people

Field and commercial safety

For our commercial team, it's all about meeting clients where they are—from hospitals and medical facilities to site and mobile labs to educational institutions. They use their expertise to represent Stryker's products and services, provide testing and education and, in many cases, facilitate product implementation.



◀ Stryker mobile lab

Field-based employees are unique in the sense that they share EHS responsibilities with the hospitals and other locations they enter. Sales representatives complete an in-depth onboarding process that includes risk management and division-specific trainings. The types of risks our commercial team faces are tied to their division, products and customers. Representatives from our

Medical division—whose product lines include beds, wheelchairs and patient room furniture—are more prone to ergonomic risks associated with lifting, pulling or pushing heavy equipment. Those involved in testing, demonstrating and implementing handheld medical and surgical products may face other types of risks.

We keep field and commercial employees safe by focusing on three main principles:

- Safety culture
- Education and awareness
- Systems and processes

These ongoing measures work to ensure commercial and field employee safety. Another important focus has been protecting field-based employees, as well as the clients and medical professionals they engage with, throughout the COVID-19 pandemic.



COVID-19: Our response efforts

Protecting our employees and steering them through the challenges posed by the global pandemic remain a collective and ongoing priority. We continue to base COVID-19 safety protocols and operations on case rates, government regulations and guidance from regulatory bodies in locations where we operate. We have teams focused on protecting our employees at the global, regional and local levels. Local Incident Response Teams (LIRT), rolling up to a Centralized Incident Response Team (CIRT), remain in place to ensure a coordinated response. Because the risks and guidelines associated with COVID-19 shift in different regions at different times, in 2021 we focused on a localized response for most day-to-day procedures. For large-scale protocols, Stryker's leadership team provides ultimate oversight, with guidance from our COVID-19 response review board of medical, legal and business experts.

Stronger people

Employee wellbeing and mental health

As the pandemic continues to transform the ways we work and interact, we are focused on supporting employees' overall wellbeing and finding a balance between providing workplace flexibility and maintaining connection. To ensure the physical and mental wellbeing of our employees, we:

- Expanded our LifeWorks Employee Assistance Program (EAP) globally, which offers 24/7 support on topics including mental health, grief, elder care, addiction and more
- Introduced three new partners for U.S. members of Strive, our wellbeing program that helps employees learn about, create, implement and sustain healthy habits

- Offered new self-service resources on mental health, wellbeing and flexible work
- Promoted the importance of preventive care visits to our employees and their families
- Equipped managers with educational resources and tools to support their employees in navigating our new normal

We also conducted two employee pulse surveys in 2021 on topics related to employee connection and wellbeing. These surveys are intended to be quick check-ins between managers and employees that provide insight into what support employees need to be successful. Accompanying the launch of both pulse surveys were question-by-question resources offering additional support.

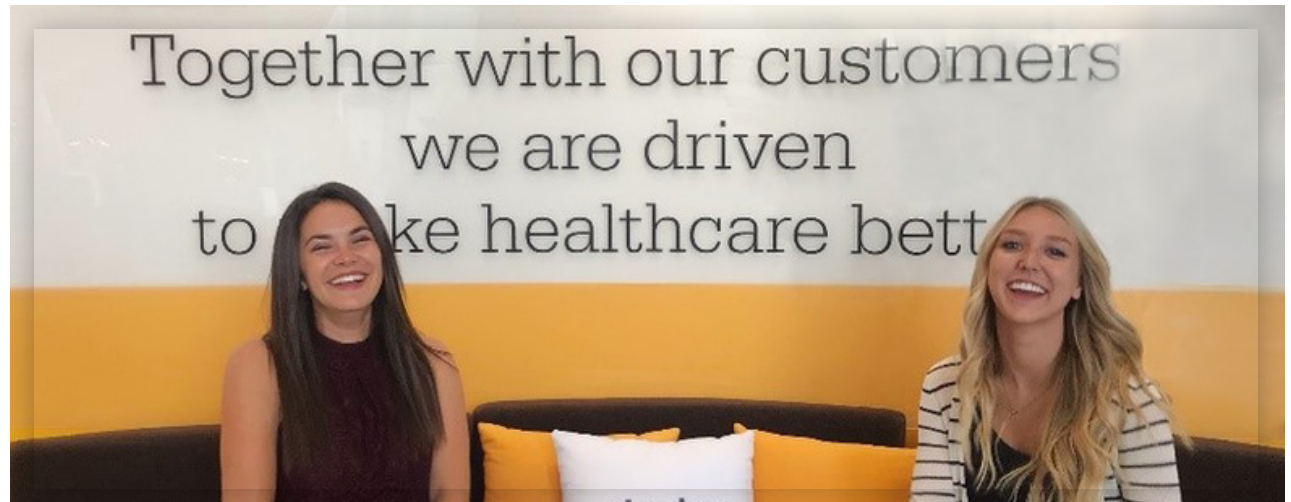


Stronger people

Employee career development

Stryker is growing, which means more opportunities for employees to grow. We invest deeply in training employees in new skills and processes while supporting their individual goals and passions. From onboarding new hires to developing existing talent to integrating those who join us through acquisitions, our talent offense helps us to identify employee development needs and guides the design of new learning opportunities.

Development at Stryker is extensive and exists at all levels of the organization, including companywide training on topics ranging from our code of conduct and job-related technical training to leadership development. We design our talent programs around a 70/20/10 development model and include management



and leadership training, peer-to-peer learning, mentoring and partnerships with outside experts on key topics and “action learning” where employees apply their new insights to solve real-time business opportunities and challenges. A unique aspect of our career development offerings is our internal network of coaches. We have over 280 certified coaches globally with

whom employees can connect for additional individualized development.

As we acquire and integrate additional companies, HR leaders use our integration playbook to provide employees at various levels with the appropriate training, development opportunities and immersion in Stryker’s culture.

Stronger people

We manage training at the local, business or global level, depending on training type. Functional learning is managed by each department or functional group. The Talent Management Center of Expertise designs and delivers management and leadership development offerings, and in 2021, provided approximately 320 offerings for more than 7,800 participants. Our partnership with LinkedIn Learning also gives employees access to over 16,000 online courses taught by real-world professionals. Additional 2021 highlights include:

- New executive development programs including our Leadership Masterclass (offered to new vice presidents), Director Roundtables and the reintroduction of our Growth Academy for senior commercial leaders
- Expanded Global Leadership Development curriculum including Lead 100 (fundamentals of leadership), Leading in a Matrix and Building a Culture of Coaching and Feedback
- Virtual development resources including our LinkedIn Learning partnership, Learning Sprints, Talent Talk podcasts and virtual one-on-one leadership coaching

Performance management

Our approach to performance management is based on a culture of continuous improvement and coaching. Managers are responsible for attracting, developing, engaging and aligning their teams to ensure they feel connected to each other and our mission as part of our talent offense approach.

Our employees undergo annual performance reviews and are encouraged to create individual development plans, in partnership with their manager, on an ongoing basis. We support this by providing employees and managers with resources to communicate and share feedback throughout the year using our Workday platform. Employee goals—comprised of performance goals and leadership expectations—drive focus on outcomes and behaviors.



Employees spent
22,000+
hours

viewing
81,000+
LinkedIn Learning
courses in 2021



Communities

Access to good health shouldn't be determined by factors like area code or income—and neither should opportunities to get a job.

To combat these inequities, we engage communities around the world, providing support to those who need it most. Our approach links directly to our [DE&I strategy](#) and centers on partnerships with community members and organizations whose work aligns with our mission and values. We also leverage the talent and passion of thousands of Stryker employees to raise funds and provide support through

volunteer efforts, mentorship programs and educational opportunities.

Giving and volunteering programs

Stryker's employees fuel our companywide passion for improving the lives of others. Whether it's by volunteering locally or donating globally, our people are driven to give. To improve quality of life for people around the world, we advance

healthcare, education, the arts and environmental sustainability—while keeping equity top of mind. We also care about the unique causes that motivate our employees, and this year we made it even easier to give back and get involved.

Stryker's global support

Stryker supports organizations that align with our community giving goals.

Stronger people



In 2021, our businesses and their teams gave back through educational outreach, pledge walks and other activities that raised funds for organizations including Operation Smile, Operation Walk, the National Brain Tumor Society and the Thi Nghe Orphanage. We also provided product donations to healthcare organizations including the Foundation of Orthopedics and Complex Spine (FOCOS) Orthopedic Hospital. In total, Stryker donated \$6 million in products and \$9 million in monetary support in 2021.

