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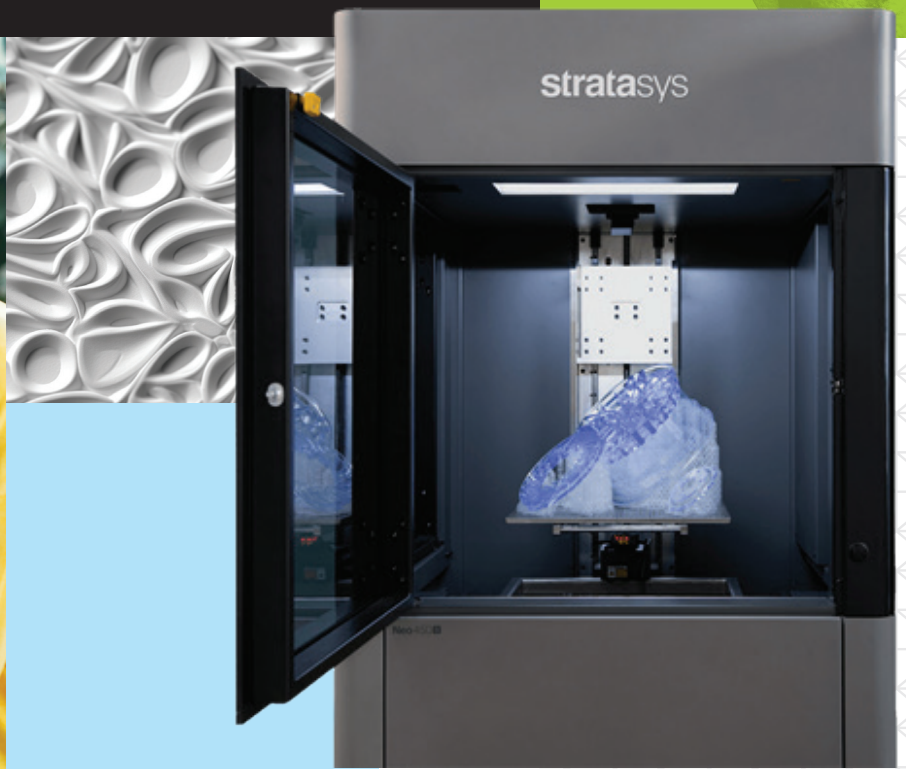
Mindful Manufacturing™

Stratasys 2021-2022 ESG & Sustainability Progress Report*

* Quantitative data covers 2021-2022. Qualitative data may include information as of end-of-year 2023.



stratasys sustainability
3D Printing a Better Tomorrow™

CHAPTER 1 | OPENING STATEMENTS

- **Executive Statements**
  - » Dr. Yoav Zeif, Chief Executive Officer
  - » Dov Ofer, Chairman of the Board of Directors
- **About This Report**

Dr. Yoav Zeif
Chief Executive Officer, Stratasys

Our Stratasys business strategy is tightly aligned with our Environment, Social and Governance (ESG) & sustainability work. This is because we understand the inherent value of Additive Manufacturing, when implemented to the benefit of people and the planet.

We call this Mindful Manufacturing™, where along with our customers, we rethink and redesign how things are made – from parts, through products, and processes, too. Working with the world's leading and most extensive 3D printing installed base, we "Add AM" to production practices across product life cycles for an improved circular economy.

We have begun to measure the impact of our technologies on our customers' footprints, industry by industry. Our innovation enables end users to redesign production, and we work together to quantify the value derived from interjecting Stratasys AM into existing operations. Our data-based approach has revealed the environmental benefits reaped by our Fashion customers, for starters. We believe the impact to be far-reaching and meaningful for all PolyJet™ implementations. We practice data collection and analysis, followed by ongoing improvement measures. And we share the findings broadly.

When our customers leverage our full solution, great potential is unlocked: software for improved digital iterations and optimized builds; new materials that support advanced geometries and use cases; the replacement of traditional manufacturing steps with additive ones achieving less dependency on natural resources, reduced emissions, greater energy efficiency and more. It's a journey, based on a shared commitment to building businesses that do well (profitable) and also do good (for stakeholders and our world) so future generations can thrive.
Join us on this journey.

Stratasys also walks the walk. We actively finance and execute continuous operational improvements to invest in our own sustainability; an industry leader that serves as an ESG role model for our AM peers.

Sustainability is not a destination: it's a path toward advanced and optimized performance. It has a broader impact when ESG is integrated in product development, or when internal initiatives – like the pursuit of environmental certifications, the adoption of renewable energy platforms, and the redesign of our own machines and materials – are implemented.

We are committed to innovation as a core value, and we know that sustainability is a catalyst for such advancements. Innovation and sustainability are two core, interwoven pillars of the Company's strategy and activity. Being ESG- and sustainability-minded reduces risk and promotes the healthy management of our successful global enterprise. We are proud to spearhead this effort in our industry and with our customers.

Stratasys's sustainability strategy and activity have deep roots in stakeholder input and engagement. Primary considerations, that set our annual road map and sustainability workplan, come from our desire to meet stakeholders expectations: customers, partners, investors, employees, suppliers, and all others in our eco-system.

The Team Stratasys call to leverage AM to improve this world, is loud and clear. Our employees are dedicated advocates of Mindful Manufacturing™, in our work and in our communities. We see this in a clear commitment to diversity and inclusion; in our top-notch governance practices and transparency; and in our overall yearn to build a leading Company driving business, social and environmental impact, to 3D Print Better Tomorrow™.

Dov Ofer

Chairman of the Board of Directors, Stratasys

Stratasys is committed to ESG and sustainability best practices. I personally support our strategy to advance our Company, while addressing the need for ongoing environmental, social and governance stewardship.

The challenges posed by today's geopolitical and economic shifts are pressuring businesses. In this complex environment, Stratasys and our Board of Directors are dedicated to achieving our success metrics. This is accompanied by our understanding that the definition of a strong sustainable business is broadening, and that financial metrics alone are no longer sufficient.

We call our commitment to this ESG effort Mindful Manufacturing™. It clearly outlines our mission to improving how parts are made, processes are optimized, and products are delivered, so that manufacturing impacts people and the planet in a positive way.

Stratasys has a unique sustainability value proposition. We are immersed and embedded in our customers' production processes. We help them elevate how things are made across industries – from aerospace and defense to fashion and automotive – and across the consumer goods manufacturing life cycle – from prototyping to end use parts. The opportunity for decreased emissions, reduced waste and less dependency on natural resources, through Additive Manufacturing, is immense. By offering a more sustainable alternative to traditional manufacturing, Stratasys provides companies with the tools they need to improve their performance and meet their sustainability goals. This is a great opportunity for both our company and the world.

We conduct periodic materiality assessments to adjust and align our ESG effort, working with all our stakeholders to ensure meaningful impact. One of our primary considerations is meeting the expectations of Company stakeholders, including customers, partners, investors, employees, suppliers, and others. We invest in circular economy improvement projects and measure our environmental impact with customers. We are devoted to the communities in which we work, collaborate on social impact programs, and hold ourselves to the highest standards of ethical conduct and governance. This has served us well as market leaders in 3D Printing a Better Tomorrow™.

ABOUT THIS REPORT

This is the second Stratasys ESG & Sustainability Report, which was prepared in accordance with the Global Reporting Initiative (GRI) Standards. As shown in the report and in our daily work, we align various activities and measure their impact based on the United Nations Sustainable Development Goals (SDGs), four of which we promote given their relevance to Additive Manufacturing.

To support this effort, Stratasys is committed to on-going data collection, continuous improvement, and ESG and sustainability reporting.

It is important to note that in this report the quantitative data covers 2021-2022, while the qualitative data may include information as of end-of-year 2023.

All financial and economic data in this report is based on our 2021-2022 annual reports, which should be referred to in the event of discrepancies. The qualitative information in this report includes a broader period covering updates from 2023 activity and events. Unless otherwise noted, the quantitative data includes environmental and social updates from January 1, 2021, through December 31, 2022.

The data collected is derived from internal management systems and subject matter experts, as well as external supplier reports. Throughout the process of the report compilation, including data collection, analysis and report drafting, Stratasys was supported by professional ESG consultants from the global Consulting Firm, Deloitte.

Contact Points for this Report

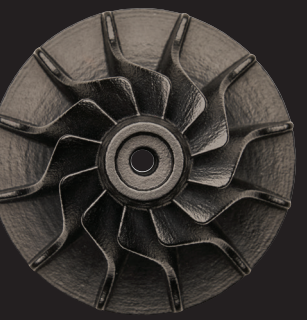
We welcome dialogue on any information in this report. Stakeholders who are interested in gaining a more in-depth, better understanding can contact:

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

Roni Ezuz, Senior Sustainability & ESG Specialist, roni.ezuz@stratasys.com

CHAPTER 2 | ABOUT US

- **About Us**
  - » Purpose, Mission, and Values
  - » Stratasys Global Operations
  - » 2022 At a Glance
  - » Full-service Additive Manufacturing Solutions Provider
  - » Our Technologies
  - » Association Memberships
  - » ESG at Stratasys – Stakeholders and Materiality
- **The Stratasys Sustainability Strategy – Mindful Manufacturing™**
  - » Promoting Sustainable Development
- **Sustainability Achievements**



ABOUT US

Stratasys is a proud pioneer of additive solutions for over 35 years, leading the global transition to production at scale enabled by 3D Printing machines, software, material, service and parts on demand.

Our broad portfolio of industrial-grade technologies supports businesses in addressing critical design and manufacturing challenges throughout the product production cycle. We support manufacturing that is optimized to enable an economical, personalized and sustainable future, addressing global production needs. We maintains the best talent in Additive Manufacturing. Our deep expertise and innovative offering empower compelling applications across industries, including aerospace, automotive, consumer products, and healthcare.

With Stratasys, customers reimagine the realms of possibility and achieve new heights of realism, precision, speed, and performance.

Add Stratasys.

Make additive work for you.

Company Purpose, Mission, and Values

At Stratasys, we understand the power of realizing our strategy and growth potential, navigating our journey to success with a clear purpose, mission, and values. As such, we set out on a journey in 2021 to unveil our backbone: what it is that makes Stratasys the first-choice polymer 3D Printing solutions provider for our teams and users.

OUR PURPOSE

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

OUR MISSION

To 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.

Since 2021 we have embraced this North Star throughout the Company, embedding each element in our everyday operations worldwide.

Values – Behaviors Defining How We Do Business

Innovate

We reinvent the way things are made with great passion to impact the world through 3D Printing for a better, more sustainable tomorrow.

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.

Own it

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

Aim higher

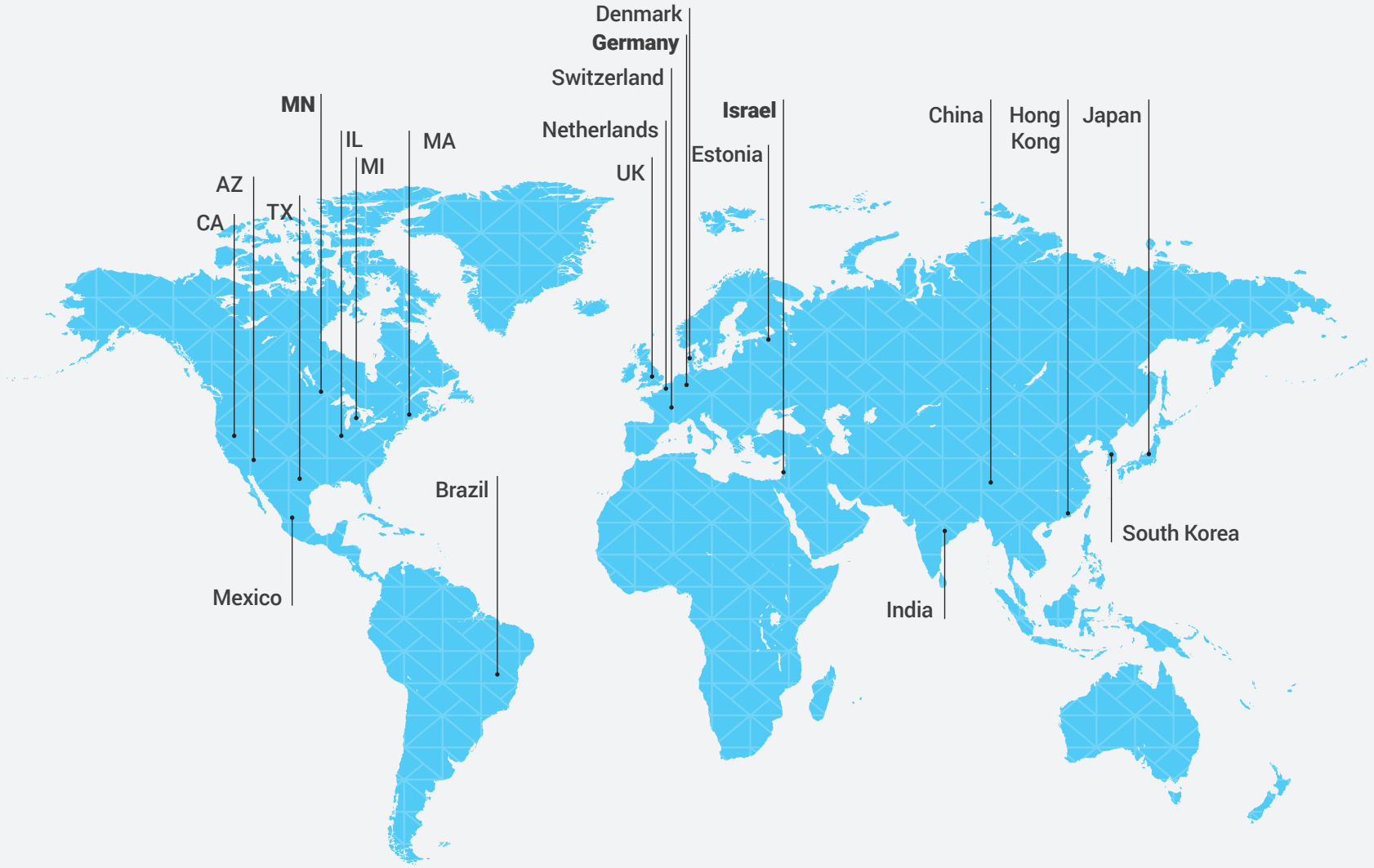
We aspire for greatness. We celebrate success and build upon it for future excellence. We dare to make mistakes and learn from them.

Make it together

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

We also created our Leadership Compass in 2023, which translates our values into key tangible behaviors that will lead us in accomplishing our mission to be first-choice polymer 3D Printing provider. The Leadership Compass creates a common language around behaviors expected from managers and employees as part of our Company culture, and establishes a strong infrastructure to support all internal talent processes.

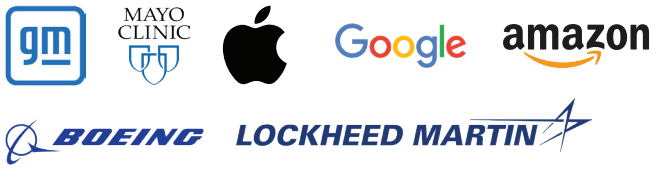
Stratasys Global Operations

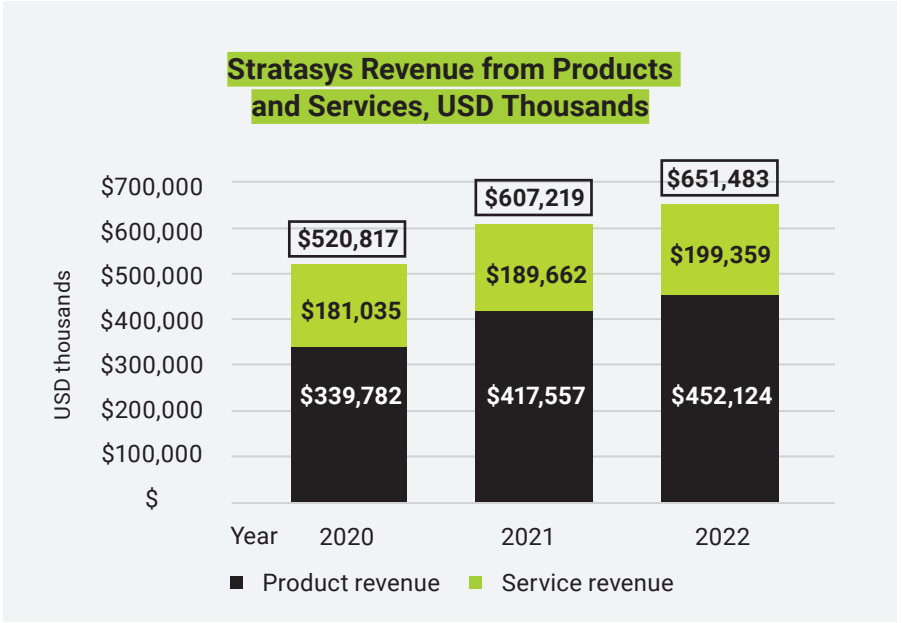


2022 At a Glance

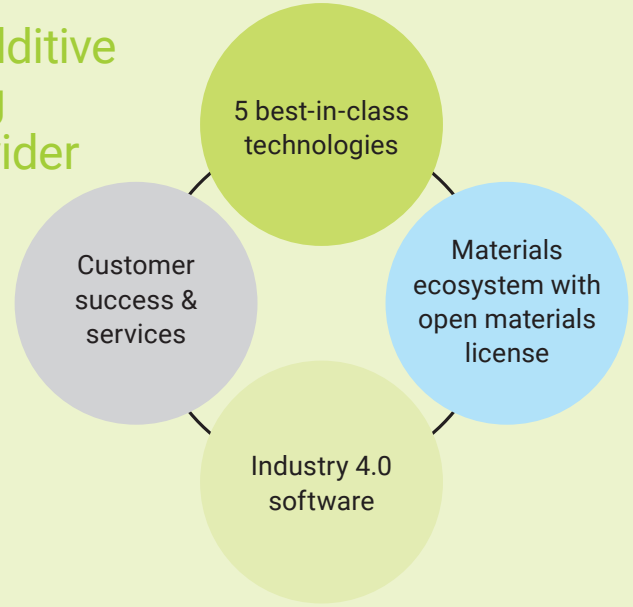
- $651.5M revenue up 7.3% YoY, adjusted revenue up 11.4%
- 2,085 employees
- 1,800+ patent portfolio, 250+ new patents filed in 2022[1]
- Acquisition of Covestro Additive Manufacturing Materials business; expansion of differentiated 3D-printed materials offering in stereolithography, DLP and powders to address more manufacturing industry applications

Largest marquee customer base





Full-service Additive Manufacturing Solutions Provider



"As of Q4 2023, we proudly delivered 10 consecutive quarters of adjusted profitability, thanks to the Team Stratasys commitment to excellence."

Eitan Zamir, Chief Financial Officer

[1] Current up-to-date numbers are 2,600+ granted and pending patents, including patents acquired from Covestro Additive Manufacturing business in 2023.

Our Technologies

PolyJet™

Prototypes/ Medical Modeling

Detailed, multi-color, and multi-material realism

Stereolithography (SL)

Prototypes / Tooling / Investment Casting

Proven reproducibility and dependability with industrial-grade materials

Industrial FDM®

Manufacturing Tools / Production Parts

Accurate, consistent and prevailing standard for industrial 3D Printing

Origin P3™ – DLP

Flexible Production

Highly complex and accurate parts with broad material options

SAF®

High-Volume Production

Consistently accurate, cost-effective parts at mass production scale

Association Memberships

AMGTA – Additive Manufacturer Green Trade Association - Founding Member

National Association of Manufacturers (US)

Minnesota Chamber of Commerce

America Makes

Women in 3D Printing

SME Society of Manufacturing Engineers

Danish AM Hub

ESG at Stratasys – Stakeholders and Materiality

Stratasys prides itself on conducting an ongoing dialogue with our stakeholders – customers, suppliers, partners, end users, employees, and shareholders – around sustainable AM innovation. Our goal is to promote an improved circular economy and deliver ESG risk management according to best practices. We engage with our stakeholders through a range of methods and channels, including marketing materials, in-person/virtual meetings, and ongoing contact across our supply chain and value chain. Our engagement covers a wide range of topics, and we encourage feedback and open dialogue.

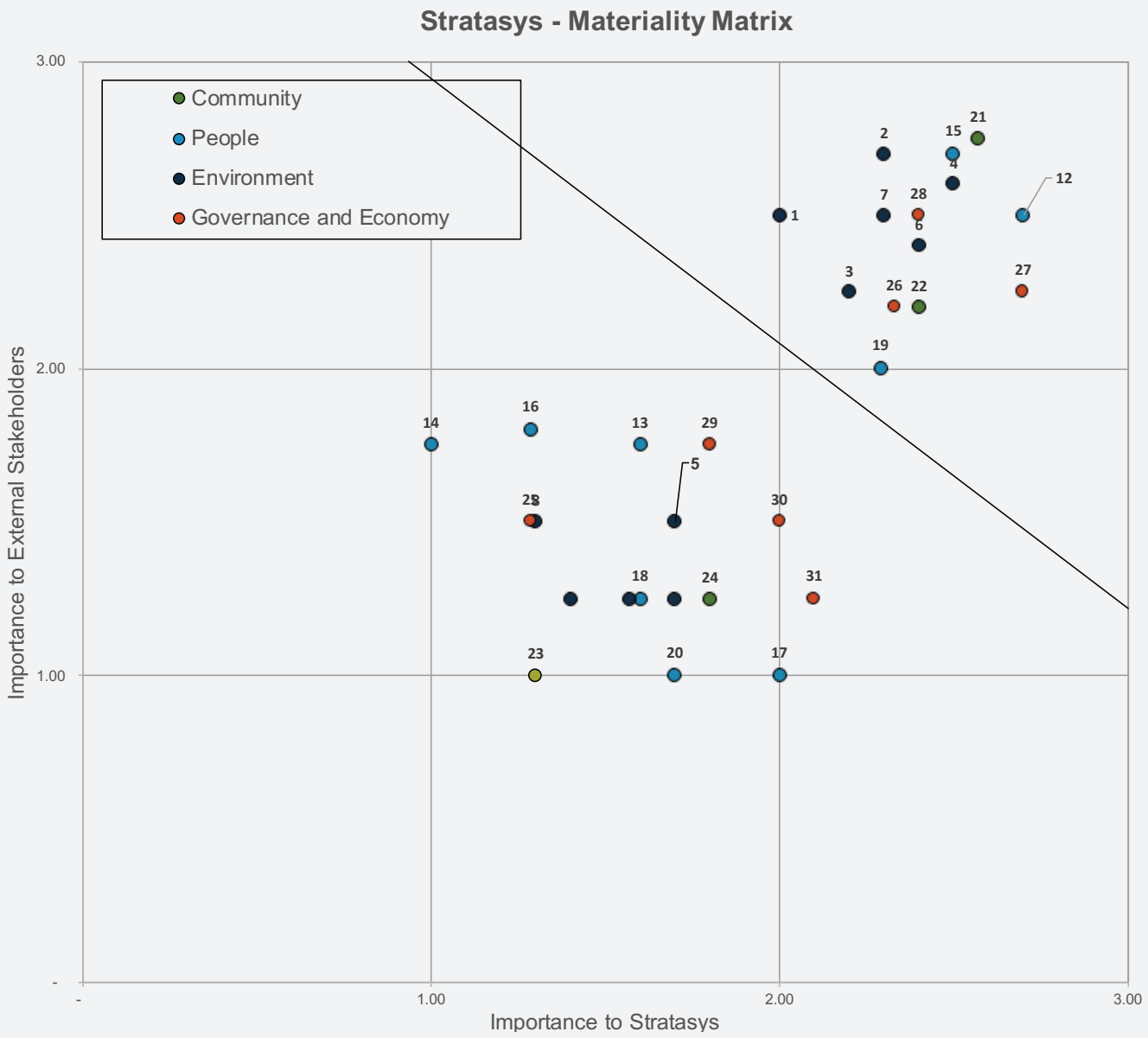
Key Stakeholders

- 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

Materiality

Our sustainability strategy focuses on issues most relevant to our core activities and most significant to our stakeholders. We conducted an engagement process with key stakeholders to understand what they expect from us. We worked with external consultants to give them a voice, to identify which ESG issues are most important to them, and to determine what they want us to focus on. This resulted in a materiality matrix, analyzing and displaying the materiality of various ESG topics in an organized manner. As our Company and stakeholders evolve and change, it is critical to reassess this analysis regularly. The material topics we identified are represented in the following matrix based on a materiality analysis we conducted in 2021, and we plan to conduct an updated assessment soon.

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

THE STRATASYS SUSTAINABILITY STRATEGY – MINDFUL MANUFACTURING™

We understand the unique way that Additive Manufacturing can empower more sustainable production for our customers. It requires us to rethink, redesign and introduce more environmentally-friendly products and operations together. We call this Mindful Manufacturing™.

But it doesn't stop there. Our unwavering commitment to advancing 3D Printing technologies is driven by a profound desire to make a positive impact on both society and business. Sustainability is at our core and part of our purpose: to empower people to create without limits for an economical, personalized and sustainable world.

Sustainability is rapidly becoming an integral part of our work processes. We actively disrupt traditional supply chains, champion local production, and introduce scalable manufacturing practices, all aimed at shaping a brighter future where generations to come can thrive. We carry out this practice with our customers across industries, helping them leverage Additive Manufacturing in their own operations to 3D Print a Better Tomorrow™.

We believe in doing well (profitable growth) by doing good (sustainable business). Our success rests on three key pillars of our AM sustainability strategy:

» Business, market and thought leadership: Leading the industry transition to a more sustainable model through science-driven actions, while demonstrating stellar corporate governance practices.

» Circular economy: Integrating sustainable practices across our own operations by introducing efficiencies, reducing waste, and incorporating circular principles in resource cultivation and consumption.

» Innovation: Working with our customers and partners to design, develop and implement AM technologies that provide clear environmental and societal benefits.

