Mindful Manufacturing™

Stratasys 2020-2021 ESG & Sustainability Report

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2

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Section I
Leadership Statements

3

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Chapter 1
Opening Statements

Statement from Yoav Zeif, CEO

Statement from Dov Ofer, Chairman of the Board of Directors

Statement from Ziva Patir, Senior Decision Makers: Sustainability Strategy, Board of Directors

Statement from Rosa Coblens, Vice President of Sustainability

About Us

4

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Mindful Manufacturing™ Sustainability: 3D Printing Key Impacts, Risks and Opportunities

We understand the game-changing impact additive manufacturing has on driving improvements that introduce more sustainable manufacturing. The new world economy, post-COVID-19, will rely on this technology and its power to innovate and improve global supply chains.

The challenge now is to take this value to scale as part of our everyday operations, for our entire ecosystem, across industries. Supply chains will continue to be disrupted. Local production and manufacturing, which pose less risk and create less waste, are becoming a new focus. That's where Stratasys comes in. With true hunger to make an impact, we will support big companies, local designers and engineers to make this shift. Let's preserve some of the benefits that a reduced footprint during the pandemic presented. We call it 'Mindful Manufacturing™' where we grow our businesses in a way that makes a positive impact on people and on the planet, for generations to come.

I stepped into my role as Stratasys CEO in February 2020, on the eve of a global

pandemic that has impacted business in unprecedented ways. At the time, I knew the power that 3D printing technologies presented, and understood the amazing untapped opportunities for polymer-based additive manufacturing.

Only a few short weeks later, I witnessed the impact of additive manufacturing in action, at scale and on the global stage, providing solutions for communities and economies that had been hit by the COVID-19 outbreak.

YOAV ZEIF
CEO, Stratasys

"Sustainability is about people. It's about our role in helping and supporting them, so that tomorrow is a better version of today."

5

| Section I Leadership Statements | Section II 'Mindful Manufacturing' Sustainability That Goes Beyond Compliance | Section III Environment | Section IV Social Impact | Section V Governance | Section VI About This Report |

COVID-19 made our Stratasys business value clear in a way that years of marketing efforts could not. 3D printing is here to stay; and the real revolution is still to come as adoption grows. 3D printing isn't a new technology; it was thrust into the forefront and its potential and importance became vital during the pandemic. For me, the magic began from the start: I was energized meeting our people. The Stratasys teams are industry pioneers and experts, with over 30 years of experience in innovation. With their guidance and my background as an executive consultant and seasoned global business leader, we devised a new company strategy in just months – working as a global team, remotely, under home quarantines and local lockdowns. The passion and persistence were tangible. Many of us had never met in person, but we focused on building a winning business model – and we succeeded.

I'm honored to have led our talented teams through the pandemic. We are still dealing with COVID-19 implications in big ways in many locations. Care for our people's safety and health has been our first concern – always! We worked in capsules at manufacturing sites and for R&D teams, and proved that productivity is based on a mindset, not a location. I start with this since sustainability is about people. It's about our role in helping and supporting them, so that tomorrow is a better version of today.

Our Stratasys DNA is one of innovation and advancement. We wake up every day, invigorated by the opportunity to democratize production, to localize manufacturing, and to make our technology accessible to all. We drive software improvements that eliminate or reduce unnecessary physical production; we introduce new products and expand our polymer offering to secure broad solutions designed for endless applications. Our focus on accelerated innovation and taking Additive Manufacturing to scale led us to make three acquisitions at the height of the COVID-19 pandemic.

During the business turndown in 2020, we managed a period of 80% work weeks to protect our teams and their jobs over the long term. But we didn't let this impact personal, annual variable compensation (bonus allocations were not prorated or adjusted to this reduction). We put 'people first' in every decision we make – pandemic or not. COVID-19 put this to the test. We were transparent in communicating to all stakeholders, and accountable to our board of directors every step of the way.

Our teams turned their passion for printing into partnerships and open-source files for solving issues that the pandemic posed to the global community: the need for parts in medical organizations around the world. We worked with application engineers, universities, major hospitals, inventors, and the general public to create solutions that turned into products around the world – the very next day.

Join us on our 'Mindful Manufacturing™' journey, where traditional processes, parts and supply chains are redesigned, all with great thought and a clear intention to secure manufacturing that makes the world a better place.

Stratasys is proud to have supported AP-HP Assistance Publique – Hôpitaux de Paris with 60 Industrial-grade FDM printers, advancing the front-line production of vital protective medical equipment for brave hospital workers

6

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

DOV OFER

Chairman of the
Board of Directors,
Stratasys

Stratasys is a global leader in polymer additive manufacturing, having introduced innovation across industries for over 30 years. We are proud to declare our commitment to sustainability, a cornerstone in our ESG strategy as the first-choice polymer 3D printing provider for designers, engineers and manufacturers.

As a public company, we understand our corporate responsibility to 'do well, by doing good.' Stratasys is focused on growth. We believe that this growth is driven by our promise to empower businesses through innovation in manufacturing and production across domains (healthcare, consumer products, aerospace, automotive, and more). We aspire to deliver on this promise in ways that positively impact our environment, create meaningful social impact, and exhibit ethical and responsible behavior.

"Additive manufacturing, by nature, offers an alternative to traditional manufacturing that provides important opportunities for our people and our planet."

The global pandemic demonstrated this value: with the disruption of traditional supply chains and limited access to global products and inventory, those with 3D printers showed resilience. No massive inventories needed; no shipment of parts required. With the simple transfer of a digital file, Stratasys machines were repurposed overnight. Personal protective equipment was printed, on-site and on-demand, near hospitals in need of swabs, masks, and ventilation machine replacement parts. There is nothing more powerful than directly impacting and saving people's lives through the benefits of our technology.

That being said, our work is never done. Innovation is who we are. Manufacturing at scale, powered by digital product iterations, is the future. Design a file anywhere, print it on demand locally, and advance your business with faster time to market. At the end of the day, this process also produces less waste than traditional production methods. That's why we at Stratasys intend to lead the shift to 'Mindful Manufacturing™,' where thoughtful mass production provides important manufacturing solutions that also address environmental concerns.

Join us in harnessing innovation in 3D printing to print a better tomorrow.

7

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

ZIVA PATIR

Senior Decision Maker:
Sustainability Strategy,
Board of Directors,
Stratasys

As the board of director's Sustainability Champion, I am proud to guide the company on its ESG journey.

What we know: Climate change is a reality. Responsible energy consumption is a must. Less water contamination saves critical resources. Supply chains are being disrupted globally. Producing less waste is paramount. Operating in an inclusive and diverse ecosystem fosters innovation.

Reducing, Recycling, Reusing, Repurposing and Repairing. These are the solutions. The Stratasys Innovation Roadmap is dedicating resources to designing a circular economy for 3D printing where responsible practices and products are key elements of our offering. We care about our customers, users, partners, employees, suppliers, and investors – as well as the world that we are creating for the next generation.

"With our extended 5 technology portfolio and always expanding materials offering, the world of product possibilities is unlimited. Designs powered by Stratasys additive manufacturing solutions remove constraints, and allow for production that minimizes

carbon footprints across the entire product lifecycle. Our customers are invited to join us in creating a new world, a more sustainable one."

I would like to reiterate the Stratasys commitment to 'design for additive manufacturing,' where we leverage the benefits of 3D printing to provide solutions that address responsible production more broadly. I also support 'design for environment' efforts where climate action is addressed by delivering a Stratasys offering that directly impacts consumption, on site, at customer locations. We believe that Stratasys, and the AM industry at large, is uniquely positioned to impact the environment. As we shift to manufacturing at scale, our impact on customers, suppliers and users will grow exponentially.

"It is my personal goal to drive our sustainability strategy in a measurable and quantitative manner, paving the way for the entire industry to follow."

8

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
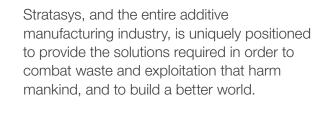Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Sustainability is a journey. I am honored to have been appointed to lead the strategic shift to 'Mindful Manufacturing™' that Stratasys is spearheading for the 3D printing industry. I deeply believe in the ESG principles and practices. The model rests on three important, interdependent ideologies – environment, social and governance. One cannot exist without the other.

At Stratasys, we are translating our leadership position, which rests on a foundation of 30+ years of excellence in 3D printing technology and innovation, into action. We are moving forward with the intention to create a future in which generations to come can thrive.

"Our commitment is being brought to life through our chosen UN Sustainable Development Goals. It is demonstrated in product improvements that impact climate change: in our 'people first' philosophy that champions inclusion, fairness, transparency and celebrates differences; and in our commitment to ethical, compliant and regulated operations and business practices."

Stratasys, and the entire additive manufacturing industry, is uniquely positioned to provide the solutions required in order to combat waste and exploitation that harm mankind, and to build a better world.

ROSA COBLENS

Vice President of
Sustainability, Stratasys

9

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

ABOUT US - STRATASYS

Stratasys, a global leader in additive technology solutions, is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare.

Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. The world's leading organizations turn to Stratasys to transform product design, bring agility to manufacturing and supply chains, and improve patient care.

The Stratasys 3D printing ecosystem of solutions and expertise — advanced materials; software with voxel level control; precise, repeatable and reliable FDM, PolyJet, SAF, P3, and Stereolithography 3D printers; application-based expert services; on-demand parts and industry-defining partnerships — works to ensure seamless integration into each customer's evolving workflow.

Fulfilling the real-world potential of additive, Stratasys delivers breakthrough industry-specific applications that accelerate business processes, optimize value chains and drive business performance improvements for thousands of future-ready leaders.

10

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

stratasys sustainability
3D Printing a Better Tomorrow™

stratasys®

Section II
'Mindful Manufacturing™'
Sustainability That Goes Beyond Compliance

Mindful Manufacturing™ calls for us to approach new world, post-COVID manufacturing challenges with a new outlook – not because of regulations, but because it's good for people and the planet.

11

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Chapter 2
Stratasys – 3D Printing a Better Tomorrow

Chapter 2.1: Stratasys Spearheading the AM Shift to Sustainable, Mindful Manufacturing™ – 3D Printing a Better Tomorrow

» **Chapter 2.1.1:** Company Overview

» **Chapter 2.1.2:** Comprehensive Offering Across Industries

Chapter 2.2: Mindful Manufacturing™: Making 3D Printing Meaningful – Our Strategic Industry View and Commitment

Chapter 3
Our Purpose, Mission and Values

Chapter 3.1: Our Values

Chapter 3.2: Development and Integration

Chapter 4
Additive Manufacturing at the Forefront of Localized Manufacturing on a Global Scale

Chapter 4.1: COVID-19: Global Outreach

Chapter 4.2: COVID-People First

Chapter 4.3: Internal Governance During COVID-19

Chapter 5
Sustainability SDGs, Materiality and Engagement

Chapter 5.1: UN Sustainable Development Goals – Stratasys Takes Action

Chapter 5.2: Identified Stakeholders

Chapter 5.3: Stakeholder Engagement

» **Chapter 5.3.1:** Communicating With our Stakeholders

Chapter 5.4: Materiality

Chapter 6
Memberships and Organizational Structure

Chapter 6.1: Organizational Structure

Chapter 6.2: Association Memberships

12

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

**stratasys
sustainability**
3D Printing a Better Tomorrow™

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CHAPTER 2:
STRATASYS – 3D PRINTING A BETTER TOMORROW

2.1 Spearheading the Shift to Sustainable Mindful Manufacturing™

Stratasys is leading a global transformation across industries by leveraging additive manufacturing (AM) to secure a future where generations to come can thrive. We are committed to advancing our 3D printing technologies in order to do good and to ensure valuable, profitable business impact. **We are disrupting existing supply chains, enabling local production, and introducing manufacturing at scale to benefit the future.**

3D Printing a Better Tomorrow™

Committing to leading a purpose-driven company, and partnering to change the world

Focusing on securing a future where generations to come can thrive

Beyond Compliance

Sustainability

Meaningful Growth

Looking to achieve business success while taking into account ethical, environmental, and social factors in business operations

13

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

1988
Scott Crump invents FDM by mixing wax and plastic in the family kitchen

1998
Objet founded by former printing industry entrepreneurs
OBJET

2007
Objet launches the Connex: The world's first multi material 3D printer

2009
Foundation of MakerBot by Bre Pettis, Adam Mayer and Zach Smith

2012
Stratasys and Objet complete merger to lead the 3D printing industry
Stratasys

2014
Stratasys launches multi-material color 3D printer

2014
Stratasys acquires GrabCAD
GRABCAD

2018
MakerBot introduces professional-grade METHOD

2020
Stratasys introduces office-friendly full-color, multi-material J55 3D printer

2021
Stratasys acquires RPS and the Neo Series of 3D printers

1994
Stratasys introduces the first thermoplastic available for 3D printing
Stratasys

2002
Stratasys introduces the first 3D printer under $30,000

2008
Stratasys launches the first 3D printer for production

2012
Objet announces world's first desktop 3D printer able to support 7 materials

2013
Stratasys acquires MakerBot
MakerBot

2014
SSYS acquires SolidConcepts & Harvest, combines them with RedEye creating SDM, the largest 3D Printing Service Bureau in North America
Stratasys

2017
Stratasys founder Scott Crump inducted into TCT Hall of Fame

2019
Stratasys introduces biomechanically realistic J750 Digital Anatomy 3D Printer

2020
Stratasys acquires Origin
ORIGIN

2021
Stratasys introduces first SAF technology 3D printer for production

Stratasys has been leading the additive manufacturing industry since our establishment in 1988. When our founders invented the first 3D printing technology over 30 years ago, it was a radical idea. Since then, our constant innovation has empowered designers and manufacturers, across industries and around the world, to improve their products, operations, and time to market. And we're just getting started.

Now we're leading the global shift to manufacturing with a range of innovative 3D printing solutions that deliver competitive advantages at every stage in the product value chain. The world's leading organizations turn to Stratasys to transform product design, bring agility to manufacturing and supply chains, and improve quality of life.
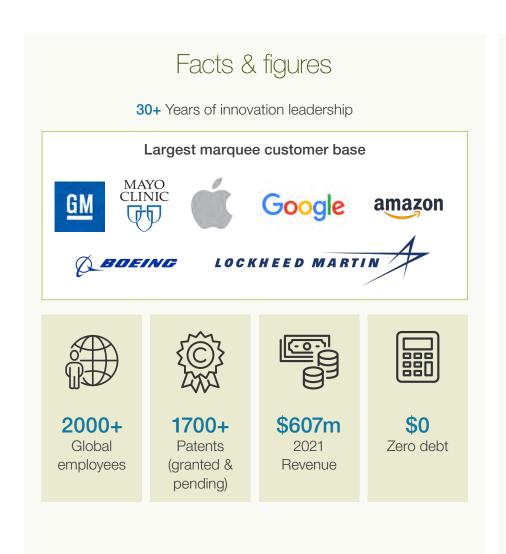
14

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

2.1.1 Company Overview

Stratasys' leadership position is based on decades of expertise. We have the broadest installed base, and one of the largest market shares in the polymer AM industry. We also maintain a broad five-technology portfolio, along with a leading Fortune 500 partner and customer network.