Operation Smile

For nearly four decades, [Operation Smile](#) has provided critically needed surgical and comprehensive care for children with cleft and other conditions in low- and middle-income countries. Stryker has supported these efforts through cash, in-kind donations and mission volunteers since 1999.

Our annual Smile Maker campaign benefits Operation Smile by raising money to fund life changing surgeries. The 2020–21 campaign included a dollar-for-dollar match on employee

Career Right Here

We believe that reaching our own potential starts by helping our neighbors reach theirs. In Kalamazoo, Michigan, home of our worldwide headquarters, our community faces a local poverty rate well above the national average and an average household income well below it. In 2021, we launched Career Right Here to help close this equity gap while creating a [talent pipeline](#) that better reflects the diversity of our local population.

The program supports Kalamazoo job seekers by increasing clarity around job eligibility criteria and communicating available positions. We also connect them with local educators, skills providers and non-profits to prepare them for the future. The program creates opportunities for our employees to get to know their neighbors, and we work with other local employers, nonprofits and community members to share what we learn.



Career Right Here is a powerful talent initiative that will offer career readiness programs, connect us with untapped talent and strengthen our community.”

—Kevin Lobo, Chair and CEO

Stronger people

donations and provided support for patient care programs, COVID-19 relief efforts and more. Together with our employees, we helped Operation Smile reach over 15,000 children and adults worldwide who needed care.

More than 1,000 employees serve as Operation Smile ambassadors who engage with the program by educating their local communities and raising funds. Over the years, Stryker employees have also served on Operation Smile missions, supporting the medical team, patients and families. While the organization suspended large-scale medical missions in 2020 due to COVID-19, patient care has since resumed in 33 countries, spearheaded by in-country medical volunteers and Operation Smile offices.

Stryker also funds innovative medical education programming for healthcare workers across the world, including in Rwanda, where wait lists for skin and plastic surgery can extend to several years. In 2021, part of our support helped Operation Smile launch a new medical education program that will train 60 anesthesia

clinical officers in safe anesthesia administration practices. By creating more surgical capacity and helping to improve patient outcomes, Stryker's funding of the program is strengthening Rwanda's healthcare systems at the national level.

Introducing Impact

In 2021, we launched Impact, a new global giving and volunteering platform that allows Stryker to support causes that our employees are passionate about. Stryker matches employee donations through this platform, and in 2021, we celebrated the launch by offering a limited-time, two-to-one match. Impact also provides employees with personalized volunteer options, including virtual, skills-based and in-person opportunities. In addition, when disaster strikes anywhere across the globe, employees can support relief efforts and get funds to the places that need it most. Eligible employees in the U.S. can request a volunteer leave of absence for one day per year to receive pay while volunteering with a qualifying organization during their normal work schedule.



\$1.8M

donated in six months (employee donations and company match)

1,660

nonprofits received donations

stryker

Good

business





Governance

We are committed to doing what's right. Strong corporate governance is essential to living our value of integrity.

We conduct our affairs in compliance with all applicable laws and regulations and according to the highest ethical standards.

Stryker regularly engages with shareholders and considers their proposals, when properly submitted, based on our mission and values. Proposals come to a vote at our annual meeting when common ground is not found.

Corporate governance information, including our bylaws, charters, guidelines and policies, is available on [stryker.com](https://www.stryker.com), and we include further details about governance topics in our proxy statement. We also provide periodic disclosures in our SEC filings.



Board of Directors



Kevin A. Lobo *

Allan C. Golston †‡§

Mary K. Brainerd †§

Giovanni Caforio, M.D. †§

Srikant M. Datar, Ph.D. **



Sherilyn S. McCoy †§

Andrew K. Silvernail **

Lisa M. Skeete Tatum **

Ronda E. Stryker §

Rajeev Suri **

- * Chair of the Board
- † Lead Independent Director
- ** Audit Committee
- ‡ Compensation Committee
- § Governance and Nominating Committee

More information about our directors' experience is available in our [proxy statement](#). See [page 30](#) for Board diversity metrics.



John W. Brown
Chairman Emeritus
Former Chair, President
and CEO

Howard E. Cox, Jr.
Director Emeritus

Leadership team*



Kevin A. Lobo
Chair, Chief Executive
Officer and President



Yin C. Becker
Vice President, Chief
Corporate Affairs Officer



Glenn S. Boehnlein
Vice President, Chief
Financial Officer



M. Kathryn (Katy) Fink
Vice President, Chief Human
Resources Officer



Robert S. Fletcher
Vice President, Chief
Legal Officer



Viju S. Menon
Group President, Global
Quality and Operations



J. Andrew (Andy) Pierce
Group President, MedSurg
and Neurotechnology



Spencer S. Stiles
Group President,
Orthopaedics and Spine

* 38% of our senior leadership team identifies as racially/ethnically diverse, and 25% of our senior leadership team identifies as female.

With appreciation



Timothy J. Scannell
President, Chief Operating Officer

We sincerely thank Tim Scannell for his 31-year service to Stryker. During his time as president and chief operating officer, Tim accelerated our global growth, facilitated companywide synergies and assisted with the development of many of our leaders. Throughout his career, Tim supported his teams in developing business strategies that contributed to our category leadership positions through market-leading sales growth, consistent product innovation and a steady flow of value-building acquisitions. Tim focused on developing a culture of sales and marketing excellence and valued the privilege of interacting with our clinical customers.



David G. Furgason
Vice President, Tax

We express our gratitude and appreciation to David Furgason for his 17 years of service and contributions to Stryker. Under David's leadership, the Tax department expanded its global role to be an integral business partner by increasing collaboration, driving innovation and delivering meaningful results.

Other leadership members

Other officers		Divisional leadership		Regional leadership	
<p>William E. Berry Jr. Vice President, Chief Accounting Officer</p>	<p>Sean C. Etheridge Vice President, Corporate Secretary</p>	<p>J. Michael Carlin Customer Solutions</p>	<p>Michael H. Panos Trauma & Extremities</p>	<p>John P. Collings Asia Pacific</p>	<p>Stuart A.J. Silk EMEA, Canada, Latin America</p>
<p>Jeanne M. Blondia Vice President, Finance and Treasurer</p>	<p>Dana S. McMahon Vice President, Chief Compliance Officer</p>	<p>Robert C. Cohen Digital, Robotics and Enabling Technologies</p>	<p>Mark H. Paul Neurovascular</p>	<p>Maurice Ben-Mayor South Pacific</p>	<p>Silvia Braga Latin America</p>
<p>Irene B. Corbe Vice President, Internal Audit</p>	<p>Jody K. Powell Vice President, Global Regulatory Affairs and Quality Assurance</p>	<p>Dylan B. Crotty Instruments</p>	<p>Donald E. Payerle Joint Replacement</p>	<p>Wesley B. Grant East Asia</p>	<p>Dragana Bunjevac EEMEA</p>
<p>Robert A. Cummings Vice President, Tax</p>	<p>Preston W. Wells Vice President, Investor Relations</p>	<p>Brent W. Ladd Endoscopy</p>	<p>Charles E. Robinson, Jr. Spine</p>	<p>Gregory F. Holman China</p>	<p>Christophe J.M. Dujardin Europe</p>
<p>Alan E. Douville Vice President, Chief Information Officer and Chief Information Security Officer</p>		<p>David M. Mercado Craniofacial</p>	<p>Bradford L. Saar Medical</p>	<p>Satoshi Mizusawa Japan</p>	<p>Lindsay A. Williams Canada</p>
				<p>Meenakshi Nevatia India</p>	

Corporate responsibility governance

Our mission and values, company strategy, code of conduct and code of ethics are the foundation from which we embark on our corporate responsibility (CR) journey. In enterprise risk management and strategy development, our Board of Directors considers environmental, social and economic risks. The Board entrusts responsibility to Stryker's leaders who direct local management responsible for implementation. In February 2021, we amended our Governance and Nominating Committee Charter to give this Board committee oversight of CR matters. Stryker anticipates including ESG metrics in the compensation plans of select Named Executive Officers (NEOs) in the future. The details of our NEOs' compensation plan for 2022 will be disclosed in the proxy statement for our 2023 Annual Shareholders Meeting.

Our CR Steering Committee includes three executive officers who report to the CEO. This committee, along with other leadership team members, provides regular updates to Stryker's leadership team, updates to the Governance and Nominating Committee three times per year, and annual updates to the full Board of Directors. The Steering Committee is guided by its charter, which also provides accountability.

