# Modern Slavery Statement

Prepared by Stryker Australia Pty Ltd

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# **Reporting Entity**

Stryker Australia Pty Ltd ABN 48 002 873 850 of 8 Herbert Street, St Leonards, NSW 2065, submits this modern slavery statement, as required under the *Modern Slavery Act 2018* (Cth) (the Act) for the period 1 January 2021 – 31 December 2021 (Reporting Period).

## **Our business**

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

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

Stryker is headquartered in Kalamazoo, MI and our more than 46,000 employees operate in over 75 countries worldwide, including operations in the United States of America (including Puerto Rico); the United Kingdom, Europe, the Middle East, Africa; Asia Pacific, including Australia; Canada and countries in the Latin American region.

With operations and supply chains spanning the globe, Stryker is committed to improving the working conditions of people who are connected to our business. We recognize the need to monitor for conditions that put workers at risk of forced labor and human trafficking. The term 'forced labor and human trafficking' is used throughout this statement and includes within its meaning all elements of "modern slavery" as defined by the Act.

More information about Stryker can be found in our most recent Comprehensive Report.

Stryker Australia Pty Ltd is an Australian subsidiary of Stryker Corporation and the reporting entity under the Act.

The term 'Stryker Australia' in this statement refers to the above entity and its subsidiaries, while 'Stryker' refers to Stryker Corporation (listed on the New York Stock Exchange) and its subsidiaries. In this statement, the collective expressions "we", "us", "our", are used when we refer to Stryker Corporation and any entities which it owns or over which it has control because we operate using group-wide policies and procedures to assess and manage risk of forced labor and human trafficking. It is not intended to convey how we are structured, managed or controlled.

Stryker Australia employs over 900 people and conducts its business as an exclusive distributor of Stryker products from premises in Sydney, Melbourne, Brisbane, Perth, and Adelaide.

Stryker Australia sells, loans, consigns and services medical products manufactured and provided by Stryker's overseas operations to hospitals, as well as providing demonstration equipment for trials by surgeons and hospitals. Stryker Australia has no local manufacturing operations.

# **Our policies**

Our company values of integrity, accountability, people and performance underscore how we deliver on our mission to make healthcare better, serve our customers, employees and communities and protect the planet.

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

In addition, Stryker's policies communicate our values and expectations toward respecting human rights and advancing responsible procurement across our value chain. See the policies available on our <u>website</u> for more information:

- Code of conduct
- Code of ethics
- Anti-discrimination
- Sexual and other unlawful harassment
- Ethics hotline
- <u>Supplier code of conduct</u>

#### Governance

At Stryker, we are committed to doing what's right. Good corporate governance is essential to everything we do. We conduct our affairs in compliance with all applicable laws and regulations and in accordance with the highest ethical standards. All employees at Stryker are responsible for compliance with Stryker's policies and procedures, including maintaining a safe work environment in compliance with all applicable laws. Our vice president and chief human resources officer oversees human rights policies and procedures for Stryker employees globally.

Stryker's Corporate Responsibility Steering Committee is in place to deliver on our Corporate Responsibility (CR) objective: To positively impact people and our planet through responsible, sustainable practices that create a better, healthier world.

In addition, Stryker maintains a strong Global Compliance program to continuously monitor and drive Stryker's compliance with these values. Stryker has implemented several Compliance Committees to monitor different aspects of Stryker's business which monitor Stryker's compliance with Stryker's policies, procedures, and all applicable laws and regulations, including those which relate to forced labor and human trafficking, and investigate and respond to any relevant reports made through our Ethics Hotline.

Understanding the importance of quick identification and remediation of any potential acts of forced labor and human trafficking, our Global Quality & Operations Compliance Committee investigates any relevant reports made to our Ethics Hotline regarding forced labor and human trafficking. Our procurement leadership team also regularly reviews the actions being taken to assess the risk of forced labor and human trafficking in our global supply chain and identifies additional areas of opportunity for improvement.

In 2021, Stryker established the Forced Labor & Human Trafficking workgroup to identify and develop a comprehensive strategy to addressing forced labor and human trafficking risk, including by performing due diligence throughout our operations. The workgroup consists of leaders from corporate responsibility, human resources, indirect channel, direct and indirect procurement, manufacturing, trade, finance, and legal.

