

Sustainability Report 2019



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From the desk of Gary Guthart, CEO

“Our value framework and founding principles inform our approach to corporate sustainability.”

Gary Guthart, Ph.D.
Chief Executive Officer
Intuitive

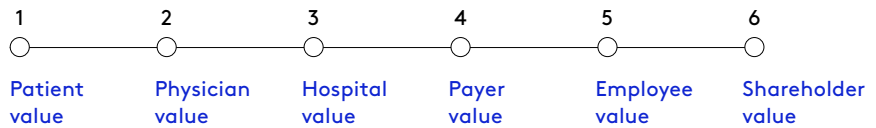
At Intuitive, our innovations are grounded in a commitment to understanding human needs and technology’s potential. Inquiry and exploration have shaped our team, our approach to serving the needs of healthcare providers, and our commitment to bettering the communities in which we live and work. We believe that minimally invasive care is life-enhancing care. Through ingenuity and intelligent technology, we expand the potential of physicians to heal without constraints. Both our mission and our approach to corporate sustainability are focused on contributing to a better future for physicians, healthcare teams, and their patients—and for our employees, communities, and the world.

Two key frameworks guide us as a team and serve as the foundation for how we approach corporate sustainability:

- **Our founding principles** – Articulate our corporate values and align and inspire our work.
- **Our value framework** – Presents our value-creation model, by audience, in an interdependent series of beliefs and associated actions.

The following pages provide an overview of our corporate sustainability initiatives. These range from our work to help improve patient outcomes to our deep investment in care team education and training, from global supply chain sustainability to compliance, social responsibility, and more. Our goal is to create real value for the constituents we serve. Here’s how we approach value creation at Intuitive:

How we create and assess sustainable value



Patient value

Our products and technologies are designed to enable physicians to safely and effectively provide better outcomes and reduce disruption in patients’ lives. Development of these tools and technologies is informed by a deep understanding of the needs of the care team and the environment in which its members operate. We are guided by the desire to provide care teams with solutions that allow their patients to get back to what matters most, safely, effectively, and efficiently.

Physician value

Our commitment to enhancing patient value starts with physicians, whose care teams are the focal point of our efforts: from offering rigorous, ongoing training programs; to the continuous testing and improvement of our products and performance; to regularly assessing customer satisfaction in pursuit of improving the products and services we offer as well as the creation of innovative new solutions.

From the desk of Gary Guthart, CEO

Since our founding, we've relied on the scientific method and we value evidence. The pursuit of deep understanding of human need and healthcare systems inform the work we do today and the solutions we will deliver tomorrow.

Hospital value

Hospitals are central to physicians' and our shared pursuit of the Quadruple Aim: obtaining better outcomes, and a better experience for patients and care teams, while achieving lower costs per patient episode. We know that efficiency, reduced team-to-team variation, service quality, and managing operating costs matter to our hospital customers. We offer a range of solutions and ownership models at different price points to meet the needs of customers and healthcare systems at different stages of adoption and collaborate to build strong, cost-effective robotics programs. We work together to create, support, and measure programs that support the Quadruple Aim.

Payer value

Globally, payers benefit by improved health and lower total cost-to-treat of the populations they manage. We work with physicians, providers, and payers to quantify the value of the work we do for the populations they serve, from both a clinical and economic perspective.

Employee value

Intuitive invests in our people to support their growth and contribution. Among our team, mutual respect, inclusive practices, and diversity of perspective are valued. We set meaningful goals, commit to evaluating ourselves fairly and frankly, and reward great work.

We also invest in the communities in which our employees live and work. Intuitive continues to develop high-quality, environmentally responsible, and sustainable workspaces that strive to support employee health and well-being.

We launched the Intuitive Foundation in January 2019, along with a matching program for employee gifts, to formalize our longstanding commitments to physician training and Science, Technology, Engineering and Math (STEM) education. By aligning employee incentives to support Intuitive's long-term sustainability, we believe that investing in our people builds a stronger company that will benefit all our stakeholders.

Shareholder value

We seek first to meet the expectations we've set for ourselves with patients, physicians, hospitals, payers, and employees, and add the responsibility to build value for long-term shareholders. We serve as good stewards of our technology and operate in a way that is responsible and legally compliant, as well as fiscally and operationally sound. This means making appropriate investments in clinical research and physician training infrastructure, understanding and meeting relevant standards and best practices in the markets we serve, and building and managing socially and environmentally responsible supply chains that manage business and reputational risks.

From the desk of Gary Guthart, CEO



We view our pursuit of corporate sustainability as an ongoing effort and we understand that frank assessment followed by continuous improvement is essential to progress. We are proud of the efforts highlighted in our inaugural Intuitive Sustainability Report and look forward to making improvements and sharing our progress in the years to come.

Gary Guthart, Ph.D.
Chief Executive Officer
Intuitive

Founding principles

These have been our guideposts since our formation.



Patients first, always.

Our products and services impact lives — we see our role in healthcare as a solemn responsibility. We focus on the problems that matter most to our customers.

Quality counts.

We never bend or wink at the truth. If something goes wrong, we seek to find the root cause, not to blame. We understand that quality requires investment.

Strive for meaningful progress daily.

We are working on a hard set of problems that impact people's lives. We strive to meet our long-term goals with daily focus and diligence.

Small teams win.

We believe in small, agile, inclusive teams of outstanding staff that deliver results and exceed our customers' expectations.

First-principles thinking.

Innovation is essential to our success. We frame problems clearly, understand key performance metrics and evidence, brainstorm broadly and implement solutions that address the whole.

Learn from everyone. Copy no one.

As pioneers of robotic-assisted surgery, we have introduced new ideas and challenged the status quo. We actively learn from our customers, our team and those outside our company.

Believe the beliefs. Deliver the results.

We behave in ways consistent with our values and expect to achieve our goals. We attend to both the "how" and the "what."

Humility.

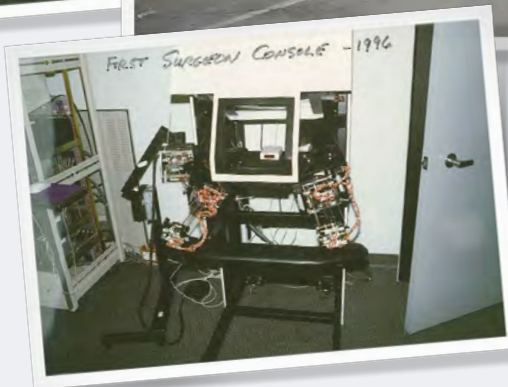
We reject personal and organizational arrogance. A better idea can come from anywhere inside or outside our organization — our doors and minds are always open.

History

Intuitive was founded in 1995 to create innovative, robotic-assisted systems that help empower physicians and hospitals to make surgery less invasive than an open approach. Since the da Vinci® surgical system became one of the first robotic-assisted systems cleared by the FDA for general laparoscopic surgery, it has taken robotic-assisted surgery from science fiction to reality.

1995

Intuitive is founded.



2000

The da Vinci surgical system becomes one of the first FDA-cleared minimally invasive, robotic-assisted surgical systems, and Intuitive launches the first da Vinci system.



25

Number of years Intuitive has been innovating new approaches to minimally invasive surgery.