"Leading the execution of our Mindful Manufacturing™ sustainability strategy at Stratasys is an important task. We ensure that all business units across the Company are focused on the circularity of our activity and operations, working toward improving our products, parts and processes. We demonstrate an evidence-based approach to ESG where continuous improvement and ongoing data collection reveal value in adopting and advancing Additive Manufacturing for production at scale to promote a more sustainable future for generations to come."

Rosa Coblens, VP Sustainability & Communication

Our approach is characterized by precision and data-driven decision-making calculated for maximum impact. We make commitments when there's a clear path to realization, focusing on activities that genuinely drive significant change within our operations, across our portfolio, and with our customers across the industry.

We actively collaborate with organizations within the AM sphere, specifically those that focus on sustainability. We are a Founding Member of the Additive Manufacturer Green Trade Association (AMGTA) and serve on its board. In this role, we contribute to shaping sustainable practices within the AM industry. One example is the recent LCI study conducted with Dyloan of the Pattern Group, a leading Stratasys fashion industry customer. The results of this research demonstrate the calculated impact achieved when Adding Stratasys to existing manufacturing processes while replacing tradition injection molding. This practice of comparative research demonstrates our data-driven approach to sustainability. We view measurement and assessment as the way to garner evidence-based and quantifiable improvements. This practice is part of our collaborative approach, working with industry partners and customers.

Stratasys received the 2021 and 2022 AMGTA Sustainability Award for Sustainability Reporting as well as an award for ISO 14001 Environmental Certification in 2022.

Promoting Sustainable Development

We focus on four UN Sustainable Development Goals (SDG) – Quality Education (4), Industry, Innovation and Infrastructure (9), Responsible Consumption and Production (12), and Climate Action (13).

We chose these goals early in our sustainability journey, together with our employees and confirmed by our customers in our annual survey. We have already made important progress and constructed initiatives promoting them.

Quality Education

What it means to us: 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 do: We leverage our 3D printing technology to support STEM and AM education and to train the professionals of tomorrow. We work with middle school and high school students to provide volunteer mentorship by employees in STEM and robotics programs, help students combine Additive technology in their projects, and print parts for participating teams. We also support participation of students in these programs. Read more about Stratasys community activity in Stratasys in the Community - Delivering Social Impact chapter.

Industry, Innovation and Infrastructure

What it means to us: Industrialization can be a net positive for economies worldwide, creating jobs and wealth. The same is true when it comes to information and communications technology, research innovation, and support for entrepreneurship.

What we do: We are leading the shift to Mindful Manufacturing™, where we, together with our customers and partners, rethink our processes, practices and parts, while leveraging AM technology to produce in a more sustainable manner. We are changing how we operate by incorporating Design for Additive Manufacturing (DfAM) and Design for Environment (DfE) concepts in our processes. We prioritize leveraging the inherent sustainability benefits of Additive Manufacturing to transform entire industries and 3D Print a Better Tomorrow™.

Responsible Consumption and Production

What it means to us: 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 do: Circular practices are key to reducing waste and conserving resources. Our circular activity includes using renewable alternatives in our products and their packaging as well as in our recycling and reuse programs. We doubled the number of units collected through our Recycling and Return program in 2022, reaching around 1.4 million. We offer Certified Pre-Owned refurbished printers, extending the lifetime of our products while maintaining our high-quality standard. While our operations do not generate significant amounts of waste, we operate waste recycling programs, including cardboard, plastic and single-stream recycling, at our manufacturing sites and offices. Our offering includes a bio-based material, PA11, made from 100% sustainable castor oil. These actions drive us – and the industry – toward circularity and more sustainable manufacturing, and we plan to expand them soon.

13 CLIMATE ACTION

Climate Action

What it means to us: 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. Reducing the movement of product parts worldwide and using more efficient digital manufacturing methods, among other steps, will make these targets easier to achieve.

What we do: We drive sustainable practices through data-driven, evidence-based initiatives and actions. We have set out to fundamentally transform our energy mix, and have already transitioned away from the national grid at our Israeli sites – which heavily relies on coal and oil – to natural gas and renewable energy. We have installed and started to operate solar panels at our Israel manufacturing sites, with plans to expand our renewable energy capacity both in Israel and globally. We can already see a significant reduction in the intensity of our GHG emissions per GJ consumed at the sites where we have implemented these changes.

We also showcase the sustainability value of our technologies through in-depth and robust analyses of their use. Use case by use case, we aim to assess and highlight the potential environmental benefits of Adding Stratasys to manufacturing processes. Our recent Life Cycle Inventory (LCI) with Dyloan, a fashion industry customer, demonstrated our technology's numerous potential environmental savings, including reductions in energy usage and GHG emissions. This LCI is emblematic of our approach and the principles by which we operate, bringing together data-driven research, collaboration and dedication to sustainability.

SUSTAINABILITY ACHIEVEMENTS

Environmental

ISO 14001 certification awarded to HQ in Israel.

-32.5% reduction in water intensity (m^3 water/f^2 of measured sites) recorded across global operations.

Life Cycle Inventory (LCI) Research assessing environmental implications of AM vs. traditional manufacturing methods with Dyloan Bond Factory, confirming **reduced emissions and resources in fashion footwear production.**

441,339 kWh of renewable energy generated and consumed, avoiding 207 metric tons of CO_2-e, equivalent to planting 3,423 trees[2]

26 electric vehicle charging stations installed at Israeli facilities with employees receiving **50% discount on EV charging rates.**

11.3% of produced spools, cartridges and canisters recycled through Recycling and Returns program in 2022.

Social

4 diversity KPIs focusing on **hiring practices** in 2023; **117 employees** participated in Diversity, Equity, and Inclusion (DEI) training.

Employee Stock Purchase Plan (ESPP) launched, enabling employees to purchase company shares at a discount.

38,149 hours of training provided to employees in 2022 through Stratasys Academy with an average of over **18 hours** per employee; **57%** of training hours focused on **professional development and soft skills.**

81% of managers participated in management training programs in 2022, ex. employee coaching and mentoring, leading through uncertainty, and performance management.

73 point **all-time high engagement survey score, at two annual touchpoints - as five-year upward trend continues.**

Governance

>97% of employees globally completed compliance training, including training on anti-harassment, safety, and our Code of Ethics.

5 core values continue to guide actions – **Innovate, Be customer first, Own it, Aim higher, Make it together.**

100% of new suppliers signed our **Supplier Code of Conduct**, which includes **environmental, social and ethical standards**, in 2021-2022.

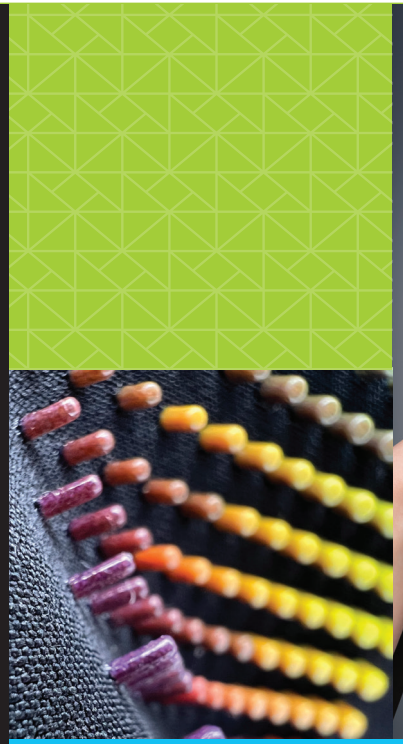
0 substantiated data leaks occurred in 2021-2022.

0 product-related, health and safety incidents of non-compliance occurred in 2021-2022.

[2] https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

CHAPTER 3 | TECHNOLOGIES AND INNOVATION

- **Our Technology Suite – Innovation at Stratasys**
  - » Our Technologies – Broadest, Best-In-Class Portfolio
  - » 3D Printing Energy Efficiency Guide – FDM
- **Innovation at Our Core**
- **The Case for Sustainable Print-to-Textile Additive Manufacturing** – Fashion Life Cycle Inventory (LCI) Highlights



OUR TECHNOLOGY SUITE – INNOVATION AT STRATASYS

We offer comprehensive Additive Manufacturing (AM) solutions through a portfolio of diverse technologies, materials and services that address production needs. Our portfolio includes five industrial-grade 3D Printing technologies that touch every product life cycle stage – from design and prototyping to manufacturing end-use parts – to create value. The technologies feature a wide range of properties to enable the creation of high-quality components, based on complex geometries, that offer improved efficiency. Leveraging our extensive portfolio of innovative 3D Printing polymer materials, which include unique and specialized properties,

Stratasys solutions are tailored to a broad spectrum of applications. Our technologies also offer digitized design processes, enabling customers to plan in advance or operate on the go with no redundant physical iterations to save on time and materials.

Stratasys technologies create value across the product development life cycle.

Design	Engineering	Jigs and Fixtures	Production
Full color capabilities	Realistic functional prototypes	Reduced lead times	Agile production
Digital design process	Rapid iterations	Lower cost tools	Personalized products with wide range of materials
Improved product design with accelerated time to market	Engineering-grade materials	Lighter weight with improved ergonomics	Supply chain resilience
Complex geometries			

Our 3D Printing technologies utilize polymers to create a wide range of parts with unique properties and designs. Polymers are categorized into **thermoplastics** and **thermosets**. The former are plastic materials that become pliable or liquid when heated to a specific temperature and solidify upon cooling. The latter change properties through a curing process, forming chemical bonds that strengthen them. In AM, thermoplastics are typically used for products that require strength, rigidity or high-temperature tolerance, while thermosets are ideal for products that require distinct designs with specific mechanical properties or fine features, including color.

Stratasys' high-end products are built to last, with many of our printers boasting a 10-20-year life span. We achieve this longevity by manufacturing high-quality, durable machines alongside regular checkups and preventative maintenance. We further extend their life span by collecting, refurbishing and reusing printers and parts, offering them to customers at reduced rates. This, in turn, lowers their environmental impact by reducing their replacement rate, cutting waste, making redundant supply chains obsolete, using fewer materials in production, and minimizing packaging and transportation, all while decreasing customer costs.

Our Technologies – Broadest, Best-In-Class Portfolio

FDM® (Fused Deposition Modeling)

FDM deposits thin threads of molten thermoplastic filament, layer by layer, in a planned path until a part is produced. The extrusion head operates across the X, Y and Z axes to create durable, sturdy parts with complex geometries. FDM utilizes many of the same thermoplastics used in traditional manufacturing processes such as injection molding. This enables scaling larger parts and producing parts that demand precise tolerances, durability and stability in different environments.

PolyJet™

PolyJet is a multi-material, jetting photopolymer 3D printing technology. Photopolymers are thermosets that change properties when exposed to ultraviolet (UV) light. They can be clear or opaque, as well as colorful, flexible or rigid, and are specially formulated to accommodate unique application needs. PolyJet jets layers of resins made of liquid photopolymers, while UV light continuously cures each layer. The technology maintains exceptional precision and versatility, with layers as thin as 16 microns and a wide range of colors. With PolyJet, customers can combine multiple resins to create hundreds of distinct composite materials, while our printers are Pantone-validated and our Stratasys CMYK colors can be matched to 1,970 printable Pantone Colors, Solid Coated and SkinTones™.

Stereolithography (SLA)

SLA uses a vat of liquid photopolymer resin and a UV laser to cure the photosensitive polymers and build parts one layer at a time. The platform moves down to the chosen layer thickness, and the process is repeated until the part is built. The part is then washed and cured, and its supports are removed. SLA can be used to produce lightweight and durable parts, while printing a variety of textures, colors and designs. As such, SLA is commonly used as a prototyping technology for industries with specific design requirements.

P3™ DLP (Digital Light Processing)

P3™, Programmable PhotoPolymerization, is an evolution of Digital Light Processing (DLP) 3D printing. Similar to SLA, DLP uses photopolymer-based resins, which are cured throughout the printing process. However, with DLP, entire layers are cured at once via a digital projector. P3™ DLP printing can be used to create industrial-grade prototypes, enabling the flexible production of end-use parts with a diverse range of high-performance materials. Stratasys experts develop materials in-house and work with leading companies to codevelop innovative photopolymers with varying and specialized properties such as Flame, Smoke Toxicity (FST) grade materials.

SAF® (Selective Absorption Fusion)

SAF®, one of our latest technologies, uses infrared light and High Absorption Fluid (HAFTM) to fuse powdered polymer particles together in layers to build parts. Piezoelectric print heads jet the HAF fluid onto the powder, which is then exposed to infrared energy that fuses it together. SAF®-based printers can manufacture uniform and consistent parts by maintaining equal temperatures across the print bed, offering higher yields and lower per-part costs.

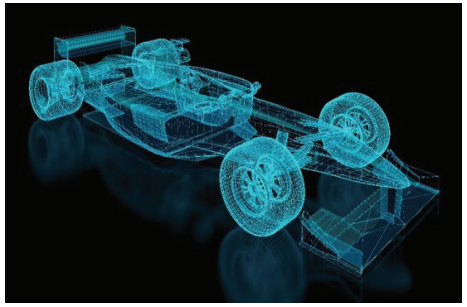
Our extensive and versatile portfolio of applications provides solutions for a wide range of industries.

Dental

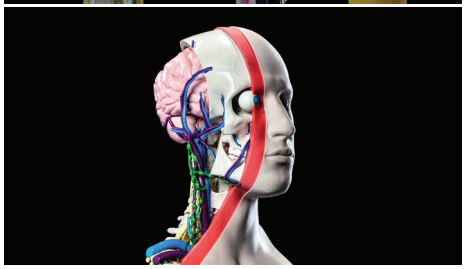
Fashion

Defense

Automotive



Medical



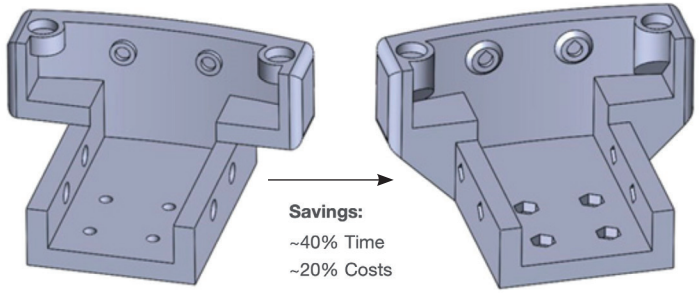
Consumer

Aerospace

3D PRINTING ENERGY EFFICIENCY GUIDE – FDM

We make it a priority to help customers use our products more efficiently to reduce environmental impact and cut costs. For example, we provided customers with an Energy Saving Brief – a concise, accessible guide for reducing energy consumption when printing parts – for our FDM technology. The guide includes useful information and tips for printing efficiently and cutting energy costs where possible. The tips include easy-to-implement steps such as replacing support materials with model materials and grouping low- and high-temperature builds to avoid constant heating and cooling. The guide also includes next-level tips such as strategically positioning the FDM printers to utilize the heat that the printing process generates. Expert-level tips include removing the add-on camera, eliminating the need to cool the equipment and saving six CFM (cubic feet per minute) of compressed air. Our FDM printers are installed with an automatic energy saving mode, which automatically disables heaters after two hours of idle status.

Our FDM 3D Printing Energy Efficiency Guide enables our customers to decrease their energy consumption, reducing both their energy bills and their operations' carbon footprint.



Adding self-supporting angles where possible makes soluble support redundant, since the model material is "self-supporting," a key feature of FDM technology. As shown here, relatively minor changes can vastly cut costs and printing times.

INNOVATION AT OUR CORE

Innovation is a core value at Stratasys. It is why our industry-leading global installed base has trusted us as a partner in building up their businesses for over 35 years.

For decades, Stratasys has worked tirelessly to bring new technologies, capabilities, and applications to our customers. Over the past three years, we have implemented a growth strategy focused on expanding our offering and extending our technology portfolio. Throughout that time, our inventors have developed 3D Printing breakthroughs to help maintain our leadership position. We are grateful for their contribution to advancing both our industry and our value proposition.

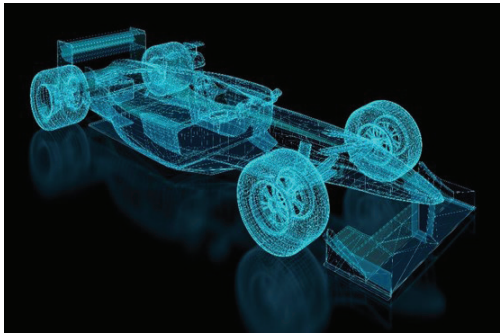
Our product teams support the adoption of Additive Manufacturing across industries, and how it contributes to the sustainability of various manufacturing processes. We are proud of our efforts to drive Additive Manufacturing forward through our patents.

Stratasys Patents, 2021-2022[3]

	2021	2022
Pending applications (end of year total)	495	464
Issued patents (total)	1,370	1,340
Total patent portfolio	**1,865**	**1,804**
Patents filed (annually)	272	254

Use Cases

Automotive



We teamed with NASCAR in 2022 to bring 3D-printed parts to race cars by producing the first-ever 3D windshield air cockpit ventilation unit for its Next Gen car. Stratasys Direct Manufacturing service bureau in Belton, Texas, led this effort by using Stratasys High Yield PA11, a bio-based material from sustainable castor oil. As part of the collaboration, the NASCAR team also designed and 3D-printed an underside NACA duct for engine cooling at its R&D facility in Concord, North Carolina.

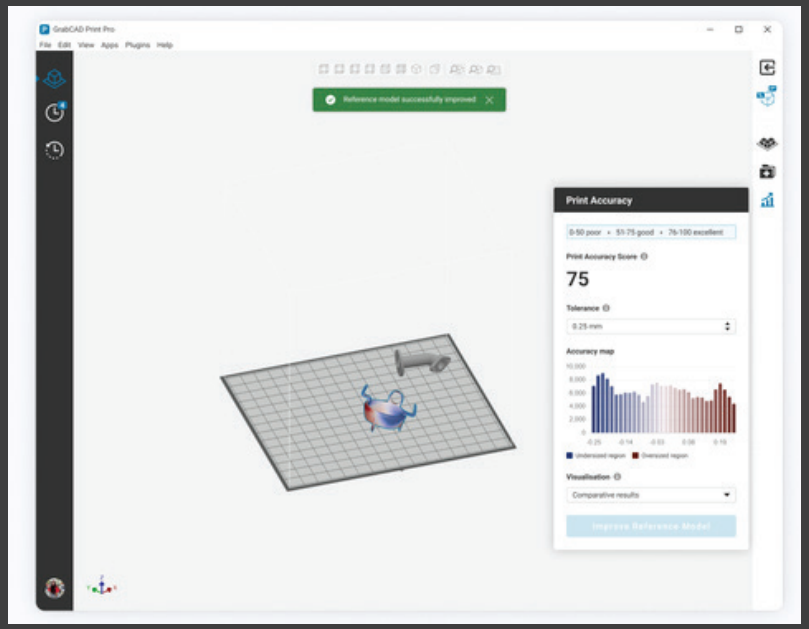
Incorporating Additive Manufacturing to the race cars not only improved performance, flexibility, cost savings, and aerodynamics, but could also have a significant environmental impact. Manufacturing parts in-house and on demand has the potential to significantly reduce transportation related emissions and shorten supply chains. In addition, it could increase the manufacturing process' environmental efficiency by reducing waste and raw material overuse, and by avoiding the establishment of large-scale, wasteful operations.

[3] Current up-to-date numbers are 2,600+ granted and pending patents, including patents acquired from Covestro Additive Manufacturing business in 2023.

FDA Cleared Dental Material

As part of our mission to utilize Additive Manufacturing to make personalized, economical, and sustainable solutions with a positive impact on the environment and on society, we developed TrueDent™, an innovative resin for producing dental appliances. TrueDent enables labs to create, in one continuous print, a full-color, aesthetic and highly accurate permanent denture for a natural looking smile. TrueDent is a patent-pending FDA cleared (Class II) resin developed for 3D Printing of dentures, crowns, bridges and more on the J5 DentaJet™ platform.

The dental industry is challenged to meet the rising demand of dentures and dental appliances produced by conventional methods due to a shortage of skilled dental laboratory technicians. Leveraging a streamlined digital workflow, TrueDent™ is making a significant impact on the industry and for dental patients. The resin enables dental labs to manufacture consistently accurate high-quality dentures efficiently offering better fit, form, and function to patients.



Scaling AM with GrabCAD Print Pro™ Software

Our new GrabCAD Print Pro software has integrated quality assurance functionality within the print preparation process that it manages for Stratasys 3D Printers. The innovative software is designed specifically for manufacturers that need to produce end use parts efficiently and to move to production-scale volumes. It enables our customers to optimize and scale part production through unique features that emphasize print accuracy and print standardization. GrabCAD Print Pro not only shortens shipping distances as well as part production time and lowers costs, but also helps manufacturers reduce production waste and raw material usage across their manufacturing processes.

The "Self-Printed" Printer: Addressing Supply Chain Issues and Building AM-Enabled Resilience

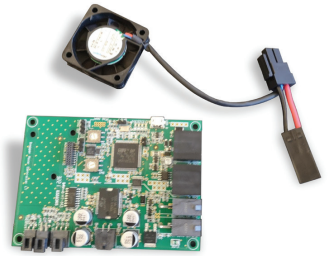
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

In the early stages of the H350® 3D Printer production, the world shifted during and post-COVID. Manufacturers faced challenges on a global scale brought on by major supply chain setbacks, which also impacted Stratasys operations.

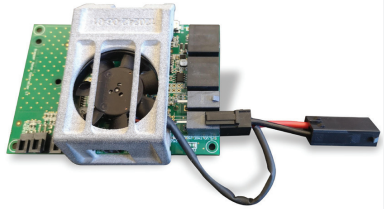
Focusing on our values, we innovatively offered on-site solutions for customers, leveraging the agility of 3D Printing to keep businesses up and running. From design to print, Stratasys began offering digital files for missing and delayed internal printer components – for example, circuit board brackets crucial for securing the fan to the electronics board. Taking advantage of the capabilities of our advanced technologies, we provided customers with the ability to print parts on-demand and replace broken ones. All with the precise alignment, full accuracy, and complex geometries enabled by AM.

This not only addressed critical production needs, but also provided additional value to the customer. Here is an example relating to the circuit board brackets:

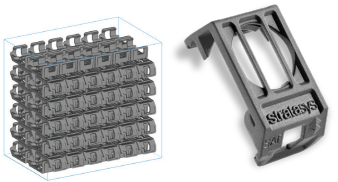
- Cost efficiency: Our efficient printing processes allow 132 circuit board brackets nested in the same build, resulting in high yields. Printing at a cost of $4.15 USD per part, we cut procurement and shipping costs from external suppliers.
- Sustainability: Incorporating this circuit board bracket into every H350® 3D printer in a resource-efficient manner can also have environmental benefits. By printing the brackets efficiently in-house, we eliminate packaging waste and shipping emissions from the production process.
- Supply chain resilience: By eliminating the need for shipping, we streamlined the manufacturing process and reduced our exposure to supply chain risks. As climate change is likely to further disrupt the supply chain, we have mitigated this risk for the H350® 3D printer while improving our climate resilience.



The electronics board and fan.



The circuit board bracket attaches the fan to the electronics board.



THE CASE FOR SUSTAINABLE PRINT-TO-TEXTILE ADDITIVE MANUFACTURING

Fashion Life Cycle Inventory (LCI) Highlights

At the heart of the Stratasys Mindful Manufacturing™ approach is our Customer First strategy that reveals the environmental benefits of our technology – use case by use case. For us, sustainability rests on data-driven, evidence-based decision making, and it is conducted collaboratively with those who use 3D Printing to elevate their businesses to ensure that we address actual needs in a targeted, relevant manner.

This undertaking is important, and we are proud to share the initial findings from our inaugural Sustainability LCI – "Comparative Analysis: 3D Material Jetting vs. Traditional Methods for Design Luxury Goods." The study was commissioned by the Additive Manufacturer Green Trade Association (AMGTA). It models the implementation of Stratasys' J850 TechStyle™ to 3D Print 16,000 units of a luxury footwear applique by Dyloan Bond Factory, a member of the Pattern Group. It is a comparative body of work, measuring the footprint of Additive Manufacturing versus traditional injection molding methods, both of which were employed to produce the desired parts.

The study, conducted by Reeves Insight and peer reviewed by the Aachen Center for Additive Manufacturing (ACAM), confirms that Additive Manufacturing reduces emissions and conserves resources in the production of fashion footwear components. It is no secret that the fashion industry is grappling with extensive global pollution issues. As such, companies are aiming to continue to advance and innovate, while reducing harmful impacts on people and the planet. That is why Dyloan and the Pattern Group, supported by Stratasys technology, are proudly dedicated to sustainability as they aim to optimize their supply chains, improve emissions, and reduce dependence on natural resources.

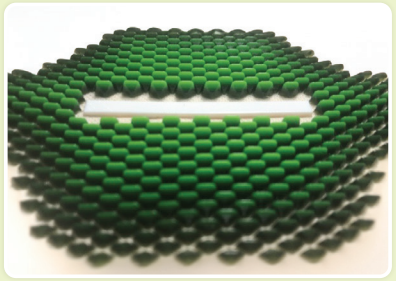
Stratasys recognizes great value in undertaking such collaborative research projects, since each publication reinforces our focus on the measurable sustainable value of Adding Stratasys to manufacturing processes. We are proud to participate in this important publication and to advance polymer AM for production.

AMGTA ADDITIVE MANUFACTURER GREEN TRADE ASSOCIATION
PATTERN GROUP
DYLOAN BOND FACTORY
REEVES INSIGHT
Understanding The Business of 3D Printing
AACHEN CENTER FOR ADDITIVE MANUFACTURING

The study evaluated both AM and traditional manufacturing processes according to customer use case for the production run of 16,000 logo appliques in producing 8,000 pairs of luxury designed shoes.

The study revealed impressive results when comparing traditional production methods of injection molding and thermal welding to Stratasys' leading PolyJet™ material jetting technology that employs photocurable liquid resins.