Facts & figures

30+ Years of innovation leadership

Largest marquee customer base

2000+ Global employees	**1700+** Patents (granted & pending)	**$607m** 2021 Revenue	**$0** Zero debt

Best-in-class full portfolio

Solutions across entire value chain

From prototyping to mass production

Open and **enterprise-ready** additive manufacturing software platform

GRABCAD SHOP GRABCAD PRINT KeyShot Identify3D nTopology LINK3D GrabCAD SDKs

Materials Partner ecosystem

BASF stratasys Henkel covestro

Service and support ecosystem

200+ Global resellers – Global GTM infrastructure

15

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

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STRATASYS MAIN LOCATIONS

■ Headquarters　■ Global Operations

Eden Prairie, Minnesota

Germany

Rehovot, Israel

MN

Switzerland

Israel

China

Hong Kong

Japan

NY MA

UK

Estonia

MI

AZ

TX

CA

Brazil

Mexico

Korea

India

Australia

16

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

2.1.2 Comprehensive Offering Across Industries

Stratasys offers a range of technologies, products and services – smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand – for the aerospace, automotive, consumer product, and healthcare industries.

Primary Technologies, Products, and Services

- » FDM
- » PolyJet
- » Stereolithography (NEO)
- » SAF
- » P3™ (Origin)
- » SDM (service bureau)

Our solutions are deployed across multiple industries, including:

- » Aerospace
- » Architecture
- » Automotive
- » Consumer products
- » Defense
- » Dental
- » Electronics
- » Educational institutions
- » Heavy equipment
- » Fashion
- » Medical

17

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

stratasys sustainability
3D Printing a Better Tomorrow™

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2.2 Mindful Manufacturing™: Making 3D Printing Meaningful – Our Strategic Industry View and Commitment

Business, Market & Thought Leadership	Circular Economy	Innovation

Stratasys is proud to publish a first of its kind sustainability impact report as the polymer leader in the Additive Manufacturing industry. We understand that the new global economy requires flexibility and resiliency to adapt to changes as they arise. 3D printing is uniquely positioned to address global challenges in manufacturing and production. With the impact of a global pandemic still prevalent, humanity is facing yet another significant issue – climate change. Stratasys is well-positioned with a broad portfolio of polymer AM technologies that, by nature, is designed to provide robust and resilient solutions for addressing these challenges on a global scale.

We have just begun our sustainability journey! This report is our proud demonstration of the Stratasys commitment to ESG best practices and sustainable products, processes and people programs. Join us as we spearhead an industrywide shift to Mindful Manufacturing™.

Aerospace

Automotive

Dental

Consumer

Education

Medical

18

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

stratasys sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 3:
OUR PURPOSE, MISSION AND VALUES

At Stratasys, we believe that our culture and DNA are central to our business and social impact. We further believe that we cannot fully realize our strategy and growth potential and without a clear purpose, mission and values.

In 2021 we set out on a journey, to unveil what it is that makes Stratasys the first-choice polymer 3D printing solutions provider for its stakeholders. To do that, we engaged with customers, partners and employees to conduct a deep review of our value proposition and unique DNA:

1. Performed market research and benchmark.

2. Conducted managerial workshops - over 100 participants.

3. Conducted an internal employee survey.

4. Interviewed our founders to appreciate Stratasys' rich 30+ years of history.

5. Created a company-wide storytelling campaign, asking employees to share the highlights of their journey, their proudest achievements - the peak moments from their time at Stratasys.

6. Facilitated senior management discussion, presenting key insights that emerged regarding our special Stratasys DNA.

All of these steps allowed us to explore and to be exposed to the best in us, our unique advantages and our impact and contribution to the world.

This resulted in the Stratasys Purpose:

Our Purpose

To empower people to create without limits for an economical, personalized, and sustainable world.

19

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

3.1 Our Values

This journey of discovery also led us to the reveal of our core values. These values are the cornerstone of our activity, and help us navigate our responses to the dilemmas faced when bringing innovation to market. They are a marker of what we strive for, how we behave when we are at our best, and the type of people that make up our Stratasys 'best-in-the-industry' talent.

Our values guide us in our mission – the way in which we will achieve our purpose.

We extended our strategy, to differentiate us from our competitors, based on our strengths:

Our Mission

Be the first-choice polymer 3D printing provider at every stage of the product life cycle, with multiple technologies and complete solutions for superior application fit, across design, manufacturing and healthcare.

Our Values

Innovate

Be customer first

Own it

Aim higher

Make it together

3.2 Engagement and Integration
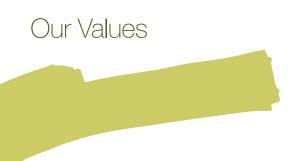
We completed and launched our purpose, mission and values to the entire company globally at a virtual launch event at the end of Q4 2021. In 2022 we are implementing these elements throughout the company, embedding them in the everyday operations around the world.

20

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Our Values

Own it

We hold ourselves accountable for making our ideas a reality instead of waiting for someone else.

Innovate

We re-invent the way things are made, with great passion to impact the world through 3D printing, for a better, more sustainable tomorrow.

Aim higher

We aspire for greatness. We celebrate success and build upon it for future excellence; we dare to make mistakes and learn from them.

Be customer first

We join our customers on their journey to create without limits, and we go the extra mile to deliver unique solutions to meet their needs.

Make it together

We are one Stratasys! We value different views and believe that our vision for the future is something we co-create with our people, partners, customers, and communities.

21

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 4:

ADDITIVE MANUFACTURING AT THE FOREFRONT OF LOCALIZED MANUFACTURING ON A GLOBAL SCALE

COVID-19 Use Case

As Stratasys returns to growth, we understand **the need for innovation to address the future of manufacturing. Now is the time to re-envision how things are created, introducing more agile and sustainable solutions.** For example, planes need to be stronger, but lighter. Automakers, meanwhile, are drastically reducing the number of required parts and examining the use of advanced polymers as they shift to electric vehicles.

To make this happen, products need to reach consumers much faster – with shorter supply chains and lighter carbon footprints. Localized manufacturing, powered by 3D printing, enables on-site production based on global, digital networks and virtual supply chains. The new digital supply chain accompanied by additive manufacturing can support growth for new business models with sustainability objectives and targets.

We know this is possible based on our recent experiences. During COVID-19, **we witnessed less travel and a disruption of the supply of goods, creating a lack of available inventory. In turn, the advantages of additive manufacturing took center stage.**

Our technology enables a readily and locally available supply chain, with real-time production of products across applications and fields. And our solutions are not dependent on mobility, delivery or travel, thanks to the digitalization of the upfront design process and its unique technology. Several health sector use cases emphasized the importance of Stratasys for the global community. Despite the difficulties caused by the pandemic, Stratasys delivered and implemented solutions across the global healthcare value chain.

Furthermore, under the direction of our CEO, Dr. Yoav Zeif, who had only recently stepped into his position, we adapted ourselves throughout the pandemic to innovate and introduce a new strategic direction. **For Stratasys, the pandemic enabled us to continue to innovate. By working with more restrictive supply chains, we proved that additive manufacturing is becoming more essential for our changing world.**

4.1 COVID-19: Global Outreach

As the COVID-19 pandemic and crisis spread, Stratasys supported hospitals, doctors, healthcare professionals, governments, and patients worldwide. **We leveraged our industry-leading channels and innovative spirit to harness our technology and expertise, providing solutions that protect and save lives.**

22

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

HOW STRATASYS TECHNOLOGY TOUCHED AND SAVED LIVES DURING THE COVID-19 PANDEMIC

France

We supported the AP-HP Assistance Publique – Hôpitaux de Paris with 60 industrial-grade FDM printers advancing the front-line production of vital protective medical equipment for brave hospital workers

Israel

At our Israel headquarters, our innovators quickly responded to local needs for face shields and respiratory machines. we also supported POC for a fast COVID-19 test

Japan

We modified our designed face shields to the Japanese standard. We then not only printed the face shields, but also collaborated with a local customer and created molds with our PolyJet technology, to enable mass production

United States

We leveraged our network, creating the largest global coalition for 3D Printing parts and solutions to fight COVID-19 around the world. Hundreds of companies received supplies from Stratasys, and offered their printing and manufacturing capacity to come together and support the global healthcare community. With over 330,000 shields needed monthly just in the US, Stratasys' impact was massive

Spain

Our Spanish reseller PIXEL SISTEMAS and our customer TKNIKA printed disposable face shields on our F450mc for medical personnel use in hospitals

Hong Kong

In Hong Kong we worked with the Polytechnic University to use our autoclavable ULTEM™ material to print face shields to protect hospital workers

23

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Powered by our groundbreaking technology, Stratasys served as a first responder, developing and printing protective equipment for global healthcare teams. We also created an internal fund that supported our various initiatives worldwide. These included advancing healthcare solutions and personal protective equipment (PPE), testing swabs, and developing parts for life-saving medical machinery.
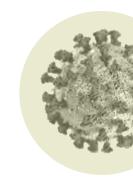
Through the challenges of this unprecedented global health crisis, Stratasys had the opportunity to show the world what the future of manufacturing looks like. A true global revolution – one in which we and others are designing and delivering solutions that address customer needs at scale and move the world forward in real time – had begun.

4.2 COVID-19: People First

The pandemic also underscored our intra-organizational commitments. Stratasys is guided by a People First approach, which was more apparent than ever during COVID-19. From the outset of the pandemic until today, management's first priority has been the health and safety of our employees. We balanced this with business continuity efforts and a continued customer commitment, while setting a clear strategic direction. This is not trivial. It worked in part due to our transparency and quick responses to ever-changing situations. We are a dynamic company, flexible and adaptable in both our business and people practices.

Management led our global work approach during the pandemic (home, hybrid, and capsules, as needed). We appointed internal teams and leaders, by region, to oversee COVID-19's impact on groups in each area, and to align our activity with evolving situations and regulations in all countries in which we operate. This required all of our corporate functions and business units to fully cooperate in order to ensure employee well-being and minimize uncertainty, while keeping business deliverables on track.

24

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

4.3 Internal Governance During COVID-19

Shortly after our new CEO started in February 2020, Stratasys introduced a new strategy aimed at securing a strong future while preserving our workforce and market leadership.

Always keeping in mind our main goal of employee health and safety, Stratasys ensured that managers and executives maintained constant contact with employees, giving them a sense of security and keeping them informed. We also created an intranet site, and regularly updated employees with the latest on COVID-19.

Stratasys conducted an internal engagement survey among employees that measured the effectiveness of our response to the crisis. The results were high, even as we shifted all employees to 80% employment to avoid COVID-related layoffs.

In addition to connecting our people to our company, as in the pre-pandemic period, we made great efforts to assist employees working remotely from home. We also carried out local initiatives to relieve the isolation and stress during the pandemic. For example, during several lockdowns and home quarantines in Israel, Stratasys sent sports kits to employees' homes, and held a virtual sports week to support their and their families' well-being. We also held virtual lectures on healthy lifestyles and held a related competition with prizes.

stratasys *Together, We can beat COVID-19 (Coronavirus)*

The situation is managed in a structured way, with our people's health as our first concern and priority

Our Guidelines & Framework

People Health & Safety
1. Minimize the risk of being infected (beyond regulatory guidance)
2. Compliance with all local laws and practices
3. Transparent & On-going communication (global, local + business/customers)
4. Being human and sensitive to personal issues
5. Stand together

Business Continuity
1. Keep the business running from the office or home
2. Support our customers and partners
3. Secure our financial stability
4. Hold unnecessary expenses
5. Maintain our lifeline

Securing our Future
Keep focused on the long term: put strategy in place

25

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

CHAPTER 5: SUSTAINABILITY, SDGS, MATERIALITY, AND ENGAGEMENT

5.1 UN Sustainable Development Goals – Stratasys Takes Action

In recognition of our role as a global company committed to sustainability, Stratasys is proud to introduce the UN Sustainable Development Goals (SDGs) as the cornerstone of our purpose-driven efforts. These global goals are designed to achieve a better and more sustainable future for all. The 17 UN SDGs cover the world's most pressing social, environmental, health, and economic issues, with specific targets for each. Businesses can play a critical role in achieving these global goals. We recognize the opportunity they present to develop innovative solutions with a positive impact on society, while improving stakeholder engagement, managing risk, and developing a shared language for social and environmental sustainability activities.

Leveraging Stratasys' position as a market-leading 3D printing polymer solutions provider, we identified four SDGs that are directly connected to our ability to make a significant impact. The identification process was employee-driven, and our Employee SDG Survey had a very high response rate from computer-based employees, indicating high engagement on the topic. It was also validated in our annual customer survey, underscored by overwhelming alignment with the four SDGs.

26

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

**stratasys
sustainability**
3D Printing a Better Tomorrow™

stratasys
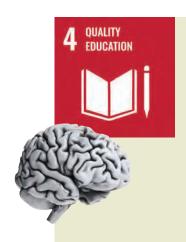
As a result of this process, we are prioritizing our sustainability initiatives around the four SDGs, with measurable goals being designed as part of our 2022 work plan.

THE FOUR UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

4 QUALITY EDUCATION

Quality Education

» **What it means for Stratasys: As a company powered by the** possibilities of innovation, Stratasys is committed to ensuring inclusive and equitable quality education and learning opportunities for everyone. Education is the key to creating better society, technology and life. Equitable and accessible education must be prioritized to foster diverse perspectives and engender innovation across all sectors. This means ensuring that everyone has the literacy and relevant technical skills for rewarding careers.

» **What we are doing:** Stratasys both markets solutions to educators and advocates for them. We are partnering and working with local municipalities to integrate additive manufacturing into the everyday lives of children's education.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, Innovation and Infrastructure

» **What it means for Stratasys:** Industrialization is a net positive for economies around the world, creating jobs and wealth. The same is true when it comes to information and communications technology, research innovation, and support for entrepreneurship.

» **What we are doing:** Stratasys aims to have additive manufacturing benefit people worldwide. We will do it by enabling designers, engineers and manufacturers with local, on-demand capabilities that empower companies and organizations of all sizes to improve quality of life everywhere.

27

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Responsible Consumption and Production

» **What it means for Stratasys:** The world continues to use natural resources unsustainably. Ensuring sustainable consumption and production patterns includes the environmentally sound management of chemical waste, the disposal of waste, and the efficient use of production materials.

» **What we are doing:** Additive manufacturing, accompanied by greater utilization of recycled and renewable materials, can be a more efficient production method. Stratasys is committed to innovation in reduced waste, reused materials, and recycled packaging.

Climate Action

» **What it means for Stratasys:** Climate change continues to exacerbate the frequency and severity of natural disasters, even as global warming grows and too little is being done to move toward net-zero carbon emissions. These targets will be easier to achieve by reducing the movement of product parts around the world, and by using more efficient, digital manufacturing methods, among other steps.

» **What we are doing:** Stratasys is committed not only to reducing our own carbon footprint, but also to making it easier for our customers to do so as well.

28

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

5.2 Identified Stakeholders

We have identified a number of key stakeholders:

- » Academic institutions and AM experts
- » Board of directors
- » Customers
- » Employees
- » Investors, shareholders, and capital market players
- » Media personnel and analysts
- » General public
- » Non-governmental organizations (NGOs) and/or CSR partners
- » Partners
- » Regulators, public policymakers, and governmental organizations
- » Suppliers and service providers

5.3 Stakeholder Engagement

5.3.1 Communicating with our Stakeholders

Stratasys prides itself on conducting an ongoing dialogue with our stakeholders – customers, suppliers, partners, end users, employees, and shareholders – around AM innovation in order to drive an improved circular economy.

