

stryker



2020 Comprehensive Report

Financial, environmental, social and governance

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Patient impact

A young dancer with scoliosis faces a bright future after instrumentation with Stryker technology thanks to two surgical pioneers

Life can get complicated when a bright, active teenager, who's an accomplished and passionate dancer, must face the prospects of complex spinal surgery to address a worsening case of scoliosis, or curvature of the spine. It's a procedure that will have an impact on the rest of her life.

Seventeen-year-old Destiney Jackson, from Gainesville, Florida, has been dancing since she was three. "It's always been a big part of my life," she says with a winning smile. "It's the way I express myself; I love it."

A good student and a member of her high school's competitive dance team, Destiney endured long practices and began to feel unusually sore and uncomfortable. "It started affecting my confidence, and I was afraid that my appearance was crooked," she says. She realized her condition was getting worse.

The path forward

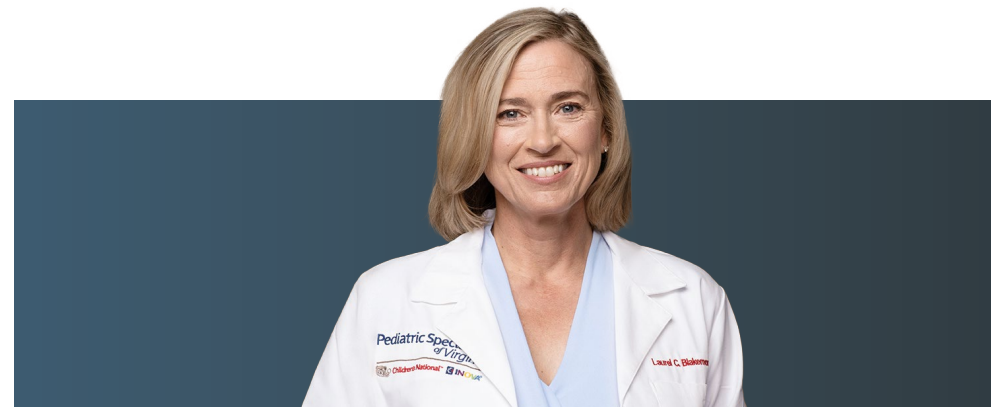
That's where Dr. Laurel Blakemore comes in, a renowned orthopaedic surgeon with expertise in pediatric scoliosis and other spinal deformities—a pioneering role model and advocate for women in

the field. While she discussed each treatment's pros and cons with Destiney and her parents, it became clear to all that surgery was the best option.

"Left untreated, scoliosis can seriously impact the quality of your life and your longevity," says Dr. Blakemore, who was Chief of Pediatric Orthopaedics at the University of Florida College of Medicine at the time and is now CEO of Pediatric Specialists of Virginia. "As the curvature worsens, people can end up in pain, with shortness of breath and a decrease of lung capacity," she adds.

"Making the decision for surgery was nerve-wracking," says Destiney's father, Kevin, "but we realized we had to go ahead." Her mother, Patrice, says the family focused on staying positive. Destiney agreed, saying, "We knew we were in good hands."

"Our objective was to stop Destiney's curve from getting bigger and correct the existing curve as much as possible," Dr. Blakemore explains. During surgery, Dr. Blakemore used Stryker's Mesa 2 Deformity Spinal System, which, she says, is "the first multiple reduction tool in one system¹ and, I believe, very effective and versatile. It's also small and lightweight."



Dr. Laurel Blakemore
Pediatric Specialists of Virginia

"The first time I danced [again] felt amazing"

— Destiney Jackson

¹ See references on page 61

Performance and governance

The journey to recovery

“Coming out of surgery, I was loopy but happy it was over,” Destiney explains. When she first stood up, she had grown one-and-a-half inches. Because the surgery went so well and she was otherwise healthy, Destiney was discharged after only two days, ready to begin recovery.

“The first time I danced [again] felt amazing,” Destiney says, beaming. “It was great to get back to normal, and I soon realized I could do things like cartwheels and rolls without pain. I even started wearing high heels after a month.”

Now Destiney can look to her future with optimism. “I’m still deciding on college, and I’m interested in graphic design or computer science—I’m not sure yet,” she says. “But dancing will always be a part of my life.”



Nana Prof Oheneba Boachie-Adjei Woahene II
Foundation of Orthopedics and Complex Spine (FOCOS)

Building the tools to treat scoliosis

Half a world away from Florida, in Ghana, lives renowned orthopaedic surgeon Nana Prof Oheneba Boachie-Adjei Woahene II, who helped create the Mesa 2 Deformity Spinal System used in complex surgeries like Destiney’s. Dr. Boachie-Adjei is the founder of the Foundation of Orthopedics and Complex Spine (FOCOS) and FOCOS Orthopedic Hospital in Accra. He is a member of our Spine division’s scientific board.

“The technology we developed for Mesa 2 is simple and versatile and designed to address difficult maneuvers for complex spinal pathologies—replacing what we used to do with wires,” he says.

A former professor at the Weill Cornell Medical College and Chief of Scoliosis at the Hospital for Special Surgery, both in New York, Dr. Boachie-Adjei founded FOCOS as a medical mission. The goal: to make quality orthopaedic and spine care possible, especially for the poor, vulnerable and underserved populations across Ghana and the West African sub-region. Opened in 2012, the 70-bed state-of-the-art orthopaedic hospital treats some 300–400 people a year, about half getting care for free.

In 2020, in addition to the countless professional awards he has received, Professor Boachie-Adjei was named the “essential chief” of the Asantehene, King of the Ashanti kingdom, for his dedication, commitment and service.



Performance and governance

Dear stakeholders,

2020 was a year like no other! Stryker is weathering the COVID-19 storm and continues to be well-positioned for the future. The pandemic's impact was dramatic in the second quarter and continued thereafter, resulting in our first annual decline in revenue since going public in 1979. However, we did well in keeping our employees safe, serving our customers, and displaying strong financial discipline, including delivering a record year of cash flow. The halting of elective procedures in various geographies around the world was the primary cause for sales declines across multiple divisions and was most strongly felt in our hip, knee, instruments and endoscopy businesses. Our performance continued to outpace our competition but was below our normal expectations given the macroeconomic conditions.

Culture and leadership

The importance of our mission was reinforced by the pandemic, and, in 2020, together with our customers, we were driven to make healthcare better. Many of our employees went to work on-site every day during the pandemic, to manufacture critical products or support our customers on the front lines of healthcare delivery. Our focus on safety remained a top priority, and in addition to effective COVID prevention measures, we had an excellent reduction in injury rates in our manufacturing facilities. We embraced flexible work practices and employee well-being, and will evolve our ways of working based on our learnings through this challenging time. We continue to be regarded as a great place to work and moved up three spots to #5 in Fortune's World's Best Workplaces list. We

also received Great Place to Work awards around the world, including in Europe and Asia-Pacific countries. We are making strong progress on Diversity, Equity and Inclusion (DE&I) by empowering our Employee Resource Groups and focusing on inclusive management practices, including a novel, internally developed training program called Think Twice.

We had several changes to our Board of Directors this year. We welcomed new board members Lisa M. Skeete Tatum, Founder and CEO of Landit, Inc., and Dr. Giovanni Caforio, Chairman and CEO of Bristol Myers Squibb, and we look forward to their contributions. In addition, Roch Doliveux announced that after 10 years of dedicated service, he will not stand for re-election in May 2021 (see p. 12). On our leadership team, Katherine Owen announced her retirement from the Vice President of Strategy and Investor Relations role in March, after 13 years of valued service (see p. 14).

Financial performance

Largely due to the pandemic, our reported sales declined 3.6 percent, our reported net earnings decreased 23.2 percent, and our adjusted net earnings decreased 9.9 percent, while we delivered \$3.3 billion of cash from operations which was a 50 percent increase from 2019. As a commitment to our shareholders and our long-term goals we continued to increase our dividend rate, including by 9.6 percent for the January 2021 payment.



Kevin A. Lobo

Chair and CEO

Innovation, mergers and acquisitions

A hallmark of our historic growth record is steady innovation and acquisitions. In November, we closed the largest acquisition in our company's history, Wright Medical, a fast-growing leader in extremities that will bolster our existing Trauma & Extremities business. We also launched many exciting products, including a wireless Acute Care bed and new product offerings in Neurovascular, Spine and Foot and Ankle. We released updated hip software for our Mako SmartRobotics System, secured regulatory approval for Mako applications in China, Brazil and Russia, and in spite of the pandemic, installed a record number of Mako Systems.

Performance and governance

Cost transformation

We made significant progress in cost transformation and had a strong year in procurement and expansion of our finance shared services. We were challenged in the rollout of our enterprise resource planning (ERP) program, and we intend to resume this program once our operations are stabilized. We also took decisive action to curtail spending due to the pandemic, which contributed to our cash flow performance in the second half of the year.

Corporate responsibility

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. We hope you will find the first annual comprehensive report informative, as it outlines our progress and commitments in areas like DE&I and environmental impact, including a carbon-neutral goal for our facilities by 2030. We are committed to delivering positive results for our employees, customers, communities and the planet, and we will measure, monitor and report on our progress.

Reflecting on 2020, I am proud of the resiliency our teams displayed, their commitment to our mission and values and our ability to build new capabilities that will serve us well in the future. The Stryker spirit is alive and well, and our people and culture will continue to deliver strong performance in the years ahead.



Kevin A. Lobo
Chair and CEO

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

Performance and governance

Who we are

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 that help improve patient and hospital outcomes. **102-2**

Our specialties

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

SYK 

symbol for our common stock publicly traded on the New York Stock Exchange 102-5

\$14.4B 

global sales 2020 102-7

Approximately **4,045** 

United States patents and 6,407 patents in other countries

43,000 

employees worldwide in 2020 102-7

\$984M 

spent on R&D in 2020

Global headquarters 

Kalamazoo, Michigan, U.S. 102-3

Over 75 

countries including operations in the following geographic areas: the United States (including Puerto Rico); Europe, Middle East, Africa; Asia Pacific; Canada and countries in the Latin American region 102-4; 102-6; 102-7

Who we are

Our company strategy

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



Corporate Responsibility strategy

Corporate Responsibility underpins how we operate our company. Our employees are driven by a strong sense of purpose, and as we pursue our mission to make healthcare better, we see endless opportunity.

We reflect our mission in our Corporate Responsibility (CR) objective: To positively impact **people and our planet** through **responsible, sustainable practices** that create a **better, healthier world**. To assist us in meeting this objective, we undertook several critical steps in 2020:

- Expanded our Corporate Responsibility Steering Committee
- Implemented an updated Corporate Responsibility strategy, including a mission and values-based approach to our environmental, social and governance (ESG) initiatives
- Hired senior leaders for Corporate Responsibility and Sustainability to drive our efforts
- Developed a CR Steering Committee Charter empowering our steering committee to oversee strategy, advocate for business-aligned practices and provide a forum for accountability to meet the CR objective and goals
- Established goals for carbon reduction, diversity, equity and inclusion and responsible procurement

- Began due diligence in other areas, including waste reduction, medical education and volunteering
- Enhanced our reporting, using both the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) to inform our reporting efforts
- Renewed our commitment to transparency, communicating both our successes and opportunities to our stakeholders

Looking ahead, we plan to evolve our CR strategy, continue to enhance our reporting, expand our goals to additional target areas, drive reductions in our environmental footprint and implement a giving and volunteering platform to scale our positive social impact.



Performance and governance

Our CR commitments

 <p>Advance a culture of inclusion, engagement and belonging</p>	 <p>Strengthen the diversity of our workforce and measure progress</p>
 <p>20% reduction in carbon emissions for all facilities 2019-2024*</p>	 <p>Carbon neutral for all Stryker facilities by 2030*</p>
 <p>Increase supply chain transparency and supplier diversity</p>	 <p>Governance and Nominating Committee oversight of corporate responsibility</p>

Steering Committee structure**



*Scopes 1 and 2; see pages 43, 45
 **See governance section for reporting structure

Performance and governance

Governance

At Stryker, we are committed to doing what's right. Good corporate governance is essential. We conduct our affairs in compliance with all applicable laws and regulations according to the highest ethical standards. **102-16**

Our mission and values, code of conduct and code of ethics are the foundation from which we embark on our CR journey.

