



stryker[®]

2012 SOCIAL RESPONSIBILITY OVERVIEW



Brain Tumor Removed 24 Hours after Diagnosis

Just 24 hours after being diagnosed with a brain tumor the size of an orange, Julie Lumberg underwent surgery to have it removed. The alternative was to wait and risk more acute complications. Time was of the essence, and the tools needed to remove the tumor were not available at the hospital. The surgeon contacted Stryker Sales Representative Todd Couch and requested the Sonopet ultrasonic aspirator, a system that provides precise control for tissue and bone dissection located close to delicate anatomic structures like Julie's brain. Todd drove through the night to deliver it to the hospital in time for Julie's surgery, and the tumor was successfully removed. Five months later, speed mattered again to Julie; she took second place in her age group in a local 5K run.

COMPANY OVERVIEW

Stryker is one of the world's leading medical technology companies and is dedicated to helping healthcare professionals perform their jobs more efficiently while enhancing patient care. The Company offers a diverse array of innovative medical technologies including reconstructive implants, medical and surgical equipment, and neurotechnology and spine products to help people lead more active and more satisfying lives.

2012 AT A GLANCE

\$8.7 billion
in annual
sales globally

**FORTUNE
500**
company

S&P 500
included in
the Standard
& Poors 500
Index

22,000+
employees
worldwide

100+
countries
where Stryker
products are
sold

29
manufacturing
and R&D
locations
worldwide



Prime TC Transport Chair

MESSAGE FROM OUR CEO

Since joining Stryker roughly two years ago, I have had the privilege of connecting with many of our 22,000-plus employees around the globe. Those experiences have underscored the pride and dedication that each of us bring to what we do on a daily basis. Our privilege, and our responsibility, is to create medical technology that exceeds our customers' expectations and improves peoples' lives around the world. This has been, and will remain, at the very core of our purpose and culture as we go forward.



The last few years have brought a lot of changes to Stryker—changes in the world economic environment, changes in the healthcare industry, and leadership and organizational changes within our company. Even so, in 2012 our employees continued their focus on doing the right things for our customers and our communities.

We have continued to “make a difference” with a business strategy that recognizes the need for innovative and cost effective healthcare products, utilizes our keen knack for innovation and creative solutions, and builds on the strong relationships we have established with caregivers.

Every year we introduce products and services that push medical technology and treatment forward, and 2012 was no different. Whether it is a device that allows a surgeon to restore blood supply to a stroke victim's brain within 15 minutes of arrival to a surgical suite, or the integrated ergonomics of a transport chair that eliminates the need for a caregiver to continuously bend over, Stryker's innovation helps save lives and protects both caregivers and patients.

We further broadened our global reach and impact through internal and external collaborations, acquisitions, new education initiatives, medical missions and philanthropy. Additionally, we remained the medical

device segment leader in helping healthcare organizations manage, reuse and redirect scarce resources while minimizing negative environmental impacts. We believe the more sustainable and efficient a healthcare organization is, the better positioned it is to improve the quality, accessibility and affordability of patient care.

Likewise, we continued to drive sustainability, efficiency and quality throughout our own company. We expanded the number of LEED and BREEAM environmental certified locations and completed the due diligence necessary to publicly disclose and commit to future environmental goals through participation in the Carbon Disclosure Project in 2013.

While this level of public reporting will be new for Stryker, the actions we have taken in 2012 and in the past to be a more environmentally and socially responsible organization are not. In the following pages, you will read about best practice programs and activities taking place globally at Stryker to fulfill the responsibilities we believe are most important to our customers, employees, communities and industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin A. Lobo'. The signature is fluid and cursive, with a large initial 'K'.

Kevin A. Lobo
President and Chief Executive Officer

We welcome
your comments
and questions
regarding social
responsibility

socialresponsibility@stryker.com

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OUR RESPONSIBILITIES

TO OUR CUSTOMERS

We empower caregivers with support, products and education to restore health to their patients, advance their training and protect themselves from injuries. For healthcare organizations, we provide strategies and services to improve clinical efficiency and redirect valuable resources to enhance patient care and quality.

TO OUR EMPLOYEES AND SHAREHOLDERS

We offer meaningful employment with tools and resources to support our colleagues' strengths and talents in an inclusive, ethical and transparent culture.

TO OUR SURROUNDINGS

We pursue best practices to use natural resources wisely and minimize environmental impact.

TO OUR COMMUNITIES

We support the communities where we live and work and people in need with resources to improve lives.



Capital Health Regional Medical Center became the first hospital in the country to treat a stroke patient using Stryker's Trevo Pro Retriever System just days after the FDA cleared it for sale.

Pictured: Dr. Erol Veznedaroglu (Dr. Vez) visits with patient Elisa Kahn.

INNOVATION TO HEAL AND PROTECT

It is both our legacy and our future. Daily, it is our guiding responsibility—to develop and provide solutions that advance healing and help save lives. Carrying on the legacy of our founder Dr. Homer Stryker, we are relentlessly focused on innovation that enables us to consistently develop a range of life-changing products.

This record of innovation is built on a history of collaboration with patients, clinicians, hospital leadership and regulatory agencies that has allowed us to fully understand practice environments, treatment protocols and unmet needs. In 2012, we spent \$471 million dollars on research and development (R&D) and continued a trend of investing between five and seven percent of our annual revenue in R&D. By the end of 2012, we owned more than 4,700 patents globally, a 94% increase over 2008.

Acquisitions helped us further the pace of innovation. In 2011, we began a series of acquisitions to complement our market-leading hemorrhagic stroke portfolio, starting with Concentric Medical and followed by Surpass Medical in 2012. These acquisitions have already resulted in next generation treatment technologies.

Just days after the FDA cleared Stryker's Trevo Pro Retriever for sale, the device was used to treat a stroke patient. The Trevo Pro Retriever is engineered to remove blood clots in patients suffering from acute ischemic stroke within eight hours of the onset of stroke symptoms. The blood clot blocks the flow of blood in the brain. Dr. Erol Veznedaroglu, the first neurosurgeon to use the new Trevo device, restored blood supply to his patient's brain within 15 minutes of her arrival in the angiography suite at Capital Health Regional Medical Center in Trenton, New Jersey.

