

stryker



Corporate
Responsibility
and
Sustainability
update

2020

Letter from our Chairman and CEO



Kevin Lobo

2020 has been a year like no other. Keeping the fabric of Stryker's unique company culture strong in this time of crisis has been our primary focus, and we remain driven by our mission and values.

Together we have evolved to face the challenges of COVID-19 and address the calls to action around diversity, equity and inclusion. Amidst these unprecedented drivers of change, we are mindful of the [purpose of a corporation](#), as redefined by the Business Roundtable. Recognizing this purpose, we have turned to our Corporate Responsibility (CR) and Sustainability objective: to positively impact people and our planet through responsible, sustainable practices that create a better, healthier world.

We are pleased to share in this update a glimpse into our efforts, and we look forward to unveiling a comprehensive report, informed by the Sustainability Accounting Standards Board and Global Reporting Initiative, in spring 2021.

Our response to COVID-19

COVID-19 is a reminder that the heart of healthcare isn't rooted in buildings and equipment. It's about people. It's

about healthcare professionals and countless others who weren't expecting a pandemic but whose character was always prepared. At Stryker, we have focused our efforts on the safety of our employees and their families, positively impacting our communities and meeting our customers' needs when responding. Our actions have included:

- We moved quickly to keep our employees and their families safe by restricting travel, issuing work from home guidance and establishing protocols to better protect employees in the field, our manufacturing plants and distribution centers.
- We adapted to our customers' needs, increasing production and innovation and leveraging in-house research and development experts to deliver products essential for the COVID-19 response.
- We worked with our industry trade association and regulatory bodies to accelerate the authorization and approvals for personal protective equipment.
- We changed the way we work, providing virtual medical education and engagement opportunities.

Letter from our Chairman and CEO



Kevin Lobo

continued

Our culture of inclusivity

The social unrest and continued protests initiated in the United States and expanding around the globe remind us that racial inequities still afflict our world. We strive to foster a culture where all employees feel safe and included. We encourage and value differences inside and outside of our work environment.

Leadership is ultimately accountable for diversity, equity and inclusion (DE&I) in the workplace. At Stryker, our senior leadership team is committed to programs and initiatives that support DE&I. That is why I signed the [CEO Action for Diversity & Inclusion™](#) pledge in 2019, the largest CEO-driven business commitment to advance diversity, equity and inclusion. And, as Chairman of the AdvaMed Board of Directors, I will continue to drive the promotion of DE&I in the medical technology industry.

Within Stryker, we attract and develop diverse talent and maintain inclusive policies and practices. In this summary, you will read about our unconscious bias training and how we are turning to our employee resource groups to listen, and together strengthen our DE&I commitment.

In this update, you will also read about our efforts related to climate and the environment, and giving and volunteering.

Together we will overcome the challenges of this year. These challenges have strengthened our commitment to our employees and customers and sharpened our focus on CR and Sustainability. We know we will emerge stronger than we were a year ago, and our efforts to positively impact people and the planet will help to create a better, healthier world.

We look forward to the journey ahead and to sharing more with you in our 2020 comprehensive report.

A handwritten signature in black ink that reads "Kevin Lobo". The signature is fluid and cursive.

Kevin A. Lobo
Chairman and Chief
Executive Officer



Our commitment to **people and our planet**

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

2020 highlights

This year, Stryker is making notable progress in building upon our Corporate Responsibility (CR) and Sustainability strategy and creating the infrastructure and processes to support external goals. We are working to improve healthcare responsibly and sustainably because we believe the **health of the world is as important as the people who live in it**. The global COVID-19 pandemic and the overdue call to action around equity largely shaped our efforts focused on positively impacting people and the planet.

Data at a glance



\$14.9 billion
in annual global sales in 2019



~ **40,000**
employees worldwide



\$971 million
spent on R&D in 2019



~ **8,880 patents**
owned globally in 2019



SYK listed
on the New York Stock Exchange



Products sold
in over 75 countries

Our commitment to **people and our planet**

Governance

At Stryker, we are committed to doing what's right and staying true to our Corporate Responsibility (CR) and Sustainability **objective of positively impacting people and our planet through responsible, sustainable practices that create a better, healthier world.** This year we expanded our Corporate Responsibility and Sustainability Steering Committee, which includes three members of our leadership team, and developed a charter to instill accountability.



Reporting developments

The Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) will inform our forthcoming 2020 report in the spring of 2021 and it will include relevant metrics. We are also reviewing options to report progress against elements of the Task Force on Climate-related Financial Disclosures (TCFD).