Our Board of Directors considers environmental, social and economic risks in enterprise risk management and strategy development and delegates responsibility to Stryker leaders who direct local management responsible for implementation. **102-19** In February 2021, we amended our Governance and Nominating Committee Charter to give this Board Committee oversight responsibility of corporate responsibility matters. **102-18b**

Our expanded Corporate Responsibility Steering Committee includes three leadership team members who report to the CEO, and we have developed a charter to instill accountability. **102-20a** The Steering Committee oversees goals setting and CR reporting. **102-32**

The Steering Committee and other leadership team members provide regular updates to the Governance and Nominating Committee, bi-annual updates to Stryker's leadership team and annual updates to the full Board of Directors. **102-20b; 102-27; 102-31**

Stryker regularly engages with shareholders and considers 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. **102-21; 102-29**

Corporate governance information, including our bylaws, charters, guidelines and policies, is available on stryker.com, and we include further details about governance topics in our proxy statement. We provide periodic disclosures in our SEC filings.

Our mission and values, code of conduct and code of ethics are the foundation from which we embark on our CR journey.

Leadership 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 **



Roch Doliveux, DVM †§

With appreciation

Roch Doliveux, DVM †§

We express our gratitude to Roch Doliveux, who has served as a director since 2010, including as chair of the compensation committee. Roch provided excellent guidance on strategy, globalization and innovation and did so in a collegial manner. He brought passion, energy and a constructively challenging mindset, which helped to make Stryker better.

Chairman Emeritus

John W. Brown

Former Chairman,
President and Chief
Executive Officer

Director Emeritus

Howard E. Cox, Jr.

* Chair of the Board

† Lead Independent Director

** Audit Committee

‡ Compensation Committee

§ Governance and Nominating
Committee

Performance and governance

Leadership team



Kevin A. Lobo
Chair and CEO



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



Timothy J. Scannell
President and
Chief Operating Officer



Spencer S. Stiles
Group President,
Orthopaedics and Spine

Other leadership members

Other Officers

William E. Berry Jr.

Vice President,
Corporate Controller

Jeanne M. Blondia

Vice President, Finance
and Treasurer

Irene B. Corbe

Vice President, Internal Audit

Alan E. Douville

Vice President, Chief Information
Officer and Chief Information
Security Officer

Sean C. Etheridge

Vice President,
Corporate Secretary

David G. Furgason

Vice President, Tax

Dana S. McMahon

Vice President, Chief
Compliance Officer

Jody K. Powell

Vice President, Global RAQA

Preston W. Wells

Vice President, Investor Relations

Divisional leadership

Robert C. Cohen

Digital, Robotics and
Enabling Technologies

Dylan B. Crotty

Instruments

Brent W. Ladd

Endoscopy

David Mercado

Craniofacial

Michael H. Panos

Trauma & Extremities

Mark H. Paul

Neurovascular

Donald E. Payerle

Joint Replacement

Charles E. Robinson, Jr.

Spine

Bradford L. Saar

Medical

Brian J. White

Sustainability Solutions

Regional leadership

Maurice Ben-Mayor

South Pacific

Silvia L.F. Braga

Latin America

Dragana Bunjevac

EEMEA

John P. Collings

Asia Pacific

Wesley B. Grant

East Asia

Min Ma

China

Satoshi Mizusawa

Japan

Meenakshi Nevatia

India

Stuart A.J. Silk

EMEA, Canada,
Latin America

Lindsay A. Williams

Canada

Cecelia Zhou

Trauson

With appreciation

We'd like to express our sincere gratitude for the contributions from the following members of our leadership team who retired in 2020:



Katherine A. Owen

Vice President, Strategy
and IR

Katherine professionalized our investor relations, led corporate strategy and M&A and was a dynamic member of our leadership team for 13 years.



Xavier M.C. Berling

President, Trauma
& Extremities

Xavier was one of our most global leaders, making strong contributions in multiple regions and divisions over 19 years.



Graham A. McLean

Regional President,
Asia Pacific

Graham has helped grow and position many of our Asia Pacific businesses for sustained success in his 16 years with Stryker.



Dean H. Bergy

Vice President,
Corporate Secretary

Dean made significant contributions to our growth and ethical governance, including during his years as chief financial officer.



William J. Cymbaluk

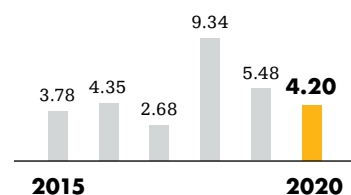
Vice President, Corporate
Regulatory Affairs and QA

Bill made many contributions to product quality & regulatory processes over 38 years.

Financial highlights

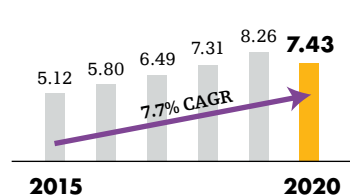
Net earnings

\$ per diluted share



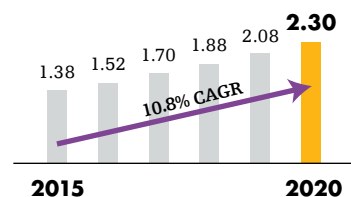
Adjusted net earnings*

\$ per diluted share



Dividends paid

\$ per share of common stock



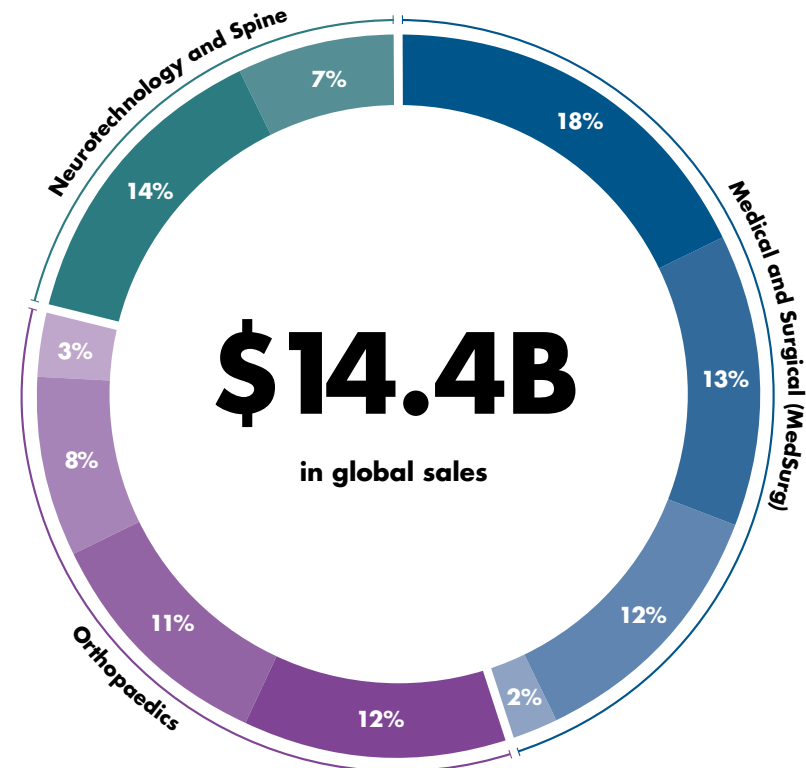
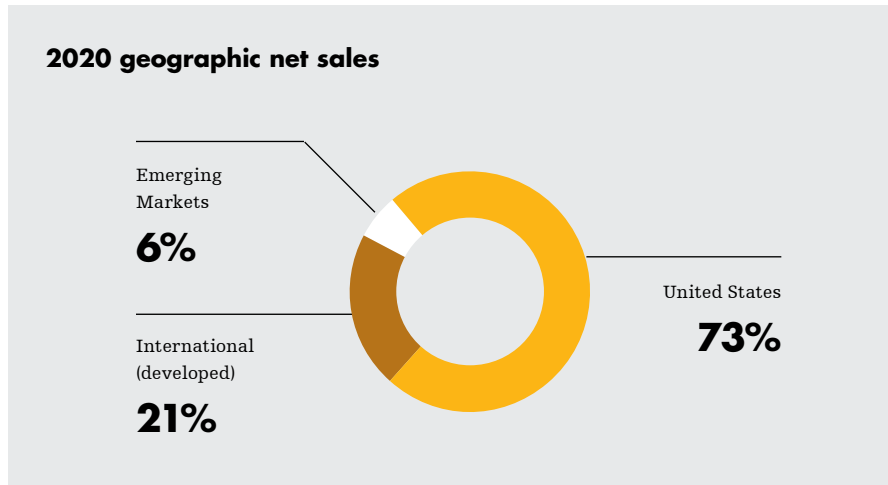
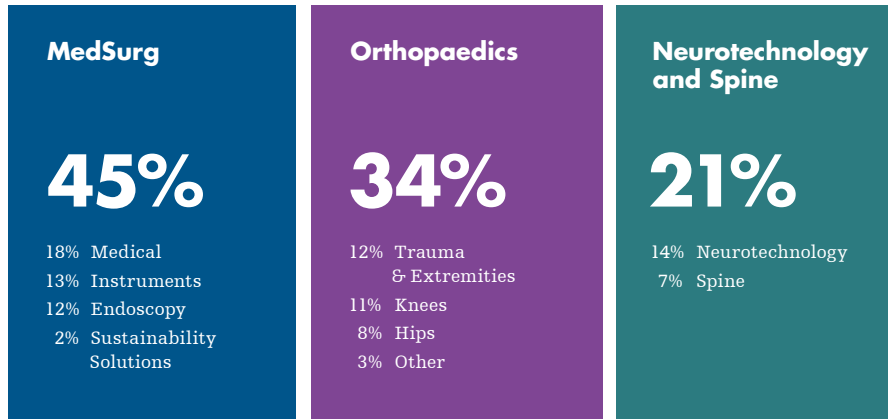
Financial overview

(\$ in millions, except per share amounts)

	2020	2019	% Change
Net sales	\$14,351	\$14,884	(3.6)%
Earnings before income taxes	1,954	2,562	(23.7)%
Income taxes	355	479	(25.9)%
Net earnings	1,599	2,083	(23.2)%
Adjusted net earnings*	2,827	3,139	(9.9)%
Net earnings per diluted share of common stock			
Reported	\$4.20	\$5.48	(23.4)%
Adjusted*	7.43	8.26	(10.0)%
Dividends paid per share of common stock			
	\$2.30	\$2.08	10.6%
Cash, cash equivalents and marketable securities	3,024	4,425	(31.7)%

*Adjusted net earnings and adjusted net earnings per diluted share are non-GAAP financial measures. Refer to page 60 for a reconciliation to the most directly comparable GAAP financial measures, net earnings and net earnings per diluted share.

Leading **in medtech**



Innovation, mergers and acquisitions

Strengthening our market leadership with innovative product launches and a historic merger

Despite the unprecedented challenges of 2020, we significantly strengthened our product and service lines, development capabilities and market reach through innovative new products and our acquisition of **Wright Medical**, the largest in our history.

As a recognized leader in the upper extremities (shoulder, elbow, wrist and hand), lower extremities (foot and ankle) and biologics market segments—among the fastest-growing segments in orthopaedics—Wright Medical brings a complementary product portfolio and customer base to our trauma, foot and ankle and upper extremities businesses.

The combined business enhances our global market position and reach, providing considerable opportunities to advance innovation and improve patient outcomes.

In addition, Wright's extensive portfolio and talented professionals in biologics bring a level of expertise that will spur the development of new products in this evolving category.

OrthoSensor. We also acquired OrthoSensor, Inc., a leader in the digital evolution of musculoskeletal care and sensor technology for total joint replacement. Their accomplishments in sensor technology, coupled with expanded data analytics and increasing computational power, will strengthen the foundation of our digital ecosystem for orthopaedics.

Rebuilding
lives,
together.

**Wright Medical is
now part of Stryker.**

Performance and governance

Technological advances

2020 also saw advancements in several major product categories:



AxSOS 3 Ankle Fusion System for less customization. AxSOS 3 is a titanium ankle fusion plate system intended for the fusion of the tibio-talar joint. It was developed using SOMA, our proprietary orthopaedic design and development system that applies data from over 25,000 CT images of bones across different populations. As a result, the plates fit a range of patients with less customization.

Mako Total Hip 4.0 SmartRobotics. This System provides unprecedented information, with CT-based 3D modeling and new planning features, which enable surgeons to plan a patient's implant position while taking into account changes in pelvic tilt in the patient's sitting, standing and supine poses. Surgeons can also visualize the femur-to-pelvis and component relationship to help detect risk of potential impingement.