Stryker offers
59,000
products & services

5.4%

of revenue invested
in research and
development in 2012

\$471
Million

invested in research
and development
in 2012



Methodist Hospitals Unveils New High-Tech Surgical Suite

Methodist Hospital in Merrillville, Indiana, part of the Methodist Hospitals system, became the first hospital in the northwest part of the state to install a multi-specialty computer-assisted surgical suite that uses Stryker navigation and other technologies to pinpoint a surgical instrument within 0.07 millimeters. The system, which acts like a GPS, clears up space in the operating room and eliminates the need for X-rays, as well as patient exposure to radiation, to help surgeons place and navigate their instruments.

Methodist Hospitals President and CEO Ian McFadden, speaking to the local media, said that the technology will give northwest Indiana residents the opportunity to receive the best care available without having to travel out of the area.

“It’s a very significant investment,” he said. “Not just because it’s the first and only, but because Methodist Hospitals have always made the commitment to be the best place for patients to receive the best care available and the best place for our physicians to practice medicine.”

“With a time critical disease like stroke, patients need treatment fast and having a broad range of treatment options available is essential to providing patients with the best chance at surviving and limiting associated disabilities,” said Dr. Veznedaroglu. “For us as physicians, constantly advancing the tools available to us enables us to more effectively treat these patients. What makes the Trevo device such a powerful tool is that the blood clot is quickly integrated into the device and removal can restore blood flow.”

In November, Stryker launched the next generation device in the Trevo Retriever family, the Trevo ProVue Retriever. This is the first clot removal device fully visible during the procedure for precise positioning within the clot and has been called “another great stride in the evolution of stroke care.”

“I am impressed with how full device visibility provides more information during the procedure to quickly and easily position the device and enables real-time feedback for a new level of confidence to open blood vessels,” said Professor Liebig, M.D., Head of Neuroradiology at Germany’s University of Cologne.

The Surpass Flow Diverter is another milestone medical development that enables the treatment of complex brain aneurysms with minimally invasive endovascular methods. Approved for use in Europe, and using a unique mesh design and delivery system, the Surpass Flow Diverter is designed to redirect blood flow away from an aneurysm, allowing a stable clot to be formed within the aneurysm. The Surpass Flow Diverter is CE Marked and is currently being sold outside the U.S. In addition, Stryker is enrolling patients in an FDA-approved study, which is a critical step toward regulatory clearance in the U.S.

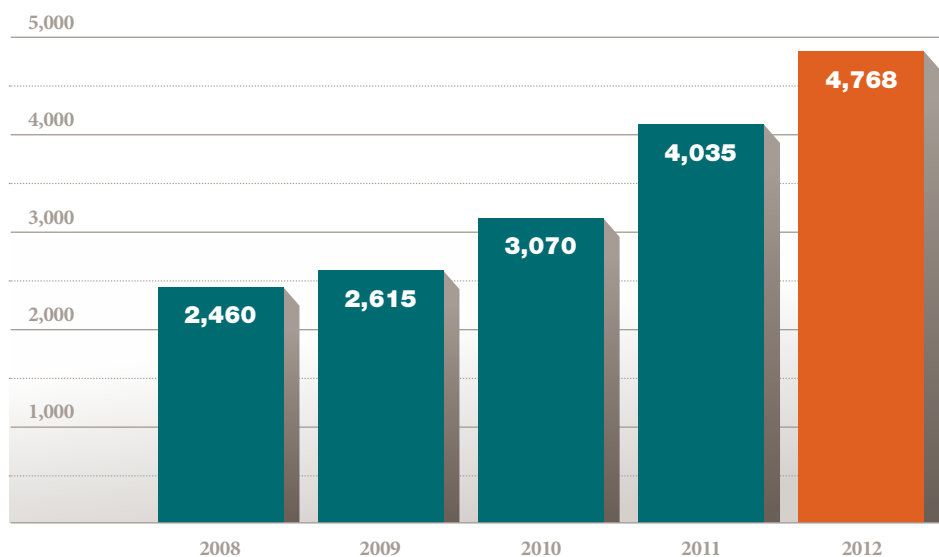
PATIENT AND CAREGIVER COMFORT AND SAFETY

When a patient arrives at a hospital emergency room, positive outcomes depend on timely and effective diagnosis and treatment. The equipment used by hospital staff can make an important difference. Our transport products are designed to safeguard both patients and staff in what are often physically demanding jobs. In 2012, we introduced the Stryker Prime X stretcher, which reduces or eliminates the need for a patient transfer for x-rays because it allows caregivers to take a wide variety of high quality diagnostic images directly on the stretcher.

A PIONEER IN TECHNOLOGY DEVELOPMENT

The Society for Brain Mapping and Therapeutics honored Stryker with its 2012 Pioneer in Technology Development Award noting, “The awards committee has been impressed with pioneering work done by Stryker Corporation to address health disparities. We hope Stryker continues its contribution to the field and support of game-changing medical research with cutting edge technology that could one day turn into restorative solutions for patients with neurological disorders.”

NUMBER OF GLOBAL PATENTS





Comfort Aids Recovery

“What we do at Stryker matters! We should be proud that we provide quality products and services to hospitals that help save lives every day, even our own children’s lives,” explained Derek Boynton, a Stryker Materials Coordinator whose four-year-old son Alexander spent nearly a month in the hospital recovering from a skull injury.

Throughout the entire process, doctors used Stryker products to treat Alexander, from surgical instruments to screws to beds.

“My son slept comfortably every night,” Derek said. At one point, Alexander’s nurse asked if he was comfortable in his bed, to which he replied, “Yes, my daddy made this Stryker bed!”

Alexander has completely recovered from his injuries.





Because heavier patients, hallway slopes and long transports increase the demands on caregivers and increase their risk of injury, Stryker's Prime Series stretchers offer a choice of mobility solutions, including the Zoom motorized drive option. This feature makes navigating hallways virtually effortless.

Our new Prime TC transport chair, designed in partnership with the Michael Graves Design Group, marries intuitive operation with BackSmart ergonomics to deliver a simple, safe and reliable solution that truly redefines patient transport. The BackSmart push handles accommodate virtually any height of caregiver to reduce the bending and reaching associated with caregiver injury, while Flip-Up footrests remain in an upright position to reduce patient trip hazards as they get in and out of the chair.