- Reduced Electricity
  - 64.3% lower electrical consumption
- Reduced Emissions
  - 25% fewer emissions compared to the traditional process, amounting to one metric ton of CO_2-e at the scope of production tested
- Supply Chain Optimization
  - 4 technologies reduced to 1 with the elimination of redundant logistic impacts
- Reduced Material Use
  - 49.9% savings on stock material across the supply chain to reduce and streamline transportation
  - 50% less material in the final component
- Water Conservation
  - >300,000 liters of water savings, primarily upstream water, due to the redundancy of paper-backed materials and their sourcing



Heel spur graphics 3D Printed directly onto fabric substrate

Heel spur graphic location

As we enter manufacturing in a meaningful way with our polymer AM offering, this research is a clear and a public demonstration of Stratasys' purpose in action: to empower people to create without limits for an economical, personalized and sustainable world.

Loreto Di Rienzo, R&D Director at the Pattern Group, said of the study: "Stratasys' innovation in 3D Printing with TechStyle™ technology enables us to offer revolutionary capabilities by reducing waste, minimizing reliance on natural resources, and optimizing the environmental impact of our entire supply chain. We can affirm and demonstrate that additive technology truly improves our environmental impact, while expanding design freedom without compromising the quality of the end result."

You can hear more from Loreto about Stratasys' sustainable value proposition for fashion and for the Pattern Group here.

This study is an important foundation, with our sustainability roadmap earmarked to deliver customer research projects – sector by sector. Improvement and value are driven by measuring the impact of our technology as well as leveraging the data collected and the results of the research to advance our offering's sustainable value proposition. This initial study generated many insights on our Scope 3 emissions, and signaled potential improvements to our product that can increase customer success when injecting Additive Manufacturing into production processes.

CHAPTER 4 | ENVIRONMENT

- **Emissions and Energy**
  - » Energy Management
  - » Transitioning to Lower-Carbon Energy
  - » Our Shift to Cleaner Electricity
  - » Our Shift to Renewable Energy
  - » Reducing Scope 1 and Scope 2 Emissions and Intensity
  - » Energy Consumption and GHG Emissions
- **Go Green Forum**
- **Materials and Waste Management**
  - » Materials
  - » Waste Management
- **Water and Effluents**
  - » Water Stewardship
  - » WINT - Intelligent Water Management System
  - » Effluent Management

EMISSIONS AND ENERGY

Energy Management

Stratasys' growth strategy aims to mitigate the environmental impact of our offering today while securing sustainable and responsible growth over time.

Our environmental impact improvement efforts are deeply ingrained in our operations: we develop environmental management programs, platforms and tools that include energy and emissions data tracking, year over year. By monitoring our energy consumption and GHG emissions, we have gained insights into our primary emission sources and have identified key opportunities to reduce our carbon footprint. We continuously look to improve our tracking mechanisms and to expand the scope of our disclosures. This gives us a better, more comprehensive understanding of our climate performance so that we can improve emissions and energy management, while continuing to provide transparent information to stakeholders.

We began in 2022 the process of certifying Company headquarters and manufacturing sites in Israel in accordance with the ISO 14001 certification. The International Organization for Standardization (ISO) 14001 Environmental Management certification is a global standard for robust environmental management with strict data tracking and environmental performance requirements. The certification process included implementing energy, waste and water tracking systems, as well as conducting a gap analysis and internal and external audits. The certification is representative of our ongoing efforts to improve our environmental management and invest in sustainable growth.

CERTIFICATE

This is to certify that the Environmental Management System of

STRATASYS LTD.

1 , Holtzman St. Rehovot Israel , REHOVOT

Has been assessed and complies with the requirements of :

ISO 14001:2015

This Certificate is Applicable to

Development and production of 3d printers.

Initial Approval: 22/03/2023
Valid From: 22/03/2023
Valid Until: 22/03/2026
Certificate No.: 1121724

SII-QCD assumes no liability to any party other than the client, and then only in accordance with the agreed upon Certification Agreement. This certificate's validity is subject to the organization maintaining their system in accordance with SII-QCD requirements for system certification. The continued validity may be verified via scanning the code with a smartphone, or via website www.sii.org.il. This certificate remains the property of SII-QCD.

Dr. Gilad Golub
CEO

R.N 512607698

Avital Weinberg
Director, Quality & Certification Division

The standards Institution of Israel
42 Chaim Levanon St.
Tel-Aviv 6997701

Page 1 of 2

The Standards Institution of Israel -Your Preferred Choice

This ESG & Sustainability Report substantially increased the scope of our energy and emissions tracking and disclosure. We have included data from two additional sites and have incorporated new energy sources in our calculations for disclosure. The report also provides a comprehensive overview of our Scope 1 and Scope 2 emissions, highlighting the direct and indirect emissions associated with company-owned and controlled resources. The data coverage includes all four Israeli locations and 12 of our U.S. sites (see Data Appendix for details). We intend to further expand emissions data collection and disclosure to encompass Scope 3 emissions of our value chain as part of our commitment to continuous improvement and transparency.

13 CLIMATE ACTION

Transitioning to Lower-Carbon Energy

Our Shift to Cleaner Electricity

We initiated a strategic transition in electricity consumption at our Israeli sites in 2021. Starting with a pilot program at the beginning of that year, we began purchasing electricity from a natural gas-based supplier as we shifted away from the national grid, which relies on substantial amounts of coal and oil. The emissions intensity (TCO_2-e per kWh) of electricity that we consume from our new supplier is 27% lower than that of the national grid.

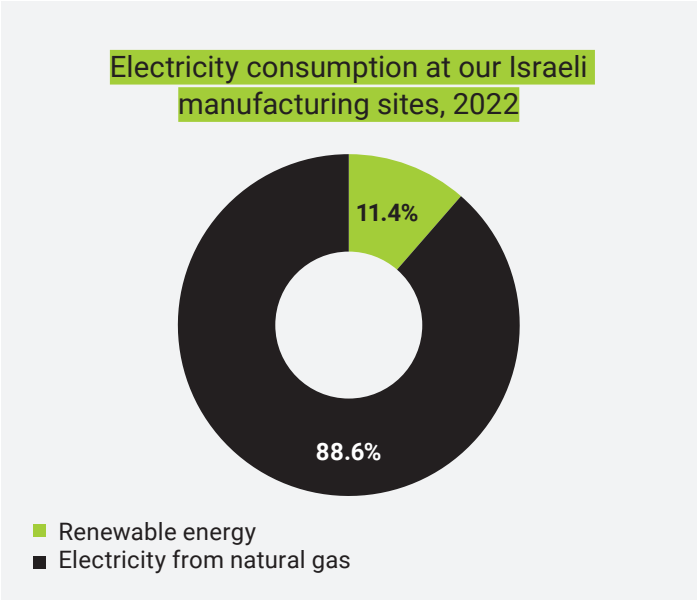
13 CLIMATE ACTION

Our Shift to Renewable Energy

The solar panels at our Kiryat Gat site became fully operational in 2022. We installed the 282-kilowatt-capacity panels in 2021, and started producing clean electricity in May 2022. The solar panels generated 255,420 kWh to power our manufacturing site in the second half of the year. The site consumed 250,291 kWh of the generated energy representing 12.5% of its annual electricity consumption, with the remaining 5,129 kWh transferred to the national grid.

In addition, our Israeli-based FDM manufacturing site consumes renewable energy from solar panels installed by the building owner. These panels also became operational in May 2022, with 10.2% (200,491 kWh) of the site's annual electricity consumption coming from renewable sources. In total, 11.4% of our Israeli manufacturing sites' electricity consumption comprised renewable energy produced by solar panels. We also installed an automatic cleaning system in 2023 that regularly cleans the panels. The system not only optimizes energy output by removing dirt and debris, but also eliminates the danger of employees working at great heights when manually cleaning the panels. Since the renewable energy production at both sites started mid-year, we expect to see even higher percentages of renewable energy in 2023 and beyond.





Our renewable energy consumption in Israel totaled 455,911 kWh in 2022. By consuming renewable energy, we avoided generating 214.3 TCO_2-e of GHG emissions[4], which are the equivalent of the amount of carbon sequestered by 3,543 tree seedlings grown over 10 years[5].

We continue to expand our energy consumption from renewable sources, including the installation of solar panels at additional global sites, starting in EMEA in 2024. We also plan to expand the capacity of our solar farm by installing additional solar panels at our Israeli manufacturing sites to increase the generation and consumption of clean, renewable energy, as well as further improving our energy mix.

Reducing Scope 1 and Scope 2 Emissions and Intensity

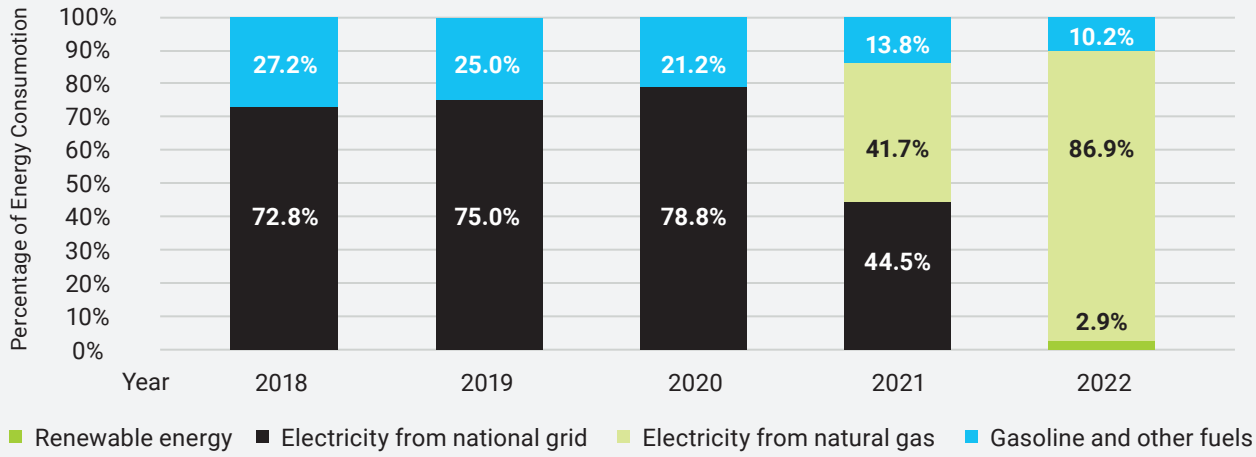
Since we began tracking GHG emissions in 2018, we have seen a consistent decrease in Scope 1 emissions that mainly stems from vehicle fuel consumption. We achieved a 49% reduction in our Scope 1 emissions, from 777 TCO_2-e in 2018 to 397 TCO_2-e in 2022. This is primarily due to two actions; reducing our fleet and changing its mix to include more hybrid and electric options, and transitioning to a hybrid work model, which lowered the emissions resulting from employee transportation. While Scope 1 emissions significantly dropped in 2020 due to COVID-19 and a subsequent reduction in vehicle usage, we successfully maintained this downward trend in 2021 and 2022.

[4] Compared to the consumption of an equal amount of electricity from Israel's national grid
[5] According to the United States Environmental Protection Agency (EPA) Greenhouse Gas Equivalencies Calculator

We fundamentally changed the energy mix at our Israeli sites in 2021 and 2022, transitioning to cleaner, more sustainable energy forms. We shifted our electricity consumption from the national grid to natural gas, began generating and consuming renewable energy, and continued reducing fleet-based fuel consumption. As a result, we reduced the emissions intensity of our sites and operations. GHG emissions relative to energy consumption (TCO_2-e/GJ) dropped by a third (33%), from 0.132 to 0.089 between 2020 and 2022, and we expect further improvement as we continue expanding renewable energy consumption.

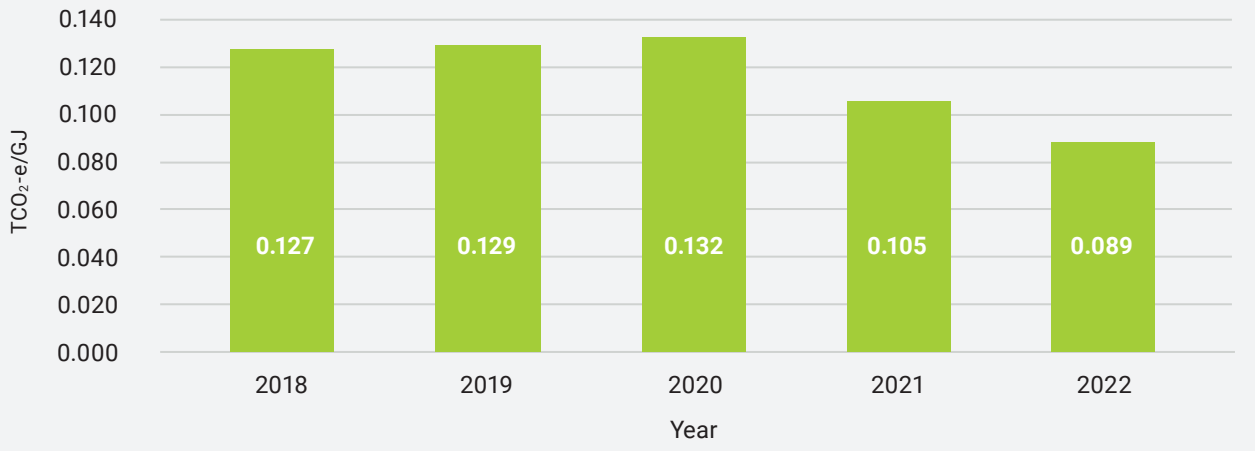
Energy Mix Across Israeli Sites

Percentage of Energy Consumption by Source, 2018-2022



Energy Intensity Across Israeli Sites

CO_2-e Emissions Relative to Energy Consumption - TCO_2-e/GJ, 2018-2022



Energy Consumption and GHG Emissions

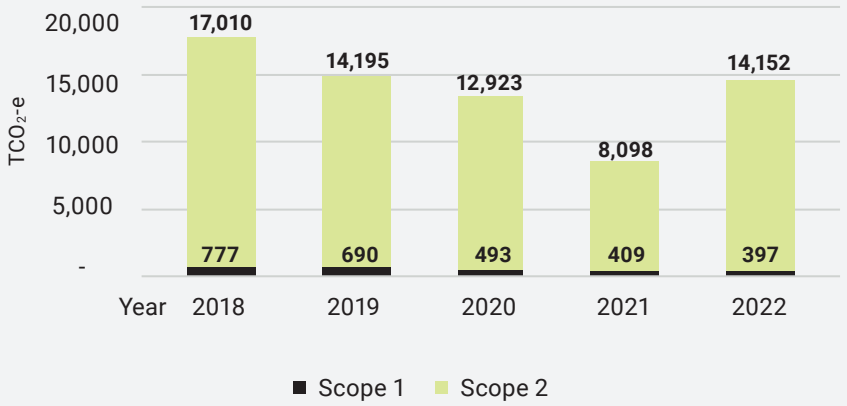
We expanded the scope of our GHG emissions accounting and revised our methodology to present our carbon footprint with more granularity and accuracy in 2022. Our reporting includes data from two U.S. sites not included in previous reports, which brings the number of reported sites to 16 – four in Israel and 12 in the U.S. In addition, we resumed data coverage from three major U.S. sites that had been omitted in 2021 due to the lack of relevant data. We also added natural gas consumption data at the measured and reported U.S. sites, which had not been included previously. Natural gas is primarily used at our U.S. sites for heating and cooling buildings and represents a substantial share of our energy consumption. The addition of this key data is a major step forward in expanding the scope of our energy and emissions reporting.

We have updated our approach to calculating and reporting emissions intensity compared to our previous report. We present our emissions intensity as TCO_2-e per f^2 of the area of our sites (previously reported as TCO_2-e per $USD thousands in revenues). This offers a more accurate and consistent measure for reporting, and will better reflect performance trends as we increase the scope of our emissions data coverage.

Our emissions intensity in 2022 was 17.8 TCO_2-e per 1,000 ft^2, a 15.7% increase compared to 2021. Similarly, our energy intensity – GJ consumed per 1,000 ft^2 – reached 814.7 in 2022, an increase from 146.1 in 2021. This was mostly due to the addition of data from three major US sites. The sites were included in our data coverage of 2018-2020, but were omitted from 2021 due to the lack of data access. They are substantially more energy-intensive than other sites, and therefore, led to a significant increase in our overall emissions intensity between 2021 and 2022. We also subleased a portion of our Rehovot HQ site (43.6% of the area) to third-party companies in 2022 whose energy consumption is included in our energy and emissions data. As we incorporate more renewable energy in our energy mix, the intensity of our emissions will decrease even as we continue to grow our business and operations.

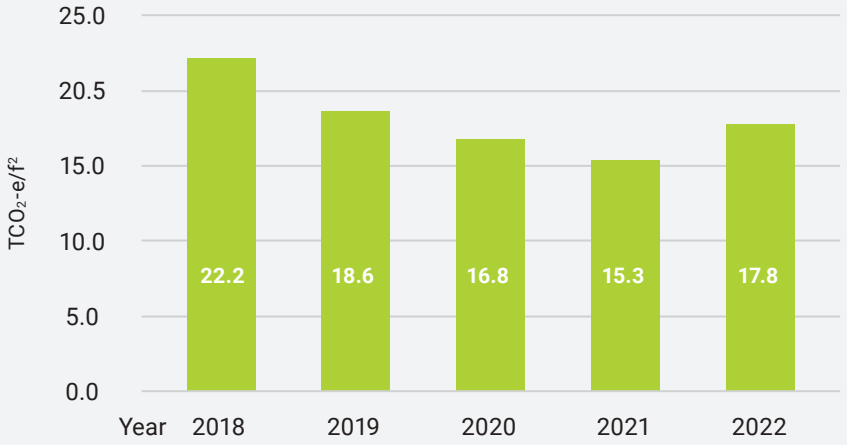
Our Carbon Footprint

Total GHG Emissions From Measured Sites, TCO_2-e, 2018-2022



GHG Emissions Intensity - TCO_2-e/f^2

2018-2020



13 CLIMATE ACTION

GO GREEN FORUM

Our internal sustainability efforts are rooted in our core value of Making it Together.

Team Stratasys participates in the Go Green Forum, an employee-led forum that enables volunteers from across the Company to collaborate on promoting sustainability initiatives. In our Israel Headquarters, the Forum aims to advance our commitment to improved environmental impact, bringing together diverse employee voices and empowering employees to promote the changes they want to see.

The Forum is open to employees from all departments across our Israeli sites, and invites relevant experts and other stakeholders to regular meetings. It deals with issues ranging from eliminating single-use plastics and improving waste recycling to promoting employee ride-sharing and improving internal operational efficiency. Our Sustainability and Facilities teams support the Forum by collaborating to brainstorm, develop and implement initiatives effectively at our offices and production sites. Embodying many key principles, including collaboration, employee empowerment, and diversity utilization, the Forum is an effective initiative.

MATERIALS AND WASTE MANAGEMENT

Materials

Stratasys' broad portfolio and technology offering includes several main materials and components, including resins, filaments, canisters, metals and plastics for cartridges, spools, pigments, packaging materials, and other chemicals required for the printing process. One sustainability challenge our industry experiences across the Additive Manufacturing ecosystem is its ability to procure and utilize renewable materials to improve the circular economy for consumables.

Serving top-tier customers globally, our products must meet highly stringent quality and safety standards: we implement sustainable material alternatives only when they meet the necessary mechanical attributes consistent with current requirements. For example, we offer bio-based options for printing, such as PA11 made from castor oil, to promote a more mindful use of materials among customers. Parts produced in this way are fully compliant with, and adhere to, the same quality requirements as our entire consumables offering.

Waste Management

Our sites generate several types of waste, including plastic, cardboard and hazardous waste. We employ robust waste management processes that utilize data collection and monitoring practices to enable digital tracking and help improve our decision-making regarding waste management optimization. This is the first report in which we have disclosed waste data, including waste generated at our Israeli facilities and at three US sites. We are expanding our waste data monitoring and aim to increase the number of reported sites in future reports.

Our European offices adhere to rigorous waste treatment processes, aligning with high standards and local regulatory requirements. Ongoing waste management initiatives are underway in the U.S. and Israel to reduce overall waste production and significantly reduce landfill contributions. We successfully diverted 399 metric tons[6] of waste from landfills across measured sites in 2022 thanks to single-stream, cardboard and plastic recycling programs.

We have initiated an ambitious waste management program at our Israeli facilities, diverting waste from landfills to different treatment streams. We have launched a three-phase project to increase recycling and reduce landfill waste. The first phase involves transitioning to reusable kitchenware. The second involves implementing five waste separation streams in employee cafeteria and kitchenettes: paper bags and containers, packaging, landfill, refundable bottles and cans, and organic waste for composting via on-site composters. The third phase involves composting, which will utilize trimmings obtained through collaboration with neighboring local authorities combined with organic food waste from our site. Following a two-week process, the resulting compost will serve our local communities, our employees, and our facilities, contributing to circular waste management practices.

Waste stream separation

[6] Waste generation and treatment data for two of the measured sites are based on a waste-volume estimation model, using Volume-to-Weight Conversion Factors provided by the US Environmental Protection Agency.

In 2023, we discontinued procurement of single-use plastic cutlery at our Israeli facilities. Based on 2022 procurement figures, this step will eliminate around 582,000 pieces of plastic cutlery annually, totaling about 2.2 tons of plastic waste diverted from landfill. This move also will reduce GHG emissions associated with the manufacturing and disposal of plastic cutlery, avoiding around 14.1 tons of CO_2-e each year, the equivalent of planting 240 trees.

Some of our operations include using chemicals that require strict handling, storage and disposal. We have protocols in place to manage the hazardous waste we generate and continue to obtain all required certifications and permits. In addition, we closely monitor the amount of hazardous waste we generate: our Israeli facilities generated 411m^3 of hazardous waste in 2021 and 449m^3 in 2022. Our U.S. sites are below the reporting threshold set by the Emergency Preparedness and Community Right to Know Act (EPCRA). These sites also maintain various relevant site permits in compliance with state and local laws and regulations regarding hazardous waste.

While we made extensive efforts to ensure the proper handling and disposal of materials in 2021-2022, we experienced one significant spill involving an estimated 300 kg of chemicals. The incident was swiftly reported and remedied. Transparent reporting of such incidents ensures accountability, and informs us of future preventive measures to help avoid the recurrence of such events.

Reusable utensils and instant dishwashers

WATER AND EFFLUENTS

Water Stewardship

Water is a precious natural resource and a key element across many of our operations. Stratasys is committed to responsible water consumption and greater water efficiency. Aside from the daily consumption of water at our offices, we use water in two main operational areas:

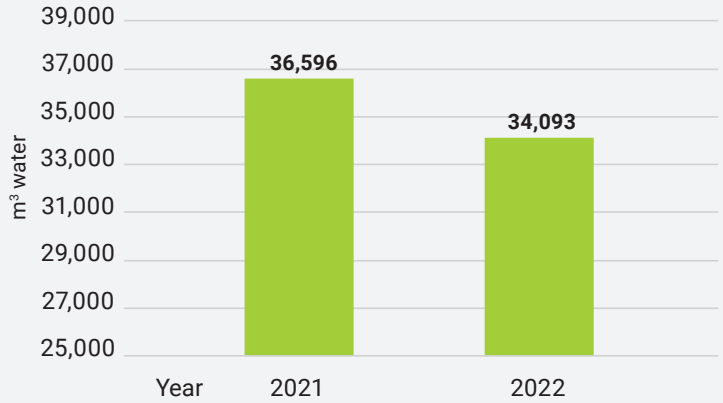
- Rinsing final printed products for certain polymer 3D Printing technologies
- Removing support material and cleaning machines that manufacture printing materials

Alongside our efforts to reduce water waste and optimize water consumption, we have invested in managing water-related data. We are proud to include in this report, for the first time, water consumption data at several of our sites, and we aim to increase its coverage in future reports. See our Data Appendix for a detailed description of 2021-2022 data coverage.

We successfully reduced our global water consumption by 6.8% (2,502 m^3) in 2022. We reduced absolute levels of reported water consumption despite expanding our water consumption data coverage from six reported sites (481,544 f^2) in 2021 to eight reported sites (664,930 f^2) in 2022 by adding data from two large U.S. sites. This increase in coverage slightly mitigated our overall decrease in water consumption, as these two sites consumed a combined 6,291 m^3 of water in 2022.

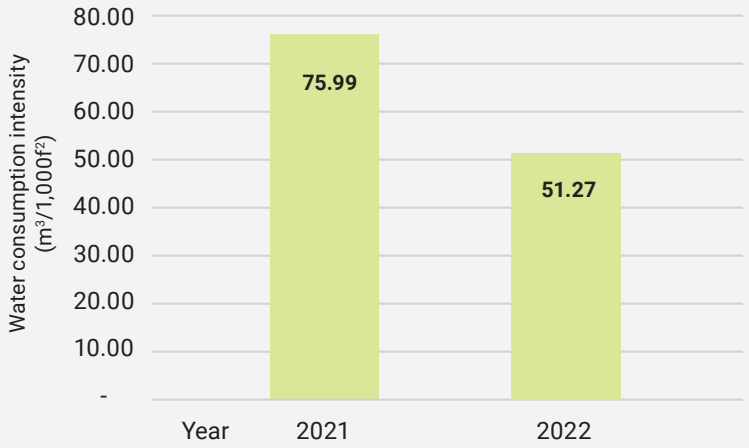
Absolute Water Consumption, m^3, 2021-2022

We reduced absolute water consumption at measured global sites by 6.8% between 2021 and 2022.



Water Consumption Intensity, m^3 per 1,000 f^2, 2021-2022

We reduced water consumption intensity per 1,000 f^2 at measured global sites by 32.5% between 2021 and 2022.



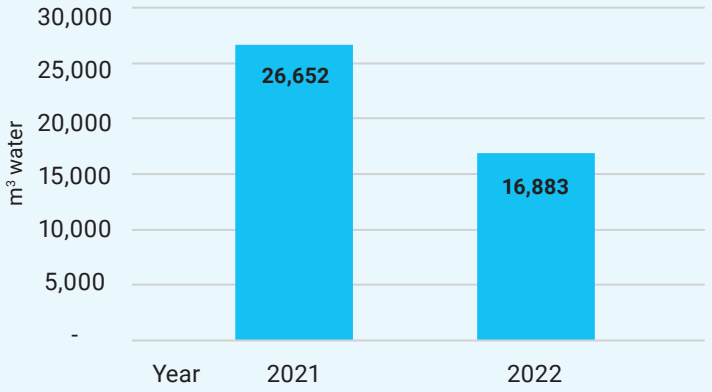
WINT - Intelligent Water Management System

As part of ongoing efforts to reduce the environmental impact of our operations, we initiated a plan in 2022 to install an AI-driven intelligent water management system (WINT) at our headquarters in Israel.