AXS Vecta Aspiration Catheter for thrombectomy. As the first 0.074-inch lumen aspiration catheter on the market, the AXS Vecta Aspiration Catheter is designed to empower complete clot removal through aspiration alone or with a stent retriever, while maintaining reliable navigation with its soft, rounded tip and low profile 2.1mm OD.



Niagara Lateral Access System for spine deformities. Our lateral spine portfolio has expanded with the full launch of the Niagara Lateral Retractor System, a comprehensive and integrated minimally invasive lateral solution for treating spinal deformities in skeletally mature patients. The Niagara Lateral Retractor helps to enable control through precision, flexibility and visibility and is designed to allow surgeons to meet the various lateral spinal access challenges they encounter.



Intramedullary Nailing System for complex foot surgeries. The launch of our T2 ICF Intramedullary nailing system offers a surgical option for patients suffering from serious foot conditions such as Charcot foot—a condition associated with diabetes which may result in poor bone quality, possible nerve damage and potential foot ulcers.



Performance and governance

ProCuity bed series designed to address major healthcare safety challenges for patients and nurses. ProCuity, the industry's first and only completely wireless hospital bed, was designed to help reduce bed-related falls, streamline nurse workflow and help reduce hospital costs. Connecting seamlessly to nurse call systems without cables or wires and set at a low height of 11.5 inches, ProCuity is ergonomically designed, including intuitive patient positioning and bed alarms as well as ergonomic side rails. The bed's easy-to-use touchscreens and other components make the job of caregivers easier and more efficient while providing for a more enhanced patient experience.



VariAx 2 Mini Fragment plating system for orthopaedic trauma. The VariAx 2 features a complete range of low-profile plate and screw options utilizing SmartLock variable angle locking technology and compression capabilities, which permit polyaxial screw placement.



Surpass Evolve Flow Diverter for aneurysm healing. The first 64-wire cobalt chromium flow diverter designed to redirect blood flow and promote healing of brain aneurysms. Through its optimized design, Surpass Evolve offers effortless delivery, predictable deployment, enhanced vessel wall apposition and an optimized flow diversion profile. Surpass Evolve is our latest innovation in flow diversion, following the launch of Surpass Streamline.

Support for ambulatory surgery centers

In recent years, procedural volumes, particularly with total joints, have been migrating at an accelerated pace from the hospital outpatient department to ambulatory surgery centers (ASCs). With the potential to provide over \$55 billion per year in healthcare cost savings in the U.S., this rapid shift in the site of care is expected to continue well into the post-pandemic environment.

To meet the unique needs of this emerging customer, we launched an ASC-focused business in 2020, which offers ASCs access to the breadth and depth of our portfolio while delivering tailored solutions to help maximize their clinical, financial and operational outcomes.

Global **recognition**

World's Best Workplaces

#5, Fortune and Great Place to Work

100 Best Companies to Work For

#8, Fortune

Diversity, equity and inclusion

Best Workplaces for Women, Great Place to Work, U.S.

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

Military Friendly Employers, VIOTORY

Best Companies for Diversity, Women's Choice

Fortune 500

#214, Fortune

World's Most Admired

Fortune

Best Companies for Women, Women's Choice

Best Workplaces for Inclusion in Canada, Great Place to Work

Best Workplace for Seniors in Spain, Great Place to Work

Best Workplaces for Women in Canada, Great Place to Work

Best Workplaces for Women in Brazil, Great Place to Work

Best Workplaces for Women in Italy, Great Place to Work

Best Workplaces for Women in the U.K., Great Place to Work

Best Places to Work for Diversity and Inclusion in Mexico, Great Place to Work

Best Workplaces for Millennials, Great Place to Work, U.S.

Best Workplaces for Parents, Great Place to Work, U.S.

Best Workplaces, Great Place to Work

Australia, Brazil, Canada, Hong Kong, Finland, France, Greater China, Italy, Japan, Korea, Mexico, Spain, U.K.

Region: Asia, Europe

Specialty: Healthcare, Manufacturing and Production

Performance and governance

Product **quality**

Aligned with our mission, values and strategic imperatives, our Quality Policy sets the direction for quality within our organization.

Stryker designs quality into all our processes and products and strives to meet and exceed global regulatory standards. We certify all our manufacturing and design sites to ISO 13485:2016, the international standard for medical product quality systems.

We stand behind our products and address issues if they arise. We have a robust quality data program that includes key process indicators for different dimensions of quality. This data is used to manage the day-to-day quality activities and is also regularly reviewed with executive leadership. Foundational to our quality management system is our continuous improvement program. **416-1**

At its core, continuous improvement empowers employees to solve problems that they encounter in their day-to-day work. Stryker has approximately 2,500 employees certified to lead continuous improvement projects identified through internal and external audits, customer feedback and post-market surveillance. All projects conclude with a documented, evidence-based effectiveness check.

Stryker labels all products according to U.S. Food and Drug Administration and other regulatory guidance in the markets where sold. **417-1**

Quality is first in all we do. Stryker provides training for every employee who impacts quality to understand their impact and how they can help ensure quality. This year we organized 132 events across 46 sites—with more than 800 participants—to celebrate and reinforce our strong quality culture.

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.



Performance and governance

Operating with **integrity**

We consider global excellence a growth strategy to advance innovation and reach more patients. By focusing on the resources and talent in key global markets and strengthening alignment among franchises, country teams and global functions, we make investments where appropriate to enhance our global market position.

In 2020, efforts centered on upgrading our indirect channel business and governance model to align with our growth strategy. Indirect Channel Management (ICM) will provide global oversight, alignment and consistency in managing indirect channels (IC) across our geographic reach, maintaining robust channel management processes for sustainable growth and ensuring that all IC partners operate to the highest professional standards required by Stryker. We established a new Global IC Governance Committee to review and address restricted party decisions and manage the country entry and exit process. The Global ICM function, together with the ICM Finance function, are examples of aligning teams with our growth strategy.

“We have an opportunity to raise the bar on the way we look at and get indirect channels to work alongside us,” said Laurence Hipkin, Vice President, Global Indirect Channel Management. “Anyone that sells a product or represents Stryker needs to demonstrate and live our mission and values. Our job is to instill that to those who interact with HCPs and customers on our behalf.”



Laurence leads the dedicated ICM team. Launched in October 2019, the team provides global standards and processes that hold our indirect channels to the highest professional standards we expect at Stryker.

“Stryker is a growth company and has thrived on allowing businesses to run independently, and that can sometimes result in overly complicated market approaches; with over 2,500 channel partners generating over 20 percent of our global revenues, we need to get it right. We want to set a new standard and strengthen our alignment, allowing us to serve our customers better and to create longer-term growth relationships with our indirect channel partners.”

**We consider
global
excellence
a growth
strategy**

Laurence draws an analogy from his love of classic cars. “If you put better brakes on a car, in theory, you can go faster,” he said. “Upgrading our management of indirect channels will help us to grow faster with partners who are aligned with our goals and our mission and values.”

Business **ethics** and **ethical marketing**

At Stryker, we are committed to conducting our affairs ethically and lawfully. Our code of conduct and code of ethics establish policies and procedures intended to guide employees, officers and directors in the performance of their duties and responsibilities and ensure compliance with the company's commitment to ethical and lawful conduct. Our focus on doing what's right stems directly from our mission and values and joins all employees in protecting our customers and our business. **103-2**

Code of conduct

Our code of conduct applies to all employees, officers and directors of Stryker and our domestic and foreign subsidiaries. It is the first of our [13 corporate policies](#), 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, and could constitute a violation of law that might result in civil or criminal penalties. Stryker reports incidents of government enforcement actions related to non-compliance when required. **206-1; 419-1**

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, rules and regulations. Stryker's guide on Interactions with Healthcare Professionals (HCPs) was used as a model by the industry association AdvaMed in updating their ethics code in January 2020. In turn, Stryker has endorsed, adopted and certified to the industry code on interactions with HCPs.

Ethical marketing

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 our products and services' marketing and sale. Our Corporate Policy 5: On-Label Product Promotion provides further guidance and direction on our commitment by making it clear that Stryker employees, contractors, consultants and other third parties acting on Stryker's behalf may only promote Stryker products for uses consistent with the label. **SASB**



Performance and governance

Risk assessment

Stryker has various programs and processes to identify and assess a broad range of strategic, financial, operational and compliance risks, including the risk of anti-competitive behavior, anti-trust and monopoly practices, and acts when necessary. The vice president, risk management administers our enterprise risk program. The risk programs, related activities and governance are designed to oversee efforts to identify emerging risks and implement comprehensive initiatives where appropriate to manage those risks.

205-1

Training

Multi-layered training focused on the code of conduct, including what's expected of employees, business partners and the company, is the subject of a broad enterprise-level compliance program communication and engagement campaign.

Stryker employees certify to the code of conduct on an annual basis and undertake yearly compliance training. In 2020, this training and associated certification exceeded the 95 percent e-learning completion rate target. **205-2**

Small group training that enables continuous improvement is usually held in person with the local teams, businesses and countries, and moved to virtual platforms in 2020.

Advice and concerns

Stryker has an ethics hotline to provide employees and non-employees with multiple avenues to raise concerns or allegations of non-compliance, confidentially and anonymously, if desired. Appropriate individuals receive reports and are responsible for handling these reports professionally and privately. The ethics hotline committee has oversight responsibility of the hotline, and receives regular reports on key trends and critical issues. The chief compliance officer provides the Governance and Nominating and Audit Committees of the Board of Directors a quarterly overview. **102-17; 102-33**

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. Our employees are expected to maintain a workplace that is free of discrimination, intimidation and unlawful harassment. Suspected or known conduct such as discrimination, harassment, fraud, unethical or unlawful conduct or retaliation must be reported. Our vice president, chief human resources officer oversees human rights policies and procedures for Stryker employees. **103-2**

A global Speak Up! campaign and an Integrity Matters week took place in October 2020 to shine a spotlight on the importance of speaking up about ethical issues. Based on benchmarking with other companies, Stryker has had a higher walk-in rate for reporting matters or concerns versus calling the ethics hotline. The Speak Up! campaign encouraged employees to make their voices heard and reinforced our anti-retaliation policy, reporting options and that every report is taken seriously.

Time and money spent on doing business the wrong way is time and money not spent on meeting customer and patient needs – doing what's right in the right way matters for everyone.

Supply chain management

Our suppliers partner with us in our efforts to make healthcare better. We are committed to conducting our affairs ethically and lawfully, and we expect that the businesses we work with will do the same. Therefore, we strive to select suppliers and vendors that share our commitment to honesty, integrity and corporate responsibility.

Our supplier code of conduct and PO terms and conditions communicate the expectations we have for our suppliers in several key areas, and strict adherence is a requirement for doing business with us. The code addresses non-discrimination, child labor and young workers, forced, involuntary labor, and human trafficking, safe working environments, immigration laws and proper documentation, wages and benefits, working hours, and freedom of association. Procurement staff are trained annually on the supplier code of conduct to ensure they can assist our supply partners in meeting our expectations. The latest training launched in December 2020 and completion rates will be reported in our 2021 report. **412-2**

We expect our suppliers to share our commitment to human rights and equal opportunity in the workplace and require that they conduct their employment practices in full compliance with all applicable laws and regulations. We require that our employees who most frequently visit or interact with suppliers take annual training on the prevention of modern slavery in our supply chain, which educates them on risk factors, indicators and reporting methods. For more

information, please see our disclosures in response to the California Transparency Act and U.K. Modern Slavery Act.

We also believe in the responsible sourcing of the materials that go into our products, including Tin, Tantalum, Tungsten and Gold (“3TG”) that may come from the Democratic Republic of the Congo and surrounding nations. We publish our efforts in this area and our SEC filings in our statement on [conflict minerals](#). Additionally, we are members of the Responsible Minerals Initiative, whose mission is to provide companies with tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing from conflict-affected and high-risk regions.

In 2020, we made significant progress in furthering our supply chain management efforts. We created a Procurement Center of Excellence, furthering our efforts with supply chain transparency and supplier diversity, and initiating human rights and environmental assessments for targeted portions of our supply base. **407-1; 408-1; 409-1; SASB**

Our efforts to strengthen these areas will continue in 2021. We will further centralize our data collection capabilities and tools to enable greater transparency and oversight and work to create a standardized supplier risk assessment.

