

**Every day,**Boston Scientific is...

transforming the lives of our patients.

achieving success through our people.

helping shape the future of our planet.

committing to responsible practices.

2019 Performance Report Addendum

### **About This Addendum**

The 2019 Performance Report Addendum supports the information available in our 2019 Performance Report, and was prepared by referencing the Global Reporting Initiative (GRI) guidelines.

The **GRI Index** includes references to our 2019 Performance Report, Annual Proxy Statement, financial reports, and Corporate Governance Guidelines available on <u>BostonScientific.com</u>. Page numbers in the index correspond to the 2019 Performance Report and the 2019 Form 10-K.

Our **Metrics Summary** provides the key performance data across each of our material topics, which align to ten of the seventeen <u>United Nations Sustainable</u> <u>Development Goals</u> (SDGs).



# Boston Scientific Supports the SDGs



As a global medical device manufacturer, our work is naturally focused on health and well-being. In 2019, our portfolio of innovative products and solutions helped more than 30 million patients live better and longer lives. We continue to make investments in research and development and clinical trials to develop new technologies and breakthrough therapies. Our patient-centric focus supports expanded access to medical care for underserved populations around the world. We invest significantly in the well-being of our employees and their families, and we support the communities where we work and live.





Our planet is facing significant challenges, and Boston Scientific is committed to identifying and mitigating risks to the climate and environment. To do this, and contribute to SDGs 7 and 13, we have established aggressive targets, such as our goal to be carbon neutral by 2030 at all key manufacturing and distribution sites. We are also focused on moving to renewable energy sources and reducing our environmental impact. We monitor our progress through an established energy management system.





SDG 5 and SDG 10 relate directly to our core diversity value, which we define as inclusion, equity and opportunity for all. By embracing unique backgrounds and perspectives, we create a more rewarding place to work. Our Diversity and Inclusion (D&I) efforts focus on four strategic pillars: career, culture, commerce and community. In 2019, we made strong progress in achieving our "10/20/40 by 2020" objectives aimed at reshaping the company's core mid-level employee base, and we continue to set higher goals. We are an equal opportunity employer, committed to delivering fair and equitable compensation and benefits programs. With our Close the Gap program, we are helping to address health inequities, increasing diverse patient enrollment in clinical trials and elevating the role of female physicians in health care.





The Boston Scientific caring value guides how we engage with patients, work together as colleagues and invest in the well-being of our communities. Our EDUCARE program offers a variety of training programs to help healthcare providers deliver the best patient care possible. We also support future diverse talent with education and STEM programming for K-12 students around the world. The company invests in training and continuing education for our employees and ensures a positive work environment through global environmental health and safety policies. Our facilities reflect the priority we place on agile workspaces that offer flexibility.





To ensure we design, test, manufacture and distribute safe and effective devices, quality is integrated into every aspect and stage of our work. We support initiatives to reduce waste through sustainable packaging, recycling, reuse and inventory management. We also maintain strategic partnerships, many with small and diverse suppliers. These partnerships help us deliver improved value to our customers, and they support economic development and sustainable production in the communities where we live and work.



We are committed to SDG 16 and doing business with integrity and honesty. Our teams responsibly research, develop, manufacture and deliver our products with a commitment to strong corporate governance, impeccable ethics and regulatory compliance. The Boston Scientific Code of Conduct is the foundation for our policies and must be read, understood and followed by every employee. Our policies and practices reflect our belief in and support for all fundamental human rights.