The system is designed to study water usage patterns and detect anomalies in real time. When an anomaly is detected, the system alerts our team, which promptly takes all necessary actions to resolve the issue. By continually learning about water usage at our offices, the system can differentiate between an actual event and routine usage, enabling us to manage our teams efficiently and dispatch them only when required.

As demonstrated by the significant drop in water use at our Israeli sites, early leak detection and resolution enable us to conserve significant amounts of water, thereby reducing both our operating costs and carbon footprint. Implementing this innovative solution is a significant step in our efforts toward more sustainable operations and is crucial to our organization's long-term success.

We cut total water consumption by 36.5% (9,769 m^3) at our Israel-based sites between 2021 and 2022.

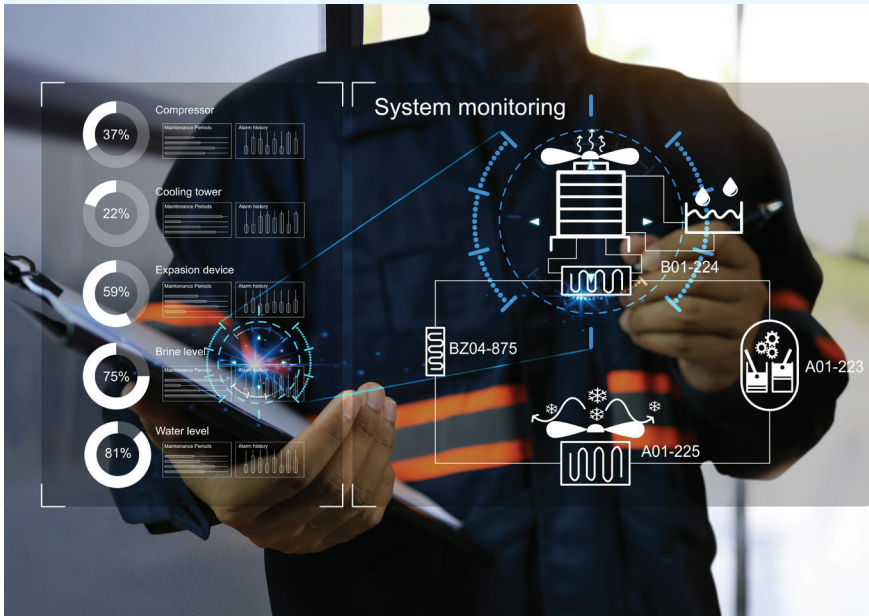


wint Water Intelligence

Effluent Management

We strictly manage effluent discharge across relevant sites, including closely monitoring, managing and limiting it in accordance with relevant requirements. We have a manager at each operational site who oversees employee training on wastewater management, while an EHS manager is responsible for maintaining discharge permits.

We hold industrial discharge permits at relevant sites and our U.S. sites operate according to stringent water quality criteria laid out by the Environmental Protection Agency (EPA), the Clean Water Act, and other regulations relating to each site's unique characteristics. In addition, U.S. Compliance conducts an annual audit of our operational sites to assess equipment, procedures and employee training and knowledge standards. The audit ensures that our wastewater management practices comply with high safety and environmental standards.



CHAPTER 5 | SOCIAL

- **Employee Well-being**
  - » Prioritizing Mental Health
  - » Supporting Stratasys Parents
  - » Employee Compensation and Benefits
- **Diversity, Equity and Inclusion at Stratasys - What is Equity at Work?**
  - » DEI Key Performance Indicators (KPIs)
  - » U.S. Team Diversity
- **Employee Learning and Development**
  - » Management Training
  - » Professional and Personal Development – 3DP (Development Performance) Process
- **Employee Engagement - Making Stratasys a Great Place to Work**
- **Employee Health and Safety**
  - » EHS Management
  - » Training
  - » Audits
  - » Work-Related Incidents
- **Customer Success – Delivering on our "Customer First" Promise**
  - » Customer Success Excellence
  - » Empowering Customers Through Knowledge
- **Stratasys in the Community – Delivering Social Impact**

EMPLOYEE WELL-BEING

Stratasys is a company that puts People First. That means placing the well-being of our 2,000-plus employees at the top of our agenda. Our Glocal (global/local) approach recognizes the unique needs of our regional teams, and we set high global standards to ensure we remain a competitive employer in our industry.

One of our strengths is our agility; we adapt and tailor our well-being programs according to population and location. By planning and implementing changes as well as rolling out new programs in just days or weeks, we meet the evolving needs of our employees quickly and effectively.

Prioritizing Mental Health

We give priority to our employees' mental well-being, offering information and ongoing support including access to subsidized mental health services and programs. Stratasys marked Global Mental Health Month in 2022 by highlighting mental health issues and offering employees additional resources, education and support.

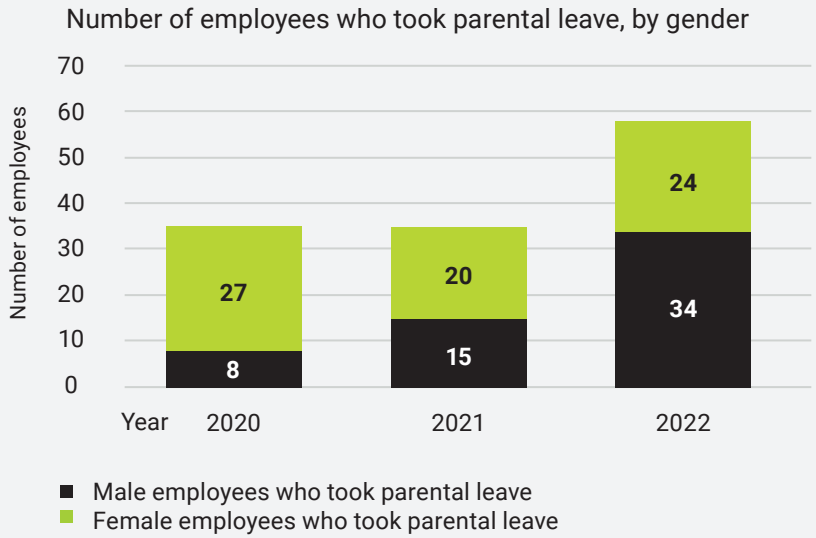
Supporting Stratasys Parents

Our equal parent policy is valuable to our employees. While the number of male employees who took parental leave has increased over the last three years, the figure rose sharply after we implemented our new policy in 2022. We are happy to support our working parents as they build their families.

We believe it is important to support working parents and extend parental leave benefits beyond statutory local requirements to address gaps gradually across our regions.

For example, we adopted an equal parent policy in 2022, enabling new parents, regardless of gender, to take parental leave. Accordingly, we offer Israeli and American-based employees who welcome a new child an extra three weeks of paid parental leave beyond locally mandated time off.

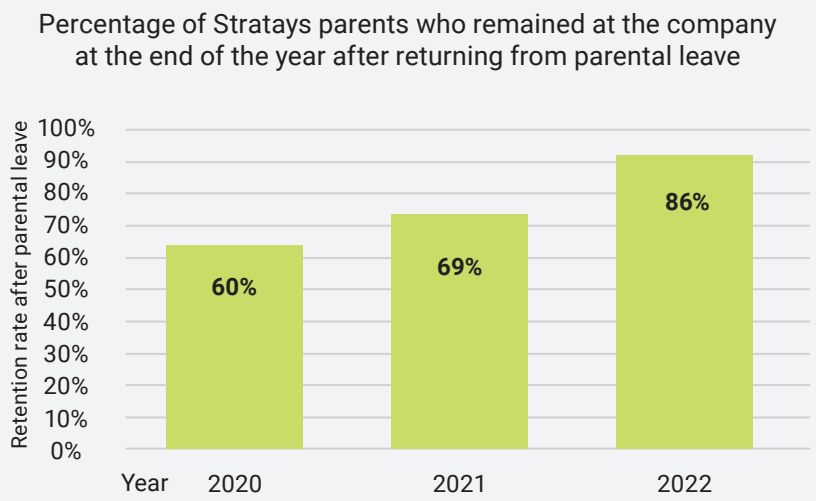
Parental Leave



We are proud that almost all employees who took parental leave in 2022 decided to return to work at the Company. In 2022, we recorded a 17 percentage-point increase in post-parental leave retention compared to 2021 to reach an 86% retention rate.

We also offer a week-long, partially subsidized summer camp in Israel for our employees' children. Some 210 children of 114 employees attended the camp in 2022, and in 2023 the numbers rose to 242 children of 136 employees. In addition, we supported the integration of campers with various disabilities by catering to their unique needs, and boosted the staff with kindergarten teachers for the youngest age group.

Parental Leave Retention



Employee Compensation and Benefits

Our comprehensive compensation and benefits practice drives employee performance and supports our efforts to hire, motivate and retain high-quality talent.

We launched a company-wide Employee Stock Purchase Plan (ESPP) in 2022. All employees can purchase Company stock at a discounted rate to encourage a sense of ownership and partnership and give them a stake in our success.

Employees receive regular performance reviews through our 3DP – Development and Performance Process. It serves as the basis for performance-based bonuses and for managers and employees to connect over goal achievement, employee development and prioritization. For more information about the process, see the "Employee Engagement - Making Stratasys a Great Place to Work" chapter.

Our SPARK Awards recognition program encourages and rewards excellence. The program is divided into five categories and includes an annual CEO award, quarterly peer-nominated awards, team awards for outstanding projects, and additional ongoing awards and recognition touch points.

In addition to our compensation and rewards offering, we provide a range of benefits to employees based on local practices and needs. These include subsidized private health insurance and mental health services, paid sick leave, on-site catered events, and offsite-team building activities. We understand that our employees have a diverse range of needs, and our benefit programs are tailored to unique regional preferences and priorities.

Employees at all locations are entitled to a health insurance plan based on local standards and needs. In Israel, we offer biannual comprehensive health screening for employees over 40, and in the U.S., we provide extended health insurance, including dental and vision coverage, coverage for dependents, and preventive medicine.

We operate in-house cafeterias at some of our facilities, including our Israeli and German facilities.

Our dedicated intranet site provides employees with information relating to benefits, including eligibility, according to region.

We are committed to an “equal pay for equal work” approach. Therefore, salaries are determined strictly on a professional basis, taking into consideration relevant skills, experience and performance. Regarding gender pay assessments, we analyze pay gaps through a variety of mechanisms, including salary surveys and internal pay fairness inspections, which are part of our annual compensation processes. We conduct an annual gender pay assessment of our Israel-based employees in accordance with local regulations. The results of the assessment are communicated to our employees and appear on our website to promote transparency on this key issue.

We plan to continue monitoring our pay equity and act where necessary. Our diversity-driven, talent acquisition key performance indicators (KPIs) focus on hiring women for managerial and technical roles, so our efforts should help us narrow any gender pay gaps.

DIVERSITY, EQUITY AND INCLUSION AT STRATASYS

stratasys Innovation through Diversity, Equity & Inclusion

What is Equity at Work?

We believe in making Stratasys a great place to work. We understand this means different things to different populations, geographies and individuals: a truly inclusive environment is one where everyone can stand up, stand out, and be themselves.

We also understand that inclusion fosters innovation and that leadership and advancement are not a function of consensus by like-minded people with similar backgrounds. Team Stratasys is spread out over multiple continents, regions and countries worldwide. We have cultivated the best talent in Additive Manufacturing for over 35 years, and our employees are respected by our customers and the entire 3D Printing industry.

This did not happen by chance. We established a **Diversity, Equity and Inclusion (DEI) committee** led by our Chief People Officer, Nava Kazaz, in 2021. Christian Alvarez, Chief Revenue Officer, joined the group as an executive sponsor the following year. Together they support and represent our approach across every business unit. Under their leadership, the committee has developed our DEI strategy, overseeing implementation of initiatives and tracking progress over time. And as shown below, our DEI programs and their KPIs are starting to bear fruit.

Our goal is to enable an environment where equity and belonging are at the forefront for all, regardless of family status, gender preference, or religious/ethnical background. We see Stratasys as a place where all employees thrive because we view differences as a positive, we experience a sense of belonging, and we enjoy equal opportunities to do our best work. We are dedicated to diversity, equity and inclusion. As such, we aspire to attract, hire, develop and retain a diverse ecosystem that reflects the communities in which we live and with whom we do business.

Our DEI activities center around three key components:

1. Focusing on attracting and recruiting diverse talent
2. Engaging with employees to promote an inclusive environment
3. Raising awareness among employees to foster understanding and care

Attraction & Recruitment: Talent Acquisition – Stratasys is committed to providing equal employment opportunities to qualified candidates. We do not tolerate discrimination against anyone on the basis of race, color, religion, age, gender, sexual orientation, marital status, disability, ethnicity or nationality. We are also dedicated to enabling a harassment-free work environment.

To diversify our candidate pool, we partner with non-profit organizations that support women and other underrepresented groups in tech. Our hiring managers participate in training programs to avoid unconscious bias in the hiring process, particularly for tech roles. The gender balance of recent hires in the chart below testifies to our commitment and progress in these measures.

As a market leader, we know that our voice matters. Therefore, we look for opportunities to promote gender diversity in technology in general, and in the 3D Printing ecosystem in particular. We sponsor and participate in industry conferences in collaboration with non-profit organizations (e.g. TIPE Women in 3D Printing, Society of Women Engineers SWE). We give female employees an opportunity to shine and inspire others through various media platforms and volunteer mentorship community engagement programs *(see more under "Stratasys in the Community - Delivering Social Impact").*

Since 2022 we have disclosed key DEI data that goes back to 2018. We closely monitored and assessed our DEI trends, and identified stagnation in the number of women working at the Company. In response, we have established a set of core KPIs for 2023 to recruit more women into key positions. These include promoting a balanced candidate slate for hiring employees at the manager level and above, and aiming to ensure that 35% of management hires and 25% of tech hires are women.

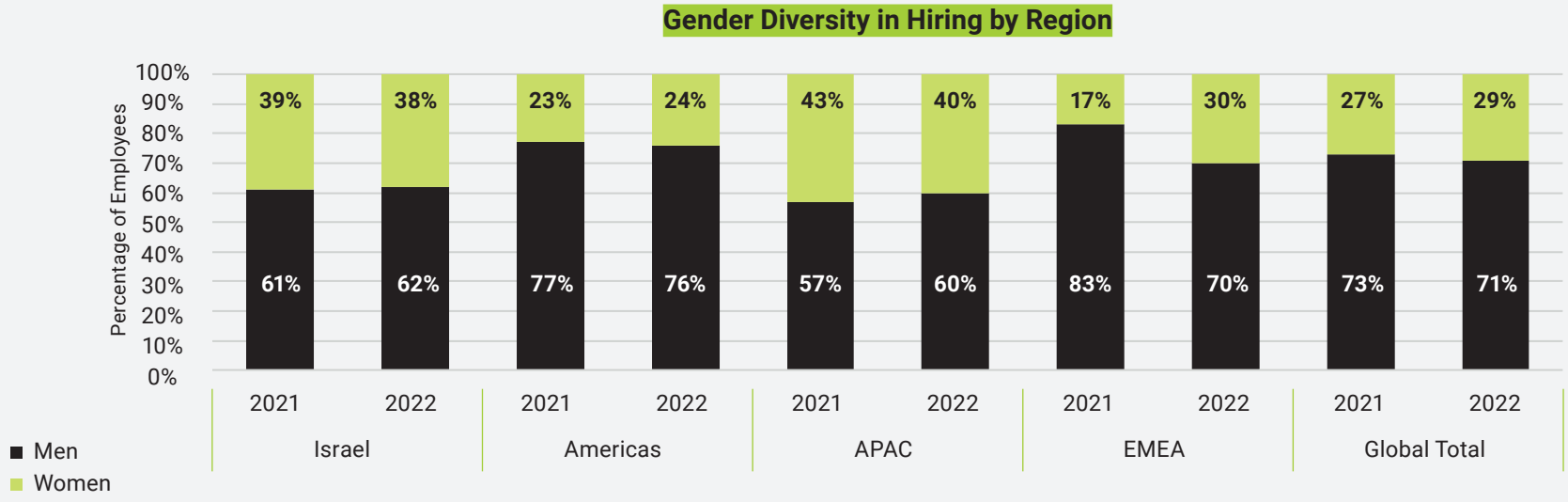
All our medical application engineers in 2023 were women

Catherine Wallace
U.S. Regional Medical Application Engineer

Madison Duensing
U.S. Regional Medical Application Engineer

Reut Reina
Medical Application Engineer

Eleni Farmaki
Regional Medical Application Engineer



Employee Engagement – Hiring a diverse team is an important start. However, our People First approach, which is at the core of our internal DEI practices, goes well beyond that. At the most basic level, we adhere to anti-discrimination and anti-harassment policies that are incorporated in our Code of Conduct and are instilled in our company culture through training and values. We also have introduced a new platform for Employee Network Groups (ENG). It enables us to come together, leverage a platform to share experiences, learn from each other, further enhance a sense of belonging, voice concerns, and formulate solutions for key DEI topics. We launched our first employee-initiated group, Stratasys Women in Additive, in Q2 2023.

To increase diversity awareness and appreciation, we highlight significant events celebrated by various groups. This gives employees the chance to share their heritage and life experiences, which fosters closer work relationships and a better understanding of our different backgrounds. Some examples include panels celebrating Black and African American History, Asian American and Pacific Islander (AAPI) Heritage, and Jewish American Heritage, as well as International Pride Month and International Women's Day initiatives.

Awareness & Training – In addition to ongoing DEI management training, we provide anti-bias and inclusive leadership training to give our managers the tools to best manage diverse teams. Training includes two virtual training sessions that raise awareness and provide knowledge about DEI-related topics to managers. Some 117 employees participated in a new voluntary anti-bias course in 2022. This training was expanded to managers throughout the Company in 2023.

We embraced International Pride Month to celebrate our employees, partners, customers and suppliers belonging to the LGBTQIA+ community. We marked Pride month in 2022 and 2023 with several global and local programs, including personal diversity, equity and inclusion stories/lectures delivered by Company workers in various regions.

DEI KPIs – Progress with 2023 Goals

In pursuit of DEI excellence, robust representation of women and other underrepresented groups is at the top of our agenda. To this end, we introduced four KPIs in 2022 that are aligned with our commitment to promote a diverse and inclusive workplace. The KPIs are tailored to drive diverse hiring practices for key roles – those identified as most relevant to our industry and offer significant potential for improvement. As part of our ongoing efforts to track and enhance our performance, the KPIs focus on diversity metrics that we evaluate at both regional and global levels on a quarterly basis including:

1. 100% of candidate slates for manager and above will have a diverse slate.
2. 35% of management hires will be women.
3. 25% of tech hires will be women.
4. 40% of intern/student hires will reflect a range of ethnicity and gender diversity.

2023 DEI KPI Progress

KPI	Stratasys (Global)
100% of candidate slates for manager and above will have a diverse slate.	96% (51/53)
35% of management hires will be women.	26% (14/53)
25% of tech hires will be - women.	23% (16/59)
40% of intern/student hires will reflect a range of diversity – ethnicity and gender.	56% (20/36)

While the KPIs are designed to assess our progress annually, we made significant progress. Most notably, 26% of our management hires were women.

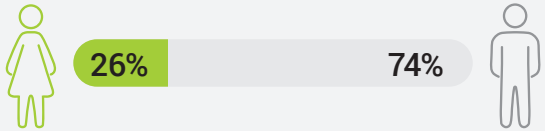
"This year we launched Employee Network Groups (one for women and mentorship). We also set KPIs for gender-balanced recruitment slates to shift our interviewing mix to our goal of advancing the presence of women in 3D Printing – and it's working."

Nava Kazaz, Chief People Officer

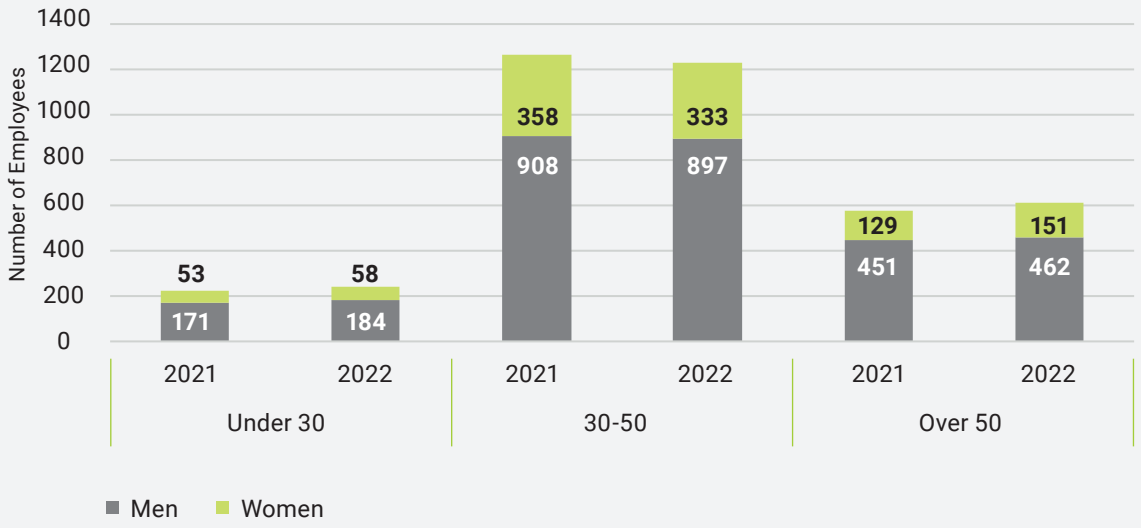
Building on insights from our previous report, we are now starting to see a shift in the Company's overall gender balance: our workforce stands at 73.8% men and 26.2% women. The shift is still minor and requires us to maintain diverse candidate slates and hiring practices until we alter the mix significantly. Deep, long-lasting change takes time.

Diversity at Stratasys

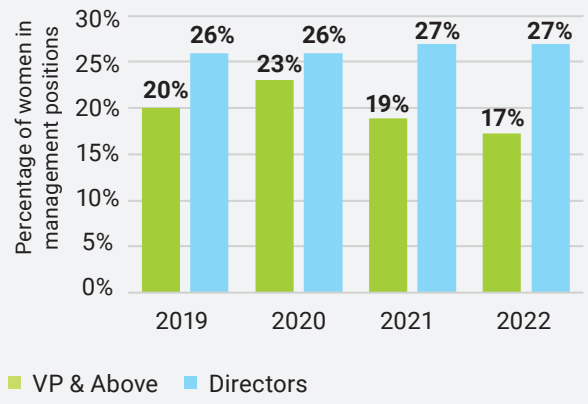
Stratasys Gender Mix 2022



Age and Gender Diversity of Employees

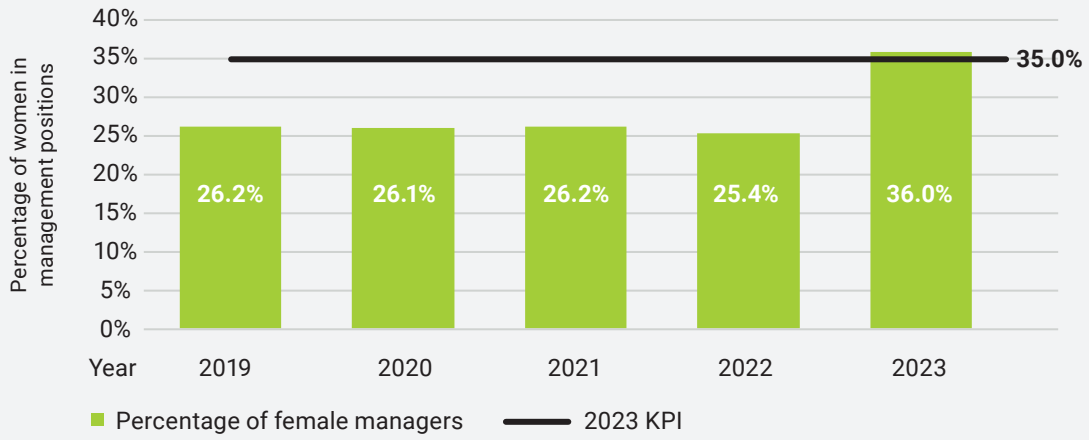


Percentage of Women in Management Positions



Management Diversity Trend

% of women in management positions



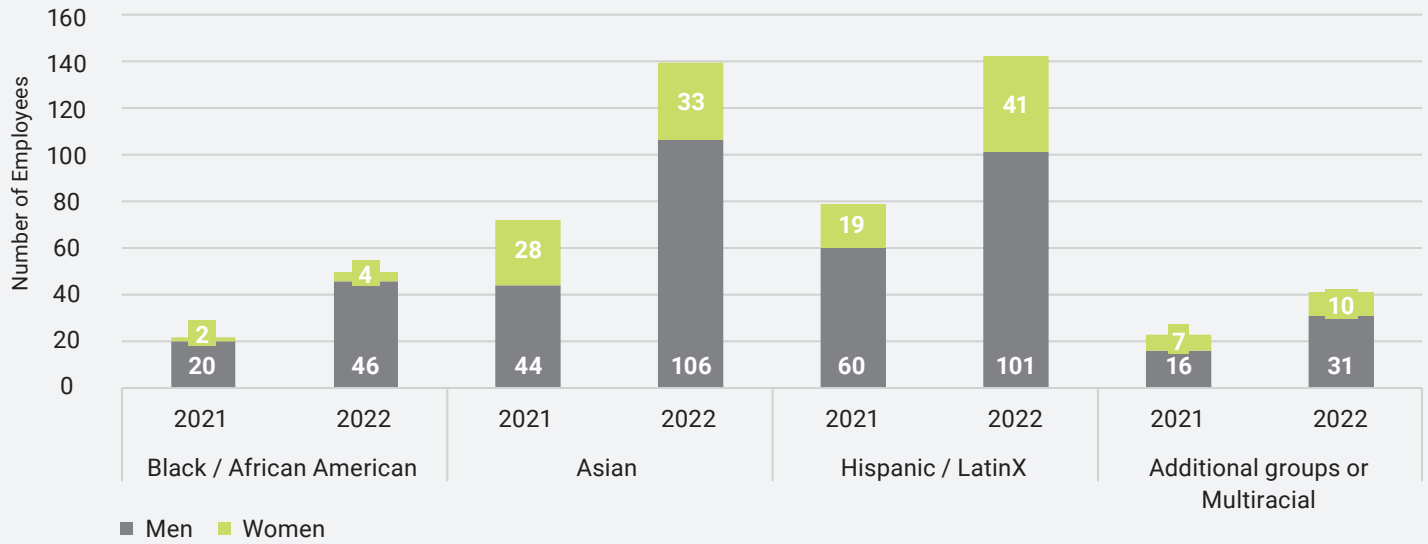
U.S. Team Diversity

Diversity does not involve a "one-size-fits-all" formula. Local culture and regulations play a role in creating the right balance for each location. Many countries like the U.S. develop clear metrics for adhering to diversity, while local laws enforce compliance requirements. In other countries like Israel, naming and targeting population sectors is generally off-limits. While every region has its own nuances, the first step usually is to ensure compliance with local law. This is followed by displaying care and sensitivity and promoting underrepresented populations to ensure that everyone has a place and a voice.