Responsible procurement goals



Increase supply chain transparency and supplier diversity

Performance and governance

Supplier diversity

We believe diverse companies contribute to a strong supply base, similar to the diversity of our employees, our customers, the communities in which we live and work and the patients and caregivers we serve. Our supplier diversity champions, key sourcing personnel located at our largest North American sites, lead us in realizing the benefits of a diverse supply base by developing awareness and processes focused on considering minority-, women-, veteran-, disability- and LGBTQ-owned and small businesses in our sourcing activities. In addition, we participate in outreach and develop diverse suppliers through our partnerships with the National Minority Supplier Development Council (NMSDC), the Women’s Business Enterprise National Council (WBENC) and several regional organizations. Our diverse supplier spend is shown below.

Supplier spend North America (in \$MM)	2020
Diverse supplier (total)	\$240
Small business (total)	\$667*

*Excludes those suppliers also qualifying as diverse



Supplier quality management

We measure the performance of our suppliers both in terms of the quality of product they deliver and their overall capabilities. We believe that fostering strong partnerships with our suppliers with a shared focus on quality delivers the best results.

Suppliers working with Stryker complete an onboarding process that identifies the requirements each must meet. Supply chain quality is overseen by our global supplier quality team, who are responsible for compliance to regulations and standards like ISO13485, monitoring, auditing and improving our suppliers. **103-2**

From a quality management perspective, our suppliers are divided into those that provide products and services that can impact our product quality

(approximately 7,000), and those that do not. Direct and indirect suppliers with potential to impact quality are managed through our quality-controlled approved supplier list, and are classified by category and risk. Suppliers with a higher category/risk classification require an audit and supplier agreements to be onboarded.

Per our Supplier Monitoring and Quality Performance Review (QPR) process, suppliers subject to audits are tracked in our Supplier Audit Management system. In 2020, approximately 1,000 audits were completed. Our QPR tool tracks product and audit nonconformances, corrective and preventive actions, product field actions, supplier defects per million and nonconformances not in Stryker’s control, among other metrics. Based on the results of the monitoring and the QPR review, additional actions are taken to improve quality performance.

Social impact

Community engagement

Giving

We actively seek partnerships with organizations that align with our mission to make healthcare better and support philanthropic initiatives around the world and in our local communities. Stryker determines philanthropic support based on community needs and the desire to create equity for underserved populations—from humanitarian aid to healthcare access and other charitable assistance. Our giving and volunteering strategy aims to advance healthcare, support education and strengthen community vitality.

In 2020, our giving strategy became reflective of our commitments aligned with our DE&I strategy. Our Kalamazoo headquarters donated to several new nonprofits representing marginalized communities.

Stryker donated \$55 million worth of financial and product support in 2020: \$47 million in product donations and \$8 million in monetary support.

Following are examples of ongoing programs* that help to ensure healthy lives and promote well-being for all:

- Our partnership with the Foundation of Orthopedics and Complex Spine (FOCOS) in Ghana provides product donations to FOCOS Orthopedic Hospital.

- Our Orthopaedics group has supported Operation Walk since 1996 through giving and volunteering, including product donations.
- Our South Pacific team provides humanitarian assistance to the Thi Nghe Orphanage and supports the establishment and ongoing operation of the House of Ket Noi Yeu Thuong through the Vietnam exCHANGE program.

Our giving and volunteering strategy aims to advance healthcare, support education and strengthen community vitality.



*Programs were limited in 2020 due to COVID-19

Social impact

Operation Smile

Making healthcare better is our mission, but it doesn't belong to us alone. Operation Smile believes that every child deserves health and dignity through safe surgical care. We share this belief. That's why we proudly support Operation Smile's efforts to provide critically needed surgical and comprehensive care for children with cleft and other conditions in low- and middle-income countries. Since 1999, our support has consisted of cash, in-kind donations and mission volunteers.

In 2020, Operation Smile suspended large-scale medical missions to safeguard the health of volunteers and patients. While volunteer opportunities were paused amidst global lockdowns, we continued to support Operation Smile's programs through cash and in-kind donations. To date, Operation Smile has resumed patient care in over 24 countries that were deemed safe and with PPE and COVID-19 testing protocols to ensure continued safety. Further, the education and training programs we support build surgical capacity in under-resourced countries and serve to advance our sustainable development goals.

Our partnership with Operation Smile engages our employees worldwide in the goal of providing life-changing surgery and care to people living in resource-limited settings. The 2019-2020 Smile Match campaign exceeded its fundraising goal in just four months and reached more Stryker employees than any campaign push in previous years, ultimately funding over 900 life-changing surgeries. The 2020-2021 Smile Match campaign was launched with our dollar-for-dollar match on Giving Tuesday, December 1, 2020. Our [Stryker Smiles](#) online giving platform is available year-round.



Social impact

Medical education

Training programs

Along with our commitment to deliver innovative and industry-leading technology, we provide extensive medical education and training offerings for healthcare professionals (HCPs) designed to help advance product and procedural knowledge and skills, improve customer competence and confidence and lead to better patient outcomes. Each year, Stryker educates thousands of HCPs worldwide through various programs. Examples of training and education include in-service, cadaver training courses, surgery observations, HCP-to-HCP training, proctoring and certification and product training courses. We conduct all training activities in strict accordance with our HCPi guidance, which covers considerations, principles and procedures for all interactions between Stryker employees and HCPs. **SASB**

One of our premier surgeon-to-surgeon programs allows attendees worldwide to view live surgery anywhere and ask questions during the procedure. Likewise, our programs stream virtual surgical demonstrations to hundreds of sites. Our experience with these kinds of training setups gave us the expertise and flexibility to offer virtual training programs despite the global pandemic. Across our businesses, in 2020, we trained more than 50,000 HCPs and conducted 925 virtual and 1,553 live courses.



Social impact



Healthcare professionals can access our educational opportunities via online portals designed to meet our customers' specialized needs. These channels offer virtual event calendars, interactive training, on-demand video libraries and learning series.

To grow our educational reach, we continue to open facilities to train our customers (see p. 49).

In October 2020, after evaluating the medical education space for improvement, Stryker established a Medical Education Council to develop a global team that drives medical education excellence across the company. The group leverages cross-divisional strengths while keeping individual business and customer needs in mind.

Grants and charitable donations

Stryker provides education, research, fellowship 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 Stryker product or service, as outlined in our HCPi guidance. We document all grant and charitable donation requests. The appropriate business or divisional unit must review and approve any proposal before the event's date and follow applicable laws, regulations, corporate guidelines and divisional procedures. **103-2**

One example is Stryker's African Ancestry Network (SAAN), which partners with the J. Robert Gladden Orthopaedic Society to offer medical education grants and scholarships to society members. The Gladden Society is the largest professional society of African American orthopaedic surgeons in the U.S., with more than 450 members.

Social impact

Access and affordability

We advocate for increased patient access to lifesaving and life-improving medical technologies worldwide, enhancing clinical outcomes and helping governments, other payers and providers make cost-effective decisions. Our efforts to improve health in communities worldwide include impact-focused philanthropic initiatives, HCP education and training, reduced-price and refurbished equipment programs, and compelling health economic data applied to local populations that offer providers and payers the opportunity to evaluate care benefit.

Pricing and refurbished equipment programs

Our Flex Financial business offers a range of programs that can be tailored to meet budgetary needs and help to build long-term financial stability:

- Deferred payment programs
- Traditional finance and operating leases
- Fee per disposable or implant
- Offered customized programs such as payment deferral due to the COVID-19 impact

We invest in value-segment technologies to meet the growing demand for affordable and reliable healthcare solutions in emerging markets, such as Trauson in China for trauma, spine and joint replacement products and MUKA in Turkey for medical beds and stretchers.

The Save Simply Program, made possible by strategic partnerships between Stryker, Philips and others, simplifies the supply chain while reducing each participating hospital's environmental footprint.

Health economic improvements

The SpineJack System was approved by the U.S. Centers for Medicare & Medicaid Services (CMS) for both a new technology add-on payment (NTAP) in the 2021 Hospital Inpatient Prospective Payment System final regulation and a Transitional Pass-Through (TPT) payment in the 2021 Medicare Hospital Outpatient Prospective Payment System final regulation. The SpineJack system now becomes one of only 11² medical devices to receive TPT status since 2016. The NTAP and TPT payment provide additional payments for new medical devices that demonstrate a substantial clinical improvement over existing technologies and meet other criteria.

DAWN Trial results contributed to updated acute ischemic stroke guidelines in the U.S. and Europe, which expanded the eligible treatment window threefold. We continue to expand clinical evidence globally to improve market access and combat disability in stroke patients.

Stryker is at the forefront of the robotics movement in orthopaedics as clinical studies continue to demonstrate why Mako SmartRobotics is transforming the way HCPs perform hip and knee replacements. Studies have demonstrated that Mako Total Knee was associated with less pain, less need for opiate analgesics, less need for inpatient physical therapy, reduction in length of hospital stay, improved knee flexion and soft tissue protection in comparison to manual techniques.^{3,4}



2,3,4 See references on page 61

Social impact

Employee **safety**

Our employees' safety and well-being are top priorities and considered a shared responsibility across the company. The cornerstone of our safety program is our Environmental, Health and Safety (EHS) policy, which defines our commitment to:

- Promote a safe and environmentally compliant workplace
- Anticipate, recognize and control environment, health and safety risks
- Assure facility compliance
- Prepare for disaster response and recovery

Supported by four strategic imperatives—ownership, culture, management system and compliance—we leverage our employees' talent, reinforced by our company values, to improve our safety and security outcomes. Each strategic imperative has deliverables that will advance our program along the maturity continuum and is driven through our EHS management system based on local or regional requirements.

Our manufacturing operations are overseen by the vice president, global manufacturing, and each manufacturing site is responsible for its facility-level EHS compliance. Each manufacturing facility is assigned an EHS point of contact (POC) responsible for managing the local program, supporting the Global Quality and Operations (GQO) EHS program responsibilities and relaying global EHS guidance

The cornerstone of our safety program is our Environmental, Health and Safety policy

and directives to plant leadership and the local EHS committee. They are supported by the GQO EHS director and regional managers. **103-2**

The most common types of work-related injuries are slips, trips and falls and machinery-related hand injuries. Additional data related to these injuries can be found in the GRI Index. **403-9**

We improve safety performance through our Lessons-Learned program, and education and training initiatives that move us toward our goal of zero work-related injuries. Additional details can be found in the GRI Index.

Safety data* 403-9



*Includes Stryker's GQO employees as detailed in 403-1 index

Social impact

Employee training and development

Through our employees' development, we invest in our people and in greater productivity, which delivers better outcomes, including growth, retention and engagement. At Stryker, employee development means encouraging employees to acquire new or advanced skills, knowledge and viewpoints by providing opportunities to learn and grow and avenues where employees can apply new ideas. **404-2**

Our talent management framework links our mission to what we do, who we are, how we work and how we grow each day. It helps us define employee development needs, guides the design of learning opportunities and helps employees worldwide grow and be successful in their roles at Stryker.

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. Our talent management programs are designed around a 70/20/10 model of development, meaning 70 percent of development comes from on-the-job learning, 20 percent from learning through others and 10 percent from formal programs and content. Programs include management and leadership training, presentation skill development, team-building and collaboration training, coaching and mentoring and partnerships with outside experts on key topics.

Training is tracked at the local, business or global level, depending on the type. The Talent Management Center of Expertise tracks management and leadership development offerings, and in 2020, it included approximately 285 offerings to more than 15,000 participants.

All Stryker employees are assessed on their performance annually. We encourage employees to create individual development plans, in partnership with their manager, on an ongoing basis to help employees gain the needed development experience to grow their careers. **404-3** Our approach to performance management is based on frequent and continuous conversations, enabling a culture of coaching and engagement. Employee goals, comprised of performance goals and leadership expectations, drive focus and performance, and enable employees at every level to tie their work to our organizational strategy, as well as support their individual strengths, skills and ambitions.

As employees transition from their role at Stryker, some may receive transition assistance to facilitate continued employability and the management of career endings. Transition assistance may include outplacement programs and can vary based on the circumstances. **404-2**



Through our employees' development, we invest in our people


Social impact

Diversity, equity and inclusion

We believe that we are stronger together by valuing our differences. Events in 2020 reinforced that we must accelerate our efforts with respect to diversity, equity and inclusion (DE&I). Respect for individuals has always been a foundation of our culture. Building on this foundation, we continue to create an inclusive, engaging work environment and prioritize DE&I in keeping with our values of integrity—"We do what's right" and people—"We grow talent."

We continue to focus on our DE&I efforts and made significant strides in 2020, including refining our commitments.