Strategy

We are implementing our updated CR and Sustainability strategy, which includes a mission and values-based approach to our environmental, social and governance (ESG) initiatives. This strategy will inform our goals and drive our ESG performance expectations going forward, including through enhanced communications and reporting.



Aligning our values and reporting

Our core values of Integrity, Accountability, People, and Performance provide the lens through which we assess our actions and behaviors. Accordingly, we will report our CR and Sustainability performance through this same lens. One example, Integrity – we do what's right, applies to the design and manufacture of our products as well as the management of our operations.



Goal setting

To implement our new CR and Sustainability strategy, in 2020, we are working to establish goals in two areas: carbon emissions/energy use and diversity, equity and inclusion. We will continue to explore commitments in other areas, including waste reduction, responsible procurement, medical education and volunteering. We look forward to communicating additional goals once we complete the requisite diligence, including alignment with our company strategy, mission and values.



Commitment to transparency

As we seek to achieve our goals, we will be transparent about where we are, our destination and the challenges we face. We are committed to providing a balanced view of both our successes and opportunities and sharing those with our stakeholders.





Performance **trends**

Stryker, May 2019, Kalamazoo, MI

Performance trends

COVID-19

We remain driven by our mission and values in the face of the COVID-19 pandemic. Our commitment is to keep our employees and their families safe, positively impact our communities and respond to customer needs so that they can focus on their patients.

Our employees: The best way we can protect people is to reduce exposure. Stryker moved quickly to enact work from home policies, restrict travel and deliver education programs virtually. We established protocols that continue to protect employees in the field, our manufacturing plants and distribution centers who have never stopped working. Technology has enabled many aspects of Stryker’s business, such as allowing more efficient collaboration. Stryker may see reduced levels of employee travel well into the new normal.

Our communities: Inspired by our healthcare professionals and one another, our employees are using their time, talent and resources to offer support beyond their daily roles at Stryker.

Our employees are:



Donating blood through the Red Cross to help alleviate shortages and supporting the Sleeves Up virtual campaign when leaving their homes is not possible.



Giving to local charities and global organizations, including the World Health Organization’s COVID-19 Solidarity Response Fund and the Red Cross.



Engaging in virtual volunteer opportunities.



Sharing their stories of impact with each other to foster connection while social distancing.

Visit our [COVID-19 response page](#) for specific updates related to our products, services and employee response.

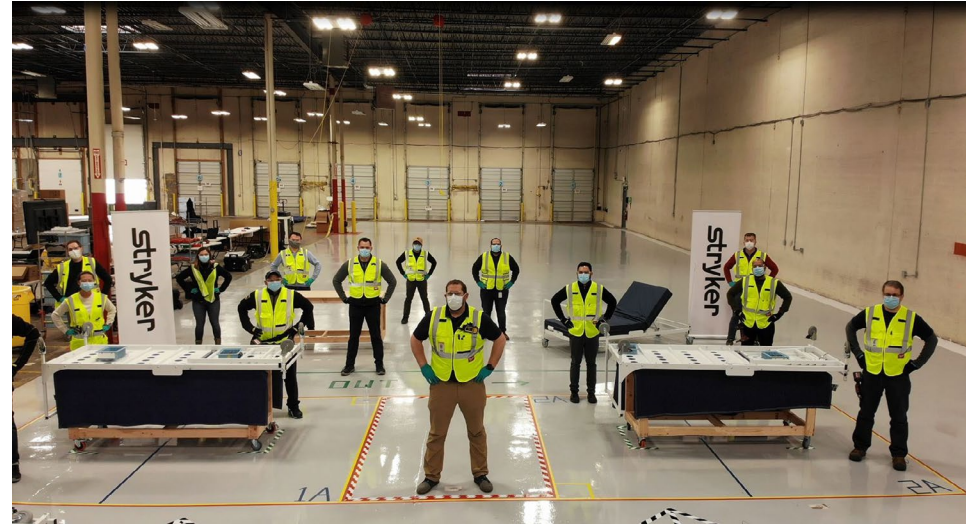
Performance trends

COVID-19 continued

Our customers: We're focused on what we do best to support healthcare professionals on the front lines, working hard to help deliver solutions. From creating a low-cost, limited edition bed to increasing production of hygiene, disinfecting, and surgical protection products, as well as hospital beds, stretchers, and defibrillators, we remain mission-driven to make healthcare better, together with our customers. Our employees continue to support emergency and hospital staff for critical cases. They are actively engaged in helping customers plan for and return to deferrable surgeries, while the rest of our global team is finding new and creative ways to meet customer needs.