Risk assessment

Stryker has a variety of [programs and processes](#) in place to identify and assess a range of strategic, financial, operational and compliance risks, including the risk of anti-competitive behavior, anti-trust and monopoly practices, and [information security threats](#). The Board and the Audit Committee and the Governance and Nominating Committee meets regularly throughout the year with our Group Presidents and our Finance, Information Security, Tax, Treasury, Internal Audit, Legal and Compliance management teams to assess the financial, legal/compliance, cybersecurity and operational/strategic risks throughout our businesses and review our insurance and other risk management programs and policies to enable the Board to exercise its ultimate oversight responsibility for the company's risk management processes. Our risk programs, related activities and governance are designed to oversee efforts to identify emerging risks and implement comprehensive initiatives to manage them where appropriate.

Corporate governance at Stryker

Board Governance and Nominating Committee

Oversees CR matters

CEO and senior leadership

Direct local management who are responsible for implementing the Board's risk management strategy

CR Steering Committee

Oversees ESG strategy, goals and reporting; provides feedback to the CEO and leadership team

CR Steering Committee

- Mike Anderson, APAC
- Yin Becker, Corporate Affairs
- Eileen Buckley, Corporate Responsibility
- Gemma de Koning, EMEA, LATAM and Canada
- Sean Etheridge, Corporate Secretary
- Katy Fink, Human Resources
- Jennifer James, Finance
- Viju Menon, Global Quality and Operations
- Jodie Morrow and Matt Moreau, Commercial Business
- Erol Odabasi, Corporate Sustainability
- Preston Wells, Investor Relations



Information security and privacy

As a global company supporting operations in more than 75 countries, having an advanced information technology (IT) infrastructure is critical.

Our IT organization supports 38,000 requests monthly, thousands of digital meetings weekly and system changes that we must constantly monitor.³⁴ We work diligently to provide that the organization can operate efficiently, and to protect the interests and privacy of our employees, customers, patients and our

stakeholders. Our global chief information officer and chief information security officer brief the Board of Directors at least annually and, beginning in 2022, will brief the Audit Committee at least three times a year on company policies and practices with respect to cybersecurity risk assessment and risk management.

We seek protection of intellectual property that we own and develop, and we respect the valid intellectual property rights of others. We also respect the privacy of our customers, employees and third parties and have processes and policies designed to protect information.

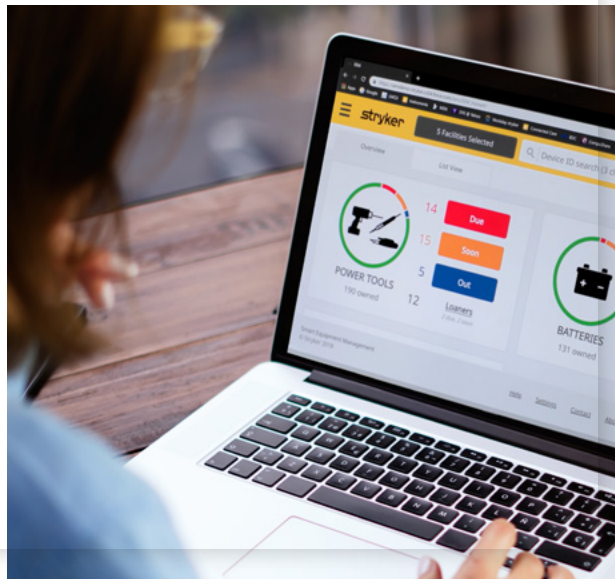
Cybersecurity

Mindful that cybercrime is becoming more widespread and sophisticated, our [cybersecurity program](#) is multifaceted and continuously improving. Our program includes a Security Operations and Cyber Fusion Center that monitors and detects threat activity 24/7 to proactively gather, analyze and act upon relevant intelligence to defend Stryker and our customers. Program activities include risk management, compliance assurance, data breach management, regulatory and compliance.

We continue to evolve and improve the program by conducting security-related exercises quarterly. Further, as an ISO 27001-certified organization, our Quality Management Program includes internal and external security reviews of products and systems, and is developed in accordance with security and privacy-by-design principles.

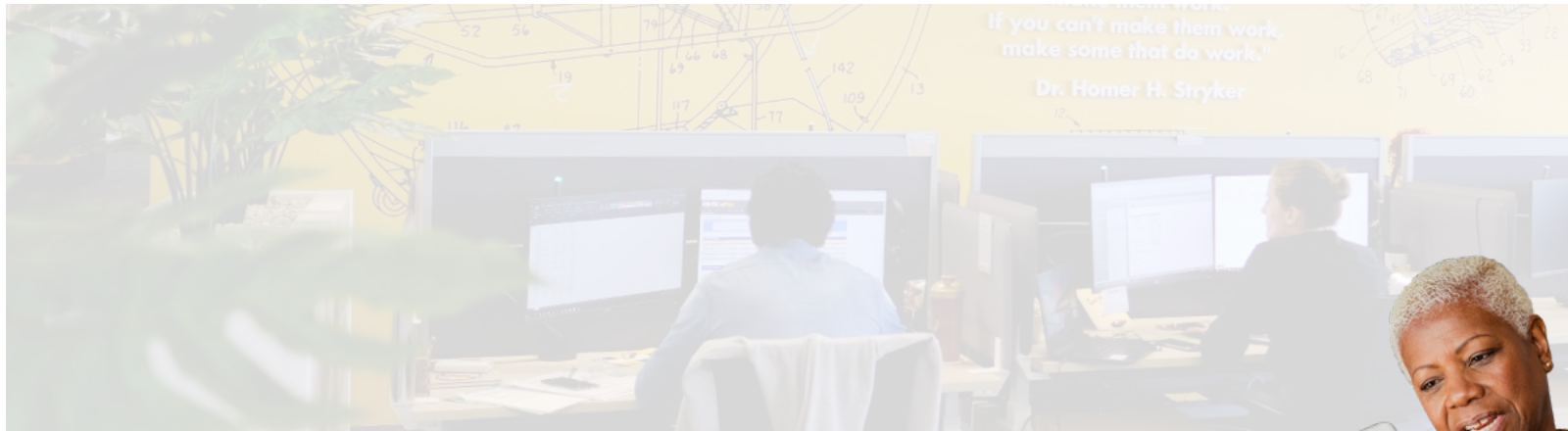
Central to these efforts is our CyberSecurity, CyberRisk and IT Compliance (CCI) team, whose goal is to keep Stryker’s data and assets secure while ensuring a rapid response to cyber threats and mitigating identified risks to an acceptable level. In 2021, the team advanced this goal in several ways:

- **Expanded CCI’s organizational portfolio to include two new digital and program focus areas**
- **Diversified our global footprint by building a new security operations center in Costa Rica**
- **Responded to new cybersecurity laws in China by partnering with IT Operations to develop a go-forward strategy that seeks to ensure business operations are secure, functional and compliant with the region’s requirements**



Stryker’s team of cybersecurity experts follows leading industry practices and methodologies and leverages artificial intelligence and machine learning to provide state-of-the-art global cybersecurity protection. The team holds over 130 security, risk and compliance certifications. We have strong relationships with government partners, cybersecurity industry partners and security researchers to enhance our cybersecurity profile across our highly regulated and controlled infrastructure for facilities, data and assets. Additionally, all Stryker personnel with network access undergo mandatory security education several times a year to better understand security risks and confirm Policy compliance, including role-specific security and data protection training. Employees also receive frequent communications around pertinent security topics and policies throughout the year.

As we acquire and integrate new businesses, our experts require cybersecurity and privacy assessments on all third parties who integrate with Stryker’s data, network, systems and products. We also perform supplemental reviews commensurate with the risk associated with vendors, using a combination of our Security Operations Center and external tools.



Business ethics and ethical marketing



Making healthcare better means conducting all aspects of business ethically and lawfully. Our code of conduct, along with our code of ethics, is in place to support companywide compliance to this commitment.

These documents establish policies and standards that guide employees, officers and directors in the performance of their duties and responsibilities.

Code of conduct

Our code of conduct applies to all employees, officers and directors of Stryker and our domestic and foreign subsidiaries. It is available

in 23 languages on our [website](#). Failure to observe our code of conduct or any other company policy may result in disciplinary action, including termination of employment where appropriate. Stryker employees certify to the code of conduct on an annual basis and undertake annual compliance training.