We engage with our stakeholders through a variety of methods and channels, including marketing materials, in-person/virtual meetings, and ongoing contact related to our supply chain and value chain.

Our engagement covers a wide range of topics, and we encourage feedback and open dialogue among stakeholders.

5.4 Materiality

Stratasys understands the significant impact AM can have on ESG practices and climate action. Given the importance of our ESG journey, we have worked with external consultants and experts to formulate an extensive process that includes identifying, selecting, and prioritizing the topics most relevant to 3D printing.

In identifying the topics, we included an external benchmark of the 3D printing eco-system and a review of relevant global standards as well as government and business initiatives. We also conducted internal research, including conversations and surveys with stakeholders such as our senior leadership, employees, and board of directors.

The matrix resulting from our materiality assessment identifies and visualizes material issues. Topics above the diagonal line are considered to be most important to both internal and external stakeholders, while those below the line are less important yet still significant to Stratasys.[1]

The material topics we identified are represented in the following matrix.

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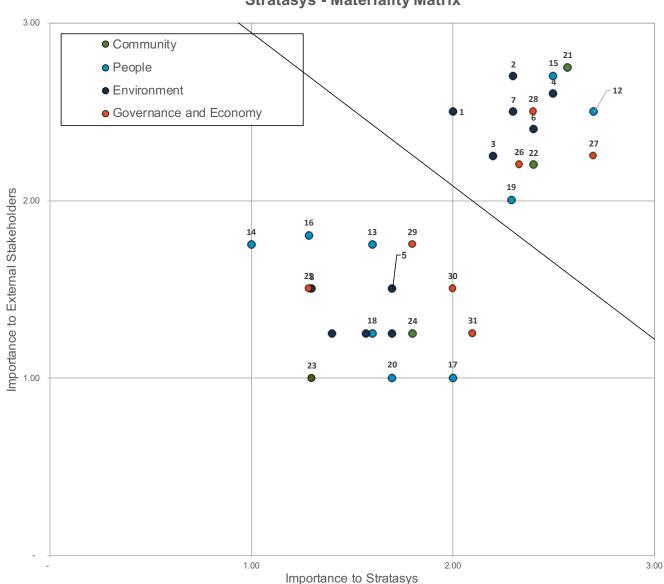
1 Our material issues list includes definitions, corresponding GRI standard topics, and each topic's boundaries.

29

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

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STRATASYS MATERIALITY MATRIX

Stratasys - Materiality Matrix

Environment	1	Energy Optimization
	2	Sustainable Products
	3	Water
	4	GHG Emissions and Climate Change
	5	Waste Management
	6	Supply Chain
	7	Circular Economy; Pollution & Biodegradability
	8	Sourcing of Materials/Resources
	9	Product Energy Efficiency
	10	Conflict Minerals
	11	Hazardous Materials and Chemicals
People	12	Diversity, Inclusion and Equal Opportunity
	13	Human Rights
	14	Respectful, Fair and Competitive Work Environment
	15	Employee Health and Safety
	16	Product and Customer Safety
	17	Supplier and Supply Chain Labor Practices
	18	Employee Training and Development
	19	Customer Engagement and Satisfaction
	20	Employee Engagement
Community	21	Community Investment and Involvement
	22	Responsible Use of Technology
	23	Community Development
	24	Responsible Marketing
Governance and Economy	25	Privacy and Data Security
	26	Ethics and Anti-Corruption
	27	Governance
	28	Transparency and Reporting
	29	Stakeholder Engagement
	30	Public Policy
	31	Anti-competitiveness

30

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 6: MEMBERSHIPS AND COMPANY STRUCTURE

Stratasys is proud of its market-leading position, talent and executive team, which is marked by industry experts and strategic membership positions in notable organizations.

6.1 Organizational Structure

Yoav Zeif
CEO

Eitan Zamir
Chief Financial Officer

Nava Kazaz
Chief People Officer

Yossi Azarzar
Chief Operations Officer

Rich Garrity
President Americas

Guy Yair
President ROW

Omer Krieger
EVP Product & Solutions

Guy Menchik
Chief Technology Officer

Shamir Shoham
VP Design

Dick Anderson
Sr. VP Manufacturing

Nadav Goshen
EVP Engineering & Software

31

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

6.2 Association Memberships

AMGTA –
Founding
Member

National
Association of
Manufacturers (US)

Minnesota
Chamber of
Commerce

US-Israel
Chamber of
Commerce

America Makes

Women in 3D Printing

"Stratasys' Founding Member status is critical to our organization's mission to advance sustainability in additive manufacturing as we secure a selective group of market and industry experts to represent and advance our work to report on the environmental benefits of additive manufacturing," said Sherry Handel, Executive Director of the AMGTA. "Our goal is to introduce new lifecycle analysis research projects in additive manufacturing that clearly measure impact and increase the world's understanding of 3D printing as critical to the global manufacturing industry's move towards greater sustainability."

Sherry Handel, *Executive Director, Additive Manufacturer Green Trade Association*

32

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

Section III
Environment

33

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Chapter 7

Products, Processes and Solutions Designed to Leverage Additive for Improved Circularity and Carbon Footprint

Chapter 7.1: Introduction – Mindful Manufacturing™

Chapter 8

Stratasys Scope 1 and 2 – Initial Baseline

Chapter 8.1: Carbon Footprint

Chapter 8.2: Energy Consumption – Initial Assessment

Chapter 8.3: Water and Effluent Management

» **Chapter 8.3.1:** Managing Program Effectiveness

Chapter 8.4: Water Related Impacts

Chapter 9

Circular Economy & Meaningful Manufacturing

Chapter 9.1: Addressing the R's at Stratasys

Chapter 9.2: Supply Chains

34

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

CHAPTER 7:
PRODUCTS, PROCESSES AND SOLUTIONS DESIGNED TO LEVERAGE ADDITIVE FOR IMPROVED CIRCULARITY AND CARBON FOOTPRINT

7.1 Introduction – Mindful Manufacturing™

Given the shift of AM technologies to industrial applications, Stratasys' broad polymer 3D Printing portfolio introduces important personalized, economical and sustainable value, especially when compared to traditional manufacturing methods.

We are committed to developing an industry-leading offering that addresses much needed climate action and other 21st-century sustainability challenges. By introducing innovation to the 3D printing circular economy, we enable production and manufacturing featuring:

»   Improved and optimized supply chains

»   Less waste

»   Less energy consumption

»   More recycling

"*We understand the game-changing impact additive manufacturing can have on driving improvements that introduce more sustainable manufacturing. The new world economy, post-COVID, will rely on this technology and its power to innovate and improve global supply chains.*"

Yoav Zeif
CEO, Stratasys

35

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

At Stratasys, we call the rethinking of how we create and produce parts and products "Mindful Manufacturing™." It's where traditional processes, parts and supply chains are redesigned. It's where thoughtful mass production leads to more environmentally friendly solutions. And it's how we make the world a better place.

We understand the far-reaching impact of our activity and our potential to affect entire industries worldwide. That's why we're committed to measuring and improving the environmental impacts of our operations and technologies, both internally and across our value and supply chains, while continuing to expand our business.

Our growth strategy dictates increased production over time. We believe this growth can be achieved without extending our carbon footprint, due to our deep commitment to sustainability and the planet. In addition, we know that our business activity, along with our reach and impact, will expand. We are also committed to positively improving the environment through our global network of partners and leading installed base.

There is great value in the changes made within and throughout our operations, and the potential for impact is unlimited. Each incremental shift in our offering can significantly impact a myriad of industries from aerospace and healthcare to automotive and consumer products.

Rethink!

| Reduce | Reuse | Recycle | Repair | Repurpose | Redesign |

It is our mission to translate our leadership in 3D printing into mindful business applications for our customers – where less waste is produced and more value is derived from the digital processes at the core of our manufacturing solutions. Sustainability is a comparative practice. While AM is considered more environmentally friendly than traditional manufacturing processes, this is not frequently measured. **It is our commitment to co-create the research and case studies needed to bring the data and proof points to the forefront to demonstrate the sustainability of 3D printing.**

Products created with additive manufacturing technologies can reduce material use – both in throughput and output – while maintaining essential characteristics such as strength, quality and reliability. Thanks to Stratasys, a single part made up of multiple components can be designed and manufactured as one holistic part – further reducing a heavy dependency on natural resources like energy and materials.

By definition, AM is a more effective and efficient manufacturing process that helps reduce environmental footprints. Most traditional manufacturing techniques are based on subtractive techniques (i.e. chipping away at raw materials so a product emerges), which creates waste that accumulates in our landfills. In contrast, the additive process' environmental strength lies in its ability to produce products and parts layer by layer, on-demand, with no molds or carved away waste.

Digital global manufacturing that leverages 3D printing capabilities brings additional inherent benefits. It enables a digital supply chain rather than a physical one – one that moves nearly at the speed of light, with virtually no transportation logistics or carbon footprint. And it helps us make products lighter, stronger and individually tailored to each application to deliver environmental and economic savings, reducing oversupply, making inventories obsolete, and removing the need for unnecessary physical product iterations.

CHAPTER 8:
STRATASYS SCOPE 1 AND 2 – INITIAL BASELINE

Our ESG strategy is backed by our commitment to climate action and responsible consumption. We believe that industry innovation and education advance our 'Mindful Manufacturing™' mission. We know that true impact can only be achieved through deep data collection, year-over-year measurements, and ongoing improvement.

The biggest challenge in addressing 3D printing consumption of natural resources is the lack of industry-wide data and research. As a disclaimer, this initial Stratasys report provides transparent yet lean data on our Scope 1&2 internal operations. We understand that our ESG efforts and commitment require more detailed information regarding our global activity, including the eventual inclusion of Scope 3 data collection. Such information will better reflect the impact and improvement that 3D printing and Stratasys have across industries and geographies

worldwide. The baseline presented in this report serves as the foundation of our future ESG activity, and demonstrates our data-based approached to doing better all the time. This will guide our decision-making and global activity as we go forward.

The first step in our Stratasys sustainability journey towards improved climate impact and responsible consumption is assessing our footprint. The next step is to implement our goals and make adjustments regarding the consumption of resources such as energy, water, waste, and carbon.

37

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

stratasys sustainability
3D Printing a Better Tomorrow™

stratasys

To that end, we intend to establish a Stratasys "scorecard" to help us quantify our business' footprint based on various measurements (e.g. per employee, per part). Our goal is to continuously improve in our measurement capacity.

Stratasys Scorecard Practice

1. **Bill data:** Normalized data from electric, natural gas, water, and waste bills for determining cost drivers such as weather, unit price, usage, and fees.

2. **Equipment and service inventory:** High consumption assets such as heating, ventilation and air conditioning (HVAC),

lighting, water, and waste equipment. Waste inventory is based on service-level details such as pick-up frequency, container size, and fees.

3. **Energy mix:** Current supply contracts and market-specific opportunities for assessing an energy procurement mix of brown power (fossil fuel-based) versus green power (renewable energy-based) as well as the short-/long-term benefits of green and alternative energy options.

4. **Site audits:** Site walks (Gemba's) coupled with waste audits to identify simple cost reduction fixes in energy, water, and waste – often requiring minimal additional expense.

5. **Greenhouse gas emissions:** US EPA (GHG), EU regulations, imminent carbon taxes, and investor demands – some of the drivers for businesses to begin calculating and disclosing greenhouse gas emissions.

6. **Regulations:** Regulations along with internal standards that govern how Stratasys locations consume energy and water, decide what is thrown away or recycled, and even package products.

7. **Peer benchmarking:** Key factor comparison of energy intensity, diversion rates, withdrawal, effluents, and goals vis-à-vis others in our industry.

8.1 Carbon Footprint

The Stratasys environmental strategy focuses on bringing value to our customers, through Scope 3 impact. This includes improved circularity that deliver economic value, too with reduced footprints through Design for Additive Manufacturing (DfAM) and Design for Environment.
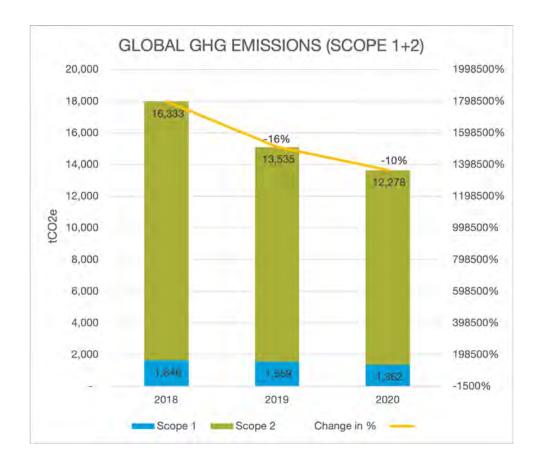
Below is Stratasys' first Carbon Footprint Assessment. Scope 1 reflects direct emissions, from company-owned and controlled resources, as a direct result of a set of company activities which primarily comprises gasoline used for company vehicles as well as emitted natural gases. Scope 2 reflects indirect emissions generated from acquired and consumed electricity, steam, heat, or cooling. These emissions are

considered indirect as they are a consequence of our activities, but actually occur at sources owned or controlled by another organization. These emissions are calculated from consumed electricity at our manufacturing sites, offices and warehouses. In the future, we intend to expand data collection and disclosure of these scopes and of scope 3 emission, which encompasses all other indirect emissions throughout our value chain.

Stratasys' operating activities from owned facilities and purchased electricity (Scopes 1 and 2) are based on 78 emissions. Their sources include manufacturing facilities and machinery, offices, operation plants, corporate automobile fleets, and electricity consumption at our facilities. All told, our measured emissions generated 13,640 tons CO2e (equivalent) in 2020.
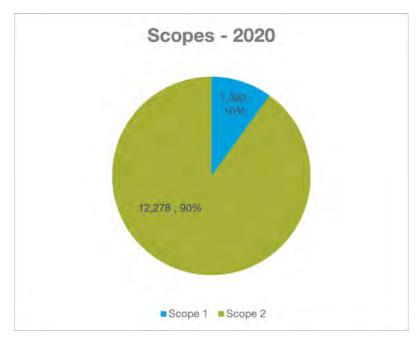
38

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

GLOBAL GHG EMISSIONS (SCOPE 1+2)

Scope 2 emissions for 2020 totaled 12,278 tons. These emissions are made up of electricity usage at our manufacturing sites. Some 77% of the Scope 2 emissions came from North America and the remainder from Israel. There has been a steady decline in Scope 2 emissions from 2018 to 2020. The decrease in energy consumption from 2018 to 2019 was due to **company-wide projects that increase energy efficiency,** including upgrading lighting to LED technology and upgrading machinery to more efficient models. A large part of the reductions between 2019-2020 resulted from COVID-19 restrictions and an increase in working from home, as well as the continuation of efficiency projects in 2018.

Scope 1 emissions in 2020 totaled 1,362 tons. Nearly the entirety of our Scope 1 emissions monitored came from the use of gasoline for company vehicles in Israel. The remaining emissions came from natural gas and diesel. The decline in Scope 1 emissions from 2018 to 2020 is due to a decrease in the number of leased cars and the demand for cars during the period. The reduction from 2019 to 2020 was more dramatic due to reduced travel amid COVID-19 restrictions.

*Data is based primarily on 2020 figures to set a baseline for future comparative improvement measures.