In the U.S., reporting standards and monitoring bodies usually expect the tracking and reporting of ethnic diversity of teams to quantify diversity efforts and their impact. As such, this report discloses those metrics.

Our efforts to expand diversity have already generated noteworthy results. We showed an 81.7% increase in the number of employees from diverse groups in the U.S., from 218 in 2021 to 396 in 2022, despite a small overall reduction in the number of employees.

Ethnic Diversity in the U.S. Team[7]



[7] Other diversity groups include American Indian or Alaskan Native, Native Hawaiian or other Pacific Islander, or those containing two or more races.

Nava and Christian, our DEI Executive Sponsors, have expressed their continued devotion to awareness, education, enablement and celebration of a company in which everyone belongs because they are different, and succeeds because they stand out rather than assimilate.

Nava Kazaz,
Chief People Officer

Christian Alvarez,
Chief Revenue Officer

DE&I Executive Champions

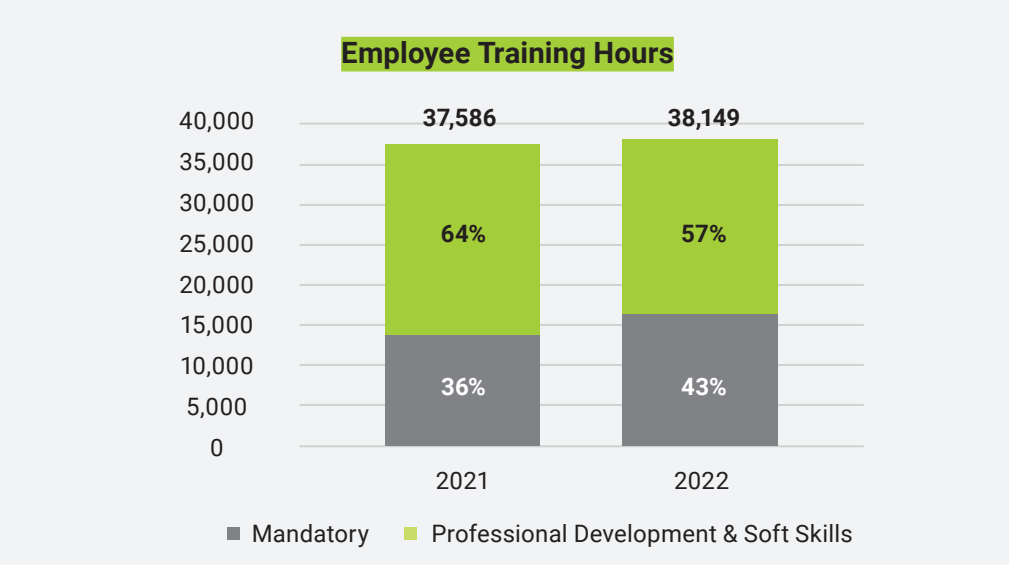
"Diversity, Equity, and Inclusion are crucial elements for fostering a positive, healthy and productive work environment. We've joined forces to serve as personal advocates and executive champions of DE&I at Stratasys. We are helping to create a workplace where every individual feels valued, respected and empowered to contribute their best while reaching their full potential. As committed advocates in promoting awareness, fairness, tolerance, acceptance, and growth across the organization, we recognize that our relentless dedication is key to building a stronger and more inclusive workplace culture."

EMPLOYEE LEARNING AND DEVELOPMENT

Learning and development are integral parts of the employee experience at Stratasys. We provide employees with accessible and flexible learning platforms as well as dynamic development processes to help them evolve and reach their potential. By constantly ensuring a capable and professional team, we position the Company for success and raise the bar for excellence every year.

Stratasys Academy, our comprehensive, multi-faceted learning platform, is an education hub for employees. The Academy facilitates access to onboarding processes, mandatory compliance content, professional learning and skill-building opportunities – including management development and soft skills – and internal organizational knowledge about our products. It also features learning paths tailored to the unique personal and professional skills required for various roles such as R&D and design engineers, application engineers, and product managers. To make the most of this platform, we track and manage its utilization, analyze its effectiveness, and gain insights through surveys and user feedback.

Our investment in the personal and professional growth of our employees is reflected in the extent of training we provide. In 2022, employees received an average of over 18 hours of training, more than half of which (57%) focused on professional development and soft skills.



Our employees' learning journey starts on day one at the Company with an onboarding process encompassing our technology portfolio, our policies, and our values. The journey continues throughout their time at Stratasys as they acquire and hone soft and technical skills through dedicated learning paths. Professional training programs such as basic coding and Python training, as well as training on our technologies and products, provide employees with tools and skills to boost their performance and careers. They can also improve their soft skills to better overcome complex challenges such as change management training and Leading Through Uncertainty, a manager workshop. We also provide access to external learning platforms such as LinkedIn Learning to enable a personalized learning experience.

Management Training

Our managers are the future leaders of Stratasys, and we provide specialized training programs to promote their professional development. **Our Leadership Academy** offers targeted training for first-line managers and mid-level managers as well as an exclusive 1-on-1 mentoring program for executive leaders.

Some 81% of our managers, 356 in total, participated in management training programs in 2002, representing a 55% increase compared to 2021. These training programs provide our managers with critical management skills through interactive workshops, webinars, and e-learning modules. The programs are offered to all our managers, from first-timers to seasoned managers. Training content focuses on skills such as employee mentoring, performance management, management innovation, and leading through uncertainty. Managers who participate in our leaderships training programs gain useful management knowledge and skills.

Professional and Personal Development – 3DP (Development Performance) Process

We revamped our 3DP Process in 2022 to make it more collaborative and conversational while maintaining its structure. The process promotes a proactive approach, with employees setting long- and short-term goals focused on their personal and professional development. Managers conduct quarterly conversations, providing valuable feedback on their employees' progress and creating a dynamic and continuous feedback loop, while employees reflect on their past year and align with their managers.

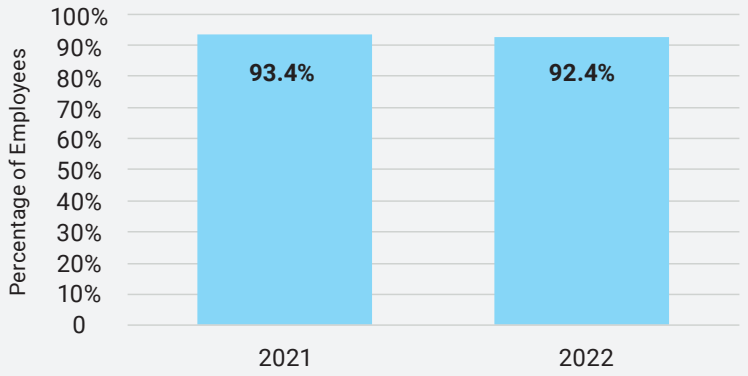
The annual conversation wraps up the previous year and sets a trajectory for the next, while recognizing and celebrating employees' contributions and successes as well as personal goals and priorities. When setting these goals, managers and employees discuss how they fit into and contribute to the Company's strategy and goals.

The 3DP Process is structured yet flexible, with employees and managers guiding it while fostering conversations throughout the year. It also serves as a basis for our pay-for-performance approach. By seamlessly integrating goal setting, feedback and performance evaluation, the process enhances employee development and contributes to a culture of growth and recognition.

management innovation, and leading through uncertainty. Managers who participate in our leaderships training programs gain useful management knowledge and skills.

Employee Performance Review Rate: Percentage of employees who underwent a performance review

Following the transition to our new and improved performance review structure, we maintained a strong performance review rate of over 92%[8]



[8] This figure is calculated according to employees who underwent an annual performance review. Annual reviews can be conducted until the end of the first quarter (March) of the previous year. The employee performance review rate is based on the number of employees who underwent an annual review divided by the total number of employees at the end of each year.

EMPLOYEE ENGAGEMENT – MAKING STRATASYS A GREAT PLACE TO WORK

One of our top priorities is maintaining an engaged global team of Additive Manufacturing experts. We care deeply about our employees, and invest to ensure that they are empowered, heard and satisfied.

Our commitment to making Stratasys a great place to work involves creating an environment and culture that considers our employees' needs, enables them to excel, and builds a community that fosters collaboration – We Make it Together!

Our employee engagement approach focuses on three pillars.

Organization – providing our employees with a sense of belonging, and cultivating a culture of transparency, communication, decision making, prospects, leadership and culture

Teams – maintaining a positive team dynamic and strengthening relationships between managers and employees

Work, Well-being and Experience – fostering a work environment that promotes growth, provides purpose, and invests in health and wellness

We believe that an open dialogue with our employees is essential to identify their needs and best meet their expectations. Listening to employee feedback and gaining key insights are fundamental to creating an ever-improving employee experience.

Our engagement survey, Input2Impact, is one way that employees can voice their opinions and needs. The survey enables us to gather direct feedback from our people, and focuses on the three key areas mentioned above – organization, teams, and work, well-being and experience.

Since we launched the new biannual format in 2022, we have experienced very strong employee response rates. Our employee engagement rates continued to rise in 2022 despite global economic uncertainty. This reflects our stability and resilience as a company, and the result of investing in our employees throughout this period.

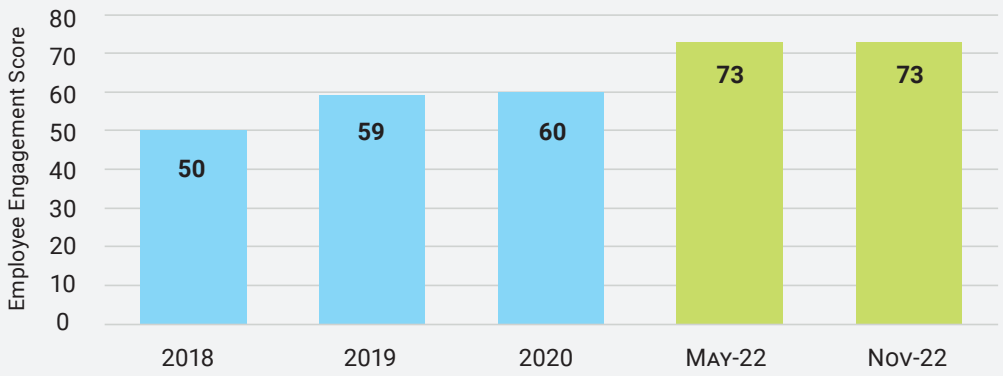
In our November 2022 Input2Impact engagement survey, our response rate reached 78%, higher than our 75% benchmark. The survey also generated 1,760 open comments from employees. This reflects the significance they attribute to the process, knowing their voice is valuable and impactful.

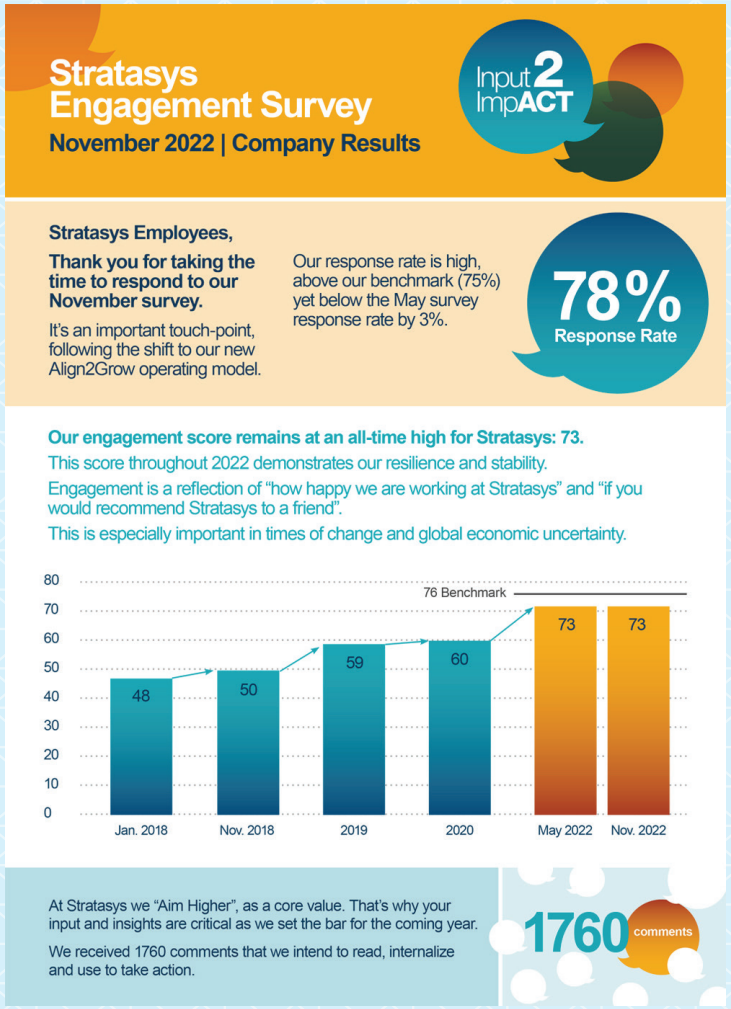
Transparency is key to helping our employees feel they are an integral part of the survey process. As such, we communicate survey results, including insights on strengths and areas of improvement, to the entire Company. Employees can also access survey results anytime on our intranet.

The engagement survey drives action. Our professional teams analyze the results and comments and come up with actionable insights. We believe that implementing these insights, through a process led by managers in collaboration with their teams, significantly moves the engagement needle.

Our 2022 survey results indicated three main strengths – trust between our team members, a feeling of purpose from working at Stratasys, and a feeling that managers have their employees' best interests in mind. The results also provided critical insights in areas that can be improved such as team collaboration and continuous enhancement efforts. We plan to continue building on these strengths, while working to make improvements and changes in key areas.

We reached an employee engagement score of 73 in 2022, an all-time record and continuation of a five-year upward trend.





EMPLOYEE HEALTH AND SAFETY

Environment, health and safety (EHS) is a core pillar of our People First approach. We have fostered a culture of safety, and consistently reinforce and improve it across the Company by implementing EHS policies and providing any necessary equipment and training.

We have established comprehensive governance structures for maintaining employee health and safety, including a dedicated board that oversees safety operations at our Israeli headquarters that we have also extended to our EMEA and U.S. facilities. The safety board convenes monthly to review incidents, discuss insights, and mitigate recurrence. Our facilities managers in Israel and in the U.S. are responsible for EHS in their respective regions, while supporting additional regions. We also operate a network of Safety Champions at our sites who are directly in touch with Stratasys EHS personnel and on-site employee security guards. When an incident occurs, our “allies” respond immediately based on their preparation and training. As events unfold, they report to our EHS personnel through official safety reporting channels.

As with any manufacturing operation, our work involves many inherent health and safety risks. Primary risks include slipping and falling, working at heights, operating machinery, carrying out electrical work, and commuting to and from our facilities. We also are exposed to unique risks related to operating chemical labs and handling chemicals in our manufacturing processes. In addition, we recognize that ergonomics is a possible source of injury, and are working on adapting our equipment accordingly. In some cases, our engineers even utilize 3D Printing to create tools for improved ergonomics in the workspace.

We respond to these risks with strong governance, active management, and thorough policies that are regularly updated and embedded in our training modules. We strictly comply with relevant safety regulations like handling hazardous materials, ensure readily available essential information such as safety data sheets (SDS), and make great efforts to improve our compliance with health and safety regulations in all jurisdictions.

EHS Management

Monitoring and improving our EHS outcomes is very important to Stratasys. Our Executive Leadership is responsible for this, reviewing the EHS survey annually. We work with an interactive safety management dashboard that enables us to monitor up-to-date key indicators, conduct comparative analysis to track progress, and identify weak points that require mending. Our EHS management system was developed in accordance with the ISO 45001 standard for managing occupational health and safety risks. Our Israel sites have been ISO 45001 certified since 2018, and we are in the process of expanding the certification audit to our EMEA sites.

We maintain nine EHS-related KPIs that we monitor annually at all our sites, including safety incident reduction, and are dedicated to meeting management performance targets such as training and audits.

To normalize our global safety practice and expand our robust safety apparatus to additional regions, we are developing a standard across all Stratasys sites. This will lead to more streamlined and comprehensive management, while enabling us to focus on the unique demands of each site.

Training

We provide safety training to all our employees, including mandatory general safety training across departments and contractors. In 2021, 2,383 employees participated in training compared to 2,075 in 2022. In addition, we hold dedicated safety training sessions for specific teams based on their unique work requirements, covering areas such as the safe use of materials and equipment as well as emergency medical training. Some 338 employees and contractors underwent this type of training in 2021 compared to 244 in 2022.

We also provide regular safety refresher courses, even for veteran employees and contractors, to support a culture of safety and to ensure that employee conduct aligns with our safety policy.

We offered, on average, nearly 2 hours of training to employees requiring specific safety training on top of general safety training to all employees in 2022.

Audits

Auditing is a key practice to maintaining and improving our safety performance. We have professional auditors who rigorously examine various safety aspects across all sites. We expanded the team in 2022, which led to more frequent auditing and more effective implementation of improvements and remediation actions. As expected, the increase in audits led to an increase in identifying incidents of non-conformation – 134 in 2022 compared to 55 in 2021 – enabling us to implement 140 corrective actions in 2022 compared to 57 in 2021. We continue to focus on employee safety, and are confident in the value of our audits and subsequent improvements to ensure a safe work environment.

Work-Related Incidents

We closely monitor work-related safety incidents at our facilities. We added the EMEA region to our reporting in 2022 and dramatically improved incident monitoring by implementing a data-management dashboard and incident data management as well as by increasing the number of site audits. This also led to a rise in the number of incidents reported and of subsequent corrective actions implemented.

Total Reportable Incident Rate (TRIR) per 200,000 Working Hours

	2021	2022
Rate of recordable work-related injuries	1.29	1.77

CUSTOMER SUCCESS – DELIVERING ON OUR CUSTOMER FIRST PROMISE

We repositioned our Customer Service and Support organization in 2021-2022, and integrated the team as part of our Go-to-Market organization. We renamed the unit Customer Success based on a vision of not only solving customer issues at the tactical level, but also focusing on how to best enable our users' businesses.

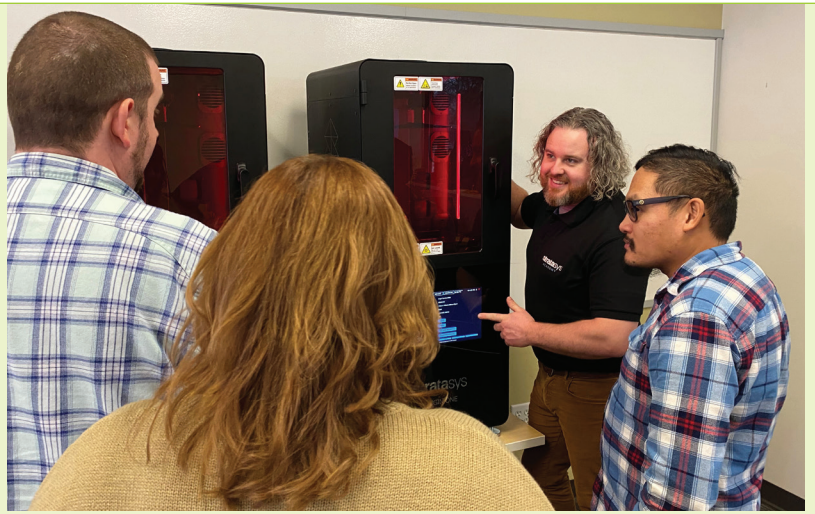
Stratasys is proud to have one of the largest Additive Manufacturing installed bases, with over 28,000 customers worldwide. This requires a robust, customer-focused infrastructure along with full alignment – across business units, technologies and users worldwide – to deliver value.

Customer Success Excellence

We approach our customer success efforts by addressing the entire customer journey, providing support, training, service, expertise and care at each touch point.

We maintain a care center in each of our regions, enabling customers to request technical support from our professionals. We focus on mitigating downtime, as well as addressing all customer inquiries and bringing issues to resolution quickly so customers can carry out uninterrupted production. Each customer interaction is followed up by a satisfaction survey to help us identify issues in real time and deliver on our promise of continuous improvement and quality.

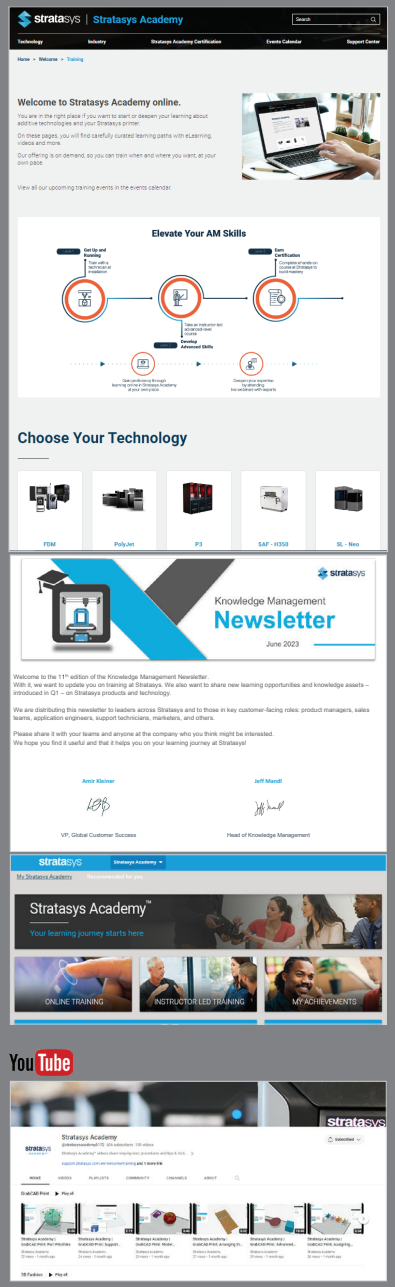
We work on making Stratasys easy to do business with. We launched our Customer Hub, a one-stop-shop where customers can purchase materials, access reports regarding their machines, and open service tickets to simplify the support process.



We piloted a comprehensive onboarding experience in 2023 for new customers that includes a blend of person-to-person and email-based touch points for customers from the moment they purchase their printer through installation and ramp up. We received great feedback and are expanding our newly redesigned onboarding experience accordingly.

Stratasys conducts an annual survey of customers, gathering valuable insights on their experiences and needs. The collected data helps us analyze their feedback so we can improve and expand our offering, products, internal processes, and services based on what our customers want and need.

All customer-facing roles (including resellers) receive extensive training. Customer support engineers and call center specialists undergo extensive training and must be recertified annually so they can provide top-notch service for our growing AM portfolio, technologies, materials, machines and solutions.



Empowering Customers Through Knowledge

As part of our customer success network, we enable customers to learn about our products via several channels.

The Stratasys Support Center provides customers with open access to tutorials and information on how to best implement our offering to their benefit. The Stratasys Academy Website and learning management system offer learning paths for customers to gain know-how and skills across our 5-technology portfolio and industry solutions. Customers can also visit the Stratasys Academy YouTube Channel to view regularly uploaded How-to Guides and hundreds of informative videos. We also provide customer webinars about recently released materials and new applications.

The Stratasys Academy program covers our entire offering – from setup to mastery – and grants a training certificate to users upon completion. The program also incorporates instructor-led, face-to-face training sessions in various regions.

Elevate your AM skills

Level 1: Get Up and Running

Train with a technician at installation

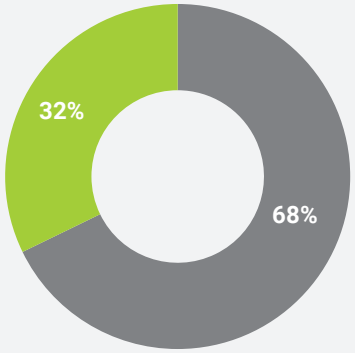
Level 2: Develop Advanced Skills

Take an instructor-led advanced level course

Level 3: Earn Certification

Complete a hands-on course at Stratasys to build mastery

Customer-Facing Participants in Stratasys Academy



STRATASYS IN THE COMMUNITY – DELIVERING SOCIAL IMPACT

AM has the power to improve, and even save, lives. Yet, given our business focus on industrial applications for production, the technology is often less accessible to populations that can most benefit from it – children and patients with specific medical needs. That is what's behind our strategic Corporate Social Responsibility (CSR) approach of focusing community outreach on education and health organizations.

We deliver local programs through meaningful, long-term partnerships and a global network of dedicated volunteers. Our desire to deliver solutions for 3D Printing a Better Tomorrow™ is at the heart of each of our core projects, extending to our emergency and disaster relief program that is part of the Stratasys Cares platform. We emphasize collaborations that leverage our technology and expertise to improve our communities, while focusing on STEM education and medical needs.