50

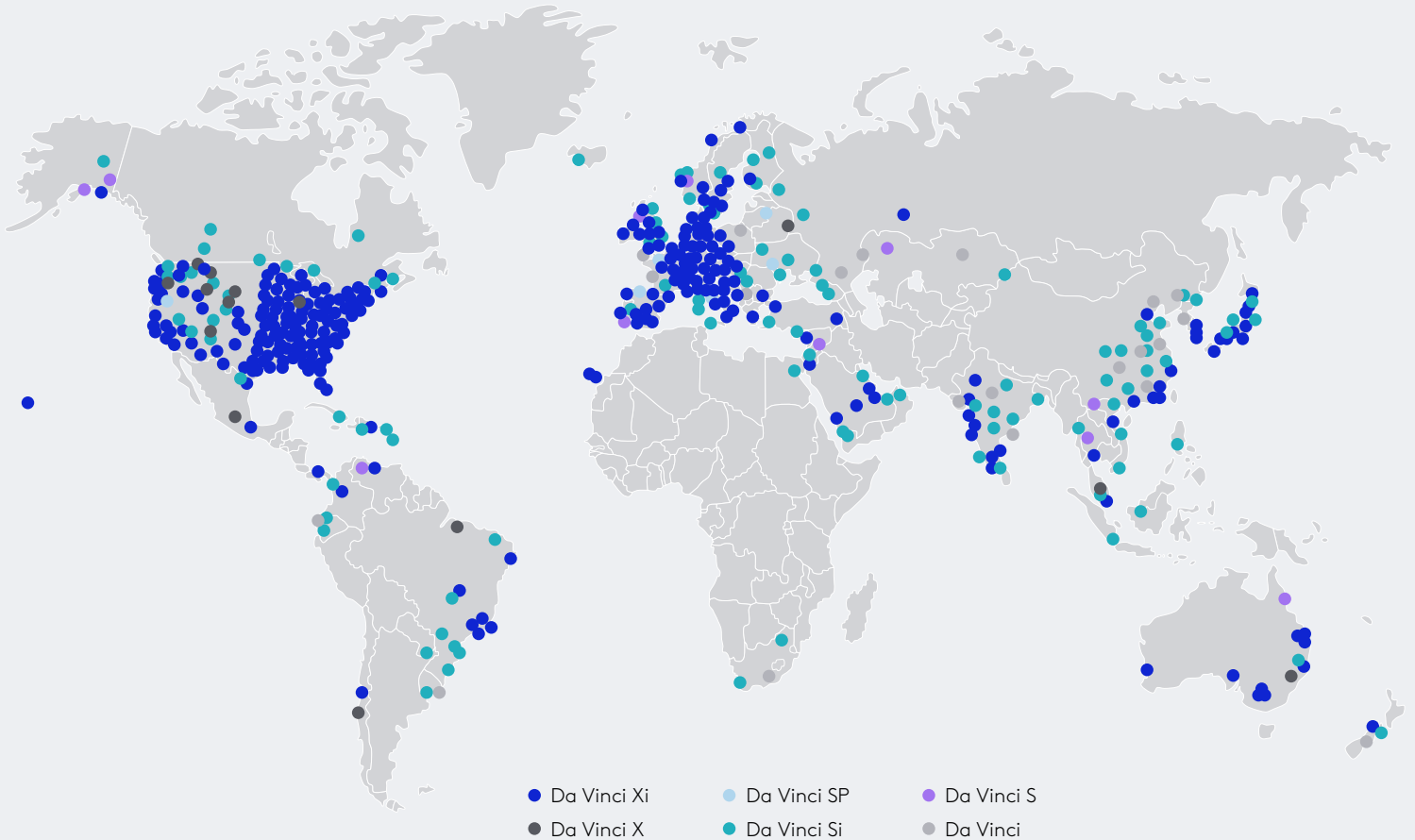
States

67

Countries

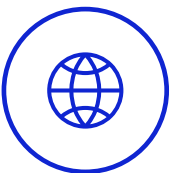
5,582

Number of da Vinci systems around the world.



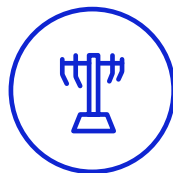
7.2 million+

Number of minimally invasive da Vinci procedures completed worldwide through 2019.



1.2 million+

Number of da Vinci procedures performed in 2019.



26 seconds

How often a surgeon starts a da Vinci procedure.



4

Number of generations of da Vinci systems introduced, including the flagship da Vinci Xi[®] surgical system in 2014.¹



We're continuously improving current products while also working with physicians to create new minimally invasive products to help solve the world's most complex surgical challenges. Our da Vinci SP¹ surgical system allows urology and transoral surgeons in the U.S. to enter the body through a single, small incision. And, with the recent FDA clearance of our Ion[™] system for minimally invasive peripheral lung biopsies, we're extending our focus beyond surgery.



Da Vinci SP



Ion Endoluminal System

¹ Not all da Vinci surgical system models are available in all markets.

Focus on patients

Focus on patients

Our goal is to help physicians and care teams provide better care to the patients they serve. We focus on innovating for minimally invasive care because we believe less invasive interventions—whether for surgeries or biopsies—not only benefit healthcare networks and care providers, but also can contribute to improving patient outcomes.

At Intuitive, we believe that minimally invasive care is life-enhancing care. Through ingenuity and intelligent technology, we expand the potential of physicians to heal without constraints.

With our mission above as inspiration, we focus our sustainability efforts on helping care teams pursue the goals of the Quadruple Aim:



Better patient outcomes



Lower total cost of treatment per patient episode



Better patient experience throughout the process



Better care team experience

Our teams focus on innovations that help improve the Quadruple Aim in the hands of our customers. Conceiving, designing, building, and delivering technologies and solutions that help our customers achieve these goals requires a commitment to understanding human needs and technology's potential across multiple functions of our business.





13

In 2019, design awards won by Intuitive include the Red Dot, Good Design, Spark, IDEA, and Core77 for either its new da Vinci SP system or Ion Endoluminal system.

2,900+

Active patents issued to or owned by Intuitive.*

1,900+

Active patent applications*

* As of Dec. 31, 2019.

We recognize that minimally invasive surgery and biopsy involve a complex set of tasks performed by many trained professionals to create an individualized path to recovery and wellness for a patient. To create innovations — for both minimally invasive surgery and biopsy—that are highly effective in care environments, we form teams with diverse skills including those trained in human-centered design, human factors, clinical development, and engineering disciplines.

Design

Our design and user experience teams use whole systems thinking to integrate human needs with technology's potential. From needs identification to designing for usability, prototyping to testing, our industrial designers, interaction designers, graphic designers, and multi-media specialists seek to enable better outcomes via our products and services.

Human factors and clinical development

Our human factors (HF) and clinical development engineering (CDE) teams collaborate to identify clinical needs, facilitate product and procedure development, support product training, and champion patient safety.

Engineering

Intuitive employs a variety of engineers and scientists including mechanical engineers, electrical engineers, optical engineers, software engineers, computer scientists, biologists and biomedical engineers. We collaborate with universities globally in helping to educate the next generation of scientists, including through internship programs.



21,000+

Total number of scientific articles on Intuitive products and procedures.*

2,800+

New scientific articles on Intuitive products and procedures added in 2019 (included in total above).*

Patient and care team safety

As part of our aim to create systems that benefit those who interact with them, our designs focus on risk assessment and mitigation throughout each product's life cycle.

Commitment to clinical evidence, risk assessment and mitigation

To help ensure that our instruments and systems function properly each time, we implement an extensive risk assessment process that follows each product from conception to end of life.

We are compliant with ISO 14971, an International Organization for Standardization (ISO) standard for the application of risk management to medical devices. We are compliant with ISO 13485:2016, an internationally recognized standard that sets out the requirements for a quality management system specific to the medical device industry. We were certified under the Medical Device Single Audit Program (MDSAP) in 2018 and are currently working toward European Medical Device Regulation (EU MDR) certification as an addition to our current Medical Devices Directive (EU MDD) certification.

We believe in the scientific method and the use of sound methodology to evaluate progress. Our clinical and economic research team is comprised of clinical research staff and economists who assess our performance and collaborate with researchers from various fields. And we maintain internal processes to review the current state of evidence in the form of review boards, including our Clinical Review Board (CRB) and our Clinical Risk Review Board (CRRB).

* As of Dec. 20, 2019.

Focus on patients

Clinical Risk Review Board (CRRB)

We established the CRRB to help ensure consistency in, and continuously improve upon, our approach to patient risk. Our CRRB provides a forum to assess information related to clinical risk in current and future products. This approach allows us to consider process improvements and changes. The CRRB is comprised of a functionally diverse set of representatives. Cross-functional collaboration coupled with risk management best practices drive risk assessment throughout each product's life cycle as part of the work done by the CRRB.



“One of the first messages you see in our buildings is 'Patients first, always.' This guides our product development. CDE and HF teams champion clinical and user needs, confirming product safety and efficacy when interacting with our products. Our post-market surveillance program seeks to proactively identify and address potential issues or patient care concerns.”