In 2021, we launched a project to refresh our code of conduct to reflect our culture, mission and values and provide clear and practical guidance to empower employees in day-to-day decision-making. The updated code will focus on the core principles underlying our expectations around ethical conduct and include supporting materials that provide further explanation and examples in practice.

Good business

Code of ethics

Our code of ethics applies to Stryker's principal executive officer, president, principal financial officer, principal accounting officer and controller, and is supplemental to the code of conduct. The code of ethics addresses transparent reporting requirements and compliance with applicable laws and regulations.

Compliance

All of Stryker's leaders and employees are responsible for compliance. The Global Compliance and Privacy team partners across the organization to reduce compliance risk and enable business growth by providing day-to-day guidance, tailoring the compliance program to the prioritized risk and strengthening the shared commitment to ethics and compliance across the organization.

During mergers and acquisitions, Stryker's specialists work closely with local compliance officers and external advisors to evaluate potential acquisition targets and identify any business practices that don't currently align with our high ethical standards. Before the closing of a transaction, the compliance team partners



with the Stryker business team to identify practices of the target that will need to be adapted after closing to meet Stryker's expectations.

The compliance team also onboards acquired companies into Stryker's compliance program through education on compliance policies, implementation of Stryker's compliance systems and completion of due diligence on third-party business partners. We continuously monitor integration progress to ensure all timelines are met and processes have been established to escalate any identified risks to compliance leadership. Once complete, every integration is evaluated to identify potential areas of improvement for consideration in future projects.

Advice and concerns

Stryker's ethics hotline provides multiple avenues to raise concerns or allegations of non-compliance. Accessible via the web, telephone and SMS messaging, [the hotline](#) allows both employees and non-employees to report their concerns confidentially and anonymously, if desired.

The ethics hotline committee has oversight responsibility for the hotline and receives regular reports on key trends and critical issues. In October 2021, a global Integrity Matters week took place that focused on the important role of people managers in fostering a Speak Up Culture and supporting employees who

Good business

raise ethical concerns. In addition, Stryker's compliance team partnered with other functions to create a framework to use lessons learned from investigations to implement process improvements or additional controls. The chief compliance officer provides the Governance and Nominating and Audit Committees of the Board of Directors a quarterly overview.

Ethical marketing and sales

In our code of conduct, we explicitly state our commitment to accurately represent our products and services and comply with applicable

regulatory and legal requirements governing their marketing and sale. Stryker also adopts the AdvaMed Code of Ethics and similar regional/local industry association codes as guidance for both internal sales force and indirect channel partners regarding ethical interactions with Healthcare Professionals (HCPs). Our [Corporate Policy 5: On-Label Product Promotion](#) provides further guidance and direction on our commitment by making it clear that our employees, contractors, consultants and other third parties acting on Stryker's behalf may only promote our products for uses consistent with the label. Likewise,

our [Corporate Policy #12: Improper Payments](#) addresses topics around appropriate interactions with government officials and HCPs.

We distribute products through both our internal sales force and third parties or indirect channel partners. To maintain global excellence, we must ensure that anyone who sells Stryker's products or represents the company exemplifies our mission and values. Our Indirect Channel Management (ICM) team provides global oversight, alignment and consistency in managing indirect channels (IC) across our geographic reach. This team maintains robust processes for sustainable growth and ensures that all IC partners operate to the highest professional standards required by Stryker. Additionally, our Global IC Governance Committee reviews and addresses restricted party decisions and manages the country entry and exit process. In 2021, we completed ICM program onboarding for all regions to adapt our IC business and governance model in a way that aligns with our growth strategy.



Training

Our multilayered training and communication efforts focus on strengthening the shared commitment of employees, business partners and the company to business ethics. Initiatives in 2021 included:

- Distributing our Global Integrity Matters newsletters to 33,000 employees in commercial entities worldwide and 5,000 Global Quality and Operations (GQO) employees quarterly. These newsletters are now available in 11 languages.
- Circulating new principles-based anti-bribery and anti-corruption training to employees.
- Continuing our Speak Up campaign with a Global Integrity Matters Week targeted to nearly 6,000 people managers. Themed “I listen, I care, I act,” the week included a series of virtual presentations, group sessions and a self-paced LinkedIn Learning path. The activities enhanced managers’ ability to listen to and act on concerns, create psychological safety for employees and support a transparent investigation process.
- Launching a new Lessons Learned initiative for business and functional leadership. Through Lessons Learned, leadership teams can review and consider ethical challenges faced in other parts of the company, while proactively driving functional improvements in their own areas.



Human rights

Stryker respects all people’s rights, values a diverse and inclusive workforce and is committed to treating all employees with dignity and respect. We expect employees and suppliers to maintain a workplace free of discrimination, intimidation and unlawful harassment. And we expect our employees to report suspected or known conduct such as discrimination, harassment, fraud, unethical or unlawful conduct or retaliation. Our vice president and chief human resources officer oversees human rights policies and procedures for Stryker employees.



Product quality and safety

Our passion for product quality and safety stems from a companywide goal of creating better patient and caregiver outcomes.

Our ability to deliver healthcare solutions that improve safety, efficacy, quality and efficiency creates a growth opportunity by allowing Stryker to maintain a reputation based on reliability and trust. This reputation is fundamental to our position as a global healthcare technology leader.

Aligning closely with our mission and values, our [Corporate Policy 9: Quality](#) is how we define quality for employees working throughout our

organization. We are committed to meeting global regulatory standards, and we stand behind our products and address issues if they arise.

To support this, we have a robust quality data program that includes key process indicators for different dimensions of quality. The data we gather through this program guides us in managing day-to-day quality activities and is regularly reviewed with executive leadership.



Quality Policy

At Stryker, quality is first in everything we do. We are driven to make healthcare better for our customers by providing innovative products and services that meet regulatory requirements through our effective quality system.



Quality management metrics

U.S. FDA recalls	2018	2019	2020	2021
Number of FDA Class I recalls	1	0	1	0
Number of FDA Class II recalls	42	28	17	28
Normalized by revenue (Class I and II per billion dollars in revenue)	3.2	1.9	1.3	1.6

U.S. FDA Warning Letters	2018	2019	2020	2021
FDA Warning Letters received	0	0	0	0
FDA Warning Letters resolved	0	1	0	0

Inspections	2018	2019	2020	2021
Number of inspections by Notified Bodies and worldwide regulatory agencies	94	118	138	186
Average findings per audit	1.2	0.9	0.7	0.8
Number of FDA inspections	13	6	2	4
Average observations per inspection	0.2	1.2	0.0	0.8
Number of internal quality audits conducted	N/A*	N/A*	427	497
Number of corporate quality audits conducted	30	30	26	29

*Predates consolidated data for this metric



For more information on our quality strategy, please see our [website](#).

Designing for quality

Strategic planning initiatives are tied to our quality planning program. To continually improve, we focus on strategies that will keep Stryker's quality at the forefront of the industry while working with customers to make healthcare better. This starts with our new product development process, where we design for quality, manufacturability, serviceability and reliability.

Throughout new product development, dedicated quality teams partner with design engineering teams to ensure that quality is baked into the entire product lifecycle. That lifecycle begins at manufacturing sites, where research and development teams focus early in the development process on designing for manufacturability and ensuring ongoing control of the manufacturing process. By putting controls in place during the first phase of development, we reduce rework and scrap, which also lowers manufacturing costs and waste. At the end of this lifecycle, feedback from current-generation products is delivered back to the research and development teams to help them improve next-generation designs.

Post-market surveillance

Foundational to our quality management system is a continuous improvement program. At its core, continuous improvement is designed to empower employees to solve challenges that they encounter in their day-to-day work. Creating this type of environment with employees enables a proactive versus reactive culture within our organization.

Customer feedback is a valuable input to our product development and post-market surveillance process. We use what we believe to be a best-in-class complaint handling process to receive, evaluate and investigate customer complaints, as well as to track and interpret trends from post-market information. The output of these post-market processes informs a corrective and preventive action process for continuous improvement.

Learn more about Stryker's commitment to quality on our [Global Quality webpage](#).

World Quality Week

In November 2021, more than 40 Stryker sites around the world came together to celebrate World Quality Week—and if they were lucky, got a visit from our quality mascot, the “Koality Bear.”

Throughout the week, leaders emphasized sustainability and the “Eight Wastes of Lean” to identify quality initiatives that could benefit Stryker. In-person and online activities, including a video competition, crossword competition, quiz and children's poster competition, kept employees engaged and raised awareness.

