



2018 Gender Pay Gap Report

Under new legislation that came into force in April 2017, all employers in the UK with 250 or more employees are required to publish their gender pay gap.

The gender pay gap gives a snapshot of the gender balance within an organisation. It measures the difference between the average earnings of all male and female employees, regardless of their role or seniority.

At Stryker, we encourage, value and leverage the diversity of people, perspectives, experiences and lifestyles to achieve maximum business performance. It is critical to our success that we have a workforce as diverse as the patients, professionals and communities we serve. Focusing on diversity and inclusion supports our business strategy by attracting top talent and improving our decision-making. Our engaged and inclusive teams encourage people to share their diverse insights, perspectives and opinions to help drive innovative solutions that accommodate our customers' and their patients' different physical and lifestyle needs.

Our 2018 data

Difference in hourly rate

Mean	17.9%
Median	11.7%

Proportion of women in each pay quartile

Top quartile	27.9%
Upper middle quartile	35.9%
Lower middle quartile	38.6%
Lower quartile	39.6%

Proportion of employees who received bonus pay

Women	89.6%
Men	92.9%

Difference in bonus pay

Mean	37.1%
Median	26.6%

Understanding the gap

One year ago, at Stryker, we communicated to our employees regarding the new Gender Pay Gap legislation which required employers to report for the first time in 2018. To help clarify the metrics and our numbers, presentations were made to our leadership team as well as to all employees in a townhall session. We followed the presentation with a posting on our HR Connect intranet site. We acknowledged then that we do had work to do. One year later, our Gender Pay Gap has narrowed considerably. Yet, we continue to strive for improvements. Females are underrepresented in both our Sales Teams and in our Management Teams. Our goal is improvement year over year and we know that meaningful change will take time. Our hiring managers are critical players in helping us change the numbers as each hiring decision has an impact on our gender pay gap. In addition, Stryker is a highly acquisitive company and each acquisition has the potential to dramatically shift our workforce demographics in any given year. We believe that if over time, our management teams and our sales teams are comprised of a balanced representation of females and males, we will effectively close the Gender Pay Gap at Stryker UK.

The gender pay gap legislation prompted us to conduct further analysis internally. In evaluating compensation across similar job grades, encouragingly, we found that pay gaps contracted when looking across similar roles at Stryker. In several cases, we found no gap at all. And in others, the gap was a reverse pay gap for female employees. This gives us confidence about internal pay practices – that when we look at equivalent job roles, males and females are compensated equitably at Stryker.

While we are maintaining a relentless focus on increasing the number of women in senior positions and in our sales teams, within our *Talent First* culture, we also strive to have the most talented people in roles regardless of gender.

Aims and Action plan

Meaningful change takes time, and our ultimate goal is to achieve gender equality across all levels of our organisation without compromising our core values.

Our plan to attract, hire and retain more women into our business includes the following interventions:

- Inclusive bias-free recruitment practices.
- Enabling more women to progress to senior management levels through mentoring, sponsorship, and talent management processes that put a spotlight on high potential female managers.
- Building an inclusive culture where all our women can be completely themselves and succeed in partnership with our Stryker Women's Network.
- Leadership development programmes geared specifically for our rising female leaders.
- An enhanced return-to-work maternity policy which provides a bonus to returning moms upon completing 6 months of employment after maternity leave.

We value and support **diversity & inclusion**

We see diversity and inclusion as a business imperative aligned with our mission and values. Focusing on diversity and inclusion supports our business strategy by retaining top talent, enhancing our customer connection by representing the diverse interests and needs of our global customer base, improving our decision-making and innovation through creating an inclusive environment that allows for diverse perspectives and experiences

Our new D&I Strategy in Stryker UK is both powerful and simple. It's all about the individual. Our "I'm IN" campaign is unique. Unlike some exclusionary messages about D&I groups, our key message to our employees is: *It's not an invitation to belong, you already do! We are who we are, because you are who you are – so just be you.* Recently launched to all Stryker UK employees in our quarterly town hall, the D&I platform is already on a roll. Earlier this year, a group of Stryker employees made our inaugural appearance at the Reading Pride march and we were thrilled to represent our company in the LGBT community. In addition, we are the process of establishing a D&I Board and over 40 volunteers have raised their hands to be a part of it.

Research shows a direct correlation between employee engagement and workplace inclusion. We evaluate our engagement through our annual employee engagement survey, and we even have an inclusiveness question on our employee engagement survey, "My company values diverse opinions," which helps us more closely track how employees feel about our continuous efforts to create and maintain a diverse and inclusive culture.