Jaime Wong, M.D.

Urologic Surgeon

VP Senior Medical Officer, Product Operations

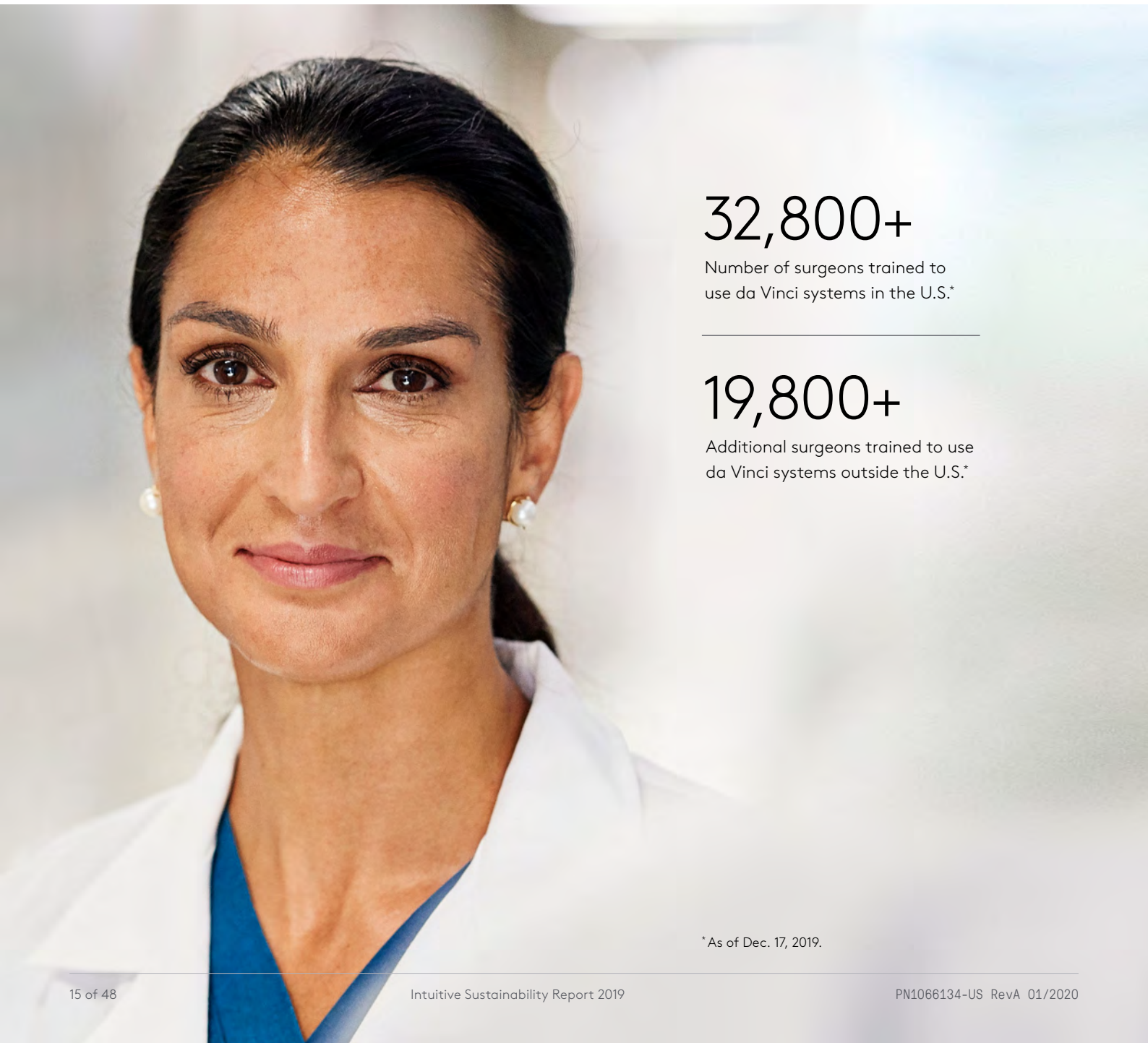
Intuitive

Focus on patients

Commitment to training

Our collaboration with hospitals, physicians, and care teams begins before the installation of a da Vinci surgical system or Ion endoluminal system. With a focus on patient health and safety, physicians and their patient care teams are invited to engage with our technology training programs. Physicians and care teams are offered individualized training programs aligned to their responsibilities and designed to help ensure each user can safely and effectively work with our products.

Through ongoing communication and collaboration with da Vinci and Ion users, we constantly evolve our education and simulation modules to help ensure that our training remains current, relevant, impactful, and effective. Our training pathways enable physicians and care teams to develop, refine, and advance their skills with a combination of instructional and practical components.



32,800+

Number of surgeons trained to use da Vinci systems in the U.S.*

19,800+

Additional surgeons trained to use da Vinci systems outside the U.S.*

* As of Dec. 17, 2019.



Number of Intuitive training center locations

North America

United States (5)

Europe

Belgium (1)

France (2)

Germany (3)

Italy (2)

Latin America

Brazil (2)

Colombia (1)

Asia Pacific

Japan (2)

China (2)

Hong Kong (1)

South Korea (3)

Australia (1)

India (2)

Intuitive Technology Training Pathway (TTP)

Our defined, multiphase training pathways incorporate hardware, software, experienced trainers, physician educators, and training centers. Within our TTP, we offer physicians and their care teams guided resources that include:

- Live and remote case observation
- Online instructional modules and videos
- On-site technology in-servicing
- Physical skills drill models and the SimNow simulator program to practice and measure skill acquisition
- Training Passport Program that includes initial and advanced courses using tissue and inanimate surgical models
- Access to an experienced proctor network and telementoring for support throughout the learning curve

Intuitive Learning, a learning management system available in 17 languages, guides physicians and their care teams through the courses relevant to their individualized learning plans and specific to the products approved for use in each country. To support users as they continue honing their skills after initial training and to stay current as products and procedures evolve, our online resources provide self-directed materials, technology, and procedure videos demonstrating skills of key opinion leader physicians. To maintain skill proficiency at high standards, we offer ongoing training that combines in-person and online educational, interactive content.

Focus on patients

Training Passport Program

Our Training Passport Program offers a comprehensive set of training courses for physicians and other medical professionals using our technology. These in-depth educational offerings include programs focused on core technology as well as a progressive physician-led series focused on clinical skill advancement.

The goals of the Training Passport Program are two-fold:

1. Develop a deeper understanding of Intuitive technology through hands-on education with an Intuitive trainer
2. Apply technical knowledge to specific applications through peer-to-peer interaction, hands-on lab work, and other educational opportunities



- Intuitive trainer-led
- Da Vinci surgeon-led

TR 100 Technology training

Develop core da Vinci technical skills through focused instruction by an Intuitive trainer.

TR 200 Technology training Surgeon-led procedure training

Combine core da Vinci technology training with an introduction to the clinical application of technical skills.

TR 300 Surgeon-led procedure training

Learn how to initially apply da Vinci technology to specific clinical procedures.

TR 400 Surgeon-led procedure refinement training

Further apply da Vinci technology to the clinical procedures you currently perform with the system.

TR 500 Surgeon-led masters training

Hone your technique while maximizing the application of da Vinci technology to the clinical procedures you currently perform with the system.