Eight types of waste



Transportation



Inventory



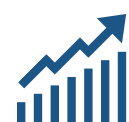
Motion



Waiting



Over-processing



Overproduction



Defects



Skills



Supply chain management

Our supply chain centers on engagement with suppliers who share Stryker's focus on quality and integrity.

We seek and support strong relationships with a diverse group of suppliers who operate ethically and lawfully with an emphasis on accountability for their people and performance.

As the global pandemic disrupted an increasingly complex global supply chain, our procurement team responded by working closely with suppliers to navigate supply constraints. Stryker invested in additional technologies and capabilities and created new roles to ensure supply chain continuity and resilience. We continue to collaborate with suppliers to help customers receive the products they need.

Stryker formed the Procurement Center of Excellence in 2020, which includes resources dedicated to furthering supply chain transparency and supplier diversity, while initiating human rights and environmental assessments for targeted portions of our supply base, among other programs. In 2021, this team focused on developing a framework and capabilities to support our procurement team in addressing supplier ESG priorities.



By the end of 2027,
Stryker will engage suppliers on
ESG performance assessments
with the goal of covering **85%**
of our direct spend.

Strengthening our focus on supplier ESG

We strengthened supplier sustainability efforts by investing in our ESG assessment and monitoring capabilities, specifically in the areas of human rights and labor, environment, ethics and sustainable procurement. This included initiating third-party assessments and ratings among 24.9 percent of our key direct suppliers and initiating self-assessments with an additional 129 suppliers. The results from these assessments are guiding us to identify priority impact areas where we can engage with our suppliers to build upon their capabilities and performance. We will also consider these findings as part of our procurement decisions and strategies.

Conflict minerals

Aligning with our value of doing what's right, we support the responsible procurement of all materials that go into our products. These include tin, tantalum, tungsten and gold (3TG) that may come from the Democratic Republic of the Congo and surrounding nations. We maintain a [Conflict Minerals Policy](#) and provide updates on these efforts in our [Conflict Minerals Report](#),

filed annually with the SEC. Additionally, we are members of the [Responsible Minerals Initiative](#), whose mission is to unite industry in these efforts and provide companies with tools and resources to make decisions that improve regulatory compliance and support responsible procurement from conflict-affected and high-risk regions.

Supplier code of conduct

Our [supplier code of conduct](#) communicates our expectations for suppliers in key areas including:

- General business and ethics
- Human rights
- Labor and employment
- Health, safety and environment
- Intellectual property and data

Strict adherence to the code is required for any supplier doing business with us. We updated the code in 2021 to clearly communicate our expectations with suppliers in additional areas of ESG best practices. Our procurement team completes an annual supplier code of conduct training to ensure they can assist suppliers in



meeting our expectations. In 2021, 99.7 percent of the team completed this training. We also require that Stryker employees who most frequently visit or interact with suppliers complete annual training on the prevention of forced labor and human trafficking in our supply chain, which educates them on risk factors, indicators and reporting methods. In 2021, 98.7 percent of these employees completed training. For additional information on our efforts in this area, please see our most recent disclosures specific to the [U.K. Modern Slavery Act of 2015](#) and the [Australian Modern Slavery Act of 2018](#).

Supplier diversity

As we strengthen our global supply chain, we're focused on creating a competitive advantage by working with suppliers who reflect the diversity of our employees, the communities where we work, and the patients and caregivers that our products impact. Specifically, we are committed to increasing representation of minority-, women-, veteran-, disability- and LGBTQ-owned businesses and small businesses. Within these groups, we work to identify highly qualified suppliers that are agile, innovative and responsive, which helps us move faster in new product development and accelerate value to our customers.

Overall, our strategy aims to expand the reach of our supplier diversity efforts and embed supplier diversity considerations across the business, rather than solely in procurement. Our Supplier Diversity Council—comprised of senior leaders from across the company—oversees the implementation of our strategy while developing aligned commitments for their functional areas. The council is committed to building awareness; identifying, retaining and growing current diverse suppliers; and identifying new diverse suppliers with potential to support future opportunities. To further reinforce these efforts, in 2021 our leadership released a global expectation that procurement managers seek and consider qualified diverse suppliers for new business opportunities. We support this expectation by making it easier for team members to find diverse suppliers within our procurement systems and through engagements with local and national diversity organizations, such as the National Minority Supplier Development Council, the Women's Business Enterprise National Council and, as of 2021, Disability:IN.

Supplier quality management

Suppliers with potential to impact quality are managed through our quality-controlled approved supplier list and are classified by category and risk. We work with suppliers early in the engagement process to foster strong connections

Supplier diversity goal

We are committed to increasing representation of minority-, women-, veteran-, disability- and LGBTQ-owned businesses and small businesses in our supply base through purposeful consideration in our procurement strategies and contracting opportunities.

with a shared focus on quality and continue to engage throughout the life of our supplier relationships. Supplier performance is measured both in the short term, for product quality, and in the long term, for overall capability.

Our assessment of a supplier's quality risk shapes both the approval and onboarding process. The approval process may include an assessment of a supplier's capabilities, an initial audit, regulatory certifications and supplier agreements, based on a supplier's risk. Stryker enters into quality agreements with suppliers that focus on quality, change control and communication expectations, in addition to definitions of roles and responsibilities, and applicable standards and legal requirements.

2021 North America spend



>\$255M
with diverse-owned
businesses



>\$800M
with small
businesses

Good business

We set expectations with all product and service suppliers for controlling quality-impacting changes. Suppliers who propose a quality-impacting change use change control communication tools to ensure proper and timely communication, undergo a change review board approval and prioritization process, and collaborate with Stryker on project planning and execution.

Our global supplier quality team is responsible for monitoring compliance with regulations and standards such as ISO 13485. We track supplier quality performance through data analytics and key performance indicators leveraging our Supplier Monitoring and Quality Performance Review (QPR) process, which subjects suppliers to audits tracked in our Supplier Audit Management system. Our QPR tool tracks product and audit nonconformances, corrective and preventive actions, product

field actions, supplier defects per million and non-conformances that are not in Stryker's control. Based on the results of the monitoring and the QPR review, we take additional actions to improve quality performance.

In addition to the QPR process, regular process and quality system-based audits on high-risk suppliers drive improvements while also monitoring compliance, quality expectations and sub-tier supplier management. We also

perform for-cause audits on suppliers identified through the supplier quality performance review. In 2021, we completed approximately 1,100 supplier quality audits. Through our supplier quality improvement program, we work with suppliers to improve their quality culture, processes and metrics.



stryker

Healthier planet





Operational impact

Our company is working to create a better, healthier world—and the connection between human health and the health of our planet is clear. People need safe, livable environments that aren't threatened by increased risk of fires or floods. They need food and water security and access to clean air. To make a significant impact in human health, we must address climate change.

With each passing year, this issue becomes more pressing, which is why Stryker has committed to goals of making our Scope 1 (direct site emissions) and Scope 2 (purchased electricity) greenhouse gas emissions carbon neutral by 2030. To ensure we stay on track, we've also set an interim goal of reaching a 20 percent reduction of Scope 1

and 2 emissions by 2024 at all of our facilities, compared to a 2019 baseline. Our carbon emissions targets are aligned with the guidance of the Science Based Targets initiative (SBTi) to limit warming to 1.5 degrees above pre-industrial temperatures.

“

Climate change is a huge challenge, and we are finding ways to address it. We are taking action.”

Erol Odabasi

Director, Corporate Sustainability

Climate disclosures

Our Corporate Responsibility Steering Committee provides governance to ensure that adequate resources are available to measure and report carbon emissions, reduce carbon emissions from energy consumption, and identify climate-related risks and opportunities. In 2021, we conducted a vulnerability assessment to assess potential physical and transitional climate-related risks and opportunities. Our reporting will continue to be informed by recommendations developed by the Task Force on Climate-related Financial Disclosures (TCFD) in four areas: governance, strategy, risk management and metrics and targets. For additional information on TCFD, please visit Stryker's [CR Hub](#).

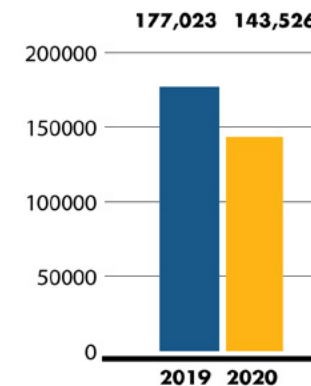
We also publicly report our greenhouse gas emissions data and reduction initiatives annually through the Carbon Disclosure Project (CDP). CDP is an internationally recognized nonprofit organization that collects and reports environmental metrics. Currently, we [report](#) our direct and indirect energy use and emissions from all Stryker facilities and business travel. In 2021, we received a B score from CDP, with significant improvements noted in our disclosure of Scope 1 and 2 emissions without any exemptions, Scope 1 and 2 emissions reduction targets and improved governance processes.