Even in a hospital bed which typically is not thought of as the most comfortable piece of furniture, patient comfort and safety is vital to recovery. In 2012, we expanded our support surface portfolio with the new IsoGelAir. This system uses proprietary technologies to provide pressure redistribution and shear management to help decrease the likelihood of pressure ulcers, bed sores and resulting infections, while improving overall comfort. The support surface also provides moisture management through a breathable cover.

Seeking Many Voices

Whether it is a formal survey, talking one-to-one or hosting a gathering, we are constantly soliciting caregiver feedback to learn how we can better meet needs and improve patient outcomes. In 2012, we hosted a leadership team from the Association of periOperative Registered Nurses (AORN), an organization of more than 42,000 registered nurses.

We also hosted a visit from Dr. Takanori Fukushima, a highly regarded neurosurgeon with more than 40 years of operating experience. Dr. Fukushima practices neurosurgery around the globe, removes hundreds of tumors per year and has trained over 100 fellows and residents worldwide. He is highly regarded within the neurosurgical specialty and truly motivated to advance patient care and neurosurgery. Dr. Fukushima's visit included time spent in a lab where he was able to demo Stryker products in a simulated setting.

EDUCATION TO ADVANCE EXPERTISE AND CARE

Without experience and education, even the most innovative products are useless. In the end, it is the skills and knowledge of the caregivers who use our products that ultimately make a difference in the lives of their patients. That is why we believe it is our responsibility to support healthcare professionals at every stage of their careers with the latest educational programs and technologies.

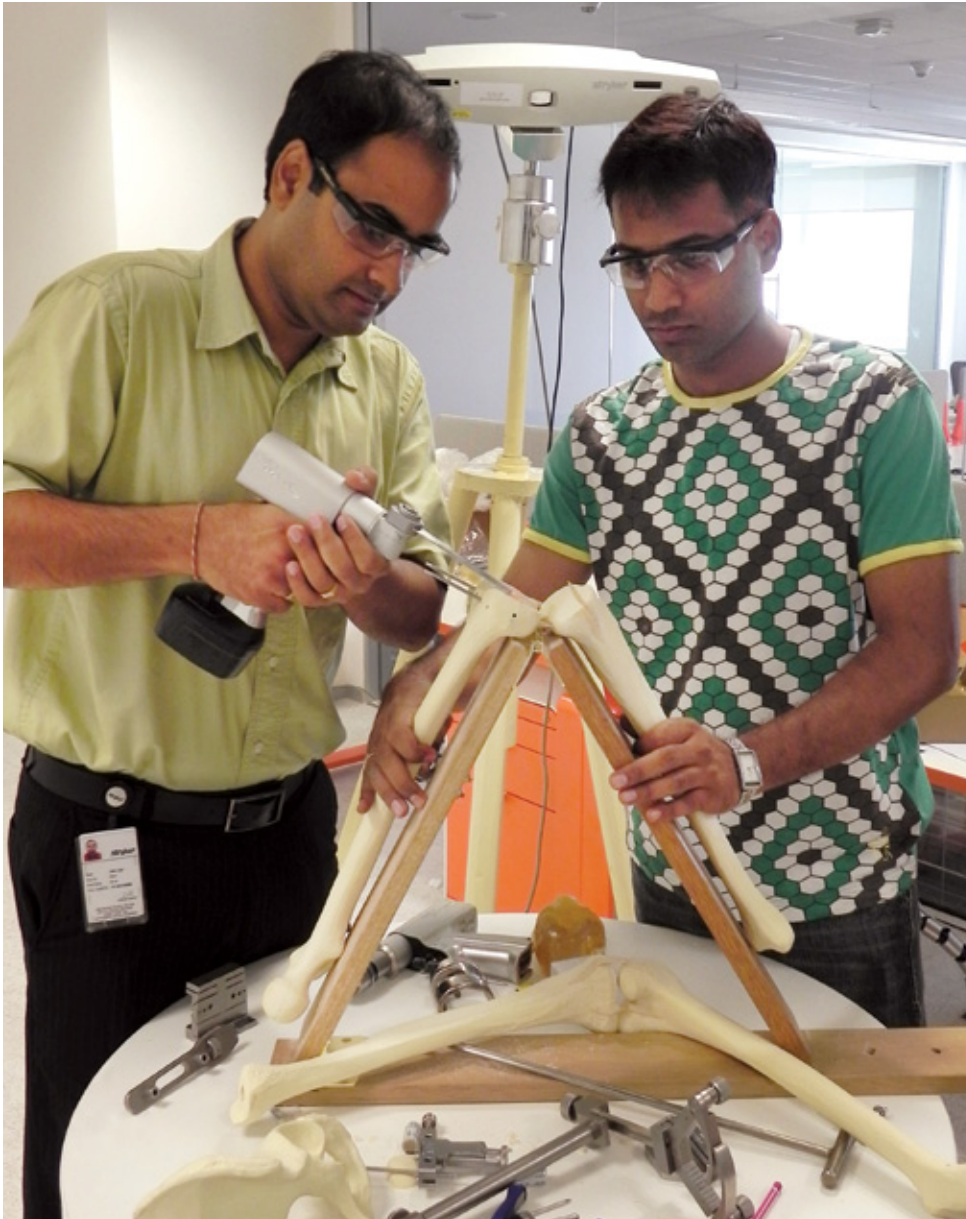
In a lab, online, through an app, a video or in the hospital, our global education programs are designed to help professionals achieve a level of expertise crucial to their work. We partner with and support the world's leading professional associations, healthcare facilities, academic institutions and experts with a shared goal of advancing medical care through education and innovation.

The Homer Stryker Center located in Mahwah, New Jersey is one of our world-class centers for global education and research. The Stryker Global Technology Center (SGTC) in Gurgaon, Haryana, India in partnership with Stanford University's Biodesign group, the Sanjay Gandhi Postgraduate Institute of Medical Sciences, and the All India Institute of Medical Sciences, address both unmet healthcare and medical education needs through new product development, hands-on demonstrations and train-the-trainer programs. The SGTC's work and partnerships were cited in a 2012 research report led by Harvard Business School Professor Michael E. Porter.