39

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys
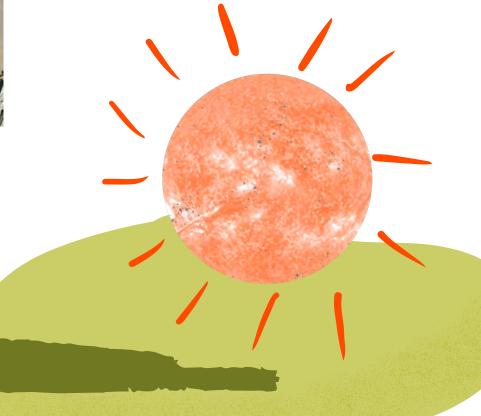
In 2021 we installed 589 solar panels in our Israel manufacturing facilities, to support our commitment to renewable energy and improve our consumption. The panels are expected to become operational in 2022. We are currently examining the expansion of our use of solar panels to additional Stratasys facilities.

40

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

GHG emission intensity indicates the amount of GHG emissions per unit of activity, output, or any other organization-specific metric. Our GHG emissions intensity calculation – that is, the relative intensity of our Scope 1 and Scope 2 emissions divided by our revenues – uses 2018 as the base year for comparing future calculations. GHG emission intensity helps to contextualize our efficiency and allows us to understand where we are relative to other companies. It serves as a point of comparison for **tracking the intensity of our emissions over time**, helping us in accurately accounting the extent of our environmental impacts.

There was a decrease in both relative CO2 to revenue and absolute GHG emissions from 2018 to 2019. Revenues remained relatively consistent, while operational energy efficiency projects and a decrease in company vehicle leasing led to a reduction in absolute CO2e. From 2019 and 2020, despite a reduction in absolute GHG emissions, relative CO2 to revenue rose by 10% due to a 2020 revenue reduction as a result of the COVID-19 pandemic and changes in production and inventory management.

Relative CO2 to Revenue

KgCO2e / REV US $	2018	2019	2020
Absolute CO2e (KgCO2e/year)	17,979,218	15,093,472	13,639,138
REV (US $ in thousands)	663,237	636,080	520,817
Relative KgCO2e	27.1	23.7	26.2

*Data is based primarily on 2020 figures to set a baseline for future comparative improvement measures.

41

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys
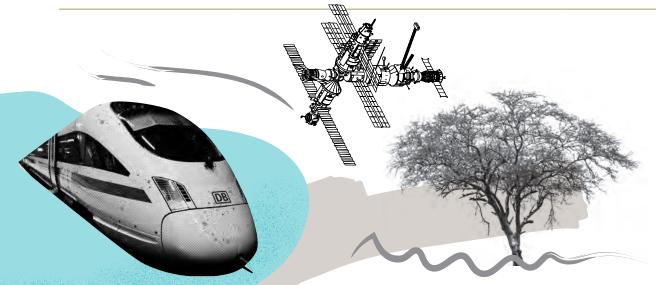
8.2 Energy Consumption – Initial Assessment

To mitigate and create quantifiable goals, Stratasys is developing a baseline database of annual utility consumption per sq. ft expense to enable more informed decision-making regarding efficiency improvements.

As part of this process, Stratasys' facilities have begun to document electricity consumption.

Purchased Energy	Type	Energy consumption in the organization (GJ) – 2018	Energy consumption in the organization (GJ) - 2019	Energy consumption in the organization (GJ) – 2020
Non-renewable fuel consumed	Diesel	6	6	6
	Petrol	11,591	10,296	7,348
	Natural gas	13	13	13
Electricity	Electricity	162,520	134,563	123,153
	Total	**174,130**	**144,878**	**130,520**

42

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

8.3 Water and Effluent Management

Water is a natural resource employed in the 3D printing process. We aim to implement this finite resource in a more circular fashion across our facilities and products.

From a product perspective, the polymer 3D printing process sometimes involves an additional element called "support," which physically supports complex structures during the build stage. This element is eventually washed off of the final part or product, leading to water that is not always filtered or reused.

From a Scope 1 utility perspective, we can report that Stratasys Americas primarily purchases its water from city municipalities to meet the standard needs of its office buildings and sites. The majority of this water is used to clean parts that we produce, and its waste is typically managed in one of three ways:

Industrial discharge: Most sites have an industrial discharge permit that relates to:

» Discharge limitations/prohibited discharges for which there are monitoring and reporting requirements

» General permit conditions

» Specific permit conditions

Waste discharge: All sites follow prohibited waste discharge guidelines regarding flammable, explosive, corrosive, and petroleum products, as well as grease waste.

Other waste management: The following waste types are likely to obstruct the flow in public sewers:

» Solid waste (including plastic)

» Ash

» Sand

» Lime

8.3.1 Managing Program Effectiveness

Each Stratasys site has a site manager who is responsible for ongoing employee training and monitoring regarding wastewater management and proper discharge processes. All training is recorded, and the EHS manager is notified in advance of any upcoming changes in processes that may impact the discharge permit. The site manager creates working tools to monitor and limit the intentional discharge of untreated cleaning tanks/detergents when necessary. All of the following processes and procedures come under an annual audit and review process.

» Equipment

» Written procedures

» Additional training needs

» Communication

» Testing

8.4 Water Related Impacts

Stratasys Americas' facility teams review and report water consumption in some states. We are focusing our initial efforts on operations of scale and aim to extend future efforts to additional locations and stakeholders alongside a commitment to addressing water usage in a more circular fashion.

Stratasys is continuously looking for new ways to reduce water consumption and reuse elements of the effluents both in our products and across our processes.

Water Quality Criteria

Stratasys has adopted water quality criteria for various locations in one of three ways:

» Adopting EPA recommended criteria

» Adopting unique criteria to reflect site-specific conditions, or using other scientifically defensible methods to develop such criteria

» Designating uses that are consistent with the Clean Water Act

Currently, a regulatory municipal agency manages all of our monitored sites.

43

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 9:
CIRCULAR ECONOMY & MEANINGFUL MANUFACTURING

3D printing is becoming a driver of the transformation in manufacturing. And Stratasys is committed to supporting this effort at all touchpoints across the industrial value chain and to the benefit of people and the planet.

Employing 3D printing in production processes at key points across the supply chain – reducing, recycling, reusing, repairing, redesigning – and in the creation of a more circular economy are where sustainability takes center stage.

When we design products and parts from cradle to cradle, we take existing efforts and give them new life, such as refurbishing and reusing canister materials collected from our users. Cradle-to-grave efforts like recycling are just as important.

Moreover, the 3D printing digital design process often makes unnecessary physical products and part iterations obsolete, thereby significantly reducing waste, materials, and non-renewable energy.

We don't have all the solutions, but together with our customers and partners we aim to improve the life cycle of our products and parts.

9.1 Addressing the R's at Stratasys

We aim to support your businesses net zero goals and carbon footprint reduction. Customers are invited to participate in our Recycling + Returns program. We accept customers' used cartridges, canisters, spools, print engines, and containers for **reuse** or **recycling**.

With easy-to-follow return instructions and printable labels, the comprehensive program makes it simple for customers to identify those products that can be recycled, while simplifying and reducing logistical activity, **reducing** waste, and saving on space.

44

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

How it Works

In our Americas' operations, customers start by packaging canisters and cartridges and printing out UPS labels for free shipping from the Stratasys website. UPS picks up the packages and ships them directly back to Stratasys headquarters in Minnesota for recycling. Our on-campus recycling facility is staffed by a team from Lifeworks, which places and mentors people with disabilities in jobs that serve the local community.

The Stratasys Recycling program is also offered in Asia and Europe. And as part of our commitment to an improved circular economy, we are extending and expanding eligible returnables, all the time.
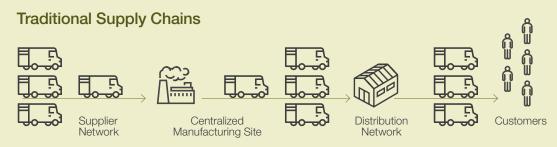
What can I return?
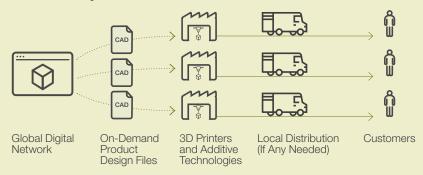
9.2 Supply Chains

3D printing enables on-demand manufacturing, which has the potential to transform complete supply chains and their related environmental impact.

Factory of the Future: 3D printing empowers makers to manufacture in real time based on local needs, supported by a global digital network. This virtual factory enables the design process to take place anywhere worldwide, while allowing for delivery and production anywhere there is a 3D printer. With physical inventory moving toward digital files, product precision, quality and reliability are not compromised. This gives any designer and manufacturer access to goods with no heavy transportation and shipping requirements. Essentially, the files can be sent electronically with no footprint, and then printed and consumed locally – according to specific demand with no oversupply.

Traditional Supply Chains

Supplier Network — Centralized Manufacturing Site — Distribution Network — Customers

The Factory of the Future

Global Digital Network — On-Demand Product Design Files — 3D Printers and Additive Technologies — Local Distribution (If Any Needed) — Customers

45

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

During the COVID-19 pandemic, Stratasys demonstrated how this factory of the future operates, creating a coalition of cloud-connected partners to print Personal Protective Equipment (PPE) at hundreds of locations across the globe for healthcare workers at hospitals and local medical institutions. Entire networks of 3D printers repurposed their production input and output virtually overnight to save lives.

In the near future, companies will upload part designs digitally and print them on-demand in a global network close to the point of consumption in order to reduce reliance on carbon-heavy transportation methods. **As additive manufacturing facilities are replicated worldwide, it's possible to envision a world where the integration of digital and physical logistics defines the future supply chain.** This is, by definition, sustainability at its best.

Today, industries spend billions of dollars moving parts around the world – on ships, trains and planes – to places where they are assembled and often re-shipped to consumers. Existing AM adopters understand the value of the factory of the future. Rail companies in Europe, such as Deutsche Bahn in Germany and Angel Trains in the UK, are printing many of their spare parts in close proximity to where they are needed. The French Navy is testing it out on their ships, far from land. And as we grow the scale of these applications, we increase our impact on the global environment.

Additive manufacturing enables processes that generate less waste and use less energy, while creating high-performing parts with a far shorter time to market. The 3D printing industry journey we are spearheading involves harnessing sustainable AM technologies in a mindful way and integrating them with a global effort to innovate for a better tomorrow.

Photo credit: Petra Alsbach Steven

I live in a remote location in a remote country (New Zealand) and like many people during the pandemic I have been required to work from home. Cloud based CAD tools coupled with the Stratasys J850 3D printer have allowed me to keep working and have reduced the energy required for commuting and liaising with teams of people plus the need for operating a home, office and workshop. In this 100% digital workflow all the mess happens inside the computer removing traditional waste from analogue processes like casting, finishing and fabrication. Knowing the physical print will look exactly like the render with full control over colour, transparency and even flexibility has been a creative revelation and allowed me to live where I want and still access world leading, efficient and importantly resilient technology.

Ross Stevens, *Senior Lecturer, Victoria University of Wellington*

46

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership	'Mindful Manufacturing'	Environment	Social	Governance	About This
Statements	Sustainability That Goes		Impact		Report
	Beyond Compliance				

Section IV

Social Impact

47

| Section I Leadership Statements | Section II 'Mindful Manufacturing' Sustainability That Goes Beyond Compliance | Section III Environment | Section IV Social Impact | Section V Governance | Section VI About This Report |

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Section IV.1: Employees

Chapter 10
Caring for Employees During COVID-19

Chapter 10.1: Working From Home

Chapter 10.2: Ensuring Business Continuity

Chapter 10.3: Keeping Employees Informed and Up to Date

Chapter 10.4: Preserving Our Workforce

Chapter 10.5: Stratasys Summer Camp in Israel

Chapter 10.6: COVID Superhero

Chapter 11
Diversity, Equity & Inclusion

Chapter 12
Employee Value Proposition

Chapter 12.1: Engagement

Chapter 12.2: Employee Attraction, Mobility and Retention

Chapter 12.3: Career Development

Chapter 12.4: Compensation & Benefits

» **Chapter 12.4.1:** Minimum Notice Periods Regarding Operational Changes

Chapter 13
Health and Well-being

Chapter 13.1: Worker Health Promotion

» **Chapter 13.1.1:** Health Coverage

» **Chapter 13.1.2:** Well-being

» **Chapter 13.1.2.1:** Israel

» **Chapter 13.1.2.2:** US

» **Chapter 13.1.2.3:** Worldwide

» **Chapter 13.1.3:** Work-life Balance

» **Chapter 13.1.4:** Holidays and Vacation Days

» **Chapter 13.1.5:** Parental Leave

Chapter 13.2: Occupational Health and Safety

Chapter 14
Learning and Development

» **Chapter 14.1:** Professional Development – Expand Your View

Section IV.2: Community

Chapter 15
Corporate Social Responsibility & Community Social Impact

Chapter 15.1: Innovation in Education – Programs and Partnerships

» **Chapter 15.1.1:** Learning by Making – Revadim Project, Jerusalem

» **Chapter 15.1.2:** Makers for Heroes

» **Chapter 15.1.3:** High Tech Kids and FIRST

» **Chapter 15.1.4:** TIPE

Chapter 15.2: Supply Chain (Direct Sourcing)

Chapter 15.3: Innovation: A Core Value – Our Stratasys Inventors

Chapter 15.4: Human Rights

» **Chapter 15.4.1:** Conflict Minerals

48

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

IV.1 EMPLOYEES

CHAPTER 10:
CARING FOR EMPLOYEES DURING COVID-19

We exemplified our People First approach during COVID-19 by, first and foremost, ensuring the health and safety of our employees while continuing to run an efficient and growing business. The pandemic presented the industry with countless challenges, including choices around transparency, communication, and decision-making processes.

10.1 Working From Home

As a forward-looking, dynamic, and adaptable company, Stratasys was well-equipped to embrace flexibility throughout the pandemic. Most importantly, we pivoted whenever possible to a work-from-home framework for the sake of our employees and our communities. For those employees who could not work from home due to the nature of their responsibilities, we created 'work in capsules' and practiced social distancing.

We recognized that managing teams that are working from home is a new challenge for all of us, so we trained and supported our managers to help them best manage their teams remotely. The training not only centered around management issues, but also aimed to connect employees and their families to the company as much as possible in order to minimize feelings of isolation and loneliness.

We identified the many advantages of working from home, and adopted a hybrid working model that will continue after the pandemic. By reducing the need to commute to work, we reduced our carbon footprint. We also better support our diverse workforce this way and further engage and retain our talented workforce.

10.2 Ensuring Business Continuity

In parallel, we deployed a Business Continuity Plan (BCP) to closely monitor, map, track, take action, and communicate developments in a centrally aligned manner. We carried out all relevant communication and decision-making according to regional and global factors, and at all managerial levels, to ensure efficient, real-time processes. This showed our 'People First' approach in action. It also allowed employees to best demonstrate our "Be customer first" value, as we minimized internal uncertainties so people could focus on customer needs and deliver on business commitments.

49

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

10.3 Keeping Employees Informed and Up to Date

We also created an intranet webpage and regularly updated it with COVID-19 information and company policies to keep our entire workforce well-informed on evolving policy changes.

10.4 Preserving Our Workforce

Stratasys worked hard to preserve our workforce throughout the early months of the pandemic by lowering work to 80% capacity until the end of 2020. This strategy enabled us to avoid COVID-related layoffs while still ensuring business continuity. We also prioritized employee well-being. For example, in the Americas region we provided mental health seminars on topics such as depression, loneliness and social connections, during the height of the pandemic.