Stratasys Cares includes direct disaster relief initiatives that are managed with boots-on-the-ground organizations with first-hand knowledge of the needs of affected communities to help us deliver an effective response. It has even supported employees affected by disasters such as Turkey's 2023 earthquake or the crisis in Israel at the end of 2023 (see Stratasys Cares Appendix for more information). Ultimately, Stratasys prioritizes employee well-being, while striving to make a tangible and positive difference within the communities through our holistic approach to corporate responsibility.

Our CSR initiatives are based on five core principles that guide us in leveraging our offering in community engagement and crisis response. We utilize our strengths and technologies to involve our people and their skills, while working with partners for long-term, recurring collaborations to make a real impact.

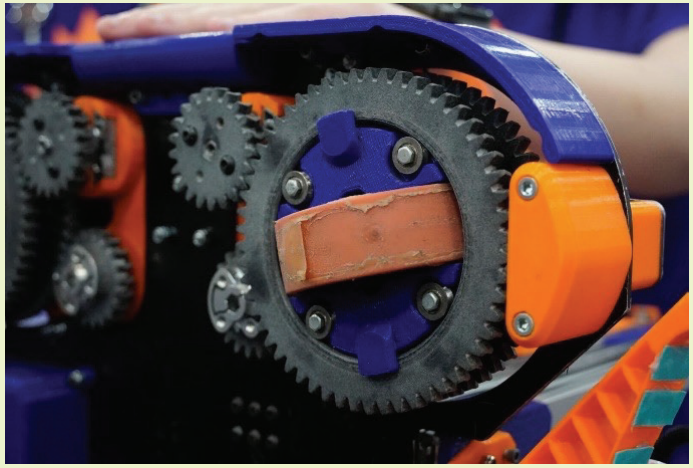
Our CSR programs center around two of the UN SDGs that we champion –Quality Education and Industry, Innovation and Infrastructure.

Here are some examples of our CSR programs.

FIRST

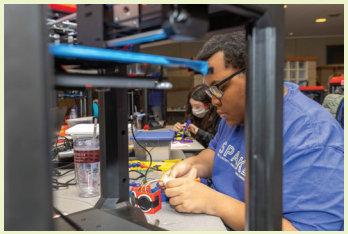
FIRST (For the Inspiration and Recognition of Science and Technology) urges teams of students aged 12-18 to design, build, code and operate robots that participate in global competitions. Guided by adult coaches and mentors, the students develop STEM skills and practice engineering principles, while realizing the value of innovation and teamwork. The students are encouraged to create team brands and to be ambassadors for FIRST and STEM in their communities. Participants and alumni are eligible to apply for over $80 million in scholarships and to access numerous career discovery opportunities and connections.

As a major supporter of FIRST, Stratasys mentors students to help them leverage Additive Manufacturing for their robot designs, sponsors the printing parts for participating teams, and provides consumables. By working and providing youth with AM skills, Stratasys is cultivating the workforce of tomorrow. In 2023, Stratasys sponsored FIRST team #461 from West Lafayette, Indiana. The team successfully implemented additive manufacturing using Stratasys SAF, P3 and FDM technologies, and ranked in 5th place in the world. According to one student on the team, “Without Stratasys, we would not have been able to make our designs come to life. Thank you!”



High-Tech Kids

Stratasys actively invests in pioneering program initiatives like High Tech Kids to drive innovation, boost interest in STEM, and foster industry advancement. This year, we offered the initiative four Stratasys engineering and 3D Printing scholarships for 10th and 11th graders as part of the FIRST Tech Challenge program.



SPARKZ 3D Printing Camp

Stratasys supported the SPARKZ 3D Printing camp in Minnesota, where 16 middle school children from Minneapolis public schools participated in a weeklong camp focusing on Additive Manufacturing skill building. Each participant received a 3D printer and computer, and spent a day at Stratasys to learn more about AM technology and potential career paths in the field. Our employees served as mentors at the camp, and we sponsored the participation of two campers.

Limbitless

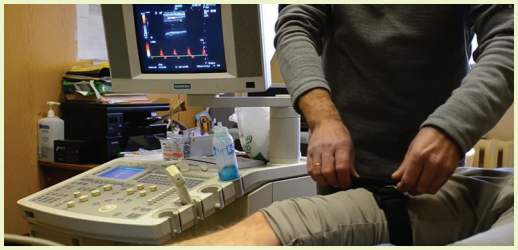
Limbitless is a non-profit bionic research program at the University of Central Florida (UCF). The group is led by Albert Manero, who received three degrees from UCF, including a PhD in 2016. He and fellow students in 2014 founded the program, which is dedicated to empowering children in the limb-difference community. Limbitless creates personalized, creative and expressive 3D-printed bionic arms, and believes no family should be financially burdened because its child has a limb difference. Its current projects – Bionic Arms, the Project Xavier hands-free wheelchair, and accessibility training video games – center on building confidence for individuals with accessibility technology. Our support has helped Limbitless spread its mission, #3DHope, to a larger audience and to strengthen the rapid prototyping ability.

"Our team is really excited to continue our partnership with Stratasys. Each year the collaboration has enabled the design and manufacturing of a new generation of bionic arms for children in our clinical trials. Additive Manufacturing helps us custom-craft each child's design and cut the time required for prototyping and manufacturing."

Albert Manero, Executive Director and Co-founder of Limbitless

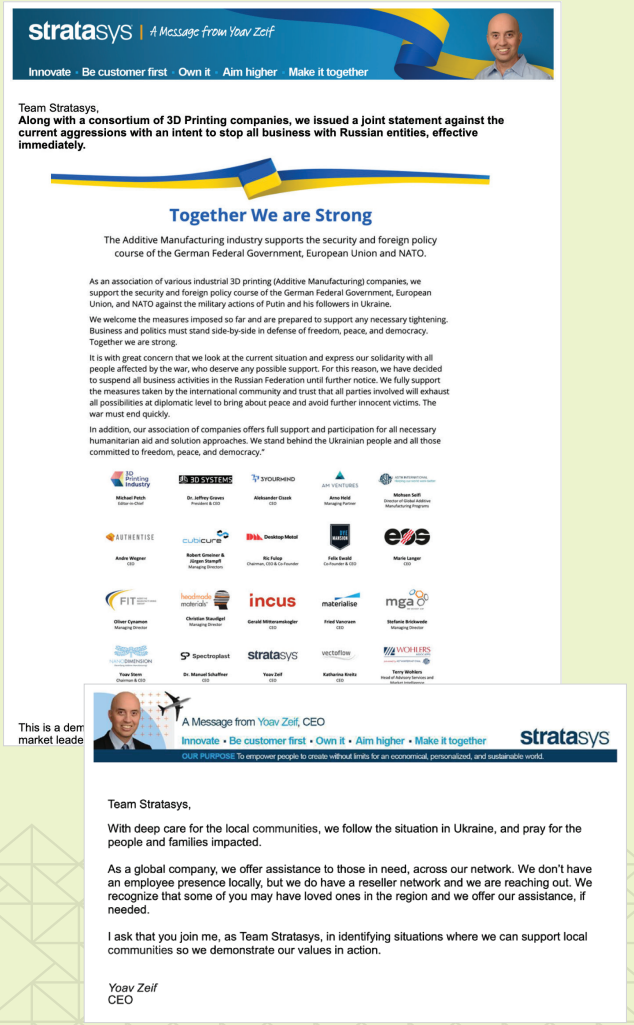
Support for Ukraine

Stratasys stands in solidarity with Ukraine, and is actively seeking opportunities to provide support and assistance to strengthen the country's resilience and recovery during this challenging time. We joined leaders across the 3D Printing industry and issued a joint statement against the aggressions in Ukraine. We align with the foreign policy of NATO and its allies against Russia's military actions in Ukraine. Stratasys halted all business with Russian entities as of March 2022. We have offered our support to our community in the region and will continue to do so.



One of the significant logistical challenges in Ukraine is maintaining a continuous supply chain for essential medical equipment. Our technology enables on-demand, on-site manufacturing wherever there is a printer. Therefore, AM's ability to create a shorter and simpler supply chain is critical to Ukrainians. For example, Stratasys has printed parts for tourniquets that only require the assembly of a fabric strap to the contraption in order to be ready for use.

We are also aware that one of the consequences of the war is damage and destruction to Ukrainian heritage sites. To salvage Ukrainian heritage in the wake of the war, Stratasys created 3D-printed models of Ukrainian heritage objects and artifacts. These include a Dante Alighieri statue erected in Kyiv to celebrate the poet's 750th birthday, a monument to a chieftain of the Black Sea Cossack Army in Odessa, and a statue of Andrew the Apostle, the patron saint of Kyiv.


stratasys | A Message from Yoav Zeif

Innovate • Be customer first • Own it • Aim higher • Make it together

Team Stratasys,

Along with a consortium of 3D Printing companies, we issued a joint statement against the current aggressions with an intent to stop all business with Russian entities, effective immediately.

Together We are Strong

The Additive Manufacturing industry supports the security and foreign policy course of the German Federal Government, European Union and NATO.

As an association of various industrial 3D printing (Additive Manufacturing) companies, we support the security and foreign policy course of the German Federal Government, European Union, and NATO against the military actions of Putin and his followers in Ukraine.

We welcome the measures imposed so far and are prepared to support any necessary tightening. Business and politics must stand side-by-side in defense of freedom, peace, and democracy. Together we are strong.

It is with great concern that we look at the current situation and express our solidarity with all people affected by the war, who deserve any possible support. For this reason, we have decided to suspend all business activities in the Russian Federation until further notice. We fully support the measures taken by the international community and trust that all parties involved will exhaust all possibilities at diplomatic level to bring about peace and avoid further innocent victims. The war must end quickly.

In addition, our association of companies offers full support and participation for all necessary humanitarian aid and solution approaches. We stand behind the Ukrainian people and all those committed to freedom, peace, and democracy."

This is a dem
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A Message from Yoav Zeif, CEO

Innovate • Be customer first • Own it • Aim higher • Make it together

stratasys

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

Team Stratasys,

With deep care for the local communities, we follow the situation in Ukraine, and pray for the people and families impacted.

As a global company, we offer assistance to those in need, across our network. We don't have an employee presence locally, but we do have a reseller network and we are reaching out. We recognize that some of you may have loved ones in the region and we offer our assistance, if needed.

I ask that you join me, as Team Stratasys, in identifying situations where we can support local communities so we demonstrate our values in action.

Yoav Zeif
CEO

Enabling objects to be printed with highly accurate color representation down to the voxel (3D pixel) level, our PolyJet™ technology has been used in art, fashion and even medical modeling.

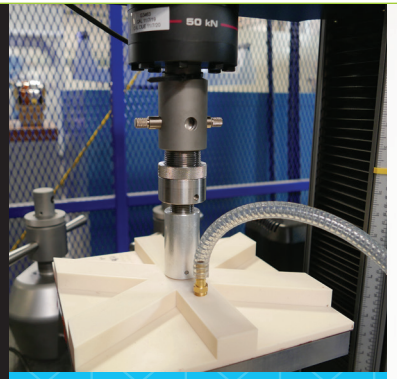
Restart Global – Makers for Heroes

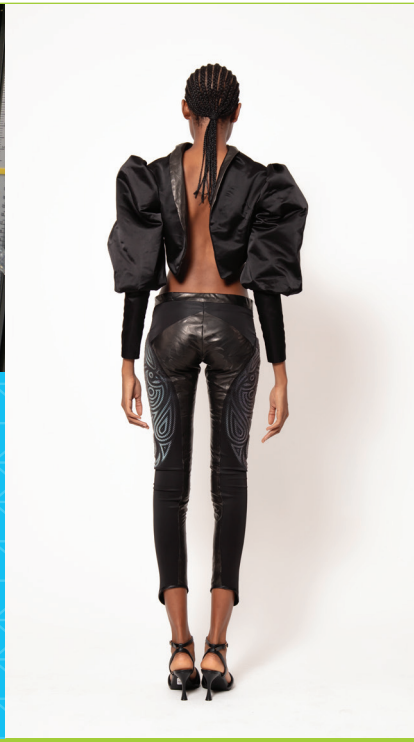
Through its Makers for Heroes initiative, the Restart Global NGO develops creative solutions for wounded veterans to help them overcome daily challenges. The organization presents us and other partnering organizations with specific challenges, and a dedicated team of Stratasys volunteers harnesses the power of our cutting-edge 3D Printing technologies to devise personalized solutions. This collaborative effort not only showcases the capabilities of our technology, but also underscores our commitment to addressing real-world challenges through creativity and expertise.

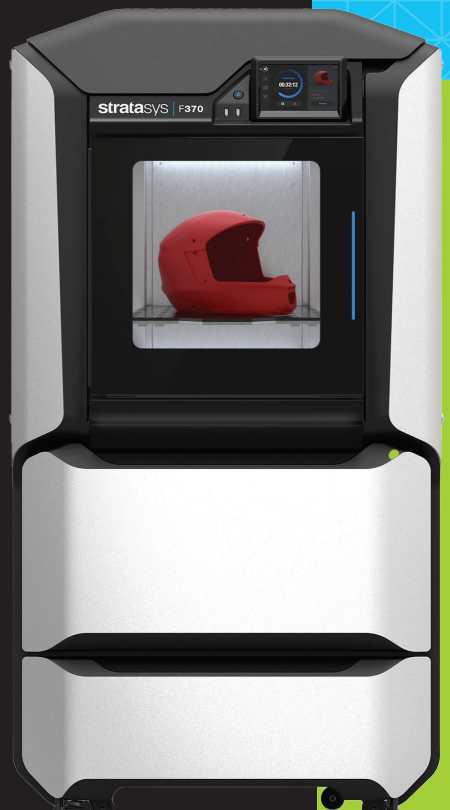
For example, we designed a lightweight, fashionable slip-on prosthetic cover for Ron Halevi, a veteran who lost his leg below the knee in combat. Using our advanced SAF® technology, we printed six personalized clip-ons for Ron and redesigned the cover to prevent long pants from sliding up his thin prosthetic.

CHAPTER 6 | GOVERNACE

- **Our Governance Structure**
  - » Board of Directors
  - » Board Committees
  - » Our Core Leadership Team
  - » Sustainability Governance
- **Maintaining Responsible Business Conduct as a Public Company in the M&A Arena**
  - » Addressing Uninvited M&A Activity
- **Creating an Ethical Work Environment**
  - » Our Ethics-Related Policies
  - » Annual Compliance Campaign
- **Supply Chain and Sourcing**
  - » Setting Sustainability Standards for Suppliers
  - » Life Cycle Management and Circularity
  - » Conflict Minerals
  - » Chemical Safety
  - » Sourcing Locally
- **Cybersecurity and Data Privacy**
- **Product Quality and Safety**
  - » Ensuring Product Quality and Safety
  - » Supporting Our Customers
  - » Dedicated Care for the Healthcare Sector
  - » Collaboration to Ensure Quality







Our Governance Structure

Board of Directors

Stratasys shareholders voted to reelect all eight highly qualified director nominees at our 2023 Annual Meeting of Shareholders. This vote reaffirms that we have the right team and a winning strategy in place to deliver profitable growth in the near-, mid-term, and long-term future. Stratasys' Board is highly focused on maximizing shareholder value, and engages with multiple industry participants for the benefit of all shareholders.

Our Board is responsible for guiding, monitoring, and approving strategic activity, policies, and decisions that the Company's management recommends and takes. It is also responsible for overseeing Stratasys' strategic direction, business performance, and risk management, including periodically reviewing relevant economic, environmental, and social impacts. In addition, the Board has appointed an Audit Committee and Compensation Committee, each of which is responsible for deciding on specific matters assigned to them by law and by stock exchange listing requirements. In 2022, seven of the eight directors were independent as defined by Nasdaq rules.

2022 Snapshot of Stratasys Board of Directors*

*This represents the governing body in 2022.
Material changes took place in 2023.

Dov Ofer
Chairman

John J. McEleney
Independent Director

David Reis
Independent Director

Yair Seroussi
Independent Director

S. Scott Crump
Director[9]

Ziva Patir[10]
Independent Director

Michael Schoellhorn
Independent Director

Adina Shorr
Independent Director

[9] S. Scott Crump is an independent director as of 2024 under Nasdaq rules.
[10] Ziva Patir was replaced in 2023 by Aris Kekedjian

2022 Snapshot of Stratasys Board of Directors

Director Member	Position on Stratasys' Board of Directors	Committee Membership	Nationality	Gender	Date Joined
Dov Ofer	Chairman		Israeli	Male	July 2017
S. Scott Crump[11]	Director		American	Male	November 2021
John J. McEleney	Independent Director	Compensation Committee and Audit Committee	American	Male	December 2012
Ziva Patir[12]	Independent Director	Compensation Committee, Sustainability Champion	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	Audit Committee	American	Female	July 2018

[11] S. Scott Crump is an independent director as of 2024 under Nasdaq rules.
[12] Ziva Patir was replaced in 2023 by Aris Kekedjian

Board Committees

Audit Committee: The committee assists the Board in selecting, retaining, compensating, and overseeing the Company's independent external auditor, oversees its internal audit activity, and oversees the integrity of Stratasys' financial statements and other published financial information. It also monitors the Company's compliance with legal and regulatory requirements and with corporate policies and controls.

Compensation Committee: The committee develops, approves, and oversees the implementation of a compensation policy, and discusses and recommends the approval of employee and executive compensation packages and incentive plans considering the Company's financial feasibility and business interests. It may retain the advice of an independent compensation consultant and independent legal counsel in carrying out its responsibilities.

Board and Committee Meetings, 2021-2022

	2021	2022
Board meetings	18	14
Quarterly meetings	4	4
Annual budget approval meetings	1	1
Meetings to assess specific transactions	13	9
Audit Committee meetings	4	4
Compensation Committee meetings	8	8
Quarterly meetings	4	4
Annual pre-budget approval meetings	1	1
Meetings to approve specific compensation packages and/or executive hiring	3	3

Our Core Leadership Team

Our Chief Executive Officer is appointed by, and serves at the discretion of, our Board of Directors. All other executives are appointed by our CEO, and the compensation terms of our Core Leadership Team members are determined according to the compensation principles set in the Stratasys Executive Compensation Policy. The team's role is to execute the strategy in accordance with the Board's guidance.

We appointed two new members to our Core Leadership Team in 2022:

» Christian Alvarez was appointed Chief Revenue Officer in November 2022. He is responsible for driving Stratasys' sales, customer experience life cycle solutions, and partner engagements through global leadership of the sales and partner functions.

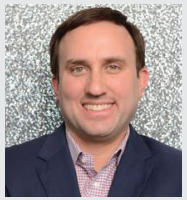
» Rani Hagag was appointed Chief Healthcare & Consumer Business Officer in December 2022.

CORE LEADERSHIP TEAM

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.

Executive Management

Yoav Zeif
Chief Executive Officer

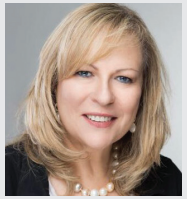


Rich Garrity
Chief Industrial Business Officer

Rani Hagag
Chief Health Care & Consumer Business Officer

Christian Alvarez
Chief Revenue Officer

Eitan Zamir
Chief Financial Officer



Nava Kazaz
Chief People Officer

Yossi Azarzar
Chief Operating Officer

Guy Menchik
Chief Technology Officer

Vered Ben Jacob
Chief Legal Officer

SUSTAINABILITY GOVERNANCE

Stratasys is leading the shift to Mindful Manufacturing™, a rethinking of how we create and produce parts and products. We are spearheading a global transformation, across industries, by leveraging Additive Manufacturing (AM) to 3D Print a Better Tomorrow™, and by securing a future in which generations to come can thrive.

Sustainability is a core component of our DNA. As such, aspects of sustainability are managed across all Company levels, from executive committees to business units. By combining a top-down and bottom-up approach, employees can voice their needs and take an active role in sustainability management, while our seasoned leadership teams lead strategic sustainability issues.

Executive Sustainability Governance

Both our Board and Executive Core Leadership Team are deeply invested in overseeing the implementation of our sustainability strategy. CEO **Yoav Zeif**, along with Company leadership, receive regular updates relating to sustainability initiatives and drive sustainability investment and progress. In addition, our Board of Directors receives a comprehensive annual review of our sustainability strategy, workplan, and global activity to review and provide guidance. Our dedicated Sustainability Champion on the Board of Directors, **Ziva Patir**, continued to serve in her role in 2022, and was directly involved in overseeing sustainability efforts and guiding our sustainability strategy.

Our sustainability efforts are directly led by VP Sustainability **Rosa Coblens**. She and her dedicated team prioritize, plan, and execute sustainability projects and initiatives, build a network of sustainability champions across the organization, and coordinate between various teams to ensure effective implementation. At the same time, they onboard new units and champion relevant sustainability practices and concepts through collaborative projects and information sessions.

Employee-led Sustainability Initiatives

Employee inclusion and leadership surrounding sustainability issues are keys to our approach. We believe that by integrating employees in the planning, management, and implementation of sustainability initiatives, our investments will be more effective and aligned with their expectations, while leveraging their proficiency and familiarity with the Company's capabilities. As such, we are cultivating sustainability and ESG skills and knowledge with sustainability-minded employees to help them promote sustainable initiatives and advances in their fields. In addition, we have four employee-led sustainability forums, each of which heads a dedicated sustainability topic.

Stratasys Employee Sustainability Forums

stratasys Innovation through Diversity, Equity & Inclusion

Diversity, Equity and Inclusion (DEI) Forum

This forum leads implemenation of our DEI strategy, and carries out relevant initiatives and events throughout the year.

Design for Environment and Design for AM Forums

Comprising representatives from our product and operations teams, these forums explore and devise solutions for key environmental challenges. They may include opportunties to improve our operations' environmental footprint by reducing resource consumption and by promoting the recycling, reuse, repair, and repurposing of our products and their parts. In addition, they may include opportunities relating to our supply chain and the packaging and transportation of products.

Make it GREEN Together

Go Green Office Forums

Through these forums, employees devise and lead inititiatives to make our offices and facilities greener, such as reducing single-use plastics, recycling, and composting.

STRATASYS CARES

CSR Community Efforts

This involves our activities surrounding social impact parternships and collaborations with a global network of volunteers, most notably Stratasys Cares initiatives and our disaster relief response. Read more about them in the Stratasys in the Community - Delivering Social Impact chapter of this report.

Maintaining Responsible Business Conduct as a Public Company in the M&A Arena

Stratasys embraces uncompromising transparency to all stakeholders – investors, customers, partners, employees, and our entire ecosystem. This creates a culture of partnership and trust that sets us apart from other industry players and ensures our resiliency.

Ongoing communications across multiple platforms and audiences, an integral part of our governance and management processes, is both a guiding principle and competitive advantage for the Company. Our extensive internal communications and employee forums ensure that employees stay informed of developments, can voice their opinions, and receive answers to their questions. The interaction of senior executives, including the CEO, with employees is based on an open-door policy that strengthens our People First culture of transparency and partnership. (see more on engagement in the "Employee Engagement - Making Stratasys a Great Place to Work" chapter)

Stratasys' governance, documentation, and transparency processes are robust, orderly, and deeply ingrained in our operations. This "organizational muscle" makes us more resilient, enables us to respond quickly, and secures our over 35-year brand position as a loyal and trustworthy Company. This proved especially critical when hostile takeovers and geo-political challenges threatened to impact our business and profitable growth model.

Operating in an uncertain, often unpredictable post-COVID-19 market, Stratasys endured a period of continuous M&A activity that was occasionally played out in the media. Our Board had to make decisions regarding repeated M&A offers at an unprecedented intensity. Guided by integrity and resting on our extremely robust governance mechanisms, the Board executed its role with great care. It responded to multiple offers, sometimes in parallel, while keeping investors' best interests at the top of their considerations as it carried out its fiduciary duty to protect shareholder value.

Addressing Uninvited M&A Activity

Governance Structure for Unsolicited Offers

Offer Received

- Full Board engagement and review are required, reported, and published

▼

Due Diligence

- Deep study with top-tier advisers to assess and respond to offer's merits, metrics, and return on investment (ROI) for varied shareholders groups (i.e. retail investors , private firms, public companies, employees)
- Legal, financial, business, and executive core teams provide analysis and conduct risk management

▼

Board Decision

- After deep deliberation, Board makes decsion
- Issues press release and conducts SEC filings

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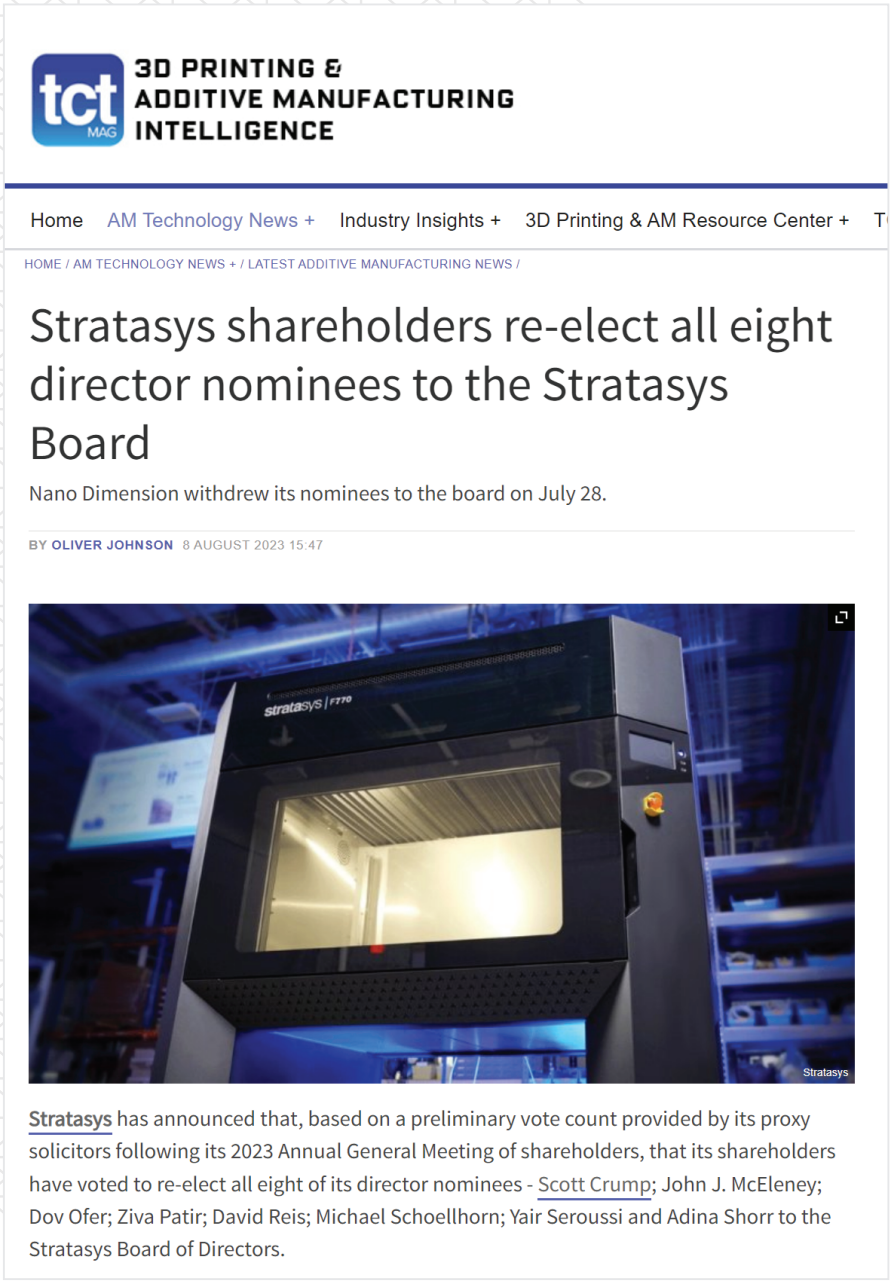
Communications

- Public relations, investment community, media engagement, and real-time employee updates



tct MAG 3D PRINTING & ADDITIVE MANUFACTURING INTELLIGENCE

Home AM Technology News + Industry Insights + 3D Printing & AM Resource Center + T

HOME / AM TECHNOLOGY NEWS + / LATEST ADDITIVE MANUFACTURING NEWS /

Stratasys shareholders re-elect all eight director nominees to the Stratasys Board

Nano Dimension withdrew its nominees to the board on July 28.