# Global Reporting Initiative (GRI) Index

Indicato	or & Description	Response
102-1	Name of the organization	Boston Scientific Corporation
102-2	Activities, brands, products, and services	Form 10-K, Item 1. Business, Page 3
102-3	Location of headquarters	300 Boston Scientific Way, Marlborough, MA 01752-1234
102-4	Location of operations	Form 10-K, Item 1. International Operations, Page 10
		Form 10-K, Item 2. Properties, Page 32
102-5	Ownership and legal form	Boston Scientific Corporation, publicly traded on New York Stock Exchange as BSX
102-6	Markets served	Form 10-K, Item 1. Business, Page 3
102-7	Scale of the organization	Performance Report, Financial Highlights, Page 9
		Form 10-K, Item 1. Business, Page 3
102-8	Information on employees and other workers	Performance Report Addendum
102-9	Supply chain	Performance Report, Sustainable Supply Chain, Page 61
102-10	Significant changes to the organization and its supply chain	Form 10-K, Item 1A. Risk Factors, Page 20
102-11	Precautionary Principle or approach	Performance Report, Developing Innovative Products, Page 55
102-12	External initiatives	Performance Report: United Nations Sustainable Development Goals, Page 13 CEO Action of Diversity & Inclusion Pledge, Page 24 UN International Bill of Rights, Page 55
102-13	Membership of associations	<u>Trade Association Memberships</u>
102-14	Statement from senior decision-maker	Performance Report, CEO Letter, Page 3
102-15	Key impacts, risks, and opportunities	Form 10-K, Item 1A. Risk Factors, Page 20
102-16	Values, principles, standards, and norms of behavior	Boston Scientific Mission
		and <u>Code of Conduct</u>
102-17	Mechanisms for advice and concerns about ethics	Advice Line
102-18	Governance structure	Proxy Statement
102-19	Delegating authority	Proxy Statement
102-20	Executive-level responsibility for economic, environmental, and social topics	Proxy Statement

#### GRI 100 (continued)

Indicator 8	& Description	Response
	Consulting stakeholders on economic, environmental, and social topics	Performance Report, Engaging with Stakeholders, Page 13
	Composition of the highest governance body and its committees	Proxy Statement
102-23 C	Chair of the highest governance body	<u>Proxy Statement</u>
102-24 N	Nominating and selecting the highest governance body	Proxy Statement
102-25 C	Conflicts of interest	Proxy Statement
	Role of highest governance body in setting purpose, values, and strategy	Proxy Statement
102-27 C	Collective knowledge of highest governance body	Proxy Statement
102-28 Ev	Evaluating the highest governance body's performance	Proxy Statement
	dentifying and managing economic, environmental, and social impacts	Performance Report, Engaging with Stakeholders, Page 13
102-30 Et	Effectiveness of risk management processes	Proxy Statement
102-31 R	Review of economic, environmental, and social topics	<u>Performance Report</u> , Engaging with Stakeholders, Page 13
102-32 H	Highest governance body's role in sustainability reporting	Proxy Statement
102-33 C	Communicating critical concerns	Proxy Statement
102-34 N	Nature and total number of critical concerns	Form 10-K Item 1A. Risk Factors, Page 20
102-35 R	Remuneration policies	Proxy Statement
102-36 P	Process for determining remuneration	<u>Proxy Statement</u>
102-37 St	Stakeholders' involvement in remuneration	<u>Proxy Statement</u>
102-38 A	Annual total compensation ratio	<u>Proxy Statement</u>
102-39 P	Percentage increase in annual total compensation ratio	Proxy Statement
102-40 Li	ist of stakeholder groups	<u>Performance Report</u> , Engaging with Stakeholders, Page 13
102-41 C	Collective bargaining agreements	Human Rights, Collective Bargaining

# GRI 100 (continued)

#### Indicator & Description Response

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102-42 Identifying and selecting stakeholders	Performance Report, Engaging with Stakeholders, Page 13
102-43 Approach to stakeholder engagement	Performance Report, Engaging with Stakeholders, Page 13
102-44 Key topics and concerns raised	2018 Performance Report, Boston Scientific Supports the SDGs, Page 17
102-45 Entities included in the consolidated financial statements	Form 10-K, Exhibit 21
102-46 Defining report content and topic Boundaries	Performance Report, Table of Contents, Page 2
102-47 List of material topics	2018 Performance Report, Boston Scientific Supports the SDGs, Page 17
102-48 Restatements of information	Through out Performance Report and Addendum
102-49 Changes in reporting	Through out Performance Report and Addendum
102-50 Reporting period	Data in the Performance Report covers the period between January 1, 2019, and December 31, 2019, unless otherwise indicated
102-51 Date of most recent report	Performance Report, Message to Our Stockholders, Page 8
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	Investor Relations
102-54 Claims of reporting in accordance with the GRI Standards	Performance Report, Our CSR Performance, Page 15
102-55 GRI content index	Performance Report Addendum
102-56 External assurance	This report has not been independently verified.