10.5 Stratasys Summer Camp in Israel

Stratasys Israel hosts a week-long subsidized summer camp during the last week of August for the children of Israeli employees. We continued this tradition in 2020 by offering a virtual summer camp, and resumed the in-person camp in 2021. The program gives working parents a safe and fun option for their children in the summer, while providing them with peace of mind during the workday, and we didn't compromise on this cornerstone of our DNA during COVID summers, too – when the program provided relief and fun for our teams and their families.

Creating the Right Employee Environment

Stratasys' 30+ years of leadership in 3D Printing is based on the talent and expertise of our global teams. Innovation is a cornerstone of our DNA and our promise to our customers.
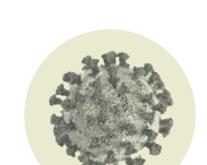
We invest in our people and together we make Stratasys a great place to work. We strive for a work environment where our employees can grow and develop, and where their dreams and ideas can impact the future.
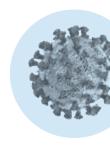
10.6 COVID Superhero

At the height of the pandemic, we initiated a global competition. Our employees' kids were invited to draw their COVID superhero. The winners of the competition had their drawing converted to a CAD file and 3D Printed. The engagement and innovation triggered television appearances and local prizes - building pride within our teams and positivity and empowerment for kids all around the world. See the clip and get inspired.

Photo Credit: Nadav Goren

51

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 11:
DIVERSITY, EQUITY, & INCLUSION

Stratasys is committed to providing equal employment opportunities to all qualified candidates. We do not tolerate discrimination against anyone on the basis of race, color, religion, age, gender, sexual orientation, marital status, disability, ethnic origin, or nationality. We are also committed to providing a work environment free of all forms of harassment.

Our company prioritizes diverse employment whenever possible. Currently, 26% of our global workforce are women. The percentage of women on our board of directors, 25% (two of eight members).

26%   74%

Stratasys encourages the acceptance and accessibility of diverse populations and works with civic associations to promote the employment of diverse populations. We produce a personalized plan for each employee with special needs, and our company facilities are aligned to meet accessibility regulations. In addition, Stratasys conducts mandatory, annual anti-harassment and sexual harassment training for all employees, reinforcing our commitment to providing a safe and inclusive workplace.

Under the leadership of our Chief People Officer, we established a diversity, equity and inclusion (DEI) committee in 2021. The committee has planned manager training, an increased emphasis on providing diverse candidate slates, and regional activities relevant to DEI in local countries. The objective is to promote a work environment in which employees can be authentic and to create a culture of celebrating the differences that promote our growth and innovation.

Stratasys set a baseline for measuring and managing a more diverse workplace. Our journey begins with the mapping of those identified as women and men, with the goal of monitoring and improving equity in terms of salary and representation. We mapped ratios by level and by compensation to create transparency and visibility of year-over-year trends, to secure diversity and drive improved inclusion.

52

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

**stratasys
sustainability**
3D Printing a Better Tomorrow™

stratasys®

Ratio of Women and Men by Managerial Level and Age

Trends YoY by Age and Representation of Women in General Population

		2019 Women	2019 Men	2020 Women	2020 Men
VP and above	Under Age 30	0%	0%	0%	0%
	Ages 30-50	27%	73%	25%	75%
	Over Age 50	11%	89%	19%	81%
	Total	**20%**	**80%**	**23%**	**77%**
Middle Management	Under Age 30	18%	82%	0%	100%
	Ages 30-50	29%	71%	29%	71%
	Over Age 50	18%	82%	17%	83%
	Total	**26%**	**74%**	**26%**	**74%**
Non-managers	Under Age 30	29%	71%	31%	69%
	Ages 30-50	28%	72%	27%	73%
	Over Age 50	22%	78%	22%	78%
	Total	**26%**	**74%**	**26%**	**74%**
Total		**26%**	**74%**	**26%**	**74%**

Year-over-Year Change, 2019-2020

*Data is based primarily on 2020 figures to set a baseline for future comparative improvement measures.

Category	% Women	% Over 50	% 30-50	% Under 30
VP and above	2%	-1%	1%	0%
Middle Management	0%	-1%	3%	-2%
Non-managers	0%	1%	1%	-2%
Overall YoY	0%	1%	2%	-2%

53

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

Stratasys is active in community programs that help encourage and promote the employment and career development of women. We work together with the Breaking the Glass Ceiling initiative to mentor the next-generation female workforce. We also work with STEM programs to promote science education for girls to make the world of 3D printing more accessible to them, and to promote technology careers for women.

Stratasys created a partnership with Jerusalem Municipality to advance Quality Education and close social and other gaps through shared 'learning by making' programs. The "Revadim" program in Jerusalem is a '3D Printing in School' initiative that promotes new and equal learning opportunities through technology, across sectors, religions and socio-economic layers. Stratasys deployed 200+ printers, in this diverse city to schools in all four of Jerusalem's education tracks: state-secular, state-religious, independent-religious and Arab. Teachers at these schools are trained by the Jerusalem Education Administration and Stratasys staff to implement Stratasys technologies in the classroom through Project Based Learning (PBL), including STEM learning and the arts. The pilot was a success from a pedagogical perspective; empowerment and upskilling were only part of the outstanding results.

54

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 12:
EMPLOYEE VALUE PROPOSITION

12.1 Engagement

As a leader in global polymer 3D printing, we are committed to and invested in making Stratasys a great place to work. Employees are proud to work at Stratasys, the industry-leading, global polymer 3D Printing Company. We offer the opportunity for employees to develop their careers in an environment where groundbreaking solutions and technologies are changing the face of design, manufacturing, and healthcare.
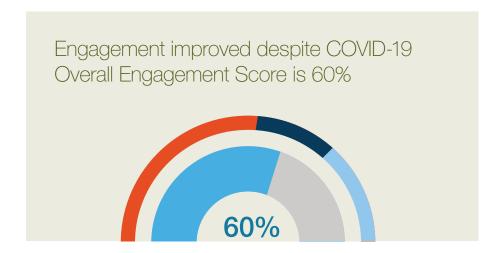
At Stratasys we conduct global employee engagement surveys to ensure our company, business units, and teams collect on-going feedback. The survey's goal is to listen to our employees, support ongoing improvement, and maintain our strong employee value proposition, over time.

We are especially proud to report that during the COVID-19 pandemic, we attained an 86% response rate to our annual survey and maintained, even slightly improved, our 60% engagement score. This past survey identified the company's biggest strengths as follows:

1. Management of COVID-19.

2. Collaboration between units.

3. Organizational change management.

4. Senior leadership movement and work done by direct managers.

According to the survey, our then new CEO, leadership team and strategy were well-received, and managers addressed employee concerns satisfactorily when navigating the crisis during very uncertain times, including a deep business transformation.

It is important to also note the lowest scores were for talent management and career opportunities, which are now the focus of our workplan going forward.

Engagement improved despite COVID-19
Overall Engagement Score is 60%

60%

Our new Stratasys strategy was designed in collaboration with employees (95 people involved, 6 workshops); they identified the company's growth engines and future business directions. Our nimble organizational structure allows employees to more directly impact those areas under their responsibility. For example, with innovation as a core value, it is important to note that each employee is encouraged to introduce new solutions and patent them under the company's name.

55

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

12.2 Employee Attraction, Mobility and Retention

Stratasys has a structured practice and policy for identifying talent for key positions and offers a wide range of incentives to encourage employees to grow with the company. We offer a competitive total compensation and rewards package that includes recognition and rewards, targeted bonuses, long-term equity packages, and career development tracks. We also offer mentorship programs in which senior managers guide the next generation as they advance their careers at Stratasys.

We pride ourselves on our broad learning and development offerings, which enable employees to advance themselves professionally in areas of interest through special projects and online/on-demand courses. In fact, many Stratasys learnings emerge from our employees themselves.

We also maintain an extensive recognition program to encourage excellence and to help engage employees. The program is divided into five categories and is highlighted by an annual award ceremony. We grant an annual CEO award, quarterly awards in which fellow employees choose the winners, and additional ongoing awards and recognitions.

Every year, Stratasys recognizes employee seniority by marking those who have been at the company for 5, 10, 15, and 20 years. The average seniority of our employees is 6.1 years.

SPARK AWARDS
Make Your Mark. Make it with Stratasys.

GOODJOB!

EXCELLENCE AWARD

ABOVE&BEYOND

CEO EXCELLENCE AWARD

BETTER TOGETHER

56

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

12.3 Career Development

We invest in our employees, so they know that Stratasys is a place to grow, develop and create new opportunities. We offer an extensive career development system that includes personal development planning, promotions, and internal mobility, and an annual talent program for executives and outstanding employees.

Stratasys offers a customized training program for employees in core professions such as marketing, product management, and application engineering. Stratasys also offers training for new hires and managers, as well as to support core processes such as the development and performance process, interpreting engagement scores, and compliance topics.

We also hold professional development workshops and lectures with leading experts in their field.

I started my journey at Stratasys over six years ago and already have had the honor of serving in three professional positions on different teams. I am thrilled to work at a company that not only encourages its employees to learn, grow, experiment, and take chances, but also rewards them for so.
Through my years at Stratasys, I took part in, and even led, several major projects. I always feel included, equal and valued.

Einav Halotzi, *Product Manager, Dental*

57

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

12.4 Compensation & Benefits

As a company committed to People First, we work to ensure that our employees are fairly and competitively rewarded and compensated for their contributions.

We seek to attract and retain top talent. Benefit and retirement plans are defined and delivered by each country. For example, we offer medical insurance and a 401(k) savings plan for employees in the United States. In Israel, Asia, and Europe, part-time and temporary employees receive the same benefits as full-time employees. In the US, part-time employees working less than 30 hours per week as well as temporary employees receive different benefits compared to full-time employees.

Compensation & Benefits

We **recruit**, **motivate**, and **retain** talented employees.

» We believe in "pay for performance" where contribution directly impacts rewards.

» We hold our senior management accountable to success by measuring and paying for results

» We ensure our package is fair and competitive.

» Our employees are key to driving business success:

   » Stratasys drives company, personal and professional growth by recognizing and rewarding excellence.

   » Stratasys offers its top talent opportunities: advancement, development and long-term incentives to drive mutual commitment to business success.

Stratasys compensation practices aim to secure strong performance

by motivating teams and individuals throughout the year and over time.

58

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

PROGRAM (ON- GOING)

» CEO Excellence, peer-2-peer, mgr-2-EE, Team

PURPOSE

» Rewards for specific projects and achievements

ELIGIBILITY

» All employees

PROGRAM (SELECTIVE)

» Restricted Stock Units
» Performance RSUs

PURPOSE

» Tied to shareholder value
» Long term retention

ELIGIBILITY

» Talent & key employees, senior leaders

PROGRAM (Driven by Market)

» Merit and Promotions

PURPOSE

» Market Alignment

ELIGIBILITY

» All employees

PROGRAM (ROLE BASED)

» Bonus
» Sales Incentive

PURPOSE

» Pay for Performance
» MBO - KPI Driven to Promote Business First

ELIGIBILITY

» All employees by role, aligned to financial performance

Recognition | Base Salary | Equity | Variable Pay

Stratasys maintains a clear and managed equity policy in which we allocate shares with partial annual maturity over four years to employees who annually participate in share programs. Our employee compensation policy also features bonuses based on set goals and organized KPIs. While Stratasys did not meet our initial 2020 median targets due to COVID-19 disruptions, we adjusted our H2 2020 targets to the new reality and successfully met them. As a result, we were able to distribute partial bonuses in 2020 – not a small achievement in unprecedented times of global business turndown. In 2021, Stratasys demonstrated a return to growth distributing a full bonus according to plan to all eligible employees. Results came in above target for the majority of business units and as such variable pay budget was increased (above 100%) and allocated according to our 'Pay for Performance' practice.

12.4.1 Minimum Notice Periods Regarding Operational Changes

We adhere to local laws and regulations providing employees and their representatives minimum notice prior to implementing significant operational changes that could substantially affect them. For example, when we close or divest from a location or terminate 20% or more of its employees in the US, we provide 60 days' notice (WARN Act). Elsewhere, we typically give one month's notice in cases of termination, with exceptions of 2–3 months in some countries and designated positions.

59

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 13
Health and Well-being

Stratasys recognizes that the health and wellbeing of our people and teams is fundamental to our business success. That's why we invest in advancing an offering that provides a variety of health and wellness programs, services and support.

We implement our vision based on a "glocal" (global/local) approach in order to deliver more personal and culturally aligned programs.

During the COVID-19 pandemic, in particular, we implemented additional special employee safety, health and well-being programs. For example, we adopted flexible work schedules and locations and offered webinars promoting a healthy lifestyle. We also launched an intranet site with local and global COVID-19 updates to create an accessible and reliable information source. This provided more clarity, certainty and capabilities, enabling quick adherence to local regulations and practices.

13.1 Worker Health Promotion

13.1.1 Health Coverage

Each Stratasys location offers medical insurance coverage based on what is customary in the country in which it operates. In countries with national insurance requirements, Stratasys may offer a supplementary private medical insurance program (e.g. at major locations in the US, the UK, and Israel). In addition, employees in the US can participate in a dental and vision insurance program. US employees can also choose from among various types of coverage and add dependents. In most locations, we cover disability insurance and workers' compensation for all employees. In addition, we maintain a wellness program in the US that addresses physical, mental and financial well-being that will be expanded to other locations in the future.

We maintain the confidentiality of workers' personal health information. In the US, protected health information (PHI) is confidential and stored in a separate filing system used for health-related documents that is accessible only to certain HR personnel. Outside the US, where a separate system is not required, all health-related documents are confidential and kept within the employee's HR file.

We provide preventive care services to our employees around the world. Employees in the US are eligible for preventive care benefits based on the Affordable Care Act (ACA).

We also invest in preventive medicine in Israel. All employees over the age of 40 are eligible for a health survey – a series of medical tests aimed at discovering disease or risk factors before the appearance of symptoms to promote early detection and treatment.

60

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

13.1.2 Well-being

13.1.2.1 Israel

Stratasys promotes a healthy lifestyle for employees, hosting health days throughout the year. Our Israeli sites include gyms and regular exercise classes (e.g. Pilates). We also subsidize sporting activities and memberships to external gyms.

In addition, we support team sports through initiatives such as sports days, running groups, and competitive races. We continued this commitment during COVID-19, including moving exercise classes to web platforms at no cost, and organizing remote sports days for company employees and their families. Management set a personal example by actively participating in these activities.

During the second quarantine in Israel, we held the Stratasys Great Sports Challenge to encourage employees to maintain a healthy lifestyle and spend quality time with their families. Employees received at-home sports kits, including a smart pedometer (that syncs to a mobile phone), weights and equipment. The devices were adjusted to reflect the maximum legal distance the population could travel to from their home, enabling employees to compete while complying with governmental restrictions. The competition featured a number of running, walking and cycling activities, across varied distances, for both individuals and families.

13.1.2.2 US

Stratasys' well-being strategy in the United States focuses on:

» Financial Health

» Mental Health

» Physical Health

» Relationships/Community Health Within this context, we offer employees a range of activities, and publish a newsletter promoting a healthy lifestyle.