BY OLIVER JOHNSON 8 AUGUST 2023 15:47

Stratasys has announced that, based on a preliminary vote count provided by its proxy solicitors following its 2023 Annual General Meeting of shareholders, that its shareholders have voted to re-elect all eight of its director nominees - Scott Crump; John J. McEleney; Dov Ofer; Ziva Patir; David Reis; Michael Schoellhorn; Yair Seroussi and Adina Shorr to the Stratasys Board of Directors.

This fiduciary duty required intensive and ongoing Board review, advisement, discussion, and response. It also involved many hours of due diligence, senior advisers, and ultimately a final decision regarding what would best serve our diverse shareholder base. We are proud of our Board's commitment and diligent work as Company executives navigated new territory in the M&A space (tender offers and competing parallel offers). The true vote of confidence was demonstrated by shareholders re-electing all Board members in 2023.

Today it is clear that Stratasys' leadership protected the Company's best interests, securing top performance ROI and balancing the short- and long-term interests of many stakeholders, including our customers who depend on our technology and innovation. Our employees and partners know they can count on us.

Throughout these uninvited M&A processes, we maintained full business continuity and created clarity via complex transparency processes in which communication was key. For example, management believed it was critical that employees be informed of developments and their potential impact as soon as possible. During this period, Team Stratasys stayed resilient, and our business activities not only continued, but also thrived. Stratasys prioritized our people, remained focused on solid business growth in a complex market and ecosystem, and delivered ongoing innovation, enabling us to proudly report our 10th consecutive profitable quarter (on an adjusted basis) in Q4 2023.

Creating an Ethical Work Environment

We are 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, we rely on our directors, executive officers, and employees to act in an ethical and respectful manner, and all are required to comply with applicable laws, regulations, the Code of Business Conduct and Ethics (Code), and other policies.

The foundation and core principles of our ethical culture are reflected in our Code. It shows how we create a solid basis of trust and success through our relationships with our stakeholders, including our customers, suppliers, partners, and one another. Since employees need to receive guidance regarding ethical behavior and actions, the Code is an important resource for supporting our team's daily decision making. We also have a range of policies and protocols in place, and we carry out internal communications and training to help us implement the ethical culture to which we aspire.

In 2021-2022, no incidents of confirmed corruption were reported.

Our Ethics-Related Policies

As part of our efforts to implement our Code, we have adopted and communicated a range of ethics-related policy documents.

- Anti-Bribery and Corruption Policy requires employees to comply with anti-corruption laws, and prohibits offering or receiving bribes.
- Gifts and Entertainment Policy sets strict rules and guidelines for giving and receiving gifts to maintain objectivity.
- Corporate Contribution Policy sets guidelines for our community investment activities, and ensures that contributions are managed responsibly and ethically.
- Insider Trading Policy prohibits employees from violating insider trading laws.
- Whistleblower and Non-retaliation Policies set the mechanisms through which employees can report an ethical violation, and can prohibit any action taken by management against them.
- Policy for Recovery of Erroneously Awarded Compensation (adopted as of October 2023) provides a clawback mechanism for our recovery of incentive-based compensation from officers if initially paid based on financial results that turn out to be erroneous.

In 2022, we provided 3,930 hours of mandatory ethics training for our employees, an average of 2 hours per employee, up from 1.5 hours in 2021.

"At Stratasys, we pride ourselves on our integrity and ethical business conduct. Our brand position and market recognition are supported by our decades-long reputation as a trustworthy Company among customers, partners, investors, employees, and the communities in which we operate."

Vered Ben Jacob, Chief Legal Officer

Annual Compliance Campaign

We conduct an annual compliance campaign to ensure employee awareness of ethics- and compliance-related topics, and to update and refresh employee knowledge on our policies and procedures.

Throughout the campaign, our teams receive a compliance learning path in our Learning Management System (LMS) and internal communiques regarding various topics. We also carry out other internal activities to raise awareness of key issues. In addition to the previously mentioned ethics-related topics, several other areas are in the spotlight of our campaign.

- Anti-Harassment Training addresses the creation of a respectful, inclusive, and professional work environment for everyone. Such an environment is essential to creating effective teamwork and enabling all employees to participate and freely bring their ideas to the table.
- Physical Security Training is designed to set rules and guidelines for protecting our knowledge, assets, facilities, and other properties from various threats.
- Safety Training (only Israel-based employees) covers rules and regulations for safe conduct in our offices and labs. According to local regulations, all employees are obligated to complete the training.
- ISO 14001 Training (only Israel-based employees) familiarizes and informs employees with the recent ISO 14001 certification for environmental management and what it means for our facilities in Israel. This training, alongside the certification process, will be expanded to additional locations.

Supply Chain and Sourcing

We maintain a holistic approach when it comes to sustainability, and therefore, look beyond our operations when assessing ESG performance. We recognize that our suppliers' sustainability practices are both an extension and reflection of our own. To that end, as we grow, we aim to leverage our strength and commitment to make a positive impact through our supplier network. This includes, for example, taking steps to ensure that materials are sourced responsibly and ethically and are safe to use.

Setting Sustainability Standards for Suppliers

We strive to hold our suppliers to environmental, social, ethical, and governance standards in line with those we set for ourselves. This helps us better align them with our values and promotes consistent compliance across our supply chain. To this end, we defined a Supplier Code of Conduct (Supplier Code) in 2022 that outlines our expectations from suppliers. The Supplier Code contains 23 criteria derived from applicable laws as well as from Stratasys core values and expectations. Many of these pertain to key ESG issues, from child labor prohibitions to appropriate hazardous waste handling, to enable better management of relevant ESG risks and opportunities across our supply chain. The Supplier Code's compliance criteria also appear in our Purchasing Terms and Conditions. New suppliers must agree to comply with our Supplier Code, and **100% of them (87 in total) signed the code between 2021-2022.**

The ESG standards we set for our suppliers in our Supplier Code of Conduct drive them to manage critical ESG issues responsibly, which, in turn, supports both their and our risk management processes.

Key ESG topics in our Supplier Code of Conduct

Environmental

- Strive to improve environmental impact and adhere to environmental laws and regulations
- Manage and dispose of waste and hazardous waste safely and responsibly
- Reduce carbon footprint and emissions

Social

- Work to improve environmental impact and adhere to environmental laws and regulations
- Protect the basic rights of employees and respect their freedom of association
- Prohibit discrimination and harassment
- Provide a safe and healthy work environment

Governance

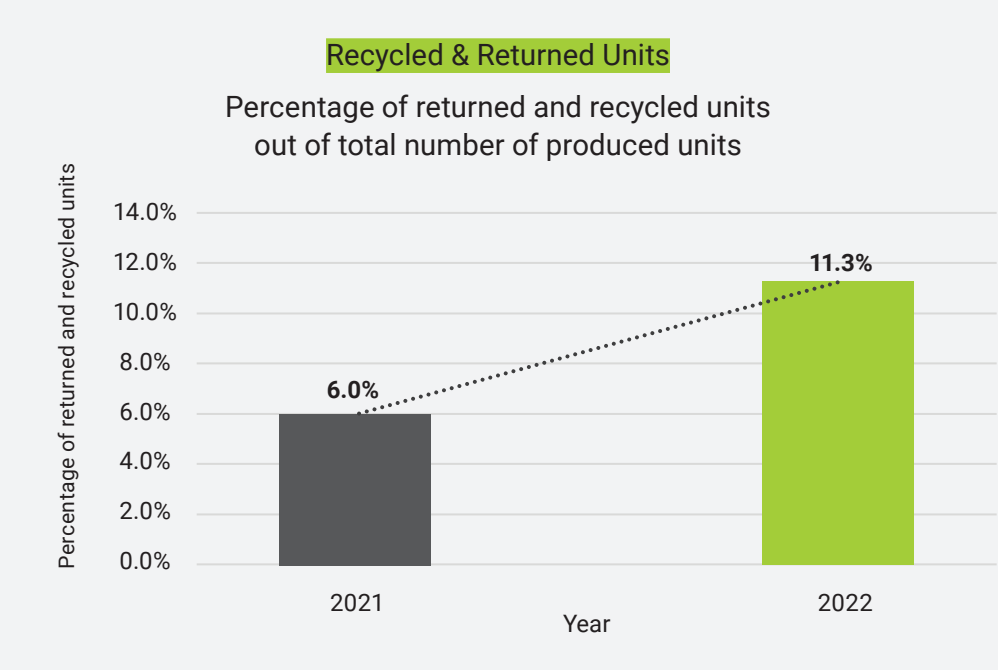
- Conduct business ethically and refrain from engaging in bribery and other forms of corruption
- Comply with all relevant laws and regulations
- Protect personal and sensitive information and use information responsibly

Life Cycle Management and Circularity

Recycling & Returns

We offer a Recycling & Returns program enabling customers to return empty canisters, spools, print engines, and other items, which reduces the need for new materials and improves circularity. The number of returned and reused units grew from 657,000 in 2021 to 1.4 million in 2022. In addition, the percentage of returned units compared to the total number of spools, canisters, and cartridges produced rose from 6% in 2021 to over 11% in 2022.

Our canister recycling program for FDM™ technology is a long-standing initiative for recycling cartridge plastic shells for components. About 30 customers in Germany and Austria participated in the program, whereby plastic bags separate resin liquid from the hardcover shells, which are then recycled.



Certified Pre-Owned Printers

We also advance circularity through a refurbishment program. We refurbish and reuse parts as well as identify components suitable for collection and reuse while maintaining product and service quality to ensure that each refurbished component meets our high standards.

The trade-in program plays a pivotal role in extending our products' life cycle, encouraging customers to return older equipment for responsible disposal and/or for refurbishing and repurposing. As part of our commitment to a high-quality standard, we offer Certified Pre-Owned refurbished printers to customers: we sell pre-owned printers that meet our stringent standards, while elongating the life and value of our machines.

These programs contribute to sustainable practices and product life cycle management by extending product and component life for as long as possible without compromising quality.

The number of units returned through our Recycling & Returns program more than doubled between 2021 and 2022, feeding back into our production processes.

75% of packaging items are made of 100% recycled materials.

Conflict Minerals

While we generally do not procure minerals directly, we do take action to increase transparency and ensure responsible procurement with suppliers and manufacturers. As laid out in our Conflict Minerals Policy, we maintain strict procedures to ensure compliance with relevant requirements and regulations. The policy prohibits human rights abuses associated with the extraction, transport, or trade of minerals, and demands zero tolerance for corruption, bribery, or other breaches of ethics. The policy also prohibits any direct or indirect support of non-state armed groups or security forces that illegally control or tax sites and areas. The policy's compliance criteria are also included in our Purchasing Terms and Conditions.

We apply the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We require relevant suppliers who manufacture components, parts, or products containing tin, tantalum, tungsten, or gold to commit to sourcing these materials from environmentally and socially responsible sources. We also have adopted the standardized Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) to map and monitor our suppliers' compliance. We use the CMRT framework to publish an annual Conflict Minerals Report detailing our management in these areas to increase transparency and demonstrate our robust action.

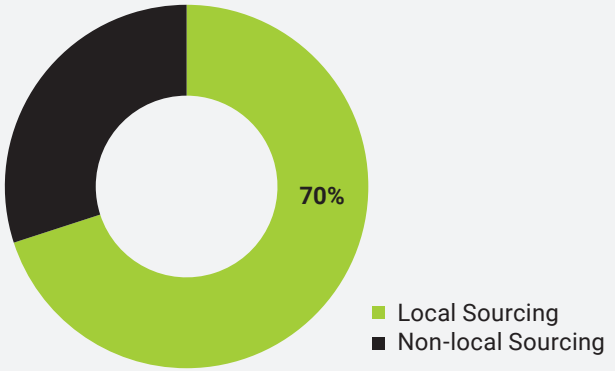
Chemical Safety

Chemicals represent a substantial aspect of our sourcing operations. Various chemicals are used as raw materials in producing our printing materials such as dyes and resins. Managing chemicals entails a higher level of risk than other materials, and we have safeguards in place to ensure that our suppliers manage them responsibly and safely. Suppliers who provide us with relevant chemical materials must adhere to applicable European Union regulations, including REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment). Compliance with these regulations is an important mechanism in protecting both the environment and users, including employees and customers.

Sourcing Locally

Sourcing goods and materials from suppliers closer to manufacturing sites can reduce the environmental impact resulting from their transport. Given that we maintain manufacturing facilities in the US and Israel, we can reduce transport-driven greenhouse gas emissions by procuring goods from American and Israeli suppliers. Some 70% of our procurement expenditures in 2022 went toward sourcing goods from American and Israeli suppliers. In addition, local sourcing promotes local suppliers and economies, and increases the value we create in the communities in which we operate.

Local sourcing[13] comprised 70% of our procurement expenditures in 2022



[13] Local sourcing figures refer to our procurement of goods from Israel for our Israeli facilities and from the U.S. for our American facilities.

CYBERSECURITY AND DATA PRIVACY

Protecting the sensitive data of our stakeholders, including customers, employees, and suppliers, is key to maintaining both trust and business continuity. Our cybersecurity governance includes policies and procedures that address both human error and structural or technical risks. Some of our measures include:

- Cybersecurity Protocols – We are guided by a strict policy that sets out guidelines and procedures to prevent and respond to cybersecurity threats.
- Employee Training – We provide cybersecurity and data privacy training (e.g. phishing awareness, physical information security on premises as part of compliance training), including dedicated campaigns to raise awareness of phishing and other potential risks, to all relevant employees.
- Cybersecurity Infrastructure – We fortify our IT systems with robust cyber defense mechanisms and measures to strengthen the resilience of our systems to hacking attempts and cyberattacks.
- Data Access Management – We ensure that only relevant and authorized personnel can access and use sensitive data to reduce the risk of accidental leaks and inappropriate data usage.
- Incident Response Procedure – We embedded a procedure intended to ensure a quick, effective, and orderly response for security incidents that may adversely affect the security or privacy of data processed by Stratasys, with the goal of minimizing damage and restoring normal operations.

Our robust cybersecurity policies led to **zero substantiated data leaks** in 2021-2022.

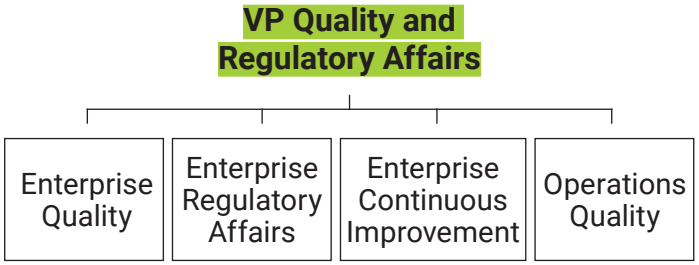
In 2023, we secured ISO 27001 certification for the 6th straight year. This is a testament to our commitment to information security and an affirmation of our strong security posture in response to the growing sophistication and prevalence of cybersecurity risks.

PRODUCT QUALITY AND SAFETY

Stratasys is a Customer First company. We demonstrate our dedication to exceptional customer satisfaction through on-going improvement. As we grow and expand our portfolio, it is essential for us to ensure product quality and safety, and we work diligently to create a culture that promotes robust management of these aspects.

Quality Matters is our mantra and is interwoven with our business strategy. This strategy encourages a mindset that views product quality as a cross-departmental imperative alongside mutual responsibility to ensure excellence throughout the production process. Our commitment to top-quality products is underscored by our strict measures and continuous efforts to deliver solutions that not only meet, but also exceed industry standards to foster trust and lasting relationships with our customers.

Our quality and regulatory affairs are led by a global team from our corporate functions. The enterprise quality assurance team oversees our quality management system, quality audits, and management reviews. Embracing a multidisciplinary approach, it fosters collaboration between our development and risk management teams, while promoting shared responsibility. In addition, we train and empower "quality champions" – employees embedded in our professional teams to implement quality approaches and initiatives for products and processes.

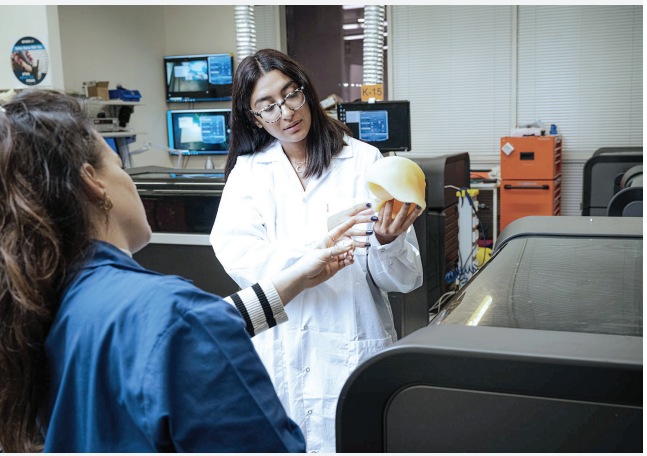


Senior management is also deeply involved in product quality management. Our monthly, CEO-led Executive Forum focuses on product quality and safety developments and initiatives, challenges that arise, and potential solutions. Stratasys' investment in maintaining the safety and quality of our products – from the field to the leadership team – demonstrates our commitment to delivering top-notch solutions and addressing issues as they arise.

"Quality is at the core of our Company purpose, mission, and values. It is woven into our systems, processes, and mindset. We are unwavering in our pursuit of our Customer First value, and the Company's quality policy operates according to these key pillars: customer satisfaction, compliance to regulations and standards, continuous improvement, and training and development"

Melanie Glennon, VP Quality & Regulatory Affairs

We proactively embrace voluntary standards that enhance our commitment to product quality. As such, our quality management system is ISO 9001 certified. Our Corporate Global Certifications include ISO 13485 and ISO 9001.



Our products – including printers and printing materials – undergo stringent health and safety assessments that have led to zero incidents of non-compliance reported, according to our health and safety regulation disclosures in 2021 and 2022.

Ensuring Product Quality and Safety

We ensure the safety and reliability of our products, keeping them in mind when designing and developing our offering – from machines to service and support. Our product development process adheres to local regulations, and includes extensive testing procedures in line with strict quality and safety standards. For example, all relevant products are compliant with REACH, a European Union regulation for reducing the risks associated with chemicals and their implementation.

In addition, we focus on opportunities to extend the lifetime of our products to enable operational continuity and customer cost reductions, while reducing environmental impact. We do it by lowering replacement frequency in order to generate less waste throughout the product's life cycle, making entire supply chains redundant. A key example is our Certified Pre-Owned printer offering, whereby the machines are repurposed and adopted by new manufacturers/owners. The key to extending product longevity lies not only in manufacturing practices, but also in product service and care.

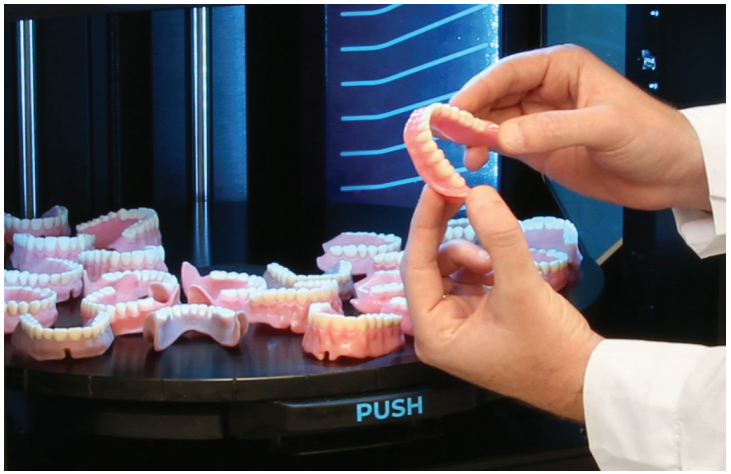
We monitor our products, at varied intensities by region, across the value chain to ensure their functionality, usability, reliability, and safety. This includes remotely monitoring our printers to track performance and to alert customers of potential issues. We recorded a 10.8% increase in product issues and malfunctions in 2022 compared to 2021, which was primarily driven by increased data collection and our focus on quality across the Company. We also concentrated on addressing customer issues to secure business continuity. The advancement of our Quality and Reliability Assurance (Q&RA) function drove awareness and improved quantitative monitoring. Though safety issues in our products are rare, we have developed a swift response protocol so they can be addressed by a cross-functional team deployed to support the customer until resolution.

Supporting Our Customers

Beyond remote monitoring, we operate a broad customer support system to assist with product issues. We assign cases involving safety and quality issues to relevant personnel in our R&D and quality teams, which focus on addressing the issues and working to mitigate repeat events through our After Action Review process. We maintain transparency with our customers regarding pertinent quality activities, proactively inform them of remotely detected defaults, and work with their teams to solve issues before they become problems. This collaborative and transparent approach increases customer trust in us, and enables a swift resolution of potential product malfunctions.

Dedicated Care for the Healthcare Sector

Our penetration in the healthcare sector requires us to meet stringent quality, health, and safety requirements for medical devices. This, in turn, has propelled us to a new level of quality and safety management. When operating in the medical arena, particularly for certain resins utilized in dental applications, we must address significant potential health and safety risks. Medical devices need to meet the highest standards of quality to ensure end user health and safety. Strict guidelines and protocols are set in place to ensure that the products meet these high standards.



Our professional teams undertook an extensive process to meet U.S. Food and Drug Administration (FDA) guidelines and requirements. Through this process, our TrueDent resin was cleared by the FDA.

Collaboration to Ensure Quality

It is important for us to work with suppliers so that they meet quality standards and we maintain the quality of our products. We require our suppliers to adhere to numerous quality requirements, and supplier goods must have a Certificate of Compliance confirming they were manufactured according to the relevant standards.

We require suppliers to provide documentation demonstrating compliance with European Union requirements such as WEEE (Waste from Electrical and Electronic Equipment Directive) and RoHS (Restriction of Hazardous Substances Directive). We also require additional criteria for chemical raw materials such as the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation. These requirements are included in our Purchasing Terms and Conditions for Goods and Services to which all our suppliers are bound.

As a leading Additive Manufacturing company, we are constantly looking to improve processes and knowledge sharing with our suppliers. We carry out a unique program in collaboration with them that includes comprehensive training initiatives and an open dialogue, while emphasizing quality and safety. Through these endeavors, we strengthen our mutual understanding of requirements and expectations as well as nurture reciprocity that moves us forward together.

STRATASYS CARES – SUPPORTING OUR EMPLOYEES AND COMMUNITIES IN ISRAEL

The tragedies of October 7, 2023, and the subsequent war have had a profound effect on our team and our headquarters in Israel.

Since the war's outbreak, we have deployed an extensive Stratasys Cares operation featuring initiatives to provide relief and recovery. We pivoted our existing People First programs and Corporate Social Responsibility project plans to support our employees, many of whom were directly impacted by the October 7 events. In parallel, we focused on serving affected communities with our technologies through outreach programs.

We initially identified the most critical needs of our team members followed by those of the communities in which we operate. Our real-time response included recruiting resources and volunteers as well as designing programs to address short- and long-term needs.

Putting People First – a Key Stratasys Approach

We have supported our employees in various ways. We addressed their physical well-being and mental health needs, making emergency support accessible while guiding our global managers to support impacted teams and individuals.

Our support includes:

- Grants for impacted and displaced employees and their families.
- Local psychological support hotline for employees.
- Expert workshops on trauma, resiliency and coping for adults as well as sessions on how to help children do the same.
- Employee well-being programs (physical and mental health), including trauma management sessions, meditation and mindfulness seminars, and physical exercise classes such as yoga and Pilates.
- Managerial workshops on managing employees in crisis situations.
- Support for employees called to reserve duty and outreach to their families.

Stratasys Make it Together with Our Communities

We demonstrate agility and flexibility, adjusting our Corporate Social Responsibility initiatives to address changing needs in the communities in which we live and work. This enables us to address evolving needs and to provide relief in times of distress.