Our DE&I commitments

 <p>Strengthen the diversity of our workforce</p>	 <p>Advance a culture of inclusion, engagement and belonging</p>	 <p>Maximize the power of inclusion to drive innovation and growth</p>
<p>Attract, develop and advance talent that reflects the diversity of our customers, patients, communities and stakeholders</p>	<p>Create an equitable culture that removes barriers, engages all talent and inspires every employee to achieve their full potential</p>	<p>Optimize the power of diverse backgrounds, talents and perspectives to make healthcare better</p>

We grow talent



Social impact

To meet these commitments, we will continue to do the following:

- Recruit and hire top talent from all backgrounds, provide targeted development for under-represented talent and further embed DE&I into our policies, processes and practices.
- Advance our Employee Resource Groups (ERGs) and the great work they are doing, educate our employees on DE&I and continue our work to build inclusive leadership capabilities.
- Create diverse-by-design teams to solve complex problems and leverage diverse inputs to advance our mission of making healthcare better.

These commitments will be made actionable in part through goals to:

- **Increase representation** of women and racial/ethnically diverse talent to reflect our markets.
- **Double our investment** in diversity recruitment over five years.
- **Increase jobs for Black Americans** through active engagement as a founding member of the OneTen coalition.

- **Ensure 100 percent of people managers complete DE&I training** within one year of hire or promotion to manager.
- **Actively support ERGs** through increased funding and executive leadership sponsorship.
- **Measure employee sentiment** on inclusion and belonging through regular engagement surveys and ensure parity across gender and racial/ethnic groups.

We will include progress against these goals in future reporting. To support these commitments, in 2020 we:

- Continued efforts to embed diversity into our recruitment processes by launching a formal diversity recruiting strategy.
- Hired a senior director for DE&I in talent management and a director of diversity recruiting.
- Launched “Days of Understanding,” a global initiative designed to foster more in-depth conversations around the experiences and perspectives of our ERGs to understand the gaps and opportunities at Stryker. Fifteen dialogue sessions were held, hosted by the ERG presidents. The results were aggregated and shared with leadership teams and functional teams to review and discuss the actions we will take.

In 2020, Stryker became a founding member of OneTen, a coalition of leading executives dedicated to upskill, hire and advance one million Black Americans over the next 10 years into family-sustaining jobs with opportunities for advancement.

Social impact



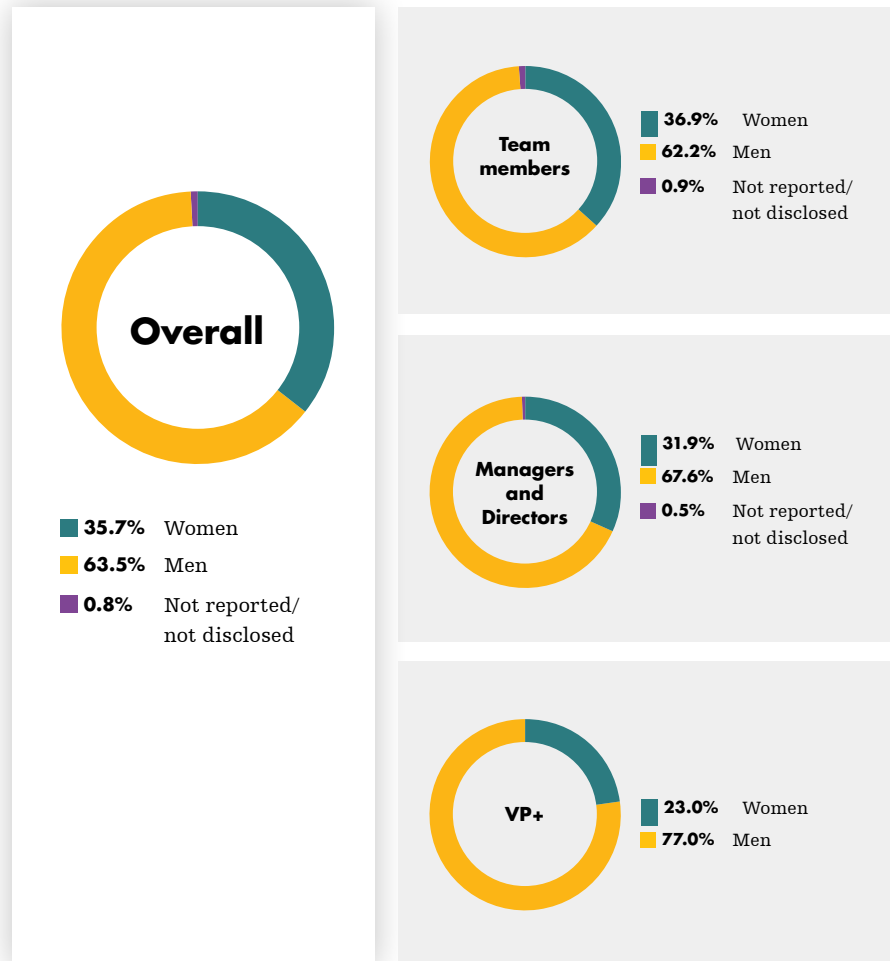
- Continued our unconscious bias training. Our “Think Twice” course, a workshop that showcases what bias is, how and where it shows up, and what to do about it, is a proactive effort to increase awareness of unconscious bias and teach skills to address it. Since launch, more than 8,300 employees in nearly 40 countries have participated in the training, including our CEO and our entire senior leadership team.
- Expanded our ERGs to nine in total, adding Allies for All Abilities (focusing on disability inclusion) and ACE (Asian Community Empowerment).
- Replaced our annual engagement survey with two Pulse Surveys to understand better how employees felt about topics such as COVID-19, work flexibility and inclusion. In our spring pulse survey, employees shared feedback about the challenges COVID-19 presented and the strain many felt as they juggled professional and personal priorities. As a result, we implemented a number of solutions to support our employees during these unprecedented times, including expanding our employee assistance program, providing new well-being resources for employees and launching caregiver resources with companion training and supporting tools for managers and HR.

Our vice president, global human resources oversees our DE&I efforts. Our leadership teams regularly review our diversity metrics, including representation, slates, hires and succession plans, and initiate strategies and actions to support continued progress. And our goals link up to the CEO, who has a functional goal to improve the company’s DE&I, as noted in our 2020 Proxy statement. **103-2**

Social impact

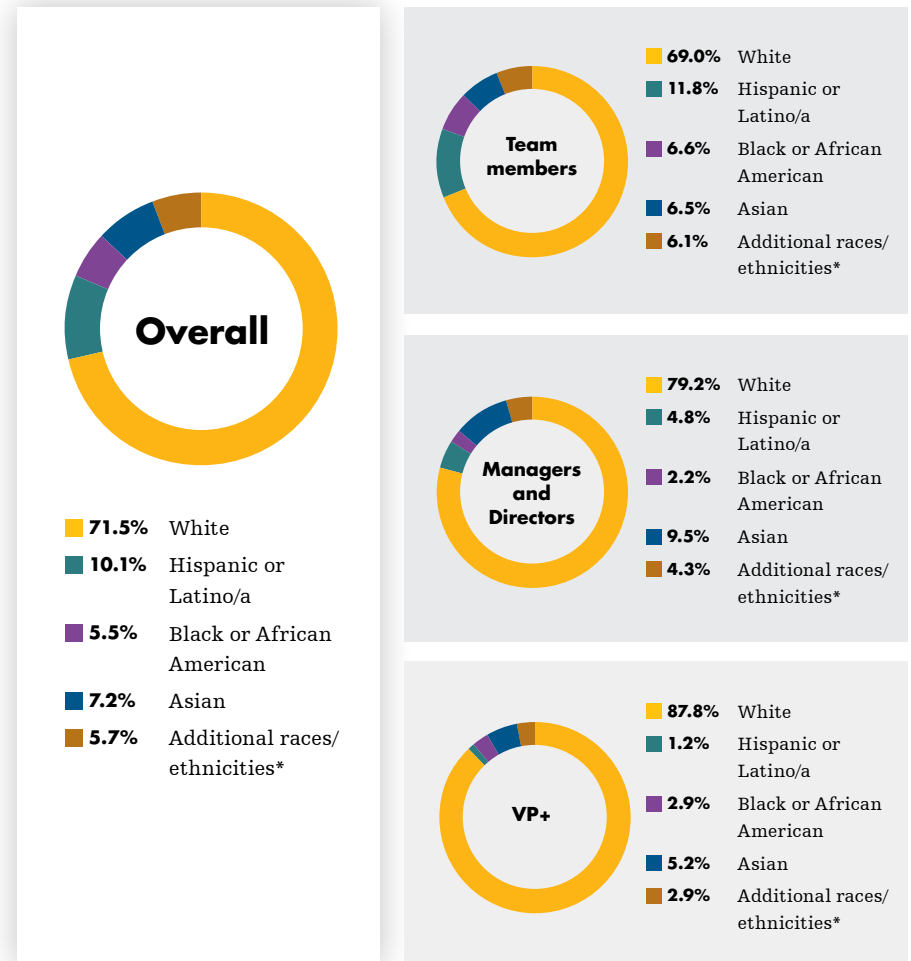
Representation data 102-8, 405-1

Gender Global



Representation data 405-1

Race/ethnicity U.S. only



*Includes American Indian, Native Alaskan, Native Hawaiian, Pacific Islander, two or more races, and not disclosed.
 Note: Including Wright Medical. Does not include Puerto Rico.
 Diversity data for our Board of Directors can be found in our 2020 Proxy statement.

Social impact

COVID-19: Our response efforts

People are at the heart of what we do. COVID-19 doesn't change that. Stryker remains focused on what we do best to support healthcare professionals on the front lines, put people first and continue delivering on our mission to make healthcare better.

We continue to meet the global pandemic challenge with resilience and flexibility, taking action to protect our employees, fulfilling our customers' needs so they can focus on taking care of patients and working to ensure health and safety in communities.

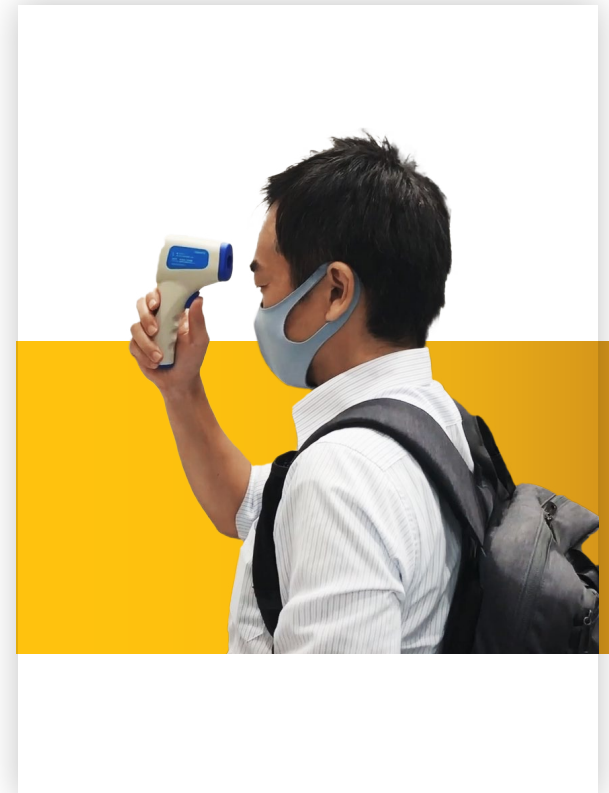
Protecting employees

Business continuity and emergency action planning processes—already a part of our way of doing business—served as a foundation for our response planning. We implemented protocols in our China locations in January, including temperature monitoring, masks, physical distancing and notifications. As the pandemic moved across Europe, by March it became increasingly clear that an enterprise approach was necessary to protect employees worldwide. We quickly moved to halt travel and issue work-from-home guidance.

Our Trauma & Extremities sales representatives were on hand to see healthcare heroes brave the early days in some of the world's hardest-hit areas. It quickly became apparent that our customers on the front lines needed us to work and continue fulfilling their needs. We issued personal protective equipment (PPE) for all employees with essential designation working on-site at our facilities or in healthcare settings and launched a self-assessment screening process that included in-person checks at our facilities and an app for our field-based personnel.

For our on-site critical employees who continued to come into Stryker facilities worldwide to make the essential products our customers need, we reimagined workspaces and staggered breaks to support physical distancing where possible. Our personal exposure and reporting guidelines helped us utilize quarantines effectively to keep operations running while prioritizing the health and safety of our employees.