13.1.2.3 Worldwide

The company's intranet site is personalized according to our employees' locations and offers access to information supporting a healthy lifestyle.

13.1.3 Work-life Balance

Stratasys' organizational culture supports a balance between work and personal life. This is reflected in country-specific initiatives that vary across countries, such as the allocation of paid working hours for volunteering, sports and other activities. The company provides paid sick days starting from the first day and additional leave days beyond that required by law, including for marriage and parental leave. We also provide additional sick leave flexibility to cover COVID-related absences. In addition, we hold work-life balance and parenting workshops in Israel.

13.1.4 Holidays and Vacation Days

Stratasys offers employees more vacation days than are required by law in each country of operation. During COVID-19, the company allowed employees to accrue additional vacation days to which they were entitled to maximize flexibility.

13.1.5 Parental Leave

Our employee base is made up of diverse and globally dispersed people and teams with unique and personal needs. We recognize and respect family and life cycle events, and help our employees celebrate these special occasions.

We grant parental leave in all countries in which we operate according to local law and practices. In addition, we provide 3 extra parental leave days to men at the company's expense, while giving them the option to take paternity leave in accordance with local laws.

Just this year, to promote inclusion, equity and diversity, we rolled out equal parental leave in Israel, announcing 3 additional weeks of time off, at the company's expense, for either parent to

61

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

13.2 Occupational Health and Safety

Occupational health and safety for our employees is at the top of our People First agenda.

We maintain a safety management system in accordance with ISO 45001 requirements. Our safety officer directly reports to the facilities and operations leader and is responsible for safeguarding the health and safety of the entire organization, including employees, contracted workers, and external contractors. We also have a safety committee responsible for Reviewing safety and health policies and procedures, reviewing incidents involving work-related fatalities, injuries, illnesses or near misses related to occupational health and clinical safety, reviewing employee complaints regarding safety and health hazards related to occupational health and clinical safety and preparing data for our annual management survey. The group meets at least eight times a year, and once a year it prepares a safety management plan, including a budget, that is approved by a member of management.

Stratasys' commitment to safeguarding the organization is outlined in our Safety, Health, and Environmental Protection Policy published in July 2021. As outlined in the policy, our objectives are to go beyond the letter of the law to meet all relevant safety requirements and regulations, and to proactively reduce the risk of work-related injuries and illnesses.

Every new employee is required to participate in local safety training. We also offer training to employees who are exposed to specific work-related hazards, hazardous activities, or hazardous situations. Any risks at the workplace are reported and handled by relevant authorities, while no proceedings are taken against the employees.

Relevant departments carry out and validate their risk assessment annually. We also conduct risk assessments for new materials, processes or equipment, as needed. Our project leaders, safety officer, and safety trustees carry out all processes to ensure the highest possible quality.

Employees can access our online maintenance system to report hazards that may lead to injury. Our safety officer is available and accessible to all employees, and there are safety trustees at our sites who represent workers on each floor.

We maintain a work accident procedure that requires the reporting of an accident within 72 hours. To report an accident, an employee must fill out a form and send it to the safety officer, who distributes it to all relevant parties (e.g. HR, management, insurance company) for follow-up. The incident is investigated, and if the results indicate the need to refine, address or refresh matters, then the safety officer formulates recommendations to the appropriate individuals (e.g. people at the facilities, person responsible for a particular company policy).

62

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

2020 | Israel Employees Incident Tracking					
Common types of incidents	Recordable Injuries not causing permanent damage, where employee recovered fully in 6 months or less	Recordable Injuries causing permanent damage, or where employee lived but did not recover fully in six months or less	Total Recordable injuries not resulting in death	Recordable injuries resulting in death	"Close calls" with high potential to cause recordable injury or death
Electrical problem	0	0	0	0	0
Explosion	0	0	0	0	0
Fire	0	0	0	0	0
Transportation and vehicle related accidents directly related to the performance of work	0	0	0	0	0
Commuting, where the means of transportation was organized by the company	2	0	2	0	0
Slips, trips, and falls	6	0	6	0	0
Caught in or struck by moving machinery or objects	0	0	0	0	0
Leakage, breakage, bursting, or overflow	0	0	0	0	0
Confined spaces	0	0	0	0	0
Workplace violence	0	0	0	0	0
Shock or fright	0	0	0	0	0
Noise	0	0	0	0	0
Harassment	0	0	0	0	0
Other (complete below)					
Car Accident	1		1		
Exposure to a chemical	2		2		
Totals	**11**	**0**	**11**	**0**	**0**

*Data is based primarily on 2020 figures to set a baseline for future comparative improvement measures.

63

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 14
Learning and Development

Make learning a part of our Stratasys DNA to promote excellence on an individual and organizational level.

We are committed to making advanced and structured learning solutions accessible in order to accelerate company performance. We believe that in order to maintain our position as an innovative company and market leader in AM, our employees should always be learning and staying up to date with new developments, knowledge and skills.

Our company and our employees are market leaders. We seek knowledge and expertise to support our value of "Aim higher" – always learning and improving. Often, the information

used in creating new learning platforms and employee development programs stems from knowledge acquired from within Stratasys, offered by our in-house experts. Our overall goal is to add value to our employees, and by extension, to our company. We are proud that our employees maintain extensive knowledge and expertise and that we have a culture of knowledge sharing, within our company and across the industry. Keeping this in mind and recognizing our overall goal, we first turn to our employees when determining available internal learning opportunities. This allows us to be fast, dynamic and flexible, as well as to engage with our employees. These opportunities help foster a creative mindset among our employees that is conducive to our innovative, forward-looking nature.

Various Learning Frameworks

We offer a wide range of learning frameworks for employees.

» **Onboarding:** Global program covering all onboarding processes such as orientation day and an e-learning tutorial.

» **Compliance:** Annual and globally managed campaigns covering anti-harassment, safety, security, and code of conduct and ethics.

» **Application Engineers (AE): 22 learning programs** for global AEs, with focus on materials (polymers, metal) and CAD (including live training webinars on Solidworks, Keyshot and Rhino).

» **Design:** Identification of gaps and improvement opportunities, along with learning offerings, to expand the knowledge of design unit employees through tailored programs

We also offer targeted programs to specific populations:

» R&D & Design Engineering

» Application Engineers

» Product Managers

64

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

Stratasys has implemented an Operations Training, Qualification and Certification Procedure policy aimed at establishing and defining an internal training program, as well as ensuring the competency of operations personnel. Training employees in the procedures and methods that they may perform is a key factor for operational success. Applicable to on-the-job training, in-house training, and new-hire training, the policy enables and outlines the introduction of new procedures and methods, employee retraining, and employee performance verification.

New employee process

| On board training | Assigned to a trainer | Overview of the training plan | Provide training materials | Quality check-in (only for production employees) | Training | Quality check-out (only for production employees) | Updating certification meretrix |

Veteran Employee Process (Cross training, Role Change, etc.)

| Assigned to a trainer | Overview of the training plan | Provide training materials | Quality check-in (only for production employees) | Training | Quality check-out (only for production employees) | Updating certification matrix |

Due to the diverse nature of our operations, each training area and accompanying coursework is managed by the relevant business unit and manager (i.e., Application Engineers, Environment, Health and Safety, or management). This ensures that all training and learning are customized to meet the needs and requirements of each business unit, leading to more accomplished and successful employees.

We engage our employees through robust learning and development programs that help them gain new skills, learn new areas, and develop their capacities. We utilize three different learning strategies: the Success Factors Learning Management System (LMS), LinkedIn Learning, and live webinars. By combining these platforms, which involve a mix of online and in-person learning, we can reach each and every employee. Stratasys employees are also encouraged to develop their specific fields of interest, dream of new projects, and promote initiatives. **Giving the space to be creative, we encourage employees to harness their own curiosity and develop concrete leadership skills.**

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LEADERSHIP ACADEMY
BE THE LEADER YOU BELIEVE IN

Reach for
the STARS
Step Up For Success

65

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

We address employee development through a variety of programs, such as the Reach for the Stars program for high potential employees and successors for senior roles, and mid-level manager training through the Stratasys Leadership Academy. Also, all employees can experience enhanced development through our development and performance management program,3DP. Throughout the year (now 4 times a year), employees are asked to discuss their individual performance goals with their manager. Employees also are encouraged to discuss successes and challenges from the previous quarter, as well as priorities for the current quarter. The purpose is to create better goal management, communication and relationships between an employee and his/her manager.

Total Training on Human Rights Policy

Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects relevant to our operations

1 hour a year for employees
anti-harassment tutorial

2 hours a year for managers
anti-harassment tutorial

Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects relevant to our operations

Over **95%** completion rate

66

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

Additional Projects Under Development

1. **Expert Team** – Professionals within the company will be provided with tools and training to share their knowledge and expertise with colleagues.

2. **Project Based Learning (PBL)** – a dedicated learning path for those running strategic projects, or intending to extend their expertise in this area.

3. We launched in 2021 our **Annual Compliance Campaign**, which will continue through August and include training in:

   a. **Stratasys Code of Business Conduct and Ethics (the Code)** – The foundation for legal and ethical standards that guides us in our daily actions and activities. In addition, we provide clear policies that extend beyond the Code and encompass several other important topics, including our insider trading policy, global anti-corruption policy, gifts and entertainment policy, and whistleblower policy.

   b. **Anti-Harassment** – Includes training that provides important information on the prohibition of harassment in the workplace. It addresses how to create a respectful and professional work environment for everyone.

   c. **Physical Security Training** – Designed to set rules and guidelines for protecting our knowledge, assets, facilities, and other properties from various threats.

   d. **Israel Safety** – A tutorial in Hebrew that covers rules and regulations for safe conduct in our offices and labs. While it may be a refresher for some employees, it is mandatory by law for all workers to complete it annually.

14.1 Professional Development – Expand Your View

Employees are periodically invited to company-wide lectures with customers to learn how they utilize our technology to create innovative and cutting-edge applications, including sustainable projects and technologies. Employees from every department and unit get to see our technology in action, learn how it is being used to improve the work of manufacturers, designers, engineers and other professionals. They also get to ask questions and have meaningful interactions with makers.

67

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

IV.2 COMMUNITY

CHAPTER 15

Corporate Social Responsibility & Community Social Impact

Stratasys is an integral part of the communities in which we operate. We are committed to leveraging the value of 3D printing so we build meaningful partnerships and allow for personal employee contributions via our global volunteer network, that impact people and the planet, across the locations we work in.

Our strategy is to create smart, long-term collabortations with host communities. In this way, we not only highlight our expertise, but also create shared value to generate a win-win situation for our communities and our employees.

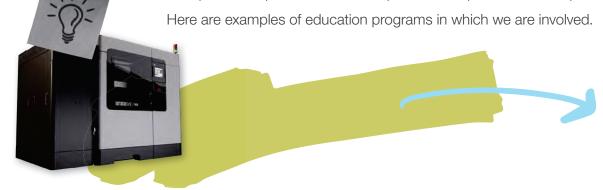## 15.1 Innovation in Education – Programs and Partnerships

We know education to be a key to creating a better society, better technology, and a better life. So, we support equitable and accessible education opportunities that foster diverse perspectives and engender innovation across all sectors. As a first major step, we aligned our activities and community impact outlook with sustainable development goal (SDG) #4, Quality Education for Inclusive and Equitable Education, via our greatest value propositions – our people and our knowledge.

Experts predict a shortage of skilled workers could lead to millions of unfilled jobs, which could potentially halt economic advancement and increase social gaps and inequalities. Companies worldwide are counting on career and technical schools to develop programs that attract talented students and prepare them to work in advanced technology sectors using knowledge far beyond what was required a generation ago.

Bringing together high-tech industry and higher education is one way to close the gap among younger generations. It gives students a path to gain critical academic and STEM skills through hands-on learning. Stratasys can galvanize an entire campus, generate excitement, inspire collaboration, and foster student entrepreneurship with hands-on experiences in professional 3D printing.

Here are examples of education programs in which we are involved.

68

Section I	Section II	Section III	Section IV	Section V	Section VI
Leadership Statements	'Mindful Manufacturing' Sustainability That Goes Beyond Compliance	Environment	Social Impact	Governance	About This Report

Photo credit: Lesya Andreiko

15.1.1 Learning by Making – Revadim Project, Jerusalem

This 2-year program supports efforts in Jerusalem, one of the largest and most diverse cities in Israel, where our headquarters are located. The partnership program with the Jerusalem Municipality creates a large database of pedagogical content and research to guide teachers and give them practical tools to embed digital fabrication (3D Printing) tools as part of classroom learning.

The three main elements of the program are:

1. **Pedagogical** – mentoring and developing new learning tools.

2. **Hands-on** – learning by making.

3. **Bridging the Gap** – leveraging traditional learning. Through the education system we aid in providing advanced learning opportunities that deepen the understanding of students while closing socio-economic gaps.

"Through its education initiatives, Stratasys impacts the lives of children around the world. As employees, we get to volunteer in our communities, introducing children of all ages to STEM professions and 3D printing technologies. I love helping shape the next generation of engineers."

Jane Davydov, *Engineering Project Manager at Stratasys*
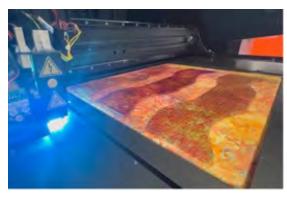
69

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

Stratasys Volunteers for Makers for Heroes 2021

Stratasys Volunteers for Makers for Heroes 2020

15.1.2 Makers for Heroes

We have been partnering with Restart for over five years. Through its "Makers for Heroes" initiative, the non-profit organization develops creative solutions for wounded Israeli and foreign veterans to help them overcome their daily challenges. In working with Stratasys, the organization approaches us with a particular challenge, and a team of employee volunteers comes up with a solution via our cutting-edge 3D printing technologies.

70

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
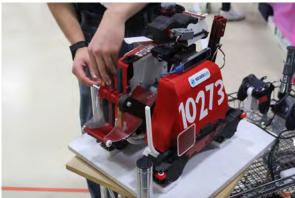3D Printing a Better Tomorrow™

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15.1.3 High Tech Kids and FIRST

Stratasys is a proud sponsor of "of "High Tech Kids", a Minnesota non-profit and "FIRST" (For the Inspiration and Recognition of Science and Technology) a global non-profit. We support High Tech Kids activity yearly and provide in-kind donations to FIRST teams. Both organizations provide kids with hands-on science, engineering and technology programs that are both educational and fun. "High Tech Kids" organizes robotics competitions across Minnesota as an affiliate partner of FIRST. These programs boost interest in STEM and 3D Printing at an early age, and familiarize kids with Stratasys' technology. We already donated 54 FDM printers in 2022, and have provided hundreds of printed parts and over 1000 hours of volunteer engineer expertise every year to robotics teams participating in both the Minnesota state championship and the FIRST Robotics World Championship. In 2022 there are over 800 teams in Minnesota and 126 teams in Israel, many of which incorporated 3D printing as part of their robots. We also provide eight students from the local community with scholarships and mentorship to help build our local community's interest in STEM initiatives and to help create a more diverse, equitable and inclusive engineering workforce.

71

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

15.1.4 TIPE

Stratasys was a Platinum Sponsor of the 2021 Women in 3D Printing Conference by TIPE 3D Printing (Technology. Industry. People. Economics), promoting its commitment to promoting women in 3D Printing. Six Stratasys women participated in three different panels, discussing the impact of 3D Printing and the career paths that led them to Additive Manufacturing.