In China, we expanded our mobile education programming with the launch of two mini Mobile Training Centers (MTC) in late 2012. The mini MTCs feature the latest Stryker products and instrumentation while providing hands-on practice and procedural training

1,100+
healthcare
professionals
trained in 2012 by
Stryker Mobile
Training Centers
throughout China





Stryker's Training & Market Development Efforts in India Cited in Research Report

Stryker's education programs, new product development efforts and partnerships at our Global Technology Center in India were profiled in a research report *Competing by Saving Lives: How Pharmaceutical and Medical Device Companies Create Shared Value in Global Health*. We were noted for hiring and training local R&D talent to develop India-specific products. In the report's foreword, Harvard Business School professor Michael E. Porter writes, "Some pharmaceutical and medical device companies are prioritizing previously underserved patients and markets. Rather than seeing efforts in assisting lower income customers as corporate social responsibility and philanthropy, companies are transforming their products, pricing, manufacturing, distribution, and marketing to profitably meet previously unmet needs."

1,000+
participants have
attended Argo
Registrar Education
Program courses
since Stryker started
offering the training
nearly ten years ago
to support Ortho-
paedic Registrars
in Australia and
New Zealand.

led by Stryker's experienced education team. The mini MTCs are 25 percent smaller than our full-sized MTC introduced in 2011. During 2012, the full-size MTC with its integrated operation suite toured 13 cities and trained more than 1,100 healthcare professionals around China. By adding two smaller, more mobile MTCs, we can bring additional educational opportunities to healthcare professionals in cities where it is difficult for large trucks to access.

In the United Kingdom, future surgeons will benefit from our involvement with and the development of the University of Glasgow's new Clinical Anatomy Skills Centre. The Centre, which offers the most up-to-date, hands-on surgical skills training in the UK, is a joint initiative between the University and the Royal College of Surgeons and Physicians Glasgow. Stryker has extensive experience outfitting teaching laboratories, including a London training facility for the Royal College of Surgeons of England where we are recognized as a Platinum Partner.

At the University of California San Diego's Center for the Future of Surgery (CFoS), Stryker outfitted five operating rooms and 22 surgical stations with the latest in visualization, lighting and communication components. The \$65 million medical simulation training center is the largest facility in the nation dedicated to educating surgeons and testing new operating room equipment, procedures and methods.

"The Center for the Future of Surgery is developing revolutionary surgical techniques that will change the way surgery is performed in the next decade," said Santiago Horgan, MD, professor of surgery and CFoS director. "As a global training center, our ultimate goal is to develop safe methods that will result in better outcomes, less pain and faster recoveries for every patient."



Center for the Future of Surgery, San Diego, CA



Education Program Features Renowned Experts

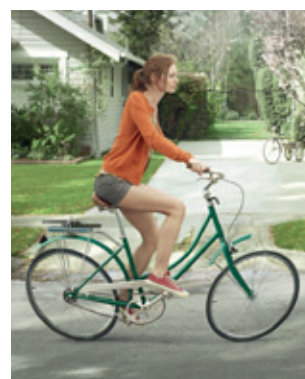
Stryker's Musculoskeletal Oncology Education Program is a two-day intense, hands-on program for orthopedic oncology fellows designed for surgeons who face challenging treatment options for their patients. Like many of our education programs, the faculty includes renowned experts from leading orthopaedic oncology institutions.

Because Stryker is a leading manufacturer of products used in surgical procedures, we are deeply committed to advancing surgical competence and ultimately patient care through education and training. We believe that innovative simulation training provided by leading academic partners is paramount to developing the next great generation of medical professionals.

As part of our ongoing efforts to make it easier for professionals to access educational opportunities, in 2012 we launched an online Global Education Calendar that offers information about upcoming Stryker courses, events and third-party meetings. Users can filter listings by country and category. We also introduced the Stryker Education Channel, an interactive, on demand video-based learning site that features arthroscopy, general surgery and gynecology in addition to other specialties. Additionally, to reach healthcare professionals as well as patients and the general public, we launched the Stryker Channel on YouTube.

Our YouTube channel is just one of several ways we have increased outreach directly to patients who have a vested interest in their own care. We invested significant resources in our new integrated GetAroundKnee campaign, which is designed to help people understand options to treat knee pain, associated clinical evidence and how to find a surgeon. While knee replacement surgery has become relatively common, there is a difference in implant design among industry manufacturers. Stryker's GetAroundKnee System has a single radius, with a single center of rotation, which is similar to a circle, because it is designed to replace the knee's naturally circular motion throughout the active range of motion. Other knee replacements have oval designs with different centers of rotation.

The campaign started in May 2012 with TV and print advertising and continued throughout 2012, resulting in more than a half-million patients visiting www.GetAroundKnee.com and searching for an orthopaedic surgeon. The campaign's reach and impact was expanded later in the year with digital advertising and social media content including the Stryker Hiker app, an interactive pedometer that tracks route, walking activity, calories burned and GetAroundHistory. Additionally, we developed a YouTube channel featuring acclaimed golfer Fred Funk sharing his GetAroundKnee experience, knee replacement animations and all of the GetAroundKnee commercials. The communications industry recognized the campaign with the prestigious CLIO and Gold MarCom awards.



500,000+
people have visited
the **GetAroundKnee**
web site

www.GetAroundKnee.com

HEALTHCARE SUSTAINABILITY

STRYKER A BEST PRACTICE

A 2012 report from Green Research on medical device manufacturers and sustainability recognized our efforts to support healthcare environmental initiatives as a best practice. The findings cited our program as one of just a few that "...address a crucial industry need for improved waste management processes, deliver top-line growth and help to deepen customer relationships."

Sustainability in healthcare means looking at how scarce hospital resources are utilized and disposed of in order to produce the best possible healthcare quality, while minimizing impact on the environment. Our sustainability programs effectively and safely align with these key sustainability imperatives through reprocessing and remanufacturing to keep medical devices out of landfills and allow hospitals to redirect resources toward initiatives that may increase the quality of patient care.