Local Incident Response Teams (LIRT), rolling up to a Centralized Incident Response Team (CIRT), were put in place to orchestrate a coordinated response. We established field protocols, including rapid testing of employees 48 hours before travel, to enable business to continue to meet customers' needs.



Social impact

By December, rapid testing was in use by more than 2,000 field-based sales personnel and expanding weekly. Efforts are underway to increase the program to include more Stryker employees as returning to work at a physical site may become possible for those individuals who pivoted to working remotely. Our response is evolving to include a vaccination strategy involving a wealth of talented clinical and scientific people at Stryker.

The combination of our educational and evidence-based strategy, followed by our proactive testing-response strategy, enabled us to support our customers and protect our employees.

Satisfying customers' needs

The landscape continues to evolve, and we continue to adapt to meet our customers' needs. We've increased our production of products to help people during the crisis, including hygiene, disinfecting and surgical protection products, as well as hospital beds, stretchers and defibrillators.



Social impact



©Yonemori Hospital



By leveraging our in-house research and development experts, we've launched new products essential for the COVID-19 response. We've also actively worked with our industry trade association and regulatory bodies to accelerate the authorization and approvals for personal protection equipment.

To help our customers concerned about the potential for a sudden flood of patients—and not enough beds on hand to meet the projected demand—Stryker raced to develop a new low-cost, limited-release Emergency Relief Bed (ERB) to serve those on the front lines of the global pandemic, ranging from hospital emergency departments to triage and pop-up areas of care. Within just seven days of conceiving the idea, employees had assembled thousands of ERBs, ready to be delivered to some of the hardest-hit locations, including New York. In August, we donated 22,500 Emergency Relief Bed (ERB) kits to Project C.U.R.E., the largest provider of donated medical supplies and equipment to developing countries worldwide.

We use technology in new ways to connect with customers and meet their needs, and continue to hold meetings and education events virtually (see Medical Education page 29).

Keeping communities safe

Inspired by healthcare providers and one another, our employees use their time, talent and resources to offer support beyond their daily roles at Stryker. Our people donated blood through the Red Cross to help alleviate shortages and support the Sleeves Up virtual campaign when they could not leave their homes to donate blood. Employees are giving to local charities and global organizations, including the World Health Organization's COVID-19 Solidarity Response Fund and the Red Cross. They are engaging in virtual volunteer opportunities to support nonprofits locally and around the globe.

The scope and duration of the pandemic remain uncertain. Visit our [COVID-19 Resource Center](#) for specific updates related to our products, services and employee response.

Social impact

From behind-the-scenes to the front line

As patient counts at hospitals surged, the COVID-19 pandemic presented some Stryker employees with an opportunity to answer the call for trained healthcare professionals to rejoin the front lines.

In April, Morgan Goldsmith volunteered in New York at the Ryan Larkin Field Hospital (RLFH), constructed underneath the Columbia University sports complex’s bubbled dome, as an extension of New York-Presbyterian. During the five weeks she spent there, Morgan helped lead a team of 12 volunteer healthcare workers from across the U.S. “The need for clinicians was greater than ever before,” Morgan said. “As a nurse, I felt I had a responsibility to take care of fellow clinicians and their patients.”

Oliver “Ollie” Forbes, a former paramedic, works for our trauma team in Victoria, Australia, but took a chance to be redeployed to help support the healthcare system and emergency services. “When Stryker provided the opportunity to return to work in the community for a period of time, I morally felt it was the right thing to do,” Ollie said.



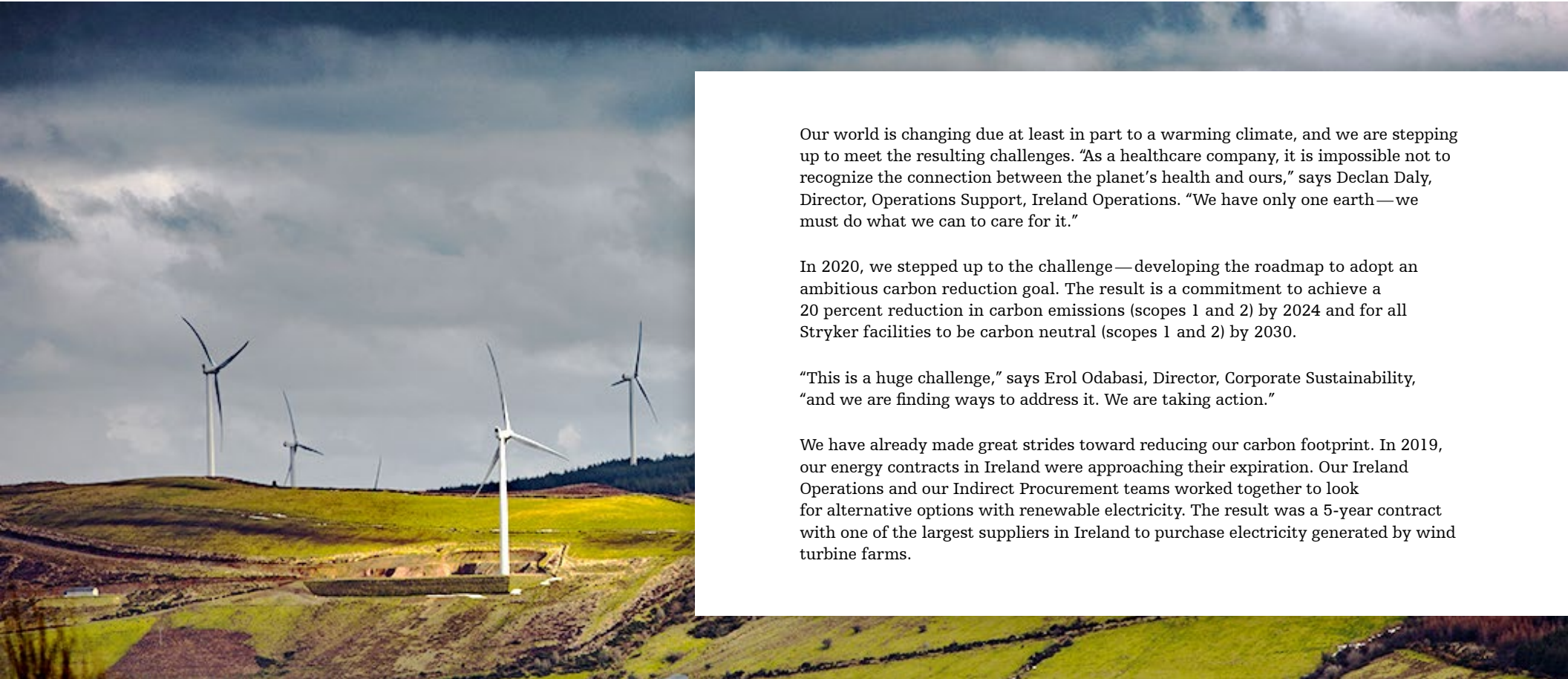
Globalization

Rising above challenges to grow in Korea

When the Himchan Group, one of the largest individual private hospital groups in Korea, specializing in joint replacement and robotic-assisted procedures, wanted to purchase four Mako Systems in mid-2020, Stryker teams from Korea and their colleagues in Hong Kong and Taiwan worked together to overcome the challenges associated with working in a COVID-19 environment, deliver their customers' expectations and commercialize the technology in Korea. First, Kevin Shim, managing director of Korea, developed a financial solution that allowed the group to fund the Systems, linking to volume commitments. Next, in accordance with pandemic-related travel restrictions, the team facilitated training in Korea, working quickly to meet the installation deadlines. Certified trainers Tony Suen from Hong Kong, Grace Shak from Singapore and Casey Kuo from Taiwan left their families for six weeks to travel to Korea to conduct hands-on coaching to all 36 surgeons at the hospital. Lastly, Jeff Lee, business lead for Mako in Korea, coordinated with East Asia, APAC and the design division to ensure a great first-customer experience. Himchan Group went live with their first Mako surgery in July 2020 and has since conducted more than 1,000 procedures.



Carbon neutrality: Our journey to 2030



Our world is changing due at least in part to a warming climate, and we are stepping up to meet the resulting challenges. “As a healthcare company, it is impossible not to recognize the connection between the planet’s health and ours,” says Declan Daly, Director, Operations Support, Ireland Operations. “We have only one earth—we must do what we can to care for it.”

In 2020, we stepped up to the challenge—developing the roadmap to adopt an ambitious carbon reduction goal. The result is a commitment to achieve a 20 percent reduction in carbon emissions (scopes 1 and 2) by 2024 and for all Stryker facilities to be carbon neutral (scopes 1 and 2) by 2030.

“This is a huge challenge,” says Erol Odabasi, Director, Corporate Sustainability, “and we are finding ways to address it. We are taking action.”

We have already made great strides toward reducing our carbon footprint. In 2019, our energy contracts in Ireland were approaching their expiration. Our Ireland Operations and our Indirect Procurement teams worked together to look for alternative options with renewable electricity. The result was a 5-year contract with one of the largest suppliers in Ireland to purchase electricity generated by wind turbine farms.

Environmental sustainability

“This was the right thing to do, environmentally, and as it turns out, financially,” said Mike Sladen-York, Senior Director, Indirect Procurement. “The renewable energy contract not only substantially reduces the carbon footprint of operations in Ireland but also locks in a long-term electricity cost saving as well. We are also proud to support the local economy by utilizing renewable power generated from wind turbine farms located in Ireland.”

The move reduces the Irish operations footprint by about 20,000 tons of carbon emissions per year, the equivalent of removing 4,000 cars from the road, realizing an overall reduction of 10 percent of Stryker’s scopes 1 and 2 carbon emissions. And our GQO sites in Duisburg, Germany are powered by hydroelectric energy sourced from Norway. As of the end of 2020, renewable energy supplies over 15 percent of our electricity use across Stryker.

To achieve our new goals, we will also need to continue to explore new energy efficiency and conservation opportunities. “At our Irish facilities, we have aggressively pursued energy conservation and efficiency efforts, including installing LED lighting and light sensors throughout all facilities and using

variable speed drives and motors on select equipment,” said Niall Walsh, Senior Operations Manager, Joint Replacement. “We have installed heat recovery systems to reduce natural gas usage and undertaken an aggressive program to decommission old or redundant equipment, replacing it with more energy-efficient machines. These efforts have been very successful in reducing our energy demands.”

Engaging our employees will be critical. Like many of our global facilities, the teams in Ireland are installing electric charging stations and working with other businesses and the government to facilitate and promote public transport instead of personal cars. “To truly succeed, we have to change individual behavior,” said Erol Odabasi. “The increased awareness of climate change is helping; employees are highly engaged and submitting many exciting ideas that can be impactful to reducing Stryker’s carbon footprint. This is how we can set a tone across all our facilities, harnessing all these initiatives. It’s very exciting to be part of it.”

Carbon neutrality goals

20%

reduction by 2024*
for all Stryker facilities

Neutral

by 2030*
for all Stryker facilities

*Scope 1 (direct site emissions) and Scope 2 (electricity use) carbon emissions; baseline year 2019; excludes Wright Medical

Environment

As a healthcare company, we know that we make choices that affect the health of the planet, and ultimately, human health



As a healthcare company, we know that we make choices that affect the health of the planet, and ultimately, human health. That is why, in 2020, we elected to set several bold new goals, including to achieve a 20 percent reduction in carbon emissions (scopes 1 and 2) by 2024 and to be carbon neutral for all Stryker facilities (scopes 1 and 2) by 2030.

Guided by our Environmental, Health and Safety (EHS) Policy, we are in the process of aligning or certifying our facilities to the ISO14001 standard, with 13 certified as of the end of 2020. And our newly implemented EHS software management system is enabling the consolidation and tracking of data globally. We anticipate that these improvements will enable us to report consolidated environmental performance metrics in 2021.