# **Our supply chain**

#### **Our suppliers**

Our supply chain comprises several tens of thousands of suppliers globally serving the manufacturing and distribution operations across our specialty business segments around the globe. Stryker's supplier network is a critical component of our value chain and is centered on engagement with suppliers who share Stryker's focus on quality and integrity. We seek and support strong relationships with a diverse group of suppliers who operate ethically and lawfully with an emphasis on accountability for their people and performance.

Our supply chain consists of direct and indirect suppliers. Direct suppliers are those which provide anything which directly relates to the manufacture of Stryker products. Our direct supply base consists of several thousand suppliers located primarily within North America and Europe. Indirect suppliers are those which provide anything else used within Stryker's operations.

Stryker Australia procures Stryker's products from Stryker and goods and services from local indirect suppliers, including office space related goods and services, professional services, transportation and freight, and travel and accommodations.

## Supply chain standards

Our supplier code of conduct, which aligns to our mission and values and our own code of conduct, outlines our expectations for supplier business conduct. Violations of applicable laws, including the use of child and compulsory labor, forced labor and human trafficking, and unsafe or hazardous working conditions are strictly forbidden. Strict adherence to the supplier code of conduct is required for any supplier doing business with us and Stryker requires that adherence through contractual arrangements with our suppliers.

Stryker requires that our suppliers maintain a management system designed to ensure compliance with the supplier code of conduct, provide a complaint mechanism for their employees to report workplace grievances or violations of our supplier code of conduct free from threats of reprisal, intimidation, or harassment, and that they investigate and take corrective action on any complaints.

We updated our supplier code of conduct in 2021 to clearly communicate our expectations with suppliers in areas of environmental, social and governance (ESG) best practices and to specifically address the prevention of acts which fall under the umbrella of human trafficking, including with respect to human rights violations, forced labor and human trafficking, child labor, and certain employment practices.

# **Assessing and addressing our risk**

#### Due diligence in our business and supply operations

Stryker verifies and monitors supplier adherence to laws and regulations and the <u>supplier code of</u> <u>conduct</u> through supplier assessments and monitoring. In 2021, we invested in our ESG assessment capabilities, specifically in the areas of human rights and labor, environment, ethics and sustainable procurement. This included initiating third-party assessments and ratings among 24.9 percent of our key direct suppliers and initiating self-assessments with an additional 129 suppliers. By the end of 2027, Stryker will engage suppliers on ESG performance assessments with the goal of covering 85% of our direct spend.

We are also investing in our supplier mapping, monitoring capabilities and supporting processes. These tools enable us to detect and assess potential risks within our direct supply chain in near real time, including those relating to human rights, forced labor and human trafficking. Further, we evaluated publicly available reports, including the Global Slavery Index and the U.S. Department of Labor's "List of Goods Produced by Child Labor and Forced Labor", to understand regions and industries with which Stryker engages that are most at risk for forced labor and human trafficking and assess any implications that could have within our supply base.

The results from our ESG assessments, active monitoring, and publicly available datasets are guiding us to identify priority impact areas where we can engage with our suppliers to build upon their capabilities and performance. We will also consider these findings as part of our procurement decisions and strategies.

#### Risk of forced labor and human trafficking

Based on publicly available research, Stryker is aware that manufacturing is generally considered at a higher risk of forced labor and human trafficking. Working conditions in factories and manufacturing sites and the procurement of certain raw materials can elevate the level of risk in the supply chain. The majority of Stryker's manufacturing sites, and the suppliers that support them, are located in countries which are not considered high risk jurisdictions by the Global Slavery Index.

The primary raw materials and components used in Stryker's manufacturing of products are plastics, metals, electronics, packaging and other specialty materials, including textiles. According to publicly available reports, including the Global Slavery Index and the U.S. Department of Labor's "List of Goods Produced by Child Labor and Forced Labor", some of these industries are known to be higher risk based on where the work occurs, or to incorporate higher risk materials within their extended supply chains, including the use of tin, tantalum, tungsten and gold that may originate from conflict regions in the Democratic Republic of the Congo and its adjoining countries.