Stryker, a leader in the medical device reprocessing industry, is dedicated to developing the safest, most effective reprocessing and remanufacturing practices, so that hospitals can safely use reprocessed/remanufactured devices and live up to their responsibilities as environmentally conscious, patient care-focused institutions.

The idea of reprocessing/remanufacturing is simple: single-use medical devices (SUDs) are treated as assets, not trash. Most SUDs cannot be used again; they must be thrown away or recycled. However, many SUDs can, with the right clinical and technical expertise, be reprocessed or remanufactured to perform at their original level for one or more additional uses.

According to the Association of Medical Device Reprocessors (AMDR), more than 3,000 hospitals across the U.S. reprocess, including most of the *U.S. News & World Report* "Honor Roll" hospitals. Using these devices, some hospitals save between \$400,000 and \$500,000 per year in medical device expenses and can redirect these significant resources to quality care initiatives, such as adding nursing staff or upgrading equipment. Substantial improvements to patient care quality can be achieved this way. At the same time, by participating in the reprocessing or remanufacturing program, these healthcare organizations reduce their amount of device disposal by as much as 50,000 pounds per year.

The Three Rs of Healthcare Sustainability

Stryker allows hospitals and surgery centers to:

- ▶ **REDUCE** medical waste by hundreds of thousands of pounds, protecting our environment by collecting valuable medical devices instead of throwing them away
- ▶ **REDIRECT** important resources to patient care quality initiatives by using reprocessed/remanufactured devices
- ▶ **REDISTRIBUTE** unused devices that cannot be reprocessed to hospitals in impoverished nations around the world





Reprocessing programs have become a best practice among **3,000+** hospitals across the U.S., including most of those listed on *U.S. News & World Report's* "Honor Roll" hospitals.

New Stryker Device Provides both Environmental and Financial Benefits

In 2012 Stryker introduced Restep, a pioneering deep vein thrombosis (DVT) compression sleeve therapy. Restep addresses a critical market need for comprehensive device solutions that deliver fiscal and environmental value to hospitals by integrating original manufactured and reprocessed devices. The product launch signifies the growing role suppliers play in offering quality solutions that address the needs of clinicians, hospitals and patients while benefiting the environment. With Restep, hospitals will be able to opt for less environmentally impactful products without sacrificing quality or financial prudence. The latex-free product's environmental benefits include PVC-free sleeves and the ability to be reprocessed up to four times.

Supporting the Clinician's Role in Sustainability

Stryker understands the importance of clinician involvement in sustainability initiatives. As a result, we provided a grant to support the 'Lighten Your Carbon Footprint' education session at the 59th AORN Congress in partnership with Pfiedler Enterprises. During this session, more than 800 nurses learned about the link between environmental and human health, reviewed environmental best practices and discussed strategies to reduce the carbon footprint of operating rooms. This was the third year we supported this event because we believe in championing the nurses' role and providing them with measurable ways they can minimize their organizations' environmental impact.

In 2012, Stryker helped hospitals and ambulatory surgery centers divert

7.5 million+ pounds of medical waste from landfills and save **\$240 million+** in supply expenses.



Genesis Health System Aims to be a “Green” Health System

Genesis Health System provides compassionate, quality healthcare to a 10-county region of the Quad Cities metropolitan area and the surrounding communities of Iowa and Illinois. The hospital also feels an obligation to care for the environment and constantly explores ways to minimize pollution, conserve resources, and increase operational efficiency while still being fiscally responsible.

“We look at single-use equipment as assets that can be repurposed, not as trash. When it is possible to safely reprocess and remanufacture a device, we are doing that,” said Steve Thomas, purchasing manager, Genesis Health System. “That includes everything from drill bits to saw blades and supplies we use in the operating rooms and the cardiac catheterization labs.”

For example, working with Stryker, Genesis Medical Center, in Davenport, Iowa, diverted nearly 7,000 pounds of waste by reprocessing and remanufacturing medical supplies in 2012.

For devices that cannot be reprocessed/remanufactured, we work with local recycling companies to break them down into their component parts so they can be recycled appropriately and kept out of landfills.

The healthcare industry is one of the largest contributors to landfill waste in the United States. Inside our nation’s medical facilities, operating rooms contribute approximately one third of all waste from each facility. By helping healthcare organizations reprocess/remanufacture medical devices, we are facilitating one of the most impactful sustainability initiatives currently undertaken by U.S. hospitals.

STRYKER SUSTAINABILITY

Just as we strive each year to expand the range of sustainability solutions we offer our healthcare customers, we look inward for our own opportunities to be a more sustainable and environmentally responsible business.

Traditionally our strategies to minimize our environmental impact and adopt global best practices have been managed, monitored and measured at the division and facility levels. Due to an increasing demand for information at the company-wide level, especially about efforts and goals to reduce total greenhouse gas (GHG) emissions, in 2012 we began the necessary steps to participate in the Carbon Disclosure Project's (CDP) annual survey. We collected data for the past three years (2010–2012) on GHG emissions from 24 of our 29 manufacturing sites. Sites not included were part of recent acquisitions where GHG information was not yet available. With this data, in 2013 we can establish a baseline from which we can set and announce future reduction strategies and targets and begin reporting this information to the CDP and all interested stakeholders.

Our environmental practices are designed to comply with or go beyond industry and government regulations. Further, the U.S. FDA monitors and regulates Stryker manufacturing with a much higher standard than conventional manufacturing. In 2012, we received the U.S. Green Building Council's LEED (Leadership in Energy & Environmental Design) certification for Existing Buildings: Operations & Maintenance at our Mahwah, New Jersey facility. With nearly 500,000 square feet, this is Stryker's largest manufacturing facility to receive LEED certification.

At the end of 2012, our Mahwah location became 100 percent electricity/carbon neutral through the purchase of wind renewable energy credits (RECs). Additionally, in mid-2012 the facility implemented a new energy efficient lighting system that reduces annual electrical energy usage

Our Mahwah, New Jersey plant's new energy efficient lighting system has an annual environmental impact equal to

225

cars removed from the road or nearly

29,500

trees planted





▲ Several times a year, our Japan colleagues participate in volunteer rice plantings in the Tohoku region.

▼ A team of Stryker employees from our Cork, Ireland locations took an afternoon off to help clean up nearby Garryvoe Beach.