The vice president, global manufacturing and operations (GQO), oversees our manufacturing operations facilities. Each facility is responsible for its EHS compliance which is managed by an assigned EHS point of contact (POC) who also supports the GQO EHS program. The GQO EHS director, sustainability director and regional managers support the EHS POCs. The sustainability director reports to the vice president of quality assurance and is responsible for developing and implementing the strategy to manage and reduce the environmental impact of Stryker's value chain, including climate-related issues. **103-2**

Energy and carbon



To achieve our carbon emission goals, we know we have work to do. Our carbon reduction commitments will largely be met through continued energy efficiency investments and increasing renewable energy use through long-term power purchase agreements. We are actively pursuing these opportunities through continued investment in:

- Installation of more energy-efficient LED lighting in strategic locations
- Temperature/humidity modifications and air exchanges in cleanrooms
- Occupancy sensors in offices and common spaces to control lighting
- Transitioning electricity usage to more renewable energy sources
- Redirecting waste heat from operations to reduce natural gas usage for water heating
- Energy audits to identify areas of opportunity for conservation

For more information on Stryker's greenhouse gas emissions (scope 1 and 2) and energy consumption, please [click here](#) for the 2020 energy and carbon supplement.

Environmental sustainability

Highlights of our energy efficiency/conservation efforts in 2020 or planned for 2021 include:

Tullagreen, Ireland. Utilized reject heat from site chiller process to offset natural gas usage. Offset 85 percent of natural gas consumption at this site and reduced over 200 tons of carbon emissions.

Arroyo, Puerto Rico. Installed new air handling units and resin dryers, and modified the reheat coils modulation. The annual carbon emission reduction is estimated to be over 220 tons.

LED lighting retrofit/occupancy sensors. Replaced existing manufacturing floor lighting with LED retrofits/occupancy sensors in Mahwah, New Jersey and Fort Lauderdale, Florida, among other sites.

Effective energy-efficiency improvements and conservation efforts alone will not get us to our goal. Renewable energy sourcing is critical to our ability to meet this goal. We recently signed a renewable energy power purchase agreement to supply 100 percent of our electricity for our GQO Ireland sites with renewable energy. Additionally, we use a majority hydroelectric energy at our GQO sites in Germany. Altogether, renewable sources now generate about 15 percent of our electricity use at GQO sites. Going forward, we are exploring additional power purchase agreements to meet our carbon reduction goals.

We have established a 2019 baseline for our scopes 1 and 2 carbon emissions and our goals for scopes 1 and 2 are based on the Science Based Target initiative (SBTi) guidelines. We are committed to establishing a scope 3 emissions baseline in 2021 and setting and disclosing a science-based target.

We have initiated a review of our climate change risks and opportunities and anticipate future reporting will include recommendations developed by the Task Force on Climate-related Financial Disclosures (TCFD) in four areas: governance, strategy, risk management and metrics and targets.

Stryker publicly reports GHG 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, Stryker reports its direct and indirect energy use and emissions from our manufacturing operations and business travel. In 2020 Stryker received a C score from the CDP.

Waste



Stryker is committed to the protection of our environment through the elimination of waste. Historically, we have focused on source reduction, waste minimization and recycling improvements. To fully understand the waste generated from our manufacturing processes, we monitor and measure the waste generated throughout the GQO network. We use waste generation data to drive waste minimization projects locally.

In 2020, we continued our efforts to reduce both what we use and what we leave behind. We are working to verify our data collection results and establish waste reduction goals in 2021. Some of our businesses have already taken this step, Stryker's Sustainability Solutions division has set a goal to reduce manufacturing waste by 20 percent by 2025.

GQO sites in
Germany
powered by
hydroelectric
energy



Environmental sustainability

In 2020, each of our manufacturing facilities had a goal to reduce their waste by 10 percent. While performance on this goal varied by plant location, many were able to make progress. Selected highlights include:

Tullagreen, Ireland

- **Green waste:** Approximately 75 tons disposed of at a waste-to-energy facility, avoiding landfill.
- **Process sludge:** Approximately 30 tons processed to make eco-concrete, reducing both waste product being landfilled and the raw materials needed to make the concrete.

Limerick, Ireland

- **Process sludge:** Reduced waste product disposed of by 70 percent by removing water content, enabling the remaining sludge to be sent for energy recovery.

Mahwah, NJ, U.S.

- **Waste plastic chips:** Shipped to another company for use as a raw material.

Anngrove, Ireland

- **Food waste:** Diverted three tons of composting food waste from landfill to energy recovery.
- **Argon reduction:** Reduced argon use in LRM manufacturing by 41 percent through standardization of equipment settings.

Water

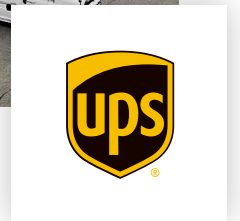


We recognize that water is a precious resource that must be conserved and protected. We use water to create our products and cool equipment, and we monitor our wastewaters, as required.

Water reclamation and reuse initiatives can provide cost savings, improve environmental performance and reduce compliance risk through minimization. Water consumption and water discharge data are collected to understand our impacts and opportunities better. In 2020, we began work to set a baseline for our water use to allow for more efficient tracking and reporting in future years.

Transportation and logistics

Transportation of our products is a component of our scope 3 carbon emissions, and one we are focused on reducing. In 2020, Stryker took the opportunity to examine shipping processes, which resulted in a shift to more sustainable modes such as sea freight. We also implemented a regular evaluation of our supply chain networks to ensure shipments are sent via the most direct routes to the end customers, ultimately driving fewer trips. Another successful effort involved direct shipping product from Thailand to the U.S. using ocean freight; we achieved a 99 percent decrease in carbon emissions by eliminating the previous airfreight route which shipped through our European Distribution Centre.

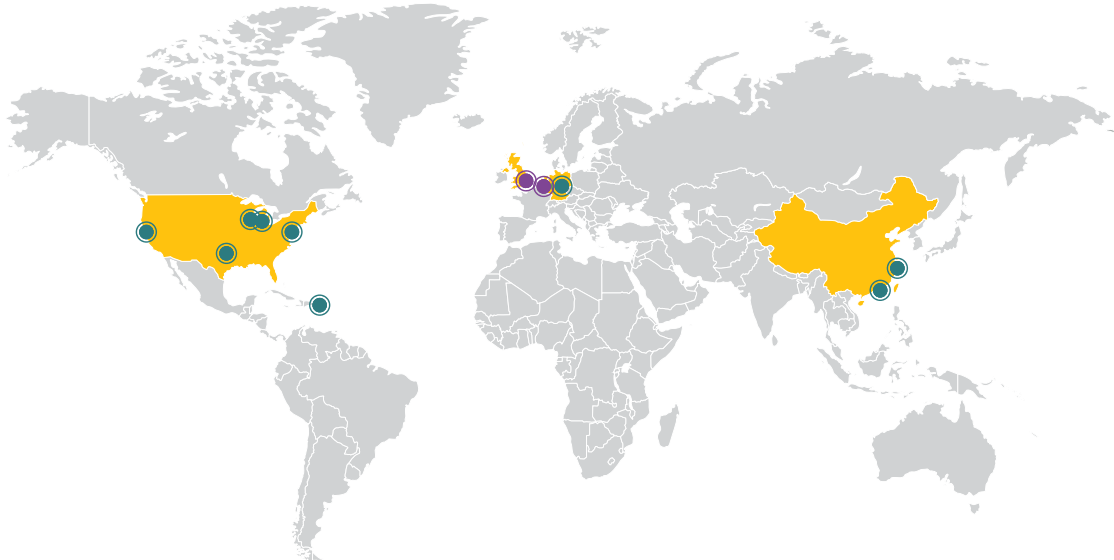


Approximately 300 carriers are used to move our products around the globe, and we're focused on rationalizing this base to include the most carbon-efficient providers. Going forward, we continue to optimize our transportation networks, focusing on the continued reduction of carbon emissions. Opportunities include network assessments, collaborating with our product development teams to fully utilize the space in our boxes to reduce packaging; partnering on carbon reduction initiatives such as UPS's Carbon Neutral program, in which Stryker's Sustainability Solutions division participates; and joining programs such as the U.S. EPA SmartWay program, which we initiated in 2020.

Environmental sustainability

Certifying our facilities

Our offices and manufacturing facilities have an impact, too, and we are working with accrediting organizations to evaluate and certify the environmental impact and sustainability of our buildings. The following Stryker locations have been certified by Leadership in Energy and Environmental Design (LEED), a green building rating system, and Building Research Establishment Environmental Assessment Method (BREEAM), a sustainability performance rating system:

LEED:	BREEAM:	
Suzhou, China Portage, MI, U.S. (3) Mahwah, NJ, U.S. Cary, IL, U.S. Flower Mound, TX, U.S. Arroyo, Puerto Rico, U.S. San Jose, CA, U.S. Hong Kong, China Freiburg, Germany	Venlo, Netherlands Newbury, Berkshire, U.K.	

Environmental sustainability

A new Instruments facility, located in Portage, Michigan, features a customer experience center, a showroom, an R&D and bio-skills lab, plus space for sales, marketing and support functions. The space, which inspires innovation, also meets LEED Silver certification status, making the new facility a physical depiction of living our company's mission.



Environmental sustainability

Product design and lifecycle management

We recognize that our products, throughout their lifecycle, leave a footprint on our world and we are working to reduce the impact. Our Sustainability Solutions division, Research and Development and GQO teams worldwide use environmentally responsible materials and practices where possible, supporting sustainability, improving safety and meeting customer requests for more sustainable products.

Stryker has developed a comprehensive program to drive the environmentally compliant design and management of our products and packaging. We have established company-level processes to ensure that product designs meet applicable global regulations and standards and the required safety and quality standards set by regulatory agencies. Our product environmental procedures and our Regulated Substances List (RSL) ensure that compliance with restricted substance regulations such as RoHS and REACH, eliminating chemicals of concern, environmentally sound management of our products at end of life and energy efficiency are all integral components of the product development process.

We design our new product launches according to the latest regulations and standards and review existing products according to an established process. **SASB**



Environmental sustainability

Stryker's Sustainability Solutions

Stryker's Sustainability Solutions division is the leading provider of reprocessing and remanufacturing services for single-use medical devices. Hospitals utilize our advanced collection system to collect devices. We inspect, clean, test, sterilize and package the medical devices for repeated safe clinical use. More than 21 types of devices are collected and reprocessed, diverting the waste from landfills, helping to support a circular economy. Over the past five years Sustainability Solutions has helped customers save \$988 million and divert 25 million pounds of waste from the landfill. **SASB**

In 2020, Sustainability Solutions launched Redesigned for Sustainability, an initiative to make environmental improvements throughout the entire reprocessing lifecycle. The focus is on six priority areas: sourcing, manufacturing, component design, material and chemical use, waste solutions and packaging. Developed with input from our customers, Redesigned for Sustainability is our commitment to deliver exceptional products that have less impact on the environment. As part of the initiative, internal new product development teams receive education on incorporating sustainable design into projects, taking into account the device's entire lifecycle.

The reprocessed MyoSure tissue removal device is our flagship device that incorporates our Redesigned for Sustainability principles. We have made substantial environmental improvements in three areas:

Over the past five years:

\$988M

saved by customers
through reprocessing
programs

25M lbs.

waste diverted from
landfills

Component design

- Replaced a traditional plastic component on some models with bio-based plastic
- Replaced Polyvinyl chloride (PVC) tubing with PVC-free tubing

Packaging

- Reduced packaging weight by 34 percent compared to the original packaging
- Increased recycled content and recyclability of packaging

Manufacturing

- Reduced water used in the batch cleaning process by 164 gallons

As part of their 2025 goals, Sustainability Solutions is committed to evaluating all new products coming through the new product development pipeline using the Redesigned for Sustainability initiative. They will also work to reduce their manufacturing waste by 20%.*

Additive Manufacturing

Another example of innovative product design is Additive Manufacturing (AM), also known as 3D Printing. AM provides design freedom for new medical devices far beyond traditional processes, and Stryker has developed new implant products across multiple divisions utilizing the technology. Stryker is recognized in the medical device industry as a leader in scaling the implementation of AM.

In 2020, we initiated a lifecycle analysis of the two production processes to calculate and define the sustainability benefits of our additive manufacturing process. To further define and promote the environmental benefits of AM over traditional methods of manufacturing, Stryker joined the Additive Manufacturing Green Trade Association (AMGTA) in 2020. The AMGTA is a global trade group created to promote the environmental benefits of AM, and Stryker is one of twelve leading companies to have joined the organization to advance sustainability in AM.