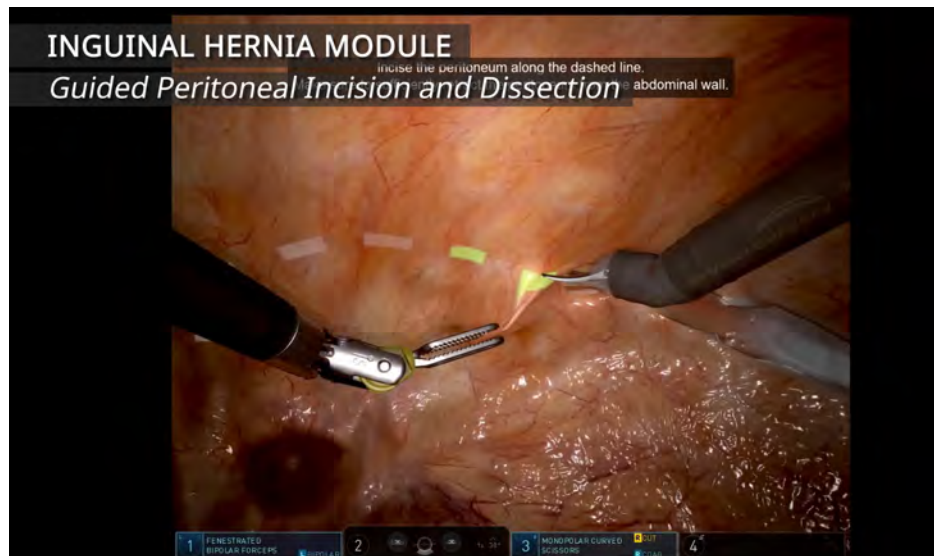
DP 100 Da Vinci proctoring series

Receive one-on-one coaching on best practices from an experienced da Vinci surgeon while performing procedures in the operating room (OR) using the da Vinci surgical system. DP 100 is available for a surgeon's first and/or future da Vinci procedures.

Focus on patients

Virtual environment skill building

The SimNow program contains an ever-growing library of skills exercises and virtual reality scenarios specifically designed to give users the opportunity to improve their proficiency across all da Vinci surgical systems. The SimNow case seamlessly integrates with an existing da Vinci surgeon console, turning it into a novel practice platform that can be used in or outside the operating room. No additional system components are required. A networking system automatically updates simulation software, and enables remote management of users' simulation performance.

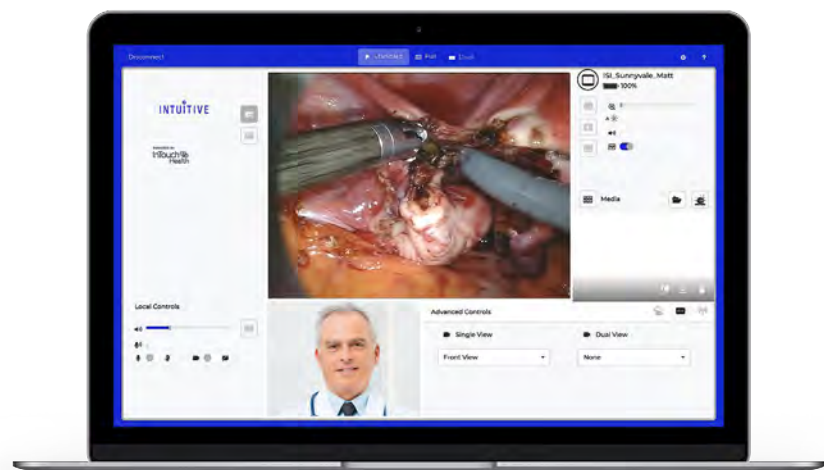


“Telementoring is a transformative paradigm that allows surgeons to virtually bring experts or mentors into their operating rooms. The platform is highly flexible. The ability to connect surgeons in this way creates a community of learning that can improve the care of patients.”

Daniel Oh, M.D.
Thoracic Surgeon
Associate Medical Officer
Intuitive

Telementoring

Our telementoring program closes the geographical gap that limits communication between surgical communities by allowing physicians on the upward slope of the learning curve to consult with experienced mentors through two-way audio and video communication. Physicians can contact mentors at any time, even when the mentor is in a remote location, bringing an adept second set of eyes to a patient care team when needed. This strengthens confidence and helps support patients in receiving the best care possible from their patient care teams.



Focus on patients



“Intuitive’s Genesis consulting helped us realize a 25-minute decrease in turnover time and identify a potential cost savings of over \$100,000 within three months by optimizing our OR. Through close follow-up on tracking sheets, we became more efficient, and surgeons are much happier.”

Sunwook “Sonnie” Kim-Ashchi, M.D.
FACOG
Ascension St. Vincent’s Southside
Hospital, Jacksonville, FL

Supporting our customers

Providing continued support throughout each product’s lifespan is vital to patient safety and surgical success. Combined with our in-depth training, support tailored to each OR’s needs enables physicians to deliver optimal care. To help reinforce our customers’ ongoing success, we provide in-person and over-the-phone support.

Genesis

Our Genesis program is a best-practices initiative. More than 2,400 Genesis engagements have been completed with care centers and hospitals since the program’s inception in 2011. The program helps hospitals achieve growth and efficiency by providing pragmatic, real-world support to:

- Improve OR efficiency
- Standardize processes, communication pathways, and leadership structures
- Reduce process variability and procedure costs

The Genesis team is made up of diverse, experienced professionals who understand the OR environment and its challenges. Because they know that each OR, patient care center, and hospital is unique, Genesis teams begin by performing assessments, observing processes, and conducting in-depth interviews to get a clear picture of the distinct dynamics, workflows, and nuances of each customer location and staff.



2,400+

Genesis customer
engagements globally

Working collaboratively with administrative leaders, physicians, and staff, Genesis teams help hospitals discover, share, and implement sustainable, long-term best-practice solutions. Among its achievements to date, the Genesis program has enabled customers to:

- Lower disposable costs by reducing disposable items frequently overused or unnecessarily opened during da Vinci procedures
- Apply standardization, role definition, and task sequencing to reduce non-operative time associated with da Vinci procedures to levels equal to, if not less than, other surgical approaches
- Create a consistent and predictable OR environment that enables high focus on patient care

Genesis teams are currently located in Europe, the United States, and Japan.

Focus on patients

Field service and preventive maintenance

We have an experienced field service team who proactively address potential issues and fix problems expeditiously, minimizing disruption to a robotic-assisted healthcare program.



When combined, our OnSite remote diagnostics, field service preventive maintenance, and technical support teams make it possible for us to maintain better than 98% system uptime.²

We offer routine system inspection and preventive maintenance to our service-contracted customers that verify all system components are performing to our high manufacturing standards. During the system inspection, field service technicians go through a comprehensive checklist.

For contracted customers that connect their system(s) to our OnSite Monitoring service, we run diagnostic tests remotely to detect and correct problems, often before users notice any issues. OnSite Monitoring provides quicker issue resolution and minimizes unplanned service events, system downtime, and surgical schedule interruption.

In the event an end-user detects a problem, our technical support team is available to deliver real-time support.

² Intuitive Customer Relationship Management (CRM) data on file for Complete or Premium service customers as of Dec. 18, 2019.

Our Technical Support team's mission:

We are committed to providing timely information and the highest level of support to our customers. We strive daily to strengthen customer satisfaction, contributing to a positive surgical outcome for every patient.



Services that enable sustainable programs

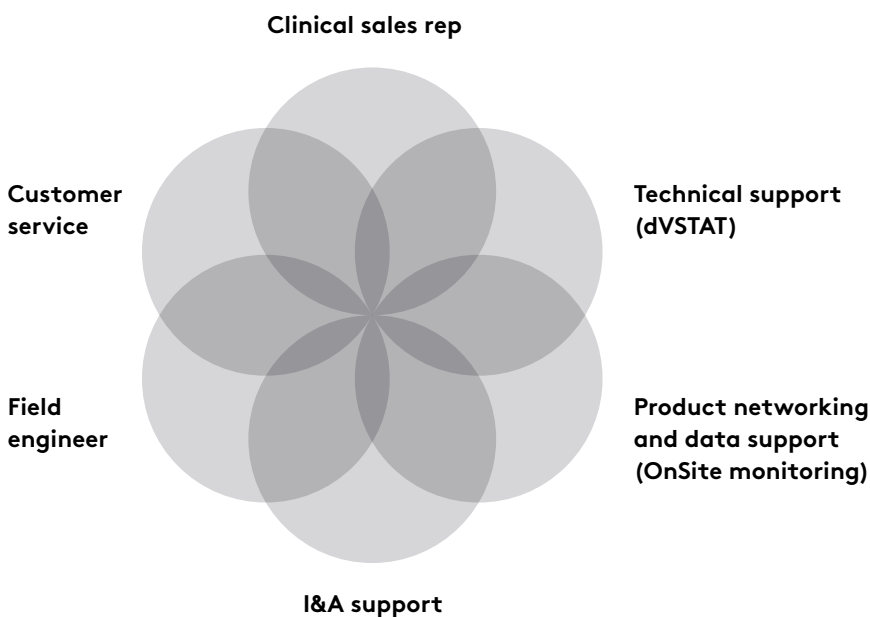
- OnSite real-time access
- OnSite monitoring with proactive maintenance
- Technical support
- Certified parts
- Preventive maintenance
- Advance exchange
- Sterile reprocessing support

Technical support

Technical Support (formerly known as the da Vinci Surgery Technical Assistance Team, or dVSTAT) is available 24/7 to assist care teams and physicians globally in real time, helping solve problems and connect customers to expert care regarding the operation and use of our products. This network of in-person and phone support is provided by highly experienced technicians.