In Israel in 2023, we focused on mobilizing our technology and strengths in several ways:

- Bringing Stratasys technology to Israeli forces in the field, helping hospitalized individuals, and delivering important solutions where needed.
- Assisting with the rehabilitation of wounded civilians and soldiers by providing Stratasys 3D Printing technologies and by donating machines and materials.
- Printing jigs and fixtures, such as chargers and adaptors, for military units.
- Organizing a marketplace of war-affected suppliers from displaced communities so employees can support these small businesses.

We've also introduced a long-term outreach initiative with the displaced community of Kibbutz Zikim.

Located just north of the Gaza border, Zikim's 800 members had to abandon their homes immediately after the war's outbreak with just the clothes on their backs. They have been relocated since October 7, and are awaiting a return to safety in the south and the rehabilitation of their kibbutz so they can return home. The community includes elderly, young couples and children who have been uprooted from their daily routines (e.g. work, school, hobbies, environment).

Stratasys has "adopted" the kibbutz, offering various forms of support as part of our long-term commitment:

- We are empowering children to cope with their experience through art and opening their minds to create without limits with Additive Manufacturing. We, along with our volunteers, encourage and empower them to exhibit their strengths and capabilities by drawing their own superhero. We then take each drawing and create a 3D-printed, personalized super-hero figurine for them to own with pride.
- We are inviting the children to experience 3D Printing by visiting Stratasys facilities for a day and experiencing our technology firsthand.
- We are providing educational activities, including an introduction to Additive Manufacturing, tutoring, and extracurricular content such as physics, optics, history, and life skills.

We have also partnered with Businesses Take Action to help many communities through monetary and in-kind donations, volunteering, and other initiatives – that only the business sector can support. The initiative brings together the power of the business sector and civil society to address real needs in a professional, coordinated fashion.

In Memoriam

With deep sadness, we share the loss of Team Stratasys member Daniel Braslavsky, a Flying Cargo employee who headed our FDM warehouse at Stratasys' Kiryat Gat factory.

Daniel was murdered on October 7 at the Nova dance festival in Re'im. Our loss is beyond words, as we remember his presence and impact on our team. We extend deep condolences to his family, friends and Stratasys colleagues worldwide. May his memory be a blessing.

DATA APPENDIX

1. Environmental Data

1.1 Energy

1.1.1 Energy consumption and intensity across measured sites

	Unit	2018	2019	2020	2021	2022
Energy consumed	Gigajoules	174,130	144,878	132,520	81,022	151,343
Energy intensity per f^2 of measured company sites	Gigajoules per thousand f^2	217.6	181.1	165.6	146.1	184.7

1.1.2 Global energy mix across measured sites

		2021		2022	
	Unit	Amount	Percentage	Amount	Percentage
Electricity from the grid	Gigajoules	54,346	67.1%	76,975	50.8%
Electricity from natural gas-based independent power producers	Gigajoules	17,653	21.8%	48,585	32.1%
Electricity from solar panels	Gigajoules	-	0.0%	1,641	1.1%
Natural gas	Gigajoules	2,332	2.9%	18,446	12.2%
LPG	Gigajoules	39	0.0%	107	0.1%
Gasoline	Gigajoules	5,772	7.1%	5,478	3.6%
Diesel	Gigajoules	79	0.1%	93	0.1%
Ethanol	Gigajoules	0	0.0%	18	0.01%
Total	**Gigajoules**	**81,022**	**100%**	**151,343**	**100%**
Renewable energy	Gigajoules	-	-	1,641	1.1%
Non-renewable energy	Gigajoules	81,022	100%	149,702	98.9%
Total		**81,022**	**100%**	**151,343**	**100%**

1.2 Emissions

1.2.1 GHG emissions and intensity across measured sites

	Unit	2018	2019	2020	2021	2022
Scope 1 GHG emissions	TCO_2-e	777	690	493	409	397
Scope 2 GHG emissions	TCO_2-e	17,010	14,195	12,923	8,098	14,152
Total Scope 1+2 GHG emissions	**TCO_2-e**	**17,787**	**14,885**	**13,415**	**8,507**	**14,549**
GHG emissions intensity per f^2 of measured company sites	TCO_2-e per thousand f^2	22.2	18.6	16.8	15.3	17.8

1.3 Water

1.3.1 Water consumption across measured sites

	Unit	2021	2022
Water consumed	m^3	36,596	34,093
Water intensity per f^2 of measured company sites	m^3 per thousand f^2	76.0	51.3

1.4 Waste

1.4.1 Non-hazardous waste generation and treatment

		2022		
Waste category	Unit	Waste generated	Waste diverted from landfill (recycled)	Waste directed to landfill
General waste	Metric tons	292	-	292
General recyclables	Metric tons	233.3	233.3 (SSR)	-
Cardboard waste	Metric tons	149.7	149.7	-
Plastic waste	Metric tons	15.5	15.5	-
Total non-hazardous waste	**Metric tons**	**690.5**	**398.5**	**292**

1.4.2 Hazardous waste generation and treatment

		2021			2022		
Waste category	Unit	Waste generated	Waste diverted from landfill (recycled)	Waste directed to landfill	Waste generated	Waste diverted from landfill (recycled)	Waste directed to landfill
Hazardous waste	m^3	411	-	411	449	-	449

1.5 Environmental Data Coverage

The availability of environmental data varies between regions and sites. We are constantly working toward expanding the scope of our data collecting and reporting, which can be seen in the increased scope of data in 2022 compared to 2021. The table below details the scope of data available in this report, across various environmental metrics.

	2021				2022			
	HQ	Manufacturing sites	Offices	**Total sites**	HQ	Manufacturing sites	Offices	**Total sites**
Energy and GHG emissions	1	10	2	**13**	1	11	4	**16**
Area of sites (f^2)	159,945	307,088	15,533	**554,566**	159,945	470,722	188,831	**819,498**
Water consumption	1	7	-	**8**	1	8	1	**10**
Area of sites (f^2)	159,945	321,599	-	**481,544**	159,945	413,233	91,752	**664,930**
Waste generation	1	3	2	**6**	1	4	2	**7**
Area of sites (f^2)	159,945	126,787	173,298	**460,030**	159,945	218,421	173,298	**551,664**

2. Social Data

2.1 Employees

2.1.1 Total employees, by employment type, employment contract, engagement type, and gender

	2021			2022		
	Women	Men	**Total**	Women	Men	**Total**
	By Employment Type					
Full-time	508	1,499	**2,007**	513	1,500	**2,013**
Part-time	32	31	**63**	29	43	**72**
Total	**540**	**1,530**	**2,070**	**542**	**1,543**	**2,085**
	By Employment Contract					
Permanent	535	1,506	**2,041**	531	1,510	**2,041**
Temporary	5	24	**29**	11	33	**44**
Total	**540**	**1,530**	**2,070**	**542**	**1,543**	**2,085**
	By Engagement Type					
Employees	540	1,530	**2,070**	542	1,543	**2,085**
Workers who are not employees	69	134	**203**	97	160	**257**
Total	**609**	**1,664**	**2,273**	**639**	**1,703**	**2,342**

2.1.2 Total employees, by employment type, employment contract, engagement type, and region

	2021					2022				
	Israel	Americas	APJ	EMEA	**Total**	Israel	Americas	APJ	EMEA	**Total**
	By Employment Type									
Full-time	468	1,145	146	248	**2,007**	511	1,090	135	277	**2,013**
Part-time	41	5	1	26	**63**	45	4	0	23	**72**
Total	**499**	**1,150**	**147**	**274**	**2,070**	**556**	**1,094**	**135**	**300**	**2,085**
	By Employment Contract									
Permanent	477	1,150	145	269	**2,041**	518	1,094	133	296	**2,041**
Temporary	22	0	2	5	**29**	38	0	2	4	**44**
Total	**499**	**1,150**	**147**	**274**	**2,070**	**556**	**1,094**	**135**	**300**	**2,085**
	By Engagement Type									
Employees	499	1,150	147	274	**2,070**	566	1,094	135	300	**2,085**
Workers who are not employees	98	55	34	16	**203**	90	98	34	35	**257**
Total	**597**	**1,205**	**181**	**290**	**2,273**	**646**	**1,192**	**169**	**335**	**2,342**

2.1.3 Total employees and new hires, by gender and age

		2021		2022	
Gender	Age Group	Total Employees	New Hires	Total Employees	New Hires
Women	Under Age 30	53	20	58	40
	Ages 30-50	358	79	333	85
	Over age 50	129	19	151	25
	Total	**540**	**118**	**542**	**150**
Men	Under Age 30	171	102	184	122
	Ages 30-50	908	150	897	191
	Over age 50	451	64	462	52
	Total	**1,530**	**316**	**1,543**	**365**
Total (all ages)		**2,070**	**434**	**2,085**	**515**

2.1.4 Total employees, by position, gender and age group

		2021				2022			
Gender	Age Group	Employees (non-managers)	Managers	Senior Managers and Executives	**Total**	Employees (non-managers)	Managers	Senior Managers and Executives	**Total**
Women	Under Age 30	52	1	-	**53**	58	-	-	**58**
	Ages 30-50	264	87	7	**358**	251	76	6	**333**
	Over age 50	103	23	3	**129**	122	25	4	**151**
	Total	**419**	**111**	**10**	**540**	**431**	**101**	**10**	**542**
Men	Under Age 30	166	5	-	**171**	179	5	-	**184**
	Ages 30-50	675	216	17	**908**	687	190	20	**897**
	Over age 50	349	76	26	**451**	351	83	28	**462**
	Total	**1,190**	**297**	**43**	**1,530**	**1,217**	**278**	**48**	**1,543**
Total (all ages)		**1,609**	**408**	**53**	**2,070**	**1,648**	**379**	**58**	**2,085**

2.1.5 Annual turnover rates

	2019	2020	2021	2022
Annual turnover rate	16%	22%	14%	15%

2.2 Compensation and Benefits

2.2.1 Employees who took parental leave, by gender

	2020	2021	2022
Male employees who took parental leave	8	15	34
Female employees who took parental leave	27	20	24
Total employees who took parental leave	**35**	**35**	**58**

2.2.2 Parental leave retention

	2020	2021	2022
Percentage of Stratasys parents who remained at the company at the end of the year after returning from parental leave	60%	69%	86%

2.2.3 Annual compensation increase

	2021	2022
Median percentage increase in annual total compensation for all of the organization's employees (excluding the highest-paid individual)	3.8%	4.2%

2.2.4 Annual compensation ratio

	2021	2022
Ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees[14]	16.09:1	15.97:1

[14] Annual total compensation includes the base salary and the annual target bonus effective as of the end of the year.

2.3 Diversity, Equity, and Inclusion

2.3.1 Diversity in the Board of Directors

	2021	2022
Female directors	2	2
Male directors	6	6
Percentage of female directors	25%	25%

2.3.2 Diversity in the Core Leadership Team

	2021	2022
Female executives	2	2
Male executives	7	7
Percentage of female executives	22%	22%

2.3.4 Racial diversity in our U.S. team

	Black / African American		Asian		Hispanic / LatinX		Other or multiracial	
	2021	2022	2021	2022	2021	2022	2021	2022
Men	20	46	44	106	60	101	16	31
Women	2	4	28	33	19	41	7	10
Total	**22**	**50**	**72**	**139**	**79**	**142**	**23**	**41**

2.3.5 Racial diversity representation in our U.S. team

	2021	2022
Percentage of employees from racially diverse backgrounds in our U.S. team	17.0%	34.0%

2.4 Health and Safety

2.4.1 Safety Incidents

	2021	2022
Number of recordable work-related injuries	16	31
Rate of recordable work-related Injuries, per 200,000 hours	1.29	1.77

2.4.2 Safety Training

	2021	2022
Number of employees and contract workers who underwent general safety training	2,383	2,075
Number of employees and contract workers who underwent specific safety training	338	224
Average number of safety training hours per employee and contract worker	0.8	1.0

2.5 Learning and Development

2.5.1 Training Hours

	2021	2022
Total hours invested in employee training	37,586	38,149
Average training hours per employee	18.2	18.3
Percentage of employee training hours which were mandatory/regulatory	36%	43%
Percentage of employee training hours which were professional development and soft skills	64%	57%

2.5.2 Percentage of employees who received performance reviews

	2021	2022
Percentage of employees who received performance reviews	93.4%	92.4%

GRI INDEX

Stratasys has reported in accordance with the GRI Standards for the period of January 1, 2021, to December 31, 2022.

GRI Indicator	Description	Chapter number / link
GRI 2: General Disclosures 2021		
2-1	Organizational details	'About Us'
2-2	Entities included in the organization's sustainability reporting	'About This Report'
2-3	Reporting period, frequency and contact point	'About This Report'
2-4	Restatements of information	» Energy and GHG emissions data between 2018-2020 were reassessed, and GHG emissions were redivided accordingly between Scope 1 and Scope 2 to more accurately reflect best practice methodologies. » The intensity metric used in this report for environmental metrics was 'per f^2 of measured sites', changed from the previous report ('per $USD revenues'). » The previous report referred to anti-harassment training as 'training on human rights policies'. This training is correctly referred to as 'anti-harassment training' in this report. Additional changes in methodology or scope and amended information are detailed in context where relevant.
2-5	External assurance	This report was compiled with support from external sustainability experts without external assurance, which will be employed in future work and reporting.
2-6	Activities, value-chain and other business relationships	'About Us'
2-7	Employees	'Data Appendix – 2.1 Employees'
2-8	Workers who are not employees	'Data Appendix – 2.1 Employees'
2-9	Governance structure and composition	'Our Governance Structure – Board of Directors'

2-10	Nomination and selection of the highest governance body	'Our Governance Structure – Board of Directors'
2-11	Chair of the highest governance body	'Our Governance Structure – Board of Directors'
2-12	Role of the highest governance body in overseeing the management of impacts	'Our Governance Structure – Board of Directors'
2-13	Delegation of responsibility for managing impacts	'Our Governance Structure – Board of Directors'
2-14	Role of the highest governance body in sustainability reporting	'Our Governance Structure – Board of Directors'
2-15	Conflicts of interest	'Creating an Ethical Work Environment – Our Ethics-Related Policies'
2-16	Communication of critical concerns	'Creating an Ethical Work Environment – Our Ethics-Related Policies'
2-17	Collective knowledge of the highest governance body	20-F Report, Item 6.A. Directors and Senior Management
2-18	Evaluation of the performance of the highest governance body	20-F Report, Item 6.C. Board Practices
2-19	Remuneration process	20-F Report, Item 6.B. Compensation
2-20	Process to determine remuneration	20-F Report, Item 6.B. Compensation
2-21	Annual total compensation ratio	'Data Appendix – 2.2 Compensation and Benefits'
2-22	Statement on sustainability development strategy	'Our Sustainability Strategy'
2-23	Policy commitments	Stratasys Code of Business Conduct and Ethics
2-24	Embedding policy commitments	'Creating an Ethical Work Environment – Our Ethics-Related Policies'
2-25	Processes to remediate negative impacts	'Creating an Ethical Work Environment – Our Ethics-Related Policies'
2-26	Mechanisms for seeking advice and raising concerns	'Creating an Ethical Work Environment – Our Ethics-Related Policies'
2-27	Compliance with laws and regulations	'Creating an Ethical Work Environment'
2-28	Membership associations	'About Us – Association Memberships'
2-29	Approach to stakeholder engagement	'About Us – Materiality'

2-30	Collective bargaining agreements	20-F Report, Item 6.D. Employees
GRI 3: Material topics 2021		
3-1	Process to determine material topics	'About Us – Materiality'
3-2	List of material topics	'About Us – Materiality'
201: Economic performance		
3-3	Management of material topics	20-F Report
201-1	Direct economic value generated and distributed	20-F Report, Item 18. Financial Statements
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	In Israel, Asia, and Europe, in most cases part-time and temporary employees receive the same benefits as full-time employees. In the U.S., part-time employees working less than 30 hours per week, as well as temporary employees, receive different benefits compared to full-time employees.
201-4	Financial assistance received from government	20-F Report, Item 3.D. Risk Factors
203: Indirect Economic Impacts		
3-3	Management of material topics	'Stratasys in the Community – Delivering Social Impact'
203-1	Infrastructure investments and services supported	'Stratasys in the Community – Delivering Social Impact', 'Stratasys Cares: Supporting Our Employees and Communities in Israel'
203-2	Significant indirect economic impacts	'Stratasys in the Community – Delivering Social Impact', 'Stratasys Cares: Supporting Our Employees and Communities in Israel'
204: Procurement Practices		
3-3	Management of material topics	'Supply Chain and Sourcing – Sourcing Locally'
204-1	Proportion of spending on local suppliers	'Supply Chain and Sourcing – Sourcing Locally'
205: Anti-corruption		
3-3	Management of material topics	'Creating an Ethical Work Environment'
205-1	Operations assessed for risks related to corruption	'Creating an Ethical Work Environment'

205-2	Communication and training about anti-corruption policies and procedures	'Ethical work environment – Annual Compliance Campaign'
205-3	Confirmed incidents of corruption and actions taken	'Creating an Ethical Work Environment'
206: Anti-competitive Behavior		
3-3	Management of material topics	'Creating an Ethical Work Environment'
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	in 2021-2022 no legal actions for anti-competitive behavior, anti-trust, and monopoly practices were reported.
Tax		
3-3	Management of material topics	Our policy has remained unchanged since our previous report. Details can be found in our Stratasys 2020-2021 ESG & Sustainability Report, Chapter 17.1: Tax and in our 20-F Report, Item 9.E. Taxation
207-1	Approach to tax	
207-2	Tax governance, control, and risk management	20-F Report, Item 10.E. Taxation
207-3	Stakeholder engagement and management of concerns related to tax	20-F Report, Item 10.E. Taxation
207-4	Country-by-country reporting	20-F Report, Item 10.E. Taxation
301: Materials		
3-3	Management of material topics	'Supply Chain and Sourcing – Life Cycle Management and Circularity'
301-1	Materials used by weight or volume	Comprehensive global data were unavailable for this report, and we are working toward providing this information in future reports.
301-2	Recycled input materials used	'Supply Chain and Sourcing – Life Cycle Management and Circularity'
301-3	Reclaimed products and their packaging materials	'Supply Chain and Sourcing – Life Cycle Management and Circularity'
302: Energy		
3-3	Management of material topics	'Emissions and Energy'
302-1	Energy consumption within the organization	'Emissions and Energy', 'Data Appendix – 1.1 Energy'
302-2	Energy consumption outside the organization	We plan to assess and report on Scope 3 energy consumption and GHG emissions in the near future.

302-3	Energy intensity	'Emissions and Energy – Our Transition to Lower-Carbon Energy'
302-4	Reduction of energy consumption	'Emissions and Energy – Our Transition to Lower-Carbon Energy'
302-5	Reductions in energy requirements of products and services	'The Case for Sustainable Print-to-Textile Additive Manufacturing – Fashion Life Cycle Inventory (LCI) Highlights', 'FDM 3D Printing Energy Efficiency Guide'
303: Water and Effluents		
3-3	Management of material topics	'Water and Effluents'
303-1	Interactions with water as a shared resource	'Water and Effluents'
303-2	Management of water discharge-related impacts	'Water and Effluents'
303-3	Water withdrawal	'Water and Effluents'
303-4	Water discharge	Comprehensive global data were unavailable for this report.
303-5	Water consumption	'Water and Effluents'
305: Emissions		
3-3	Management of material topics	'Emission and energy'
305-1	Direct (Scope 1) GHG emissions	'Emissions and Energy – Energy Consumption and GHG Emissions'
305-2	Energy indirect (Scope 2) greenhouse gas emissions	'Emissions and Energy – Energy Consumption and GHG Emissions'
305-3	Other indirect (Scope 3) GHG emissions	We plan to assess and report on Scope 3 GHG emissions in the near future.
305-4	GHG emissions intensity	'Emissions and Energy – Energy Consumption and GHG Emissions'
305-5	Reduction of GHG emissions	'Emissions and Energy – Our Transition to Lower-Carbon Energy'
305-6	Emissions of ozone-depleting substances (ODS)	This information is not included in the report as relevant sites in the U.S. and Israel have been determined by regulatory authorities to not meet minimum reporting thresholds for air emissions.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	This information is not included in the report as relevant sites in the U.S. and Israel have been determined by regulatory authorities to not meet minimum reporting thresholds for air emissions.
306: Waste		
3-3	Management of material topics	'Materials and Waste Management'

306-1	Waste generation and significant waste-related impacts	'Materials and Waste Management – Waste Management'
306-2	Management of significant waste-related impacts	'Materials and Waste Management'
306-3	Waste generated	'Materials and Waste Management', 'Data Appendix – 1.4 Waste'
306-4	Waste diverted from disposal	'Materials and Waste Management', 'Data Appendix – 1.4 Waste'
306-5	Waste directed to disposal	'Materials and Waste Management', 'Data Appendix – 1.4 Waste'
308: Supplier Environmental Assessment		
3-3	Management of material topics	'Supply Chain and Sourcing'
308-1	New suppliers that were screened using environmental criteria	'Supply Chain and Sourcing – Setting Sustainability Standards for Suppliers'
308-2	Negative environmental impacts in the supply chain and actions taken	Beyond our requirement for suppliers to sign our Supplier Code of Conduct, we currently do not have an official assessment process in place.
401: Employment		
3-3	Management of material topics	'Employee Well-being'
401-1	New employee hires and employee turnover	'Data Appendix – 2.1 Employees'
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	'Employee Well-being – Employee Compensation and Benefits'
401-3	Parental leave	'Employee Well-being – Supporting Stratasys Parents', 'Data Appendix – 2.1 Employees'
402: Labor/Management Relations		
3-3	Management of material topics	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, except in cases where longer notice periods are required by local laws; special circumstances or senior positions.
402-1	Minimum notice period regarding operational changes	
403: Occupational Health and Safety		

3-3	Management of material topics	'Employee Health and Safety'
403-1	Occupational health and safety management system	'Employee Health and Safety – EHS Management'
403-2	Hazard identification, risk assessment, and incident investigation	'Employee Health and Safety'
403-3	Occupational health services	'Employee Health and Safety'
403-4	Worker participation, consultation, and communication on occupation health and safety	'Employee Health and Safety'
403-5	Worker training on occupational health and safety	'Employee Health and Safety – Training'
403-6	Promotion of worker health	'Employee Health and Safety', 'Employee Well-being – Employee Compensation and Benefits'
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	'Employee Health and Safety'
403-8	Workers covered by an occupational health and safety management system	While we engage in EHS activities across all our sites, our occupational health and safety management system covers our three regional headquarters, including our global HQ in Israel.
403-9	Work-related injuries	'Employee Health and Safety– Work-Related Incidents'
403-10	Work-related ill health	'Employee Health and Safety– Work-Related Incidents'
404: Training and Education		
3-3	Management of material topics	'Employee Learning and Development'
404-1	Average hours of training per year per employee	'Employee Learning and Development'
404-2	Programs for updating employee skills and transition assistance programs	'Employee Learning and Development'
404-3	Percentage of employees receiving regular performance and career development reviews	'Employee Learning and Development – Professional and Personal Development – 3DP (Development Performance) Process'
405: Diversity and Equal Opportunity		
3-3	Management of material topics	'Diversity, Equity, and Inclusion at Stratasys'

405-1	Diversity of governance bodies and employees	'Our Governance Structure – Board of Directors', 'Data Appendix – 2.3 Diversity, Equity, and Inclusion'
405-2	Ratio of basic salary and remuneration of women to men	'Employee Well-being – Employee Compensation and Benefits'
407: Freedom of Association and Collective Bargaining		
3-3	Management of material topics	While we do not have employees party to any company collective bargaining agreement, we respect our employees' rights in this regard. In April 2023, we acquired the AM business of Covestro, a company based in the Netherlands, from which 22 employees were transferred to Stratasys. Covestro had a CLA (Collective Labor Agreement) in place, and while the CLA did not continue, we maintained all of the employees' benefits. In addition, we have an Employee Forum in the Netherlands through which our employees can represent themselves on various labor-related issues. Regarding our suppliers, our Supplier Code of Conduct prohibits our suppliers from preventing their workers from associating freely and establishing labor unions.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
408: Child Labor		
3-3	Management of material topics	'Supply Chain and Sourcing – Setting Sustainability Standards for Suppliers', Supplier Code of Conduct: Workplace Standards; Child Labor, Conflict Minerals Policy
408-1	Operations and suppliers at significant risk for incidents of child Labor	Our operations are not at risk for incidents of child labor, and we address and manage such risks in our supply chain through our Supplier Code of Conduct
409: Forced or Compulsory Labor		
3-3	Management of material topics	'Supply Chain and Sourcing – Setting Sustainability Standards for Suppliers', Supplier Code of Conduct: Workplace Standards; No Forced Labor, Conflict Minerals Policy
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our operations are not at risk for incidents of forced or compulsory labor, and we address and manage such risks in our supply chain through our Supplier Code of Conduct
413: Local Communities		
3-3	Management of material topics	'Stratasys in the Community – Delivering Social Impact'
413-1	Operations with local community engagement, impact assessments, and development programs	'Stratasys in the Community – Delivering Social Impact', 'Stratasys Cares: Supporting Our Employees and Communities in Israel'

413-2	Operations with significant actual and potential negative impacts on local communities	None of our operations were found to have significant actual and potential negative impacts on local communities.
414: Supplier Social Assessment		
3-3	Management of material topics	'Supply Chain and Sourcing'
414-1	New suppliers that were screened using social criteria	'Supply Chain and Sourcing – Setting Sustainability Standards for Suppliers'
414-2	Negative social impacts in the supply chain and actions taken	Beyond our requirement for suppliers to sign our Supplier Code of Conduct, we currently do not have an official assessment process in place.
415: Public Policy		
3-3	Management of material topics	The Stratasys Corporate Contribution Policy lists the purposes and organizations not considered for funding, including "political candidates, campaigns, or organizations"
415-1	Political contributions	
416: Customer Health and Safety		
3-3	Management of material topics	'Product Quality and Safety'
416-1	Assessment of the health and safety impacts of product and service categories	'Product Quality and Safety - Ensuring Product Quality and Safety'
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	'Product Quality and Safety - Ensuring Product Quality and Safety'
418: Customer Privacy		
3-3	Management of material topics	'Cybersecurity and Data Privacy'
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	'Cybersecurity and Data Privacy'