Three Stryker facilities have earned LEED certification and two have earned BREEAM certification.



Suzhou, China

New Construction

One of only five facilities in China to achieve this rating



Portage, Michigan

Existing Buildings:

Operations & Maintenance

First manufacturing facility in Michigan to receive this certification



Mahwah, New Jersey

Existing Buildings:

Operations & Maintenance

Largest Stryker manufacturing facility to receive this certification

breeamnl

Venlo, Netherlands

Very Good Rating

First distribution center in Europe

breeam

Newbury, Berkshire, UK

Excellent Rating

Post construction review of Stryker's new United Kingdom office

by 1.32 million kWhs and will reduce carbon dioxide, nitrogen oxide and sulfur dioxide emissions with an annual environmental impact equal to removing 225 cars from the road or planting nearly 29,500 trees.

This plant joins our LEED Gold (LEED for New Construction) certified facility in Suzhou, China and LEED Silver (LEED for Existing Buildings: Operations & Maintenance) certified facility in Portage, Michigan. We also have certification underway for a corporate office location in Portage, a leased location in Kalamazoo, Michigan and a manufacturing facility in San Jose, California.

In Europe, two of our locations were awarded BREEAM (Building Research Establishment Environmental Assessment Method) certification in 2012. Our Venlo distribution center in the Netherlands received a “very good” rating, while our new facility in Newbury, United Kingdom received an “excellent” rating.

BREEAM is another environmental assessment method and rating system for building design, construction and operation and has become one of the most comprehensive and widely recognized measures of a building's environmental performance. Assessment measures represent a broad range of categories including energy and water use, internal environment

Centralized Distribution Benefits Customers and Environment

Stryker has created centralized distribution centers in Indianapolis, Indiana and Venlo, Netherlands to more efficiently serve our customers. These cross divisional facilities apply lean principles to reduce redundancy and optimize our distribution network to limit product moves before arriving at the customer. Through consolidated shipments, we have reduced transportation needs as well as the the resulting energy consumption and carbon footprint.

Award-Winning Environmental Stewardship

The Kalamazoo (MI) Regional Chamber of Commerce recognized Stryker's Darcy Nelles-Serba with their 2012 Environmental Award, part of their annual Community Awards program. The award is presented to a business that exhibits exemplary practices in operating in an environmentally friendly manner or that has made a significant contribution to an environmental process, program, or improvement.



(health and well-being), pollution, transport, materials, waste, ecology and management processes. A facility's environmental performance is compared to established benchmarks to evaluate building specification, design, construction and use.

PRIDE IN DOING THINGS RIGHT

All of us at Stryker pride ourselves in doing the right thing for customers, patients, employees, communities, investors and other important stakeholders. We make a personal commitment to conduct ourselves in compliance with all applicable laws and regulations according to the highest ethical standards and act with unquestionable integrity, honor and in full compliance with our Code of Conduct. You will find more comprehensive information on this topic in the Corporate Governance section of our web site.

Stryker constantly looks for ways to use less electricity and water and reduce waste, whether it is changing behaviors, upgrading systems or implementing new technologies. In Freiburg, Germany we switched from electric to groundwater cooling-based for air conditioning in our manufacturing areas and in Freiburg and Stetten, we established facility management systems that monitor heating, cooling and ventilation site wide. Our Selzach and La Chaux-de-Fonds, Switzerland locations also implemented similar facility management systems.

Additionally, the two Switzerland facilities have or are in the process of implementing heat reclamation systems that recover heat from air compressors and ventilation units for hot water, building heating and other uses. These two locations have also started the transition to free cooling systems. When the ambient air temperature drops to a set temperature, all or part of the chilled water bypasses existing chillers and runs through the system. This saves power by using the lower ambient air temperature to cool the water in the system.

For waste reduction efforts, our colleagues in Puerto Rico continue to set the standard in their region by annually increasing the amount of material recovered for each of the past five years. In 2012, our Arroyo facility recycled nearly 80 percent of their waste and reclaimed about 2.8 million pounds of material. This recycling success is achieved partly by a program the Arroyo facility developed to collect, repack, reuse and recycle raw materials and waste in cooperation with the municipality, other industries, schools and suppliers.

Company-wide, we continue to work to reduce the amount and impact of resources used during packaging and shipping. Most of our packages use 100 percent recyclable materials while still complying with regulatory, sterility and quality requirements. We increasingly use reusable shipping containers and recycle wood pallets to help minimize the environmental impact of product distribution.

As a company in the business of care, we consider the health of the world around us as vital as the health of the people who live in it.

DEDICATION AND PASSION FOR WHAT WE DO

Stryker is repeatedly recognized for our caring and hardworking employees who are inspired daily by the opportunity to make a difference in the lives of caregivers, patients and their families. Our people and their dedication and passion for what we do is what makes Stryker a great place to work.

For the third consecutive year, Stryker was named one of the “100 Best Companies to Work For” in the U.S. in FORTUNE Magazine’s annual survey of the top-rated workplaces in the United States. Our current ranking of 61 was a 19-spot leap over our previous listing. To choose the 100 Best Companies, FORTUNE partners with the Great Place to Work Institute to conduct the most extensive employee survey in corporate America. Two-thirds of a company’s score is based on this feedback.

Stryker was listed number two on the magazine’s list of Top Ten Perks from Best Companies. The magazine highlighted a Stryker benefit that allows employees to borrow our patient care beds for themselves or family members who require home rehabilitation following surgery or are dealing with terminal illness.

We also received the Gallup Great Workplace Award for the sixth time in 2013. Stryker was one of only 32 global companies honored out of the thousands that were eligible for the award. Based on the most rigorous workplace research ever conducted, the award honors organizations whose employee engagement results demonstrate they have the most productive and engaged workforces in the world. Stryker is one of only five companies that have received this honor at least six times.



“In short, these (Gallup Great Workplace Award) winners are improving lives as they improve the overall performance of their companies.”