Instruments & Accessories (I&A) support

Our I&A Support team provides consultative support for our products and offers education to our customers in the proper care, handling, cleaning, and sterilization of our products, enhancing patient safety and a positive customer experience.



Supply chain sustainability

Supply chain sustainability

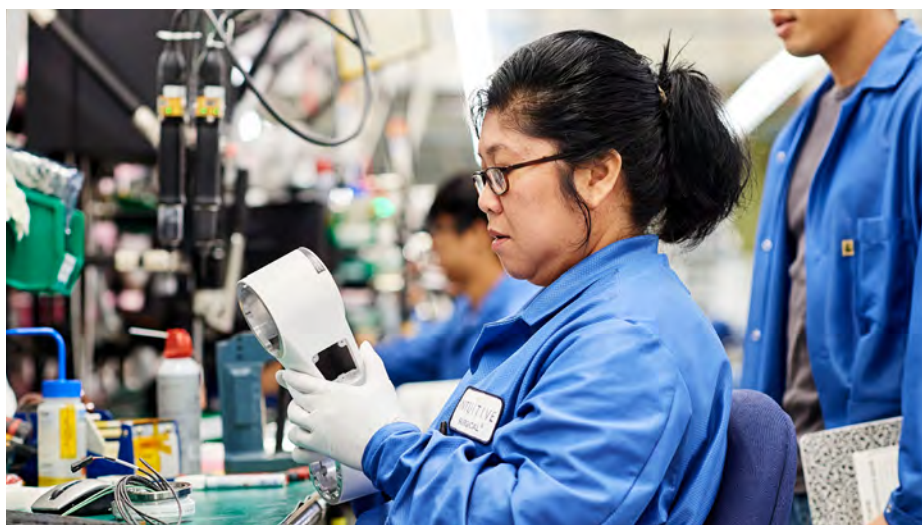
A sustainable supply chain is vital to the work we do. Because of this, we have implemented programs and processes to thoughtfully manage product-continuity risk.

Supply chain management

Building robotic systems that assist physicians in performing minimally invasive surgery and assist pulmonologists in performing minimally invasive biopsy is complex. It demands that we source high-quality materials to build the sophisticated parts that make up our systems and instruments.



Supply chain sustainability



Selecting and supporting our suppliers

Effective supply chain management begins with choosing the right suppliers. We have instituted a rigorous selection process with a comprehensive approach to managing component supplier risks across our supply chain network. Supplier evaluation is based on multiple dimensions including key performance indicators (KPIs), financial health, business management, service level, quality, technical ability, total cost, legal and regulatory compliance, and geo-political factors. Mitigation strategies include second sourcing, supplier agreements, and supplier development. Once we select suppliers, we institute processes to keep each relationship transparent and healthy. As we grow, we aim to help our suppliers grow with us.

Supplier business reviews (SBRs)

If a supplier wants to be considered a preferred supplier and be included in future products, we require ongoing collaboration. When we designate a company as a “key supplier,” we conduct an assessment and SBR at least once a year. Depending on how important the supplier is to our operations, we may hold SBRs more often. Frequent interaction allows us to mitigate risk and helps us support our suppliers. Of our total supply chain spend from Dec. 1, 2018, through Nov. 30, 2019, 76% is covered by companies included in our SBR program.

Supplier handbook and scorecard

We developed a supplier handbook and supplier scorecard as collaboration mechanisms to support our suppliers and to help them see how their performance aligns with our expectations. The scorecard measures delivery, quality, cost, organizational strength, supply chain risk management, ability to scale, and compliance with applicable laws and regulations, among other items. The handbook and scorecard give suppliers insight into what we value and how we assess and track their performance. We also use past performance scores when determining which suppliers to include in future efforts.

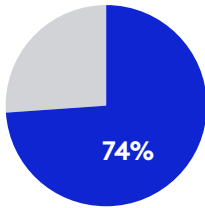
Supplier symposium

Our biennial global supplier symposium enables suppliers to better understand our mission as well as our future plans. It provides an opportunity for our employees to engage with our supplier partners, build relationships, and show suppliers how their contributions are part of something bigger. In 2018, more than 165 individuals attended our global supplier symposium.

Supply chain sustainability

Small Business Concerns

Actuals
(Oct. 1, 2018 –
Sept. 30, 2019)



Compliance

We require our suppliers to meet the expectations we set for the effectiveness of their operations including their compliance with applicable laws and regulations.

Small Business Administration

The U.S. Small Business Administration (SBA) cultivates and protects small businesses requiring that companies provide subcontracting opportunities to various diversity categories. We support the SBA mission, setting goals to source materials from small businesses in our supply chain. We have grown the percentage of capital spent each year on small businesses in our supply chain. In 2016, 68% and in 2017, 71% of our total dollars spent on materials from suppliers went to small businesses. In both 2018 and 2019, 74% of our total spend was with small businesses.

The Dodd-Frank Act requires disclosure of conflict minerals use. We file a conflict minerals report annually with the Securities and Exchange Commission (SEC) and require that all of our suppliers commit to complying with the Dodd-Frank Act in our supplier quality agreements (SQAs).

California Transparency in Supply Chain Act (CALTISCA) requires disclosing efforts to eradicate slavery and human trafficking in supply chains. We have a zero tolerance policy for slavery and human trafficking included as a requirement in each SQA.

United Kingdom (U.K.) Modern Slavery Act is designed to combat modern slavery in companies doing business in the U.K. We approach the U.K. Modern Slavery Act in the same way we approach CALTISCA, following a zero-tolerance policy across all portions of our business.

Restriction of Hazardous Substances (RoHS) directive outlines restriction against the use of certain hazardous substances in electrical and electronic equipment. To comply with RoHS, we have multiple checkpoints in our manufacturing process, testing materials to determine that no part(s) of our products have a significant amount of materials that could be deemed hazardous.



Environmental stewardship

Environmental stewardship

Our commitment to environmental sustainability matters both for our company's long-term business success and the health and safety of our stakeholders.

We take steps to affirm that our locations comply with regulatory codes, are socially responsible, and environmentally sustainable both for the benefit of our employees and the communities in which we operate.

ISO 14001 certified

We have aligned our environmental management system with ISO 14001 standard requirements. We are ISO 14001 certified in our Sunnyvale locations as of 2019.



Environmental stewardship

Waste collected and recycled

544,700+

in pounds

Total metals recycled

183,900+

in pounds*

Managing waste

We are committed to reduce, reuse, or recycle the waste created by our operations.

Recertification of components

Our purchase agreements require that customers return any broken or outdated parts to us. This avoids parts of our systems ending up in landfills. When we receive returned parts, our first choice is to put those parts through a recertification process to bring them back to certified working order. These parts can then be used as future service components. This waste-reducing program has been in place for 10 years.

Proprietary recycling

When materials reach their end of life, our proprietary recycling program puts them to the best possible future use. Our recycling programs begin with the general proprietary recycling that incorporates most of our manufacturing and general business operation waste. From Jan. 1, 2019, through Dec. 31, 2019, our proprietary recycling program collected and recycled over 544,700 pounds of waste. That equates to 86,668 gallons of water saved, 759,384 pounds of greenhouse gases reduced, and 15,664 pounds of toxic materials diverted from landfills.³

Electronic waste (e-waste)

To minimize our e-waste and safely recycle unusable electronics, we implemented an electronics reuse program, as well as an e-waste recycling program at all our locations. When electronics are deemed unusable, our dedicated bins make it easy for employees to deposit e-waste for weekly collection by our e-waste recycling partner. For example, from June 1, 2018, through May 31, 2019, we recycled 29,644 pounds of electronics, saving \$764,907 as a result.