Specific to the responsible sourcing of tin, tungsten, tantalum and gold originating in the Democratic Republic of the Congo and nearby countries, Stryker maintains a Conflict Minerals Policy. Stryker supports this policy by conducting reasonable country of origin inquiries and due diligence consistent with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and requires its direct suppliers to conduct supporting due diligence within their supply chains. Stryker files an annual form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission which further details these efforts and can be found <u>here</u>.

Stryker is also committed to working with non-government organizations to address human rights within our global supply chain. To this end, Stryker is a member of the Responsible Minerals Initiative.

Stryker Australia performed an initial risk assessment of forced labor and human trafficking risk in both its operations and its supply chain in respect of the goods and services provided by Stryker Australia's indirect suppliers and determined the risk of forced labor and human trafficking in Stryker Australia's operations as low. Research conducted by Stryker Australia indicated that there may be an elevated risk of forced labor and human trafficking within the cleaning and freight/transport industries, on the basis of our supplier base Stryker Australia considers the risk to be low.

#### Mitigation

Stryker Australia initiated a review of its local policies and guidance documents for consistency with our global supply chain standards. The results of that review helped Stryker Australia develop its strategy to mitigate risk of forced labor and human trafficking with Stryker Australia's indirect suppliers.

#### **Training and education**

Stryker requires employees to review and certify their compliance with Stryker's <u>code of conduct</u> on an annual basis.

In addition to the Stryker code of conduct, our direct procurement and supplier quality employees are required to complete annual training focused on the prevention of forced labor and human trafficking in our supply chain. This training focuses on the forms of forced labor and human trafficking, prevalence, risk factors, identification, and reporting mechanisms with the expectation that procurement personnel monitor Stryker's suppliers and are vigilant during any visits to a supplier facility. In 2021, 98.7 percent of these employees completed the training, and Stryker Australia began rolling out this training to indirect procurement managers.

## Forced Labor & Human Trafficking Workgroup

Our global Forced Labor and Human Trafficking workgroup was established to review opportunities to standardize Stryker's approach to forced labor and human trafficking, expand our efforts across various functions at Stryker, and evaluate additional opportunities for the prevention of forced labor and human trafficking.

## Reporting

In addition to normal reporting lines and methods, Stryker has a global Ethics Hotline which allows employees and non-employees, including our suppliers and their employees, to report suspected improper, unethical or illegal conduct, misconduct and other concerns via telephone or internet submission. Reports can be provided confidentially or anonymously so that it can be properly investigated and remedied without fear of retaliation. This hotline is communicated and available to Stryker employees through internal training, to our suppliers through our supplier code of conduct, and is also communicated publicly on Stryker's website.

Stryker's Global Quality & Operations compliance committee includes representatives from HR, Manufacturing, and Procurement and it is in charge of investigating any relevant reports made to our Ethics Hotline.

## **Effectiveness**

Stryker continually evaluates its risk assessment processes to identify new factors and methods that can be applied. In addition, management periodically reviews the actions being taken to assess the risk of forced labor and human trafficking in our supply chain.

Stryker records the completion rates of its forced labor and human trafficking training, as well as assessing employees on their comprehension as part of that training and plans to report on same in reporting period 2022.

# **Next Steps**

Since the close of the Reporting Period, Stryker Australia executed its mitigation strategy outlined above by broadly launching the Supplier Code of Conduct to Stryker Australia's indirect suppliers, updating agreement templates to include model clauses requiring compliance with the Act, and deploying standard purchase order terms and conditions that are harmonized with global standards and specifically require compliance with the Act.

Moving forward, Stryker anticipates it will release a single statement covering Stryker's efforts addressing forced labor and human trafficking risk applicable to all jurisdictions with disclosure requirements similar to those under the Act.

## Consultation

In preparing this statement, Stryker Australia Pty Ltd participated in and consulted with Stryker's global forced labor and human trafficking workgroup, direct procurement, and indirect procurement.

There are common directors across Stryker Australia subsidiaries who were involved in the development of this modern slavery statement.

## **Any other information**

This statement was approved by the Stryker Australia Pty Ltd Board of Directors on 29 June 2022.

**Maurice Ben-Mayor** 

Chair of the Board Stryker Australia Pty Ltd