*Baseline year 2019

About this report

Stryker's 2020 Comprehensive Report combines our Annual Review with our Corporate Responsibility Report, providing an integrated picture of our performance. **102-49** Our first Annual Corporate Responsibility Review was published in 2019, and a 2020 Corporate Responsibility and Sustainability Update was published in the fall of 2020. **102-51**

This is Stryker's second published yearly report containing information on our Corporate Responsibility performance and contains data that pertains to calendar year 2020. Further reporting on other matters specific to financial performance can be found in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. **102-50; 102-52**

This report is informed by the Global Reporting Initiative (GRI) Standards, and we include a GRI Index that specifies where content references specific disclosures. **102-54** A formal materiality assessment is planned for 2021, which will enable additional reporting against the GRI Standards in future reports. We also include information sought by the Sustainability Accounting Standards Board (SASB) Index, providing disclosures against relevant SASB Standards.

The data contained in this report was reviewed by internal subject matter experts as well as Stryker's leadership team. We believe this information accurately represents our performance in 2020. We welcome your questions and feedback on this report. Please contact us at CR@stryker.com. **102-53**

Forward-looking statements

This Report contains information that includes or is based on forward-looking statements within the meaning of the federal securities laws 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 Wright Medical Group N.V. ("Wright"); the effects of the Wright acquisition on the parties' relationships 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 U.S. Food and Drug Administration approval of new products, including Wright 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 Wright; and our ability to realize anticipated cost savings. Additional information concerning these and other factors is contained 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. 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.

Data summary

GRI index

This material references the title and publication year of the standard, as shown, for each standard used.

Disclosure	Description	Section	Links/Comments
General disclosures 2016			
102-1	Name of the organization	Who we are	Stryker Corporation
102-2	Activities, brands, products and services	Who we are	
102-3	Location of headquarters	Who we are	
102-4	Location of operations	Who we are	
102-5	Ownership and legal form	Who we are	
102-6	Markets served	Who we are; 2020 10K	
102-7	Scale of the organization	Financial highlights	
102-8	Information on employees and other workers	Diversity, equity and inclusion	
102-14	Statement from senior decision-maker	CEO letter	
102-15	Key impacts, risks and opportunities	CEO letter	
102-16	Values, principles, standards and norms of behavior	Governance	
102-17	Mechanisms for advice and concerns about ethics	Business ethics and ethical marketing	
102-18	Governance structure	Governance	In February 2021, we amended our Governance and Nominating Committee Charter to give this Board Committee oversight responsibility of corporate responsibility matters.
102-19	Delegating authority	Governance	
102-20	Executive-level responsibility for economic, environmental and social topics	Governance	

Data summary

Disclosure	Description	Section	Links/Comments
102-21	Consulting stakeholders on economic, environmental and social topics	Governance ; Proxy	
102-23	Chair of the highest governance body	Proxy	
102-24	Nominating and selecting the highest governance body	Proxy	
102-25	Conflicts of interest	Proxy	
102-26	Role of highest gov body in setting purpose, values and strategy	Proxy	
102-27	Collective knowledge of highest governance body	Governance ; Proxy	
102-28	Evaluating the highest governance body's performance	Proxy	
102-29	Identifying and managing economic, environmental and social impacts	Governance ; Proxy	
102-30	Effectiveness of risk management processes	Proxy	
102-31	Review of economic, environmental and social topics	Governance ; Proxy	
102-32	Highest governance body's role in sustainability reporting	Governance ; Proxy	
102-33	Communicating critical concerns	Business ethics and ethical marketing	Ethics hotline is referenced in our public policies
102-35	Remuneration policies	Proxy	
102-36	Process for determining remuneration	Proxy	
102-37	Stakeholders' involvement in remuneration	Proxy	Our shareholders vote annually on executive pay. We report the results on a Form 8-K filed with the SEC after the shareholders meeting and in our Annual Proxy.
102-38	Annual total compensation ratio	Proxy	The proxy disclosed CEO pay ratio amount complies with US SEC regulations, which requires the comparison of CEO pay to be made to median employee for our global employee population. We do not provide added disclosure at this time.
102-39	Percentage increase in annual total compensation ratio	Proxy	We do not currently disclose this information.
102-49	Changes in reporting	About this report	

Data summary

Disclosure	Description	Section	Links/Comments
102-50	Reporting period	About this report	
102-51	Date of most recent report	About this report	
102-52	Reporting cycle	About this report	
102-53	Contact point for questions regarding the report	About this report	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	
102-55	GRI content index	GRI index	
Management approach 2016			
103-2	Management of Disclosure Approach	Various	
Anti-corruption 2016			
103-2	Management of Disclosure Approach	Business ethics and ethical marketing	
205-1	Operations assessed for risks related to corruption	Business ethics and ethical marketing	
205-2	Communication/training RE anti-corruption policies and procedures	Business ethics and ethical marketing	
Anti-competitive Behavior 2016			
103-2	Management of Disclosure Approach	Business ethics and ethical marketing	
206-1	Legal actions for anti-competitive behavior, anti-trust, monopoly practices	Business ethics and ethical marketing	
Environment			
103-2	Management of Disclosure Approach	Environment; throughout report	
Occupational Safety and Health 2018			

Data summary

Disclosure	Description	Section	Links/Comments
103-2	Management of Disclosure Approach	Employee safety	
403-1	Occupational Health & Safety Management System	Employee safety	Our management system is applicable to all Global Quality and Operations (GQO) Stryker manufacturing employees, as well as to workers who are not employees but whose work and/or workplace is controlled by Stryker.
403-8	Workers covered by an occupational health and safety management system	Employee safety	Approximately 16,000 employees, or 37% of our workforce, are covered by our EHS management system. Non GQO operations and employees are not covered by the EHS management system. GQO industrial workplaces are audited annually to ensure compliance with local, national and international EHS law.
403-9	<p>Work-related Injuries</p> <p>a. For all employees:</p> <ul style="list-style-type: none"> The number and rate of fatalities as a result of work-related injury; The number and rate of recordable work-related injuries; <p>c. The work-related hazards that pose a risk of high-consequence injury</p> <p>d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded</p>	<p>Employee safety</p> <p>Employee safety</p> <p>Employee safety</p> <p>Employee safety</p>	<p>0</p> <p>4 of 99 injuries were considered category 5 severity injuries</p> <p>Actions taken in 2020 to eliminate hazards include comprehensive Lock Out Tag Out assessment of all manufacturing equipment, comprehensive evaluation of machine guarding and implementation of corrective actions, where required. In 2021 we plan to implement a global requirement to conduct job hazard assessments, and to conduct JHAs for any manufacturing task that has resulted in a recordable injury and for any task with the potential of causing severe injury to employees.</p> <p>200,000</p> <p>This disclosure does not include safety data for non GQO employees, as only GQO employees are covered by the EHS management system.</p>

Data summary

Disclosure	Description	Section	Links/Comments
403-10	Work-related ill health		Stryker has not experienced incidents of work-related ill health, with the exception of COVID-19, which is discussed in the Social Impact section of this report.
Training and Education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	Employee training and development	
404-3	% of employees receiving regular performance and career development reviews	Employee training and development	100%
Diversity and Equal Opportunity			
103-2	Management of Disclosure Approach	Diversity, equity and inclusion	
405-1	Diversity of governance bodies and employees	Diversity, equity and inclusion	Diversity data for our Board of Directors is included in our Annual Proxy. In 2020, of the nine members of Stryker's leadership team, 22% are women, and 33% are ethnically diverse (U.S.).
Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken		We take internal concerns seriously. Our internal standards are higher than legal expectations and we take appropriate corrective action when we believe our policies have been violated.
Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supply chain management	
Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply chain management	
Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chain management	

Data summary

Disclosure	Description	Section	Links/Comments
Human Rights Assessment 2016			
103-2	Management of Disclosure Approach	Business ethics and ethical marketing	
412-2	Employee training on human rights policies or procedures	Supply chain management	Availability of training data information
Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Product quality	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were zero incidents of non-compliance concerning the health and safety impacts of products and services.
Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Product quality	
417-2	Incidents of non-compliance concerning product and service information and labeling		There were zero incidents of non-compliance concerning product and service information and labeling.
417-3	Incidents of non-compliance concerning marketing communications		There were zero incidents of non-compliance concerning marketing communications.
Socioeconomic Compliance 2016			
103-2	Management of Disclosure Approach	Business ethics and ethical marketing	
419-1	Non-compliance with laws and regulations in the social and economic area	Business ethics and ethical marketing	

Data summary

SASB index

Code	Accounting Metric	Section	Links/Comments
Product Safety			
HC-MS-250a.1	Number of recalls issued, total units recalled		18
Ethical Marketing			
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Business ethics and ethical marketing	
Product Design & Lifecycle			
HC-MS-410a.1.	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	Product design and lifecycle management	
HC-MS-410a.2.	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	Product design and lifecycle management	We report the number of medical devices collected for recycling through our Stryker Sustainable Solutions business.
Supply Chain Management			
HC-MS-430a.1.	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	Product design and lifecycle management	For internal Stryker sites, all of our manufacturing facilities are ISO 13485 certified via third-party audit programs. Information on Tier I suppliers is not compiled at this time.
HC-MS-430a.3.	Description of the management of risks associated with the use of critical materials	Supply chain management	
Business Ethics			
HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	Medical education	

Data summary

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

	Net earnings (\$ millions)						Net earnings per diluted share					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
Reported	\$1,439	\$1,647	\$1,020	\$3,553	\$2,083	\$1,599	\$3.78	\$4.35	\$2.68	\$9.34	\$5.48	\$4.20
Acquisition and integration-related charges:												
Inventory stepped-up to fair value	4	23	20	9	51	36	0.01	0.06	0.05	0.02	0.13	0.10
Other acquisition and integration-related	20	77	31	90	160	157	0.05	0.20	0.09	0.24	0.42	0.41
Amortization of purchased intangible assets	147	221	250	338	375	381	0.39	0.59	0.67	0.89	0.99	1.00
Restructuring-related and other charges	97	98	155	179	180	397	0.26	0.26	0.41	0.47	0.47	1.04
Medical device regulations	–	–	–	10	48	63	–	–	–	0.03	0.13	0.17
Recall-related matters	210	127	131	18	154	13	0.55	0.34	0.34	0.05	0.41	0.03
Regulatory and legal matters	(46)	(7)	25	141	(33)	8	(0.12)	(0.02)	0.06	0.37	(0.09)	0.02
Tax matters	78	8	833	(1,559)	121	173	0.20	0.02	2.19	(4.10)	0.32	0.46
Adjusted	\$1,949	\$2,194	\$2,465	\$2,779	\$3,139	\$2,827	\$5.12	\$5.80	\$6.49	\$7.31	\$8.26	\$7.43
Effective tax rate – Reported	17.1%	14.3%	50.6%	(50.8%)	18.7%	18.2%						
Effective tax rate – Adjusted	17.3%	17.3%	15.6%	16.7%	15.8%	12.6%						
Weighted average diluted shares outstanding (millions)							380.9	378.5	380.1	380.3	379.9	380.3

Refer to our 2020 Annual Report on Form 10-K, available at stryker.com, for additional information regarding our non-GAAP financial measures.

Data summary

Endnotes

- 1 MES2DF-ST-1_23395 Mesa 2 Deformity Surgical Technique
The following disclaimers apply to the entire story on pages 3-4: In accordance with the labeling for the Stryker's Mesa 2 Deformity Spinal System, patient selection and compliance is extremely important. The patient must be made aware of the limitations of the implant and that physical activity and load bearing have been implicated in premature loosening, bending or fracture of internal fixation devices. The patient should understand that a metallic implant is not as strong as a normal, healthy bone and will fracture under normal load bearing in the absence of complete bone healing. An active, debilitated or uncooperative patient who cannot properly restrict activities may be at particular risk during postoperative rehabilitation.

All surgery carries risk. See your orthopaedic surgeon to discuss your potential benefits and risks. Not all patients will have the same post-operative recovery and activity level. Individual results vary.

Drs. Boachie-Adjei and Blakemore are paid consultants of Stryker. The opinions expressed by Drs. Boachie-Adjei and Blakemore are those of Drs. Boachie-Adjei and Blakemore and not necessarily those of Stryker. Individual experiences may vary.
- 2 List of Device Category Codes for Present or Previous Pass-Through Payment and Related Definitions. CMS.gov. Published 1 JUL 2020. <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/Compleat-list-DeviceCats-OPPS.pdf>.
- 3 Kayani B, Konan S, Tahmassebi J, Pietrzak JRT, Haddad FS. Robotic-arm assisted total knee arthroplasty is associated with improved early functional recovery and reduced time to hospital discharge compared with conventional jig-based total knee arthroplasty: a prospective cohort study. *Bone Joint J.* 2018;100-B(7):930-937. Doi:10.1302/0301-620X.100B7.BJJ-2017-1449.R1.
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