Medical waste

We conduct extensive medical research, development, and training, which produces medical waste, as defined by the U.S. Environmental Protection Agency (EPA): "Generally, medical waste is healthcare waste that may be contaminated by blood, body fluids, or other potentially infectious materials and is often referred to as regulated medical waste."⁴ We have partnered with a certified medical waste collection agency to dispose of it.



*Electronic waste is included in proprietary recycling as of June 1, 2019.

³ U.S. Environmental Protection Agency, Waste Reduction Model. www.epa.gov/warm.

⁴ U.S. Environmental Protection Agency, Medical Waste. www.epa.gov/rcra/medical-waste.

Environmental stewardship



Here's how EV charging has helped:

We've avoided

267,543 kg

greenhouse gas emissions.

That's like planting

6,860

trees and letting them grow for 10 years.*

We actively promote cycling to work and provide secure, indoor bike racks to improve our cyclists' safety, comfort, and convenience.

Sustainable transportation

To minimize our carbon footprint and promote environmental sustainability, we've implemented programs to reduce employees' need to drive to, from, and around our work locations. These include:

Company-provided public transportation

We offer public transportation passes for the San Francisco Bay Area. The passes are available for any employee in our Sunnyvale headquarters and can be used for unlimited work and personal travel. In 2018, more than 765 employees (30% of Sunnyvale-based employees) signed up for the pass. By Dec. 31, 2019, that number rose to 1,434 users—an 87% increase in adoption in the program's second year.

Electric vehicle (EV) charging stations

We provide EV charging stations with three free hours of charge per day to employees who drive EVs. There are currently 289 ports used by 534 employees across our U.S. locations.

Bike-share program

On our Sunnyvale headquarters campus, we offer a bike-share service for travel between buildings. The program uses a fleet of newly updated bikes located on bike-share racks throughout the campus. From the program's inception in 2014 until Dec. 31, 2019, 1,587 active members have taken 22,388 trips.



* All numbers are from program inception through Jan. 3, 2020.

Talent and workplace experience

Talent and workplace experience

At Intuitive, we recognize the important contributions our employees make to our work, and strive to provide a top-quality workplace and foster a culture that encourages both individual contributions and collaborative teamwork. From providing engaging work to supporting employees' personal interests and activities, we strive to align the work-life balance of our highly engaged employees with our mission.





7,109

Intuitive employees worldwide.*

3,226

Employees in Sunnyvale, California.*

194

Field service engineers worldwide, who provide prompt, dependable, and accurate resolution of complex technical issues.*

Inclusion and Diversity

At Intuitive, we continue to build a culture where the best idea wins and our doors and minds are always open. We do this by leading with inclusion and empowering everyone to do their best work as their most authentic selves regardless of race, color, national origin, religion, sex, sexual orientation, gender identity and expression, age, disability and military service status. We are united by our collective purpose and common set of organizational values that are the core of Intuitive's mission and culture.

We have an Inclusion & Diversity Council that works with our businesses across regions to develop our inclusion and diversity strategy, promote recruitment of diverse talent, and manage our diversity sponsorships and alliances.

* As of Dec. 31, 2019.

Talent and workplace experience

Our culture: we are Intuitive

At Intuitive, culture is defined as the shared goals, values, and practices that characterize our company. In addition to our Value Framework and Founding Principles, our culture supports our strategy and is critical to effectively fulfilling our mission. We all play a role in shaping our company's culture by living, teaching, and holding each other accountable every day.



Investment in people

We actively invest in our people to support their growth and contributions. Among our team, we emphasize mutual respect, inclusive practices, and diversity of thought. We set meaningful goals and commit to evaluating ourselves fairly and frankly. We recognize and reward great work. Understanding the importance of personal ownership in our collective success, we align incentives with the long-term interests of our customers, teams, and shareholders.



We divide the workplace services we provide to global offices into four major categories:

Health and wellness

Transportation

Food services

Other services

Workplace Experience Committee (WEC)

Our WEC aims to increase employee engagement by creating a better workplace environment and employee experience. We encourage employees to submit ideas to improve our workplace experience. The committee evaluates suggestions and opportunities related to tools and resources, the physical environment, and intangible experiences that broadly benefit our team. Examples of improvements made based on employee submissions include our locker room towel service, emergency daycare via KinderCare, and family system demo day.

Workplace services

Additional workplace services we offer beyond those identified and implemented as a result of the WEC include: dry cleaning pickup and delivery, gym memberships and discounts, pet and child emergency daycare, auto fuel delivery to the office while you work, indoor bike racks, on-site cafés, on-site yoga classes, on-site car wash and detailing services, shuttle buses between buildings, commuter/train passes, banking services, and mobile phone reimbursement when using a personal phone for company business among other services.

Talent and workplace experience

Global on-site events

We facilitate on-site events for our employees and their families. On-site events in our California, Aubonne, and Mexicali offices happen throughout the year and range from sports competitions to family picnics.



Sports and fitness

Outdoor facilities in our Sunnyvale, California, campus make it possible for employees to participate in soccer, baseball, volleyball, weekly lunchtime yoga classes, and other athletic programs. Our on-campus showers and locker rooms allow participants to freshen up after engaging in our friendly year-round competitions.

Our Aubonne, Switzerland, office offers a schedule of weekly activities, which includes soccer, yoga, photography, and running sessions.

Employee health and safety

Our emphasis on health and safety across our global locations is exemplified by our Mexicali, Mexico office, which has a Health and Safety Program to prevent illness and injury. The program teaches about common diseases, first aid, and other health-related topics that may affect us in our lives and at work. Our Mexicali office is working with the Universidad Autonoma de Baja California nursing school, which provides monthly lectures and health campaigns for our Mexicali-based employees.