TIPE 3D PRINTING

TIPE 3D Printing by Women in 3D Printing Conference

Stratasys
Platinum Sponsor

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Innovation through
Diversity, Equity & Inclusion

Stratasys is the proud platinum sponsor of the Women in 3D Printing Conference held by TIPE 3D Printing.

Many fantastic women at Stratasys took center stage leading exciting sessions, demonstrating their passion, pride and professionalism.

See our speakers and links to their sessions, below.

CLICK HERE
to watch the session

Supply Chains: Problems and Digital Solutions

Zehavit Reisin
VP, Materials Business Unit

CLICK HERE
to watch the session

Women in Additive Around the World

Lynn Cohen Kolevsohn
Director, Product Marketing

Hila Desheh
Senior Application Engineer

Michal Diga
Product Director, P3 (Origin) BU

Zehavit Reisin *VP, Materials Business Unit*

Mari Senosiain
Product Manager

Jo Whitaker
Director of Products

CLICK HERE
to watch the session

Economics of AM for Production

Mari Senosiain
Product Manager

72

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

15.2 Supply Chain (Direct Sourcing)

We implemented a suppliers' code of conduct that aligns our practices and beliefs across our value chain. To that end, we work directly with a wide range of partners and suppliers across the globe to secure the highest quality materials for both our principal raw materials and our corporate operations such as business equipment, materials, and software.

The aim of our direct sourcing is to contribute to our competitiveness and help realize the following goals:

» Maximize cost reduction across all purchasing activities

» Support supply continuity to our production plants and mitigate all major risks challenging our supply chain's stability

» Support new product institutions and current machine projects and provide the best quality of service to internal customers to maximize satisfaction

» Create a sustainable ecosystem for today and the future

Our sourcing group operates processes that are essential to the company, including strategic planning and implementation of cost reduction, BOM validation, supplier selection, ongoing management, change management, risk assessment, and contract management.

We have published a Suppliers Code of Conduct that will be incorporated in all of our engagements with vendors. It expresses our core values to suppliers, helping us deliver our products and services in a responsible, safe and ethical manner. We ask our suppliers to commit to best practices, going beyond the requirements of the Suppliers Code to create a sustainable work environment for years to come.

15.3 Innovation: A Core Value – Our Stratasys Inventors

A core value at Stratasys is innovation. For over 30 years we have introduced new technologies, capabilities and applications – and we have accelerated our growth extensively over the past two years. Our inventors are key to our leadership, and we celebrate their contribution to our portfolio. We are proud of our outstanding and growing patent portfolio.

Patents at Stratasys in 2021

Pending applications (total)	495
Issued patents (total)	1370
Total patent portfolio	1865
Total Filed in 2021*	272

73

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

15.4 Human Rights

15.4.1 Conflict Minerals

The Stratasys Board of Directors is committed to and accountable for securing an ethically-operated and ecologically sound value chain. This is backed by our official conflict minerals policy that outlines our practices and principles for sourcing raw materials necessary for our operations. We invite you to read the full disclosure on the topic. It is another demonstration of our deep commitment and governance around topic that impact our planet and people – so we ensure we rally our entire eco-system around our sustainability purpose: to 3D Print a Better Tomorrow.

74

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Section V
Governance

75

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys sustainability
3D Printing a Better Tomorrow™

stratasys

Chapter 16
Ensuring Sound Governance

Chapter 16.1: Governance of COVID-19 **Chapter**

16.2: Stratasys' Governance Structure

» **Chapter 16.2.1:** Governance Structure

» **Chapter 16.2.2:** Board of Directors' Committees

» **Chapter 16.2.3:** Chief Executive Officer and Other Officers

» **Chapter 16.2.4:** Risk Identification and Management

» **Chapter 16.2.5:** Governance of Sustainability Topics

Chapter 16.3: Ethical Work Environment

» **Chapter 16.3.1**: Code of Business Ethics

» **Chapter 16.3.2:** Whistleblower and Non-Retaliation Policy

» **Chapter 16.3.3:** Cybersecurity and Data Privacy

Chapter 17
Economic Performance

Chapter 17.1: Tax

Chapter 17.2: Procurement and Supply Chain

76

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 16: ENSURING SOUND GOVERNANCE

Sound corporate governance is a top priority for Stratasys, a key to our activity and operations worldwide. As a publicly traded company, we are committed to all of our stakeholders – suppliers, partners, customers, employees, and shareholders – to uphold and ensure good governance practices. Governance is the foundation upon which Stratasys is built, a reflection of our culture and adherence to ethical behavior, fairness, and respect for all. Successful governance is inherent to sustainable values and ensures that we demonstrate these core commitments in everything we do. It is embedded in our principles and practices which are applied throughout the Company as an integral part of our business culture and how we conduct our business globally.

At Stratasys, we strongly believe it is vital to ingrain sustainability principles at all levels and in every aspect of the organization, and, accordingly, we have embedded proper governance in our systems and processes. Governance is not a single activity. Successful implementation of a strong governance strategy requires a structured approach incorporating strategic planning, compliance and regulatory adherence, risk management, and performance management. Governance is at the core of our leadership position in 3D printing and based on 30-plus years of trust and loyalty with whom we do business.

Structured governance is key to promoting high performance and business success throughout the organization and is driven by the highest levels of executive leadership, which provides support and guidance. Structured governance also upholds and strengthens stakeholder confidence and creates an environment that is well positioned to quickly respond to ever-changing external circumstances.

Our ability to adapt, a by-product of our strong, transparent governance, not only contributes to our financial success, but also ensures that Stratasys remains resilient and strong in the face of challenges while creating space for new opportunities.

77

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

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16.1 Governance of COVID-19

At the time, with a newly appointed CEO at the helm and unprecedented uncertainty, Stratasys and our management team worked together to combat COVID-19 and counter-act its adverse impact on our results. Recognizing the gravity of the global situation at an early stage of the pandemic, we quickly created a Business Continuity Plan (BCP). This enabled management to introduce a mechanism for aligned global management during the period. We also rapidly put together a management forum charged with leading the business in all facets, including employees, performance and customers, while considering local elements in the locations where the Company operates.

As a result of these actions, we were able to strike the right balance between employee health and safety and business continuity during the pandemic. This strategy was necessary not only to survive the still ongoing crisis, but also to thrive and maintain a long-term strategic approach that would carry us for the years to come. **Based on innovation and development that took place during the pandemic, we believe our multiple product launches during a turbulent 2020-2021 to be a testament to the success of our strategy.**

Created centrally managed and fully aligned local and BU messages

CEO Corporate Communications

Local, Regional & Business Unit Communications

Customer/Partner/ Vendor Communication

78

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

What We Did

Closely monitored our employee status to secure the well-being of our teams at work and at home

Business Unit	Location	In isolation				Infected			
		Start Date	End Date	# Day	Comments	Start Date	End Date	# Day	Comments
Global Operations	Israel - Kiryat Gat	02/27/2020	10/3/2020	14	Italy			0	
Global Operations	Israel - Kiryat Gat	02/20/2020	5/3/2020	14	Thailand			0	
Direct Manufacturin	US - Valencia	3/3/2020	3/16/2020	13	Korea, vietnam, Malasia			0	
R&D SW	UK - Cambridge	3/8/2020	3/22/2020	14	Private Vacation - Italy			0	
Global HR	Israel - Rehovot	3/13/2020	3/27/2020	14	Private vacation			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
EMEA	Italy - Home Office	3/9/2020		-43899	Italy, Isolation time is unknown			0	
R&D PJ	Israel - Rehovot	3/4/2020	3/15/2020	11	Private vacation- France			0	
Global Operations	Israel - Kiryat Gat	3/9/2010	3/22/2020	14	Private vacation - London			0	
Stratasys HQ	Israel - Rehovot	3/10/2020	3/24/2020	14	Business trip to US			0	
Global Customer Supp	Israel - Rehovot	3/13/2020	3/27/2020	14	Business trip to US			0	
R&D PJ	Israel - Rehovot	3/7/2020	3/21/2020	14	Private trip - Lapland			0	
EMEA	Germany - Baden Baden	3/11/2020	3/20/2020	9				0	
EMEA	Germany - Baden Baden	3/11/2020		-43901	Living in Alsace - Risk Area			0	
EMEA	Germany - Baden Baden	3/11/2020		-43901	Living in Alsace - Risk Area			0	
EMEA	Germany - Baden Baden	3/11/2020		-43901	Living in Alsace - Risk Area			0	
EMEA	Germany - Baden Baden	3/11/2020		-43901	Living in Alsace - Risk Area			0	
EMEA	Germany - Baden Baden	3/12/2020		-43902	Living in Alsace - Risk Area			0	
MIS	Israel - Rehovot	3/9/2020	3/23/2020		Private vacation- Turkey				
Global Marketing	US - NASH	3/18/2020		14	returning home from school in France				
Americas	US - NASH	3/1/2020	3/4/2020		did not go into isolation; completed travel prior to escalation of Germany as Level 3				

79

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

16.2 Stratasys' Governance Structure

16.2.1 Governance Structure

Board of Directors

Our shareholders, Board of Directors, and executive leadership are authorized to make decisions on various company matters. The Board is responsible for guiding, monitoring and approving strategic activity, policies and decisions recommended and taken by the Company's management. It is also responsible for overseeing Stratasys' strategic direction and business performance, including periodic review of relevant economic, environmental and social impacts.

The Board also appoints an Audit Committee and Compensation Committee, each responsible for deciding specific matters assigned to them by law and stock exchange listing requirements. The Board and management are responsible for Stratasys' corporate governance and compliance programs. All company directors are independent as defined under the rules of Nasdaq.

Here is a list of board members and their committee membership:

Director Member	Position on Stratasys' Board of Directors	Committee Membership	Nationality	Gender	Date Joined
Dov Ofer	Chairman of the Board of Directors		Israeli	Male	July 2017
S. Scott Crump	Independent Director		American	Male	November 2021
John J. McEleney	Independent Director	Member of Compensation Committee And Audit Committee	American	Male	December 2012
Ziva Patir	Independent Director	Member of Compensation Committee	Israeli	Female	June 2013
David Reis	Independent Director		Israeli	Male	June 2016
Michael Schoellhorn	Independent Director		German	Male	November 2020
Yair Seroussi	Independent Director	Chair of Audit Committee	Israeli	Male	July 2017
Adina Shorr	Independent Director	Member of Audit Committee	American	Female	July 2018

80

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

16.2.2 Board of Directors' Committees

Audit Committee: The Audit Committee's authority, responsibility and specific duties are defined and described in the Committee's charter[1]. Its purpose is to assist the Board in selecting, retaining, compensating, and overseeing the company's independent auditor. The committee also oversees the integrity of Stratasys' financial statements and other published financial information, monitors performance of its financial reporting process, and monitors its compliance with legal and regulatory requirements as well as corporate policies and controls. The committee furthermore also determines whether there are delinquencies in Stratasys' business management practices, including consultation with our internal auditor or external independent auditor, and recommends to the Board of Directors to improve such practices. In addition, the committee determines whether to approve certain related party transactions or transactions in which a board member or executive officer has a personal interest, and whether any such transaction is material.

Committee membership is comprised of three or more independent directors, as defined under the Nasdaq listing rules. All committee members are required to be financially literate, and at least one has to be an "audit committee financial expert." The committee's chairperson is designated by the committee, and the committee meets at least once every fiscal quarter or more frequently as circumstances require.

Compensation Committee: Upon its formation, the Compensation Committee immediately developed, implemented, and currently remains guided by a compensation policy that serves as the basis for decisions concerning financial terms of employment or engagement of our officeholders. This includes exculpation, insurance, indemnification, or any monetary payment or obligation of payment in respect of employment or engagement. The policy also relates to certain factors, including advancement of our objectives, business and long-term strategy, and the creation of appropriate incentives for executives.

The committee is responsible for recommending the policy to the Board of Directors for approval (and subsequent approval by our shareholders). It is also charged with duties related to the policy and compensation of officeholders, as well as functions related to approval of their terms of engagement. The committee's composition is dictated by the Nasdaq listing rule. According to the rule, if a company is required to appoint external directors, the committee must consist of at least two members, each of whom must be independent.

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1 The ' STRATASYS LTD. AUDIT COMMITTEE CHARTER' can be found on Stratasys' website. At: https://d1io3yog0oux5.cloudfront.net/_006e537eafce59b652f1e2856b3129ee/stratasys/db/790/6758/file/SSYS_Audit_Committee_Charter-_final.pdf

81

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

16.2.3 Chief Executive Officer and Other Officers

Our chief executive officer is appointed by, and serves at the discretion of, our Board of Directors, subject to the employment agreement entered with the CEO. All other executives are appointed by our CEO, subject to the terms of any applicable employment agreements that we may enter with them. The compensation terms of our Core Leadership Team members are determined based on the compensation principles set in the Stratasys Executive Compensation Policy (approved by the Compensation Committee, Board and our shareholders), and approved by the Board's Compensation Committee and the Board.

16.2.4 Risk Identification and Management

Our Board of Directors serves as the primary corporate body responsible for the company's risk management, including cybersecurity risks. It periodically consults with management to obtain relevant updates, and internally discusses the company's most material risks and how they are being mitigated.

16.2.5 Governance of Sustainability Topics

An internal ESG Steering Committee of company leaders and a board champion for sustainability and corporate responsibility activity are responsible for decision-making on economic, environmental and social topics. Following the establishment of the Stratasys Sustainability Group in 2021, the Board of Directors General Forum decided to conduct an annual sustainability session at the Q2 meeting to govern and review ESG activity. The process for delegating authority for economic, environmental and social topics begins with the Board and/or CEO, who provides full approval, allocates a budget, and offers governance guidance to the VP Sustainability, who owns and runs the corporate/global function.

82

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

16.3 Ethical Work Environment

Stratasys is committed to conducting business in a legal, ethical and professional manner, and to promoting a culture of honesty, integrity and respect for the law. As such, Stratasys relies on its directors, executive officers and employees to help ensure it is complying with relevant laws, regulations and policies. Consequently, every employee is required to comply with applicable laws, regulations, the Code of Business Conduct and Ethics, and Stratasys' other policies.

16.3.1 Code of Business Conduct and Ethics

Stratasys is committed to sound corporate governance. We work to ensure that all of our activities are free from unethical practices, and that our employees are well-informed of our expectations regarding ethical behavior.

We have adopted a Code of Business Conduct and Ethics (the "Code"). The Code applies to all directors, officers and employees of our company and subsidiaries. The Code serves as an important resource for Stratasys team members on the ethical standards they are expected to uphold in carrying out day-to-day decision making. It represents the core

of how we create a solid foundation of trust and success that is reflected in our relationships with customers, suppliers, partners, and one another.

Our employees have a responsibility to uphold and ensure the values and spirit of the Code when carrying out their roles. Stratasys ensures that all employees are aware of and up to date with the Code, and its derivative compliance policies (related to anticorruption and insider trading), by providing mandatory annual training.

The Code relates to employment topics and issues such as equal opportunity, non-discrimination, and elimination of barriers. It also describes what constitutes and prohibits all types of harassment, implements workplace safety and violence prevention, requires a drug- and alcohol-free workplace, and provides for employee information privacy.

As part of the Code, the Stratasys Global Anti-Corruption Policy declares that corrupt practices are not acceptable in business dealings in both the private and government sectors. Stratasys' policy is to comply with anti-corruption laws governing global operations. Payments, gifts or other favors given to a government official, or an employee are strictly prohibited, as it may appear to be a means of influence or a bribe.