Accelerating innovation

Within just seven days of conceiving the idea to help those on the front lines of the COVID-19 crisis, thousands of Emergency Relief Beds (ERB) were assembled and ready to be delivered to some of the hardest-hit locations, including New York. In August, our Medical division announced the donation of more than 22,500 ERB kits to Project C.U.R.E., a nonprofit organization that will send the kits to areas outside the U.S. where the beds are approved for use, and COVID-19 outbreaks occur.



Performance trends

Diversity, equity and inclusion

At Stryker, an essential part of our culture has always been respecting each individual's strengths and value. Building on this foundation, we continue to create an inclusive, engaging work environment and prioritize diversity, equity and inclusion (DE&I) in keeping with our values of integrity and people.

Our diversity strategy calls on us to encourage, value and leverage differences to build an inclusive and engaging work environment, and we continue to integrate this strategy across our efforts to attract, develop and retain a diverse workforce.

Advocating for DE&I: Our Chairman and CEO, Kevin Lobo, signed the CEO Action for Diversity & Inclusion™ pledge in 2019, the largest CEO-driven business commitment to advance diversity, equity and inclusion within the workplace, and we continue to make progress against our commitments. He also advocated making diversity, equity and inclusion a strategic priority for the MedTech industry through our trade association, AdvaMed, where he serves as Chairman of the Board of Directors.

Listening sessions: To allow and encourage the sharing of opinions, experiences and emotions around the topic of DE&I, and to identify opportunities to create a more inclusive workplace, we initiated a series of dialogue sessions, called "Days of Understanding," hosted by leaders from Stryker's employee resource groups.

Unconscious bias training: Unconscious biases exist even in the most open-minded people and organizations. Our "Think Twice" course, a workshop that showcases what bias is, how it shows up, and what to do about it, is a proactive effort to

increase awareness and teach skills on how to address our biases. Since launch, more than 6,680 employees in nearly 40 countries have participated in the training, including our CEO and the Stryker Leadership Team.

Talent acquisition and development: We continued our efforts to attract and develop diverse talent and to implement inclusive policies and practices.

We are proud of our efforts to date at Stryker but recognize achieving diversity, equity and inclusion is a long-term journey. We are committed to continuing to do the work necessary to build a workplace that allows all people to bring their authentic selves to work and realize their potential.



Performance trends

Climate and the environment

Climate change is real. As a healthcare company, we cannot ignore the intricate connection between the health of our planet and human health. We are committed to examining our carbon emissions and setting reduction goals. Currently, we are evaluating the risks and opportunities we face and plan to share more in our 2020 report.

Concurrently, we have been making strides to improve our carbon footprint. We have recently executed a renewable energy power purchase agreement to supply all our electricity needs in Ireland in addition to continued use of renewable energy for our sites in Germany. Across our manufacturing locations, approximately 15% of our electricity use is generated by renewable sources.

Our efforts also have included identifying and implementing energy reduction opportunities, including Building Management System enhancements, LED lighting, equipment upgrades and conducting energy audits to identify areas of energy conservation opportunities. An improved performance score from the Carbon Disclosure Project (CDP), a B rating, reflects the success of our efforts to date.



Performance trends

Giving and volunteering

Stryker gives back around the world, donating our time, our funds and the products we make to support people in need and the communities in which we live and work with resources to improve lives. We determine philanthropic support based on professional and community needs—from humanitarian aid to healthcare access and other charitable assistance. Our giving and volunteering strategy aims to advance healthcare, support education and support vital communities.

Though we suspended many of our planned community engagement activities in the wake of COVID-19, we maintained our commitment to our signature volunteer program, Operation Smile. This year, our 600+ Operation Smile ambassadors have used virtual channels to champion the program's mission with their teams, families and friends. The 2020-2021 Stryker Smiles campaign will launch on Giving Tuesday, December 1, with a corporate match offer. Our partnership with Operation Smile unifies our 40,000 employees around the world behind one goal—to provide life-changing cleft surgery and care to people living in resource-limited settings.

We strive to support our local communities in many ways. All of our company outreach initiatives align with our community engagement strategy, and these initiatives thrive because of our people – their passion and drive.



We are working to improve healthcare responsibly and sustainably because we believe the health of the world is as important as the people who live in it.