James K. Harter, Ph.D., Gallup’s Chief Scientist of Workplace Management and Wellbeing

Worldwide Workplace Recognition

- ▶ **GLOBAL:** FORTUNE World’s Most Admired Companies
- ▶ **GLOBAL:** Gallup Great Workplace Award
- ▶ **U.S.:** FORTUNE 100 Best Companies to Work For
- ▶ **U.S.:** Workforce Diversity for Engineering and IT Professionals, One of Top 50 Companies
- ▶ **NORTHERN CALIFORNIA:** San Francisco Business Times and the Silicon Valley/San Jose Business Journal, Best Places to Work in the Bay Area
- ▶ **NORTHERN CALIFORNIA:** San Jose Mercury News, Top Workplace for Large Companies in the Bay Area
- ▶ **CANADA:** The Globe and Mail, Canada’s Top 100 Employers
- ▶ **CANADA:** Great Place to Work Institute, Best Workplaces in Canada list
- ▶ **UNITED KINGDOM:** Sunday Times, Best Companies to Work For

Our Opinions Count

We view our own employees as experts on many matters and value their creative thinking. The 'Our Opinions Count' program at our Suzhou, China facility encourages employees to put their creative ideas and innovations into practice. In 2012, more than 135 "opinions" that we implemented led to cost savings, efficiency improvements or product quality enhancements, including a newly opened tool shop.



Why is employee engagement so vital? According to James K. Harter, Ph.D., Gallup's Chief Scientist of Workplace Management and Wellbeing, "Engaged employees are more productive, safer, more customer-centric, and more profitable. They are also 3.5 times more likely to be thriving in their overall lives, experience better days, and have fewer unhealthy days. In short, these winners are improving lives as they improve the overall performance of their companies."

Our approach begins with attracting and retaining the best people. We create a work environment that truly engages employees, making them feel valued and allowing them to do what they do best. We encourage employees to take an active role in developing their Stryker careers and provide them with the necessary tools and resources to make informed decisions and chart ideal career paths.

One of the most important things we can do to ensure that we continue to be a great company and foster our culture is to promote development and internal movement of our employees. In 2012, we launched My Stryker Career, a new global online resource that provides employees the visibility to search and apply for available positions at Stryker around the world. The micro site and posting process is integrated within our applicant tracking system to efficiently assess and match employees' professional interests with available positions. As our global presence expands and our marketplace continues to evolve, it is increasingly important for our people to have experience across divisions, geographies and business functions.



Great Adventure Challenge

Stryker employees have many opportunities to network and share experiences on site and out in the community. In Australia, several Stryker teams competed against other Australian companies in the Great Adventure Challenge to raise money for the Starlight Children's Foundation. Through a combination of our South Pacific division and employee donations, Stryker raised more than \$300,000 for the Starlight Children's Foundation during 2012.

WORKFORCE AT-A-GLANCE

More than **22,000** employees worldwide with **40%** outside the U.S.

Women make up **35%** of our global manufacturing workforce.

More than **50%** of our U.S. professional workforce are women and minorities.

More than **25%** of our corporate officers are women.

Women and minorities make up **55%** of our board of directors.

Another online tool we offer is Mentorship Match, a site we expanded in 2012 to all employees. This tool provides visibility to potential mentors and mentees and includes video tutorials. Whether it is online or in person, in a conference room or in the community, our employees have numerous opportunities to connect with colleagues and shape their careers.

Perhaps nothing engages and inspires our colleagues more than hearing and seeing firsthand how their work changes lives. Annually, clinicians and patients come from all over the U.S. to Kalamazoo, Michigan, for our “Patient, Clinician & U” event designed to help our employees understand the impact of their daily work. Medical professionals and former patients share dramatic and compelling stories that may not have been possible without Stryker products and personnel in the hands of talented clinicians.

With our talent and culture among our company’s greatest strengths, we will continue to invest in our employees and provide them with the support and environment they need to be successful and know that their work matters.



Emerging Leaders Gather in Amsterdam

We started the Accelerated Development Program (ADP) in 2012 to “accelerate” the development of high potential employees in preparation for broader, key leadership roles within Stryker. The year-long program goes beyond the classroom to include individual coaching, feedback and networking activities. Equally important is the focus on developing leaders who recognize and understand the importance of service, contribution and collaboration.. When ADP participants gathered in Amsterdam for one of their group development sessions, they spent two days in workshops plus an afternoon devoted to community service. These emerging leaders assisted senior housing residents with gardening, clean up and maintenance, providing an opportunity both to give back and to more fully experience another culture.



CARE FOR OUR COMMUNITIES

Our responsibility as a healthcare company is to help people that are in need, especially those devastated by poverty, poor health and disaster. In 2012, we continued to share our time, expertise and resources by providing \$25.8 million¹ worth of financial and product support around the world; a significant increase over the prior year.

We determine philanthropic support based on professional and community needs, and employee interests. Most of our assistance is for programs that provide humanitarian aid, access to medical care and other charitable assistance. For example, since 2005 Stryker has partnered with Esperança and donated more than \$7 million worth of medical supplies. In 2012, we provided more than 170 boxes of supplies to Nicaragua for use in free surgeries, including those to correct a young man's cleft palate and treat four sisters with severe facial burns.

"Your donations are truly a life-saving gift. Due to extreme poverty, many families that we serve live without proper medical care. Be assured that you are helping us prevent suffering and loss of life by your donation," explained Tom Egan, President and CEO of Esperança. "We look forward to our continued partnership to improve the lives of thousands in the developing world."

In May 2012, Stryker medical equipment and goods were among the nearly \$1 million worth of product donated to Virtue Foundation's surgical teaching mission in Ulaanbaatar and Khovd, Mongolia. During the mission, two dozen healthcare professionals performed free, essential surgical care and trained local surgeons. They served more than 750 patients, performed approximately 175 surgeries and provided more than 900 hours of best-in-class clinical training using the latest innovations in surgical techniques.

We contributed
\$25.8
million¹
worth of financial
and product support
worldwide in 2012.

Giving Smiles

Since 1999, Stryker has provided Operation Smile with nearly \$1 million in cash and product donations, supported hundreds of medical professionals from around the world through the Physician's Training Program and sponsored nearly 100 plastic surgery residents in the Stryker Fellowship program. Pictured is Vivian Masson, president of our Trauma & Extremities business, who travelled to Bogotá, Columbia as a non-medical volunteer with Operation Smile in 2012.