The Stratasys Gifts and Entertainment Policy sets forth rules and guidelines to promote responsible gift-giving/acceptance and entertainment practices. Stratasys has rules for giving and receiving gifts and for entertainment. While gifts can build relationships and goodwill, they can also impede objectivity about the person providing the gift or entertainment.

Stratasys is a publicly traded company listed on NASDAQ. US securities laws – including the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) and Rule 10b-5 under the Securities Exchange Act of 1934, as well as laws in other jurisdictions in which Stratasys and its subsidiaries conduct business – prohibits trading in the securities of a public company while in possession of "inside information."

In 2021 we also adopted a Suppliers Code of Conduct, aligning our broader value chain to our values and commitment to ethical activity.

83

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

16.3.2 Whistleblower and Non-Retaliation Policy

Employees should feel safe reporting misconduct to Stratasys. They also should be confident that **we are committed to fostering an open reporting environment and preventing retaliation, retribution or harassment** when an employee makes a good faith report or cooperates with an investigation of any such report. The Stratasys Whistleblower and Non-Retaliation Policy ("Whistleblower Policy") applies to all Stratasys directors, executive officers, employees, and contingent/temporary workers worldwide, including those of Stratasys-controlled entities and joint ventures (collectively, "Stratasys Personnel"). It is the responsibility of Stratasys Personnel to read, comply with and understand how this policy applies to their respective job functions.

Stratasys will not tolerate retaliation against any individual who submits a report of a violation or possible violation of law, the Code or the Whistleblower Policy. Stratasys Personnel must never intimidate, harass or take any retaliatory action against other Stratasys Personnel who, in good faith, report a potential violation of law, regulation, or the Code, or who cooperate with an investigation of any such report. Any Stratasys Personnel who retaliate against someone who has reported a violation may be exposing both themselves and the company to liability, and are subject to discipline, up to and

including termination of employment. Stratasys investigates each complaint of retaliation and, if any claim is substantiated, takes appropriate disciplinary action, up to and including termination of employment, and implements any appropriate remedial measures.

In 2021, Stratasys received no complaints of ethical breaches through our Whistleblower Hotline.

16.3.3 Cybersecurity and Data Privacy

Stratasys considers personal and non-personal data to be assets that must be safeguarded and handled carefully, but which can also be used to provide value-added services to all of our stakeholders, including our employees, customers and suppliers.

Stratasys respects the privacy of all of its employees, business partners and consumers.

Access to personal information is authorized only when there is a legitimate and lawful reason and is granted only to appropriate personnel. Protecting customer and supplier information and using it appropriately is a top priority for our company. At Stratasys, we understand that it is an imperative to safeguard any confidential information that customers or third parties share with us. Additionally, we ensure that the information provided to us is used strictly for business purposes.

To show our commitment to the protection of our information and that of our customers and suppliers, Stratasys conducts ongoing phishing monitoring and training on a yearly basis.

Phishing Awareness Campaign
Think Before You Click
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84

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

CHAPTER 17:
ECONOMIC PERFORMANCE

Stratasys staunchly believes that as a provider of additive manufacturing technology solutions for a broad range of industries, we maintain a central role in the economy and in ensuring the sustainable development of communities through global supply chains. Additive manufacturing has been thrust into the spotlight as an industry that enables economic growth and development, creates jobs, supports innovation in all sectors, generates long-term value, and enables the interconnectedness of modern society.

2,000+ Global employees	1,700 Patents (granted & pending)	$502M* cash and equivalents	$607M 2021 revenue	$0 zero debt

*As of December 31st, 2021

Our Chief Executive Officer, Chief Financial Officer and the Finance Department managers and employees manage our economic activity and financial reporting. They are responsible for disclosing Stratasys' business performance and any relevant financial issues to the Board of Directors and shareholders, through filings, reports and press releases and through the Investor Relations department. Furthermore, and together with management, they are responsible for preparing the annual, quarterly and periodic financial reports filed, as a publicly traded company. All filings and other relevant documents are available to the public through the company website.

Our shareholders are provided with current and precise information regarding our economic and financial performance. For more information, please refer to our annual report.

85

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

17.1 Tax

Tax is a heavily regulated area requiring strict compliance and careful management of risks and exposure, which could impact the company's results and public image. We ensure full compliance with local laws and regulations in areas in which Stratasys operates, while exploring developments and tax opportunities to ensure tax efficiency and optimization. Our tax team is updated about new developments worldwide. The management team discusses our tax strategy in light of changes in tax law and business developments.

The CFO and tax team, who are consulted regarding proposed changes to business operations whenever necessary and consult with external advisors, adopt this approach.

Tax risks or exposures are analyzed, quantified and evaluated for possible mitigation strategies. Risks are further investigated and identified exposure is managed when necessary. Our tax filings are prepared and reviewed internally under a controlled process. Similarly, we share and consult with professional advisors for any issue that requires unconventional treatment.

17.2 Procurement and Supply Chain

Purchasing and sourcing activities make up over $230M of direct procurement spend each year within Stratasys, depending on the scope of manufacturing and the company's inventory policy.

We evaluate our suppliers to ensure that we are receiving quality services and goods, and vet our vendors according to various benchmarks, including how they are perceived by the public as a business. In addition, the performance of vendors is reviewed on an ongoing basis to ensure that they are meeting our expectations. We create KPIs around on-time delivery and other management criteria (yearly KPI management). This year we initiated a suppliers code of conduct and aligned our vendors to our values and commitment to ethical operations.

Procurement policies are available for review on various internal platforms and web domains (SDM Workbench, Stratanet).

86

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

Section VI
About This Report

87

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

ABOUT THIS REPORT

This is Stratasys' first Sustainability report and has been prepared in using the Global Reporting Initiative Standards: Core option, as well as the Sustainability Accounting Standards Board (SASB). Throughout the report, we have aligned our various activities and impacts to the United Nations Sustainable Development Goals (SDGs). Stratasys is planning to produce its Sustainability Report on an ongoing basis and data is reported by fiscal year unless clearly marked otherwise. Unless otherwise noted, this report includes environmental and social data from internal systems and information from January 1, 2020 through December 31, 2021. All financial or economic information presented in this report is disclosed according to our 2020-2021 Annual Reports which should be referred to in case of any discrepancies.

Contact Point Regarding This Report

Stakeholders who are interested in understanding or clarifying the information presented, or who have questions regarding the content of the report may contact the following:

Rosa Coblens, VP Sustainability, rosa.coblens@stratasys.com

Roni Ezuz, Sustainability, ESG and Public Relations, roni.ezuz@stratasys.com

88

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

INDEX

GRI Indicator	Description	Chapter/page number/link
Organizational Profile		
102-1	Name of the Organization	'About Us – Stratasys'
102-2	Description of the organization's activities	'About Us – Stratasys'
102-3	Location of organization's headquarters	'Chapter 2: Stratasys – 3D Printing a Better Tomorrow'
102-4	Location of operations	'Chapter 2: Stratasys – 3D Printing a Better Tomorrow'
102-5	Nature of ownership and legal form	'Chapter 2: Stratasys – 3D Printing a Better Tomorrow'
102-6	Markets Served	'Chapter 2: Stratasys – 3D Printing a Better Tomorrow'
102-7	Scale of the reporting organization	'Chapter 2: Stratasys – 3D Printing a Better Tomorrow'
102-8	Total number of employees	'Company Overview'
102-9	Describe the organization's supply chain	'Company Overview'
102-10	Significant changes regarding the organization's size, structure, ownership, or its supply chain	20-F Report, Item 3. Key Information
102-12	List of Associations	'Association Memberships'
102-13	Memberships	'Association Memberships'
Strategy		
102-14	Statement from the most senior decision-maker of the organization	'Section I: Opening Statements'
102-15	Description of key impacts, risks, and opportunities	'Risk Identification and Management'
Ethics and Integrity		
102-16	Describe the organization's values, principles, standards and norms of behavior	'Chapter 3: Our Behaviors and Beliefs'
Governance		
102-18	Report the governance structure of the organization, including committees of the highest governance body and committees responsible for decision-making on economic, environmental and social impacts.	'Stratasys' Governance Structure'

89

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys®

102-19	Delegating Authority	'Stratasys' Governance Structure'
102-20	Executive-level responsibility for economic, environmental and social topics	'Governance of Sustainability Topics'
102-22	Composition of the highest governance body and its committees	'Board of Directors' Committees'
102-23	Chair of the highest governance body	'Board of Directors' Committees'
102-24	Nominating and selecting the highest governance body	'Board of Directors' Committees'
102-26	Role of the highest governance body in setting purpose, values and strategy	'Chapter 3: Our Behaviors and Beliefs'
102-27	Collective knowledge of highest governance body	20-F Report, Item 6.A. Directors and Senior Management
102-28	Evaluating the highest governance body's performance	20-F Report, Item 6.C. Board Practices
102-29	Identifying and managing economic, environmental, and social impacts	'Governance of Sustainability Topics'
102-30	Effectiveness of risk management processes	'Risk Identification and Management'
102-32	Highest governance body's role in sustainability reporting	'Governance of Sustainability Topics'
102-33	Communicating critical concerns	'Ethical Work Environment'
102-34	Nature and total number of critical concerns	'Ethical Work Environment'
102-35	Remuneration policies	20-F Report, Item 6.B. Compensation
102-36	Process for determining remuneration	20-F Report, Item 6.B. Compensation
Stakeholder Engagement		
102-40	List of stakeholder groups engaged by the organization	'Identified Stakeholders'
102-42	Basis for identification and selection of stakeholders with whom to engage	'Identified Stakeholders'
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	'Stakeholder Engagement'
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	'Stakeholder Engagement'

90

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

Reporting Practices		
102-47	List the material topics identified in the process for defining report content	'Materiality'
102-50	Reporting period for information provided	'About This Report'
102-53	Contact point for questions regarding the report or its contents	'About This Report'
102-54	Report the "in accordance" option	'About This Report'
102-55	The GRI content index	'GRI Content Index'
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	'Chapter 17: Economic Performance'
201-2	Financial implications and other risks and opportunities due to climate change	20-F Report, Item 3.D. Risk Factors
201-3	Defined benefit plan obligations and other retirement plans	'Compensation & Benefits'
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	'Chapter 15: Corporate Social Responsibility & Community Social Impact'
203-2	Significant indirect economic impacts	'Chapter 15: Corporate Social Responsibility & Community Social Impact'
GRI 205: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	'Ethical Work Environment'
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	'Ethical Work Environment'
GRI 207: Tax		
207-1	Approach to tax	'Tax'
207-2	Tax governance, control, and risk management	20-F Report, Item 9.E. Taxation
207-3	Stakeholder engagement and management of concerns related to tax	20-F Report, Item 9.E. Taxation

91

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

stratasys
sustainability
3D Printing a Better Tomorrow™

stratasys

GRI 302: Energy

302-1	Energy consumption within the organization	'Energy Consumption – Initial Assessment'
302-3	Energy intensity	'Energy Consumption – Initial Assessment'
302-4	Reduction of energy consumption	'Energy Consumption – Initial Assessment'

GRI 303: Water and Effluents

303-1	Interactions with water as a shared resource	'Water and Effluent Management'
303-2	Management of water discharge-related impacts	'Water and Effluent Management'
303-3	Water withdrawal	'Water and Effluent Management'
303-4	Water discharge	'Water and Effluent Management'
303-5	Water consumption	'Water and Effluent Management'

GRI 305: Emissions

305-1	Direct (Scope 1) GHG emissions	'Chapter 8: Stratasys Scope 1 and 2 – Initial Baseline'
305-2	Energy indirect (Scope 2) greenhouse gas emissions	'Chapter 8: Stratasys Scope 1 and 2 – Initial Baseline'
305-4	GHG emissions intensity	'Chapter 8: Stratasys Scope 1 and 2 – Initial Baseline'
305-5	Reduction of GHG emissions	'Chapter 8: Stratasys Scope 1 and 2 – Initial Baseline'

GRI 308: Supplier Environmental Assessment

| 308-2 | Negative environmental impacts in the supply chain and actions taken | 'Supply Chains' |

GRI 401: Employment

401-1	New employee hires and employee turnover	'Compensation & Benefits'
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	'Compensation & Benefits'
401-3	Parental leave	'Parental Leave'

GRI 402: Labor/Management Relations

| 402-1 | Minimum notice periods regarding operational changes | 'Minimum Notice Periods Regarding Operational Changes' |

GRI 403: Occupational Health and Safety

| 403-1 | Occupational health and safety management system | 'Occupational Health and Safety' |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 'Occupational Health and Safety' |

403-3	Occupational health services	'Occupational Health and Safety'
403-4	Worker participation, consultation, and communication on occupational health and safety	'Occupational Health and Safety'
403-5	Worker training on occupational health and safety	'Occupational Health and Safety'
403-6	Promotion of worker health	'Chapter 13: Health and Well-being'
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	'Occupational Health and Safety'
403-8	Workers covered by an occupational health and safety management system	'Occupational Health and Safety'
403-9	Work-related injuries	'Occupational Health and Safety'
403-10	Work-related ill health	'Occupational Health and Safety'
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	'Chapter 14: Learning and Development'
404-2	Programs for updating employee skills and transition assistance programs	'Chapter 14: Learning and Development'
404-3	Percentage of employees receiving regular performance and career development reviews	'Chapter 14: Learning and Development'
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	'Chapter 11: Diversity, Equity, & Inclusion'
405-2	Ratio of basic salary and remuneration of women to men	'Chapter 11: Diversity, Equity, & Inclusion'
GRI 406: Non-Discrimination		
406-1	Total number of incidents of discrimination and corrective actions taken	'Chapter 11: Diversity, Equity, & Inclusion'
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	'Chapter 15: Corporate Social Responsibility & Community Social Impact'
413-2	Operations with significant actual and potential negative impacts on local communities	'Chapter 15: Corporate Social Responsibility & Community Social Impact'

93

Section I
Leadership
Statements

Section II
'Mindful Manufacturing'
Sustainability That Goes
Beyond Compliance

Section III
Environment

Section IV
Social
Impact

Section V
Governance

Section VI
About This
Report

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GRI Table Appendix

Total Number of Employees (102-8)						
	2019			**2020**		
	Women	Men	**Total**	Women	Men	**Total**
By employment type						
Full-time	580	1,654	**2,234**	500	1,458	**1,958**
Part-time	20	6	**26**	28	16	**44**
Total	**600**	**1,660**	**2,260**	**528**	**1,474**	**2,002**
By employment contract						
Permanent	591	1,655	**2,246**	524	1,472	**1,996**
Temporary	9	5	**14**	4	2	**6**
Total	**600**	**1,660**	**2,260**	**528**	**1,474**	**2,002**

Gender	Age Group	2019		2020	
		Rate of New Hires	Turnover rate	Turnover rate	% Change Turnover YoY
Women	Under Age 30	4%	4%	7%	3%
	Ages 30-50				
	Over Age 50				
Men	Under Age 30	10%	12%	16%	4%
	Ages 30-50				
	Over Age 50				
By Age Group	Under Age 30	0%	3%	3%	1%
	Ages 30-50	0%	10%	13%	3%
	Over Age 50	0%	3%	6%	3%
Total (all ages)		**21%**	**16%**	**22%**	**6%**