Talent and workplace experience

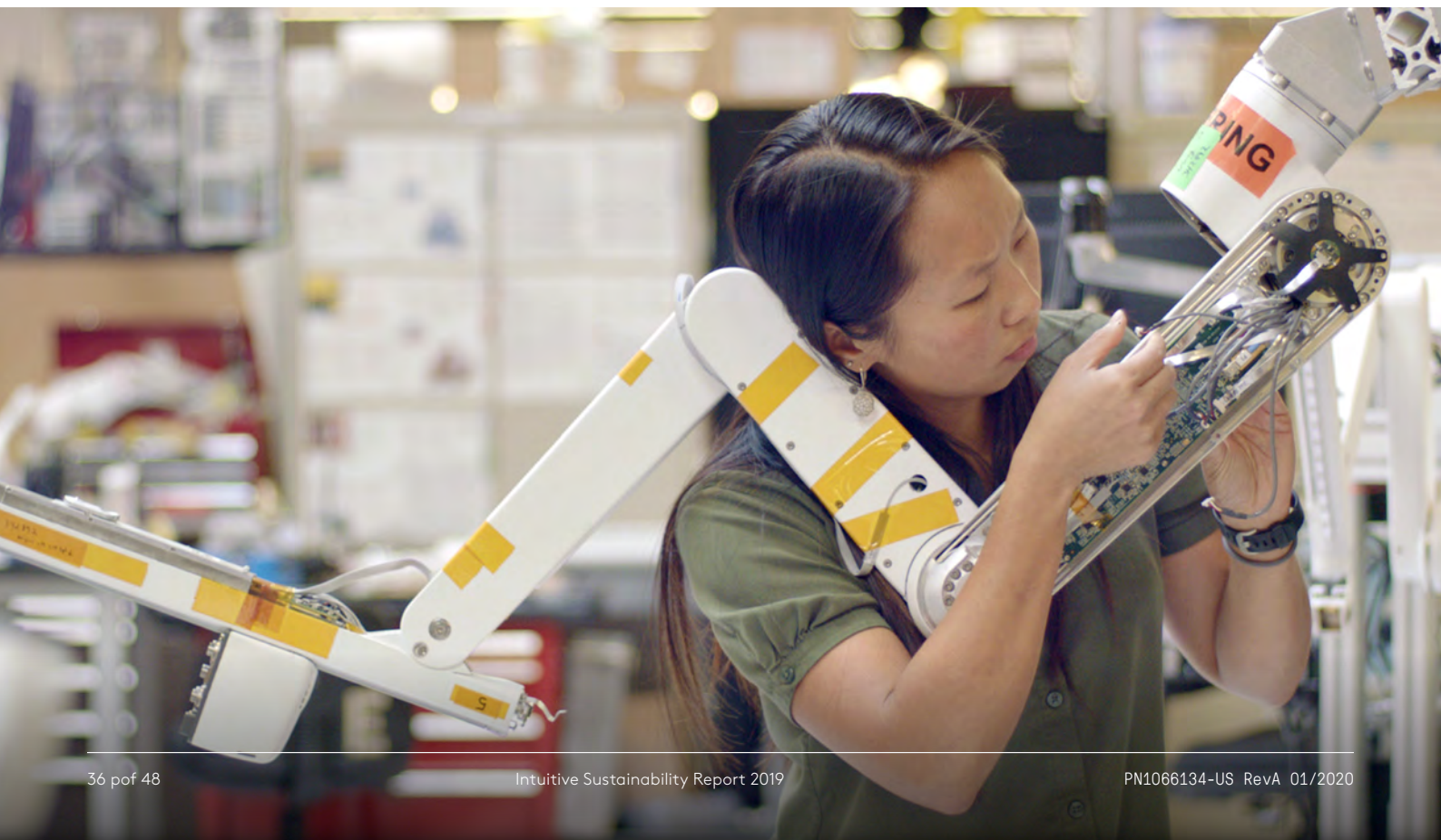
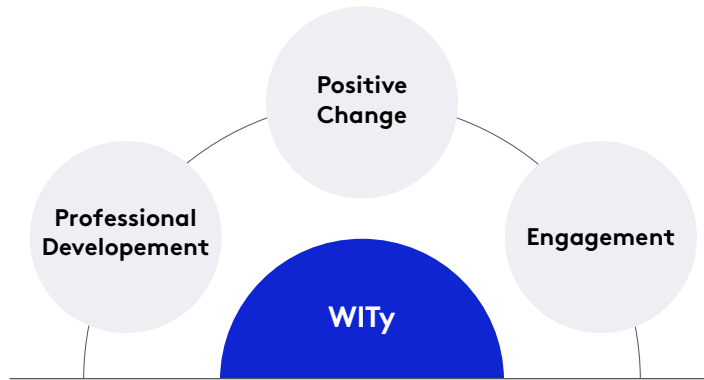
Employee Resource Groups (ERGs)

We engage our global team members in various employee resource groups. These ERGs focus on supporting the professional development of employees and host events to cultivate an inclusive culture, as well as promote Intuitive to diverse candidates.

Women in Technology (WITy)

Our Women in Technology, or WITy, group was established in December 2014. The WITy Committee's trifold mission statement revolves around engagement, professional development, and positive change. Founded on short- and long-term goals, WITy strives to build awareness and foster relationships that aid in mentorship and boost hiring and retention rates for women, as well as increase their numbers in senior or management level roles.

We also have other employee resource groups, organizing and promoting various events throughout the year.



Creating stronger communities

Creating stronger communities

At Intuitive, we come to work every day in service of a mission that impacts millions of lives around the world. Beyond this, we give our time and resources to many causes in our own communities.



Creating stronger communities



Amount donated
in 2019*

\$1,304,014

from all giving and
volunteering programs

\$519,917

through matching gifts

\$775,422

by employees

\$8,675

through credits



Across 10
countries



Present in 32
universities

Giving back: the Intuitive Foundation

The Intuitive Foundation, dedicated to reducing the global burden of disease and suffering through philanthropy, research, and education aimed at better outcomes for patients everywhere, launched in early 2019. Our foundation works to promote health and advance education through making grants to entities supporting surgical fellowships, education and training research, clinical outcomes research, community based projects and others listed below. Find out more at www.intuitive-foundation.org/.



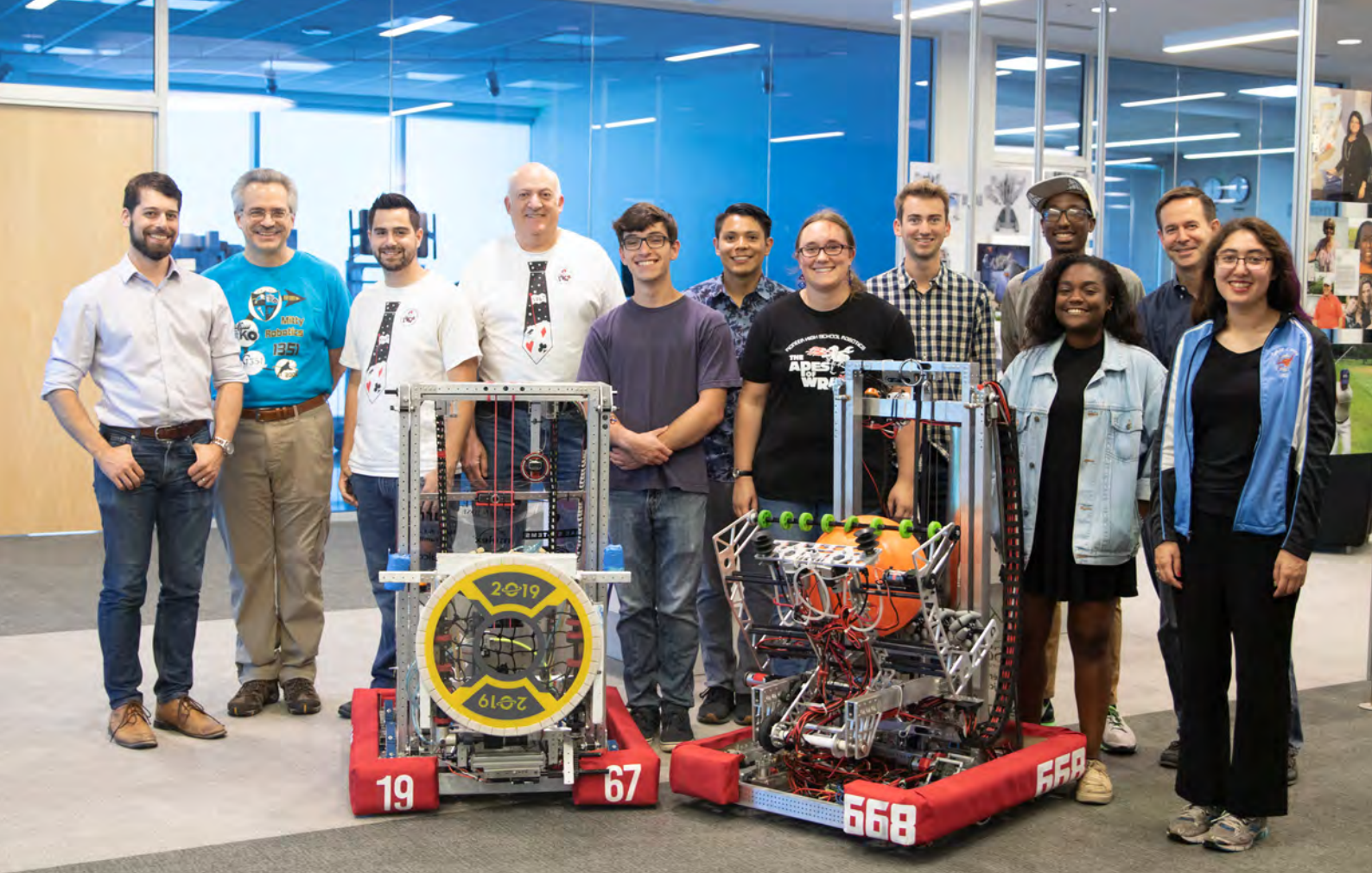
Through a philanthropy committee, our employees promote and participate in new and ongoing campaigns, building connections that support the communities in which we live and work. Our philanthropy committee aims to be a primary source of identifying, cultivating, and managing financial, in-kind, volunteer, and partnership resources to support philanthropic programs and foundation operations.