and monopoly practices

Indicato	or & Description	Response
201-1	Direct economic value generated and distributed	Performance Report, Financial Highlights, Page 11
		Form 10-K, Item 8 Financial Statements & Supplementary Data, Page 65
201-2	Financial implications and other risks and opportunities due to climate change	Performance Report, Climate Change, Page 47
201-3	Defined benefit plan obligations and other retirement plans	Form 10-K, Item 15. Exhibits and Financial Statement Schedules Note R, Page 133
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights, Minimum/Living Wage
203-1	Infrastructure investments and services supported	Performance Report, Financial Highlights, Page 9
203-2	Significant indirect economic impacts	Performance Report: Promoting Health Equity, Page 21 Employee Resource Groups, Page 29 Caring for Communities, Page 40 Investing in Renewable Energy, Page 48 Green Team Sustainability Initiatives, Page 50 Supporting Small Business, Page 64
204-1	Proportion of spending on local suppliers	Performance Report, Supporting Small Business, Page 64
205-1	Operations assessed for risks related to corruption	Anti-Corruption & Governance
		Performance Report and Addendum, Sustainable Supply Chain, Page 61
205-2	Communication and training about anti-corruption policies and procedures	Performance Report, Compliance, Ethics and Integrity, Page 52
206-1	Legal actions for anti-competitive behavior, anti-trust,	Form 10-K, Item 3. Legal Proceedings, Page 32

# Indicator & Description

# Response

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301-2	Recycled input materials used	Performance Report, Environmental Impact, Page 48
301-3	Reclaimed products and their packaging materials	Performance Report, Packaging and Labeling, Page 63
302-1	Energy consumption within the organization	Performance Report, GEMS KPIs, Page 46
302-3	Energy intensity	Performance Report, GEMS KPIs, Page 46. Boston Scientific is a low energy intensity industry
302-4	Reduction of energy consumption	Performance Report, GEMS KPIs, Page 46
302-5	Reductions in energy requirements of products and services	Performance Report, GEMS KPIs, Page 46
303-1	Water withdrawal	Performance Report Addendum
303-2	Water discharge	Performance Report Addendum
303-3	Water consumption	Performance Report Addendum
305-1	Direct (Scope 1) GHG emissions	Performance Report Addendum
305-2	Energy indirect (Scope 2) GHG emissions	Performance Report Addendum
305-5	Reduction of GHG emissions	Performance Report, GEMS KPIs, Page 46
306-1	Water discharge by quality and destination	Performance Report Addendum
306-2	Waste by type and disposal method	Performance Report Addendum
306-3	Significant spills	No significant spills for 2019
306-4	Transport of hazardous waste	Performance Report Addendum
307-1	Non-compliance with environmental laws and regulations	Performance Report Addendum
308-1	New suppliers that were screened using environmental criteria	Performance Report Addendum

Indicato	r & Description	Response
401-1	New employee hires and employee turnover	Performance Report Addendum
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>Benefits</u>
401-3	Parental leave	<u>Benefits</u>
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Performance Report Addendum
404-1	Average hours of training per year per employee	Performance Report, Employee Growth and Development, Page 34
404-2	Programs for upgrading employee skills and transition assistance programs	Performance Report, Employee Growth and Development, Page 34
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Report, Assessing People Leadership Skills, Page 32
405-1	Diversity of governance bodies and employees	Proxy Statement
		Performance Report Addendum
405-2	Ratio of basic salary and remuneration of women to men	Performance Report, Equal Pay for Equal Work, Page 36
406-1	Incidents of discrimination and corrective actions taken	Compliance and Ethics
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>Human Rights</u>
408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Human Rights</u>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Human Rights</u>
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	<u>Human Rights</u>