In Ghana, Dr. Joe Marotta and his volunteer team of medical professionals successfully completed the first orthopaedic surgeries as part of the mission of Medicus in Christi. The non-profit, founded by Dr. Marotta, provides medical care, equipment and training to the impoverished in developing countries. The surgeon and his team used donated Stryker surgical implants and instruments.

“I would venture to say that the team and I performed procedures available nowhere else in Ghana or most of the entire continent of Africa,” noted Dr. Marotta. “The concept of providing state of the art bone and joint care for the people of this region is coming clearer into view with each and every small step we make. All of the hard work, planning, and generous donations have come together to allow this mission of charity to occur.”



Stryker Canada Help for the Holidays

For people in need, the holiday season is not always a joyous one. That is why Stryker contributed \$20,000 to purchase and personally deliver supplies and gifts to four Hamilton-area charities. The Hamilton Food Share supports food banks and hot meal programs, Food 4 Kids provides backpacks of healthy food for kids with limited or no access to food on weekends, the Neighbour-2-Neighbour Centre’s New Mom’s Program distributes gift bags, clothing, blankets and toiletry products to new mothers in need and the Children’s Aid Society of Hamilton supports the Toy Room Program to help bring joy to families and children that are less fortunate.



Limerick, Ireland employees rolled up their sleeves to build a fruit and vegetable garden for Adapt House, a safe place for women and children affected by domestic violence.

For our surplus of medical supplies, there is a second life in developing countries through a partnership with MedShare. The organization fulfills a dual mission to deliver surplus medical supplies from manufacturers and hospitals to underserved populations in nearly 90 developing countries around the world while lessening the impact of medical waste in the U.S.

Our employees also venture far from their homes every year to provide support on medical missions. Vivian Masson, president of our Trauma & Extremities division, travelled to Bogotá, Colombia to work as a non-medical volunteer for Operation Smile. Since 1982, the international children's medical charity has provided more than 200,000 free surgeries for children and young adults born with facial deformities such as a cleft lip and cleft palate. The charity also trains local doctors in developing countries and strengthens healthcare systems so more children in some of the poorest areas in the world can be treated.

Associate Sales Representative Trent Allen participated in an Operation New Life surgical mission in Tegucigalpa, Honduras, the poorest country in the western hemisphere. Operation New Life is



Making a Difference Across Eastern Europe, the Middle East & Africa

- ▶ **BALERNA, SWITZERLAND:** Donated instruments for musical therapy to a foundation that helps rehabilitate people with disabilities and integrate them into society.
- ▶ **BUCHAREST, ROMANIA:** Organized a summer camp for children with disabilities, where they participated in numerous activities that encouraged their recovery.
- ▶ **DUBAI, UNITED ARAB EMIRATES:** Donated air conditioning systems & refrigerators to financially challenged people living in an area with extremely high temperatures all year.
- ▶ **ISTANBUL, TURKEY:** Provided financial and emotional support for a wheelchair basketball team.
- ▶ **JOHANNESBURG, SOUTH AFRICA:** Fought to save the rhinos in danger of extinction and offered a better life to the families of the game rangers that got jobs as a result of the training Stryker coordinated.
- ▶ **MONTREUX, SWITZERLAND:** Built a playground for unaccompanied minors requesting asylum in Switzerland and living in a building close to the Stryker office.
- ▶ **MOSCOW, RUSSIA:** Built a playground for long-term hospitalized children.
- ▶ **WARSAW, POLAND:** Purchased school equipment for the SOS Children Village in Siedlce.



Feeding Our Communities

In August 2012, Stryker employees donated more than \$30,000 and 3,000 pounds of food to the Kalamazoo Loaves & Fishes' (KLF) emergency feeding programs. Employees organized a number of activities to raise funds, including bake sales and a pancake breakfast. At the end of the month, 60 employees spent a day filling food packs for local schoolchildren as part of the Weekend Food Pack Program that is supported by KLF and the Food Bank of South Central Michigan. Stryker has supported KLF annually for the past three years donating a total of more than \$90,000 and 8,000 pounds of food.

a medical, surgical and teaching ministry that serves the poor in a safe hospital environment by partnering with and educating local surgical teams. Over an eight- day period, Trent's mission team handled nearly 25 cases including trauma, orthognathic, cleft palate and tumor resection.

Many of our charitable efforts are organized by our colleagues. Each region that is a part of a Stryker Eastern Europe, Middle East and Africa employee philanthropy and volunteer program receives a \$2,000 grant for a preferred community project and is eligible for up to an additional \$2,000 in matched funds for donations that employees raise. An additional \$5,000 grant is awarded to the region that raises the most money.

Thanks to the efforts of the Stryker team in Turkey who won the contest, the Anadolu Yakası Wheelchair Basketball Team received financial help as well as care and support. The team of orthopaedically disabled athletes needed physical and psychological rehabilitation so they could better integrate into society. The Stryker team brought them basketball equipment, had their broken wheelchairs repaired, created a web site for them to advertise their matches, went to see many of their games and even played a match with them. The Stryker team in Turkey plans to use their \$5,000 grant to purchase and donate wheelchairs to orthopaedically disabled people who cannot afford to buy them.

“Stryker associates are as passionate about their communities as they are about their work. Their desire to make a difference manifests itself every day, from small interactions with colleagues to grand gestures with strangers in neighborhoods half a world away.”

Jim Heath, President, Instruments division



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1. Charitable contributions include cash, product donations and honorariums & grants. Product donations are valued at fair market value.

Front Cover: Associate Sales Representative Trent Allen (far right) participated in an Operation New Life surgical mission in Tegucigalpa, Honduras, along with the following volunteers (from left to right): Dr. Carlos Lainez (general surgeon and also a resident in plastic surgery in Honduras), Kim Luck (dental assistant and OR assistant for oral and maxillofacial surgery), Dr. Bill Alfonso (oral and maxillofacial surgeon and co-founder & president, Operation New Life) and Dr. Juan Carlos Rodriguez (head of oral and maxillofacial surgery, Honduran University System).

Back cover: Capital Health Regional Medical Center's Dr. Erol Veznedaroglu (Dr. Vez) was the first neurosurgeon to treat a stroke patient, Elisa Kahn, using Stryker's Trevo Pro Retriever System.