Energy and emissions

Our facilities have been making steady progress toward emissions reduction goals. Even though we've just begun our journey to carbon neutrality, we've already seen a drop in our global emissions of over 33,000 metric tons of CO₂e from 2019 to 2020. That's a 19.3 percent drop—the equivalent of cutting back on 83 million miles driven by an average passenger vehicle.³⁵ While this decrease was partially attributable to COVID-19-related shutdowns, we continue to drive down emissions by implementing energy efficiency and conservation measures, as well as purchasing renewable energy to power our facilities.

Scope 1 and 2 emissions (MT CO₂e)



Scope 2 is market-based.

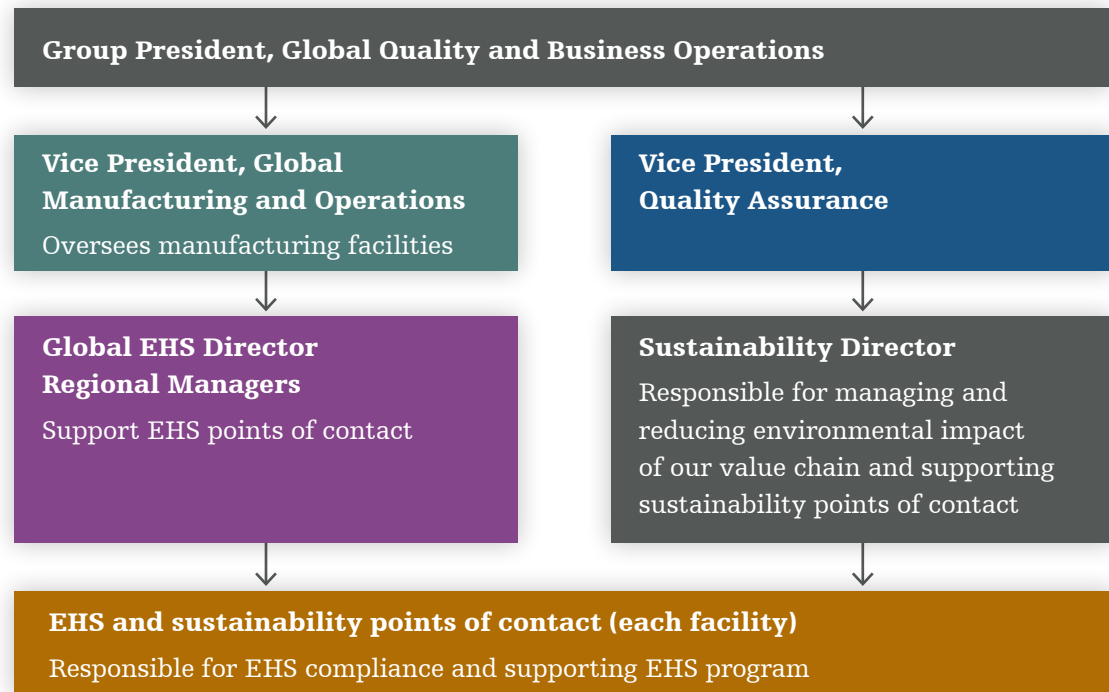
EHS and sustainability management

Guided by our Environmental, Health and Safety (EHS) Policy, we are in the process of certifying our facilities to the ISO 14001 standard, with 13 sites completed as of the end of 2021. This standard sets the criteria for an effective environmental management system and helps ensure that key performance metrics are accurately measured and tracked. Our newly implemented data software management system enables us to track important metrics globally. In 2021, we improved the data integrity of our energy and carbon emissions reporting and now have approximately 95 percent of our data reported from utility bills, up from 70 percent in 2020.



Learn about the safety aspects of our [EHS Policy](#).

EHS and sustainability



Healthier planet

Energy conservation

Across the globe, our employees are rolling up their sleeves and implementing initiatives to reduce our environmental footprint. We conducted energy efficiency assessments at 11 of our top carbon-footprint sites, which resulted in the identification of more than 130 opportunities to reduce energy use. We also developed and distributed an energy efficiency playbook to 45 of our global sites to continue to implement energy standards and create a pipeline

of future projects. We secured a multiyear capital investment of \$20 million to reduce energy use and have approved or implemented over 50 projects that are expected to reduce CO₂e emissions by over 15,000 tons. From installing LED lighting and updating equipment to fixing compressed air leaks and installing heat pumps, our facility teams are exhausting every option to help us reach our climate goals.

Emissions reduction by the numbers*

700 metric tons of carbon

annual savings at our Cary, Illinois, U.S. facility after switching to efficient LED lighting in our warehouse and parking lot, upgrading HVAC units and repairing air compressor leaks

>450,000 kWh of electricity

estimated annual savings at our Suzhou, China, facility after finishing a complete LED lighting upgrade and right-sizing the shop floor exhaust system for emerging optimization—enough energy to power approximately 40 homes

1,000 metric tons of carbon

approximate annual savings at our Mahwah, New Jersey, U.S. facility after optimizing controls, dryers and our compressed air system to increase efficiency



500 metric tons of carbon

total savings at our Portage, Michigan, U.S. facility after implementing heat recovery systems in the compressor room and insulating the fume collection system to reduce the need for conditioned air

>250 metric tons of carbon

emissions reduction at our Kalamazoo, Michigan, U.S. world headquarters after upgrading our domestic hot water and pumping system

*Selected projects. All reductions are estimates.

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Renewable energy

Using clean sources of energy is also a critical part of our strategy for achieving our climate goals. This year, we acted on our global climate commitments by selecting a renewable energy advisor, developing a renewable energy strategy and conducting renewable energy opportunity assessments for our facilities worldwide.

To support our 2030 carbon neutral goal, we also furthered efforts to secure renewable energy sources locally at the sites where we operate around the world. Here are a few examples of locations we focused on in 2021:

Renewable energy procurement highlights

Ireland

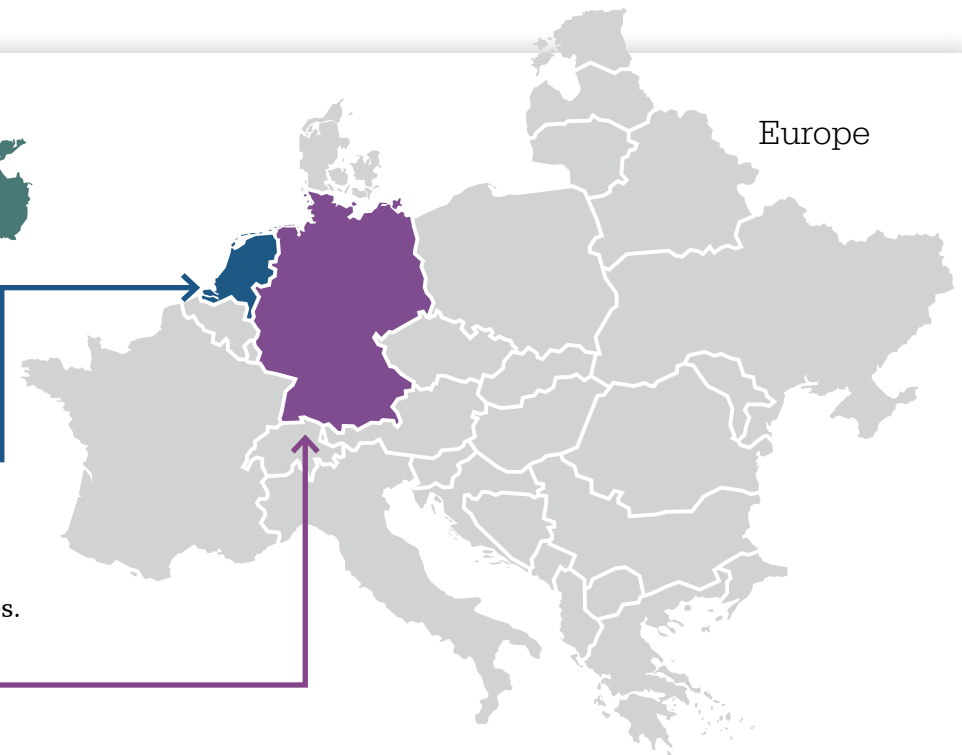
We are now seeing the benefits of a five-year renewable energy contract we signed in 2019. By switching to locally generated wind energy, we substantially reduced the carbon footprint of our Ireland facilities and locked in cost savings, with over 50 million kWh of wind energy used in 2021.