# GRI 400 (continued)

# Indicator & Description

# Response

412-2	Employee training on human rights policies or procedures	Human Rights
413-1	Operations with local community engagement, impact assessments, and development programs	Performance Report, Caring for Communities, Page 40
414-1	New suppliers that were screened using social criteria	Performance Report, Responsible Supplier Standards, Page 64
415-1	Political contributions	Political Contributions
416-1	Assessment of the health and safety impacts of product and service categories	Performance Report, Quality and Safety, Page 58
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Performance Report, Measuring and Monitoring Quality and Compliance Effectiveness, Page 61
417-1	Requirements for product and service information and labeling	Performance Report, Packaging and Labeling, Page 63
419-1	Non-compliance with laws and regulations in the social and economic area	Boston Scientific adheres to all compliance requirements, see compliance references throughout the Performance Report

# **Metrics Summary**

Total Recordable Incident Rate Coverage

Open Positions Filled by Internal Candidates

Vesting Period for Long-term Incentives Payout

Matrice	77-24	2017	2010	2010
Metric	Unit	2017	2018	2019
Organizational Profile				
No. Employees	#	29,000	32,000	36,000
Revenues	USD Million	9,048	9,823	10,735
Operating Expenses	USD Million	5,170	5,504	6,102
Community Engagement				
Monetary Value of Philanthropic Contributions Cash Contributions	USD Million	8.5	8.9	8.14
Boston Scientific Foundation Cash Contributions	USD Million	1	1.07	1.19
Employee Volunteering Hours	Hours	42,000	43,000	41,000
Overhead Costs for Management of Philanthropic Activities	USD Million	0.078	0.068	0.067
Culture & Career				
Employee Turnover Rate	Percent Total Employees	11.1	11.9	12
Voluntary Employee Turnover Rate	Percent Total Employees	9	9.5	9.5
Work Related Fatalities – Employees	#	0	0	0
Work Related Fatalities – Contractors	#	0	0	0
Total Recordable Incident Rate	Injuries per 100 Employees	0.5	0.5	0.5

Percent of Employees

Percent

Years

66

47.4

4

76.5

66

20.1

4

Metric	Unit	2017	2018	2019		
Diversity & Inclusion						
Women Share of Total Workforce	Percent	46	46	47		
Women in Management	Percent	37.4	38.4	38.1		
Women in Junior Management Positions	Percent of Total Junior Management	39	40	39.3		
Women in Top Management Positions	Percent of Total Top Management	19	19	18.8		
Women Share of Total Management Positions in Field Sales	Percent	22	22	21.3		
Multicultural Talent (Supervisor/Manager Level)	Percent	17.8	19.6	20.8		

# Climate Change

<b>3</b> -				
Total Direct GHG Emissions Scope 1	CO2 Equivalent metric tonne	34,078	31,257	34,168
Total Indirect GHG Emissions Scope 2	CO2 Equivalent metric tonne	60,868	53,870	50,611
Non-renewable Fuels Consumed	mWh	181,969	170,495	186,393
Total Electricity Purchased	mWh	181,715	181,587	187,736
Non-renewable Electricity Purchased	mWh	153,638	147,384	130,860
Total Renewable Energy Purchased	mWh	0	9,149	22,508
Total Energy Use*	gWh	364	355	368
Total Energy Use normalized by Revenue	mWh/Revenue	40	36	34
Green Real Estate	Percent Real Estate	32	37	45
Carbon Footprint	Metric Tonnes	95,000	85,000	85,000
Renewable Energy with Renewable Energy Certificates	Percent	-	5	11
Cleaner Energy from Highly Efficient Technologies	Percent	9	9	11

<sup>\*</sup> Total Energy Use was reported as mWh in 2018 Report.