Stryker's Women's Network (SWN) builds a more inclusive culture

The Stryker's Women's Network (SWN) is an employee resource group that focuses on helping to build an engaged, high-performance work environment through inclusion activities. SWN improves our business results by fostering an open and inclusive culture, developing and retaining talented women and driving engagement. SWN members take advantage of numerous professional development, mentoring, community outreach and educational opportunities, meeting and networking with women and men in many different roles across Stryker. Because many of the issues that affect women in the workplace also affect men, the SWN is open to all employees. By engaging both male and female employees on issues such as balancing work and family life, participating in personal and professional development opportunities, staying connected to their communities and finding ways to help those in need, the SWN is making a difference for many people.

SWN has more than 4,400 members across 45 countries. It consists of 70% female and 30% male members. The group has broadened our culture of inclusion through various activities, such as hosting events with guest speakers from Stryker and other organizations. The SWN's newsletters reinforce inclusive messages with employee profiles and interviews, research links, and information on events and activities. The SWN also hosts mentorship and networking programmes with support tools that encourage frequent interaction. Members participate in

numerous philanthropic and community events supporting women and children, minorities and the underprivileged.

We expanded our SWN global steering committee. As SWN continued to grow and mature, we realized that we needed additional skills to reach our goal of attracting, retaining and developing women. In 2016, we added the roles of Vice President of Recruiting and Vice President of Program Management (PMO) to our global steering committee. The focus of the VP of Recruiting includes collaborating with our recruiting teams to **increase the pipeline of female talent through visibility, tools and programs**. The VP of PMO is responsible for collaborating with the SWN president to plan agendas, schedule meetings and communicate about SWN activities.

Online community encourages conversations. The SWN community on our Connect intranet helps global SWN members become better connected. In this community, members stay informed of events, activities and conversations on various topics of interest to them. The community has more than 1,500 followers—the largest number of followers of all of our communities on Connect.

Leadership Spotlights connect employees and leaders. SWN's Leadership Spotlights increase senior leaders' interactions with employees, provide a global activity that all SWN members can participate in, and provide members with an opportunity to learn from leaders in various regions and/or functional roles. The format for the spotlights is simple: senior leaders select topic, book, video or article that is meaningful to them, then during a live broadcast, they present their thoughts and how they apply to Stryker. SWN members listen to the presentation, then ask questions during a live question and answer session at the end of each presentation. For members who can't attend, we post recordings of the event on our intranet.

Sales sub-committee provides support and encouragement for female sales representatives. The sales sub-committee of the SWN focuses on creating a community among our female sales representatives who don't have the day-to-day encouragement and support of working in one of our offices. The group is open to any sales representative—female or male—and provides a support network for women in sales. The sub-committee meets every month by phone and during our annual sales meetings. The team also produces a quarterly newsletter that features messages from leaders, profiles of successful female sales representatives, and tips for staying fit and healthy. In addition, the sales sub-committee sponsors a mentoring program where we pair seasoned female sales reps with newer reps to offer encouragement, suggestions for success and support. The sales sub-committee also hosts regional site events where female and male sales representatives can gather in a central location to meet with leaders and network with each other.

We are committed to building a winning culture for **all employees**

Building and maintaining a great culture requires commitment, time and attention to an effort that in our minds, never ends. It means taking a long-term view and maintaining a style of communication that is frequent, authentic, and accessible.

We believe the results are worth it. Our culture is a recruiting asset. And our employees aren't just co-workers, they are colleagues who are invested in the business. While many organisations

may talk about what a great place they are to work at, we're putting in the effort to ensure that ours lives up to the aspiration. We're creating systems, delivering consistently, and listening carefully to our employees.

With our unique matrix reporting structure, Stryker UK isn't led by any one individual but by a team of leaders who are focused on making the work environment compelling and enjoyable for everyone. We feel honoured to be able to lead our employees and work alongside them. Each and every day they inspire us. Their dedication, passion, and sense of organisational pride is second to none. Indeed, we recognise that the success that we have today would have been impossible to achieve without our people. And it's for them that we will never stop thinking about our culture. Where we are, and what we can do to improve - and this includes achieving greater gender equality at all levels in our organisation.

Disclosure

This statement confirms that the published information is accurate as at the time of publishing and is signed by Peter Bradley, VP and MD, UK and BeNeNord.