Netherlands

To supplement the solar energy that we already generate onsite in our Central Distribution Center in Venlo, we secured another renewable energy contract that we expect will save an additional 1,200 tons of carbon emissions per year through the utilization of 100 percent renewable electricity from EU wind sources.

Germany

Our manufacturing sites in Kiel, Freiburg, Stetten and Tuttlingen are powered by hydroelectric energy.



We've made significant strides in addressing our carbon footprint through transitioning to renewable energy sources. As a result, renewable energy supplied over 19 percent of our electricity use across Stryker in 2020.



Green buildings

With a global presence including more than 40 manufacturing facilities, ensuring these buildings meet high standards for energy efficiency is key to our climate strategy. To validate these improvements, we pursue certifications from the [Leadership in Energy and Environmental Design \(LEED\)](#) and [Building Research Establishment Environmental Assessment Method \(BREEAM\) certification programs](#). In addition to assessing energy usage, these certifiers also consider the building's impact on the health and wellbeing of our people. By working with these organizations to evaluate and certify the environmental impact

and sustainability of our buildings, we are helping to reduce our carbon footprint and support the health of our employees. In 2021, we added four buildings to our existing portfolio of 11 LEED and BREEAM certified sites:

- Fort Lauderdale, Florida, U.S. (LEED)
- Warsaw, Poland (BREEAM)
- Tijuana, Mexico (certification pending)
- Waterdown, Ontario, Canada (LEED)

Scope 3 carbon emissions

We recognize that a significant portion of Stryker's carbon emissions are in our value chain outside of electricity and energy consumption at our global sites. In 2021, we initiated a comprehensive review to establish the baseline for our Scope 3 carbon emissions, which will be used to develop goals informed by the SBTi. The results of this assessment will be disclosed in our 2022 supplemental environmental report.

Transportation

We contract with over 300 transportation carriers to move our products from our facilities to customers around the world. In 2021, we officially became a member of the U.S. Environmental Protection Agency's SmartWay program, which is expected to help us better track our transportation impact. This voluntary program helps companies improve their freight transportation efficiency

with comprehensive systems for documenting fuel use and identifying more efficient freight carriers and transport modes.

We continue to collaborate with our product development teams to optimize packaging so we can maximize the number of products we transport and minimize wasted space.

China

To reduce tailpipe emissions from our logistics, our distribution center deployed four electric vehicle trucks for short distance trips.

India

We improved the packaging efficiency for shipments in our India distribution centers, resulting in improved efficiencies in outbound shipments.

East Asia

We switched to a new green logistics provider for shipping throughout the region.

Asia Pacific

Our ocean freight utilization was increased, reducing our international freight carbon footprint by over 300 tons.

Healthier planet

Waste

In addition to addressing our climate impact, we also strive to minimize the amount of waste we send to landfills to help conserve valuable resources. Here are a few highlights from the year:

Arroyo, Puerto Rico, U.S.

This facility performed regular audits to ensure that waste was correctly segregated and identified opportunities to recover materials. To reduce the use of raw materials, we made improvements to scrap reduction processes and redesigned two packaging methods. Overall, this facility achieved a decrease of 33 percent in just one year.

Limerick, Ireland

The dust from this facility's extractor machines was once sent to landfill, but is now collected to be used in products like Eco-Cement. Diverting this waste stream keeps 20 tons of material out of landfills each year. We are also collecting vitalium metal shavings, blast media and wax polish so they can be reused as raw material inputs.

Newbury/Stanmore, U.K.

A newly implemented recycling scheme for our titanium swarf, which is debris left over from our manufacturing process, has helped us save 3.5 tons from the landfill to date. Recovering this expensive metal also results in cost savings.

Pusignan, France

Through implementing specialized waste collection bins, this team was able to successfully reduce their waste by 44.2 tons.

A bold commitment and new growth in Ireland



Our Ireland facilities have long been environmental leaders, sourcing 100 percent renewable energy for all manufacturing sites since 2019. Now, they are going one step further by pledging to address Scope 3 emissions in addition to meeting Stryker's companywide Scope 1 and 2 goals. By becoming a signatory to the [Business in the Community Ireland Low Carbon Pledge](#), we are joining dozens of other businesses in the movement to reach global carbon reduction targets set in the Paris Climate Agreement.

Our green initiatives grow when local employees and community members come together. At our Limerick facility, employees collaborated with Limerick City Tidy Town—a group dedicated to planting small forests in urban areas—to cultivate a small woodland of 1,500 saplings. The densely planted saplings will grow taller than standalone trees, allowing them to absorb five times more carbon.³⁶ In Cork County, Stryker partnered with the Industrial Development Agency to develop a new pedestrian greenway that will connect towns across the county.

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Water

Fresh water is one of our world's most precious resources, and we all must share a finite amount. Stryker recognizes that water usage is a component to our manufacturing processes, which is why we are taking steps to track and reduce our consumption. In 2021, we improved our data assurance process to accurately measure our water use across all manufacturing sites. In the future, measuring water consumption companywide will allow us to more effectively manage our usage and identify opportunities to improve.

Several facilities have made significant strides in reducing water consumption. Recent progress includes:

Ann Grove, Ireland

Through a recent engineering project, this facility reduced freshwater usage and shipping expenses by incorporating more waste filters per barrel.

Limerick, Ireland

This facility is enhancing our comprehensive stormwater protection program to improve water quality and was recently named a finalist for the National Green Business's Sustainable Water Achievement Award for our past efforts in reducing water consumption.



Arroyo, Puerto Rico, U.S.

Arroyo, Puerto Rico, U.S.

With the installation of a new wastewater evaporation system in our machine center area, we reduced wastewater by 20 percent. This system allows us to separate and condense waste, significantly reducing landfill costs and water discharge amounts. This facility is also reusing and recycling solvents and taking other precautions to prevent water contamination.

Employee engagement

Our employees deeply value sustainability and are motivated to help us reach our goals. In 2021, we created Stryker's Environmental Alliance community, with more than 450 members and counting, where employees can easily connect and share best practices on environmental sustainability, education and climate action.

In 2021, our teams focused on hosting various educational webinars, speaker series and volunteering events to increase sustainability and climate change awareness.





Product design and lifecycle management

Our products positively impact our customers and their patients' health and quality of life—yet they also leave an environmental footprint.

Our research and development and global manufacturing teams worldwide are driving improvements to reduce our product footprint throughout their lifecycles.

From seeking out more environmentally responsible materials to identifying efficiency improvements, we strive to meet customer requests for more sustainable products and packaging.

We have established comprehensive, companywide processes to ensure that product designs meet safety and quality regulations and standards. Rigorous environmental procedures in our product development process comply with restricted substance regulations, increase energy efficiency, aim to reduce the use of chemicals of concern and promote responsible management of our products at the end of their useful life.

In 2021, Stryker participated in the Chemical Footprint Project to share our governance on chemical management across our supply chain, products and packaging, and manufacturing processes. We also joined the Healthcare Plastics Recycling Council, a private technical coalition of industry peers across healthcare, recycling and waste management industries seeking to improve recyclability of plastic products and packaging within the healthcare industry.



Sustainability Solutions

Medical waste is a growing problem. The average hospital generates 29 pounds of waste per bed every day, and this volume has only increased with the coronavirus, amplifying demand for single-use items.^{37,38} Improper management of discarded medical waste poses a health risk to the public, patients, healthcare professionals and waste management workers.³⁹ To help address these issues, our Sustainability Solutions business provides reprocessing services for single-use medical devices, which reduces waste and extends the useful life of these products.

As the leading provider of these services, Sustainability Solutions safely collects items at hospitals; sorts, disassembles and repairs damaged parts when necessary; then cleans devices. We then inspect, test, package and sterilize devices before shipping them back to the customer for clinical use. More than 21 types of devices spanning thousands of SKUs are collected and reprocessed, thereby diverting waste from landfills and helping to support a circular economy. In 2021, Sustainability Solutions became the first Stryker business to begin using vaporized hydrogen peroxide (VHP) sterilization on a portion of our patient care devices. VHP is a nontoxic alternative to ethylene oxide (EO) sterilization, and Sustainability Solutions has set a goal to reduce EO usage by 20 percent by 2025.