Metric	Unit	2017	2018	2019	
Environmental Impact					
Total Municipal Water Consumed	Million Cubic Meters	0.621	0.568	0.581	
Total Fresh Water Consumed	Million Cubic Meters	0.122	0.121	0.109	
Total Process Water Discharged	Metric Tonnes	0.080	0.057	0.68	
Total Domestic Water Discharged	Metric Tonnes	0.459	0.412	0.430	
Total Solid Waste Recycled	Metric Tonnes	9,559	9,667	8,943	
Total Solid Waste Energy Recovered	Metric Tonnes	1,496	1,332	1,744	
Total Solid Waste Disposed to Landfill	Metric Tonnes	565	581	514	
Total Hazardous Waste Generated	Metric Tonnes	1,167	792	996	
Total Hazardous Waste Recycled	Metric Tonnes	127	76	57	
Total Hazardous Waste Energy Recovered	Metric Tonnes	324	310	362	
Total Hazardous Waste Neutralized	Metric Tonnes	466	247	240	
Environmental Notice of Violation	#	0	0	3	

# Sustainable Supply Chain

1.1.7				
Identification of Critical Suppliers – total Tier 1 Suppliers	#	1,004	1,498	1,650
Identification of Critical Suppliers – total Tier 1 Suppliers	Percent	100	100	100
Identification of Critical Suppliers – Total Tier 1 Critical Suppliers	#	144	153	141
Identification of Critical Suppliers – Total Tier 1 Critical Suppliers	Percent	14.30	10.21	8.55
Supplier Scorecard Risk Assessment Tier 1 Suppliers Assessed in last 3 years	#	292	393	333
Supplier Scorecard Risk Assessment Tier 1 Suppliers Assessed in last 3 years	Percent	29.08	26.30	20.18
Comprehensive assessment of Suppliers Annually	Percent	15	10.21	8.60
Comprehensive assessment of Suppliers Every 3 years	Percent	29.08*	26.23	20.20

<sup>\* 2017</sup> Metric reported in error as 15 in the 2018 Performance Report

Metric	Unit	2017	2018	2019
Compliance & Ethics				
Anti Competitive Practices Fines	Yes/No	No	No	No
Corruption & Bribery Cases	#	0	0	0
Earnings Before Tax	Million USD	933	1,422	687
Reported Taxes	Million USD	828	-249	-4,013
Reported Tax Rate	Percent	88.8	-17.5*	-584
Cash Taxes Paid	Million USD	-42	1,037	242
Upheld regulatory complaints concerning marketing and selling practices	#	0	0	0
Upheld self regulatory complaints concerning marketing and selling practices	#	0	0	0

<sup>\* 2018</sup> Metric reported in error as 17.5 in the 2018 Performance Report

# **Innovative Products**

Class   Recalls	#	0	0	0
Value of Class I Recalled Products	USD Million	0	0	0
Class II Recalls	#	14	5	7
Value of Recalled Products	USD Million	77.93	1.22	9.6
Regulatory Inspections	#	80	76	87
Form 483 Observations	#	20	7	0
Annual Revenues from 483 affected facilities	USD Million	9,105	107	0
Annual Revenues impacted by production stoppages	USD Million	0	0	0
FDA Warning letters	Yes/No	No	No	No
Research & Development Spend	USD Million	997	1,113**	1,174
Research & Development Spend as Percent of Sales	%	11	11**	11
No. of R&D Positions	FTE	_	1,453	2,040

<sup>\*\*</sup> Updated from metric reported in 2018 Performance Report

Metric	Unit	2017	2018	2019
Governance				
No. of Executive Directors	#	1	1	1
No. of Independent Directors	#	9	9	9
No. of Women Executives	#	3	3	3
Average Tenure of board members (Years)	#	4.1	5	6
No. of non-executive/independent directors with 4 or less Board Mandates	#	9	9	9
No. of other mandates for non-executive/independent directors restricted to	#	3	4	4
Performance Period Covered by Executive Compensation Plan	Years	3	3	3
Clawback Provision for Executive Compensation Plan	Yes/No	Yes	Yes	Yes
Reporting Rights per 1 Share (Based on Form 10-K)	No. of Votes	1,374,910,797	1,385,961,926	1,396,195,349
Total Annual CEO Compensation	USD Million	13.08	13.97	15.76
Median Annual Compensation for all Employees	Thousand USD	63.69	62.45	65.63
Lobbying	USD Million	1.64	1.68	1.68
Lobbying – Local, Regional or National Political Campaigns	USD Million	0.3	0.27	0.26
Lobbying – Trade Associations	USD Million	0.18	0.14	0.14



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