Da Vinci Research Kit (dVRK)

The dVRK is a community effort to support research in the field of telerobotic surgery. The Intuitive Foundation supports this effort by donating hardware from retired first-generation da Vinci surgical systems that can be used to assemble research platforms for exploring new concepts in minimally invasive surgery. This shared research platform supports collaboration across university groups to stimulate and accelerate research.

These kits support a broad range of research, from exploring innovative new ways of performing information- and image-guided surgery to developing novel surgical instrumentation and intuitive user interfaces. Read more at www.intuitive-foundation.org/dvrk/.

* Figures provided are as of Dec. 31, 2019 and may not be inclusive of all matching for donations made at year end.



Our sponsorship of FIRST Robotics teams facilitates long-lasting relationships that can transform young engineers into dedicated employees. In 2019, five former FIRST participants were summer interns, pictured above with their FIRST mentors.



46

U.S. FIRST robotics teams sponsored in the 2018-2019 program year.

STEM education

As a robotics company, we are interested in supporting students in science, technology, engineering, and math. Empowering young people of all backgrounds to participate in team events centered on robotics is the driver behind our participation in For Inspiration and Recognition of Science and Technology (FIRST) Robotics competitions.

FIRST Robotics

FIRST is a nonprofit organization that inspires young people's interest and participation in science and technology. One of the ways FIRST does this is by hosting robotics competitions that combine the rigors of science and technology with the excitement of sports. FIRST Robotics Competition gives high school students the chance to learn leadership and life skills while learning about robotics.

Since our company began, we have enjoyed supporting youth robotics teams. Our teams showcase diversity, inclusion and talented young leaders. Many employees take part in encouraging teens to strengthen and expand their skills in robotics. By providing funding and mentoring, we give back to our community while also creating a talented pool of future engineers.

In 2006, a small group of mentors established our participation in the FIRST Robotics Competition with funding provided to three local Northern California high school robotics teams. Since then, we have expanded our involvement, sponsoring over 40 teams globally. Instead of handing out a few large donations to help a handful of teams, we extend our impact through microgiving, bolstering many team programs with funding.

Creating stronger communities



Zhuri Solan
Device Reprocessing Intern 2019,
former FIRST Robotics team participant

Our sponsorships expanded to Mexicali, Baja California, Mexico supporting over 80 students across two high school robotics teams. Our support of the Sentinal Fox Engineering Team began in 2016 and our support for the Innobotics Team started the following year.

Beyond our sponsorship, we invite FIRST Robotics Competition teams to our Sunnyvale campus to show off their skills to our employees. Coming to our campus provides talented high school students with an introduction to the world of building tech and robotics.

When we started our robotics competition participation in 2006, we invited a few local Northern California high school teams. Recently, as indicated above, we added support for two teams in Mexicali. And going forward, after 12 years of giving and about 300 participants engaged each year, we hope to make this event available to students globally.

“FIRST robotics was the first time I got to experience working on technical problems and was also the first time I experienced being a leader for a large group of people. The team mentors inspired me to push myself and to make things. When I visited Intuitive with my high school robotics team, I got to see what robotics was like in the real world, and I was further inspired to pursue a field which would allow me to work on robots.”

Howard Coffin
2015-2016 FIRST Robotics
2019 Data Analytics summer intern

Community activities

To promote sustainable communities, we collaborate with major non-profit organizations, such as the Stanford Blood Center and Sunnyvale Community Services and by recognizing charities around the world that are important to our employees. Following are examples of community events in which our employees participated in 2019:

Sunnyvale Community Services

Employees packed back-to-school supplies for underserved youth.



Creating stronger communities



We have participated in
33 blood drives saving over

4,000

lives.⁵

Stanford blood drives

We began collaborating with the Stanford Blood Center in 2009. Since then, we have participated in 33 blood drives saving over 4,000 lives.⁵ We look forward to our on-going participation with Stanford Blood Center to further positively impact our community.

“Working with Intuitive is a privilege for us, and we depend on your strong turnout (of employees donating blood) during critical months (September and December) of the year.”

“111.5% of goal means, on average, we set a goal of 40 units for Intuitive blood drives and typically, Intuitive employees donate 44 or 45 units for slightly over 110% of goal for each drive. We consistently come in over goal.”

Clayton Toller

Stanford Blood Center

Paddle for Cancer

In September, our Aubonne office’s da Vincibles paddling team participated in three races for the English Speaking Cancer Association (ESCA) Paddle for Cancer Support Dragon Boat Festival. The fundraising event took place on Lac de Joux to an impressive turnout. This race offers a great way to get active while fundraising for an amazing cause. Funds raised go to support services at ESCA Cancer Support, so they can continue to provide their services free of charge. In the end, our Aubonne team had 19 employees participate to raise donations for this worthy cause.



⁵ Calculation of lives saved provided by Stanford based on the amount of blood donated.
www.stanfordbloodcenter.org/donate-blood/blood-donation-facts/donation-faqs/.

Corporate governance

Corporate governance

Board of Directors

Our Board of Directors' primary responsibility is to exercise their business judgment in the best interests of the company and our stockholders. The board reviews the company's long-term strategy, discusses our risk exposures and how to best manage them, and evaluates our economic, environmental, and social performance.

Maintaining a mix of backgrounds and experience in our board composition is essential to understanding and reflecting the needs of our diverse stakeholders. Currently, three of our 10 board members are women.

All directors are independent, except President and Chief Executive Officer, Gary Guthart, as required by the NASDAQ Stock Market listing standards.

For more information about our governance structures and board charters, please see our latest proxy statement filed with the Securities and Exchange Commission, www.sec.gov.



Corporate governance

Governance and Nominating Committee

The Governance and Nominating Committee reviews and assesses the company's performance on environmental and sustainability matters. Management reports annually to the Governance and Nominating committee on sustainability priorities.

Sustainability Steering Committee

The Sustainability Steering Committee implements the company's sustainability strategy and targets. Led by our general counsel and chief medical officer, the committee includes members from different functional groups across the organization, including medical and legal affairs, human resources, and business units. The committee sets our sustainability priorities and communicates those priorities to stakeholders to help ensure that we continually integrate sustainability principles into our business model.



Ethical business conduct

Each of us is responsible for safeguarding our company's reputation by acting ethically and with integrity. A culture of ethics starts at the top, and one of our leadership expectations is to lead by example.

We engage and educate employees on ethics in many ways – through our code of conduct, annual review process, employee training, and communications. Our global code of business conduct and ethics policy provides guidance to employees on everyday actions and can be found at www.intuitive.com/en-us/about-us/company/legal/governance.

Corporate governance

Anti-bribery and anti-corruption

We take a strong position against bribery consistent with anti-bribery laws that exist in the countries in which we conduct business. Through our policies and contracts with distributors and suppliers, we require our employees, distributors, and suppliers to comply with applicable anti-bribery and anti-corruption laws and regulations.

Internal controls

Our internal controls help ensure compliance. We periodically audit third parties that we conduct business with to help ensure they are complying with anti-bribery and anti-corruption laws. We also refine our internal controls on an ongoing basis, including strengthening training and certification requirements of third parties with whom we work.

Our policies require that all employees with relevant job functions complete anti-bribery and anti-corruption training.



Tax transparency

Intuitive is committed to supporting strong corporate governance and financial transparency. Our commitment to tax transparency is embodied in our Global Tax Policy Statement www.intuitive.com/en-us/about-us/company/legal/governance.

Conclusion

At Intuitive, corporate sustainability is our commitment to creating sustainable value for patients, physicians, hospitals, payers, employees, and shareholders. Our mission guides and informs us to make a difference locally and globally in how we innovate, operate, and serve. We are pleased to have shared highlights of this ongoing work in our inaugural Intuitive Sustainability Report.

One of our founding principles is to relentlessly pursue innovation, understanding that improvement is both possible and necessary. With the awareness that corporate sustainability is a process rather than a goal, we look forward to expanding and sharing our progress in the years to come.



INTUITIVE