In addition to minimizing waste at a product's end of life, Sustainability Solutions launched the Redesigned for Sustainability initiative to address impacts throughout the entire product lifecycle. This initiative was developed with valuable input from our customers who helped us identify six priority areas: sourcing, manufacturing, component design, material and chemical use, waste solutions and packaging. To support this effort, the business provided training to their new product development teams. The trainings were specially tailored to each team to showcase concrete ways they could incorporate sustainable design elements into existing and future projects.

Additive manufacturing

Additive manufacturing (AM), also known as 3D printing, is another approach to product design that reduces environmental impact by leveraging more efficient material usage, better product designs and more sustainable supply chain transportation. AMagine is Stryker's proprietary approach to creating implants using AM, which we have honed over the last 20 years. Beyond reducing waste, AMagine enables the execution of previously difficult or impossible product designs. We have developed new products across multiple businesses using this technology and sell more metal orthopaedic implants using AM technology than any other medical device company in the world.

To share our expertise and learn from others, we are members of the Additive Manufacturing Green Trade Association (AMGTA), a global trade group created to promote and advance the environmental benefits of AM. A recent study commissioned by the AMGTA predicts that AM could reduce global energy usage by 25 percent by 2050.



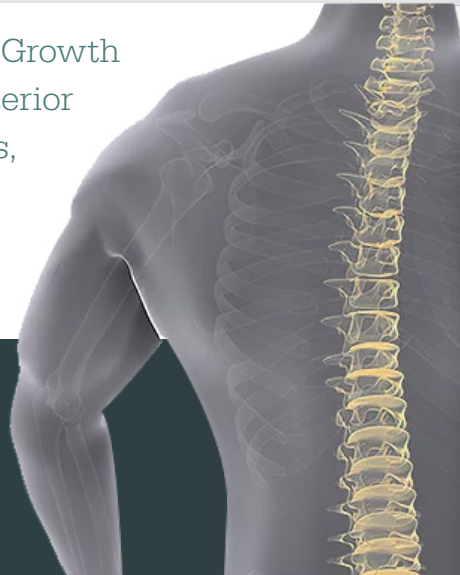
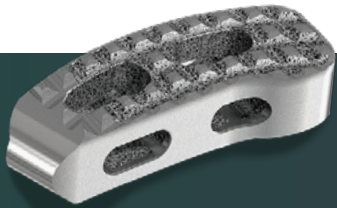
Over the past five years,
3,000 customers
saved \$1 billion through reprocessing
programs and diverted 27 million
pounds of waste from landfills.

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Tritanium

Our Tritanium Posterior Lumbar Cage—a spinal implant created with our AM technology—is designed with a roughened porous surface. Studies show that, compared to a smooth surface, the porous design makes it easier for the implant to connect with surrounding bone.^{40,41,42,43,44} Precise engineering and optimized cage design work together to help minimize settling and create better health outcomes.^{45,46} The environmental outcomes improve, too, as using AM to make the product creates almost zero waste.

Stryker's proprietary Tritanium In-Growth Technology, used to build the posterior lumbar and anterior cervical cages, has been designed for bone in-growth⁴⁰ and biological fixation.



Creating a cleaner operating room

Beyond reducing waste involved in the design and manufacturing of our products, Stryker is also helping customers limit fluid waste in the operating room. During surgery, healthcare providers can encounter potentially hazardous bodily fluids that they must carefully dispose of. Prior to Stryker's Neptune Waste Management system, operating room staff would ensure fluids were carefully cleaned from an operating theater and transferred for disposal via open canisters or waste bins. The Neptune 3 is the only constantly closed system on the market, protecting staff from exposure to collected fluids by containing surgical liquid waste from collection through disposal.

Says Peter Huttley, a waste management specialist supporting James Paget University Hospital in the U.K., "Benefits of the system include making the working environment safer, reducing waste and reducing the time needed between patients to free up operating theatres. The machines are also reducing the risk of slips and falls and have reduced the materials needed for cleaning."



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Stronger people

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About this report

Stryker's 2021 Comprehensive Report provides an integrated picture of our financial and ESG performance. Further reporting on other matters specific to financial performance can be found in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Further reporting on other matters specific to our corporate responsibility performance can be found on our [CR Hub](#).

This material references the Global Reporting Initiative (GRI) Standards. Our GRI content index is available on our [CR Hub](#). We also include information sought by the Sustainability Accounting Standards Board (SASB) Index, providing disclosures against relevant SASB Standards. Our SASB content index is available on our [CR Hub](#).



The data contained in this report was reviewed by internal subject matter experts as well as members of Stryker's leadership team. We believe this information accurately represents our performance in 2021. We welcome your questions and feedback on this report. Please contact us at: CR@stryker.com.

Legal

disclaimers

This Report contains information that includes or is based on forward-looking statements within the meaning of the federal securities law that are subject to various risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements. Such factors include, but are not limited to: the impact on our operations and financial results of the COVID-19 pandemic and any related policies and actions by governments or other third parties; unexpected liabilities, costs, charges or expenses in connection with the acquisition of Vocera Communications, Inc.; the effects of the Vocera transaction on the relationships of the parties with employees, customers, other business partners or governmental entities; weakening of economic conditions that could adversely affect the level of demand for our products; pricing pressures generally, including cost-containment measures that could adversely affect the price of or demand for our products; changes in foreign exchange markets; legislative and regulatory actions; unanticipated issues arising in connection with clinical studies and otherwise that affect United States Food and Drug Administration approval of new products, including Vocera products; potential supply disruptions; changes in reimbursement levels from third-party payors;

a significant increase in product liability claims; the ultimate total cost with respect to recall-related matters; the impact of investigative and legal proceedings and compliance risks; resolution of tax audits; the impact of the federal legislation to reform the United States healthcare system; costs to comply with medical device regulations; changes in financial markets; changes in the competitive environment; our ability to integrate and realize the anticipated benefits of acquisitions in full or at all or within the expected timeframes, including the acquisition of Vocera; our ability to realize anticipated cost savings; and potential negative impacts resulting from environmental, social and governance (ESG) and sustainability related matters. Additional information concerning these and other factors is contained in our filings with the United States Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We disclaim any intention or obligation to publicly update or revise any forward-looking statement to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that affect the likelihood that actual results will differ from those contained in the forward-looking statements.

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Non-GAAP reconciliation

Reconciliation of the Most Directly Comparable GAAP Financial Measure to Non-GAAP Financial Measure

	Net earnings (\$ millions)						Net earnings per diluted share					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
Reported	\$1,647	\$1,020	\$3,553	\$2,083	\$1,599	\$1,994	\$4.35	\$2.68	\$9.34	\$5.48	\$4.20	\$5.21
Acquisition and integration-related costs:												
Inventory stepped-up to fair value	23	20	9	51	36	203	0.06	0.05	0.02	0.13	0.10	0.53
Other acquisition and integration-related	77	31	90	160	157	244	0.20	0.09	0.24	0.42	0.41	0.64
Amortization of purchased intangible assets	221	250	338	375	381	489	0.59	0.67	0.89	0.99	1.00	1.28
Restructuring-related and other charges	98	155	179	180	397	345	0.26	0.41	0.47	0.47	1.04	0.90
Medical device regulations	–	–	10	48	63	90	–	–	0.03	0.13	0.17	0.24
Recall-related matters	127	131	18	154	13	89	0.34	0.34	0.05	0.41	0.03	0.23
Regulatory and legal matters	(7)	25	141	(33)	8	(12)	(0.02)	0.06	0.37	(0.09)	0.02	(0.02)
Tax matters	8	833	(1,559)	121	173	32	0.02	2.19	(4.10)	0.32	0.46	0.08
Adjusted	\$2,194	\$2,465	\$2,779	\$3,139	\$2,827	\$3,474	\$5.80	\$6.49	\$7.31	\$8.26	\$7.43	\$9.09
Effective tax rate – reported	14.3%	50.6%	(50.8%)	18.7%	18.2%	12.6%						
Effective tax rate – adjusted	17.3%	15.6%	16.7%	15.8%	12.6%	14.9%						
Weighted average diluted shares outstanding							378.5	380.1	380.3	379.9	380.3	382.3

Refer to our 2021 Annual Report on Form 10-K, available at [stryker.com](https://www.stryker.com), for additional information regarding our non-GAAP financial measures.

